ANNUAL REPORT 2019

HUM NETWORK LIMITED

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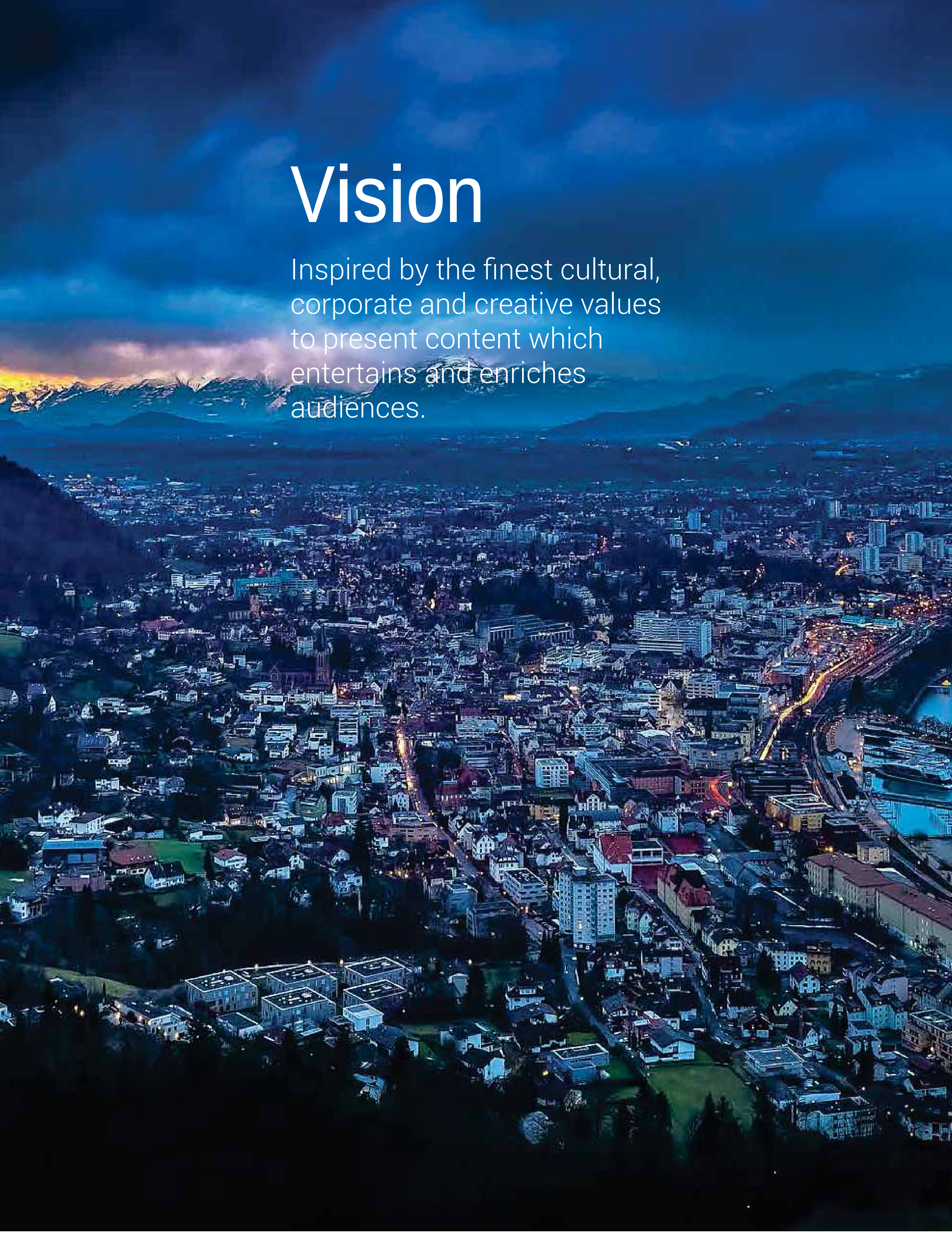
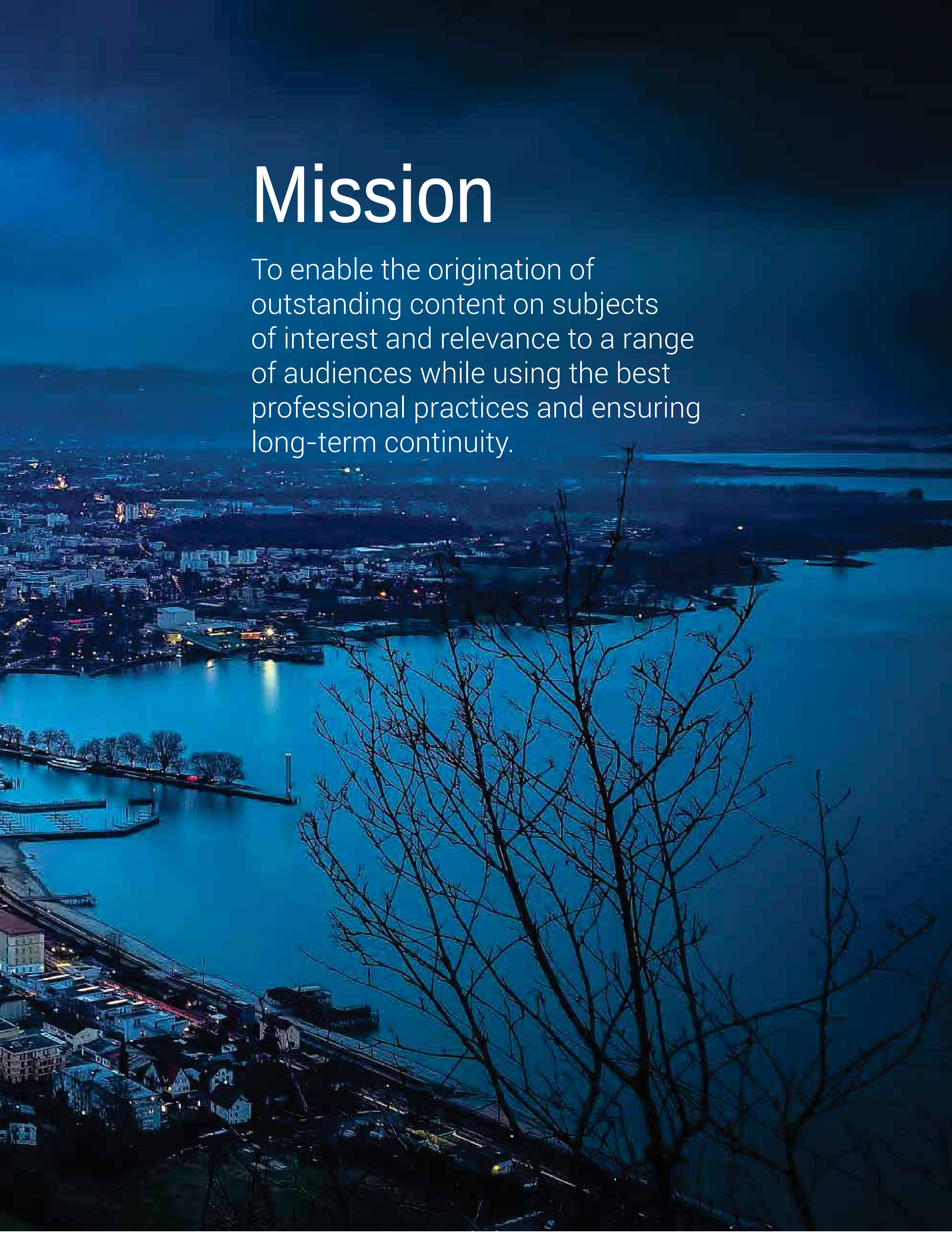


Vision

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.

CEO's Message

This year has been highly challenging to meet influences of tough economic macros prevailed in the country during the period under review. Company business fundamentals are intact and it will again attain its growth momentum as economic conditions revive. In these tough times for the Country as a whole due to an unprecedented devaluation of the rupee against the dollar and heavy inflation, HUM Network continued to provide the best of entertainment and information to the masses without compromising its quality.

Our fresh and new approach to highlight sensitive social issues has been quite successful within the masses yet again encouraging others to also follow in our path. Hum Network has been the market leader in the entertainment world since its establishment and continues to live up to the expectations of its viewers.

Since its launch in last year, Hum News has raised the bar of broadcast journalism by its factual, objective and balanced coverage. Hum News is striving to shape up a new, dynamic and inclusive national narrative by focusing on strengths and positives of this nation of 220 million people, while at the same time highlighting the problems and contradictions, which need to be solved and resolved. Within this short span of time it has climbed the ladder of leading news channels and has won the hearts of the masses.

The rapidly changing landscape of digital platforms in the world makes it a promising venture and Pakistan is enjoying development and high rise in this field. Our dramas and shows are available on various platforms across the globe for overseas Pakistanis and as well as foreign viewers and helping to enhance the soft image of Pakistan.

We are proud to state that our brilliant venture in e-commerce operations, HUM Mart is gaining momentum with Karachiites as is evident from growing monthly sales. Launched during FY2017-18 to take advantage of the highly potential untapped market in Pakistan, we are motivated to expand to Lahore in the upcoming year.

We have seen a boom in our film industry this year with dozens of local and international films being released, bringing a wonderful source of entertainment to cinema-goers. Hum Films has served as a vital platform to distribute joy amongst the people of our country by releasing local and international films including Superstar which has been a hit at the box office.

Currently, Pakistan is going through a challenging phase due to the economic reforms the country is undergoing for bringing the slumping economy back on its feet. However, such reforms create uncertainty in the short term as was predicted last year. Slow economic growth and increasing fiscal imbalance is preventing the advertisers to publicize their product and services on all accessible ad platforms and therefore we saw a decline in ad revenue. However, based on the optimistic vision of the current government, we foresee a rectifying trend in the near future.

We aim for growth with hard work, dedication and innovation. We are not afraid of a challenge, because we believe that innovation can bring unprecedented rewards. It is what compels us to break boundaries, to enter new markets and develop new ways of operating in existing ones.

I would like to thank all our shareholders and stakeholders for their continued support in the execution of our strategy to deliver on growth and profitability. I would also like to take this opportunity to thank our employees for their dedication and hard work that enables us to take this Company forward.

COMPANY PROFILE:

HUM Network Limited was incorporated in 2004 in Pakistan as a public Limited company having its shares listed on the Pakistan Stock Exchange. The company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. We cover a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society through our vast array of channels.

HUM undoubtedly remains to be one of the finest entertainment providers in Pakistan. We have grown from owning the most popular drama channels to launching Pakistan's first 24-hour live cooking channel, printing our widely popular publications, becoming the most sought-after film distributors in the country and also launching our latest venture in the daunting news genre.

In its debut year, we are proud to state that HUM News has started to make its mark with the viewers and is continuously gaining popularity amongst the masses. The upward trending revenues are evidence to the fact that HUM News will continue to prosper in the future.

Not only that, but HUM Mart, our diversified business of e-commerce operations is in its initial phases and despite the volatile economic situation is striving to gain success.

HUM Network Limited takes immense pride in the fact that we are the only public listed broadcast media house in Pakistan. We have maintained our reputation of being one of the top media houses in Pakistan. At HUM, we have created a strong culture based on values and our fearless attitude to take on new challenges has been our secret of innovation. Our vision gives us direction and destination. It captures our aspirations of being the best in everything we do.

We strive to shape Pakistan's entertainment industry by not only providing good entertainment but also educating the masses on social issues through constructive content which is getting global recognition.

Journey of Success:

Hum Network Limited was launched on January 17, 2005, with its flagship channel Hum TV to revive the demand for quality content in Pakistan at a time when Indian serials were quite popular amongst the masses. Since then, Hum Network has proudly produced ground-breaking serials and dramas that are highly popular in the South Asian diaspora. We have not only provided the audience with quality entertainment but also educated them on social issues with dramas like Inkaar, Udaari and Sammi which have gained international praise and recognition.

In 2006 Hum Network launched Pakistan's only successful 24-hour live cooking channel therefore enjoying its monopoly. Many competitors came but were unable to compete with Masala Tv and were discontinued. With an excellent team of experienced and talented chefs and home cooks, Masala TV has a bright future. With the launch of Masala TV in the USA, Europe, Middle East, North Africa and South Asia, it became very popular with the South Asian diaspora and continues to top the charts. Every year, the channel's following is vindicated by Masala Food Festival which attracts thousands of followers in Karachi and Lahore. The event provides them with an opportunity to interact with their favorite chefs and enjoy a fun day with their families.

In 2013, Hum Sitaray was launched as a hybrid channel offering both narrative as well as format-based entertainment shows. It is now an archive channel airing content consisting of dramas, soaps, fashion lifestyle shows and celebrity talk shows.

We have further ventured into film distribution by launching Hum Films in 2014 which instantly became the first choice for local & international film producers and studios for distribution and marketing of movies in Pakistan. We have collaborated with EROS, Red Chilies Entertainment, YRS Films and Disney to distribute various successful films in Pakistan, uplifting the film industry. This year we have proudly been the sole distributors of the hit film "Superstar" across Pakistan along many other local and international films.

Hum Network has always played a key role in supporting and developing the fashion industry in Pakistan. For the past few years we have regularly been holding events like Bridal Couture Week, Hum Style awards, Hum Showcase and Miss Veet Pakistan contest which give a platform to the entertainment fraternity to showcase their talent and gain recognition.

It is with immense pride we say that Hum dramas, serials and talk shows are widely viewed all over the world with its extensive international foot print in North America, Europe, South Asia and MENA region.The first international beam of HUM was launched in the North American Region through its dedicated channel Hum World and later on Hum Masala and Hum Sitaray launched on Dish Network, the leading distribution platform in the USA.

HUM was also launched in the Middle East and North African region via its beam HUM MENA. It has not only provided superior content but we also believe in showcasing the true essence of the region. Our localized programming and presence at local events prove Hum MENA to a be great platform for people from different countries and regions. The channel's high- quality programming and launch of specialized channels globally, marks the beginning of even better things to come.

To entertain the land of Kiwis and kangroos, we launched Hum World and Hum Masala in Australia and New Zealand through the platform Fetch TV and later on were made available to 'Vision Asia; and 'Yupp TV'

The launch of Hum Europe and later on Hum Masala Europe are also big achievements of Hum Network, which is aimed towards establishing the brand as a household name and to serve the Pakistani community residing in Europe.

With an exciting mix of content Hum Europe is broadcasting the best of entertainment across Europe and within a short span our popularity has sky rocketed, reigning at the top leaving giants like Starplus behind in ratings

Hum Europe won the Best Urdu Channel Award at the **Asian Viewers Television Awards in 2015, 2017** and again in **2018**. Hum Europe was also nominated in 2015 and 2016 as "TV channel of the year" in **Asian Media Awards.**

This year Hum Masala Europe broadcasted Pakistan's biggest cricketing event "Pakistan Super League" EXCLUSIVELY and set new rating records.

Hum Network has been constantly syndicating its dramas internationally. After syndicating the content to Zee in India, Colors &Rishtey in the UK and MBC in UAE; Hum Network has recently touched the Malaysian borders by syndicating blockbuster drama serial 'Zindagi Gulzar Hai' on mainstream Malaysian channel 'TV3'. Mauritius Broadcast Corporation (A Mauritius based channel) and Sharjah TV (UAE based channel) are also acquiring content on regular basis. This year, Hum has syndicated its famous romantic comedy show Suno Chanda Season 1 and hot serial Ishq Tamasha to MBC in UAE which have gained quick success from its viewers. HUM network has a well-established digital wing to entertain the ever-increasing number of broadband users within the country as well as the audience worldwide, who are increasingly turning to online sources for viewing and purchasing of content through video on demand platforms.

HUM Network has also been the first Pakistani channel to have its content available on Netflix and Iflix, first to collaborate with ErosNow and first to have direct channels on Youtube & DailyMotion having strong footholds on social media platforms like Youtube with over 5.9 million subscribers and Facebook with 7 million followers respectively.

We were the first media broadcasters to launch an exclusive web series "Chatkhara" last year. A new mobile app by the name of HUM mobile app to watch live streaming of Hum TV, Hum Sitaray and Hum Masala as well as a vast library of all programs.

Hum Network has a strong presence in print media as well where the network boasts of its own publications like Masala TV Food Magazine, GLAM fashion & lifestyle magazine, Newsline Magazine and BCW Catalogues.

Hum News, our news channel went on air in May 2018 and since then has made its name amongst the leading news channels of Pakistan. Dedicated to professional journalism, we aim to report the truth without sensationalism and become the audiences' preferred source of trusted information. Hum News has recently launched in the UK, Middle East and North America and has started to gain attention among Pakistanis residing there due to its unique, investigative

Hum Mart, our e-commerce venture is an online shopping platform which offers hassle free grocery shopping experience. With a well-designed website, app and express delivery, Hum Mart has created a niche for itself. After gaining popularity in Karachi, it will soon be launched in Lahore.

"HUM" in itself contains a strong message regarding the principles, beliefs and philosophy of the network. It has become a household name as it continues to delight its viewers and consumers with its unmatched content. We constantly evaluate the ever-changing consumer preferences and look forward to serve them.

Company Information:

BOARD OF DIRECTORS	
Chairman	Mr. Mazhar-ul-Haq Siddiqui
Directors	Ms. Sultana Siddiqui Mrs. Mahtab Akbar Rashdi Mr. Shunaid Qureshi Lt. Gen. (R) Asif Yasin Malik Mr. Hassan Reza Ur Rahim Mr. Sohail Ansar Ms. Nabigha Nasser Masood
Chief Executive Officer	Mr. Duraid Qureshi
Chief Financial Officer	Mr. Muhammad Abbas Hussain
Company Secretary	Mr. Mohsin Naeem
Head of Internal Audit	Mr. Kamran Shamshad Ahmed
AUDIT COMMITTEE	
Chairman	Mr. Sohail Ansar
Members	Mr. Shunaid Qureshi Mrs. Mahtab Akbar Rashdi Lt. Gen. (R) Asif Yasin Malik
HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE	
Chairperson	Mr. Sohail Ansar
Members	Ms. Sultana Siddiqui Mrs. Mahtab Akbar Rashdi
Secretary	Hassan Jawed
AUDITORS	M/s. EY Ford Rhodes Chartered Accountants 7th Floor Progressive Plaza, Beaumont Road, Karachi
INTERNAL AUDITORS	M/s. KPMG Taseer Hadi & Company Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi
LEGAL ADVISOR	M/s. Ijaz Ahmed & Associates No.7, 11th Zamzama Street Phase-V D.H.A. Karachi.
BANKERS	Bank Alfalah Limited Faysal Bank Limited National Bank of Pakistan The Bank of Punjab Allied Bank Limited United Bank Limited Askari Bank Limited Habib Metropoliton Bank MCB Bank Limited Boston Private Bank & Trust Barclays Bank PLC Habibsons Bank Limited Dubai Islamic Bank Wells Fargo Bank
REGISTERED & HEAD OFFICE	Hum TV, Plot No. 10/11, Hassan Ali Street, Off. I.I Chundrigar Road, Karachi -74000 UAN: 111 -486-111
REGISTRAR/TRANSFER AGENT	M/s. Central Depository Company of Pakistan Limited (CDC) CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400
WEBSITE	www.humnetwork.tv
PAKISTAN STOCK EXCHANGE LIMITED	HUMNL

Notice of the 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of HUM Network Limited will be held on Friday, October 25, 2019 at 06:30 p.m at Auditorium Hall, Institute of Chartered Accountants of Pakistan, Clifton , Karachi to transact the following businesses: -

ORDINARY BUSINESS:

1- To confirm the minutes of the 14thAnnual General Meeting held on October 24, 2018.

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, 2019 together with the Audited Consolidated Financial Statements of the Company and the Auditors' Report thereon for the year ended June 30, 2019.

3- To appoint Auditors' of the Company for the financial year ending June 30, 2020 and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed the name of retiring auditors M/s. EY Ford Rhodes, Chartered Accountants, for their appointment as external auditors for the year ending June 30, 2020.

ANY OTHER BUSINESS

4- To transact any other business with the permission of the chair.

By Order of the Board
Sd/-
Mohsin Naeem
Company Secretary

Dated: October 04, 2019
Place: Karachi

Notes:

1. Notice of Book Closure:

The Share Transfer Books of the Company will remain closed from October 19, 2019 to October 25, 2019 (both days inclusive). Transfer received in order by our Share Registrar, CDC Pakistan Limited, CDC House, 99 -B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi -74400 at the close of business on October 18, 2019 will be considered in time for any entitlement, as recommended by the Board of Directors and attending the meeting.

2. Appointment of Proxies and Attending AGM:

i) 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.

ii) A blank 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.

iii) A duly completed instrument of proxy and the power of attorney or other authority (if any), under which it is signed or a notarized 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. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.

iv) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted with proxy form.

v) The 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 (in case of foreign nationals) for identification purpose at the time of attending the meeting.

3. Video-Link Facility for attending AGM

If members holding ten percent of the total paid up capital, are resident in any other city, the company shall provide the facility of video-link to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting.

4. Change in Members Addresses:

Members are requested to notify any changes in their addresses immediately to the Share Registrar M/s. Central Depository Company of Pakistan Limited.

5. Submission of Copies of Valid CNICs/NTN:

Members are requested to submit a copy of their valid CNICs/NTN Certificates along with the folio numbers to the Company's Share Registrar, if not already provided, otherwise payment of dividend would be withheld in terms of section 243 of the Companies Act, 2017 ('the Act') and clause 6 of the Companies (Distribution of Dividends) Regulations, 2017 (the Regulations").

6. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended June 30, 2019 has been placed on the Company's website at the below link: http://www.humnetwork.tv/Annual_Financial_Reports.html

7. Circulation of Annual Financial Statements for the year ended June 30, 2019 through CD/DVD/USB:

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, the company has obtained approval from members in the 12th Annual General Meeting held on October 20, 2016. Pursuant to the approval of shareholders, as aforesaid, the Annual Audited Financial Statements of the Company for the year ended June 30, 2019, are being circulated to the members through CD/DVD/USB.

8. Transmission of Annual Financial Statements and Reports and notice of meeting through Email:

In terms of SRO No 787(I)/2014 dated September 8, 2014, shareholders can opt to obtain annual balance sheet and profit and loss account, auditor's report and directors report etc. alongwith the notice of Annual General Meeting through email. The Companies Act, 2017 also allow electronic circulation of annual financial statements and reports thereon. Accordingly, we are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future.

For the convenience of shareholders, a Standard Request Form has been made available at our website -www.humnetwork.tv, to opt receiving of future annual reports through email or in hard copies or otherwise request for any hard copy of any accounts. The scanned copy of the duly filled & signed form may be emailed to the Company Secretary at mohsin.naeem@hum.tv or the same can be submitted through post/courier to Company's Share Registrar - Central Depository Company of Pakistan Limited, CDC House, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi – 74400.

Members who do not provide their email ids or request for a hard copy shall continue to receive their future Annual Financial

Statements and reports through CD/ DVD/USB at the registered address.

9. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001

a) The rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 20% and for FILER of Tax Returns as 15%. List of Filers is available at Federal Board of Revenue's (FBR) website: http://www.fbr.gov.pk. Members are therefore advised to update their tax FILER status latest by October 18, 2019.

b) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDC A/c No.	Total number of shares	Principal Shareholders		Joint Holder (s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar by the close of business on October 18, 2019; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

c) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

d) The information received within the above specified time would enable the Company to deduct income tax at the applicable rates from the payment of dividend if announced by the Company on October 25, 2019.

e) Members seeking exemption from deduction of income tax or deduction at a reduced rate under the relevant provisions of the Income Tax Ordinance, 2001, are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be, latest by October 18, 2019.

10. E-DIVIDEND MANDATE (MANDATORY)

Under section 242 of Companies Act, 2017(Act), every listed company is required to pay dividend if any to their members compulsorily through electronic mode by directly crediting the same in their bank account provided by them. In terms of SRO No. 1145(I)/2017 dated 06 November 2017, it is mandatory for shareholders to provide their bank account details to receive their cash dividend directly into their bank accounts, failing which the company shall be bound to withhold dividend of those members who do not provide their bank details.

All members are required to provide to the Company's Share Registrar, particulars relating to name, folio number, bank account number, title of account, complete mailing address of the bank. CDC account holders should submit their request directly to their broker (participant)/CDC. A Form is available at the Registered Office of the Company and the same are also placed on the Company's website.

11. Unclaimed Dividend / Shares

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the company, which remain unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance of procedures prescribed under the Companies Act, 2017.

All valued members of the Company, who by any reason, could not claim their dividend/shares, if any, are requested to contact Company's Share Registrar, to file their claims with the for any unclaimed dividend or shares outstanding in their name.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Pattern of Shareholding
as of June 30, 2019

# Of Shareholders	Shareholdings'Slab			Total Shares Held
357	1	to	100	7,599
290	101	to	500	128,382
311	501	to	1000	306,266
676	1001	to	5000	2,001,500
280	5001	to	10000	2,431,071
93	10001	to	15000	1,213,617
83	15001	to	20000	1,559,636
64	20001	to	25000	1,531,701
26	25001	to	30000	738,700
23	30001	to	35000	755,500
16	35001	to	40000	608,600
9	40001	to	45000	389,500
33	45001	to	50000	1,635,180
9	50001	to	55000	485,503
12	55001	to	60000	688,565
4	60001	to	65000	253,500
11	65001	to	70000	747,301
8	70001	to	75000	593,500
2	75001	to	80000	156,000
2	80001	to	85000	166,000
4	85001	to	90000	354,682
6	90001	to	95000	561,650
24	95001	to	100000	2,399,700
4	100001	to	105000	418,500
3	105001	to	110000	321,000
5	110001	to	115000	566,000
3	115001	to	120000	352,500
1	120001	to	125000	122,350
1	130001	to	135000	135,000
2	135001	to	140000	275,500
1	140001	to	145000	142,500
6	145001	to	150000	900,000
1	150001	to	155000	150,500
1	155001	to	160000	157,500
1	160001	to	165000	161,000
2	165001	to	170000	336,318
1	170001	to	175000	174,000
1	175001	to	180000	178,000
3	180001	to	185000	551,050
5	185001	to	190000	944,950
4	195001	to	200000	800,000
2	200001	to	205000	401,500

# Of Shareholders	Shareholdings'Slab			Total Shares Held
4	205001	to	210000	835,500
1	210001	to	215000	212,500
2	215001	to	220000	436,850
1	220001	to	225000	225,000
1	225001	to	230000	230,000
2	235001	to	240000	474,000
2	245001	to	250000	500,000
2	250001	to	255000	502,500
1	260001	to	265000	261,500
2	265001	to	270000	535,500
1	270001	to	275000	275,000
2	280001	to	285000	567,000
2	290001	to	295000	581,500
4	295001	to	300000	1,196,000
1	315001	to	320000	316,000
1	320001	to	325000	325,000
1	325001	to	330000	326,000
1	340001	to	345000	345,000
3	345001	to	350000	1,047,500
1	355001	to	360000	357,750
2	370001	to	375000	749,500
1	395001	to	400000	400,000
1	450001	to	455000	455,000
1	465001	to	470000	467,000
1	475001	to	480000	475,500
3	495001	to	500000	1,500,000
1	520001	to	525000	524,900
1	530001	to	535000	531,500
1	540001	to	545000	542,000
1	545001	to	550000	550,000
1	580001	to	585000	583,000
1	595001	to	600000	600,000
1	630001	to	635000	633,150
2	645001	to	650000	1,300,000
1	660001	to	665000	661,500
1	675001	to	680000	677,130
1	695001	to	700000	700,000
1	710001	to	715000	713,000
1	770001	to	775000	775,000
1	810001	to	815000	815,000
1	825001	to	830000	825,500
1	845001	to	850000	850,000

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	895001	to	900000	900,000
1	915001	to	920000	915,500
1	920001	to	925000	925,000
1	940001	to	945000	941,500
1	960001	to	965000	965,000
4	995001	to	1000000	4,000,000
1	1015001	to	1020000	1,017,060
1	1080001	to	1085000	1,085,000
1	1145001	to	1150000	1,150,000
1	1205001	to	1210000	1,205,500
2	1210001	to	1215000	2,429,200
1	1245001	to	1250000	1,250,000
1	1315001	to	1320000	1,320,000
1	1345001	to	1350000	1,348,250
2	1595001	to	1600000	3,200,000
1	1650001	to	1655000	1,653,750
1	1795001	to	1800000	1,800,000
1	1895001	to	1900000	1,900,000
1	2355001	to	2360000	2,357,500
1	2495001	to	2500000	2,500,000
1	2520001	to	2525000	2,520,130
1	2640001	to	2645000	2,641,000
1	2660001	to	2665000	2,660,500
1	3325001	to	3330000	3,330,000
1	3395001	to	3400000	3,397,000
1	3475001	to	3480000	3,480,000
1	3815001	to	3820000	3,819,500
1	3855001	to	3860000	3,856,000
1	4295001	to	4300000	4,300,000
1	5445001	to	5450000	5,450,000
1	5495001	to	5500000	5,500,000
1	5725001	to	5730000	5,730,000
1	6630001	to	6635000	6,632,000
1	9500001	to	9505000	9,500,500
1	10745001	to	10750000	10,750,000
1	11595001	to	11600000	11,600,000
1	11910001	to	11915000	11,912,199
1	12905001	to	12910000	12,910,000
1	15095001	to	15100000	15,100,000
1	16055001	to	16060000	16,060,000
1	16835001	to	16840000	16,836,000
1	16995001	to	17000000	17,000,000

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	18995001	to	19000000	19,000,000
1	25195001	to	25200000	25,200,000
1	25995001	to	26000000	26,000,000
1	26405001	to	26410000	26,407,500
1	31995001	to	32000000	32,000,000
1	50865001	to	50870000	50,865,620
1	125025001	to	125030000	125,027,200
1	154005001	to	154010000	154,009,500
1	226960001	to	226965000	226,961,490
2507				**945,000,000**

Additional Information
as of June 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
DURAID QURESHI	2	226,961,500	24.02
SULTANA SIDDIQUI	2	219,860	0.02
MAZHAR UL HAQ SIDDIQUI	1	10	0.00
MEHTAB AKBAR RASHDI	1	10	0.00
ASIF YASIN MALIK	1	10	0.00
SOHAIL ANSAR /	1	583,000	0.06
SHUNAID QURESHI	1	50,865,620	5.38
HASAN REZAUR RAHIM	1	500	0.00
Associated Companies, undertakings and related parties			
Executives	3	566,750	0.06
Public Sector Companies and Corporations	1	2,641,000	0.28
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	7	36,569,000	3.87
Mutual Funds			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	10,750,000	1.14
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	700,000	0.07
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	1,150,000	0.12
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	16,060,000	1.70
General Public			
a. Local	2422	114,582,980	12.13
b. Foreign	2	5,730,500	0.61
Foreign Companies	15	459,293,899	48.60
Others	43	18,325,361	1.94
Totals	**2507**	**945,000,000**	**100.00**

Share holders holding 5% or more	Share Held	Percentage
SHUNAID QURESHI	50,865,620	5.38
MR. DURAID QURESHI	226,961,500	24.02
KINGSWAY FUND-FRONTIER CONSUMER FRANCHISES	154,009,500	16.30
STICHTING GENERAL HOLDINGS	125,027,200	13.23

Corporate Calendar

MEETINGS	DATE
Audit Committee Meeting to consider and approve the annual audited accounts of the Company for the year ended June 30, 2018	October 02, 2018
HR & R Meeting to discuss and approve the creation of a new designation named Head of Business Organization and Development	October 02, 2018
Board of Directors Meeting to consider the annual audited accounts of the Company for the year ended June 30, 2018	October 02, 2018
14th Annual General Meeting to consider accounts of the Company for the year ended June 30, 2018	October 24, 2018
Audit Committee Meeting to consider accounts of the Company for the Quarter ende September 30, 2018	October 29, 2018
Board of Directors Meeting to consider accounts of the Company for the Quarter ended September 30, 2018	October 29, 2018
Audit Committee Meeting to consider accounts of the Company for the Quarter ended December 31, 2018	February 27, 2019
Board of Directors Meeting to consider accounts of the Company for the Quarter ended December 31, 2018	February 27, 2019
Audit Committee Meeting to consider accounts of the Company for the Quarter ended March 31, 2019	April 27, 2019
Board of Directors Meeting to consider accounts of the Company for the Quarter ended March 31, 2019	April 29, 2019

