RSM

PAKISTAN BROADCASTING CORPORATION

(PBC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

RSM

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

PAKISTAN BROADCASTING CORPORATION

We have audited the accompanying financial statements of Pakistan Broadcasting Corporation ("the Corporation"), which comprises the statement of financial position as at June 30, 2017, profit and loss account, the statement of comprehensive income, statement of changes in net assets and reserves and of cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

a) IAS-19 "Employees benefit" of the International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB), as notified under the companies Act, 2017 has not been adopted by the corporation. Consequently corporation has not carried out actuarial valuation, as required under the aforesaid IAS, of staff Gratuity (Employees benefit Obligations) amounting to 24,865,688,194 payable on 30 June 2017. In the absence of related information, we have not been able to determine the impact of such valuation on these Financials Statements.

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b) Federal Government has granted a development loan to the Corporation standing at Rs. 2,817.58 million as at June, 30, 2017 (Rs. 2,783.8 million as at June, 30, 2016). The Corporation has requested the Government of Pakistan for the conversion of loan to non-repayable grants. Pending decision on this request; no interest expense has been provided in these financial statements. Due to non-availability of required information/ documentation for interest charge, the quantification of interest payable for the year and the prior years could not be made.

c) As at June 30, 2017, the Corporation has a provision of Rs. 65.3 million (Rs. 68.7 million provided for in June 30, 2016) for slow moving and obsolete stores and spares. This provision is based on exercise carried out to quantify the obsolete and slow moving stores and spares in June 2006. Since 2006, the Corporation's total stores and spares stand at Rs. 126.77 million. In the absence of such assessment in the current and prior years, we were unable to determine whether any adjustments to these amounts were necessary.

d) The Corporation has made a provision for doubtful debts @ 100% of debtors outstanding for three years and above amounting to Rs. 36.15 million as at June 30, 2017 (Rs. 28.45 million as at June 30, 2016). No written policy, duly approved by the Board of Directors of the Corporation is available in this respect. In the absence of approved policy for provision for doubtful debts and objective assessment of doubtful debts, we are unable to determine the other such amounts for which a provision and related expense should have been recorded.

e) The Corporation's fixed asset register has not been updated since June 30, 2012. In the absence of the updated fixed asset register, we were unable to verify the existence of property and equipment.

f) Investment in shares of Shalimar Recording and Broadcasting Company Limited is stated at cost in non-compliance with the requirements of IAS 28 *"Investment in Associates and Joint Ventures"*, which requires to value this investment using the equity method of accounting.

g) The Corporation has constructed 96 flats for its employees at Landhi - Karachi in the year 2006 which were offered for sale to employees of the Corporation on installments. All of the flats offered were accepted by the employees. Subsequently in 2013, Corporation has reclassified the book value of aforesaid building from property and equipment to non-current asset classified as held for sale under IFRS 5 *"Non-Current Assets Held For Sale and Discontinued Operations"*. However, this building does not meet the criteria to be classified as non-current assets classified as held for sale as per the requirements of IFRS 5. Therefore the accounting and presentation of these assets are not in accordance with the requirements of International Financial Reporting Standards.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs from (a) to (g), the financial statements present fairly, in all material respects, the financial position of Pakistan Broadcasting Corporation as at June 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as applicable in Pakistan.

Emphasis of matter paragraph

We draw attention to note 1.1 of the financial statements which indicates that the Corporation has incurred loss after tax for the year amounting to Rs. 651.08 million (June 30, 2016: Rs. 1,948.3 million), resulting in accumulated losses of Rs. 27,255.4 million as at June 30, 2017 (June 30, 2016: Rs. 26,604.4 million). These accumulated losses indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. Owing to facts explained in the aforementioned note to the financial statements, these financial statements have been prepared using the going concern assumption. Our opinion is not qualified in respect of this matter. RSM

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Engagement Partner: Nauman Mahmood, FCA

