



# MARCH 31, 2021

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3RD QUARTERLY REPORT  
(UN-AUDITED)

**HUM NETWORK LIMITED**



## HUM NETWORK LIMITED





## Company Information

**Board of Directors**

Chairman  
Directors

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

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

**AUDIT COMMITTEE**

Chairman  
Members

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

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

Chairman  
Members

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

**AUDITORS**

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

**INTERNAL AUDITORS****LEGAL ADVISOR**

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

**BANKERS**

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

**REGISTERED & HEAD OFFICE****REGISTRAR/TRANSFER AGENT**

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

**WEBSITE**

[www.humnetwork.tv](http://www.humnetwork.tv)

**PAKISTAN STOCK EXCHANGE LIMITED**

HUMNL

## Director's Report

The Board of Directors of HUM Network Limited (HNL) takes pleasure in presenting the review report on the financial and operational performance of the Company for the nine months period ended March 31, 2021.

### Financial Performance:

The gross profit for the 3<sup>rd</sup> quarter of the FY2021 was Rs. 330 million; compared to the gross profit of Rs. 211 million in the 3<sup>rd</sup> quarter of FY2020. Whereas, overall gross profit for the nine months period ended March 31, 2021 was Rs. 1,142 million as compared to Rs. 273 million for the same period last year. The net profit for the nine months period ended March 31, 2021 was Rs. 822 million compared to net loss of Rs. 327 million for the same period last year. The results translated into earnings per share of Re. 0.87 for the nine months period ended March 31, 2021 compared to loss per share of Re. 0.35 for the nine months period ended March 31, 2020.

### Operational Performance:

HNL being an innovator has shaped the media world across broadcast, content and digital platforms. HNL celebrated the 16<sup>th</sup> Anniversary of its premier entertainment channel HUM TV, on January 16, 2020 in Islamabad in a special transmission which was attended by prominent faces of the country's entertainment landscape and dignitaries. Through all of its growing years, HUM TV has played a major role in empowering women, showcasing stigmas and issues that people shy away from, presenting them with sensitivity and gaining acceptability with the masses.

The start of 2021 witnessed mega projects by HUM TV which were highly appreciated by the audiences including to name a few. During the period, HUM TV aired dramas like "Raqeeb Se", "Phaans", "Raqs-e-Bismil" etc. which were highly appreciated by the audiences.

The second edition of Hum Women Leaders Awards held at the Aiwan-e-Sadar in March 2021, celebrating national and international women icons for their contributions and achievements in the fields of diplomacy, social work, education, healthcare, human rights, journalism and women's rights. The awards ceremony was graced by President Dr Arif Alvi, dignitaries and crème de la crème of the entertainment industry of Pakistan.

The 18<sup>th</sup> edition of the country's biggest and most sought-after bridal extravaganza, HUM Bridal Couture Week unveiled its red carpet here in the City of Gardens, Lahore in February 2021 which is the most opulent and highest profile bridal show in Pakistan. It leads the bridal fashion industry with its creative influence and has been strategically repositioning Pakistani bridal fashion in the global fashion economy for the last ten years. It has become the most aspired presentation for Pakistan's top designers, couture lovers, influential individuals, buyers, celebrities, socialites, and legacy brands.

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

	<u>Rupees</u>
Revenue – net	3,579,358,727
Gross Profit	1,330,323,595
Profit for the period – before taxation	819,437,880
Profit per share	0.80

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

### Future Outlook

We are making progress in executing our strategy, to create a stronger, more diversified and structurally sound business. In 2021 we undertook a review of our strategy in light of the challenges created by the COVID-19 pandemic, to identify if there were changes that needed to be made. We concluded that our strategy remains the right one although we will increase the pace of execution. Our strategy, when executed effectively, will ensure that we are well placed to take advantage of the rapidly changing viewing, content production and advertising environments.

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

We have a proud past, a vibrant present and an exciting future.

### Acknowledgement:

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

September 23, 2021

Karachi.

  
**DURAIQ QURESHI**  
 Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
 Chairman

## مالیاتی کارکردگی:

عملی کارکردگی:

سال ۲۰۲۱ء کے آغاز میں ہم ٹی وی نے میچ پراکٹیکس پیش کئے جنہیں ناظرین نے کافی سراہا جن میں چند نام بھی شامل تھے۔ دورانِ عرصہ، ہم ٹی وی نے ڈرامے نشر کیے جیسے ”قریب سے، پھانس“، ”قصہ بسمل“ وغیرہ جن کو سامعین نے بے حد سراہا۔