Six Years at a Glance

Key Financial Data

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
OPERATING DATA						
Revenue-Net	2,886,587,171	3,721,047,096	3,942,824,460	4,643,648,317	4,609,478,886	3,979,099,138
Cost of production	(1,381,432,771)	(1,791,616,731)	(2,313,660,029)	(2,669,283,288)	(2,853,147,800)	(3,495,240,846)
Transmission Cost	(107,161,845)	(84,201,837)	(86,465,867)	(86,925,178)	(177,878,025)	(193,223,194)
Gross profit	1,397,992,555	1,845,228,528	1,542,698,564	1,887,439,851	1,578,453,061	290,635,098
PROFIT AFTER TAXATION						
Profit / (Loss) before taxation	806,823,677	1,032,669,083	773,237,291	1,095,402,936	812,155,067	(454,725,557)
Taxation	(215,088,701)	(285,418,132)	(236,301,365)	(80,019,958)	(82,661,579)	(81,157,536)
Profit / (Loss) after taxation	591,734,976	747,250,951	536,935,926	1,015,382,978	729,493,488	(535,883,093)

Financial Ratios

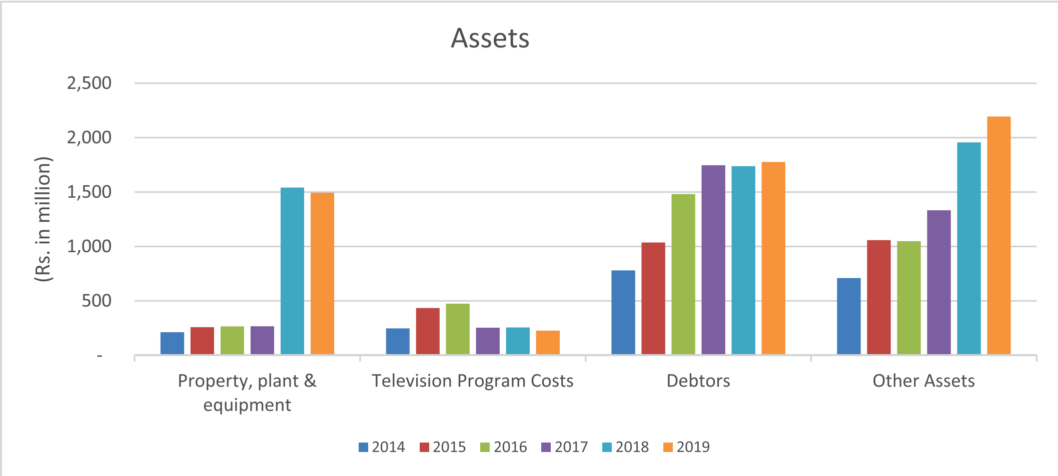
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Current Ratios	2.46	1.73	1.80	5.07	4.68	2.25
Quick ratio	1.89	1.25	1.39	5.06	4.65	2.24
Debt/ Equity Ratio	0.003	0.214	0.257	0.013	0.313	0.531
Cash flow per share- Rs. (Re-stated)*	0.11	0.01	0.01	0.40	0.18	0.16
Return on equity - %	42.38	44.72	26.29	33.20	19.75	(16.97)
Share Price per share - Rs. (Re-stated)*	10.68	16.09	10.28	11.74	8.09	3.17
Break-up value per share - Rs. (Re-stated)*	1.48	1.77	2.16	3.24	3.91	3.34
Gross Profit to Sales - %	48.43	49.59	39.13	40.65	34.24	7.30
Net profit / (Loss) to Sales - %	20.50	20.08	13.62	21.87	15.83	(13.47)
Interest Cover - number of times	109.89	44.88	20.32	58.30	28.38	(2.27)
Debtors Turnover (number of days)	92	89	117	127	138	161
Administrative Expenses to Sales - %	10.44	11.10	11.04	12.02	11.50	12.54
Cost of Production To Sales- %	47.86	48.15	58.68	57.48	61.90	87.84
Price earning ratio (Re-stated)*	17.06	20.35	18.09	10.93	10.48	(5.56)
Turn Over to Total Asset Ratio	1.48	1.36	1.24	1.33	0.86	0.71
Earnings per share Rs. (Re-stated)*	0.63	0.79	0.57	1.07	0.77	(0.57)

***Calculated using 945,000,000 shares**

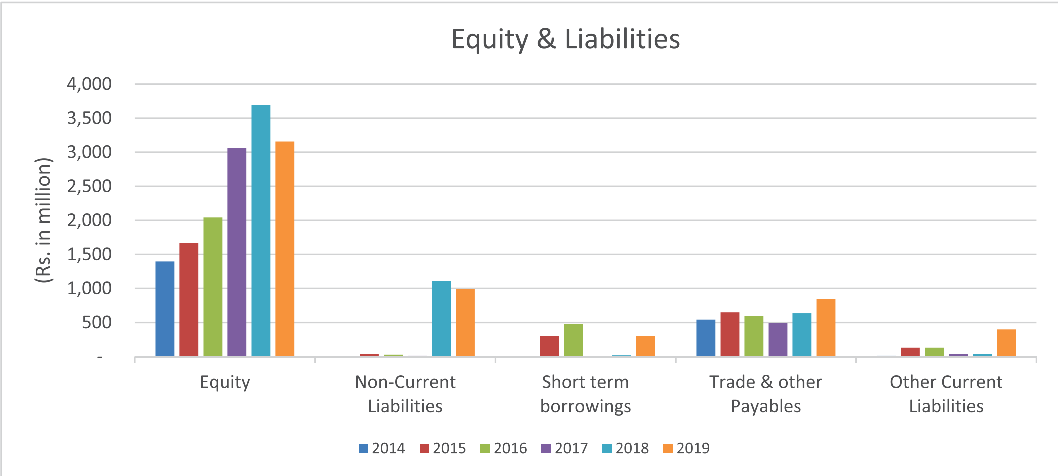
Graphical Presentation

Analysis Of Statement Of Financial Position And Profit & Loss Account

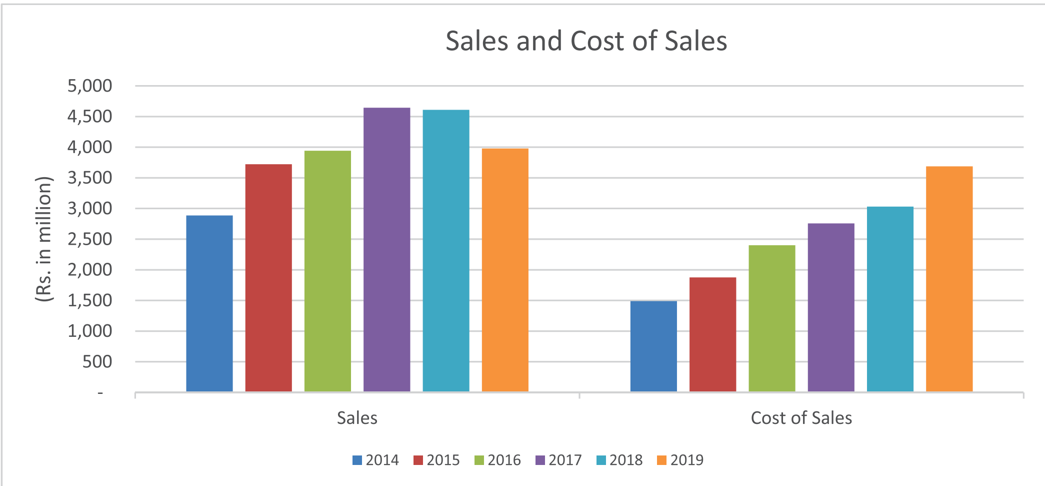
Assets



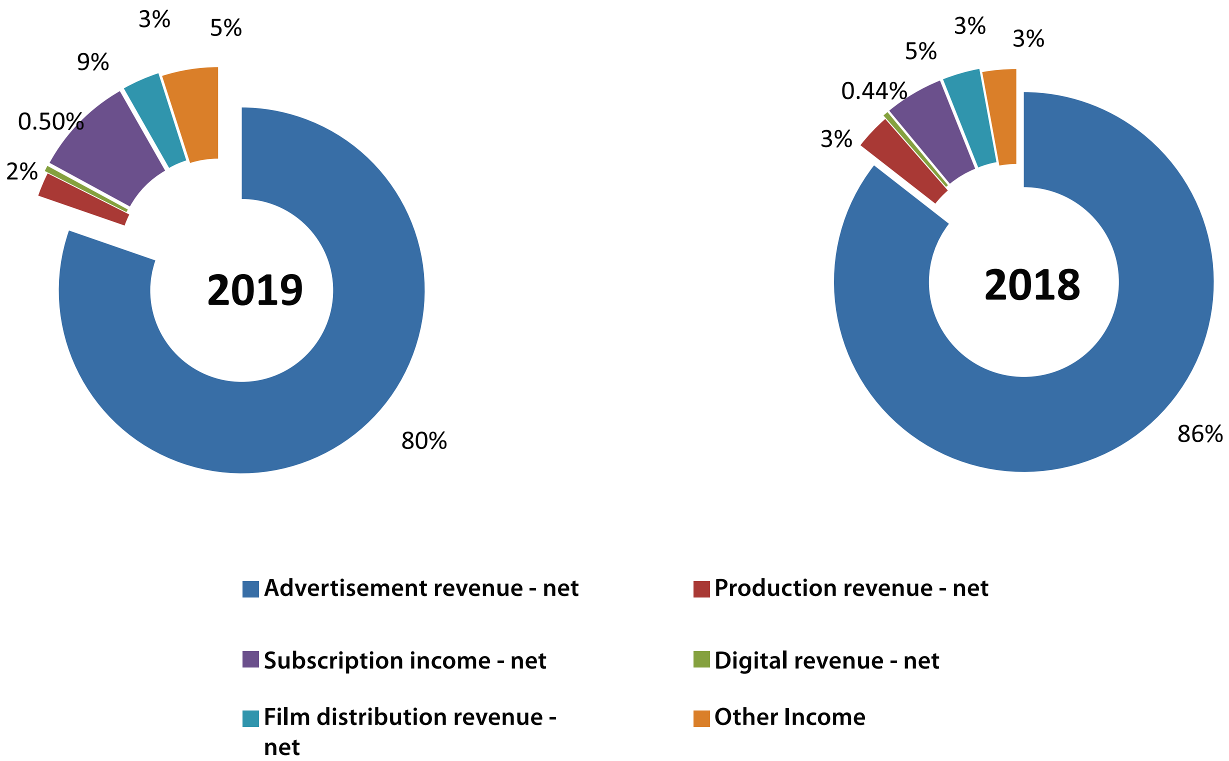
Equity & Liabilities



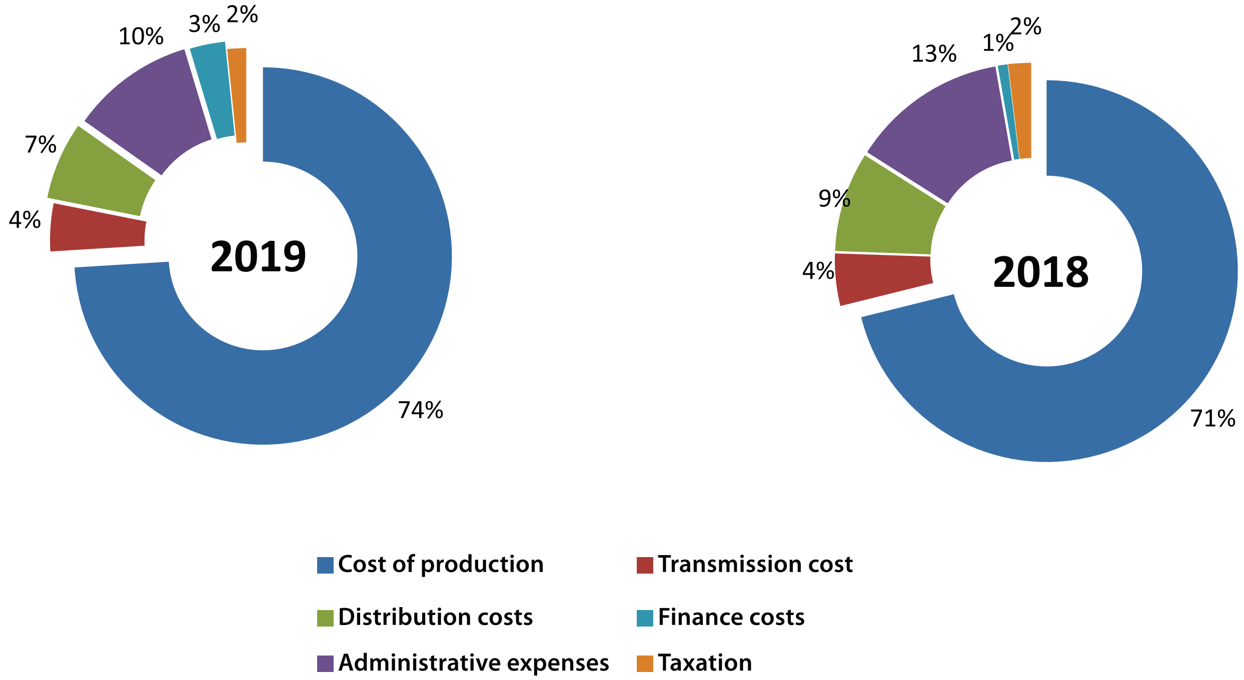
Sales and Cost of Sales

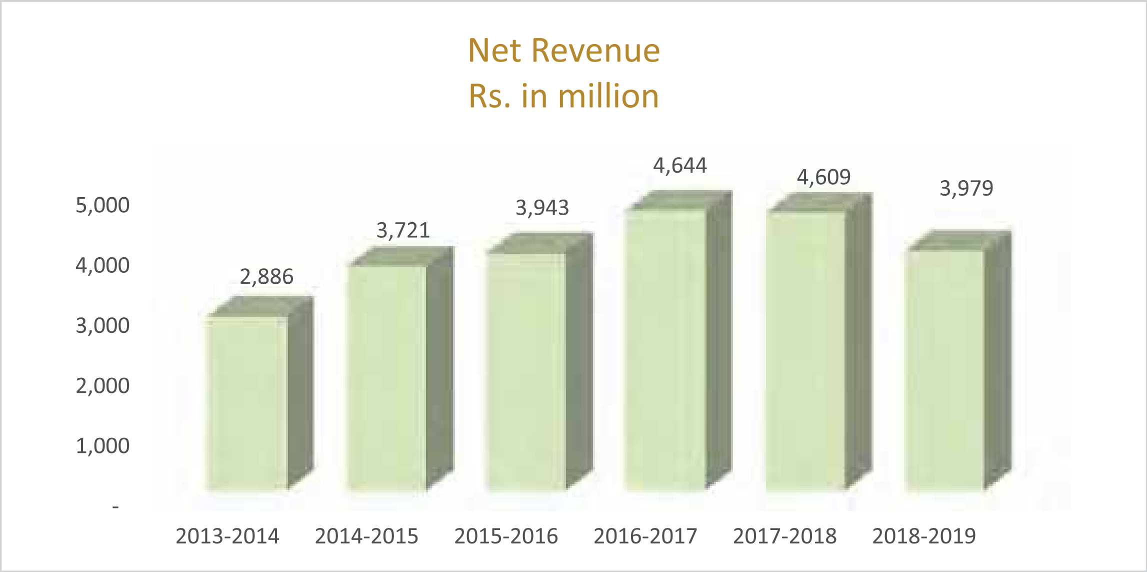


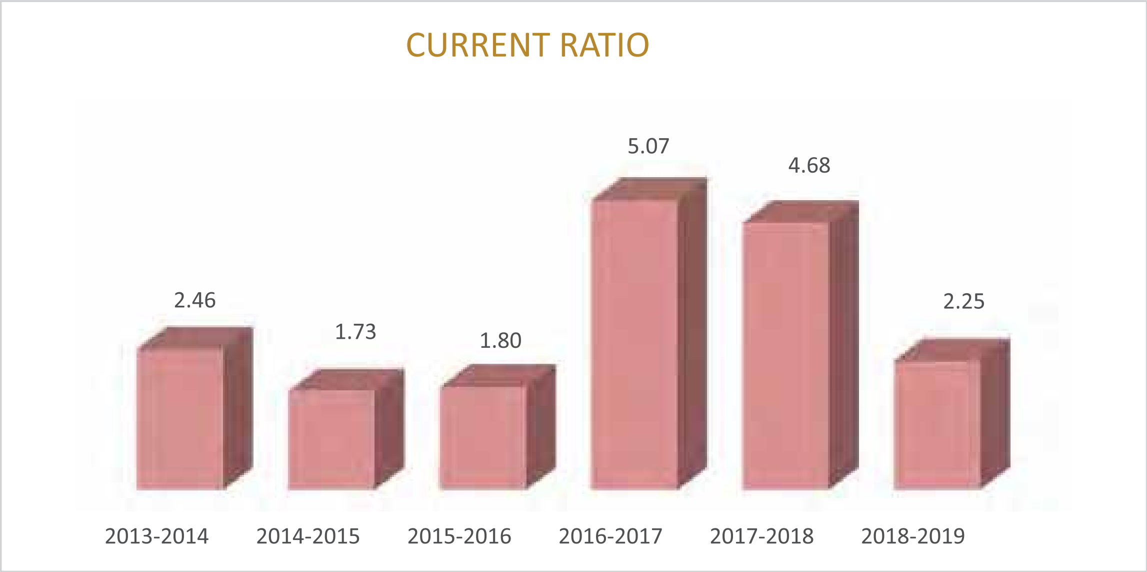
Break-up of Revenue Streams

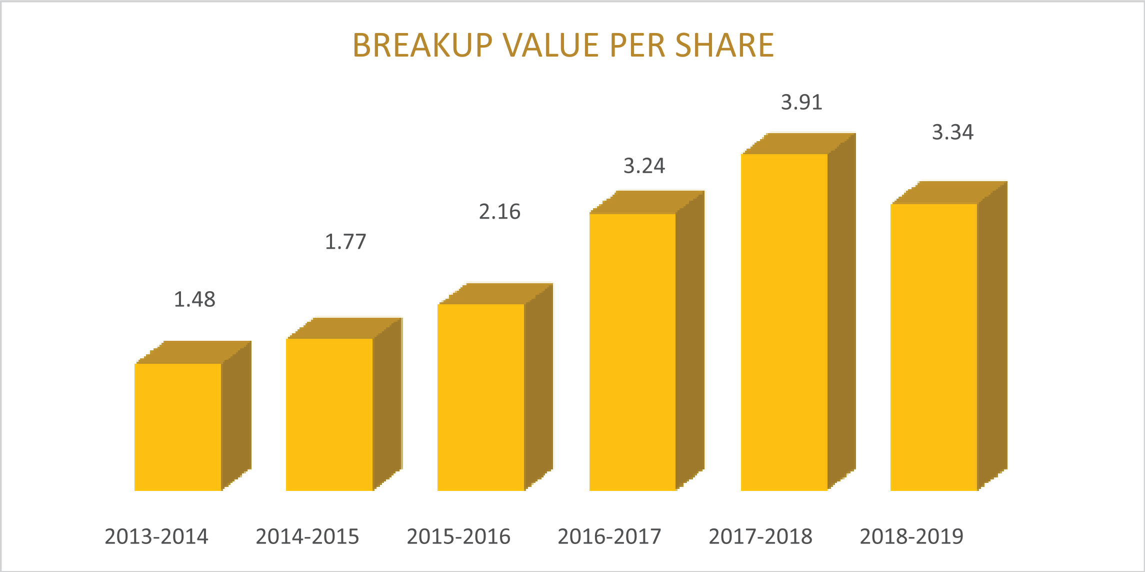


Break-up of Cost




Net Revenue
Rs. in million
5,000
4,000
3,000
2,000
1,000
-
2,886
3,721
3,943
4,644
4,609
3,979
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019


CURRENT RATIO
2.46
1.73
1.80
5.07
4.68
2.25
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019


BREAKUP VALUE PER SHARE
1.48
1.77
2.16
3.24
3.91
3.34
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019

Building a better
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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of HUM Network Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of HUM Network Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' 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.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

Sd/-
EY Ford Rhodes
Chartered Accountants
Date: October 4, 2019
Place: Karachi

"Statement Of Compliance With The Listed Companies (Code Of Corporate Governence) Regulations, 2017"

HUM Network Limited ("the Company") has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the regulations") in the following manner:

1. The total of number of directors of the Company are 08 as per the following (As at June 30, 2019)

Male	Six (6)
Female	Two(2)

2. The composition of the board is as follows (As at June 30, 2019)

Category	Name
Independent Director	Mr. Sohail Ansar
Executive Directors	Ms. Sultana Siddiqui Mr. Duraid Qureshi
Non-Executive	Mr. Mazhar ul Haq Siddiqui Mr. Shunaid Qureshi Mrs. Mahtab Akbar Rashdi Mr. Hassan Reza-ur-Rahim Lt. Gen.(R) Asif Yasin Malik

3. The directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. 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.

5. 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.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. The Company arranges orientations courses for its directors as and when needed to appraise them of their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them first-hand knowl-

edge on the working of the Company. All the Directors are either exempt or have acquired the certification under the program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a. Audit Committee
Mr. Sohail Ansar – Chairman (Independent)
Mr. Shunaid Qureshi (Non-Executive)
Mrs. Mahtab Akbar Rashdi (Non-Executive)
Lt. Gen. (R) Asif Yasin Malik (Non-Executive)

b. Human Resource and Remuneration Committee
Mr. Sohail Ansar – Chairman (Independent)
Ms. Sultana Siddiqui (Executive)
Mrs. Mahtab Akbar Rashdi (Non-Executive)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of the meetings of the committees was as under –

a. Audit Committee – Four (4) quarterly meetings during the financial year ended June 30, 2019.

b. Human Resource and Remuneration Committee – One (1) meeting during the financial year ended June 30, 2019.

15. The Board has set up an effective internal audit function and has also 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.

16. 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 and registered with Audit Oversight Board of Pakistan, 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 International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. 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.

18. We confirm that all other requirements of the Regulations have been complied with.

For & on behalf of Board of Directors

DURAID QURESHI
Chief Executive Officer

Date: October 01, 2019
Place: Karachi

MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director

Chairman's Report on Board's Overall Performance (Under Section 192 of the Companies Act, 2017)

A Board of Directors (BOD) forms the highest level of authority in the governance of a company and includes elected individuals who represent the interest of the shareholders. They ensure that the strategic decisions of the Chief Executive Officer (CEO) best protect and benefit every stakeholder of the Company. Under the guidance and scrutiny of a BOD, the CEO strategically aligns resources to achieve the company objectives in the most efficient way.

Accountability

The BOD becomes fiscally accountable. It sets the dividends paid to the shareholders and how much fund is reinvested into the company from the undistributed reserves of the Company. Furthermore, BOD members ensure that the financial disclosures are accurate and truly represent the affairs of the company. This accountability is enforced by the International Financial Reporting Standard (IFRS), Companies Act, 2017, Listing Regulations and others relevant laws and regulations.

Responsibilities

The BOD reviews the programs selected by the CEO that are most likely to achieve the financial objectives set for the company. This scrutiny includes the investment decisions made by the company's executive team, and the expenditures required to support the efforts. This power extends to choosing the Chief Executive Officer who can best perform the duties and set the compensation level for this position.

Legal Duties

A Board member is trusted with fiduciary responsibilities which encompass three legal duties: care, loyalty and obedience. He / she must act in good faith and for the interest of the shareholders and the organization. He must also keep the good of the organization in mind and not base the decision on personal interests, and finally, he must obey the policies stated in the articles of association of the Company and the regulation of the industry.

Risk Management

In light of the accountability to the shareholders, the BOD frequently weighs company's risks of missing the corporate objectives and the consequences that this would have on dividend distribution, or financial return to the company. Mitigation measures developed by the CEO enter the portfolio of strategic decisions that the company pursues and are reviewed by the BOD.

Qualifications

In the election of Directors, members who have been elected are well known business professionals who add real value to the Board through their expertise, experience and strong value systems.

Further, an annual evaluation of the Board of Director's overall performance is conducted to in compliance with the requirement of the Code of Corporate Governance and the Companies Act, 2017.

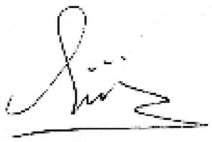
The immediate objective of evaluation is continuous governance improvement – identifying board performance improvement opportunities and governance framework gaps.

Specific and/or long-term objectives may include developing team work, better decision making, improving the effectiveness of meetings, gaining greater clarity of roles. The overall assessment was based on an evaluation of the following integral components:

- How well has the Board done its job?
- How well has the Board conducted itself?
- Board's relationship with Executive Director?
- Performance of Individual Board members.
- Feedback to the Chair of the Board.

For the financial year ended 30 June 2019, the Board's overall performance and effectiveness has been assessed as 'Satisfactory' in achieving Company's objectives. It's also important to highlight the key role played by the Committees (Audit Committee, Human Resource and Remuneration Committee) in underscoring and directing towards areas of improvements and recommending practical solutions

On an overall basis, I believe that the strategic direction of the organization for the long term is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of organization's objectives are commendable which are truly reflected by the current financial results and performance of the organization.



Mr. Mazhar-ul-Haq Siddiqui
Chairman of the Board
Date: October 01, 2019

بورڈ کی مجموعی کارکردگی پر چیئرمین کی رپورٹ (کمپنیز ایکٹ، 2017 کے سیکشن 192 کے تحت)

بورڈ آف ڈائریکٹرز نے کمپنی کی گورننس کے لئے اعلیٰ سطحی اتھارٹی قائم کی ہے جس میں منتخب افراد شامل ہیں جو شیئر ہولڈرز کے مفادات کی نمائندگی کریں گے۔ وہ اس بات کو یقینی بناتے ہیں کہ چیف ایگزیکٹو آفیسر کے اسٹریٹجک فیصلے کمپنی اور شیئر ہولڈرز کے لئے سود مند ثابت ہوں۔ بی او ڈی کی رہنمائی اور جانچ پڑتال کے ذریعے سی ای او حکمت عملی کے تحت وسائل کو کمپنی کے مقاصد کی تکمیل میں مؤثر انداز میں استعمال کریں گے۔

احتساب:

بورڈ آف ڈائریکٹرز مالیاتی امور پر جوابدہ ہیں۔ یہ حصص یافتگان کو ادا کئے جانے والے ڈیویڈنڈ متعین کرتا ہے اور کمپنی کے غیر تقسیم فنڈز میں سے کمپنی میں واپس سرمایہ کاری کے لئے رقم وضع کرتا ہے۔ مزید براں بورڈ آف ڈائریکٹر کے اراکین درست مالی گوشوارے اور کمپنی کے معاملات کی صحیح عکس بندی یقینی بناتے ہیں۔ یہ خود احتسابی عمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس)، کمپنیز ایکٹ 2017، لسٹنگ ریگولیشنز اور دیگر قابل اطلاق قوانین کی جانب سے نافذ کیا گیا ہے۔

ذمہ داریاں:

بورڈ آف ڈائریکٹرز کمپنی کے مالی مقاصد کی تکمیل کے لئے سی ای او کی جانب سے منتخب کردہ پروگرامز کا بخوبی جائزہ لیتا ہے۔ اس جانچ پڑتال میں کمپنی کی ایگزیکٹو ٹیم کے مالیاتی فیصلے اور آنے والے اخراجات ولاگت کا جائزہ لینا ہے۔ بورڈ کو ایسے چیف ایگزیکٹو آفیسر کو منتخب کرنے کا بھی اختیار ہے جو اپنی ذمہ داریاں احسن انداز میں ادا کرے اور سی ای او کے لئے معاوضے کی سطح مقرر کرنے کا بھی اختیار ہے۔

قانونی فرائض:

بورڈ کے ہر رکن کے ذمے تین قانونی فرائض ہیں: احساس ذمہ داری، وفاداری اور اطاعت۔ رکن بورڈ کو خلوص نیت سے شیئر ہولڈرز اور ادارے کے مفادات کی حفاظت کرنی ہے۔ رکن بورڈ کو تمام فیصلے ادارے کے مفادات کی بنیاد پر لینے ہیں ناکہ اپنے زاتی مفادات کی بنیاد پر اور کمپنی کے آرٹیکل آف ایسوسی ایشن اور صنعت پر نافذ العمل ریگولیشنز میں درج پالیسیوں کی ہر حالت میں اطاعت کرنی ہے۔

رسک مینجمنٹ:

شیئر ہولڈرز کے لئے خود احتسابی کی روشنی میں بورڈ آف ڈائریکٹرز ڈیویڈنڈز کی تقسیم اور کمپنی کو ملنے والے فنانشل ریٹرن کو لاحق رسک کو کم کرنے کے لئے باقاعدگی سے کارپوریٹ مقاصد کا احاطہ کرتا ہے۔ رسک کو کم یا ختم کرنے کے لئے سی ای او کے تیار کردہ اقدامات حکمت عملی کے فیصلوں کے پورٹ فولیو میں درج ہوتے ہیں جن کا بورڈ بغور جائزہ لیتا ہے کیونکہ انہی پر کمپنی نے آگے عمل کرنا ہوتا ہے۔

اہلیت:

ڈائریکٹران کے انتخابات میں منتخب ہونے والے اراکین کاروباری پروفیشنل ہیں جو بورڈ کی قدر میں اپنی مہارت، تجربے اور مضبوط اقدار سے اضافہ کرتے ہیں۔

اس کے علاوہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کے تحت بورڈ اراکین کی مجموعی کارکردگی جانچنے کے لئے سالانہ بنیادوں پر تشخیص کی جاتی ہے۔

تشخیص کے عمل کا مقصد کارپوریٹ گورننس کو بہتر بنانا، بورڈ کی کارکردگی کو مزید بہتر بنانے کے مواقعوں کا ادراک کرنا اور گورننس فریم ورک میں ممکنہ خامیوں اور کمزوریوں کا احاطہ کرنا ہوتا ہے۔

مخصوص اور طویل مدتی مقاصد میں تنظیم سازی، مؤثر فیصلہ سازی، بورڈ میٹنگز مؤثر بنانا اور اپنی اپنی ذمہ داریوں کا درست تعین شامل ہیں۔ مجموعی تشخیص مندرجہ ذیل اجزاء پر مشتمل ہے:

کتنے احسن انداز میں بورڈ نے اپنے فرائض انجام دیئے ہیں؟

بورڈ کا کردار کیسا رہا؟

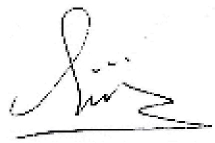
ایگزیکٹو ڈائریکٹر کے ساتھ بورڈ کے تعلقات کیسے ہیں؟

انفرادی سطح پر بورڈ اراکین کی کارکردگی

بورڈ کے چیئر کو فیڈ بیک

مالی سال 03 جون 2019 کے اختتام تک کمپنی کے مقاصد کی تکمیل میں بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔ یہ ذیلی کمیٹیوں کے کلیدی کردار کا ذکر کرنا اہم ہے جیسا کہ آڈٹ کمیٹی، ہیومن ری سورس اور معاوضہ کمیٹی جنہوں نے عملی حل تجویز کئے اور کئی شعبوں میں کمی اور اصلاحات کی نشاندہی کی۔

مجموعی طور پر میں سمجھتا ہوں کہ کمپنی کی طویل مدتی اسٹریٹجک سمت واضع اور مناسب ہے۔ مزید براں کمپنی کے کارپوریٹ مقاصد کو حاصل کرنے میں ترقی اور جائزے کے لئے اختیار کئے گئے عمل قابل اطمینان ہیں جن کی موجودہ مالیاتی نتائج اور ادارے کی کارکردگی حقیقی بنیادوں پر عکاسی کر رہے ہیں۔



جناب مظہر الحق صدیقی

چیئرمین بورڈ

مورخہ 1 اکتوبر 2019

Directors' Report

The Directors of Hum Network Limited (HNL) present the Annual Report together with the Company's audited financial statement for the year ended 30 June 2019.

Media & Entertainment industry is going through a phase where we are seeing discontinuous changes in all aspects of entertainment and for the consumer. Freedom of choice, enhanced connectivity and multiple screens, have given new dimensions to overall entertainment consumption. The attention span of the consumers has shortened, and the conventional boundaries of content creation have been breached. In this competitive environment, the need for innovation and creativity is certainly at its peak. In our journey of delivering extraordinary entertainment content across platforms, our Company has been at the forefront of driving change and setting trends for the industry and we are gearing-up for success in this evolving landscape.