Date: December 24, 2020

Place: Islamabad

PAKISTAN BROADCASTING CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017	2016
		--------------(Rupees)-------------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment - tangibles	4	**3,219,816,720**	3,367,248,495
Intangibles	5	**116,542**	174,805
Long-term investment	6	**900,000**	900,000
		3,220,833,262	3,368,323,300
CURRENT ASSETS			
Stores and spares	7	**56,164,625**	57,059,174
Debtors - unsecured, considered good	8	**159,437,449**	183,290,564
Advances, deposits, prepayments and other receivables	9	**100,619,904**	139,669,677
Cash and bank balances	10	**288,702,173**	262,702,956
		604,924,152	642,722,371
NON-CURRENT ASSETS CLASSIFED AS HELD FOR SALE	11	**22,552,940**	40,731,618
TOTAL ASSETS		**3,848,310,354**	**4,051,777,290**
EQUITY AND LIABILITIES			
NET ASSETS AND RESERVES			
Federal Government's net assets	12	**113,373,243**	113,373,243
Accumulated losses		**(27,216,236,684)**	(26,604,376,346)
		(27,102,863,441)	(26,491,003,103)
LIABILITIES			
NON-CURRENT LIABILITIES			
Development loan	14	**2,817,585,951**	2,783,781,951
Pension Fund Account	15	**24,865,688,194**	24,645,035,077
Deferred capital grants	13	**2,071,970,000**	2,071,970,000
		29,755,244,145	29,500,787,028
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	16	**1,195,929,650**	1,041,993,365
		30,951,173,795	30,542,780,393
TOTAL EQUITY AND LIABILITIES		**3,848,310,354**	**4,051,777,290**
CONTIGENCIES AND COMMITMENTS	17	-	-

The annexed notes from 1 to 24 form an intergral part of these financial statements

duly approved by BOD

DIRECTOR GENERAL

AMBRREN JAN
Director General
PBC Hqrs, Islamabad

DIRECTOR

PAKISTAN BROADCASTING CORPORATION
STATMENET OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		--------------(Rupees)-------------	
Advertisement income	18	**354,840,644**	315,059,890
Cost of services	19	**(3,186,328,065)**	(3,679,501,404)
Gross loss		**(2,831,487,421)**	(3,364,441,514)
Selling, general and administrative expenses	20	**(1,838,575,498)**	(2,213,423,939)
Loss before tax		**(4,670,062,919)**	(5,577,865,454)
Subsidy from Government of Pakistan	21	**3,985,000,000**	3,597,640,000
Other income	22	**42,127,470**	33,512,337
Loss before taxation		**(642,935,449)**	(1,946,713,117)
Provision for taxation	23	**(8,144,701)**	(1,599,638)
Loss after taxation		**(651,080,150)**	(1,948,312,755)

The annexed notes from 1 to 24 form an intergral part of these financial statements

DIRECTOR GENERAL
AMBRREN JAN
Director General
PBC Hqrs, Islamabad

DIRECTOR

PAKISTAN BROADCASTING CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	---------- Rupees ----------	
Loss after taxation	**(651,080,150)**	(1,948,312,755)
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Remeasurement of employee benefit liabilities	-	-
Total comprehensive loss for the year	**(651,080,150)**	(1,948,312,755)

The annexed notes from 1 to 24 form an intergral part of these financial statements

DIRECTOR GENERAL

AMBRREN JAN
Director General
PBC Hqrs, Islamabad

DIRECTOR

PAKISTAN BROADCASTING CORPORATION
STATEMENT OF CHANGES IN NET ASSETS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2017

	Federal Government's net assets	Accumulated losses	Total
	------------------------Rupees------------------------		
Balance as at June 30, 2015	113,373,243	(24,656,063,591)	(24,542,690,348)
Total comprehensive loss for the year	-	(1,948,312,755)	(1,948,312,755)
Balance as at June 30, 2016	**113,373,243**	**(26,604,376,346)**	**(26,491,003,103)**
Total comprehensive loss for the year	-	(651,080,150)	(651,080,150)
Adjustment relating to prior year	-	39,219,812	39,219,812
Balance as at June 30, 2017	**113,373,243**	**(27,216,236,684)**	**(27,102,863,441)**

The annexed notes from 1 to 24 form an intergral part of these financial statements