فروری ۲۰۰۹ء میں کسی کارڈ توڑنا اور میں ملک کے سب سے بڑے اور سب سے زیادہ مقبول برازیل اسٹار لوسونالی 18 ویں اقساط کے واقعہ یام برازیل کو چرچے کے ایک نئے ریڈ کارپٹ افسر بن گیا۔ جو کہ پاکستان کا سب سے مقبول ترین برازیل شو ہے۔ یہ اپنے چھپتے چھپتے مشہور شو کے ساتھ برازیل انڈسٹری کی رہنمائی کرتا ہے اور گذشتہ دس سالوں سے حکمت عملی کے ساتھ پاکستانی برازیل فیئن کونگولیشن کا نوٹی میں چل رہا ہے۔ یہ پاکستان کے ٹاپ ڈیزائنرز، کوچز سے محبت کرنے والوں، ایڈیٹرز اور خبریہ اداروں، مشہور شخصیات، سوشل انفلونسرز اور لیگی پرائز کے لیے سب سے زیادہ پوزیشن بن گیا ہے۔

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## حصانی آمدنی

## کل منافع

دوران مدت قبل از نیکس منافع

في شير منافع

مستقبل کا جائزہ:

ہمارے پاس ایک قابلِ فخر ماضی، ایک متحرک حال اور ایک دلچسپ مستقبل ہے۔

کراچی، ۲۳ ستمبر ۲۰۲۱ء

درید قریشی  
چیف ایگزیکٹو

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,224,341,862	1,365,363,429
Intangible assets		22,667,249	32,107,487
Long term investments	6	328,898,481	328,898,481
Long term deposits		24,531,723	24,781,979
Television program costs	7	349,896,361	360,737,951
Deferred tax asset		114,502,606	144,885,503
		<u>2,064,838,282</u>	<u>2,256,774,830</u>
<b>CURRENT ASSETS</b>			
Inventories		34,819,361	16,984,145
Current portion of television program costs		100,385,799	105,385,799
Trade debts	8	1,976,024,402	1,716,753,677
Short term investments		432,160,877	241,505,092
Advances	9	399,426,891	90,637,954
Deposits and prepayments		28,863,749	22,254,922
Other receivables	10	153,151,977	129,893,353
Taxation – net		174,030,781	182,756,633
Cash and bank balances		291,614,506	141,629,483
		<u>3,590,478,344</u>	<u>2,647,801,058</u>
Non-current asset held for sale	11	-	16,507,087
<b>TOTAL ASSETS</b>		<u><b>5,655,316,626</b></u>	<u><b>4,921,082,975</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
1,500,000,000 (2020: 1,500,000,000) Ordinary shares of Re. 1/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up capital		<u>945,000,000</u>	<u>945,000,000</u>
Unappropriated profit		<u>2,925,874,074</u>	<u>2,104,074,108</u>
		<u><b>3,870,874,074</b></u>	<u><b>3,049,074,108</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Long term lease liabilities		98,643,230	103,701,273
Long term financing		385,551,270	837,839,369
Deferred income – government grant	12	<u>1,187,376</u>	<u>-</u>
		<u><b>485,381,876</b></u>	<u><b>941,540,642</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	540,941,661	492,872,413
Advance from customers		19,003,859	13,629,128
Accrued markup		4,841,097	2,860,434
Short term borrowings		391,569,986	189,067,264
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Current portion of long term financing		303,017,734	196,311,600
Current portion of long term lease liabilities		27,822,450	29,573,737
Current portion of deferred income – government grant		<u>5,710,240</u>	<u>-</u>
		<u><b>1,299,060,676</b></u>	<u><b>930,468,225</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,655,316,626</b></u>	<u><b>4,921,082,975</b></u>

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UN-AUDITED)

	Note	Nine months ended		Quarter-ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Revenue	15	3,059,738,245	2,722,978,015	955,787,607	1,073,168,935
Cost of production	16	(1,848,465,918)	(2,344,014,913)	(604,091,467)	(827,547,983)
Transmission cost		(69,284,582)	(105,831,167)	(21,337,431)	(34,196,869)
		<u>(1,917,750,500)</u>	<u>(2,449,846,080)</u>	<u>(625,428,898)</u>	<u>(861,744,852)</u>
<b>Gross profit</b>		<b>1,141,987,745</b>	<b>273,131,935</b>	<b>330,358,709</b>	<b>211,424,083</b>
Distribution costs		(184,116,657)	(237,246,555)	(54,015,948)	(70,338,040)
Administrative expenses		(525,055,389)	(333,064,509)	(129,858,821)	(103,455,083)
Other income		72,006,472	151,577,837	41,020,971	72,804,437
Gain on sale of non-current asset held for sale		476,832,913	-	-	-
Finance costs		(78,808,335)	(186,254,569)	(26,214,231)	(54,990,973)
<b>Profit / (loss) before taxation</b>		<b>902,846,749</b>	<b>(331,855,861)</b>	<b>161,290,679</b>	<b>55,444,424</b>
Taxation					
-current		(50,663,886)	23,909,139	(16,420,946)	1,597,196
-prior		-	(6,410,387)	-	-
-deferred		(30,382,897)	(12,906,487)	(14,872,259)	19,891,209
		<u>(81,046,783)</u>	<u>4,592,265</u>	<u>(31,293,205)</u>	<u>21,488,405</u>
<b>Profit / (loss) for the period</b>		<b>821,799,966</b>	<b>(327,263,596)</b>	<b>129,997,474</b>	<b>76,932,829</b>
<b>Profit / (loss) per share – basic and diluted</b>		<b>0.87</b>	<b>(0.35)</b>	<b>0.14</b>	<b>0.08</b>