FINANCIAL PERFORMANCE

During the current year net revenue has shrunk by Rs. 630 million owing to economic instability due to dwindling foreign exchange reserves, low exports, high inflation, growing fiscal deficit and current account deficit. The gross profit for the year has decreased by 82% as compared to last year owing to decrease in revenue due to above mentioned reasons and increase in cost which is attributed to newly launched channel HUM NEWS. In FY 2019, the Company reported loss before tax of Rs. 455 million whereas loss after tax was Rs. 536 million resulting in loss per share for the FY 2019 of Re. 0.57. However we are optimistic that the macroeconomic stability in the country will also have a positive effect on Company's profitability.

PRINCIPAL ACTIVITIES

HNL is undoubtedly one of the leading media networks of Pakistan and has predominantly been an entertainment provider for more than a decade now. HUM is already Pakistan's most admired media brand, and our content reaches millions of people through our domestic and international bouquet of channels and multiple distribution platforms worldwide, films, digital, print media and live events. Broadcasting portfolio consists of satellite channels namely HUM TV, HUM Sitaray, HUM Masala and HUM World (including separate beams for North America, UK & Middles East) with a latest addition of HUM News to the bouquet.Apart from these satellite channels HNL has growing business units in Films, Digital as well as Print Media.

THE EXTERNAL ENVIRONMENT

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business.

In urge to compete and provide the best content to viewers, HNL incurs high expenditure to provide an impetus on its programming front from time to time and this increase in costs might not necessarily perk up its revenues in the same proportion.

However, HNL is well placed to deliver growth going forward backed by our well-defined business strategies, excellent infrastructure and robust brand.

ACHIEVEMENTS & RECOGNITION

During the year, HUM TV outperformed other channels and once again emerged as a winner at Lux Style Awards 2019, bagging 6 out of 9 awards in Television category: "Dar Si Jati Hai Sila" won the award for the Best Actor Critics, "Parwaaz Hai Junoon" for the Best Song, "Suno Chanda" won the award for Best Drama Serial, Best Actress Popular and Critics, and Best Television Director & Best Writer Awards were also won by HUM TV dramas.

HUM TV also won the award for the Best Urdu Channel of 2018 in "Asian Viewers Television Awards-2018" held in London-UK.

OPERATIONAL PERFORMANCE

Despite pricing challenges and overall downward trend in the industry, the network maintained and grew its dominance. During the year, the operational performance of different units of HNL was quite commendable.

HUM TV

HUM TV is famous for its intense and engaging prime time dramas, soaps and serials that highlight sensitive issues and are considered as a medium of message for the society. This year we continued to offer viewers with the best of the Pakistani dramas like “Aangan”, “Ranjha Ranjha Kardi” and “Sanwari” which stole limelight and have touched the audiences’ hearts.

After the phenomenal success of ramzan special series “Suno Chanda” last year, the sequel “Suno Chanda Season 2” was back with a bang, and was a massive hit receiving overwhelming response from the audience.

HUM NEWS

After the successful launch of HUM News last year, HUM News successfully aired the election transmission in July 2018. HUM News has engaged the audience with its informative talk shows, detailed news bulletins and news alerts presented by renowned anchorpersons. Although in its nascent stage, HUM News has created huge impact by its reporting, programming and investigative pieces and is being followed by decision makers around the country.

HUM SITARAY

The channel is positioned as a hybrid channel offering both narrative as well as format based entertainment shows. The content mix consists of Dramas, Soap operas, fashion lifestyle shows, Celebrity talk shows and international contents.

HUM MASALA

The first 24 hours cooking channel HUM Masala, being an integral part of every household, has added to its content a series of new cooking and informative shows introducing many different recipes, cooking experts, professional chefs and health consultants which have been overwhelmed by food mavens.

HUM FILMS

Under the banner of HUM Films, the blockbuster movie “Parwaaz Hai Junoon” was launched which was a huge success at both local and international box offices.

The cinemas saw a glory on Eid-ul-Azha with the release of mega blockbuster movie “Superstar” and despite tough competition at the box office, “Superstar" turned out be a massive hit and people continued to flock to cinemas throughout Eid. The cast, direction, production, budget, scripts and music, everything combined has impacted on the film’s success.

DIGITAL MEDIA DIVISION

Digital Media has continued its consistent growth in the year 2018-19. One of the major breakthroughs includes significant growth on social media platforms (Facebook, Instagram, Twitter, YouTube) following the implementation of revamped Social Media Strategy. Another milestone is the major digital sponsorship by huge brands like Kashmir, Singer Pakistan and OPPO for Hum Awards and Dramas.

Direct sales (local web advertisers) have been another business avenue that has grown significantly this year as we have open opportunities for digital sponsorship.

EVENTS & BRAND ACTIVATION

Over the last decade HNL has played a key role in supporting and developing the drama, fashion, foodand music industry in Pakistan.Our on-ground events are now becoming more of a tradition which we celebrate on an annual basis, exceeding the expectations with more grandeur events every year.

HUM Awards

The Network also gives Pakistan's entrainment calendar as enthralling awards ceremony each year with HUM Awards. This year HUM Awards 2018 was held in all their glory in Toronto. Honoring the best in Pakistan's entertainment industry, the award gala aimed to portray the soft image of the nation to audience overseas. And the next destination of HUM Awards 2019 is Houston USA.

Bridal Couture week (BCW)

In December 2018 the fashion bigwigs got together for the 16th edition of country's biggest and most sought-after bridal extravaganza, HUM Bridal Couture Week, in Lahore where the country's acclaimed couturiers, bridal wear designers set the stage on fire with their bedazzling and sui generis collections. This grand bridal show has now become the most eagerly awaited event of the fashion industry, and has continued to exceed expectations with each passing show.

HUM Showcase

In its third season, HUM Showcase which took place in Karachi, continued to raise the bar and ante, continuing to offer myriad and diverse designer collections and a fresh and unique approach to Fashion presentation.

Hum Style Awards

HUM Style Awards2018 – the third edition of star studded event was held in Karachi in September 2018. All the favourite stars of Pakistani fashion, music, sports, television and film industry under one roof and some sparkling performances made HUM Style Awards a night to remember.

Masala Family Festival

Pakistan's biggest and much-anticipated festival, Masala Family Festival was organisedtwice in Lahore and Karachi which included musical performances, magic and comedy segments, live cooking demonstrations, dance and singing competitions and a chance to meet their favourite celebrity chefs.

HUM Family Festival

HUM Family Festival was the main attractions of HUM's 14th Anniversary celebrations. HUM Family Festival 2019, a fun-packed day for the employees and their families to enjoy activities, kids games and refreshments were on offer for everyone

HUMAN RESOURCE MANAGEMENT

The Network views its human resource as the most valuable asset and pays special attention towards developing an atmosphere which fosters growth, high performance, adherence to organizational values and business ethics.

CORE VALUES

HUM Network Limited is continuously striving to provide an enabling corporate and social work environment to its employees as this helps them to work in complete harmony in a healthy and professional way.

For this very purpose the HUM Network Family has developed the following core values.

1. Integrity & Honesty
2. Respect for All
3. Commitment/Dedication/ Ownership
4. Accountability & Objectivity
5. Team Work
6. Discipline
7. Safety/Health & Hygiene

We adhere to the above core values in all the initiatives that we undertake as this helps in promoting a culture of fairness, objectivity and teamwork.

RISK MANAGEMENT

The Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operations risks and quantifies exposure and potential impact at a Company level.

CORPORATE SOCIAL RESPONSIBILITY

CSR has always been a priority for us at Hum Network Ltd. We strongly believe in contributing whole heartedly towards the social development of our country.

Blood donation drive was held by HNL in collaboration with Fatmid Foundation and Indus Hospital to spread awareness and promote voluntary blood donation culture. Under the collaboration, blood donors got free medical checkups and blood tests.
Besides the campaigns mentioned above, the network has also made free airtime available to SIUT, LRBT and other charitable institutions to help promote their cause.

EMPLOYEE TRAINING & DEVELOPMENT

As part of our annual appraisal exercise, each employee is assessed and counseled on individual basis. Training sessions are arranged on the basis of needs identified which creates growth opportunities for employees and provide us with highly motivated and trained resource.

GLOBAL REACH

HUM News has been successfully launched in UK in July 2018 as part of network's market expansion strategy, with the aim to provide high-quality news, current affairs and infotainment content to the viewers.

Pakistan's biggest cricketing event "Pakistan Super League" was broadcasted exclusively on HUM Masala Europe which broke all previous rating records.

In order to increase its footprint globally, HNL continued to expand its content syndication. The blockbuster drama serial 'Suno Chanda-Season 1" and "Ishq Tamasha" dubbed in Arabic and aired on the leading Arabic Channel MBC.

MAGAZINES AND PUBLICATIONS

The Network currently has four regular publications; namely NEWSLINE, GLAM and Masala Tv Food Mag. Additionally, number of cook books of Masala Tv chefs were launched which became popular among the masses and there was overwhelming demand of those cook books.

FUTURE PROSPECTS & CHALLENGES

Our business and financial strategies, and the operational decision that stem from the below initiatives are designed to move HNL from strength to strength, and to ensure that its independence is preserved in a sustainable way. As an enterprise we are well placed to deliver much better growth forward backed by our well-defined business strategies, excellent infrastructure and robust board.

Sustainability of business leadership in the competitive environment:

To further enhance market share, the HNL has a planned content lineup of new shows across network channels by means of content differentiation and breaking the existing norms of the genre, we are confident that we would be able to challenge the existing players both in all genres of entertainment and news.

Concentrate on additional revenues from digitization:

Pakistan has a prospective digital market and the consumer shift towards digital services is exhibited through the rampant expansion of digitized households. HNL is well positioned to take advantage of aforesaid market trends having partnerships with all major international VOD platforms such as Netflix, Iflix and ErosNow.

Rationalize on costs across different heads:

The belief at the Company has always been that higher spends may not necessarily result in sustained incremental viewership. HNL continues to endeavor towards maintaining its cost structures through better negotiations with suppliers and better control on distribution spends.

Strengthen our expansion in the international markets:

During the year, the Company undertook various initiatives to further strengthen its dominance in international markets by entering into deals with new platform operators as well as launching new channels in some of the geographies. In line with this expansion strategy, the company launched HUM News in UK. Further to increase its international footprint, HNL continued to expand its content syndication.

Minimizing risks & generating revenues from different avenues:

Risk minimization and exploiting various growth opportunities have always been the main agenda when devising strategies at HNL. HNL in the process of acquiring M.D. Productions (Private) Limited would enable to achieve its long-term objectives of growth and expansion in the Pakistani media industry and the same is expected to lead greater profitability in coming periods.

Anticipating the changes taking place in this digital era, HNL ventured into the e-commerce market through HUM Mart. We are optimistic that we would be able to take advantage of the highly potential untapped market in the coming years and HUM Mart will grow profitably.

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 ratingsdenote a low expectation of credit risk and the network's established market position.

BOARD COMPOSITION & REMUNERATION

Composition of the Board and the names of members of Board Committees may be referred to Statement of Compliance with CCG at Page No..

Furthermore, the Board of Directors has a formal policy and transparent procedures for remuneration of its directors in accordance with Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2017.

CHANGE OF DIRECTORS

During the year, casual vacancy occurred due to the resignation of director Ms. MominaDuraid. As per section 155 (3) of the Companies Act 2017, Ms. Nabigha Nasser Masood was appointed as director with effect from July 06, 2019.

PATTERN OF SHAREHOLDING

Pattern of share-holding as on June 30, 2019 is annexed with the annual report.

MEETING OF THE DIRECTORS

During the year, four (4) Board of Directors, four (4) Audit Committee meetings and two (2) Human Resource & Remuneration (HR & R) Committee meetings were held. Attendance by each Director was as follows:

Name of Director	Board of Directors Attendance	Audit Committee Attendance	HR & R Committe
Mr. Mazhar-ul-Haq Siddiqui	4	-	-
Ms. Sultana Siddiqui	2	-	-
Mr. Sohail Ansar	4	4	1
Mrs. Mahtab Akbar Rashdi	3	4	1
Mr. Shunaid Qureshi	2	3	-
Ms. Momina Duraid*	1	-	-
Lt. Gen. (R) Asif Yasin Malik	3	3	-
Mr. Duraid Qureshi	3	-	-
Mr. Hassan Reza Ur Rahim	2	-	-

*Ms. Nabigha Nasser Masood has been appointed in place of Ms. Momina Duraid and no Board meeting has been held after her appointment.

AUDITORS

The present auditors Messer EY Ford Rhodes Chartered Accountants shall retire and may be considered for re-appointment for the year 2019-20.

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.
- 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.
- Outstanding taxes and levies are given in the Notes to the Financial Statement.
- Trading of Shares by the Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary, their spouse and minor

	Acquisition	Transfer
C.E.O	-	-
Director	-	-
CFO & Company Secretary	-	-
Spouses & Minor Children	-	-

DIVIDEND AND APPROPRIATIONS

Based on these results, the Board announced a final cash dividend of Re. Nil per share (i.e. Nil %).

October 01, 2019
Karachi

DURAID QURESHI
Chief Executive Officer

MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director

ڈائریکٹرز کی رپورٹ

ہم نیٹ ورک لمیٹڈ (HNL) کے ڈائریکٹرز 30 جون 2019 کو ختم شدہ سال کے لیے کمپنی کی سالانہ رپورٹ بشمول آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

میڈیا اور انٹرٹینمنٹ انڈسٹری ایسے دور سے گزر رہی ہے جہاں انٹرٹینمنٹ کے تمام شعبہ جات میں رابطے کے فقدان کے ساتھ تبدیلیاں رونما ہو رہی ہیں اور کنزیومر کو بھی یہی صورتحال درپیش ہے۔ پسند کی آزادی، رابطے میں بہتری اور مختلف قسم کی تفریح نے مجموعی طور پر انٹرٹینمنٹ کو نئے رخ فراہم کر دیئے ہیں۔ صارفین کی سنجیدگی کا دائرہ کم ہونے کے ساتھ مواد تیار کرنے کی روایتی حدود کو پامال کیا گیا ہے۔ اس مسابقتی ماحول میں، جدت اور تخلیقی کام کی ضرورت یقیناً اپنی انتہا پر ہے۔ تمام شعبہ جات میں غیر معمولی تفریحی مواد پیش کرنے کے اپنے سفر میں، ہماری کمپنی مثبت تبدیلی لانے اور انڈسٹری کو نئے اصلوب فراہم کرنے میں پیش پیش ہے اور ہم اس بدلتی ہوئی صورتحال میں کامیابی کے لیے مکمل طور پر تیار ہیں۔

مالیاتی کارکردگی

دوران سال زرمبادلہ کے ذخائر اور ایکسپورٹس میں کمی، بڑھتی ہوئی مہنگائی، بڑھتے ہوئے مالیاتی خسارے اور کرنٹ اکاؤنٹ کے خساری کی بدولت معاشی عدم استحکام سے مجموعی آمدنی سکڑ کر 630 ملین روپے تک محدود رہی۔ سال کے لیے مجموعی منافع گزشتہ سال کے مقابلے میں 82 فیصد کم ہو کر رہ گیا کیونکہ مذکورہ بالا عوامل کے سبب آمدنی میں کمی واقع ہونے کے ساتھ ہم نیوز کے آغاز سے اخراجات بڑھ گئے ہیں۔ مالی سال 2019 میں کمپنی نے قبل از ٹیکس 455 ملین روپے نقصان اٹھایا جبکہ بعد از ٹیکس 536 ملین روپے کا نقصان ہوا جس کی بدولت مالی سال 2019 کے لیے فی شیئر پر نقصان 0.57 روپے بنتا ہے۔ تاہم ہم پر امید ہیں کہ ملک میں میکرو اکنامک استحکام سے کمپنی کے منافع حاصل کرنے کی صلاحیت پر مثبت اثرات مرتب ہوں گے۔

بنیادی سرگرمیاں

ہم نیٹ ورک لمیٹڈ بلا کسی تردد کے پاکستان کے بڑے میڈیا نیٹ ورک میں سے ایک ہے اور یہ نیٹ ورک ایک دہائی سے زائد عرصے سے انٹرٹینمنٹ کی فراہمی میں اپنی بالادستی قائم کئے ہوئے ہے۔ ہم پاکستان کا مشہور میڈیا برانڈ ہے اور ہمارے مقامی اور انٹرنیشنل چینلز کے ذریعے لاکھوں افراد کو معیاری مواد پیش کیا جاتا ہے، جس میں ہمارے دنیا بھر میں ڈسٹری بیوشن پلیٹ فارمز، فلمز، ڈیجیٹل اور پرنٹ میڈیا اور لائیو شوز اپنی بہترین پسندیدگی رکھتے ہیں۔ ہمارے براڈکاسٹنگ پورٹ فولیو میں ہم ٹی وی، ہم ستارے، ہم مصالحہ اور ہم ورلڈ (بشمول نارتھ امریکہ، برطانیہ اور مشرق وسطیٰ کے لیے علیحدہ بیم کے حامل) اور ہم نیوز کے حالیہ آغاز سے یہ گلدستہ پیش کیا جا رہا ہے۔ ان سیٹلائیٹ چینلز کے علاوہ ہم نیٹ ورک لمیٹڈ فلمز، ڈیجیٹل اور پرنٹ میڈیا میں بھی اپنے بزنس یونٹس کو توسیع دے رہا ہے۔

خارجی ماحول

کمپنی بہت ہی بہترین ماحول میں اپنے امور کی انجام دہی جاری رکھے ہوئے ہے جو کہ جدت، تبدیلیوں اور مختلف نوعیت کے وسائل کی بدولت کاروبار کے ہر شعبے میں ہر ایک کو کردار ادا کرنے کا موقع فراہم کر رہی ہے۔

ناظرین کو بہترین موضوعات کی پیش کش اور مقابلے کی فضا کو قائم رکھنے کے لیے، ہم نیٹ ورک لمیٹڈ اپنے پروگرامنگ پر وقتاً فوقتاً بھاری خرچ کرتی رہتی ہے اور اخراجات میں اس اضافے کے سبب اس شعبے کی آمدنی پر کوئی غیر ضروری بوجھ نہیں پڑتا۔

چنانچہ، ہم نیٹ ورک لمیٹڈ اپنی شاندار کاروباری منصوبہ بندی، بہترین انفراسٹرکچر اور مایہ ناز برانڈ کی وجہ سے ترقی کے تسلسل کو برقرار رکھنے کی بھرپور صلاحیت رکھتا ہے۔

کامیابیاں اور اعزاز

دوران سال، ہم ٹی وی نے دیگر چینلز کو پیچھے چھوڑتے ہوئے ایک بار پھر لکس اسٹائل ایوارڈز 2019 میں شاندار انعامات جیت لیے۔ اس ایوارڈ شو میں ٹیلی ویژن کیٹگری کے 9 میں سے 6 ایوارڈ جیت کر سب کو پیچھے چھوڑ دیا۔ ڈرامہ "ڈر سی جاتی ہے سلہ" نے بیسٹ ایکٹر کر ٹکس، "پرواز ہے جنون" نے بہترین گانے، "سنو چندا" نے بہترین ڈرامہ

سیریل، بیسٹ ایکٹریس پاپولر اور کر ٹکس، اور بیسٹ ٹیلی ویژن ڈائریکٹر اور بیسٹ رائٹر کے ایوارڈز بھی ہم ٹی وی جیتنے میں کامیاب رہی۔

ہم ٹی وی نے لندن، برطانیہ میں منعقد ہونے والے "ایشین ویورز ٹیلی ویژن ایوارڈز 2018" میں بیسٹ اردو چینل برائے 2018 کا انعام بھی اپنے نام کیا۔

انتظامی کارکردگی

مہنگائی کے مسائل اور پوری صنعت میں سست روی کے رجحان کے باوجود، نیٹ ورک نے اپنی بالادستی کو قائم رکھتے ہوئے اپنا سفر جاری رکھا۔ دوران سال، ہم نیٹ ورک لمیٹڈ کے مختلف یونٹس کی انتظامی کارکردگی بہتر رہی۔

ہم ٹی وی

ہم ٹی وی سنجیدہ مسائل پر مبنی بہترین عکاسی کے حامل اپنے پرائم ٹائم ڈراموں، سوپ اور سیریلز کی بدولت بہت مشہور ہے اور اسے معاشرے تک پیغام رسانی کے ایک ذریعے کے طور پر دیکھا جاتا ہے۔ اس سال بھی ہم نے اپنے ناظرین کو پاکستانی ڈراموں میں سے بہترین ڈراموں کی پیش کش جاری رکھی جس میں "آنگن" "رانجھا رانجھا کر دی" اور "سانوری" جیسے مایہ ناز شامل ہیں۔ ان ڈراموں نے ناظرین کو اپنے سحر میں لیتے ہوئے ان کے دل جیت لیے ہیں۔

گزشتہ سال "سنو چندا" کے نام سے رمضان اسپیشل سیریز کی ناقابل بیان کامیابی کے بعد، سنو چندا سیزن 2 کو مزید بہتر انداز میں پیش کیا گیا جس نے ناظرین کی بھرپور پذیرائی حاصل کی۔

ہم نیوز

گزشتہ سال ہم نیوز کے کامیاب آغاز کے بعد ہم نیوز نے کامیابی کے ساتھ جولائی 2018 کی الیکشن ٹرانسمیشن چلائی۔ ہم نیوز نے اپنے معلوماتی ٹاک شوز، تفصیل نیوز بلیٹن اور نیوز الرٹس کو مشہور و معروف اینکر پرسنز کی پیش کش سے ناظرین کو متوجہ کر لیا ہے۔ حالانکہ یہ اپنی شروعاتی اسٹیج پر ہے لیکن ہم نیوز نے اپنی رپورٹنگ، پروگرامنگ اور انویسٹی گیٹو پیکیجز سے بہت مثبت اثرات مرتب کئے ہیں اور ملک کا حکمران طبقہ اس کی رپورٹنگ کے پیش نظر فیصلہ کرتے نظر آتا ہے۔

ہم ستارے

یہ چینل ہائبرڈ چینل کے طور پر اپنی جگہ بنا چکا ہے جس میں روایتی اور مصنوعی دونوں قسم انٹرٹینمنٹ شوز پیش کئے جاتے ہیں۔ اس کے پیش کش میں ڈرامے، سوپ اوپراز، فیشن لائف اسٹائل شوز، مشہور شخصیات کے ساتھ ٹاک شوز اور عالمی پروگرام بھی شامل ہوتے ہیں۔

ہم مصالحہ

پہلا 24 گھنٹے جاری فل ٹائیم کوکنگ چینل، ہم مصالحہ نے ہر گھر کی لازمی ضرورت کی حیثیت سے، کھانے پکانے کے نئے سلسلوں کا اضافہ جاری رکھتے ہوئے معلوماتی شوز کے ذریعے کئی طرف کے نئی ریسپیز، کوکنگ ایکسپرٹس، ماہر شیف اور ہیلتھ کنسلٹنٹ متعارف کرائے ہیں جنہیں کھانے کے شوقین افراد کی جانب سے بہت سراہا جارہا ہے۔

ہم فلمز

ہم فلمز کے تحت نئی بلاک بسٹر مووی "پرواز ہے جنون" شائقین کو پیش کی گئی جس نے مقامی اور عالمی باکس آفس پر بڑی کامیابی حاصل کی ہے۔

عید الاضحی کے موقع پر ہماری میگا بلاک بسٹر مووی "سپر اسٹار" سینما گھروں کی زینت بنی اور سخت مقابلے کے باوجود یہ فلم عید کے ہفتے میں شائقین کو سینما گھروں کا رخ کرنے پر مجبور کرتی رہی۔ فلم کی کاسٹ، ڈائریکشن، پروڈکشن، بجٹ، اسکرپٹ اور میوزک، مجموعی طور پر ہر پہلو سے شاندار ہونے کی بدولت فلم کی کامیابی میں اہم کردار ادا کیا۔

ڈیجیٹل میڈیا ڈویژن

ڈیجیٹل میڈیا نے اپنی کامیابی کا سفر سال 19-2018 میں بھی جاری رکھا، جس میں سوشل میڈیا پلیٹ فارمز (فیس بک، انسٹاگرام، ٹوئٹر، یوٹیوب) پر قابل ذکر کامیابیوں کے

حصول کے ساتھ جدید سوشل میڈیا منصوبہ بندی پر عمل درآمد بھی کر دی گئی۔ اس حوالے سے ہم ایوارڈز اور ڈراموں کے لیے کشمیر، سنگر پاکستان اور OPPO کی بڑی اور شاندار اسپانسر شپ کا حصول ایک اور سنگ میل ثابت ہو رہا ہے۔

مقامی ویب ایڈورٹائزرز کو براہ راست سیلز بھی ایک اہم کاروباری شعبہ بننے جا رہا ہے اور اس سال ہم نے ڈیجیٹل اسپانسر شپ کے لیے مواقع فراہم کرتے ہوئے قابل قدر ترقی حاصل کی ہے۔

ایونٹس اور برانڈ ایکٹیویشن

ہم نیٹ ورک لمیٹڈ گزشتہ ایک دہائی سے پاکستان میں ڈرامہ، فیشن، فوڈ اور میوزک انڈسٹری کی ترقی اور تعاون میں اہم کردار ادا کر رہا ہے۔ ہمارے منعقد کردہ سالانہ ایونٹس اب روایت سے آگے نکل کر جشن کی حیثیت اختیار کرتے جا رہے ہیں اور ہر سال ان ایونٹس کی پذیرائی میں توقعات سے بڑھ کر اضافہ ہوتا جا رہا ہے۔

ہم ایوارڈز

ہم نیٹ ورک پاکستان کے انٹرٹینمنٹ کیلنڈر کو ہم ایوارڈز کے نام سے ہر سال شاندار و سحر انگیز ایوارڈز کی تقریب سے روشن کرتا ہے۔ اس سال ہم ایوارڈز 2018 کی تقریب اپنی تمام تر رعنائیوں کے ساتھ ٹورنٹو میں منعقد کی گئی۔ جس میں پاکستان کی انٹرٹینمنٹ انڈسٹری کے چمکتے اور مایہ ناز اسٹارز کو اعزازات سے نوازنے کے ساتھ غیر ملکی ناظرین کو اپنی قوم کی خوبصورت روایات سے روشناس بھی کرایا ہے۔ ہمارے اس مایہ ناز ایوارڈ شو 2019 کی اگلی منزل ہیوسٹن، امریکہ ہو گی۔

برائیڈل کاؤچر ویک (BCW)

دسمبر 2018 میں فیشن کے بڑے نام ملک کے سب سے بڑے اور زیادہ پسند کئے جانیوالے فیشن ویک کے 16 ویں ایڈیشن میں ایک ساتھ نظر آئے اور لاہور میں منعقد ہونے والے ہم برائیڈل کاؤچر ویک میں ملک کے مایہ ناز کاؤچر رز، برائیڈل ویئر ڈزائنرز نے اپنے منفرد اور دلفریب کلیکشن سے اسٹیج کو چار چاند لگا دیئے۔ اس گرانڈ برائیڈل شو کا اب فیشن انڈسٹری میں بیتابی کے ساتھ انتظار کیا جانے لگا ہے اور ہر گزرتے سال کے ساتھ اس کی کامیابی میں اضافہ ہوتا جا رہا ہے۔

ہم شوکیس

کراچی میں منعقد ہونے والے ہم شوکیس کے تیسرے سیزن میں اس کی پذیرائی اور دلچسپی میں اضافہ دیکھنے میں آیا، جس سے مختلف ڈزائنر کلیکشن اور فیشن کی تازہ ترین و منفرد پیش کش سے شائقین کو متوجہ رکھتے ہوئے بہترین کلیکشن پیش کی گئی۔

ہم اسٹائل ایوارڈز

ستاروں کے جھرمٹ سے بھرا یہ ایونٹ "ہم اسٹائل ایوارڈز 2018" اپنے تیسرے ایڈیشن میں ستمبر 2018 کو کراچی میں منعقد کیا گیا۔ اس ایونٹ میں پاکستان کے فیشن، میوزک، اسپورٹس، ٹی وی اور فلم انڈسٹری کے چمکتے ستاروں کی موجودگی اور اس تقریب کی شاندار پرفارمنسز سے ہم اسٹائل ایوارڈز کی اس تقریب کو مدتوں یاد رکھا جائے گا۔

مصالحہ فیملی فیسٹیول

پاکستان کا سب سے بڑا اور توقعات سے بھرا یہ فیسٹیول، مصالحہ فیملی فیسٹیول لاہور اور کراچی میں منعقد کیا جا چکا ہے، اس فیسٹیول میں میوزک، میجک اور کامیڈی پروگرام، کوکنگ کے لائیو مظاہرے، ڈانس اور گانے کے مقابلوں کے علاوہ اپنے پسندیدہ شیف سے ملنے کا موقع بھی شامل تھا۔

ہم فیملی فیسٹیول

ہم فیملی فیسٹیول ہم کی 14 ویں سالگرہ تقریبات کا اہم جز تھا۔ ہم فیملی فیسٹیول 2019، ایک مکمل طور پر تفریح سے بھرا ہوا پروگرام، ہم کے ملازمین اور ان کے گھر والوں کے لیے منعقد کیا گیا جس میں تفریحی سرگرمیاں، بچوں کے لیے کھیل اور ہر ایک کے لیے اس کی پسند کے کھانے کی پیش کش بھی شامل تھی۔

ہیومن ریسورسز مینجمنٹ

ہم نیٹ ورک اپنی افرادی قوت کو اپنے لئے ایک قابل قدر اثاثہ سمجھتی ہے اور ان کے لیے ایسے ماحول کے قیام پر خصوصی توجہ دیا جاتا ہے جس میں ترقی، اعلیٰ کارکردگی، ادارے کی اقدار کے تحفظ اور کاروباری سلیقہ کی ترویج ہوتی ہے۔

اہم اقدار

ہم نیٹ ورک لمیٹڈ اپنے ملازمین کے لیے کارپوریٹ اور سوشل ورک کے حامل ماحول کو یقینی بنانے کے لیے مسلسل کوشاں ہے تاکہ ان کے لیے صحت مند اور پیشہ ورانہ انداز میں اپنے امور انجام دینے کی مکمل آزادی ہو۔

اس مقصد کے پیش نظر، ہم نیٹ ورک فیملی نے درج ذیل اہم اقدار وضع کئے ہیں:

1۔ سچائی اور دیانتداری

2۔ سب کے لیے عزت

3۔ عزم / لگن / اپنے پن کا احساس

4۔ احتساب اور مقصد کا احساس

5۔ ٹیم ورک

6۔ نظم وضبط

7۔ تحفظ / صحت اور توجہ

ہم اپنے تمام امور میں درج بالا اقدار کی پاسداری پر زور دیتے ہیں تاکہ اچھا، بامقصد اور ٹیم ورک پر مبنی ماحول پیدا ہو۔

رسک مینجمنٹ (خطرات پر قابو پانے کا نظام)

کمپنی خطرات پر قابو پانے کے جامع فریم ورک کی حامل ہے جس کی بدولت کاروباری خطرات اور امکانات کو پہچان کر، اقدامات کے ذریعے اس پر بہتر انداز میں قابو پایا جاسکتا ہے۔ اس فریم ورک میں شفافیت کی ترویج، کاروباری مقاصد پر منفی اثرات کو کم کرنے اور کمپنی کے مسابقتی مفاد کو بہتر کرنے کی ضرورت ہے۔ اسی طرح سے ہی یہ فریم ورک مارکیٹ، کریڈٹ اور آپریشن کے خطرات پر قابو پانے اور کمپنی کی سطح پر خطرات کے تعین اور ضروری اقدام میں معاون ثابت ہوگا۔

کارپوریٹ سوشل ریسپانسبلٹی (کاروباری سماجی ذمہ داری)

ہم نیٹ ورک لمیٹڈ میں کاروباری سماجی ذمہ داری پر توجہ دی جاتی ہے۔ ہم اپنے ملک کی فلاح و بہبود کے لیے کھلے دل کے ساتھ تعاون کرنے پر مکمل یقین رکھتے ہیں۔

اس ضمن میں ہم نیٹ لمیٹڈ نے فاطمید فاؤنڈیشن اور انڈس ہسپتال کے ساتھ اشتراک عمل سے خون کا عطیہ دینے کی مہم چلائی تاکہ رضاکارانہ طور پر خون کا عطیہ کرنے کے حوالے سے آگہی کو عام کیا جائے۔ اس اشتراک عمل سے خون کا عطیہ کرنے والوں کو مفت میڈیکل چیک اپ اور بلڈ ٹیسٹ کی سہولت فراہم کی گئی۔