DIRECTOR GENERAL
AMBRREN JAN
Director General
PBC Hqrs, Islamabad

DIRECTOR

PAKISTAN BROADCASTING CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		--------------(Rupees)-------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(642,935,449)	(1,946,713,117)
Adjustments for non-cash items			
Depreciation		205,053,160	218,832,546
Amortization of intangibles		58,263	87,389
(Gain) on sale of fixed assets		(5,209,962)	(4,312,248)
(Gain) on sale of Landhi flats		(14,115,576)	-
Fixed assets written-off		2,473,171	-
Pension and gratuity		-	2,656,903,868
Repair & Maintenance of boundry wall of BH BHP		1,630,880	-
Adjustment relating to prior year		39,219,813	-
Provision for doubtful debts		7,859,579	3,960,064
		236,969,328	2,875,471,619
Operating cash flow before working capital changes		(405,966,121)	928,758,502
Movement in working capital			
(Increase) / decrease in current assets			
Stores and spares		894,549	816,249
Debtors - unsecured, considered good		15,993,535	(23,206,808)
Advances, deposits, prepayments and other receivables		34,096,893	70,863,738
		50,984,977	48,473,179
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		153,936,285	221,006,952
		(201,044,859)	1,198,238,633
Income tax paid / deducted at source		(3,191,821)	(4,205,256)
Pension and gratuity paid		-	(1,256,012,555)
Pension Fund Account		220,653,116	
Net cash generated from operating activities		16,416,436	(61,979,178)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipments-operating		(39,597,780)	(74,635,361)
Capital work-in-progress		(20,517,746)	(24,298,051)
Purchase of intangibles			-
Consideration for sale of Landhi flats		32,294,254	
Proceeds from disposal of property, plant and equipments		3,600,052	4,375,009
Net cash used in investing activities		(24,221,220)	(94,558,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of development loan- net		33,804,000	102,085,000
Deferred capital grants		-	-
		33,804,000	102,085,000
NET INCREASE IN CASH AND BANK BALANCE		25,999,216	(54,452,581)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR		262,702,956	317,155,537
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		288,702,173	262,702,956

The annexed notes from 1 to 24 form an intergral part of these financial statements

DIRECTOR GENERAL

AMBRREN JAN
Director General
PBC Hqrs, Islamabad

DIRECTOR

1. STATUS AND OPERATIONS

Pakistan Broadcasting Corporation ("the Corporation") was established under the Pakistan Broadcasting Corporation Act, 1973 (the Act) to provide broadcasting services for general reception in all parts of Pakistan.

The registered office of the Corporation is situated in G-5, constitutional avenue, Islamabad, Pakistan.

1.1 The Corporation has "loss after tax" of Rs. 651,08 million (June 30, 2016: Rs.1,948.3 million) for the year, resulting in accumulated losses of Rs. 27,216.2 million as at June 30, 2017 (June 30, 2016: Rs. 26,604.4 million). These conditions create a concern on the Corporation's ability to continue as a going concern. However, the Corporation has irrevocable financial support from Government of Pakistan which has been stated in the Act through continued financial support from Federal Government including annual Government subsidy, support for capital and development expenditure. The Act also specifies the fact that the Corporation shall not be wound up save by an order of Federal Government. Based on these facts, the management believes that the Corporation should be able to continue as a going concern in the foreseeable future.

2. BASIS OF PREPRATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as applicable in Pakistan.

2.2 Basis of measurement

These financial statement have been prepared under the historical cost convention using accrual basis of accounting except for employees' retirement benefits which are recognised at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the corporation's functional and presentation currency. All financial information presented has been rounded to nearest Pak Rupee.

2.4 Significant estimates

The preparation of the financial statements in conformity with the approved accounting policies requires management to make judgements, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on ongoing basis. Revision to the accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of revision and future periods of the revision and future period affects both current and future periods.

Judgement made by the management in the application of the approved accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the respective notes.

Significant areas requiring the use of management estimates in the financial statements relate to property and equipment, intangibles, stores and spares, provision for doubtful debts, provision for taxation, provisions and contingencies and employees' retirement benefits.