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer



## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UN-AUDITED)

	Nine months ended		Quarter-ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Profit / (loss) for the period	821,799,966	(327,263,596)	129,997,474	76,932,829
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>821,799,966</u>	<u>(327,263,596)</u>	<u>129,997,474</u>	<u>76,932,829</u>

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UN-AUDITED)

	March 31, 2021	March 31, 2020
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	902,846,749	(331,855,861)
<b>Adjustments for:</b>		
Depreciation on operating fixed assets	147,610,983	159,655,531
Depreciation on right of use assets	17,724,167	24,470,083
Amortization	9,732,639	10,983,771
Finance costs	78,808,335	186,254,569
Unrealised exchange gain	8,820,183	(2,847,010)
Profit on bank accounts	(11,718,707)	(10,865,889)
Gain on disposal of operating fixed assets	(4,565,005)	(341,897)
Gain on disposal of non-current asset held for sale	(476,832,913)	-
Loss on redemption / sale of investments	12,426,115	-
Unrealised gain on revaluation of investments	(40,429,633)	(1,512,897)
<b>Operating profit before working capital changes</b>	<b>644,422,915</b>	<b>33,940,400</b>
<b>(Increase)/decrease in current assets</b>		
Inventories	(17,835,216)	1,648,292
Television program costs	5,000,000	108,000,000
Trade debts	(268,090,908)	56,948,767
Advances Deposits & Prepayments	(315,397,761)	(206,176,453)
Other receivables	(23,258,624)	(44,647,045)
	(619,582,509)	(84,226,439)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	53,444,015	(18,396,687)
<b>Cash used in operations</b>	<b>78,284,421</b>	<b>(68,682,726)</b>
Taxes paid	(41,938,035)	(52,958,397)
Finance costs paid	(76,827,673)	(182,206,055)
Profit received on deposit accounts	11,718,707	10,865,889
Long-term deposits	250,256	354,340
Television program costs	10,841,590	102,718,315
<b>Net cash used in operating activities</b>	<b>(17,670,734)</b>	<b>(189,908,634)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(27,129,807)	(19,556,935)
Short term investments - net	(162,652,270)	460,783,752
Proceeds from sale of non-current asset held for sale	493,340,000	-
Proceeds from disposal of operating fixed assets	16,269,745	19,218,458
<b>Net cash generated from investing activities</b>	<b>319,827,668</b>	<b>460,445,275</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(15,990,284)	(19,943,887)
Long term financing - net	(338,684,350)	(279,165,321)
<b>Net cash used in financing activities</b>	<b>(354,674,634)</b>	<b>(299,109,208)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(52,517,699)</b>	<b>(28,572,567)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(47,437,781)</b>	<b>(147,810,391)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(99,955,480)</b>	<b>(176,382,958)</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	291,614,506	24,277,342
Short-term running finance	(391,569,986)	(200,660,300)
	(99,955,480)	(176,382,958)

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserve Unappropriated Profit	Total
	Rupees		
<b>Balance as at July 01, 2019 – (Audited)</b>	<b>945,000,000</b>	<b>2,212,120,835</b>	<b>3,157,120,835</b>
Loss for the period	-	(327,263,596)	(327,263,596)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(327,263,596)	(327,263,596)
<b>Balance as at March 31, 2020</b>	<b>945,000,000</b>	<b>1,884,857,239</b>	<b>2,829,857,239</b>
<b>Balance as at July 01, 2020 – (Audited)</b>	<b>945,000,000</b>	<b>2,104,074,108</b>	<b>3,049,074,108</b>
Profit for the period	-	821,799,966	821,799,966
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	821,799,966	821,799,966
<b>Balance as at March 31, 2021</b>	<b>945,000,000</b>	<b>2,925,874,074</b>	<b>3,870,874,074</b>

The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



**DURAIID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

### 1 THE COMPANY AND ITS OPERATIONS

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These unconsolidated condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency.