مذکورہ بالا مہم کے علاوہ نیٹ ورک کی جانب سے SIUT، LRBT، اور دیگر فلاحی اداروں کے لیے فری ایئر ٹائیم دستیاب کیا تاکہ ان کے نیک مقاصد میں مدد کی جائے۔

ملازمین کی ترتیب اور ترقی

ہمارے سالانہ مشاہرے میں اضافے کے پروگرام کے پیش نظر، ہر ملازم کی انفرادی طور پر نگرانی اور گفت وشنید کا اہتمام کیا جاتا ہے۔ اس کے ساتھ ضرورت کی بنیاد پر تربیتی سیشن بھی منعقد کرائے جاتے ہیں جس سے ملازمین کے لیے ترقی کے مواقع پیدا ہوتے ہیں اور ہمیں پرعزم اور تربیت یافتہ افرادی قوت ملتی رہتی ہے۔

عالمی رسائی

نیٹ ورک کو عالمی مارکیٹ میں رسائی دینے کی منصوبہ بندی کے طور پر جولائی 2018 میں برطانیہ میں ہم نیوز کا کامیابی کے ساتھ آغاز کیا گیا تاکہ ناظرین کو اعلیٰ معیاری نیوز،

حالات حاضرہ اور تفریحی معلومات پہنچانے کا مقصد حاصل کیا جائے۔

پاکستان کا سب سے بڑا کرکٹ ایونٹ "پاکستان سپر لیگ" کی نشریات خصوصی طور پر ہم مصالحہ یورپ پر آن ایئر کی گئی جس نے ریٹنگ کے گزشتہ تمام ریکارڈز توڑ ڈالے۔

ہم نیٹ ورک لمیٹڈ نے اپنی عالمی رسائی کو بڑھانے کے پیش نظر، پیش کش کی توسیع کے منصوبے جاری رکھے۔ اس ضمن میں ہمارے بلاک بسٹر ڈرامہ سیریل "سنو چندا سیزن 1 اور عشق تماشا" کی عربی میں ڈبنگ کے بعد ایک بڑے عربی چینل ایم بی سی پر چلایا گیا۔

میگزین اور پبلی کیشن

نیٹ ورک اس وقت چار مستقل پبلی کیشن، نیوز لائن، گلیم اور مصالحہ ٹی وی فوڈ میگزین کے نام سے شایع کر رہا ہے۔ اس کے ساتھ مصالحہ ٹی وی شیف کے کئی کوک بکس بھی شروع کئے گئے ہیں جنہیں عوام کی پذیرائی ملی اور ان کوک بکس کی شاندار طلب دیکھی گئی۔

مستقبل کی منصوبہ بندی اور مسائل

ہماری کاروباری اور مالی منصوبہ بندیاں اور انتظامی فیصلوں میں نچلی سطح کے جو اقدامات ہوتے ہیں وہ ہم نیٹ ورک کو طاقت سے طاقت کے حصول کو سامنے رکھ کر مرتب کئے جاتے ہیں اور یہ یقینی بنایا جاتا ہے کہ اس کی آزادی مستحکم انداز میں محفوظ رکھی گئی ہے۔ ایک انٹرپرائز کے طور پر ہم واضح کاروباری منصوبہ بندی، شاندار انفراسٹرکچر اور تجربہ کار بورڈ کی بدولت مزید ترقی کرنے کی اہلیت رکھتے ہیں۔

مسابقتی ماحول میں کاروباری بالادستی کا استحکام

اپنے مارکیٹ شیئر کو مزید بڑھانے کے لیے، ہم نیٹ ورک لمیٹڈ نے پورے نیٹ ورک کے چینلز میں نئے شوز کے لیے پیش کئے جانیوالے مواد کی منصوبہ بندی کے پیش نظر جدید اور مختلف موضوعات کو تیار رکھا ہوا ہے تا کہ موجودہ طور طریقوں سے ہٹ کر کچھ نیا پیش کیا جا سکے۔ ہم پرامید ہیں کہ ان منصوبہ بندیوں سے ہم انٹرٹینمنٹ اور نیوز کے میدانوں میں موجود پلیئرز کو چیلنج کرنے کی بھرپور صلاحیت کے حامل ہوں گے۔

ڈیجیٹائزیشن سے اضافی آمدنی پر توجہ

پاکستان کی ڈیجیٹل مارکیٹ بہت حوصلہ افزا ہے اور یہاں کی روزمرہ کی ضروریات کا تیزی سے ڈیجیٹل سروسز میں منتقل ہونا اس بات کا واضح ثبوت ہے۔ ہم نیٹ ورک لمیٹڈ اس مارکیٹ ٹرینڈ سے فائدہ اٹھانے کے لیے مکمل طور پر تیار ہے اور اس کے لیے نیٹ ورک نے نیٹ فکس، آئی فلکس اور ایروز ناؤ جیسے بڑے عالمی اداروں کے ساتھ شراکت داری کر رکھی ہے۔

مختلف امور کے لیے اخراجات کا تعین

کمپنی میں اس بات کی سوچ کو پروان چڑھایا گیا ہے کہ ناظرین کی تعداد میں اضافہ کے لیے خطیر رقم خرچ کرنا ضروری نہیں ہوتا۔ ہم نیٹ ورک لمیٹڈ سپلائرز کے ساتھ بہترین اور معنی خیز گفت وشنید اور اپنے ڈسٹری بیوشن کے اخراجات پر کنٹرول کی طرف بھرپور توجہ مرکوز رکھتا ہے۔

عالمی مارکیٹس میں اپنی رسائی کو مستحکم بنانا

دوران سال، کمپنی نے عالمی مارکیٹس میں اپنی بالادستی کو مزید مستحکم کرنے کے لیے کئی اقدامات اٹھائے ہیں جس میں نئے پلیٹ فارم آپریٹرز کے ساتھ معاہدوں کے ساتھ کچھ علاقوں کے لیے نئے چینلز کا آغاز بھی شامل ہے۔ اس توسیعی منصوبہ بندی کے ضمن میں کمپنی نے برطانیہ میں ہم نیوز کا آغاز کیا۔ مزید براں اپنی عالمی رسائی کو بڑھانے کے لیے، ہم نیٹ ورک لمیٹڈ نے اپنی پیش کش میں شراکت داری پر بھی کام جاری رکھا ہوا ہے۔

نقصانات میں کمی اور آمدنی میں اضافے کے اقدامات

خطرات میں کمی لا کر ترقی کے مواقع سے فائدہ اٹھانے کی سوچ ہم نیٹ ورک لمیٹڈ کی منصوبہ بندیوں کا اہم جز رہی ہے۔ ہم نیٹ ورک لمیٹڈ کی جانب سے ایم ڈی پروڈکشن (پرائیویٹ)

لمیٹڈ کا حصول بھی پاکستان کی میڈیا انڈسٹری میں طویل مدتی ترقی اور توسیع کے پیش نظر عمل میں لایا جارہا ہے اور اس سے مستقبل مین بہترین منافع کی امید کی جاتی ہے۔

اس ڈیجیٹل دور میں وقوع پذیر ہونے والی تبدیلیوں کے پیش نظر، ہم نیٹ ورک لمیٹڈ ہم مارٹ کے ذریعے ای کامرس مارکیٹ میں قدم رکھ دیا ہے۔ ہم پر امید ہیں کہ اس اقدام سے ڈیجیٹل مارکیٹ سے بھر پور فائدہ حاصل ہو گا اور آنے والے سالوں میں ہم مارٹ ایک منافع بخش بزنس ثابت ہو گا۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہم نیٹ ورک لمیٹڈ کے لیے طویل مدتی اور قلیل مدتی ریٹنگز بالترتیب "اے پلس" اور "اے ون" درجہ بندی برقرار رکھی ہے۔ ان ریٹنگز سے نیٹ ورک کی مستحکم مارکیٹ پوزیشن اور کریڈٹ رسک کے بہت کم امکانات کی نشاندہی ہوتی ہے۔

بورڈ کی تشکیل اور مشاہرے کا تعین

بورڈ کی تشکیل اور بورڈ کمیٹیوں کے ممبرز کے نام اسٹیٹمنٹ آف کمپلائنس بشمول سی سی جی کے صفحہ نمبر۔۔۔۔۔۔ پر ملاحظہ کئے جاسکتے ہیں۔

مزید براں، بورڈ آف ڈائریکٹرز کے پاس اپنے ڈائریکٹرز کے مشاہرے کے تعین کے لیے باضابطہ پالیسی اور شفاف طریقہ کار موجود ہے جس سے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی تعمیل میں عمل یقینی بنایا جاتا ہے۔

ڈائریکٹرز کی تبدیلی

دوران سال، محترمہ مومنہ درید کی ڈائریکٹر کے عہدے سے مستعفی ہونے کے سبب جگہ خالی ہوئی، جو کمپنیز ایکٹ 2017 کے سیکشن 155(3) کے مطابق پُر کرتے ہوئے 6 جولائی 2019 کو محترمی نابغہ ناصر مسعود کو ڈائریکٹر کے طور پر منتخب کیا گیا۔

پیٹرن آف شیئر ہولڈنگ

پیٹرن آف شیئر ہولڈنگ سے متعلق اسٹیٹمنٹ برائے 30 جون 2019 اس سالانہ رپورٹ سے منسلک ہے۔

ڈائریکٹرز کے اجلاس

دوران سال، بورڈ آف ڈائریکٹرز کے 6، آڈٹ کمیٹی کے 4 اور ہیومن ریسورسز اور ریمونریشن کمیٹی کے 2 اجلاس منعقد ہوئے۔ جن میں ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کی حاضری	آڈٹ کمیٹی کی حاضری	ایچ آر اینڈ آر کمیٹی کی حاضری
جناب مظہر الحق صدیقی	4	-	-
محترمہ سلطانہ صدیقی	2	-	-
جناب سہیل انصر	4	4	1
محترمہ مہتاب اکبر راشدی	3	4	1
جناب شنید قریشی	2	3	-
محترمہ مومنہ درید*	1	-	-
لیفٹیننٹ جنرل (ر) آصف یاسین ملک	3	3	-
محترم درید قریشی	3	-	-
محترم حسن رضاء الرحیم	2	-	-

* محترمہ نابغہ ناصر مسعود کو محترمہ مومنہ درید کی جگہ منتخب کیا گیا ہے اور ان کے انتخاب کے بعد کوئی بھی بورڈ میٹنگ منعقد نہیں ہوئی ہے۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز EY فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور سال 2019-20 کے لیے ممکنہ طور پر ان کا دوبارہ انتخاب ہو سکتا ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا نظام

کوڈ آف کارپوریٹ گورننس پر عمل درآمد کے تحت مطلوب، ڈائریکٹرز درج ذیل اُمور بیان کرتے ہوئے بمسرت ہیں:

- ☆ انتظامیہ کی جانب سے تیار کردہ کمپنی کے مالیاتی گوشوارے، کمپنی کے معاملات، آپریشن کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کی شفاف صورتحال پیش کر رہے ہیں۔
- ☆ کمپنی کی جانب سے باقاعدہ طور پر اکاؤنٹس کی بکس برقرار رکھی گئی ہیں۔
- ☆ مالیاتی گوشواروں اور اکاؤنٹنگ تخمینے کی تیاری مناسب اور محتاط انداز کی بنیاد پر متعلقہ اکاؤنٹنگ پالیسیوں کے تحت کی گئی ہے۔
- ☆ مالیاتی گوشواروں کی تیاری پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ کے معیار کے مطابق کی گئی ہے۔
- ☆ انٹرنل کنٹرول کا سسٹم بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- ☆ کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک وشبہ کی کوئی گنجائش نہیں۔
- ☆ لسٹنگ ریگولیشنز میں وضاحت کردہ کارپوریٹ گورننس کے امور پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔
- ☆ رقوم کی منتقلی کے بہترین انداز پر عمل درآمد میں کسی طرح کا کوئی انحراف دیکھنے میں نہیں آیا۔
- ☆ بقایہ ٹیکسز اور لیویز کو مالیاتی گوشواروں کو نوٹس میں واضح کیا گیا ہے۔
- ☆ چیف ایگزیکٹیو آفیسر، ڈائریکٹرز، چیف فنانشل آفیسر اور کمپنی سیکریٹری، ان کے ازواج اور چھوٹے بچوں کی طرف سے شیئرز میں ٹریڈنگ:

	حصول	منتقلی
سی ای او	-	-
ڈائریکٹر	-	-
سی ایف او اینڈ کمپنی سیکریٹری	-	-
ازواج اور چھوٹے بچے	-	-

منافع منقسمہ اور اس کی تخصیص

ان نتائج کی بنیاد پر، بورڈ نے ہر ایک شیئر پر حتمی منافع منقسمہ صفر روپے (بحساب صفر فیصد) دینے کا اعلان کیا ہے۔

یکم اکتوبر 2019
کراچی

درید قریشی
چیف ایگزیکٹیو

مظہر الحق صدیقی
چیئرمین اور ڈائریکٹر

Report Of The Directors On Consolidated Financial Statements

On behalf of the Board of Directors, we are pleased to submit the Annual Consolidated Financial Statements along with the Auditor's Report thereon for the year ended June 30, 2019.

The Group consists of another wholly owned local subsidiary Skyline Publications (Private) Limited and three wholly owned foreign subsidiaries in US, UK and UAE namely HUM TV Inc., Hum Network UK Limited and HUM Network FZ-LLC respectively. Another subsidiary by the name of HUM Mart (Private) Limited is an entirely different field i.e. an e-commerce operations by the brand name of Hum Mart.

The group recorded revenue of Rs. 4,787 million and loss after tax of Rs. 650 million for the financial year ended 2019. The results translate into loss per share of Re. 0.69.

The Directors' Report on HUM Network Limited for the year ended June 30, 2019 has been separately presented in the annual report

October 01, 2019
Karachi

DURAID QURESHI
Chief Executive Officer

MAZHAR-UL-HAQ SIDDIQUI
Chairman & Director

مجموعی مالیاتی گوشواروں کے حوالے سے ڈائریکٹرز کی رپورٹ

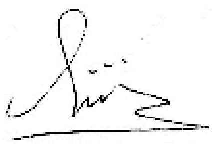
بورڈآف ڈائریکٹرز کی طرف سے، ہم کمپنی کے سالانہ مجموعی مالیاتی گوشوارے بشمول آڈیٹرز کی رپورٹ برائے سال ختم شدہ 30جون 2019 پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

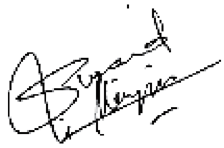
ہم گروپ مکمل طورپر زیرملکیت مقامی ذیلی ادارے اسکائی لائن پبلی کیشنز (پرائیویٹ)لمیٹڈ اور امریکہ، برطانیہ اور متحدہ عرب امارات میں 3 غیر ملکی مکمل زیرملکیت بالترتیب ہم ٹی وی Inc.، ہم نیٹ ورک برطانیہ لمیٹڈ اور ہم نیٹ ورک FZ-LLC کے نام سے ذیلی اداروں پر مشتمل ہے۔ ایک اور ذیلی ادارہ ہم مارٹ (پرائیویٹ) لمیٹڈ بھی ایک الگ شعبہ سے تعلق رکھتاہے جو کہ ہم مارٹ کے برانڈ نام سے ای کامرس آپریشنز میں مصروف عمل ہے۔

گروپ نے مالیاتی سال 2019 کے لیے 4,787 ملین روپے کی آمدنی حاصل کی اور 650 ملین روپے کا بعد از ٹیکس نقصان اٹھایا۔ نتائج کے اعتبار سے ہر ایک شیئر پر 0.69 روپے فی شیئر نقصان بنتا ہے۔

30جون 2019 کو ختم شدہ سال کیلئے ہم نیٹ ورک لمیٹڈ کی ڈائریکٹرز رپورٹ کمپنی کی سالانہ رپورٹ میں علیحدہ سے پیش کی جاچکی ہے۔

یکم اکتوبر 2019
کراچی





مظہر الحق صدیقی
چیئرمین اور ڈائریکٹر

درید قریشی
چیف ایگزیکٹو

Code of Conduct

1. Introduction

The provisions of this code as set forth in sections 1 to 15 are mandatory, and full compliance is expected under all circumstances.

Every director and every employee is responsible for complying with this code. Directors/Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their supervisor or to the Board, who, if necessary, should seek appropriate legal advice.

Failure to comply with the code could result in severe consequences for both the individual and the company. The company will impose appropriate discipline which may include discharge for violation of the code. Furthermore, conduct that violates the code may also violate federal or provincial law and could subject both the company and the individual to prosecutions and legal sanctions.

2. Conflicts of Interest:

The Company expects that directors/employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the Company. Directors/Employees must not use their positions or the knowledge gained as a result of their positions for private or personal advantage. Regardless of the circumstances, if directors/employees sense that a course of action they have pursued, or are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to their supervisor or to the Board.

3. Gifts and Entertainment

Employees shall not on behalf of the company, furnish directly or indirectly, expensive gifts or provide excessive entertainment or benefits to other persons.

Employees whose duties permit them to do so, may furnish modest gifts, favors and entertainment to persons other than public officials, provided all of the following criteria are met:

i. The gifts are not in form of cash, bonds or other negotiable securities and are of limited value so as not to be capable of being interpreted as a bribe, payoff or other improper payment;

ii. they are made as a matter of general and accepted business practice;

iii. they do not contravene any laws and are made in accordance with generally accepted ethical practices; and

iv. if subsequently disclosed to the public, their provision would not in any way embarrass the company or the recipients.

For example, reasonable expenses of the entertainment of current or prospective business associates or customers are permissible by employees whose duties embrace the providing of such entertainment, provided prior approval from the supervisor is obtained and proper accounting is made.

4. Relationships With Clients and Suppliers

Employees should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with the Company, or that provides goods or services, or both, to the Company if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Company.

5. Public Officials

All dealings between employees or directors of the company and public officials should be transparent.

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation directly or indirectly, in any bribes, kickbacks, illegal gratuities indirect contributions or similar payments is expressly forbidden, whether or not they might further the business interest of the company. Maintenance of a high standard of integrity is of the utmost importance to the company.

Since the furnishing, on behalf of the company, of even an inexpensive gift or a modest entertainment or benefit to a public official may be open to the interpretation that it was furnished illegally to secure the use of his/her influence as public official, no such gift, entertainment or benefit may be furnished by an employee or director.

6. Political Contributions

The use of the company's funds, goods or services as contributions to political parties, candidates or campaigns is specifically forbidden.

Contributions include money or anything having value, such as loans, services, entertainment, trips and the use of the company's facilities or assets.

7. Personal Gain

Employees and Directors shall not use their status to obtain personal gain from those doing or seeking to do business with the company.

Except as hereinafter provided, employees and directors should neither seek nor accept gifts, payments, services, fees, special valuable privileges, pleasure or vacation trips or accommodations or loans from any persons (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any Company or group that does or is seeking to do business with the company or any of its affiliates, or from a competitor of the company or any of its affiliates. However, employees and directors may accept modest gifts, favors or entertainment upto the maximum limits prescribed by the Board of Directors of the Company from time to time provided that doing so is consistent with the tests relating to the furnishing of gifts set forth in Section 3.

8. Inside Information

Employees and Directors shall not use for their own financial gain or disclose for the use of others, inside information obtained as a result of their position within the company.

Employees and Directors may find themselves in violation of the applicable securities laws if they misuse information not generally known to the public and either trade or induce others to trade in the stock of the company or in the stock of another company. Specific confidential information would include financial information, information concerning acquisitions or dispositions of properties and proposed acquisition or mergers with other companies.

In furtherance of this policy, the company has adopted a statement of policy regarding insider trading, which each director, officer and employee who has access to material non-public information will be requested to sign.

9. Disclosure of confidential Information

Certain records, reports, papers, processes, plans and methods of the company or to which the company has been permitted access are considered to be secret and confidential by the company or the party who has permitted access thereto, and employees and Directors are prohibited from revealing information concerning such matters without proper authorization.

Directors, individuals, clients, agencies, investors and the public should have information about the company as is necessary for them adequately to judge the company and its activities. The company believes that full and complete reporting to governmental agencies and the provision of information to the public as required constitutes a responsible and workable approach to disclosure. However, the company except as required by law, will not disclose information important to its competitive effectiveness or which might violate the private rights of individuals, enterprises or institutions. Employee and Directors are therefore prohibited from discussing or disclosing any secret or confidential information about the company or in the possession of the company unless such disclosure has been authorized by the Board of Directors.

Employees shall comply with departmental policies and procedures relating to the retention and orderly destruction of the company's documents.

10. Authorization and Recording of Transactions and safekeeping of Assets

The company's books and records must reflect, in an accurate, fair and timely manner, the transactions and disposition of assets of the company. Employees responsible for the company's books and records must ensure that this occurs.

All transactions must be authorized and executed in accordance with the instructions of management and the Board of Directors. They must be recorded so as to permit the accurate preparation of financial statements in conformity with generally accepted accounting principles and other generally accepted laws applicable to such statements and to maintain accountability for assets.
Access to assets is permitted only in accordance with the authorization of management.

The use of company funds or assets for any unlawful or improper purpose is strictly prohibited and those responsible for the accounting and record keeping functions are expected to be vigilant in ensuring enforcement of this prohibition. The recorded accountability for assets will be compared with the existing assets at reasonable intervals and appropriate action will be taken with respect to any differences.

11. Discrimination-Free Work Environment

The policy of the company is to provide a working environment free of discrimination and harassment in which individuals are accorded equality of employment opportunity based upon merit and ability.

Discriminatory practices based on race, sex, color, national or ethnic origin, religion, marital status, family status, age or disability will not be tolerated. Employees are entitled to freedom from sexual and all other forms of personal harassment in the work place.

It is not a discriminatory practice to make a distinction between persons based on bona fide occupational requirements. Since bona fide occupational requirements are narrowly defined, such distinctions should not be undertaken without first obtaining express authorization.

12. Protection of the Environment

The company and its directors and employees shall treat the protection of the environment as an integral factor in all decision making.

The company is committed to the protection of the environment. To comply with this commitment, the company's policy is to meet or exceed all applicable governmental requirements. Employees must report to their superior all circumstances in which toxic substances are spilled or released into the environment. Violations of environmental laws, even if unintentional, can carry severe penalties, and could result in the prosecution of the company or the employees involved or both.

Failure to comply with the company's instructions for the protection of the environment may result in disciplinary actions.

13. Competition and Trade Practice Standards

The company shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations.

Under no circumstances shall any employee or Director of the company be a partly to any collusion or concerted effort of any type involving any competitor vendor, supplier, customer or other party, which is in restraint of trade or violation of laws and regulations designed to foster competition. Because laws relating to competition are complex, employees and Directors should refer matters about what they are in doubt to their superior or should seek the advice of the company's counsel.

14. Standards of Conduct

Although the various matters dealt with in this code do not cover the full spectrum of employee or Director activities, they are indicative of the company's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behavior expected from employees and Directors in all circumstances.

15. Distribution

Each director and each employee of the company who has executive, managerial or supervisory responsibilities, or deals with governmental officials or political parties or candidates on behalf of the company, or who has access to confidential information, will be provided with a copy of this code. To ensure proper understanding of the code, any questions as to its application to the area of responsibility and jurisdiction of the Director or employee will be explained fully by his / her superior or by the audit committee.

At commencement of employment and at least once a year thereafter each such employee shall sign the prescribed from of acknowledgement which will be retained by the Chief Financial Officer or the Chairman of the audit committee that each such individual under his / her jurisdiction has completed the required form acknowledging that he / she has read or reread, as the case may be, the current version of the code of ethics & business policies and has complied with its terms.

Each director shall sign such an acknowledgment to the audit committee at the commencement of his or her term.

Whistle-Blowing Policy

1. Purpose

To encourage employees to disclose any malpractice or misconduct of which they become aware and to provide protection for employees who report allegations of such malpractice or misconduct. The main purpose of this whistle blowing policy is to give all employees an opportunity to disclose matters they feel need to be reported in the interest of fair-play and larger benefit of the organization; high standard of corporate governance; compliance with legal requirements and protection of the Company's interest.

2. Policy

The whistle blowing policy is designed to encourage employees to report alleged malpractice or misconduct, to ensure that all allegations are thoroughly investigated and suitable action taken where necessary. Any whistle-blowing employee is protected against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated as long as there is no evidence of willful misreporting. Employees who participate or assist in an investigation will also be protected.

3. Requirement of policy

This document thus sets out a formal whistle-blowing policy, consisting of safe and effective procedures for misconduct disclosure or reporting so that appropriate remedial action can be taken. A written, formal policy is also a means of preventing and deterring misconduct that might be contemplated but has not yet taken place. It is also a transparent method of addressing issues relating to whistle blowing, such as answering standard questions, giving assurances, providing information and offering explanations.

4. On what should one blow the whistle

What is reportable misconduct?

Any serious concerns you may have about any aspect of the operations of the Hum Network Limited (the Company) and those who work in the Company can be reported under this policy. This may be a conduct that:

- Is against the governing rules, procedures, and policies, or established standards of practice of the Company. amounts to improper, unethical, or unlawful conduct;
- Amounts to waste of company's resources; makes you feel uncomfortable in terms of your experience with the standards you believe; or
- Amounts to an attempt to cover up any of these types of actions. Conduct becomes reportable when it happens or when it is reasonably likely to occur. Harm to the Company or to its integrity may occur when any of this conduct is unchecked or unaddressed. Importantly, in determining whether to report conduct, harm is not only measured in terms of monitory loss to the organization, or damage to a particular program or initiative, but the harm may also be done to the integrity and reputation of the Company itself, or its survival and/or growth.

Reportable conduct falls into the following categories:

4.1 Illegal or unlawful conduct

Conduct may be illegal or unlawful in terms of the Rules and Regulations of the Company and other applicable laws. We all have legal responsibilities, obligations or duties. Criminal offences - such as theft, fraud, corruption (for example, bribery), or money laundering - are in breach of legal duties and therefore constitute reportable misconduct.

4.2 Un-procedural conduct

Conduct may be un-procedural since it violates clearly communicated procedures (in the form of policies, regulations, or rules) governing the operations of the Specific rules and processes, together with other best practice procedures, guide accounting practices and controls, financial reporting, auditing matters, the transfer of funds to recipients, approved recipient accounts, and the like. Such procedures are important for good governance and breaching them may expose the application of funds to risk of loss or real loss.

4.3 Unethical conduct

Conduct may be unethical since it undermines universal, core ethical values, such as integrity, respect, honesty, responsibility, accountability, fairness. For example one could exert undue pressure on a person in position of power in order to gain an advantage. That would be unfair to others and as such unethical, although neither unlawful nor un-procedural. But not all unethical conduct is reportable. For example, some kinds of conduct may be disrespectful and therefore undesirable, without harming any serious interests other than personal feelings. This would not be reportable misconduct.

4.4 Wasteful conduct

Conduct constituting a gross waste of resources is a reportable category in its own right since responsible stewardship of resources is as crucial to the success of the Company as all employees have an obligation to ensure that all resources are used prudently and efficiently. If resources are spent in a wasteful manner, and in breach of the public trust under which they are provided, and an employee knows about this then this would be reportable under the whistle-blowing mechanism.

5. Whistle-blower protection

HNL shall take all necessary actions to safeguard the interests of the whistle-blower. Where an individual makes a report under this policy in good faith, reasonably believed to be true, there will be no retaliation (please read detail below) against the reporter should the disclosure turn out to be misguided. Retaliation means any direct or indirect detrimental action recommended, threatened or taken because an individual reported conduct described in Section 4 of this policy. When established, retaliation is by itself misconduct which may be pursued under the appropriate mechanisms - for example, through disciplinary action initiated through mechanisms of HR Policy or more broadly and as appropriate, through other mechanisms of the company's rules. Reporting under this policy, however, in no way immunizes or shields a whistle-blower against action following from his or her own misconduct, which includes willfully making allegations through the whistle-blowing mechanism that the individual knows to be false or makes with an intent to misinform.

6. Whistle-blowing procedures

HNL encourages all its employees to act responsibly at all times and protect themselves and the company against any illegal or immoral acts (see section 4) by immediately reporting any such actions to the Designated Person.

Designated Persons (DPs)

The
- **Company secretary, and**
- **Head of Internal Audit**

Shall be the "Designated Persons" (DPs), and all information shall be directly conveyed to the DPs by the whistle-blower.

Access to the Designated Person

The whistle-blower shall have direct access to the Designated Persons at all times. This right of the whistle-blower shall be upheld under all circumstances and respected by the management of the Company.

Medium of Reporting

Reports to the Designated Persons can be made by: Official email address of the Designated Persons.

Follow up Procedure

The DPs will initiate an investigation and take any consequent action as deemed appropriate and will record the same for information of the Board of Directors, keeping at all times, the confidentiality of the Whistle Blower's identity.

UNCONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT
To the members of Hum Network Limited
Report on the Audit of unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Hum Network Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2019 and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2019 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for ProfessionalAccountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Net realizable value of television programs cost	
As of the year end, the balance of television program costs amounted to Rs. 440,614,416 which represents unamortized cost of completed television programs and television programs in production. As per the accounting policy of the Company, television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues, less cost expensed in prior years on an individual program basis. Allocation of television program costs over several accounting periods based on estimates of revenue involve significant judgement of the management which may have a significant impact on the financial statements. For this reason, we have identified this area as key audit matter. Refer notes 2.5, 8 and 23 to the financial statements.	Our audit procedures amongst others, comprised reviewing the appropriateness of the accounting policy of the company in accordance with the applicable financial reporting standards. Further, we obtained understanding of the revenue estimation and amortization process of the Company. In this regard, we selected a sample of television programs and considered the factors used by the management for revenue estimation and amortization of television program cost including; historic experience of revenue earned by similar programs; • ratings of the program from available evidences; • rates used by the company and its fluctuation based on the trend analysis; and • we also considered sub5equent events which may have an impact on unamortized cost We also evaluated whether adequate disclosures have been made in the accompanying unconsolidated financial statements in accordance with the applicable financial reporting standards.
2. First time adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contract with Customers'	
As referred to in note 2.3 to the accompanying unconsolidated financial statements, the Company has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contract with Customers' with effect from 1 July 2018.. IFRS 9 requires the Company to make provision using expected credit losses (ECL) approach as against the incurred loss model previously applied by the management. The management has determined that the most significant impact on the new standard on the Company's unconsolidated financial statements relates to the calculation of ECL against trade debts. Assessment of provision for ECL against trade debts requires significant judgement, estimates and assumptions applied by the management including historical credit loss experience adjusted with forward-looking information	in order to assess the appropriateness of the management's judgement and estimate, our key audit procedures included, among others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts .We also considered additional processes and controls established by the management with respect to revenue recognition.. We considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimate. Further, we assessed the integrity and quality of the data used for ECL computation by matching the same with the accounting records and information system of the Company. We also checked the mathematical accuracy of the ECL computation on a sample basis.

Key audit matter	How our audit addressed the key audit matter
IFRS 15 provides comprehensive model of revenue recognition along with detailed presentation and disclosure requirements. The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers. Given the significance of the judgments related particularly to the estimation of ECL and to the timing and measurement of revenue recognition as well as incremental qualitative and quantitative disclosure, we considered these as a key audit matter.	We reviewed the assessment prepared by the management relating to the application of fivestep model for revenue recognition. We assess the reasonableness of judgments exercised by the management. We also considered and reviewed, on a sample basis, terms of revenue contracts and evaluated the timing and amount of revenue recognised.. In addition to the above, we assessed the adequacy of disdosures in the accompanying unconsolidated financial statements of the Company regarding application of IFRS 9 and 15 as per the requirements of the above standards.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditors' report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the unconsolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosure made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit auditor's report to the related disclosure in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern..

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation..