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

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

International Accounting Standards/International Financial Reporting Standards/Interpretations		Effective date (accounting periods beginning on or after)
IFRS 2	Share-based Payment (Amendments)	01 January 2018
IFRS 3	Business Combinations (Amendments)	01 January 2019
IFRS 4	Insurance Contracts (Amendments)	01 January 2018
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments)	01 January 2016
IFRS 7	Financial Instruments: Disclosures (Amendments)	01 January 2016
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2018
IFRS 16	Leases	01 January 2019
IFRS 17	Insurance Contracts	01 January 2021
IAS 7	Statement of Cash Flows (Amendments)	01 January 2017
IAS 12	Income Taxes (Amendments)	01 January 2019
IAS 16	Property, Plant and Equipment (Amendments)	01 January 2016
IAS 19	Employee benefit	01 January 2019
IAS 23	Borrowing Costs (Amendments)	01 January 2019
IAS 38	Intangible Assets (Amendments)	01 January 2016
IAS 40	Investment Property (Amendments)	01 January 2018
IAS 41	Agriculture (Amendments)	01 January 2016
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	01 January 2019

The Corporation expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material affect on the Corporation's financial statements in the period of initial application.

Further, the following new standards and interpretations have been issued by the International Accounting Standard Board (IASB), which have not been notified up to June 30, 2016 by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan.

IFRS 1	First time adoption of International Financial Reporting Standard
IFRS 9	Financial instruments
IFRS 10	Consolidation financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement

The following interpretations issued by the IASB have been waived off by SECP.

IFRIC 4	Determine whether an arrangement contains lease
IFRIC12	Service Concession Agreement

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 **Property and equipment**

Operating fixed assets and capital work-in-progress

Property and equipment except freehold land and capital work in progress are stated at cost , which includes estimates of cost in respect of assets received from the Government on the date of incorporation, less accumulated depreciation/amortization and impairment in value , if any. Leasehold land is amortized equally over the remaining period of leases, starting from the year ended June 30, 1992. Depreciation is provided according to the reducing balance method at the rates mentioned in respective note. Full month's depreciation is charged in the month of capitalization and no depreciation is charged in the month of disposal.

Freehold land and capital work in progress are stated at cost less any impairment loss recognized , if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific item of property and equipment when available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss account as and when incurred.

An item of property 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 disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognized on net basis within other income and expenditure account.

Owned - intangible

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis to income applying the reducing balance method at the rates specified in note 5 to the financial statements.

The Corporation reviews the residual value and useful lives of intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of intangible assets with a corresponding effect on amortization charge.

3.2 **Impairment**

Non financial assets

The Corporation assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceed the recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account except for the impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in profit and loss account.

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

3.3 Long term investment

Investment in unquoted equity security is carried at cost. Provision for diminution in value of investment is made when it is considered permanent.

3.4 Stores and spares

These are valued at cost , determined on moving average cost basis, or net realizable value, whichever is lower, less allowance of obsolete and slow moving items. For items which are slow moving a provision is made for excess of book value over estimated net realizable value. The Corporation reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores and spares.

3.5 Trade debts and Other Receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amount at the year end. Balances considered bad and irrecoverable are written off against provision.

3.6 Cash and Cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances with banks

3.7 Employees' retirement benefits

The Corporation operates an unfunded and approved Government pension scheme for the benefit of its employees. According to this scheme, following benefits are paid to the employees on death/retirement.

(a) Gratuity for services between 5 to 10 years for regular employees

On death while in service	Gratuity payable @ 1.5 month's basic pay for each completed year of service up to the year of death.
On retirement	Gratuity payable @ 1 month's basic pay for each completed year of service up to the year of retirement.

(b) On retirement at the age of 60 years (Superannuation Pension)

Pension is payable to the employees who have completed a minimum of 10 years of qualifying service with the Corporation. The rate of pension is 2.33% of pensionable salary for each completed year of service up to 30 years. The total pension liability for each employee is therefore restricted to 70% of the pensionable salary.

(i) On early retirement

In case of early retirement, minimum service requirement for pension is 25 years. No benefits are paid to employees who retire before 25 years of service.