### 3 ACCOUNTING POLICIES

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

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

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

#### Standards, amendments and interpretation

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

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

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

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

## 4 ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- Rupees -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	5.1	1,093,086,930	1,219,674,736
Capital work-in-progress		15,933,877	15,933,877
Right of use assets		115,321,055	129,754,816
		<u>1,224,341,862</u>	<u>1,365,363,429</u>
<b>5.1 Operating fixed assets</b>			
Opening balance – at book value		1,219,674,736	1,389,830,442
Transfers from right of use assets		4,458,944	43,489,295
Additions during the period / year – at cost	5.1.1	26,837,407	83,033,078
		1,250,971,087	1,516,352,815
Less:			
Disposals / transfers during the period / year – at book value		(10,273,174)	(56,703,829)
Depreciation charged during the period / year		(147,610,983)	(239,974,250)
		(157,884,157)	(296,678,079)
Closing balance – at book value		<u>1,093,086,930</u>	<u>1,219,674,736</u>

### 5.1.1 Details of additions are as follows:

	Additions (Cost)	
	(Un-audited)	(Audited)
	March 31, 2021	June 30, 2020
	----- Rupees -----	
<b>Owned Assets:</b>		
Building on leasehold land	-	61,289,200
Leasehold improvements	8,146,761	3,823,116
Motor vehicles	71,000	50,667
Audio visual equipment	5,673,292	10,665,802
Office equipment	1,744,461	1,015,779
Computers	9,379,397	6,188,514
Uplinking equipment	1,822,496	
	<u>26,837,407</u>	<u>83,033,078</u>

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- Rupees -----	
<b>6. LONG TERM INVESTMENTS – unquoted subsidiaries</b>	<b>Holding</b>		
<b>HUM TV, Inc. – USA</b>			
10,000 Common stock of \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		<u>18,716,750</u>	<u>18,716,750</u>
		<u>18,725,353</u>	<u>18,725,353</u>
<b>HUM Network UK Ltd.</b>			
553,677 Ordinary shares of 1 GBP	100%	95,923,751	95,923,751
<b>Skyline Publications (Private) Ltd.</b>			
3,999,997 Ordinary shares of Rs.10 each	100%	<u>39,999,970</u>	<u>39,999,970</u>
Provision for impairment		<u>(39,999,970)</u>	<u>(39,999,970)</u>
		-	-
<b>HUM Network FZ LLC – UAE</b>			
2,400 Ordinary shares of AED 1000 each	100%	<u>69,802,371</u>	<u>69,802,371</u>
Advance for future issue of shares		<u>4,446,966</u>	<u>4,446,966</u>
		<u>74,249,337</u>	<u>74,249,337</u>
<b>HUMM Co. (Private) Limited</b>			
4 Ordinary shares of Rs. 10 each	100%	40	40
<b>HUM Mart. (Private) Limited</b>			
14,000,000 ordinary shares of Rs.10 each	70%	<u>140,000,000</u>	<u>140,000,000</u>
		<u>328,898,481</u>	<u>328,898,481</u>
<b>7. TELEVISION PROGRAM COSTS</b>			
Unreleased / released less amortization		428,597,410	427,380,500
In production		<u>21,684,750</u>	<u>38,743,250</u>
		<u>450,282,160</u>	<u>466,123,750</u>
Less: Current portion		<u>100,385,799</u>	<u>105,385,799</u>
		<u>349,896,361</u>	<u>360,737,951</u>
<b>8. TRADE DEBTS</b>			
Includes amount receivable from related parties as follows:			
Hum TV, Inc – USA		68,475,797	73,370,300
Hum Network UK Ltd		<u>85,052,158</u>	<u>100,932,674</u>
		<u>153,527,955</u>	<u>174,302,974</u>
<b>9. ADVANCES</b>			
Includes advance given to M.D Productions (Private) Limited, a related party amounting to Rs. 263,541,602/- (June 30, 2020: Rs.nil/-) for purchase of television programs.			

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

## 10. OTHER RECEIVABLES

Includes balances receivable from related parties as follows:

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	----- Rupees -----	
HUM TV, Inc	27,862,816	26,951,421
HUM Mart (Private) Limited	1,274,348	914,519
Sky Line Publication (Private) Limited	58,821,564	57,605,219
	<u>87,958,728</u>	<u>85,471,159</u>
Provision for impairment	<u>(57,605,219)</u>	<u>(57,605,219)</u>
	<u>30,353,509</u>	<u>27,865,940</u>

## 11. NON-CURRENT ASSET HELD FOR SALE

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

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- Rupees -----	
12. DEFERRED INCOME - GOVERNMENT GRANT	Note		
Non-current portion	12.1	1,187,376	-
Current Portion		<u>5,710,240</u>	<u>-</u>
		<u>6,897,616</u>	<u>-</u>

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

## 13. TRADE AND OTHER PAYABLES

Includes amounts payable to related parties amounting to Rs. 33,332,816/- (June 30, 2020: Rs 189,009,152/-).

## 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

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

### 14.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at March 31, 2021 amounted to Rs.161,550,000/- (June 2020: Rs. 155,579,500/-). Commitment for purchase of television programs with other than related parties as at March 31, 2021 amounted to Rs. 4,695,000/- (June 2020: Rs. 84,222,500/-).