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred arid guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Sd/-
EY Ford Rhodes
Chartered Accountants
Place: Karachi
Date: October 04, 2019

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	Note	2019	2018
ASSETS		---------- Rupees	----------
NON-CURRENT ASSETS			
Property, plant and equipment	4	**1,494,444,226**	1,541,442,429
Intangible assets	5	**45,543,151**	41,071,541
Long term investments	6	**368,898,451**	288,898,431
Long term deposits	7	**24,479,812**	25,153,606
Television program costs	8	**227,228,617**	256,170,162
Deferred tax asset	9	**57,032,586**	102,187,697
		2,217,626,843	2,254,923,866
CURRENT ASSETS			
Inventories		**19,532,155**	18,196,684
Current portion of television program costs	8	**213,385,799**	219,364,710
Trade debts	10	**1,776,702,967**	1,738,105,890
Short term investments	11	**838,041,574**	600,248,556
Advances	12	**116,418,606**	203,449,568
Trade deposits and short-term prepayments	13	**16,632,975**	23,332,017
Other receivables	14	**166,594,761**	173,222,841
Taxation - net		**175,896,680**	95,630,440
Cash and bank balances	15	**152,042,869**	165,743,041
		3,475,248,386	3,237,293,747
TOTAL ASSETS		**5,692,875,229**	5,492,217,613
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 1,500,000,000 (2018: 1,500,000,000) Ordinary shares of Re.1/- each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up capital	16	**945,000,000**	945,000,000
Unappropriated profit		**2,212,120,835**	2,748,003,928
		3,157,120,835	3,693,003,928
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	17	**11,263,903**	12,914,293
Long term financing	18	**978,644,795**	1,094,155,062
		989,908,698	1,107,069,355
CURRENT LIABILITIES			
Trade and other payables	19	**847,005,655**	635,316,268
Accrued mark-up		**5,490,094**	2,431,528
Short term borrowings	20	**299,853,260**	17,803,070
Unclaimed dividend		**5,948,490**	5,948,490
Unpaid dividend		**205,159**	205,159
Current portion of long term financing	18	**371,910,267**	11,713,938
Current portion of liabilities against assets subject to finance lease	17	**15,432,771**	18,725,877
		1,545,845,696	692,144,330
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		**5,692,875,229**	5,492,217,613

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

DURAID QURESHI	**MAZHAR-UL-HAQ SIDDIQUI**	**MUHAMMAD ABBAS HUSSAIN**
Chief Executive	**Chairman**	**Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------- Rupees ----------	
Revenue	22	**3,979,099,138**	4,609,478,886
Cost of production	23	**(3,495,240,846)**	(2,853,147,800)
Transmission cost		**(193,223,194)**	(177,878,025)
		(3,688,464,040)	(3,031,025,825)
Gross profit		**290,635,098**	1,578,453,061
Distribution costs	24	**(314,061,819)**	(339,611,170)
Administrative expenses	25	**(498,793,978)**	(530,215,069)
Other income	26	**210,738,932**	136,671,857
Operating (loss) / profit		**(311,481,767)**	845,298,679
Finance costs	27	**(143,243,790)**	(33,143,612)
(Loss) / profit before taxation		**(454,725,557)**	812,155,067
Taxation	28	**(81,157,536)**	(82,661,579)
(Loss) / profit after taxation		**(535,883,093)**	729,493,488
(Loss) / earnings per share – basic and diluted	29	**(0.57)**	0.77

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

DURAID QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Chairman

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----------- Rupees ----------	
(Loss) / profit after taxation	**(535,883,093)**	729,493,488
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	**(535,883,093)**	729,493,488

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

DURAID QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Chairman

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid-up capital	Revenue Reserve Unappropriated profit	Total
	-----------------------	Rupees ---	-----------------------
Balance as at June 30, 2017	945,000,000	2,113,010,440	3,058,010,440
Final cash dividend for the year ended June 30, 2017 @ Rs. 0.1 per share	-	(94,500,000)	(94,500,000)
Net profit for the year	-	729,493,488	729,493,488
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	729,493,488	729,493,488
Balance as at June 30, 2018	**945,000,000**	**2,748,003,928**	**3,693,003,928**
Net loss for the year	-	**(535,883,093)**	**(535,883,093)**
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	**(535,883,093)**	**(535,883,093)**
Balance as at June 30, 2019	**945,000,000**	**2,212,120,835**	**3,157,120,835**

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

DURAID QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Chairman

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	**184,859,153**	979,253,144
Taxes paid		**(116,268,662)**	(123,470,239)
Finance costs paid		**(140,185,225)**	(30,840,340)
Profit received on deposit accounts		**21,567,375**	19,226,843
Long term deposits		**673,794**	11,110,852
Television program costs		**28,941,545**	(2,514,984)
Net cash (used in) / generated from operating activities		**(20,412,020)**	852,765,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(189,706,736)**	(1,399,538,815)
Additions to intangible assets		**(17,800,092)**	(26,098,559)
Short term investments made during the year – net		**(239,016,684)**	(659,999,980)
Long term investments made during the year		**(80,000,020)**	-
Dividend received		**6,191,500**	-
Proceeds from disposal of operating fixed assets		**5,251,124**	4,626,140
Net cash used in investing activities		**(515,080,908)**	(2,081,011,214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained*- net		**244,686,062**	1,105,869,000
Liabilities against assets subject to finance lease*		**(4,943,496)**	(9,607,738)
Dividends paid		-	(94,294,841)
Net cash generated from financing activities		**239,742,566**	1,001,966,421
Net decrease in cash and cash equivalents		**(295,750,362)**	(226,279,517)
Cash and cash equivalents at the beginning of the year		**147,939,971**	374,219,488
Cash and cash equivalents at the end of the year		**(147,810,391)**	147,939,971
Cash and cash equivalents			
Cash and bank balances	15	**152,042,869**	165,743,041
Short-term running finance	20	**(299,853,260)**	(17,803,070)
		(147,810,391)	147,939,971

* No non-cash item is included in these activities.

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

DURAID QURESHI	MAZHAR-UL-HAQ SIDDIQUI	MUHAMMAD ABBAS HUSSAIN
Chief Executive	Chairman	Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. THE COMPANY AND ITS OPERATIONS

1.1 HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on Pakistan Stock Exchange.

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 Geographical location and address of business units

Registered office	Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
Head office – Karachi	B.R.R Tower, Hassan Ali Street, Off. I.I. Chundrigar Road
City offices – Karachi	Trade Center, I.I Chundrigar Road
	33-B, Lalazar Queen Road, Mai Kolachi Studio
	Alfalah Court, I.I Chundrigar Road
City office – Islamabad	2A, I&T center, sector G-6/1
City office – Lahore	House # 58, R-24, Masson Road
City office – Sukkur	C-61, Block C, Millat Cooperative Housing Society Limited
City office – Peshawar	48 C, Sahibzada Abdul Qayum Road, University Town
City office – Quetta	House # 3, Phase II, Shahbaz Town
City office – Multan	Ghous-e-Azam Road, Bismillah Colony
City office – Faisalabad	Sitara Tower, Bilal Chowk, Civil Lines

1.4 These are separate financial statements of the Company in which investments in subsidiaries are stated at cost less impairment, if any.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2. Accounting Convention

These unconsolidated financial statements have been prepared on the basis of historical cost convention except for certain investments that have been measured at fair value.

2.3. New and amended standards

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except that the Company has adopted the following amendments of IFRS which became effective for the current year:

IFRS 2	-	Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 4	-	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment)
IFRS 9	-	Financial Instruments
IFRS 15	-	Revenue from Contracts with Customers
IAS 40	-	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	-	Foreign Currency Transactions and Advance Consideration

Improvements to accounting standard issued by IASB in December 2016

IAS 28	-	Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's unconsolidated financial statements except for IFRS 15 and IFRS 9. The impact of adoption of IFRS 15 and IFRS 9 are described below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company elected the modified retrospective method and applied the standard retrospectively to only the most current period presented in the unconsolidated financial statements. Accordingly, the information presented for the previous corresponding period has not been restated.

The Company generates its revenue from rendering of services. The Company's contracts with customers for the provision of service generally include one performance obligation and do not provide customers with a right of return. The Company has concluded that revenue from provision of service should be recognized at the point in time when services are executed. Therefore, the adoption of IFRS 15 did not have any material impact on the timing of revenue recognition and the amount of revenue recognized.

Further, due to application of the above standards, the Company has revised its policies and incorporated additional disclosures in accordance with the requirements of the above standards in these unconsolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly includes deposits, trade debts, short term investments, other receivables, cash and bank balances held with commercial banks.

Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 July 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39.

On adoption of IFRS 9, the Company reassessed the classification of its investment portfolio and concluded as under.

(a) investment in term deposit receipts continue to be measured at amortised cost as they are held with the objectives to hold and collect all contractual cashflows;

(b) investment in mutual funds and term finance certificates continue to be classified under the category fair value through profit or loss as allowed under IFRS 9; and

(c) financial assets other than those mentioned in point (a) & (b), previously classified as loans and receivable are now measured at amortised cost.

Hence, the classification and measurement of financial assets is not impacted by the adoption of IFRS 9.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade debts and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on life time expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The adoption of ECL requirements of IFRS 9 did not result in any difference in the existing impairment allowances of the Company's debt financial assets.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

2.4. Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following 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 standard or interpretation:

Standard or interpretation		**Effective date (annual periods beginning on or after)**
IFRS 3	- Definition of a Business (Amendments)	01 January 2020
IFRS 3	- Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS 4	- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 July 2019
IFRS 9	- Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 / IAS 28	- Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	- Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16	- Leases	01 January 2019
IAS 1/ IAS 8	- Definition of Material (Amendments)	01 January 2020
IAS 12	- Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01 January 2019
IAS 19	- Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 23	- Borrowing Costs - Borrowing costs eligible for capitalisation	01 January 2019
IAS 28	- Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IFRIC 23	- Uncertainty over Income Tax Treatments	01 January 2019

The above standards and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 16 - Leases. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

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

Further, following new standards have been issued by IASB which are yet to be notified by the Securities & Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard		IASB Effective date (annual periods beginning on or after)
IFRS 1	- First Time adoption of IFRSs	01 January 2014
IFRS 14	- Regulatory Deferral Accounts	01 January 2016
IFRS 17	- Insurance Contracts	01 January 2021

The Company expects that above new standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgment, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Property, plant and equipment and intangible assets (note 4 & 5)

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.

Investment in subsidiaries (note 6)

The Company value its investment in subsidiaries at cost less impairment, if any. The Company determines whether objective evidence of impairment exists for individual investments. The determination of fair value of unquoted subsidiaries involves inherent subjectivity, key assumptions (such as future cash flow forecasts, discount and growth rates and volatility), and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in profit or loss.

Television program costs (note 8)

Television program costs represent unamortized cost of completed television programs and television programs in production. In order to determine the amount to be charged to statement of profit or loss, 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.

Income taxes (note 9)

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.

Impairment of financial assets (note 3.6)

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Company's various customer that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's financial assets exposed to credit risk is disclosed in note 34.5.

Contingencies (note 21)

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Owned

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to statement of profit or loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives. 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 was disposed of.

Maintenance and normal repairs are charged to statement of profit or loss 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 derecognized 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 statement of profit or loss in the year the asset is derecognized.

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

Leased

Fixed assets acquired under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of the lower of fair value of assets and the present value of minimum lease payments. Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

3.1.2 Capital work-in-progress

These are stated at cost less accumulated impairment and consist 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.

3.2 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 statement of profit or loss 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 statement of profit or loss when the asset is derecognized.

3.3 Investments in subsidiaries

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the statement of profit or loss. These are classified as 'long term investment' in the unconsolidated financial statements.

3.4 Television program costs

Television program costs represent unamortized cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, and production overheads and are stated at the lower of cost, less accumulated amortisation and net realizable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use.

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

3.5 Inventories

These are valued on weighted average cost basis and are stated at the lower of cost and NRV.

3.6 Financial instruments

During the year, the Company has adopted IFRS 9 which became applicable on July 01, 2018. This has resulted in change in accounting policies of the Company for financial instruments. The changes are discussed in note 2.3 to these unconsolidated financial statements. The new accounting policy for financial instruments are as follows:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

(a) at amortised cost
(b) at fair value through profit or loss(FVTPL); and
(c) at fair value through other comprehensive income (FVTOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

(a) At amortised cost

A financial asset is measured at amortised if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(c) At fair value through other comprehensive income

A debt instruments is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

These assets are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI with no recycling of cumulative gains and losses (equity instruments)

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As at the date of statement of financial position, Company is not having any equity instrument designated at fair value through OCI.

Derecognition

A financial asset is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Exchange gain or losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.8 Contract Liability

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Company performs under the contract.

3.9 Advances, deposits and prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.10 Taxation

Current

Provision for current tax is based on the taxable income in accordance with the Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the statement of financial position 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 statement of financial position 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 statement of financial position date.

3.11 Cash and cash equivalents

These are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term running finance.

3.12 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.13 Unclaimed dividend

Dividend declared and remain unpaid from the date it is due and payable.

3.14 Unpaid dividend

Dividend declared and remain unpaid for the period of 3 years from the date it is due and payable.

3.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, 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 statement of financial position date and adjusted to reflect the current best estimate.

3.16 Revenue recognition

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

Production revenue is recognised when production work appears before public.

Digital revenue is recognised on the basis of number of impressions on the advertisement aired on website.

Subscription income arises from the monthly billing to subscribers for services provided by the Company. Revenue is recognised in the month the service is rendered.

Film distribution revenue is recognized on the receipt of related sale reports from cinemas.

3.17 Other income

Sale of magazine and DVD's is recognized on receipt basis.

Profit on bank deposits is accounted for on effective interest method.

Dividend income is recognized when it is declared and right to receive is established.

Interest / markup income is recognized on accrual basis.

Other revenues are accounted for on an accrual basis

3.18 Staff retirement benefits

The Company operates a funded provident fund scheme for all its permanent employees. 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.

3.19 Foreign currency translations and 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 statement of financial position date. Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. 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 unconsolidated statement of profit or loss 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 Dividend and appropriation to reserves

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

3.22 Contingencies

Contingencies are disclosed when the Company has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.24 Functional and presentation currency

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

3.25 Segment reporting

Segment reporting is based on the reporting operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the senior mangement of the Company to make decisions about rescources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2019	2018
		----------- Rupees ----------	
Operating fixed assets	4.1	**1,435,412,292**	1,501,592,770
Capital work-in-progress	4.4	**59,031,934**	39,849,659
		1,494,444,226	1,541,442,429

4.1 Operating fixed assets

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2018	Additions** / (disposals)	As at June 30, 2019	As at July 01, 2018	Charge for the year/ (disposals)	As at June 30, 2019	as at June 30, 2019	Rate % per annum
	---------- Rupees ----------							
Owned								
Leasehold land	756,571,184*	-	756,571,184	19,754,650	15,471,311	35,225,961	721,345,223	2.04 - 2.13
Building on leasehold land	106,118,604*	1,916,800	108,035,404	35,910,120	7,785,734	43,695,854	64,339,550	10
Leasehold improvements	182,636,901	5,497,657	188,134,558	92,297,171	37,157,288	129,454,459	58,680,099	33
Furniture and fittings	37,646,652	2,412,985	40,059,637	12,859,362	3,457,272	16,316,634	23,743,003	10
Vehicles	103,536,060	24,785,442 ***	119,771,101	43,499,443	25,660,162	63,310,048	56,461,053	33
		(8,550,401)			(5,849,557)			
Audio visual equipment	419,736,894	136,639,907 ***	556,239,801	134,547,902	101,357,718	235,882,685	320,357,116	25
		(37,000)			(22,935)			
Uplinking equipment	65,279,927	10,204,336 ***	75,484,263	36,165,835	6,781,584	42,947,419	32,536,844	10
Office equipment	126,524,780	3,217,825	129,742,605	46,804,272	15,910,792	62,715,064	67,027,541	15
Computers	157,805,581	13,134,336	169,571,397	96,945,325	28,624,418	124,231,384	45,340,013	33
		(1,368,520)			(1,338,359)			
	1,955,856,583	197,709,288	2,143,609,950	518,784,080	242,206,279	753,779,508	1,389,830,442	
		(9,955,921)			(7,210,851)			
Leased								
Vehicles	74,996,451	16,282,063	76,911,624	24,158,284	16,770,254	31,329,774	45,581,850	33
		(14,366,890)			(9,598,764)			
Audio visual equipment	19,440,000	-	-	12,737,250	-	-	-	25
		(19,440,000)			(12,737,250)			
Uplinking equipment	9,660,000	-	-	2,680,650	-	-	-	10
		(9,660,000)			(2,680,650)			
	104,096,451	16,282,063	76,911,624	39,576,184	16,770,254	31,329,774	45,581,850	
		(43,466,890)			(25,016,664)			
2019	**2,059,953,034**	**213,991,351**	**2,220,521,574**	**558,360,264**	**258,976,533**	**785,109,282**	**1,435,412,292**	
		(53,422,811)			**(32,227,515)**			

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2017	Additions**/ (disposals)	As at June 30, 2018	As at July 01, 2017	Charge for the year/ (disposals)	As at June 30, 2018	as at June 30, 2018	Rate % per annum
	---------- Rupees ----------							
Owned								
Leasehold land	63,257,901	693,313,283 *	756,571,184	13,712,398	6,042,252	19,754,650	736,816,534	2.04 - 2.13
Building on leasehold land	33,820,879	72,297,725 *	106,118,604	33,049,343	2,860,777	35,910,120	70,208,484	10
Leasehold improvements	87,200,371	95,436,530	182,636,901	65,652,221	26,644,950	92,297,171	90,339,730	33
Furniture and fittings	29,108,014	8,538,638	37,646,652	9,932,872	2,926,490	12,859,362	24,787,290	10
Vehicles	29,093,877	81,440,780 ***	103,536,060	21,306,302	26,790,154	43,499,443	60,036,617	33
		(6,998,597)			(4,597,013)			
Audio visual equipment	151,210,389	268,526,505	419,736,894	111,624,140	22,923,762	134,547,902	285,188,992	25
Uplinking equipment	43,801,076	21,478,851	65,279,927	33,552,566	2,613,269	36,165,835	29,114,092	10
Office equipment	69,870,888	56,653,892	126,524,780	36,329,552	10,474,720	46,804,272	79,720,508	15
Computers	99,730,293	61,230,630	157,805,581	80,531,901	19,568,766	96,945,325	60,860,256	33
		(3,155,342)			(3,155,342)			
	607,093,688	1,358,916,834	1,955,856,583	405,691,295	120,845,140	518,784,080	1,437,072,503	
		(10,153,939)			(7,752,355)			
Leased								
Vehicles	70,146,605	34,003,016	74,996,451	27,795,702	16,198,588	24,158,284	50,838,167	33
		(29,153,170)			(19,836,006)			
Audio visual equipment	19,440,000	-	19,440,000	8,606,250	4,131,000	12,737,250	6,702,750	25
Uplinking equipment	9,660,000	-	9,660,000	1,811,250	869,400	2,680,650	6,979,350	10
	99,246,605	34,003,016	104,096,451	38,213,202	21,198,988	39,576,184	64,520,267	
		(29,153,170)			(19,836,006)			
2018	**706,340,293**	**1,392,919,850**	**2,059,953,034**	**443,904,497**	**142,044,128**	**558,360,264**	**1,501,592,770**	
		(39,307,109)			**(27,588,361)**			

* Includes assets under common ownership under Diminishing Musharka arrangement.

** Additions of Rs. 197,709,288 (2018: Rs. 1,358,916,834), as shown above, include an amount of Rs. 78,286,438 (2018: Rs. 1,252,852,758) transferred from capital work in progress during the year.

*** Includes transfers from leased to owned.

4.2 Particular of Immovable Asset in the name of the Company are as follows:

Location	Addresses	Total Area (sq.yards)
Karachi	Plot No. 10/11 hassan ali street, off I.I. Chundrigar road.	2,070
Karachi	Plot no. 125, national highway, phase 1 Pakistan Defence Officers Housing Authority.	1,451
Islamabad	Plot No.2A, I&T centre sector G-6/1.	30,609.66

	Note	2019	2018
		---------- Rupees ----------	
4.3 Depreciation for the year has been allocated as follows:			
Cost of production	23	**183,619,450**	82,762,911
Distribution costs	24	**2,812,761**	4,098,165
Administrative expenses	25	**47,527,658**	35,347,046
		233,959,869	122,208,122

4.4 Capital work-in-progress

Description	Leasehold land	Leasehold building	Leasehold improvements	Furniture and fittings	Vehicles	Audio visual equipment	Uplinking equipment	Office equipment	Computers	Total
			----------------	----------------	----------------	(Rupees)	----------------	----------------		
Balance as at June 30, 2017	-	-	-	-	-	-	-	4,077,524	-	4,077,524
Capital expenditure incurred / advances made during the year	693,313,283	72,297,725	95,436,530	3,280,413	34,410,276	307,798,164	20,771,351	22,815,420	38,501,731	1,288,624,893
Transferred to operating fixed assets	(693,313,283)	(72,297,725)	(95,436,530)	(3,280,413)	(34,410,276)	(267,948,505)	(20,771,351)	(26,892,944)	(38,501,731)	(1,252,852,758)
Balance as at June 30, 2018	-	-	-	-	-	**39,849,659**	-	-	-	**39,849,659**
Capital expenditure incurred / advances made during the year	**59,031,934**	-	-	-	-	**38,436,779**	-	-	-	**97,468,713**
Transferred to operating fixed assets	-	-	-	-	-	**(78,286,438)**	-	-	-	**(78,286,438)**
Balance as at June 30, 2019	**59,031,934**	-	-	-	-	-	-	-	-	**59,031,934**

5. INTANGIBLE ASSETS

	Cost			Accumulated amortization			Book value	
	As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	For the year	As at June 30, 2019	as at June 30, 2019	Amortisation rate % per annum
	-------------------	-------	Rupees	-------				
Computer softwares	45,652,626	12,683,092	58,335,718	21,811,725	7,265,407	29,077,132	29,258,586	20 – 33
License fee	10,500,000	-	10,500,000	8,209,530	700,350	8,909,880	1,590,120	6.67
Trade mark	27,596,500	5,117,000	32,713,500	12,656,330	5,362,725	18,019,055	14,694,445	20
2019	**83,749,126**	**17,800,092**	**101,549,218**	**42,677,585**	**13,328,482**	**56,006,067**	**45,543,151**	

	Cost			Accumulated amortization			Book value	
	As at July 01, 2017	Additions	As at June 30, 2018	As at July 01, 2017	For the year	As at June 30, 2018	as at June 30, 2018	Amortisation rate
	-------------------	-------	Rupees	-------				
Computer softwares	27,222,067	18,430,559	45,652,626	17,366,809	4,444,916	21,811,725	23,840,901	20 – 33
License fee	10,500,000	-	10,500,000	7,509,180	700,350	8,209,530	2,290,470	6.67
Trade mark	19,928,500	7,668,000	27,596,500	8,277,480	4,378,850	12,656,330	14,940,170	20
2018	**57,650,567**	**26,098,559**	**83,749,126**	**33,153,469**	**9,524,116**	**42,677,585**	**41,071,541**	

5.1 Amortisation for the year has been allocated as follows:

	Note	2019	2018
		---------- Rupees	----------
Cost of production	23	**9,722,368**	6,295,492
Administrative expenses	25	**3,606,114**	3,228,624
		13,328,482	9,524,116

6 LONG TERM INVESTMENTS – unquoted subsidiaries

	Holding	2019	2018
HUM TV, Inc		---------- Rupees	----------
10,000 Common stock at $ 0.01	100%	**8,603**	8,603
Advance for future issue of shares		**18,716,750**	18,716,750
		18,725,353	18,725,353
HUM Network UK Ltd			
553,677 Ordinary Share of 1 GBP	100%	**95,923,751**	95,923,751
Sky Line Publication (Private) Limited			
3,999,997 Ordinary Shares of Rs. 10 each	100%	**39,999,970**	39,999,970
HUM Network FZ LLC			
2,400 Ordinary Shares of AED 1000 each	100%	**69,802,371**	69,802,371
Advance for future issue of shares		**4,446,966**	4,446,966
		74,249,337	74,249,337
HUMM Co. (Private) Limited			
4 ordinary shares of Rs. 10 each	100%	**40**	40
HUM Mart (Private) Limited			
14,000,000 (2018: 5,999,998) ordinary shares of Rs. 10 each	70%	**140,000,000**	59,999,980
		368,898,451	288,898,431

7. LONG TERM DEPOSITS

Security deposits

- Lease	**665,550**	1,435,700
- Rent	**7,041,458**	7,806,916
- Trade	**13,402,934**	13,402,934
- Others	**3,369,870**	2,508,056
	24,479,812	25,153,606

8. TELEVISION PROGRAM COSTS

Unreleased / released less amortisation	**386,400,500**	384,062,756
In production	**54,213,916**	91,472,116
	440,614,416	475,534,872
Less: Current portion	**213,385,799**	219,364,710
	227,228,617	256,170,162

9. DEFERRED TAX ASSET

Deductible temporary differences arising in respect of:		
Unused tax credits on subscription income	**56,028,518**	102,187,697
Unrealised loss on short term investments	**1,004,068**	-
	57,032,586	102,187,697

	Note	2019	2018
		---------- Rupees	----------
10. TRADE DEBTS – unsecured			
Considered good		**1,776,702,967**	1,738,105,890
Considered doubtful		**47,026,912**	47,026,912
		1,823,729,879	1,785,132,802
Less: Provision for doubtful debts	10.3	**47,026,912**	47,026,912
		1,776,702,967	1,738,105,890

	2019	2018
	---------- Rupees	----------
10.1 Particulars of receivable from foreign customers:		
United Arab Emirates	**80,144,846**	99,718,690
United Kingdom	**109,041,527**	123,759,750
United States of America	**255,563,623**	210,479,330
	444,749,996	433,957,770

These receivables are on contract basis and there are no defaulting parties as of 30 June 2019 and 30 June 2018.

	2019	2018
	---------- Rupees	----------
10.2 Include amount receivable from the following related parties:		
HUM TV Inc.	**231,026,837**	194,422,407
HUM Network UK Limited	**109,041,527**	123,759,750
	340,068,364	318,182,157

10.3 Provision for doubtful debts

Opening balance	**47,026,912**	47,026,912
Charge for the year	-	-
Closing balance	**47,026,912**	47,026,912

10.4 The aging of trade debts from other than related parties is as follows:

Neither past due nor impaired	**964,693,549**	988,550,903
Past due but not impaired		
- 01 to 30 days	**296,343,770**	249,622,592
- 31 to 60 days	**106,919,361**	122,823,403
- Over 60 days	**68,677,921**	58,926,835
	1,436,634,603	1,419,923,733

10.5 The aging of trade debts from related parties is as follows:

Neither past due nor impaired	-	-
Past due but not impaired		
- 01 to 30 days	-	-
- 31 to 60 days	-	-
- Over 60 days	**340,068,364**	318,182,157
	340,068,364	318,182,157

10.6 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	2019	2018
	---------- Rupees	----------
HUM TV Inc.	**231,026,837**	194,422,407
HUM Network UK Limited	**109,041,527**	123,759,750
	340,068,364	318,182,157

11. SHORT TERM INVESTMENTS

At fair value through profit or loss	Note	2019	2018
		---------- Rupees	----------
United Bank Limited 16,000 TFCs having face value of Rs. 5000 each		**80,000,000**	-
Meezan Bank Ltd. Tier II Modaraba Sukuks		**98,997,624**	-
Quoted Shares			
Habib Bank Limited 60,000 shares having market value of Rs. 113.26 each		**6,795,600**	-
Sui Northern 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**	-
Mutual Fund			
Askari High Yield Scheme 2,958,712 units having net asset value (NAV) of 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**	-
BMA sset Management Company Limited 28,912,096 units having net asset value (NAV) of Rs. 8.667 each		-	250,578,242
Alfalah Investments Limited 1,496,096 units having NAV of Rs. 100.041 each		-	149,670,314
At amortised cost			
Term Deposit Receipts	11.1	**250,000,000**	200,000,000
Accrued Profit Thereon		**11,406,493**	-
		261,406,493	200,000,000
		838,041,574	600,248,556

11.1 These are placed with different financial institutions and commercial banks carrying interest ranging from 9.25% to 12.2% (2018: 8.02%) having maturity latest by December 19, 2019.

	Note	2019	2018
		---------- Rupees	----------
12. ADVANCES - unsecured, considered good			
Interest free advances to:			
- Producers	12.1	**85,583,578**	133,139,795
- Suppliers		**25,145,355**	67,221,963
- Employees		**5,032,134**	2,636,629
- Executives		**657,539**	451,181
		116,418,606	203,449,568

12.1 Include Rs. Nil (2018: 22,883,925/-) receivable from Momina & Duraid Films (Private) Limited, a related party.

	Note	2019	2018
		---------- Rupees	----------
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits			
- Rent		**664,500**	664,500
- Trade		**1,997,207**	1,982,207
- Others		**933,974**	933,974
		3,595,681	3,580,681
Prepayments			
- Insurance		**10,152,815**	10,799,371
- Rent		**1,050,135**	3,260,600
- Others		**1,834,344**	5,691,365
		13,037,294	19,751,336
		16,632,975	23,332,017

14. OTHER RECEIVABLES – considered good

Sales tax receivable	**89,985,440**	90,706,200
Due from related parties	**71,486,212**	80,454,731
Income/mark-up accrued	**5,123,109**	-
Others	-	2,061,910
	166,594,761	173,222,841

14.1 Due from related parties

HUM TV, Inc.	**20,785,391**	11,936,268
HUM Mart (Private) Limited	**223,116**	27,799,177
Sky Line Publication (Private) Limited	**50,477,705**	40,700,286
Newsline publication (Private) Limited	-	19,000
	71,486,212	80,454,731

14.2 The aging of receivables from related parties is as follows:

Neither past due nor impaired	**22,386,092**	8,778,006
Past due but not impaired		
- 60 to 90 days	**888,701**	8,833,026
- over 90 days	**48,211,419**	62,843,699
	71,486,212	80,454,731

14.3 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	Note	2019	2018
		---------- Rupees	----------
HUM TV, Inc.		**20,785,391**	11,936,268
HUM Mart (Private) Limited		**223,116**	27,799,177
Skyline Publications (Private) Limited		**50,477,705**	40,700,286
Newsline Publications (Private) Limited		-	19,000
		71,486,212	80,454,731

15. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**906,823**	1,204,749
Cash at banks			
- in current accounts		**47,439,276**	31,144,694
- in deposit accounts	15.1	**103,696,770**	133,393,598
		151,136,046	164,538,292
		152,042,869	165,743,041

15.1 These carry profit at the rates ranging from 8% to 10. 25% (2018: 5% to 5.5%) per annum.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
(Number of shares)			---------- Rupees	----------
		Ordinary shares of Re. 1/- each		
500,000,000	500,000,000	Fully paid in cash	**500,000,000**	500,000,000
445,000,000	445,000,000	Issued as fully paid bonus shares	**445,000,000**	445,000,000
945,000,000	945,000,000		**945,000,000**	945,000,000

16.1 As at June 30, 2019, institutions and others held 527,163,899 and 417,836,101 shares, respectively (June 30, 2018: 548,863,499 and 396,136,501). Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2019		2018	
	Minimum lease payment	Present value	Minimum Lease payment	Present Value
	Rupees			
Not later than one year	**17,652,676**	**15,432,771**	20,402,516	18,725,877
Later than one year and not later than five years	**12,305,768**	**11,263,903**	13,878,079	12,914,293
Total minimum lease payments	**29,958,444**	**26,696,674**	34,280,595	31,640,170
Less: Financial charges allocated to future periods	**3,261,770**	-	2,640,425	-
Present value of minimum lease payments	**26,696,674**	**26,696,674**	31,640,170	31,640,170
Less: Current portion shown under current liabilities	**15,432,771**	**15,432,771**	18,725,877	18,725,877
	11,263,903	**11,263,903**	12,914,293	12,914,293

17.1 Represent finance leases entered into by the Company with commercial banks for vehicles, audio visual equipment and up-linking equipment. Lease rentals are payable in monthly installments latest by 2022. 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. These carry interest rate of 6 months KIBOR plus 2 to 3 (2018: 6 months KIBOR plus 2 to 3) percent per annum.

	Note	2019	2018
		Rupees	
18. LONG TERM FINANCING – secured			
Islamic banks			
Diminishing Musharaka – I	18.1	**550,555,062**	562,269,000
Diminishing Musharaka – II	18.2	**400,000,000**	250,220,000
		950,555,062	812,489,000
Less: current maturity		**(257,640,427)**	(11,713,938)
		692,914,635	800,775,062
Conventional bank			
Term Finance Loan	18.2	**400,000,000**	293,380,000
Less: current maturity		**(114,269,840)**	-
		285,730,160	293,380,000
		978,644,795	1,094,155,062

18.1 Represent Diminishing Musharaka facility carrying profit at the rate of 6 months KIBOR plus 1% (2018: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 12 months from the date of first disbursement i.e. from June 2018. The loan is secured by way of registered mortgage over the building on leasehold land.

18.2 Represent Diminishing Musharaka and Term Finance Loan carrying profit at the rate of 6 months KIBOR plus 1% (2018: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 18 months from the date of first disbursement i.e. December 2017. Financing is secured by way of Equitable Mortgage over registered office, first pari passu constructive mortgage charge over land and first hypothecation charge over plant, machinery & equipment.

	Note	2019	2018
		---------- Rupees ----------	

19. TRADE AND OTHER PAYABLES

	Note	2019	2018
Creditors	19.1	**611,909,478**	322,591,592
Accrued liabilities		**142,684,435**	240,810,527
Due to related party – HUM Network FZ LLC		**43,783,425**	17,761,108
Withholding tax payable		**20,494,352**	16,921,697
Advances from customers		**7,132,512**	10,946,263
Payable to provident fund	19.2	**987,442**	8,764,239
Others		**20,014,011**	17,520,842
		847,005,655	635,316,268

19.1 Include Rs. 312,232,779/- (2018: Rs. 272,941,727/-) payable to M.D Production (Private) Limited, a related party.

	2019	2018
	---------- Rupees ----------	
	(Un-audited)	(Audited)
19.2 Payable to provident fund	**987,442**	8,764,239

19.2.1 General disclosures

Size of the fund	**277,404,074**	199,968,714
Cost of the investment made	**231,054,069**	130,111,383
Fair value of the investment made	**233,253,223**	129,866,837
Percentage of the investment made	**84%**	65%

19.2.2 The breakup of investment is as follows:

	2019		2018	
	(Rupees)	%	(Rupees)	%
Mutual funds	**71,306,924**	**30.57**	52,941,759	40.77
Term deposit certificate	**12,638,588**	**5.42**	10,171,412	7.83
Pakistan Investment Bonds	**19,939,180**	**8.55**	-	-
Bank balance – deposit accounts	**129,368,531**	**55.46**	66,753,666	51.40
	233,253,223	**100.00**	129,866,837	100.00

19.2.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

	Note	2019	2018
		---------- Rupees ----------	

20. SHORT TERM BORROWINGS – secured

	Note	2019	2018
Short-term running finance– conventional banks	20.1	**299,853,260**	17,803,070

20.1 Represent facilities obtained from various conventional banks amounting to Rs. 475,000,000 (2018: Rs. 475,000,000) out of which Rs. 175,146,740 (2018: Rs. 457,196,930) remains unutilized at year end. These facilities carrying markup ranging from 3 month KIBOR + 0.75% to 1%. (2018: 3 month KIBOR + 0.75% to 1.25%). These facilities are secured by way of pari passu charge and first hypothecation charge on all current assets of the Company.

20.2 The Company has local bill discounting facilities amounting to Rs. 125,000,000 (2018: Rs. 225,000,000) which remain unutilized at the year end. These facilities carrying mark-up rates ranging from 3 months KIBOR + 0.9% to 1% (2018: 3 months KIBOR + 0.9% to 1.5%) and will mature latest by February 2019. These facilities secured by way of pari passu charge and first hypothecation charge on all current assets of the Company.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

For the tax year 2013, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(1) of the Income Tax Ordinance, 2001 wherein certain disallowances / addbacks were made to the taxable income of the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the aforesaid order who decided the case against the Company. The Company has challenged the aforesaid order of the CIR (A) before the Appellate Tribunal Inland Revenue, which is pending adjudication. Further, the ACIR passed an appeal effect order creating a tax demand of Rs.182,961,339/-. However, the Company has obtained a stay from recovery of the above tax demand from the Sindh High Court (the Court). The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly, no provision has been made in this respect in these financial statements.

21.1.2 For tax related matters, refer note 28 to these unconsolidated financial statements.

21.2 Commitments

21.2.1 Purchase of television programs commitments with M.D Production (Private) Limited and Momina & Duraid Films (Private) Limited - related parties as at June 30, 2019 amounted to Rs. 393,586,400/- (2018: Rs. 210,009,500/-) and Nil (2018: 110,000,000) respectively. Commitment for purchase of television programs with other than related parties as at June 30, 2019 amounted to Rs. 68,207,000/- (2018: Rs. 13,144,000/-).

	Note	2019	2018
		---------- Rupees	----------
21.2.2 Outstanding letter of credit		-	19,162,829

22. REVENUE – net

	Note	2019	2018
Advertisement revenue		**3,362,428,689**	4,059,005,403
Production revenue		**87,819,118**	143,780,774
Digital revenue		**21,039,618**	20,812,520
Subscription income		**370,467,542**	235,316,347
Film distribution revenue		**137,344,171**	150,563,842
	22.1	**3,979,099,138**	4,609,478,886

22.1 Revenue is net off the following items:

	2019	2018
Sales tax	**478,955,790**	600,376,078
Discount to customers	**266,972,231**	334,638,919
	745,928,021	935,014,997

22.2 Represents revenue from the following geographical regions:

Asia	**3,651,114,354**	4,391,687,539
America	**327,984,784**	217,791,347
	3,979,099,138	4,609,478,886

23. COST OF PRODUCTION

	Note	2019	2018
		---------- Rupees	----------
Cost of outsourced programs		**1,789,111,264**	1,520,780,827
Cost of in-house programs		**419,551,943**	396,083,464
Cost of inventory consumed		-	163,865
Salaries and benefits	23.1	**839,859,606**	656,905,413
Depreciation	4.3	**183,619,450**	82,762,911
Traveling and conveyance		**52,225,442**	54,963,610
Utilities		**20,007,980**	20,667,247
Rent, rates and taxes		**27,286,202**	30,030,441
Insurance		**25,322,528**	13,960,878
Repair and maintenance		**20,949,609**	31,535,526
Fee and subscription		**48,087,109**	17,279,201
Communication		**17,048,129**	14,156,593
Security charges		**1,959,292**	3,375,007
Amortisation	5.1	**9,722,368**	6,295,492
Consultancy		**4,726,256**	5,529,468
Printing and stationery		**843,212**	369,436
		3,460,320,390	2,854,859,379
In production television programs - opening		**91,472,116**	86,240,166
In production television programs - closing		**(54,213,916)**	(91,472,116)
		3,497,578,590	2,849,627,429
Released / unreleased programs - opening		**384,062,756**	387,583,127
Released / unreleased programs - closing		**(386,400,500)**	(384,062,756)
		3,495,240,846	2,853,147,800

23.1 Include Rs. 34,826,310 (2018: Rs. 20,661,450/-) in respect of staff retirement benefits.

24. DISTRIBUTION COSTS

	Note	2019	2018
		---------- Rupees	----------
Advertisement and promotion		**137,878,951**	156,970,721
Salaries and benefits	24.1	**150,432,615**	143,950,351
Traveling and conveyance		**12,911,306**	17,402,946
Rent, rates and taxes		**548,062**	5,005,581
Utilities		**1,047,213**	2,004,667
Depreciation	4.3	**2,812,761**	4,098,165
Communication		**1,444,235**	1,319,467
Insurance		**3,069,355**	2,974,540
Repair and maintenance		**2,032,173**	3,150,943
Fees and subscription		**1,577,788**	2,008,830
Security charges		-	305,600
Printing and stationery		**307,360**	419,359
		314,061,819	339,611,170

24.1 Include Rs. 6,656,202 (2018: Rs. 6,421,634/-) in respect of staff retirement benefits.

	Note	2019	2018
		---------- Rupees ----------	
25. ADMINISTRATIVE EXPENSES			
Salaries and benefits	25.1	**244,493,042**	319,454,110
Technical advisory fee	25.2	**41,400,000**	40,440,000
Depreciation	4.3	**47,527,658**	35,347,046
Amortisation	5.1	**3,606,114**	3,228,624
Repair and maintenance		**32,341,618**	25,056,909
Communication		**4,870,597**	5,162,675
Traveling and conveyance		**33,698,232**	27,522,265
Fee and subscription		**9,345,583**	12,024,395
Utilities		**20,219,093**	9,100,924
Legal and professional charges		**9,594,217**	14,841,735
Printing, stationery and periodicals		**4,281,745**	4,510,488
Rent, rates and taxes		**25,860,435**	19,673,169
Insurance		**5,163,924**	4,534,609
Auditors' remuneration	25.3	**5,555,682**	3,573,386
Security charges		**10,836,038**	5,744,734
		498,793,978	530,215,069

25.1 Include Rs. 4,109,628 (2018: Rs. 3,434,469/-) in respect of staff retirement benefits.

25.2 Represents fee paid to a Director for technical advisory services rendered in terms of the technical advisory agreement duly approved by the Board of Directors of the Company.

	2019	2018
	---------- Rupees ----------	
25.3 Auditors' remuneration		
Audit fee	**935,000**	935,000
Fee for consolidated financial statements	**550,000**	550,000
Fee for half yearly review	**325,000**	325,000
Tax and other assurance services	**3,319,402**	1,413,004
Out of pocket expenses	**426,280**	350,382
	5,555,682	3,573,386

	2019	2018
26. OTHER INCOME	---------- Rupees ----------	
Income from financial assets		
Profit on bank accounts	**21,567,375**	19,226,843
Exchange gain	**94,419,150**	59,046,397
Dividend income	**6,191,500**	-
Interest / markup income	**27,295,102**	-
Unrealised (loss) / gain on revaluation of investments	**(6,693,787)**	248,556
Gain on redemption / sale of investments	**5,470,121**	-
	148,249,461	78,521,796
Income from non financial assets		
Gain on disposal of operating fixed assets	**2,506,054**	2,224,556
Sale of magazines and DVDs	**59,983,417**	55,925,505
	62,489,471	58,150,061
	210,738,932	136,671,857

27. FINANCE COSTS

Mark-up on long term financing	**131,814,772**	17,864,481
Mark-up on short term borrowings	**4,397,691**	8,217,269
Finance lease charges	**2,834,642**	3,575,193
Bank charges	**4,196,685**	3,486,669
	143,243,790	33,143,612

28. TAXATION

	Note	2019	2018
		---------- Rupees	----------
Current		**35,955,856**	82,214,716
Deferred		**45,155,111**	7,915,256
Prior		**46,569**	(7,468,393)
	28.1	**81,157,536**	82,661,579

28.1 The Company has filed its return of income up to tax year 2018. The return so filed is deemed to be an assessment order issued by the Taxation Authorities on the date the complete return is filed. The Company is mainly subject to Final Tax Regime under Section 153((3) (e)) of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented.

28.2 During the current year, the Company filed a Constitutional Petition (CP) before the Court on September 27, 2018 challenging the tax under section 5A of the Income Tax Ordinance, 2001. The Court accepted the CP and granted a stay against the above section. In case the Court's decision is not in favor of the Company, the Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended June 30, 2018. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Company and accordingly, no provision has been made in this respect in these financial statements.

29. EARNINGS PER SHARE – basic and diluted

		2019	2018
(Loss) / profit after taxation	**Rupees**	**(535,883,093)**	729,493,488
Weighted average number of ordinary shares outstanding during the year		**945,000,000**	945,000,000
(Loss) / earnings per share	**Rupee**	**(0.57)**	0.77

	2019	2018
	---------- Rupees ----------	
30. CASH GENERATED FROM OPERATIONS		
Loss / (profit) before taxation	**(454,725,557)**	812,155,067
Adjustments for :		
Depreciation	**233,959,869**	122,208,122
Amortisation	**13,328,482**	9,524,116
Finance costs	**143,243,789**	33,143,612
Unrealized exchange gain	**(90,279,117)**	(59,046,397)
Profit on deposit accounts	**(21,567,375)**	(19,226,843)
Gain on disposal of operating fixed assets	**(2,506,054)**	(2,224,556)
Gain on redemption / sale of investments	**(5,470,121)**	-
Dividend income	**(6,191,500)**	-
Unrealised loss / (gain) on revaluation of investments	**6,693,787**	(248,556)
	271,211,760	84,129,498
(Increase) / decrease in current assets		
Inventories	**(1,335,471)**	(15,881,698)
Current portion of television program costs	**5,978,911**	803,405
Trade debts	**51,682,039**	66,489,739
Advances	**87,030,962**	27,467,136
Trade deposits and short term prepayments	**6,699,043**	146,509
Other receivables	**6,628,080**	(138,246,098)
	145,277,071	(59,221,007)
Decrease in current liabilities		
Trade and other payables	**211,689,386**	142,189,586
	184,859,153	979,253,144

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2019				2018			
	Chief Executive	Executive Director	Non-Executive Director	Executives	Chief Executive	Executive Director	Non-Executive Director	Executives
	Rupees							
Managerial remuneration	**50,784,713**	-	**2,000,000**	**229,130,899**	53,143,596	3,000,000	2,000,000	212,019,467
Bonus	-	-	-	-	49,719,317	49,719,317	-	-
Retirement benefits	-	-	-	**17,690,444**	-	-	-	14,578,015
House rent	**14,022,581**	-	-	**91,590,274**	13,108,065	-	-	79,858,014
Utilities	**3,116,129**	-	-	**20,353,395**	2,912,903	-	-	17,746,224
Technical advisory fee	-	**41,400,000**	-	-	-	40,440,000	-	-
Fuel and conveyance	**1,498,835**	**888,326**	**532,607**	**11,967,126**	931,094	920,548	365,054	6,840,955
	69,422,258	**42,288,326**	**2,532,607**	**370,732,138**	119,814,975	94,079,865	2,365,054	331,042,675
Number	1	1	1	66	1	2	1	57

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

31.2 The aggregate amount charged in the financial statements for meeting fee to 4 non-executive directors amounted to Rs.625,000/- (2018: Rs. 890,000/-).

32. TRANSACTIONS WITH RELATED PARTIES

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

Related Party	Nature of transactions	2019	2018
		---------- Rupees	----------
M.D. Production (Private) Limited	Purchase of content	1,314,532,435	1,288,748,577
Momina & Duraid Films (Private) Limited	Payment against content	33,415,842	-
HUM TV, Inc.	Payments made on behalf of Hum Network Limited	15,250,100	8,266,213
HUM TV, Inc.	Payments made on behalf of subsidiary	-	3,140,232
HUM TV, Inc.	Management fee	4,767,000	3,490,125
HUM TV, Inc.	Collections made on behalf of Hum Network Limited	-	38,890,353
HUM Network UK Limited	Remittance from subsidiary	36,623,870	-
Skyline Publications (Private) Limited	Payment made on behalf of subsidiary	9,777,419	22,419,088
HUM Mart (Private) Limited	Investment made during the year	80,000,020	59,999,980
HUM Mart (Private) Limited	Payment made on behalf of subsidiary	4,423,959	27,799,177
HUM Mart (Private) Limited	Remittance from subsidiary	31,365,365	-
HUM NETWORK FZ LLC	Subscription Income	43,036,481	17,525,000
HUM NETWORK FZ LLC	Payment made on behalf of Hum Network Limited	67,979,641	34,095,048
Hum Network Limited - Employees' Provident Fund	Contribution to fund	45,592,140	30,517,553

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances of the related parties are disclosed in their respective notes to these unconsolidated financial statements.

32.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of association	Aggregate % of shareholding
1	Skyline Publications (Private) Limited	Subsidiary	100%
2	HUM TV Inc.	Subsidiary	100%
3	HUM Network FZ LLC	Subsidiary	100%
4	HUM Network UK Limited	Subsidiary	100%

5	HUM Mart (Private) Limited	Subsidiary	**70%**
6	M.D Productions (Private) Limited	Associate	-
7	Momina & Duraid Films (Private) Limited	Associate	-
8	HUM Network Limited- Employees' Provident Fund	Retirement Fund	-
9	Ms. Sultana Siddiqui	Director	**0.02%**
10	Mr. Mazhar ul Haq Siddiqui	Director	-
11	Mr. Duraid Qureshi	Director	**24.02%**
12	Mr. Shunaid Qureshi	Director	**5.38%**
13	Mrs. Mahtab Akbar Rashdi	Director	-
15	Lt Gen (R) Asif Yasin Malik	Director	-
16	Mr. Hasan Reza ur Rahim	Director	-
17	Mr. Sohail Ansar	Director	**0.06%**
18	Mr. Muhammad Abbas Hussain	Key management Personnel	-
19	Mr. Mohsin Naeem	Key management Personnel	-

32.2 Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan:

Name	**Country of Incorporation**
HUM TV Inc.	United States of America
HUM Network FZ LLC	United Arab Emirates
HUM Network UK Limited	United Kingdom

32.3 None of the key management personnel had any arrangements with the Company other than the employment contract.

33. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2019	2018
		---------- Rupees	----------
33.1 Financial assets as per statement of financial position			
Financial assets at amortised cost			
- Trade debts	10	**1,776,702,967**	1,738,105,890
- Short term investments	11	**261,406,493**	200,000,000
- Other receivables	14	**166,594,761**	173,222,841
- Cash and bank balances	15	**152,042,869**	165,743,041
		2,356,747,090	2,277,071,772
Financial assets at fair value through profit or loss			
- Short term investments	11	**576,635,081**	400,248,556

	Note	2019	2018
		---------- Rupees ----------	
33.2 Financial liabilities as per statement of financial position			
Financial liabilities at amortised cost			
- Long term financing	18	**978,644,795**	1,094,155,062
- Trade and other payables	19	**847,005,655**	635,316,268
- Accrued mark-up		**5,490,092**	2,431,528
- Short term borrowings	20	**299,853,260**	17,803,070
- Current portion of long term financing	18	**371,910,267**	11,713,938
- Unclaimed dividend		**5,948,490**	5,948,490
- Unpaid dividend		**205,159**	205,159
		2,509,057,718	1,767,573,515

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior management oversees the management of these risks. The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

34.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

34.2 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 long term financing and finance lease obligations, short term borrowings and bank balances. The Company manages these risks through risk management strategies.

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
June 30, 2019	**+100**	**(12,439,494)**
	-100	**12,439,494**
June 30, 2018	+100	(3,597,483)
	-100	3,597,483

34.3 Currency risk

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 foreign currencies. The Company's exposure to foreign currency risk is as follows:

	---------- 2019 ----------		---------- 2018 ----------	
	US Dollar	GBP	US Dollar	GBP
Trade debts	**2,112,901**	**550,715**	2,357,448	757,806
Other receivables	**100,808**	-	109,380	-
Trade and other payables	**(257,260)**	-	(144,680)	-

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

	---------- Rupees -------		---------- Rupees ----------	
Closing exchange rates	**158.9**	**198**	121.40	159.14

Sensitivity analysis:

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

	Change in US dollar rate (%)	Effect on profit before tax -- Rupees --	Change in GBP rate (%)	Effect on profit before tax -- Rupees --
June 30, 2019	**+10**	**19,564,492**	**+10**	**(5,507,148)**
	-10	**(19,564,492)**	**-10**	**5,507,148**
June 30, 2018	+10	23,221,480	+10	7,578,060
	-10	(23,221,480)	-10	(7,578,060)

34.4 Equity price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total investments. Reports on the investments portfolio are submitted to the Company's senior management on a regular basis.

As of the statement of financial position date, the exposure to investments at fair value through profit or loss was Rs. 397,637,457 (2018: Rs. 400,248,556).

34.5 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. Concentration 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 mainly exposed to credit risk on trade debts and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2019	2018
	Rupees	
Trade debts		
Customers with no defaults in the past one year	**1,776,702,967**	1,738,105,890
Customers with some defaults in past one year	**47,026,912**	47,026,912
	1,823,729,879	1,785,132,802

		2019	2018
		Rupees	
Bank balances			
	A1+	**151,136,046**	130,005,238
	A1	**-**	34,533,054
		151,136,046	164,538,292
Short term investments			
Mutual funds	AM4++	**81,721,902**	-
	A(f)	**302,965,055**	-
	AM3	**-**	250,578,242
	AM2+	**-**	149,670,314
		384,686,957	400,248,556
Quoted shares	A1+	**6,795,600**	-
	A1	**6,154,900**	-
		12,950,500	
Term deposit receipt	A1	**106,684,931**	200,000,000
	A1+	**101,496,082**	-
	A-	**53,225,480**	-
		261,406,493	200,000,000
Term finance certificate	AA+	**80,000,000**	-
Sukuks	AA	**98,997,624**	-
		838,041,574	600,248,556

34.6 Liquidity risk

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

2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term financing	-	92,960,903	278,949,364	978,644,795	1,350,555,062
Liabilities against assets subject to finance lease	-	5,085,442	10,347,329	11,263,903	26,696,674
Trade and other payables	87,246,204	281,923,261	457,341,837	-	826,511,302
Short term borrowing	-	-	299,853,260	-	299,853,260
Accrued mark-up	5,490,092	-		-	5,490,092
	92,736,296	379,969,606	1,046,491,790	989,908,698	2,509,106,390

2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Long term financing	-	-	11,713,938	1,094,155,062	1,105,869,000
Liabilities against assets subject to finance lease	-	3,232,123	15,493,754	12,914,293	31,640,170
Trade and other payables	71,836,926	243,914,255	302,643,390	-	618,394,571
Short term borrowing	-	-	17,803,070	-	17,803,070
Accrued mark-up	2,431,527	-	-	-	2,431,527
	74,268,453	247,146,378	347,654,152	1,107,069,355	1,776,138,338

34.6.1 Changes in liabilities from financing activities

	01 July 2018	Cash Flows	30 June 2019
	Rupees		
Long term financing	1,105,869,000	244,686,062	1,350,555,062
Liabilities against assets subject to finance lease	31,640,170	(4,943,496)	26,696,674
	1,137,509,170	239,742,566	1,377,251,736

	01 July 2017	Cash Flows	30 June 2018
	Rupees		
Long term financing	-	1,105,869,000	1,105,869,000
Liabilities against assets subject to finance lease	41,247,908	(9,607,738)	31,640,170
	41,247,908	1,096,261,262	1,137,509,170

34.6.2 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements appropriate their fair values.

34.7 Capital risk

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

	Note	2019	2018
		---------- Rupees	----------
Liabilities against asset subject to finance lease	17	**11,263,903**	12,914,293
Long term financing	18	**978,644,795**	1,094,155,062
Trade and other payable	19	**847,005,655**	635,316,268
Accrued markup		**5,490,092**	2,431,528
Short term borrowing	20	**299,853,260**	17,803,070
Current portion of long term financing	18	**371,910,267**	11,713,938
Current portion of liabilities against asset subject to finance lease	17	**15,432,771**	18,725,877
Total debt		**2,529,600,743**	1,793,060,036
Cash and bank balances	15	**(152,042,869)**	(165,743,041)
Net debt		**2,377,557,874**	1,627,316,995
Share capital		**945,000,000**	945,000,000
Unappropriated profit		**2,216,536,535**	2,748,003,928
Total equity		**3,161,536,535**	3,693,003,928
Capital		**5,539,094,409**	5,320,320,923
Gearing ratio		**42.92%**	30.57%

34.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below categorized fair value measurement of financial instruments by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2019				2018
	Level 1	Level 2	Level 3	Total	
	(Rupees)				
Short term investments	576,635,081	-	-	576,635,081	400,248,556

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

34.9 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

35. OPERATING SEGMENTS

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

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

News segment is engaged in broadcasting of news programs.

	Entertainment		News		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
Net revenue from external customers	3,843,606,721	4,602,108,090	135,492,417	7,370,796	3,979,099,138	4,609,478,886
Result						
Segment profit / (loss)	763,310,423	1,712,553,359	(786,737,144)	(473,711,468)	(23,426,721)	1,238,841,891
Taxation	(79,125,150)	(82,551,017)	(2,032,386)	(110,562)	(81,157,536)	(82,661,579)
Unallocated income / (expenses):						
Administrative expenses					(498,793,978)	(530,215,069)
Other income					210,738,932	136,671,857
Finance costs					(143,243,790)	(33,143,612)
Profit / (loss) for the year					(535,883,093)	729,493,488
Segment assets	297,982,756	338,786,524	1,242,004,621	1,243,727,446	1,539,987,377	1,582,513,970
Unallocated assets	-	-	-	-	4,152,887,852	3,909,703,643
	297,982,756	338,786,524	1,242,004,621	1,243,727,446	5,692,875,229	5,492,217,613
Segment liabilities	850,456,148	607,638,957	1,685,298,244	1,191,574,728	2,535,754,394	1,799,213,685
Unallocated liabilities	-	-	-	-	-	-
	850,456,148	607,638,957	1,685,298,244	1,191,574,728	2,535,754,394	1,799,213,685
Other information						
Amortization	(8,600,396)	(7,837,172)	(4,728,086)	(1,686,945)	(13,328,482)	(9,524,117)
Depreciation	(65,564,147)	(76,897,205)	(168,395,722)	(45,154,144)	(233,959,869)	(122,051,349)

35.1 Revenue from three major customers of the Company are around 62% during the year ended June 30, 2019 (June 30, 2018: 53%).

36. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2019	2018
	-------(Number)-------	
Number of employees as at June 30	**791**	981
Average number of employees during the year	**883**	816

37. GENERAL

37.1 For better presentation, certain prior year figures have been reclassified consequent to certain changes in current year presentation.

37.2 Figures have been rounded off to the nearest Rupee.

38. DATE OF AUTHORIZATION

These financial statements have been authorised for issue on october 01, 2019 by the Board of Directors of the Company.

DURAID QURESHI **Chief Executive**	**MAZHAR-UL-HAQ SIDDIQUI** **Chairman**	**MUHAMMAD ABBAS HUSSAIN** **Chief Financial Officer**

CONSOLIDATED FINANCIAL STATEMENTS

Building a better
working world

INDEPENDENT AUDITOR'S REPORT
To the members of Hum Network Limited

Opinion

We have audited the annexed consolidated financial statements of Hum Network Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Net realizable value of television programs cost	
As of the year end, the balance of television program costs amounted to Rs. 440,614,416 which represents unamortized cost of completed television programs and television programs in production. As per the accounting policy of the group, television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the revenues earned till date to total revenues to be earned from the program including future estimated revenues, less cost expensed in prior years on an individual program basis. Allocation of television program costs over several accounting periods based on estimates of revenue involve significant judgement of the management which may have a significant impact on the consolidated financial statements. For this reason, we have identified this area as key audit matter. Refer notes 3.6, 8 and 23 to the consolidated financial statements.	Our audit procedures amongst others, comprised reviewing the appropriateness of the accounting policy of the company in accordance with the applicable financial reporting standards. Further, we obtained understanding of the revenue estimation and amortization process of the Company. In this regard, we selected a sample of television programs and considered the factors used by the management for revenue estimation and amortization of television program cost including; • historic experience of revenue earned by similar programs; • ratings of the program from available evidences; • rates used by the company and its fluctuation based on the trend analysis; and • we also considered subsequent events which may have an impact on unamortized cost. We also evaluated whether adequate disclosures have been made in the accompanying consolidated financial statements in accordance with the applicable financial reporting standards.
2.2 First time adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contract with Customers'	
As referred to in note 2.3 to the accompanying consolidated financial statements, the group has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contract with Customers' with effect from 1 July 2018. IFRS 9 requires the group to make provision using expected credit losses (ECL) approach as against the incurred loss model previously applied by the management. The management has determined that the most significant impact on the new standard on the group's consolidated financial statements relates to the calculation of ECL against trade debts. Assessment of provision for ECL against trade debts requires significant judgement, estimates and assumptions applied by the management including historical credit loss experience adjusted with forwardlooking information.	In order to assess the appropriateness of the management's judgement and estimate, our key audit procedures included, among others, review of the methodology developed and applied by the group to estimate the ECL in relation to trade debts .We also considered additional processes and controls established by the management with respect to revenue recognition. We considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimate. Further, we assessed the integrity and quality of the data used for [CL computation by matching the same with the accounting records and information system of the group. We also checked the mathematical accuracy of the ECL computation on a sample basis. We reviewed the assessment prepared by the management relating to the application of five-step model for revenue recognition. We assess the reasonableness of judgments exercised by the management. We also considered and reviewed, on a

Key audit matter	How the matter was addressed in our audit
IFRS 15 provides comprehensive model of revenue recognition along with detailed presentation and disclosure requirements. The standard requires the group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers. Given the significance of the judgments related particularly to the estimation of ECL and to the timing and measurement of revenue recognition as well as incremental qualitative and quantitative disclosure, we considered these as a key audit matter.	sample basis, terms of revenue contracts and evaluated the timing and amount of revenue recognised. In addition to the above, we assessed the adequacy of disclosures in the accompanying consolidated financial statements of the group regarding application of IFRS 9 and 15 as per the requirements of the above standards.

Information Other than the consolidated financial statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Sd/-
EY Ford Rhodes
Chartered Accountants
Place: Karachi
Date: October 04, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	Note	2019	2018
		---------- Rupees	----------
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**1,530,839,523**	1,572,987,351
Intangible assets	5	**127,507,933**	122,354,847
Long term investments	6	**77,195,824**	-
Long term deposits	7	**41,449,670**	39,218,507
Television program costs	8	**227,228,617**	256,170,162
Deferred tax asset	9	**75,817,744**	157,038,299
		2,080,039,311	2,147,769,166
CURRENT ASSETS			
Inventories		**61,876,831**	29,694,083
Current portion of television program costs	8	**213,385,799**	219,364,710
Trade debts	10	**1,888,525,902**	1,789,045,811
Short term investments	11	**838,041,574**	600,248,556
Advances	12	**154,148,617**	213,519,825
Trade deposits and short-term prepayments	13	**20,483,767**	49,431,514
Other receivables	14	**204,777,946**	116,587,749
Taxation – net		**177,748,834**	93,985,301
Cash and bank balances	15	**361,610,061**	376,300,846
		3,920,599,331	3,488,178,395
TOTAL ASSETS		**6,000,638,642**	5,635,947,561
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2018: 1,500,000,000) Ordinary shares of Re.1/- each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up capital	16	**945,000,000**	945,000,000
Revenue Reserves		**2,276,458,987**	2,819,477,235
Attributable to owners of the Holding Company		**3,221,458,987**	3,764,477,235
Non-controlling interest		**55,144,321**	-
		3,276,603,308	3,764,477,235
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	17	**11,263,903**	12,914,293
Long term financing	18	**978,644,795**	1,094,155,062
		989,908,698	1,107,069,355
CURRENT LIABILITIES			
Trade and other payables	19	**1,033,302,739**	707,572,909
Accrued mark-up		**5,572,176**	2,431,528
Short term borrowings	20	**299,853,260**	17,803,070
Unclaimed dividend		**5,948,490**	5,948,490
Unpaid dividend		**205,159**	205,159
Taxation – net		**1,901,774**	-
Current portion of long term financing	18	**371,910,267**	11,713,938
Current portion of liabilities against assets subject to finance lease	17	**15,432,771**	18,725,877
		1,734,126,636	764,400,971
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		**6,000,638,642**	5,635,947,561

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

DURAID QURESHI	**MAZHAR-UL-HAQ SIDDIQUI**	**MUHAMMAD ABBAS HUSSAIN**
Chief Executive	**Chairman**	**Chief Financial Officer**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------- Rupees ----------	
Revenue	22	**4,786,716,290**	5,191,714,291
Cost of production	23	**(3,722,553,077)**	(2,926,641,646)
Transmission cost		**(460,431,388)**	(292,053,874)
		(4,182,984,465)	(3,218,695,520)
Gross profit		**603,731,825**	1,973,018,771
Distribution costs	24	**(453,623,052)**	(453,200,045)
Administrative expenses	25	**(714,402,151)**	(660,219,368)
Other expenses	26	**(19,915,940)**	(29,562,693)
Other income	27	**203,520,514**	133,520,983
Operating (loss) / profit		**(380,688,804)**	963,557,648
Finance costs	28	**(144,476,637)**	(33,509,580)
		(525,165,441)	930,048,068
Share of net profit of associate		**3,837,024**	-
(Loss) / profit before taxation		**(521,328,417)**	930,048,068
Taxation	29	**(128,351,818)**	(86,046,557)
(Loss) / profit after taxation		**(649,680,235)**	844,001,511
Attributable to:			
Owners of the Holding Company		**(644,824,556)**	844,001,511
Non-controlling interests		**(4,855,679)**	-
		(649,680,235)	844,001,511
(Loss) / earnings per share – basic and diluted(Rupee)	32	**(0.69)**	0.89

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

DURAID QURESHI	**MAZHAR-UL-HAQ SIDDIQUI**	**MUHAMMAD ABBAS HUSSAIN**
Chief Executive	**Chairman**	**Chief Financial Officer**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----------- Rupees ----------	
(Loss) / profit after taxation	**(649,680,235)**	844,001,511
Other comprehensive income which may be reclassified to statement of profit or loss in subsequent periods:		
Effect of translation of net investment in foreign subsidiary companies	**101,806,308**	58,158,950
Total comprehensive (loss)/ income for the year	**(547,873,927)**	902,160,461
Attributable to:		
Owners of the Holding Company	**(543,018,248)**	844,001,511
Non-controlling interests	**(4,855,679)**	-
	(547,873,927)	844,001,511

DURAID QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Chairman

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	**164,000,250**	1,132,151,123
Taxes paid		**(128,993,022)**	(131,139,392)
Finance costs paid		**(141,335,989)**	(31,206,309)
Profit received on deposit accounts		**22,404,104**	19,411,839
Long term deposits		**(2,231,163)**	4,201,914
Television program costs		**28,941,545**	(2,514,984)
Net cash (used in) / generated from operating activities		**(57,214,275)**	990,904,191
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(203,583,836)**	(1,446,175,530)
Additions to intangible assets		**(34,781,273)**	(46,665,059)
Short term Investments made during the year – net		**(239,016,684)**	(600,000,000)
Long term investmentsmade during the year		**(73,358,800)**	-
Dividend received		**6,191,500**	-
Proceeds from the disposal of operating fixed assets		**5,279,827**	4,640,700
Net cash used in investing activities		**(539,269,266)**	(2,088,199,889)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained*		**244,686,062**	1,105,869,000
Issuance of shares to non-controlling interest		**60,000,000**	-
Liabilities against assets subject tofinance lease*		**(4,943,496)**	(9,607,738)
Dividends paid		**-**	(94,294,841)
Net cash generated from financing activities		**299,742,566**	1,001,966,421
Net decrease in cash and cash equivalents		**(296,740,975)**	(95,329,277)
Cash and cash equivalents at the beginning of the year		**358,497,776**	453,827,053
Cash and cash equivalents at the end of the year		**61,756,801**	358,497,776
Cash and cash equivalents			
Cash and bank balances	15	**361,610,061**	376,300,846
Short-term running finance	20	**(299,853,260)**	(17,803,070)
		61,756,801	358,497,776

* No non-cash item is included in these activities.