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

	Nine months ended		Quarter-ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>15 REVENUE – net</b>				
Advertisement revenue	2,526,198,526	2,233,449,886	785,428,846	895,195,148
Production revenue	54,162,332	55,536,092	17,970,231	32,926,371
Digital sales revenue	25,971,458	34,574,081	4,288,625	23,240,322
Subscription income	453,405,929	382,130,013	148,099,905	121,086,965
Film distribution revenue	-	17,287,943	-	720,129
	<b>3,059,738,245</b>	<b>2,722,978,015</b>	<b>955,787,607</b>	<b>1,073,168,935</b>

## 15.1 Revenue is net off the following items:

Sales tax	360,193,655	325,910,417	115,134,220	132,373,179
Discount to customers	229,669,916	189,940,428	68,132,592	62,999,562
	<b>589,863,571</b>	<b>515,850,845</b>	<b>183,266,812</b>	<b>195,372,741</b>

	Nine months ended		Quarter-ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	

## 16 COST OF PRODUCTION

Cost of outsourced programs	984,353,536	1,145,253,790	322,280,307	354,148,947
Cost of in-house programs	78,521,061	176,261,852	41,680,986	55,121,483
Inventories consumed	2,383,280	343,583	169,000	-
Salaries and benefits	453,902,752	516,169,637	142,773,604	163,286,320
Depreciation	128,757,082	141,999,338	39,853,186	45,716,423
Amortisation	7,258,921	8,098,418	2,367,978	2,619,708
Traveling and conveyance	26,676,085	33,373,732	10,142,567	11,158,825
Utilities	15,918,063	12,225,033	3,302,925	3,207,757
Rent, rates and taxes	297,568	1,452,023	-	300,160
Insurance	17,474,404	17,051,314	5,983,473	5,454,698
Repair and maintenance	40,468,860	14,324,183	12,777,563	4,431,564
Fee and subscription	59,887,263	47,858,881	17,967,048	16,967,687
Communication expense	12,388,655	13,730,263	4,719,281	4,360,843
Consultancy	3,500,613	3,789,518	1,166,871	1,308,825
Printing and stationery	836,185	1,365,033	382,688	687,743
	<b>1,832,624,328</b>	<b>2,133,296,598</b>	<b>605,567,477</b>	<b>668,770,983</b>
In production television programs				
- opening	38,743,250	54,213,916	22,694,250	52,508,250
In production television programs				
- closing	(21,684,750)	(53,731,250)	(21,684,750)	(53,731,250)
	<b>1,849,682,828</b>	<b>2,133,779,264</b>	<b>606,576,977</b>	<b>667,547,983</b>
Released / unreleased programs				
- opening	427,380,500	386,400,500	426,111,900	336,164,851
Released / unreleased programs				
- closing	(428,597,410)	(176,164,851)	(428,597,410)	(176,164,851)
	<b>1,848,465,918</b>	<b>2,344,014,913</b>	<b>604,091,467</b>	<b>827,547,983</b>

## TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended		Quarter-ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>Nature of transaction</b>				
<b>Associated companies:</b>				
Purchases of Television programs	838,257,960	922,548,142	284,155,520	283,339,155
<b>Subsidiary Company:</b>				
Management Fee	3,624,000	3,575,452	1,140,000	1,246,327
Subscription Income	35,932,970	35,039,324	11,560,500	11,702,712
<b>Others</b>				
Key Management personnel	265,911,238	83,411,664	55,684,169	27,929,493
Contribution to Fund	25,887,748	27,888,683	7,996,621	8,892,980



### NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

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

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

#### 19. FAIR VALUE OF ASSETS

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

#### 20. GENERAL

20.1 Amounts have been rounded off to the nearest rupee.

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

#### 21. DATE OF AUTHORIZATION

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



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS**

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		March 31, 2021	June 30, 2020
Note	Rupees		
	(Un-audited)	(Audited)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,250,370,276	1,399,715,699
Intangible assets		95,554,381	110,838,386
Long term investments		-	73,387,086
Long term deposits		26,762,605	27,032,386
Television program costs		349,896,361	360,737,951
Deferred tax asset		129,762,888	161,689,721
		<b>1,852,346,511</b>	<b>2,133,401,229</b>
<b>CURRENT ASSETS</b>			
Inventories		34,886,552	44,130,860
Current portion of television program costs		100,385,799	105,385,799
Trade debts	5	2,198,018,058	2,089,810,853
Short term investments		432,160,877	241,505,092
Advances		403,808,472	106,122,200
Trade deposits and short-term prepayments		101,454,230	42,495,903
Other receivables		204,136,842	110,529,571
Taxation – net		172,384,125	180,574,832
Cash and bank balances		313,378,160	268,697,823
		<b>3,960,613,115</b>	<b>3,189,252,933</b>
Non-current asset held for sale		-	16,507,087
		<b>5,812,959,626</b>	<b>5,339,161,249</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		1,500,000,000	1,500,000,000
1,500,000,000 (2019: 1,500,000,000) Ordinary shares of Re.1/- each		945,000,000	945,000,000
Issued, subscribed and paid-up capital		2,870,346,814	2,096,403,506
Revenue Reserves		3,815,346,814	3,041,403,506
Attributable to owners of the Holding Company		(24,134,158)	1,064,284
Non-controlling interest		<b>3,791,212,656</b>	<b>3,042,467,790</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term lease liabilities		98,643,230	104,833,723
Long term financing		385,551,270	837,839,369
Deferred income - government grant		1,187,376	-
Staff retirement benefits		<b>29,882,645</b>	<b>28,453,198</b>
		<b>515,264,521</b>	<b>971,126,290</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		752,095,920	895,681,562
Accrued mark-up		5,190,812	3,210,149
Short term borrowings		399,789,986	189,067,264
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Current portion of deferred income - government grant		5,710,240	-
Current portion of long term lease liabilities		34,524,108	35,142,945
Current portion of long term financing		303,017,734	196,311,600
		<b>1,506,482,449</b>	<b>1,325,567,169</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,812,959,626</b>	<b>5,339,161,249</b>

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

### 3rd Quarterly Report 2020

#### CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS FOR THE NINE MONTH ENDED MARCH 31, 2021

	Note	Nine month ended		Quarter-ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Rupees	Rupees	Rupees	Rupees
Revenue	7	3,579,358,727	3,396,294,664	1,079,115,296	1,267,428,749
Cost of production	8	(2,098,007,077)	(2,775,054,780)	(647,282,004)	(934,877,169)
Transmission cost		(151,028,055)	(349,248,958)	(36,870,321)	(73,840,857)
		(2,249,035,132)	(3,124,303,738)	(684,152,325)	(1,008,718,026)
<b>Gross profit</b>		<b>1,330,323,595</b>	<b>271,990,926</b>	<b>394,962,971</b>	<b>258,710,723</b>
Distribution costs		(368,898,403)	(339,729,610)	(130,989,599)	(118,387,390)
Administrative expenses		(616,276,807)	(518,570,514)	(136,675,956)	(167,364,847)
Other income		76,871,636	152,175,112	39,333,880	75,107,102
Gain on sale of non-current asset held for sale		476,832,913	-	-	-
Finance costs		(79,415,054)	(187,129,887)	(26,427,598)	(55,248,568)
Share of net profit of associate		-	5,402,914	-	3,106,690
<b>Profit / (loss) before taxation</b>		<b>819,437,880</b>	<b>(615,861,059)</b>	<b>140,203,698</b>	<b>(4,076,290)</b>
Taxation		(84,659,585)	1,791,873	(32,423,174)	20,246,926
<b>Profit / (loss) after taxation</b>		<b>734,778,295</b>	<b>(614,069,186)</b>	<b>107,780,524</b>	<b>16,170,636</b>
<b>Attributable to:</b>					
Owners of Holding Company		759,976,737	(581,638,115)	114,508,398	27,154,623
Non-Controlling Interests		(25,198,442)	(32,431,071)	(6,727,874)	(10,983,987)
		<b>734,778,295</b>	<b>(614,069,186)</b>	<b>107,780,524</b>	<b>16,170,636</b>
<b>Profit / (loss) per share – basic and diluted</b>		<b>0.80</b>	<b>(0.62)</b>	<b>0.12</b>	<b>0.03</b>

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

	Nine month ended		Quarter-ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Profit / (loss) for the period	734,778,295	(614,069,186)	107,780,524	16,170,636
Other comprehensive income	13,966,571	(18,862,644)	2,486,411	(7,515,658)
Total comprehensive income / (loss) for the period	<u>748,744,866</u>	<u>(632,931,830)</u>	<u>110,266,935</u>	<u>8,654,978</u>

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

### 3rd Quarterly Report 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Revenue Reserves		Non- controlling interest	Total
			Unappropriated profit	Sub-total		
Balance as at July 01, 2019 (Audited)	945,000,000	151,839,386	2,124,619,601	2,276,458,987	55,144,321	3,276,603,308
Loss attributable to non- controlling interests for the year	-	-	-	-	(32,431,071)	(32,431,071)
	-	-	-	-	(32,431,071)	(32,431,071)
Loss for the year	-	-	(581,638,115)	(581,638,115)	-	(581,638,115)
Other comprehensive income	-	(18,862,644)	-	(18,862,644)	-	(18,862,644)
Total comprehensive income / (loss) for the year	-	(18,862,644)	(581,638,115)	(600,500,759)	-	(600,500,759)
Balance as at March 31, 2020	945,000,000	132,976,742	1,542,981,486	1,675,958,228	22,713,250	2,643,671,478
Balance as at July 01, 2020 (Audited)	945,000,000	159,680,622	1,936,722,884	2,096,403,506	1,064,284	3,042,467,790
Profit/(Loss) for the year	-	-	759,976,737	759,976,737	(25,198,442)	734,778,295
Other comprehensive income	-	13,966,571	-	13,966,571	-	13,966,571
Total comprehensive income / (loss) for the year	-	13,966,571	759,976,737	773,943,308	(25,198,442)	748,744,866
Balance as at March 31, 2021	945,000,000	173,647,193	2,696,699,621	2,870,346,814	(24,134,158)	3,791,212,656

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

**March 31,      March 31,**  
**2021              2020**  
**----- Rupees -----**

## CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (Loss) before Taxation 819,437,880      (615,861,059)

### Adjustment for:

Depreciation	173,819,996	190,972,257
Amortization	15,576,404	12,995,948
Finance costs	79,415,054	187,129,887
Profit received on deposit accounts	(11,942,701)	(11,489,834)
(Gain)/Loss on disposal of property, plant and equipment	(4,565,005)	(341,897)
Gain on disposal of non-current asset held for sale	(476,832,913)	-
Unrealized Loss/(gain) on Revaluation of Investments	(40,429,633)	(1,512,897)
Exchange difference on translation of foreign currency	13,966,571	(18,862,644)
Provision for doubtful debts	(28,691,491)	1,313,198
Provision for employee retirement benefits	1,429,447	-
Gain/(loss) on redemption / sale of investments	12,426,115	-
Exchange Loss/(Gain)	(2,367,215)	(2,847,010)
	(268,195,369)	357,357,008

Operating Profit before working capital changes 551,242,511      (258,504,051)

### (Increase)/decrease in current assets

Inventories	9,244,308	5,270,204
Television program costs	5,000,000	108,000,000
Trade debts	(77,148,463)	(63,888,311)
Advances, deposits and prepayments	(356,644,599)	(98,913,290)
Other receivables	(93,607,271)	15,024,528
	(513,156,025)	(34,506,869)

### Increase in current liabilities

Trade and other payables	(143,585,642)	377,937,256
--------------------------	---------------	-------------

## CASH GENERATED FROM OPERATIONS

(105,499,155)      84,926,336

Taxes paid	(44,542,045)	(55,373,307)
Finance cost paid	(77,434,391)	(183,081,373)
Profit received on bank accounts	11,942,701	11,489,834
Long-term deposits	269,781	(1,504,192)
Television program costs	10,841,590	102,718,315
Net cash (used in) / generated from operating activities	(204,421,520)	(40,824,387)

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangibles	(27,290,799)	(26,635,949)
Investments-Net	(89,265,182)	446,083,278
Proceeds from disposal of operating fixed assets	16,269,745	19,218,458
Proceeds from sale of non-current asset held for sale	493,340,000	-
Net cash (used in) / generated from investing activities	393,053,765	438,665,787

## CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing	(338,684,349)	(279,165,321)
Liabilities against assets subject to finance lease	(15,990,282)	(19,943,888)
Net cash (used in) / generated from financing activities	(354,674,631)	(299,109,209)

### Net increase / (decrease) in cash and cash equivalents

(166,042,385)      98,732,191

### Cash and cash equivalents at the beginning of the period

79,630,559      61,756,801

### Cash and cash equivalents at the end of the period

(86,411,826)      160,488,992

### Cash and cash equivalents

Cash and bank balances	313,378,160	361,149,292
Short-term running finance	(399,789,986)	(200,660,300)
	(86,411,826)	160,488,992

The annexed notes from 1 to 12 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

## 1 THE GROUP AND ITS OPERATIONS

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

The 'Group' consists of

### Holding Company

HUM Network Limited

### Subsidiary Companies

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

## 1.3 Nature of operations of subsidiaries

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

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

## 3 ACCOUNTING POLICES

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

		March 31, 2021	June 30, 2020
	Note	----- Rupees -----	
		(Un-audited)	(Audited)
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	1,112,072,525	1,246,984,186
Right of use assets		122,363,874	136,797,636
Capital work-in-progress		15,933,877	15,933,877
		<u>1,250,370,276</u>	<u>1,399,715,699</u>
<b>4.1 Operating fixed assets – owned and leased</b>			
Book value at the beginning of the period / year		1,246,984,186	1,426,291,636
Additions during the period / year	4.1.1	26,998,399	85,590,151
Transfer to right of use asset - at book value		4,458,944	14,910,383
		<u>1,278,441,529</u>	<u>1,526,792,170</u>
Less:			
Disposal/ transfer during the period / year - at WDV		(10,273,174)	(58,043,845)
Depreciation charged during the period / year		(156,095,830)	(221,764,139)
		<u>(166,369,003)</u>	<u>(279,807,984)</u>
		<u>1,112,072,525</u>	<u>1,246,984,186</u>
<b>4.1.1 Additions during the period/year</b>			
<u>Owned Assets:</u>			
Uplinking equipment		1,822,496	-
Building on leasehold land		-	61,289,200
Furniture and fixtures		22,108	626,690
Leasehold improvements		8,146,761	3,823,116
Motor vehicles		71,000	50,667
Audio visual equipment		5,673,292	10,665,802
Office equipment		1,820,461	1,066,404
Computers		9,442,281	8,068,272
		<u>26,998,399</u>	<u>85,590,151</u>
<b>5 TRADE DEBTS – unsecured</b>			
Considered good		2,198,018,058	2,089,810,853
Considered doubtful		60,848,143	89,539,634
		<u>2,258,866,201</u>	<u>2,179,350,487</u>
Less: Provision for doubtful debts		(60,848,143)	(89,539,634)
		<u>2,198,018,058</u>	<u>2,089,810,853</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