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

DURAID QURESHI	**MAZHAR-UL-HAQ SIDDIQUI**	**MUHAMMAD ABBAS HUSSAIN**
Chief Executive	**Chairman**	**Chief Financial Officer**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid- up capital	Revenue Reserves			Non-controlling interest	Total
		Foreign exchange translation reserve	Unapprop-riated profit	Sub-total		
	Rupees					
Balance as at June 30, 2017	945,000,000	(8,125,872)	2,019,942,646	2,011,816,774	-	2,956,816,774
Final cash dividend for the year ended June 30, 2017 @ Re. 0.1 per share	-	-	(94,500,000)	(94,500,000)	-	(94,500,000)
Net profit for the year	-	-	844,001,511	844,001,511	-	844,001,511
Other comprehensive income	-	58,158,950	-	58,158,950	-	58,158,950
Total comprehensive income for the year	-	58,158,950	844,001,511	902,160,461	-	902,160,461
Balance as at June 30, 2018	**945,000,000**	**50,033,078**	**2,769,444,157**	**2,819,477,235**	-	**3,764,477,235**
Shares issued to non-controlling-interest	-	-	-	-	60,000,000	60,000,000
Loss attributable to non-controlling interests for the year	-	-	-	-	(4,855,679)	(4,855,679)
	-	-	-	-	55,144,321	55,144,321
Net loss for the year	-		(644,824,556)	(644,824,556)	-	(644,824,556)
Other comprehensive income	-	101,806,308	-	101,806,308	-	101,806,308
Total comprehensive income /(loss) for the year	-	101,806,308	(644,824,556)	(543,018,248)	-	(543,018,248)
Balance as at June 30, 2019	945,000,000	151,839,386	2,124,619,601	2,276,458,987	55,144,321	3,276,603,308

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

DURAID QURESHI
Chief Executive

MAZHAR-UL-HAQ SIDDIQUI
Chairman

MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

	2019	2018
	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%**	100%

1.3 Nature of operations of subsidiaries

HUM TV, Inc., HUM Network UK LTD and HUM Network FZ LLChave 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 magzines. SPL has 100% equity in Newsline Publication (Private) Limited (NPL), which is engaged in publishing "Newsline" a monthly English magazine. During the year, The Board of Directors of NPL and SPL hasdecided in its meeting held on June 15, 2019 to amalgamate the operations of both the companies and are enteredinto Scheme of Amalgamation.SPL is in process of completing required formalilities and obtaining necessary approvals from the registrar and Securities and Exchange Commission of Pakistan.

HUMM Co. (Private) Limited has been established with the purpose of developing and producing contents, shows and programs. A scheme of merger, by way of amalgamation, of M.D Productions (Private) Limited, a related party with and into Humm Co. (Private) Limited was approved by the Board of Directors of the Holding Company on September 22, 2016. During the year, the petition for the scheme of arrangement has been withdrawn by the Holding Company on April 23, 2019 due to inordinate delay in the matter proceeding with the High Court.

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

1.4 Geographical location and address of business units

Registered office	Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
Head office – Karachi	B.R.R Tower, Hassan Ali Street, Off. I.I. Chundrigar Road
City offices – Karachi	Trade Center, I.I Chundrigar Road
	33-B, Lalazar Queen Road, Mai Kolachi Studio
	Alfalah Court, I.I Chundrigar Road
City office – Islamabad	2A, I&T center, sector G-6/1
City office – Lahore	House # 58, R-24, Masson Road
City office – Sukkur	C-61, Block C, Millat Cooperative Housing Society Limited
City office – Peshawar	48 C, Sahibzada Abdul Qayum Road, University Town
City office – Quetta	House # 3, Phase II, Shahbaz Town
City office – Multan	Ghous-e-Azam Road, Bismillah Colony
City office – Faisalabad	Sitara Tower, Bilal Chowk, Civil Lines
HUM Network UK Limited	38-P Alum rock road, Birmingham, England.
	2 Hemlet Mews, London
HUM Network FZ LLC	Office G-01 Boutique Studio City, Dubai, UAE.
Newsline Publication (Private) Limited	D-18, Block-9, Kehkashan Clifton, Karachi.
Hum Mart (Private) Limited	Plot # SR-7, Shed # A-2,Survey 413, Sector 7 A,Korangi Industrial Area, Karachi.
HUM TV, Inc.	6201 Bonhomme Road, 180N, Houston Texas.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2. Basis of measurement

These consolidated financial statements have been prepared on the basis of 'historical cost' convention, unless otherwise specifically stated.

2.3. 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 that the Group has adopted the following amendments of IFRS which became effective for the current year:

IFRS 2	- Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 4	- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment)
IFRS 9	- Financial Instruments
IFRS 15	- Revenue from Contracts with Customers
IAS 40	- Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	- Foreign Currency Transactions and Advance Consideration

Improvements to accounting standard issued by IASB in December 2016

IAS 28	- Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Group's consolidated financial statements except for IFRS 15 and IFRS 9. The impact of adoption of IFRS 15 and IFRS 9 are described below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group elected the modified retrospective method and applied the standard retrospectively to only the most current period presented in the consolidated financial statements. Accordingly, the information presented for the previous corresponding period has not been restated.

The Group generates its revenue from rendering of services and sale of goods. The Group's contracts with customers for the provision of service and sale of goods generally include one performance obligation and do not provide customers with a right of return. The Group has concluded that revenue from provision of service and sale of goods should be recognized at the point in time when services are executed and when goods are delivered to the customers, respectively.Therefore,the adoption of IFRS 15 did not have any material impact on the timing of revenue recognition and the amount of revenue recognized.

Further, due to application of the above standards, the Group has revised its policies and incorporated additional disclosures in accordance with the requirements of the above standards in these consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Group has applied IFRS 9 retrospectively, with the initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Group's financial assets mainly includes, trade debts, short term investments, other receivables, cash and bank balances held with commercial banks.

Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 July 2018. However, the Group has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39.

On adoption of IFRS 9, the Group reassessed the classification of its investment portfolio and concluded as under.

(a) investment in term deposit receipts continue to be measured at amortised cost as they are held with the objectives to hold and collect all contractual cashflows;

(b) investment in mutual funds and term finance certificates continue to be classified under the category fair value through profit or loss as allowed under IFRS 9; and

(c) financial assets other than those mentioned in point (a) & (b), previously classified as loans and receivable are now measured at amortised cost.

Hence, the classification and measurement of financial assets is not impacted by the adoption of IFRS 9.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade debts and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on life time expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The adoption of ECL requirements of IFRS 9 resulted in increase in impairment allowances of the Group's financial assets. The increase in allowance resulted in adjustment to Statement of changes in equity is as follows:

	Amount in Rupees
- Effect on opening balance	-
- Charge to profit or loss account for the period	**627,145**

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

2.4. Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following 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 standard or interpretation:

Standard or interpretation		Effective date (annual periods beginning on or after)
IFRS 3	- Definition of a Business (Amendments)	01 January 2020
IFRS 3	- Business Combinations: Previously held interests in a jointoperation	01 January 2019
IFRS 4	- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 July 2019
IFRS 9	- Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 / IAS 28	- Consolidated Financial Statements and IAS 28 Investment inAssociates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	- Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16	- Leases	01 January 2019
IAS 1/ IAS 8	- Definition of Material (Amendments)	01 January 2020
IAS 12	- Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01 January 2019
IAS 19	- Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 23	- Borrowing Costs - Borrowing costs eligible for capitalisation	01 January 2019
IAS 28	- Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IFRIC3	- Uncertainty over Income Tax Treatments	01 January 2019

The above standards and interpretations are not expected to have any material impact on the Group's financial statements in the period of initial application except for IFRS 16 - Leases. The Group is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

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

Further, following new standards have been issued by IASB which are yet to be notified by the Securities & Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard		IASB Effective date (annual periods beginning on or after)
IFRS 1	- First Time adoption of IFRSs	01 January 2014
IFRS 14	- Regulatory Deferral Accounts	01 January 2016
IFRS 17	- Insurance Contracts	01 January 2021

The Group expects that above new standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other relevant factors, including reasonable expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. The estimates, assumptions and judgements that are subject to risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Property, plant and equipment and intangible assets(note 4 & 5)

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.

Television program costs (note 8)

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 consolidated statement of profit or loss, 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 productionin 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.

Income taxes (note 9 & 29)

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.

Impairment of financial assets (note 3.8)

The Group uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Group's various customer that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets exposed to credit risk is disclosed in note 35.5.

Trade debts (note 10)

The Group reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the consolidated statement of profit or loss. 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.

Contingencies (note 21)

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

3. SUMMARY OF SIGNIFICANT ACCOUTING POLICIES

3.1 Basis of consolidation

Subsidiary is a entity over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Income and expenses of a subsidiary acquired or disposed off during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary Company have been changed to conform with accounting policies of the Holding Company, where required.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition is recorded as goodwill, however, if the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends within the Group are eliminated in full.

Non-controlling interest (NCI) is that part of the net results of operations and of net assets of subsidiary attributable interest which are not owned by the Group. The Group measures NCI on proportionate basis of the net assets of subsidiary company.

A change in the ownership interest of a subsidiary, without a 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, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit or loss account or retained earnings, as appropriate.

3.2 Investment in associate

Associates are all entities over which the Group has significant influence but not control, generally represented by a shareholding of 20% or more but less than 50% of the voting rights. Significant influence is the power to participate in the financial and operating policies and decision of investees. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post acquisition profits or losses is recognised in profit or loss and its share in associates' post acquisition other comprehensive income is recognised in the Group's other comprehensive income. Cumulative post acquisition movements are adjusted against the carrying value of the investments. Dividends received from associates reduce the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate including any other long term unsecured receivable, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

When FVOCI investment is converted into associated company, the balance in the surplus on revaluation of related asset is transferred to un-appropriated profit. Gain on transaction between the Group and its associate are eliminated to the extent of the Group's interest in associates.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any, is recognised in the profit or loss.

3.3 Property, plant and equipment

3.3.1 Operating fixed assets

Owned

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

Depreciation is charged to consolidated statement of profit or loss 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 was disposed off.

Maintenance and normal repairs are charged to consolidated statement of profit or loss 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 consolidated statement of profit or loss 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 consolidated statement of financial position date.

Leased

Fixed assets acquired under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of the lower of fair value of assets and the present value of minimum lease payments. Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

3.3.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses and 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 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.

3.5 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 consolidated statement of profit or loss 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 consolidated statement of profit or loss when the asset is derecognised.

3.6 Television program costs

Television program costs represent unamortized cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, and production overheads and are stated at the lower of cost, less accumulated amortisation and net realizable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use.

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

3.7 Inventories

These are valued on weighted average cost basis and are stated at the lower of cost and NRV.

3.8 Financial instruments

During the year, the Group has adopted IFRS 9 which became applicable on July 01, 2018. This has resulted in change in accounting policies of the Group for financial instruments. The changes are discussed in note 2.3 to these consolidated financial statements. The new accounting policy for financial instruments are as follows:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

(a) at amortised cost
(b) at fair value through profit or loss(FVTPL); and
(c) at fair value through other comprehensive income (FVTOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

(a) At amortised cost

A financial asset is measured at amortised if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(c) At fair value through other comprehensive income

A debt instruments is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

These assets are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI with no recycling of cumulative gains and losses (equity instruments)

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As at the date of statement of financial position, Group is not having any equity instrument designated at fair value through OCI.

Derecognition

A financial asset is primarily derecognised (i.e., removed from the Group's statement offinancial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition andfees orcosts that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Exchange gain or losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10 Contract Liability

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Group performs under the contract.

3.11 Advances, depositsand prepayments

Deposits, advances, prepayments and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.12 Taxation

Current

Provision for current tax is based on the taxable income in accordance with the applicable laws.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the consolidated statement of financial position 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 consolidated statement of financial position 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 consolidated statement of financial position date.

3.13 Cash and cash equivalents

These are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short term running finance.

3.14 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.15 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

3.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, 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 consolidated statement of financial position date and adjusted to reflect the current best estimate.

3.17 Revenue

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

Production revenue is recognised when production work appears before public.

Digital revenue is recognisedon the basis of number of impressions on the advertisement aired on website.

Subscription income arises from the monthly billing to subscribers for services provided by the Group Revenue is recognised in the month the service is rendered.

Film distribution revenue is recognized on the receipt of related sale reports from cinemas.

Sale of goods are recognized when goods are delivered to customers.

3.18 Other income

Sale of magazine and DVD's is recognized on receipt basis.

Profit on bank deposits is accounted for on an effective interest method.

Dividend income is recognized when it is declared and right to receive is established.

Interest / markup income is recognized on accrual basis.

Other revenues are accounted for on an accrual basis.

3.19 Staff retirement benefits

The Holding Company operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Holding Company and the employees, to the fund at the rate of 8.33% of the basic salary.

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 consolidated statement of financial position 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 consolidated statement of profit or loss currently.

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

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 Contingencies

Contingencies are disclosed when the Group has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period.

3.25 Functional and presentation currency

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

3.26 Unclaimed dividend

Dividend declared and remain unpaid from the date it is due and payable.

3.27 Unpaid dividend

Dividend declared and remain unpaid for the period of 3 years from the date it is due and payable.

3.28 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the senior management of the Group to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

			2019	2018
4.	**PROPERTY, PLANT AND EQUIPMENT**	**Note**	**----------- Rupees ----------**	
	Operating fixed assets	4.1	**1,471,807,589**	1,533,137,692
	Capital work-in-progress	4.4	**59,031,934**	39,849,659
			1,530,839,523	1,572,987,351

4.1 Operating fixed assets

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2018	Additions**/ (Disposals)	As at June 30, 2019	As at July 01, 2018	Charge for the year	As at June 30, 2019	as at June 30, 2019	rate % per annum
	---------- Rupees ----------							
Owned								
Leasehold land	756,571,184*	-	756,571,184	19,754,650	15,471,311	35,225,961	721,345,223	2.04 - 2.13
Building on leasehold land	106,118,604*	1,916,800	108,035,404	35,910,121	7,785,734	43,695,855	64,339,549	10
Leasehold improvements	198,410,884	5,497,657	203,908,541	95,064,571	41,740,333	136,804,904	67,103,637	33
Furniture and fittings	49,448,511	4,474,717	53,923,228	13,944,606	2,926,165	16,870,771	37,052,457	10
Vehicles	106,722,477	27,701,083 *** (8,550,401)	125,873,159	46,560,425	25,855,937 (5,849,557)	66,566,805	59,306,354	33
Audio visual equipment	420,105,361	136,539,907 *** (37,000)	556,608,268	134,668,700	101,357,718 (22,935)	236,003,483	320,604,785	25
Uplinking equipment	65,279,927	10,204,336 ***	75,484,263	36,170,414	6,781,584	42,951,998	32,532,265	10
Office equipment	132,829,996	7,852,458	140,682,454	47,844,801	17,080,156	64,924,957	75,757,497	15
Computers	161,383,736	17,399,430 (1,402,439)	177,380,727	98,269,070	32,205,363 (1,343,575)	129,130,858	48,249,869	33
	1,996,870,680	211,586,388 (9,989,840)	2,198,467,228	528,187,358	251,204,301 (7,216,067)	772,175,592	1,426,291,636	
Leased								
Vehicles	74,996,450	16,282,063 (14,366,890)	76,911,623	24,224,180	16,770,254 (9,598,764)	31,395,670	45,515,953	33
Audio visual equipment	19,440,000	(19,440,000)	-	12,737,250	(12,737,250)	-	-	25
Uplinking equipment	9,660,000	(9,660,000)	-	2,680,650	(2,680,650)	-	-	10
	104,096,450	16,282,063 (43,466,890)	76,911,623	39,642,080	16,770,254 (25,016,664)	31,395,670	45,515,953	
2019	**2,100,967,130**	**227,868,451** **(53,456,730)**	**2,275,378,851**	**567,829,438**	**267,974,555** **(32,232,731)**	**803,571,262**	**1,471,807,589**	

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2017	Additions**/ (Disposals)	As at June 30, 2018	As at July 01, 2017	Charge for the year	As at June 30, 2018	as at June 30, 2018	rate % per annum
	Rupees							
Owned								
Leasehold land	63,257,901	693,313,283*	756,571,184	13,712,398	6,042,252	19,754,650	736,816,534	2.04 - 2.13
Building on leasehold land	33,820,879	72,297,725*	106,118,604	33,049,344	2,860,777	35,910,121	70,208,483	10
Leasehold improvements	89,086,340	109,324,544	198,410,884	67,666,244	27,398,327	95,064,571	103,346,313	33
Furniture and fittings	33,870,528	15,637,983 (60,000)	49,448,511	10,544,938	3,459,668 (60,000)	13,944,606	35,503,905	10
Vehicles	32,280,294	81,440,780 *** (6,998,597)	106,722,477	24,367,284	26,790,154 (4,597,013)	46,560,425	60,162,052	33
Audio visual equipment	151,599,656	268,526,505 (20,800)	420,105,361	111,658,911	23,016,029 (6,240)	134,668,700	285,436,661	25
Uplinking equipment	43,801,076	21,478,851	65,279,927	33,557,145	2,613,269	36,170,414	29,109,513	10
Office equipment	72,820,270	60,009,726	132,829,996	37,279,413	10,565,388	47,844,801	84,985,195	15
Computers	100,850,932	63,688,146 (3,155,342)	161,383,736	81,652,477	19,771,935 (3,155,342)	98,269,070	63,114,666	33
	621,387,876	1,385,717,543 (10,234,739)	1,996,870,680	413,488,154	122,517,799 (7,818,595)	528,187,358	1,468,683,322	
Leased								
Vehicles	70,146,604	34,003,016 (29,153,170)	74,996,450	27,861,598	16,198,588 (19,836,006)	24,224,180	50,772,270	33
Audio visual equipment	19,440,000	-	19,440,000	8,606,250	4,131,000	12,737,250	6,702,750	25
Uplinking equipment	9,660,000	-	9,660,000	1,811,250	869,400	2,680,650	6,979,350	10
	99,246,604	34,003,016 (29,153,170)	104,096,450	38,279,098	21,198,988 (19,836,006)	39,642,080	64,454,370	
2018	**720,634,480**	**1,419,720,559 (39,387,909)**	**2,100,967,130**	**451,767,252**	**143,716,787 (27,654,601)**	**567,829,438**	**1,533,137,692**	

* Includes assets under common ownership under Diminishing Musharka arrangement.

** Additions of Rs.197,709,288(2018: Rs. 1,358,916,834), as shown above, include an amount of Rs.78,286,438 (2018: Rs.1,252,852,758) transferred from capital work in progress during the year.

*** Includes transfers from leased to owned.

4.2 Particular of Immovable Asset in the name of the Holding Company are as follows:

Location	Addresses	Total Area (sq.yards)
Karachi	Plot No. 10/11 hassanali street, off I.I. Chundrigar road.	2,070
Karachi	Plot no. 125, national highway, phase 1 Pakistan Defence Officers Housing Authority.	1,451
Islamabad	Plot No.2A, I&T centre sector G-6/1.	30,609.66

4.3 Depreciation for the year has been allocated as follows:

	Note	2019	2018
		Rupees	
Cost of production	23	**183,895,667**	82,762,911
Distribution costs	24	**2,867,754**	4,098,165
Administrative expenses	25	**56,194,470**	37,019,705
		242,957,891	123,880,781

4.4 Capital work-in-progress

Description	Leasehold land	Leasehold building	Leasehold improvements	Furniture and fittings	Vehicles	Audio visual equipment	Uplinking equipment	Office equipment	Computers	Total
	(Rupees)									
Balance as at June 30, 2017	-	-	-	-	-	-	-	**4,077,524**	-	**4,077,524**
Capital expenditure incurred / advances made during the year	693,313,283	72,297,725	95,436,530	3,280,413	34,410,276	307,798,164	20,771,351	22,815,420	38,501,731	1,288,624,893
Transferred to operating fixed assets	(693,313,283)	(72,297,725)	(95,436,530)	(3,280,413)	(34,410,276)	(267,948,505)	(20,771,351)	(26,892,944)	(38,501,731)	(1,252,852,758)
Balance as at June 30, 2018	-	-	-	-	-	**39,849,659**	-	-	-	**39,849,659**
Capital expenditure incurred / advances made during the year	59,031,934	-	-	-	-	38,436,779	-	-	-	97,468,713
Transferred to operating fixed assets	-	-	-	-	-	(78,286,438)	-	-	-	(78,286,438)
Balance as at June 30, 2019	**59,031,934**	-	-	-	-	-	-	-	-	**59,031,934**

5. INTANGIBLE ASSETS

Description	Cost: As at July 01, 2018	Cost: Additions	Cost: As at June 30, 2019	Accumulated amortization: As at July 01, 2018	Accumulated amortization: Charge for the year / impairment	Accumulated amortization: As at June 30, 2019	Book value as at June 30, 2019	Amorti-sationrate % per annum
	Rupees							
Goodwill(note 5.1)	13,411,606	450,646*	13,862,252	-	11,803,791	11,803,791	2,058,461	
Computersoftwares	66,222,575	12,683,092	78,905,667	20,798,823	7,422,958	28,221,781	50,683,886	20 – 33
License fee	59,032,673	16,530,535	75,563,208	10,938,203	2,144,878	13,083,081	62,480,127	6.67
Trade Mark	28,116,084	5,117,000	33,233,084	12,691,065	8,256,560	20,947,625	12,285,459	20
2019	**166,782,938**	**34,781,273**	**201,564,211**	**44,428,091**	**17,824,396** **11,803,791**	**74,056,278**	**127,507,933**	

Description	Cost: As at July 01, 2017	Cost: Additions	Cost: As at June 30, 2018	Accumulated amortization: As at July 01, 2017	Accumulated amortization: Charge for the year	Accumulated amortization: As at June 30, 2018	Book value as at June 30, 2018	Amorti-sationrate % per annum
	Rupees							
Goodwill	13,189,185	222,421*	13,411,606	-	-	-	13,411,606	
Computer softwares	27,967,521	38,255,054	66,222,575	17,993,462	2,805,361	20,798,823	45,423,752	20 – 33
License fee	59,032,673	-	59,032,673	10,237,853	700,350	10,938,203	48,094,470	6.67
Trade Mark	19,928,500	8,187,584	28,116,084	8,277,481	4,413,584	12,691,065	15,425,019	20
2018	**120,117,879**	**46,665,059**	**166,782,938**	**36,508,796**	**7,919,295**	**44,428,091**	**122,354,847**	

* Represent exchange gain on revaluation of goodwill.

5.1 During the the year, Skyline Publications (Private) Limited, based on impairment indicators, carried out an assessment of recoverable amount of its investments in Newsline Publications (Private) Limited. Based on the assessment carried out, the management believes that it will not be able to recover the carrying value of investment in Newsline Publications (Private) Limited. Hence, management has decided to impair the entire amount of goodwill.

	Note	2019	2018
		Rupees	
5.2 Amortisation for the year has been allocated as follows:			
Cost of production	23	**9,722,368**	5,234,697
Administrative expenses	25	**8,102,028**	2,684,598
		17,824,396	7,919,295

6 LONG TERM INVESTMENT

	Holding	2019	2018
		---------- Rupees	----------
Unquoted investment in an associate – stated as per equity method			
Digital Entertainment World (Private) Limited	**50%**		
Opening balance		-	-
Investment made during the year		**73,358,800**	-
Share of profit – net of tax		**3,837,024**	-
Closing balance		**77,195,824**	-

6.1 The summarised financial information of the associated company in which there is a significant influence, based on the un-audited financial statements for the year ended June 30, 2019 and 2018 is as follows:

	Note	2019	2018
		---------- Rupees	----------
		------------Un-Audited	----------
Total assets		**20,960,376**	8,790,744
Total liabilities		**6,806,048**	2,593,412
Revenues		**88,331,573**	25,395,131
Profit after tax		**7,956,996**	2,758,240

7. LONG TERM DEPOSITS

	2019	2018
	---------- Rupees	----------
Security deposits		
- Lease	**689,550**	1,824,950
- Rent	**9,041,458**	9,821,916
- Trade	**28,339,110**	25,053,903
- Others	**3,379,552**	2,517,738
	41,449,670	39,218,507

8. TELEVISION PROGRAM COSTS

Unreleased / released less amortisation	**386,400,500**	384,062,756
In production	**54,213,916**	91,472,116
	440,614,416	475,534,872
Less: Current portion	**213,385,799**	219,364,710
	227,228,617	256,170,162

9. DEFERRED TAX ASSET

Deductible temporary differences		
Provisions	**4,090,881**	-
Unabsorbed tax losses	**14,853,654**	55,128,250
Unrealised loss on short term investments	**1,004,068**	-
Unused tax credit on subscription income	**56,028,518**	102,187,697
	75,977,121	157,315,947
Taxable temporary differences		
Accelerated tax depreciation / amortisation allowances	**(159,377)**	(277,648)
	75,817,744	157,038,299

10. TRADE DEBTS – unsecured

Considered good		**1,888,525,902**	1,789,045,811
Considered doubtful		**87,832,093**	158,653,060
		1,976,357,995	1,947,698,871
Less: Provision for doubtful debts	10.2	**87,832,093**	158,653,060
		1,888,525,902	1,789,045,811

10.1 Particulars of receivable from foreign customers:

Jurisdiction		
United Arab Emirates	**80,144,846**	99,718,690
United States of America	**24,356,787**	16,056,923
	104,501,633	115,775,613

These receivable are on contract basis and there are no defaulting parties as of 30 June 2019.

	Note	2019	2018
		---------- Rupees	----------
10.2 The movement in provision for doubtful debts is as follows:			
Balance as at the beginning of the year		**158,653,060**	129,090,366
Charge for the year	26 & 10.3	**5,421,163**	
Provision written off		**(76,242,130)**	29,562,694
Balance as at the end of the year		**87,832,093**	158,653,060

10.3 Includes allowance for expected credit losses amounting to Rs. 627,145/- (2018: nil)

	Note	2019	2018
		---------- Rupees	----------
10.4 The aging of trade debts as at June 30 is as follows:			
Neither past due nor impaired		**1,416,584,850**	1,357,672,981
Past due but not impaired			
- 0 to 30 days		**296,343,770**	249,622,592
- 31 to 60 days		**106,919,361**	122,823,403
- Over 60 days		**68,677,921**	58,926,835
		1,888,525,902	1,789,045,811

11. SHORT TERM INVESTMENTS

At fair value through profit or loss		
United Bank Limited 16,000 TFCs having face value ofRs. 5000 each	**80,000,000**	-
Meezan Bank Ltd. Tier II ModarabaSukuks	**98,997,624**	-
Quoted Shares		
Habib Bank Limited 60,000 shares having market value of Rs. 113.26 each	**6,795,600**	-
Sui Northern 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**	-
Mutual Fund		
Askari High Yield Scheme 2,958,712 units having net asset value (NAV) of Rs.102.3976	**302,965,055**	-

	Note	2019	2018
BMA Empress Cash Fund 8,045,078 shares having market value of Rs. 10.158 each		**81,721,902**	-
BMA Asset Management Company Limited 28,912,096 units having net asset value (NAV) of Rs. 8.667 each		-	250,578,242
Alfalah Investments Limited 1,496,096 units having NAV of Rs. 100.041 each		-	149,670,314
At amortisedcost			
Term Deposit Receipts	11.1	**250,000,000**	200,000,000
Accrued Profit Thereon		**11,406,493**	-
		261,406,493	200,000,000
		838,041,574	600,248,556

11.1 These are placed with different financial institutions and commercial banks carrying interest ranging from 9.25% to 12.2% (2018: 8.02%) having maturity latest byDecember 19, 2019.

12. ADVANCES - unsecured, considered good

	Note	2019	2018
		---------- Rupees	----------
Interest free advances to:			
- Producers	12.1	**102,819,178**	133,139,795
- Suppliers		**45,639,766**	77,287,220
- Employees		**5,032,134**	2,641,629
- Executives		**657,539**	451,181
		154,148,617	213,519,825

12.1 Include Rs. Nil (2018: 22,883,925/-) receivable from Momina & Duraid Films (Private) Limited, a related party.

13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2019	2018
		---------- Rupees	----------
Deposits			
- Rent		**664,500**	664,500
- Trade		**1,997,207**	1,982,207
- Others		**2,523,081**	1,647,678
		5,184,788	4,294,385
Prepayments			
- Insurance		**10,152,815**	10,799,371
- Rent		**1,931,687**	4,260,600
- Others		**3,214,477**	30,077,158
		15,298,979	45,137,129
		20,483,767	49,431,514

14. OTHER RECEIVABLES – considered good

	2019	2018
Sales tax receivable	**95,587,378**	92,236,964
Income / markup accrued	**84,561,933**	-
Others	**24,628,635**	24,350,785
	204,777,946	116,587,749

15. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**1,433,071**	3,475,204
Cash at banks– conventional banks			
- in current accounts		**246,585,651**	228,367,053
- in deposit accounts	15.1	**113,591,339**	144,458,589
		360,176,990	372,825,642
		361,610,061	376,300,846

15.1 These carry profit at the rates ranging from 8% to 10.25% (2018: 5% to 5.5%) per annum.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
(Number of shares)			---------- Rupees ----------	
		Ordinary shares of Re. 1/- each		
500,000,000	500,000,000	Fully paid in cash	**500,000,000**	500,000,000
445,000,000	445,000,000	Issued as fully paid bonus shares	**445,000,000**	445,000,000
945,000,000	945,000,000		**945,000,000**	945,000,000

16.1 As at June 30, 2019, institutions and others held 527,163,899 and 417,836,101 shares, respectively (June 30, 2018: 548,863,499 and 396,136,501). Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2019		2018	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
	---------- Rupees ----------			
Not later than one year	**17,652,676**	**15,432,771**	20,402,516	18,725,877
Later than one year and not later than five years	**12,305,768**	**11,263,903**	13,878,079	12,914,293
Total minimum lease payments	**29,958,444**	**26,696,674**	34,280,595	31,640,170
Less: Financial charges allocated to future periods	**3,261,770**	-	2,640,425	-
Present value of minimum lease payments	**26,696,674**	**26,696,674**	31,640,170	31,640,170
Less: Current portion shown under current liabilities	**15,432,771**	**15,432,771**	18,725,877	18,725,877
	11,263,903	**11,263,903**	12,914,293	12,914,293

17.1 Represent finance leases entered into by the Holding Company with commercial banks for vehicles, audio visual equipment and up-linking equipment. Lease rentals are payable in monthly installments latest by 2022. 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 Holding Company. In case of termination of agreement, the Holding Company has to pay the entire rent for the unexpired period. These carry interest rate of 6 months KIBOR plus 2 to 3 (2018: 6 months KIBOR plus 2 to 3) percent per annum.