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

#### 6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at March 31, 2021 amounted to Rs.161,550,000/- (June 2020: Rs. 155,579,500/-). Commitment for purchase of television programs with other than related parties as at March 31, 2021 amounted to Rs.4,695,000/- (June 2020: Rs. 84,222,500/-).

### 7 REVENUE – net

	Nine Months		Quarter-ended	
	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
Advertisement revenue	2,943,148,586	2,643,861,220	909,875,065	991,561,710
Production revenue	54,162,332	55,536,092	17,970,231	32,874,327
Digital sales revenue	25,971,458	34,574,081	4,288,624	23,292,366
Subscription income	378,832,143	386,197,656	124,016,105	121,011,224
Film distribution revenue	-	38,296,191	-	792,096
Sale of goods	177,244,208	237,829,424	22,965,270	97,897,026
	<u>3,579,358,727</u>	<u>3,396,294,664</u>	<u>1,079,115,296</u>	<u>1,267,428,749</u>

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

Sales tax	360,193,655	325,910,417	115,134,220	132,373,179
Discount to customers	231,099,988	189,940,428	68,150,645	62,999,562
	<u>591,293,643</u>	<u>515,850,845</u>	<u>183,284,865</u>	<u>195,372,741</u>

### 8. COST OF PRODUCTION

	Nine Months		Quarter-ended	
	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
Cost of outsourced programs	1,020,678,279	1,328,637,254	334,052,979	361,355,567
Cost of in-house programs	78,521,061	176,261,852	41,680,986	55,121,483
Inventories consumed	166,780,271	234,018,160	17,935,465	98,333,238
Salaries and benefits	476,005,329	522,966,459	148,972,258	164,454,138
Depreciation	132,383,780	142,196,397	41,371,834	45,754,402
Amortisation	7,326,019	8,098,418	2,389,612	2,619,708
Traveling and conveyance	37,035,125	33,984,556	12,256,573	11,373,249
Utilities	17,502,525	12,235,797	3,370,815	3,207,757
Rent, rates and taxes	8,613,568	1,452,023	2,772,000	300,160
Insurance	17,702,150	17,188,951	6,211,219	5,475,294
Repair and maintenance	40,621,940	14,436,833	12,394,751	4,431,564
Fee and subscription	59,887,263	47,919,731	17,967,048	16,973,987
Communication expense	12,443,359	13,920,918	4,748,165	4,390,001
Consultancy	3,500,613	4,602,682	1,166,871	1,548,825
Printing and stationery	3,164,205	6,416,434	1,467,438	760,796
	<u>2,082,165,487</u>	<u>2,564,336,465</u>	<u>648,758,014</u>	<u>776,100,169</u>
In production television programs - opening	38,743,250	54,213,916	22,694,250	52,508,250
In production television programs - closing	(21,684,750)	(53,731,250)	(21,684,750)	(53,731,250)
	<u>2,099,223,987</u>	<u>2,564,819,131</u>	<u>649,767,514</u>	<u>774,877,169</u>
Released / unreleased programs - opening	427,380,500	386,400,500	426,111,900	336,164,851
Released / unreleased programs - closing	(428,597,410)	(176,164,851)	(428,597,410)	(176,164,851)
	<u>2,098,007,077</u>	<u>2,775,054,780</u>	<u>647,282,004</u>	<u>934,877,169</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

## 9. TRANSACTIONS WITH RELATED PARTIES

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

	Nine Months		Quarter-ended	
	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>Nature of transaction</b>				
<b>Associated companies:</b>				
Purchases of Television programs	838,257,960	922,548,142	284,155,520	283,339,155
<b>Others</b>				
Key Management personnel	318,567,268	134,376,932	72,749,399	39,100,469
Contribution to Fund	25,887,748	27,888,683	7,996,621	8,892,980

## 10. SUBSEQUENT EVENT

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

## 11. GENERAL

11.1 Amounts have been rounded off to the nearest rupee.

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

## 12. DATE OF AUTHORIZATION

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



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

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**MASALA**  
TV FOOD MAG

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