18. LONG TERM FINANCING – secured

	Note	2019	2018
		---------- Rupees ----------	
Islamic banks			
Diminishing Musharaka – I	18.1	**550,555,062**	562,269,000
Diminishing Musharaka – II	18.2	**400,000,000**	250,220,000
		950,555,062	812,489,000
Less: current maturity		**257,640,427**	11,713,938
		692,914,635	800,775,062
Conventional bank			
Term Finance Loan	18.2	**400,000,000**	293,380,000
Less: Current maturity		**114,269,840**	-
		285,730,160	293,380,000
		978,644,795	1,094,155,062

18.1 Represent Diminishing Musharaka facility carrying profit at the rate of 6 months KIBOR plus 1% (2018: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 12 months from the date of first disbursement i.e. from June 2018. The loan is secured by way of registered mortgage over the building on leasehold land of the Holding Company.

18.2 Represent Diminishing Musharaka and Term Finance Loan carrying profit at the rate of 6 months KIBOR plus 1% (2018: 6 months KIBOR plus 1%) per annum. The financing is repayable in 48 equal monthly instalments commencing after a grace period of 18 months from the date of first disbursement i.e. December 2017. Financing is secured by way of Equitable Mortgage over registered office, first paripassu constructive mortgage charge over land and first hypothecation charge over plant, machinery & equipment of the Holding Company.

19. TRADE AND OTHER PAYABLES

	Note	2019	2018
		---------- Rupees ----------	
Creditors	19.1	**683,156,587**	344,341,453
Accrued liabilities		**193,961,595**	293,457,766
Payable against investment in an associate		**55,636,517**	-
Withholding tax payable		**20,494,352**	16,921,697
Security deposit payable	19.2	**11,017,173**	-
Advances from customers – contract liability		**27,142,240**	15,357,423
Payable to provident fund	19.3	**1,198,590**	8,764,239
Book overdraft		**528,815**	-
Others		**40,166,870**	28,730,331
		1,033,302,739	707,572,909

19.1 Include Rs.312,232,779 (2018: Rs. 272,941,727/-) payable to M.D Production (Private) Limited, a related party.

19.2 Represents security deposits received by the group under the terms of related agreements for films. The amount is fully utilised in business in accordance with the requirements of written agreements.

		2019	2018
		---------- Rupees ----------	
		(Un-audited)	(Audited)
19.3	**Payable to provident fund**	**1,198,590**	8,764,239

19.3.1 General disclosures

	2019	2018
Size of the fund	**277,404,074**	199,968,714
Cost of the investment made	**231,054,069**	130,111,383
Fair value of the investment made	**233,253,223**	129,866,837
Percentage of the investment made	**84%**	65%

19.3.2 The breakup of investment is as follows:

	2019		2018	
	(Rupees)	%	(Rupees)	%
Treasury bills	**71,306,924**	**30.57**	-	-
Mutual funds	**12,638,588**	**5.42**	52,941,759	40.77
Term deposit certificate	**19,939,180**	**8.55**	10,171,412	7.83
Bank balance – deposit accounts	**129,368,531**	**55.46**	66,753,666	51.40
	233,253,223	**100.00**	129,866,837	100.00

19.3.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

20. SHORT TERM BORROWINGS

	Note	2019	2018
		---------- Rupees ----------	
Short-term running finance– conventional banks	20.1	**299,853,260**	17,803,070

20.1 Represent facilities obtained from various conventional banks amounting to Rs. 475,000,000 (2018: Rs. 475,000,000) out of which Rs. 175,146,740 (2018: Rs. 457,196,930) remains unutilized at year end. These facilities carrying markup ranging from 3 month KIBOR + 0.75% to 1%. (2018: 3 month KIBOR + 0.75% to 1.25%). These facilities are secured by way of paripassu charge and first hypothecation charge on all current assets of the Holding Company.

20.2 The Holding Company has local bill discounting facilities amounting to Rs. 125,000,000 (2018: Rs. 225,000,000) which remain unutilized at the year end. These facilities carrying mark-up rates ranging from 3 months KIBOR + 0.9% to 1% (2018: 3 months KIBOR + 0.9% to 1.5%) and will mature latest by February 2019. These facilities secured by way of paripassu charge and first hypothecation charge on all current assets of the Holding Company.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 For the tax year 2013, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(1) of the Income Tax Ordinance, 2001 wherein certain disallowances / addbacks were made to the taxable income of the Holding Company. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the aforesaid order who decided the case against the Holding Company. The Holding Company has challenged the aforesaid order of the CIR(A) before the Appellate Tribunal Inland Revenue, which is pending adjudication. Further, the ACIR passed an appeal effect order creating a tax demand of Rs.182,961,339/-. However, the Holding Company has obtained a stay from recovery of the above tax demand from the Sindh High Court (the Court). The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Holding Company and accordingly, no provision has been made in this respect in these financial statements.

21.1.2 For other tax related matters, refer note 29.2 to these consolidated financial statements.

21.2 Commitments

21.2.1 Purchase of television programs commitments with M.D Production (Private) Limited and Momina & Duraid Films (Private) Limited - related parties as at June 30, 2019 amounted to Rs. 393,586,400/- (2018: Rs. 210,009,500/-) and Nil (2018: 110,000,000) respectively. Commitment for purchase of television programs with other than related parties as at June 30, 2019amounted to Rs. 68,207,000/- (2018: Rs. 13,144,000/-).

	Note	2019	2018
		---------- Rupees ----------	
21.2.2 Outstanding letter of credit		-	**19,162,829**

22. REVENUE – net

	Note	2019	2018
Advertisement revenue		**3,790,542,705**	4,538,892,783
Production revenue		**87,819,118**	143,780,774
Digital revenue		**21,039,618**	20,812,520
Subscription income		**561,003,781**	311,619,009
Film distribution revenue		**174,702,013**	161,702,621
Sale of goods		**144,955,047**	4,917,900
Sale of megazines		**6,654,008**	9,988,684
	22.1	**4,786,716,290**	5,191,714,291

22.1 Revenue is net off the following items:

	2019	2018
Sales tax	**493,256,073**	600,376,078
Discount to customers	**273,395,164**	334,638,919
	766,651,237	935,014,997

23. COST OF PRODUCTION

	Note	2019	2018
Cost of outsourced programs		**1,834,092,596**	1,539,148,495
Cost of in-house programs		**419,551,943**	396,083,464
Cost of inventory consumed		**152,847,117**	11,227,809
Salaries and benefits	23.1	**854,358,582**	676,848,350
Depreciation	4.3	**183,895,667**	82,762,911
Amortisation	5.2	**9,722,368**	5,234,697
Traveling and conveyance		**53,469,774**	25,840,035
Utilities		**20,007,980**	20,841,192
Rent, rates and taxes		**27,675,194**	36,201,569
Insurance		**25,537,592**	14,088,720
Repair and maintenance		**21,206,631**	22,602,353
Fee and subscription		**48,087,109**	17,279,201
Communication		**17,124,590**	10,826,233
Security charges		**1,959,292**	3,580,300
Consultancy		**6,112,527**	5,550,436
Printing and stationery		**11,983,659**	14,773,784
		3,687,632,621	2,928,353,225
In production television programs - opening		**91,472,116**	86,240,166
In production television programs - closing		**(54,213,916)**	(91,472,116)
		3,724,890,821	2,923,121,275
Released / unreleased programs - opening		**384,062,756**	387,583,127
Released / unreleased programs - closing		**(386,400,500)**	(384,062,756)
		3,722,553,077	2,926,641,646

23.1 Include Rs.34,826,310/- (2018: Rs. 20,661,450/-) in respect of staff retirement benefits.

24. DISTRIBUTION COSTS

	Note	2019	2018
		---------- Rupees	----------
Advertisement and promotion		**168,866,611**	176,396,179
Salaries and benefits	24.1	**178,604,568**	163,954,036
Traveling and conveyance		**28,051,962**	19,624,135
Rent, rates and taxes		**714,773**	5,538,908
Utilities		**1,047,213**	2,695,959
Depreciation	4.3	**2,867,754**	4,098,165
Communication		**1,628,775**	1,839,685
Insurance		**3,073,468**	2,978,653
Repair and maintenance		**2,032,173**	5,828,045
Fees and subscription		**1,581,788**	2,017,040
Commission expense		**62,250,884**	61,182,668
Security charges		**852,953**	305,600
Printing and stationery		**2,050,130**	435,155
Training		-	6,305,817
		453,623,052	453,200,045

24.1 IncludeRs. 6,656,202/- (2018: Rs. 6,421,634/-) in respect of staff retirement benefits.

25. ADMINISTRATIVE EXPENSES

	Note	2019	2018
		---------- Rupees	----------
Salaries and benefits	25.1	**372,853,452**	416,752,720
Technical advisory fee	25.2	**41,400,000**	40,440,000
Depreciation	4.3	**56,194,470**	37,019,705
Amortisation	5.2	**8,102,028**	2,684,598
Repair and maintenance		**52,121,436**	27,848,093
Communication		**15,616,476**	5,821,231
Traveling and conveyance		**37,203,066**	31,159,214
Fee and subscription		**12,843,112**	15,250,763
Utilities		**21,454,974**	10,727,052
Legal and professional charges		**13,145,725**	22,059,172
Printing, stationery and periodicals		**8,259,170**	5,900,338
Rent, rates and taxes		**48,996,467**	26,932,034
Insurance		**5,604,662**	5,407,001
Auditors' remuneration	25.3	**9,572,506**	6,384,730
Security charges		**11,034,607**	5,832,717
		714,402,151	660,219,368

25.1 Include Rs. 4,109,628/- (2018: Rs. 3,434,469/-) in respect of staff retirement benefits.

25.2 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.

25.3 Auditors' remuneration

	Note	2019	2018
		---------- Rupees	----------
Audit fee		**4,712,824**	3,678,844
Fee for consolidated financial statements		**650,000**	587,500
Fee for half yearly review		**325,000**	325,000
Tax and other services		**3,347,402**	1,428,004
Out of pocket expenses		**537,280**	365,382
		9,572,506	6,384,730

26. OTHER EXPENSES

Provision for doubtful trade debts	10.2	**5,421,163**	29,562,693
Impairment loss on goodwill	5.1	**11,803,791**	-
Stock written off		**2,690,986**	-
		19,915,940	29,562,693

27. OTHER INCOME

	2019	2018
	Rupees	
Income / (loss) from financial assets		
Profit on deposit accounts	**22,404,104**	19,411,839
Exchange gain - net	**90,547,893**	59,046,397
Dividend income	**6,191,500**	-
Interest / markup income	**27,295,102**	-
Unrealised (loss) /gain on revaluation of investments	**(6,693,787)**	248,556
Gain on redemption / sale of investments	**5,470,121**	-
	145,214,933	78,706,792
Income from non financial assets		
Gain on disposal of operating fixed assets	**2,506,054**	2,224,556
Liabilities no longer payable written back	**437,653**	35,345
Sale of magazines and DVDs	**55,267,435**	52,435,380
Others	**94,439**	118,910
	58,305,581	54,814,191
	203,520,514	133,520,983

28. FINANCE COSTS

Mark-up on long term financing	**131,896,854**	17,864,481
Mark-up on short term borrowings	**4,397,691**	8,217,269
Finance lease charges	**2,834,642**	3,575,193
Bank charges	**5,347,450**	3,852,637
	144,476,637	33,509,580

29. TAXATION

Current	**38,809,552**	85,544,363
Deferred	**89,408,484**	7,915,256
Prior	**133,782**	(7,413,062)
	128,351,818	86,046,557

29.1 The Holding Company has filed its return of income up to tax year 2018. The return so filed is deemed to be an assessment order issued by the Taxation Authorities on the date the complete return is filed. The Holding Company is mainly subject to Final Tax Regime under Section 153((3) (e)) of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented.

29.2 During the current year, the Holding Company filed a Constitutional Petition (CP) before the Court on September 27, 2018 challenging the tax under section 5A of the Income Tax Ordinance, 2001. The Court accepted the CP and granted a stay against the above section. In case the Court's decision is not in favor of the Holding Company, the Holding Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Holding Company for the financial year ended June 30, 2018. The management, based on the legal and tax advice, is confident that the ultimate outcome will be in favor of the Holding Company and accordingly, no provision has been made in this respect in these consolidated financial statements.

30. EARNINGS PER SHARE – basic and diluted

		2019	2018
(Loss) / profit attributable to the owners of the Holding Company	(Rupees)	**(648,661,581)**	844,001,512
Weighted average number of ordinary shares outstanding during the year		**945,000,000**	945,000,000
(Loss) / Earnings per share	(Rupee)	**(0.69)**	0.89

31. CASH GENERATED FROM OPERATIONS

	2019	2018
	---------- Rupees	----------
(Loss) / profit before taxation	**(521,328,418)**	930,048,069
Adjustments for :		
Depreciation	**242,957,891**	143,716,787
Amortisation	**17,824,396**	7,919,295
Impairment loss on goodwill	**11,803,791**	-
Finance costs	**144,476,637**	33,509,580
Exchange difference on translation of foreign subsidiaries	**101,806,308**	58,158,950
Unrealised exchange gain	**(93,131,944)**	(59,046,397)
Profit on deposit accounts	**(22,404,104)**	(19,411,839)
Gain on disposal of operating fixed assets	**(2,506,054)**	(2,224,556)
Share of net profit of associate	**(3,837,024)**	-
Gain on redemption / sale of investments	**(5,470,121)**	-
Dividend income	**(6,191,500)**	-
Unrealised loss / (gain) on revaluation of investments	**6,693,787**	(248,556)
Provision for doubtful debts	**(70,820,968)**	29,562,694
	321,201,095	191,935,958
(Increase) / decrease in current assets		
Inventories	**(32,182,748)**	(27,379,097)
Television program costs	**5,978,911**	803,405
Trade debts	**64,472,821**	(3,722,308)
Advances	**59,371,208**	29,250,406
Deposits and prepayments	**28,947,747**	(10,613,390)
Other receivables	**(88,190,196)**	(95,544,796)
	38,397,743	(107,205,780)
Increase / (decrease) in current liabilities		
Trade and other payables	**325,729,830**	117,372,876
	164,000,250	1,132,151,123

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2019				2018			
	Chief Executive	Executive Director	Non-Executive Director	Executives	Chief Executive	Executive Director	Non-Executive Director	Executives
	Rupees							
Managerial remuneration	**90,131,433**	-	**2,000,000**	**306,619,145**	92,108,584	3,000,000	2,000,000	284,919,825
Bonus	-	-	-	-	49,719,317	49,719,317	-	-
Retirement benefits	-	-	-	**17,690,444**	-	-	-	14,578,015
House rent	**14,022,581**	-	-	**96,921,659**	14,217,101	-	-	80,592,895
Utilities	**3,116,129**	-	-	**21,538,145**	3,159,355	-	-	17,909,531
Technical advisory fee	-	**41,400,000**	-	-	-	40,440,000	-	-
Fuel and conveyance	**1,498,835**	**888,326**	**532,607**	**11,967,125**	1,036,832	920,548	365,054	6,840,955
	108,768,978	**42,288,326**	**2,532,607**	**454,736,518**	160,241,189	94,079,865	2,365,054	404,841,221
Number	**1**	**1**	**1**	**80**	1	2	1	68

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

32.2 The aggregate amount charged in the financial statements for meeting fee to 4 non-executive directors amounted to Rs.625,000/- (2018: Rs. 890,000/-).

33. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Groupcomprise associated undertaking, retirement benefits fund and key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

Related Party	Nature of transactions	2019	2018
		Rupees	
M.D. Production (Private) Limited	Purchase of content	**1,314,532,435**	1,288,748,577
Momina & Duraid Films (Private) Limited	Payment against content	**33,415,842**	-
Hum Network Limited -Employees' Provident Fund	Contribution to fund	**45,592,140**	30,517,553

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. The outstanding receivable and payable balances of the related parties are disclosed in their respective notes to these consolidated financial statements.

33.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of association	Aggregate % of shareholding
1	M.D Productions (Private) Limited	Associated undertaking	-
2	Momina & Duraid Films (Private) Limited	Associated undertaking	-
3	HUM Network Limited- Employees' Provident Fund	Retirement Fund	-
4	Ms. Sultana Siddiqui	Director	**0.02%**
5	Mr. Mazhar ul Haq Siddiqui	Director	-
6	Mr. Duraid Qureshi	Director	**24.02%**

7	Mr. Shunaid Qureshi	Director	**5.38%**
8	Mrs. Mahtab Akbar Rashdi	Director	-
9	Lt Gen (R) Asif Yasin Malik	Director	-
10	Mr. Hasan Reza ur Rahim	Director	-
11	Mr. Sohail Ansar	Director	**0.06%**
12	Mr. Muhammad Abbas Hussain	Key management Personnel	-
13	Mr. Mohsin Naeem	Key management Personnel	-

33.2 None of the key management personnel had any arrangements with the Group other than the employment contract.

	Note	2019	2018
		Rupees	
34. FINANCIAL INSTRUMENTS BY CATEGORY			
34.1 Financial assets as per statement of financial position			
Financial assets at amortised cost			
- Trade debts	10	**1,888,525,902**	1,789,045,811
- Short term investments	11	**261,406,493**	200,000,000
- Other receivables	14	**204,777,946**	116,587,749
- Cash and bank balances	15	**361,610,061**	376,300,846
		2,716,320,402	2,481,934,406
Financial assets at fair value through profit or loss			
- Short term investments	11	**576,635,081**	400,248,556

	Note	2019	2018
		Rupees	
34.2 Financial liabilities as per statement of financial position			
Financial liabilities at amortised cost			
- Long term financing	18	**978,644,795**	1,094,155,062
- Trade and other payables	19	**1,006,160,499**	690,651,212
- Accrued mark-up		**5,572,176**	2,431,528
- Short term borrowings	20	**299,853,260**	17,803,070
- Current portion of long term financing	18	**371,910,267**	11,713,938
- Unclaimed dividend		**5,948,490**	5,948,490
- Unpaid dividend		**205,159**	205,159
		2,668,294,646	1,822,908,459

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks i.e. market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks. The Group's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

35.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

35.2 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, short term borrowings and bank balances. The Group manages these risks through risk management strategies.

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 2019	**+100**	**(12,439,494)**
	-100	**12,439,494**
30 June 2018	+100	(3,597,483)
	-100	3,597,483

35.3 Currency risk

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 foreign currencies. The Group's exposure to foreign currency risk is as follows:

	---------------2019-------------			--------------2018-------------		
	US Dollar	**GBP**	**AED**	**US Dollar**	**GBP**	**AED**
Trade debts	**205,566**	**1,070,389**	**3,317,221**	254,957	1,201,855	1,615,746
Deposits and prepayments	**93,997**	**109,588**	**390,396**	65,627	111,369	152,053
Trade and other payables	**(165,712)**	**(178,177)**	**(594,557)**	(171,774)	435,755	107,889

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

	------------ Rupees -----------			------------ Rupees ------------		
Closing exchange rates	**158.9**	**198**	**42.4**	121.40	159.14	33.45

Sensitivity analysis:

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

	Change in US dollar rate (%)	Effect on profit before tax -- Rupees --	Change in GBP rate (%)	Effect on profit before tax -- Rupees --	Change in AED rate (%)	Effect on profit before tax -- Rupees --
30 June 2019	**+10**	**1,338,515**	**+10**	**10,018,005**	**+10**	**31,130,600**
	-10	**(1,338,515)**	**-10**	**(10,018,005)**	**-10**	**(31,130,600)**
30 June 2018	+10	1,264,980	+10	1,479,310	+10	2,299,640
	-10	(1,264,980)	-10	(1,479,310)	-10	(2,299,640)

35.4 Equity price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total investments. Reports on the investments portfolio are submitted to the Group's senior management on a regular basis.

As of the statement of financial position date, the exposure to investments at fair value through profit or loss was Rs. 397,637,457 (2018: Rs. 400,248,556).

35.5 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. Concentration 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 mainly exposed to credit risk on trade debts and bank balances. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2019	2018
	---------- Rupees ----------	
Trade debts		
Customers with no defaults in the past one year	**1,888,525,90**	1,789,045,811
Customers with some defaults in past one year	**87,832,0932**	158,653,060
	1,976,357,995	1,947,698,871

		2019	2018
		---------- Rupees ----------	
Bank balances			
	A1+	**151,736,046**	130,005,238
	A+	**209,874,015**	208,287,350
	A1	-	34,533,054
		361,610,061	372,825,642
Short term investments			
Mutual funds	AM4++	**81,721,902**	-
	A(f)	**302,965,055**	-
	AM3	-	250,578,242
	AM2+	-	149,670,314
		384,686,957	400,248,556
Quoted shares	A1+	**6,795,600**	-
	A1	**6,154,900**	-
		12,950,500	
Term deposit receipt	A1	**106,684,931**	200,000,000
	A1+	**101,496,082**	-
	A-	**53,225,480**	-
		261,406,493	200,000,000
Term finance certificate	AA+	**80,000,000**	-
Sukuks	AA	**98,997,624**	-
		838,041,574	600,248,556

35.6 Liquidity risk

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

2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			---------- Rupees ----------		
Long term financing	-	**92,960,903**	**278,949,364**	**978,644,795**	**1,350,555,062**
Liabilities against assets subject tofinance lease	-	**5,085,442**	**10,347,329**	**11,263,903**	**26,696,674**
Trade and other payables	**100,952,575**	**326,350,809**	**584,976,189**	-	**1,012,279,573**
Short term borrowing	-	-	**299,853,260**	-	**299,853,260**
Accrued mark-up	**5,490,092**	-	-	-	**5,490,092**
	106,442,667	**424,397,154**	**1,174,126,142**	**989,908,698**	**2,694,874,661**

2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			---------- Rupees ----------		
Long term financing	-	-	11,713,938	1,094,155,062	1,105,869,000
Liabilities against assets subject tofinance lease	-	3,232,123	15,493,754	12,914,293	31,640,170
Trade and other payables	80,226,217	272,772,296	337,986,820	-	690,985,333
Short term borrowing	-	-	17,803,070	-	17,803,070
Accrued mark-up	2,431,527	-	-	-	2,431,527
	82,657,744	276,004,419	382,997,582	1,107,069,355	1,848,729,100

35.6.1 Changes in liabilities from financing activities

	01 July 2018	Cash Flows	30 June 2019
	Rupees		
Long term financing	**1,105,869,000**	**244,686,062**	**1,350,555,062**
Liabilities against assets subject to finance lease	**31,640,170**	**(4,943,496)**	**26,696,674**
	1,137,509,170	**239,742,566**	**1,377,251,736**

	01 July 2017	Cash Flows	30 June 2018
	Rupees		
Long term financing	-	1,105,869,000	1,105,869,000
Liabilities against assets subject to finance lease	41,247,908	(9,607,738)	31,640,170
	41,247,908	1,096,261,262	1,137,509,170

35.7 Capital risk

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Group monitors capital using a debt equity ratio as follows:

	Note	2019	2018
		Rupees	
Liabilities against asset subject to finance lease	17	**11,263,903**	12,914,293
Long term financing	18	**978,644,795**	1,094,155,062
Trade and other payable	19	**1,033,302,739**	707,572,909
Accrued markup		**5,572,176**	2,431,528
Short term borrowing	20	**299,853,260**	17,803,070
Current portion of long term financing	18	**371,910,267**	11,713,938
Current portion of liabilities against asset subject to finance lease	17	**15,432,771**	18,725,877
Total debt		**2,715,979,911**	1,865,316,677
Cash and bank balances	15	**(361,610,061)**	(376,300,846)
Net debt		**2,354,369,850**	1,489,015,831
Share capital		**945,000,000**	945,000,000
Reserves		**2,276,458,986**	2,819,477,235
Total equity		**3,221,458,986**	3,764,477,235
Capital		**5,575,828,836**	5,253,493,066
Gearing ratio		**42.22%**	28.34%

35.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below categorized fair value measurement of financial instruments by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2019				2018
	Level 1	Level 2	Level 3	Total	
	(Rupees)				
Short-term investments	**576,635,081**	-	-	**576,635,081**	400,248,556

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

35.9 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

36. OPERATING SEGMENTS

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

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

News segment is engaged in broadcasting of news programs.

	Entertainment		News		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees							
Revenue								
Net revenue from external customers	**4,501,324,156**	5,179,425,595	**140,437,087**	7,370,796	**144,955,047**	4,917,900	**4,786,716,290**	5,191,714,291
Result								
Segment profit / (loss)	**1,051,345,423**	2,019,708,240	**(860,321,144)**	(473,711,468)	**(40,915,506)**	(26,178,045)	**150,108,773**	1,519,818,727
Taxation	**(123,793,896)**	(85,874,521)	**(2,032,386)**	(110,562)	**(2,525,536)**	(61,474)	**(128,351,818)**	(86,046,557)
Unallocated income / (expenses):								
Administrative expenses							**(714,402,151)**	(660,219,368)
Other income							**203,520,514**	133,520,983
Other expenses							**(19,915,940)**	(29,562,693)
Share of net profit of associate							**3,837,024**	-
Finance costs							**(144,476,637)**	(33,509,580)
(Loss) / profit for the year							**(649,680,235)**	844,001,512
Segment assets	**297,982,756**	429,982,244	**1,242,004,621**	1,243,727,446	**99,306,994**	52,534,228	**1,639,294,371**	1,726,243,918
Unallocated assets	-	-	-	-	-	-	**4,361,344,271**	3,909,703,643
	297,982,756	429,982,244	**1,242,004,621**	1,243,727,446	**99,306,994**	52,534,228	**6,000,638,642**	5,635,947,561
Segment liabilities	**999,861,601**	627,845,994	**1,685,298,244**	1,191,574,728	**38,875,489**	52,049,604	**2,724,035,334**	1,871,470,326
Unallocated liabilities	-	-	-	-	-	-	-	-
	1,038,737,090	627,845,994	**1,685,298,244**	1,191,574,728	**38,875,489**	52,049,604	**2,724,035,334**	1,871,470,326
Other information								
Amortization	**(12,914,455)**	(6,173,574)	**(4,728,086)**	(1,686,945)	**(181,855)**	(58,776)	**(17,824,396)**	(7,919,295)
Depreciation	**(67,358,537)**	(77,642,449)	**(168,395,722)**	(45,154,144)	**(7,203,632)**	(1,084,188)	**(242,957,891)**	(123,880,781)

36.1 Revenue from three major customers of the Group are around 51% during the year ended June 30, 2019 (June 30, 2018: 47.6%).

37. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2019	2018
	-------(Number)-------	
Number of employees as at June 30	**903**	1,073
Average number of employees during the year	**977**	896

38. GENERAL

38.1 For better presentation, certain prior year figures have been reclassified consequent to certain changes in current year presentation.

38.2 Figures have been rounded off to the nearest Rupee.

39. DATE OF AUTHORIZATION

These consolidated financial statements have been authorised for issue on October 01, 2019 by the Board of Directors of the Holding Company.

DURAID QURESHI **Chief Executive**	**MAZHAR-UL-HAQ SIDDIQUI** **Chairman**	**MUHAMMAD ABBAS HUSSAIN** **Chief Financial Officer**


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FORM OF PROXY

The Company Secretary,
HUM NETWORK LIMITED
15TH Annual GENERAL MEETING
Karachi

I, ______________________ S/o. ______________________, holder of CNIC No. ______________________

Resident of ______________________, being member of HUM NETWORK LIMITED,

holding ______________________ ordinary shares as per Registered Folio / CDS Account

No. ______________________ hereby appoint ______________________, resident of

______________________ 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 Annual General Meeting (AGM) of the Company to be held on **Friday, October 25, 2019 at 06:30 pm at Auditorium Hall, Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi** and / or any Adjournment thereof.

As witness my / our hand / seal this ______________ day of ______________ 2019.

Signed by ______________________ in the presence of,

Witness:

1. Name: ______________________

   Signature ______________________

   Address: ______________________

   ____

   CNIC or Passport No.:

   ____

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 not airily 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. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
7. Members are requested to notify any changes in their addresses immediately.
8. 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) along with proxy form to the Company.

پراکسی فارم

کمپنی سیکریٹری،
ہم نیٹ ورک لمیٹڈ
پندرھویں سالانہ جنرل میٹنگ،
کراچی۔

میں ____________ ولد ____________ ،شناختی کارڈ نمبر ____________ ،ساکن ____________ ، بطور ممبر ہم نیٹ ورک لمیٹڈ، حامل ____________ عارضی شیئرز رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________ جناب ____________ ، ساکن ____________ کا تقرر کرتا ہوں جو کہ اس کمپنی کے ممبر بھی ہیں یہ میری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں شرکت کر کے ووٹ دے سکتے ہیں جس کا انعقاد بروز جمعہ ۲۵ اکتوبر ۲۰۱۹ء کو شام ۶:۳۰ بجے آڈیٹوریم ہال، انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹ آف پاکستان کلفٹن کراچی میں ہوگا۔

بطور گواہ میں اپنے دستخط/مہر بتاریخ ____________ ۲۰۱۹ء ثبت کرتا ہوں۔
میں ____________ نے درج ذیل کی موجودگی میں دستخط کئے ہیں۔

گواہ:

۱۔ نام: ____________	۲۔ نام: ____________
دستخط: ____________	دستخط: ____________
پتہ: ____________	پتہ: ____________
____________	____________
شناختی کارڈ/ پاسپورٹ نمبر: ____________	شناختی کارڈ/ پاسپورٹ نمبر: ____________

نوٹ:

۱۔ پراکسی فارم کو مکمل اور دستخط کر کے کمپنی کے رجسٹرڈ آفس ہم نیٹ ورک لمیٹڈ، پلاٹ نمبر ۱۰/۱۱ حسن علی اسٹریٹ، آف آئی آئی چندریگر روڈ، کراچی میں وصول کئے جائیں گے۔
۲۔ تمام ممبران میٹنگ میں حاضر ہو کر ووٹ دینے کا حق رکھتے ہیں۔
۳۔ مجاز ممبر میٹنگ میں حاضر ہو کر ووٹ دے سکتا ہے اور اپنی جانب سے میٹنگ میں شرکت کرنے اور ووٹ دینے کیلئے کسی بھی دیگر ممبر کا پراکسی کے طور پر تقرر کر سکتا ہے۔
۴۔ پراکسی کی سادہ دستاویز میٹنگ میں قابل استعمال ہے جو کہ نوٹس کے ساتھ فراہم کی جارہی ہے۔ پراکسی دستاویز کی مزید کاپیاں اوقات کار کے دوران کمپنی کے رجسٹرڈ آفس سے حاصل کی جاسکتی ہیں۔
۵۔ مکمل کردہ پراکسی دستاویز اور پاور آف اٹارنی یا دیگر اختیارات (اگر کوئی ہوں) جس کے تحت اس پر دستخط کر کے نوٹری سے تصدیق شدہ کاپی بابت پاور یا اتھارٹی قابل قبول ہوگی جسے میٹنگ کے وقت سے ۴۸ گھنٹے قبل رجسٹرڈ آفس میں داخل کیا جائے گا۔ ممبر کے شناختی کارڈ یا پاسپورٹ اور پراکسی کی کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں گی۔
۶۔ اگر کوئی ممبر ایک سے زائد پراکسی کا تقرر کرتا ہے اور ایک سے زائد دستاویزات کمپنی میں داخل کرتا ہے تو ایسی دستاویزات کو غیر موثر تصور کیا جائے گا۔
۷۔ ممبران سے درخواست ہے کہ وہ اپنے پتہ میں کسی بھی تبدیلی کی صورت میں فوری طور پر مطلع کریں۔
۸۔ سی ڈی سی اکاؤنٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ سرکلر 1 میں دی گئی ہدایات پر عمل کریں جو کہ ۲۶ جنوری ۲۰۰۰ء کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ کیلئے:
مذکورہ بالا کے علاوہ درج ذیل پر بھی عمل کرنا ہوگا:

۱۔ پراکسی فارم پر دو افراد گواہ ہونگے جن کے نام، پتے اور شناختی کارڈ نمبرز فارم پر درج کئے جائیں گے۔
۲۔ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ منسلک کی جائیں گی۔
۳۔ پراکسی اصل شناختی کارڈ یا اصل پاسپورٹ کے ساتھ میٹنگ کے وقت پیش کرنا ہوگا۔
۴۔ کارپوریٹ کی موجودگی میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونے کے دستخط کے ساتھ پراکسی فارم کمپنی میں جمع کرائے جائیں گے۔

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