(ii) On death during service (Family Pension)

In case of death in service, widow is entitled to 50% of gross pension subject to a minimum service requirement of 10 years. In addition, a lump sum amount of gratuity in lieu of 1/4th of gross pension is paid. In case of death or remarriage of the widow, the pension amount shall be paid to the son(s) until they attain the age of 21 years or to the daughter(s), until they get married or attain the age of 21 years, whichever is earlier.

(iii) On death after retirement (Family Pension)

In case of death of a pensioner, 50% of the net or gross amount of pension which the deceased pensioner was in receipt shall be continued to be paid to legal heirs as mentioned in (ii) above.

(iv) In case of disability

In case of permanent disability which is certified by a Medical Board, invalid pension shall be payable. In case of death thereafter, family pension shall be payable as in (ii) above.

(v) Commutation and restoration

Commutation up to 35% of pension shall be allowed according to the schedule of the new commutation table with commutation factor of 12.3719 at the age 60 years. No restoration of commuted pension shall be allowed in this case.

(vi) Adhoc increase in net pension

For valuation purposes, we have assumed an adhoc increase factor of 192% of net pension for those employees with age greater than or equal to 55 years as at the valuation date and 120% for those employees with age less than 55 years as at the valuation date.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on Government bonds that are denominated in Pakistani Rupee and have terms to maturity approximating to the terms of the related liability.

The current service cost of the defined benefit plan, recognized in the profit or loss for the year, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements except as otherwise disclosed. Past service costs are recognized immediately in the profit or loss for the year. The net interest cost is calculated by applying the discount rate to the net opening balance of the defined benefit obligation and the fair value of plan assets, and is recognized in the profit or loss for the year.

Actuarial gains and losses arising for experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

3.8 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to

3.9 Taxation

Current

Provision for current taxation is based on taxable income, if any, computed at the current rates of taxation after taking into account the available tax rebates and credits under the Income Tax Ordinance,2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

3.10 Subsidy from Government of Pakistan

According to PBC Act. 1973, subsidy received from the Government of Pakistan is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs and are recognised in profit and loss account in the period in which they become receivable.

Subsidy/grants from local and foreign Government and other similar bodies are not recognised in the balance sheet until there is a reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

3.11 Revenue recognition

Advertisement income is recognized upon rendering of services and issuance of invoice to the party. Rental income is recognized on accrual basis.

Dividend income is recognized when the right to receive payment is established.

Income on sale of programs is recognized on accrual basis.

3.12 Provisions

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

3.13 Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary items at end of the year exchange rates, are charged to income for the year.

3.14 Non-Current assets held for sale

Non-current assets classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.15 Capital grants

Grants from local and foreign Government and other similar bodies are not recognised in the balance sheet until there is a reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

Capital grants are first recognised in the balance sheet and then subsequently accounted for in the income and expenditure account on a systematic basis over the periods in which the Corporation recognises as expense the related cost for which the grants were intended to compensate following income approach. Specifically, Government grants related to non-depreciable asset such as freehold land whose primary condition is that the Corporation should construct a non-current asset on such asset are recognised as government grants in the statement of financial position and transferred to income and expenditure account on a systematic and rational basis over the useful lives of the depreciable constructed assets.

Government grants received as non-monetary assets, such as security equipment, are accounted for at the fair value of the asset granted. The Government grants so received are recognised in the income and expenditure account on a systematic basis over the period and in the proportions in which the Corporation depreciates the asset so granted.

If Government grants related to assets exceed the amount of grant utilised up to date of capitalisation of the related assets. the amortisation of the grant is restricted to the cost of the asset so capitalised till reporting date.

3.16 Financial instruments

Financial assets and financial liabilities are recognized when Corporation becomes a party to the contractual provisions of the instruments. These are initially measured at fair value. Significant financial assets include cash and cash equivalents. trade receivables and advances, deposits and other receivables. Significant financial liabilities include vendors' credit facility. trade and other payables, provisions and employees retirement benefit.

3.16.1 Financial assets

The Corporation classifies its financial assets in the following categories: financial instruments at fair value through profit or loss; loans and receivables; held to maturity investments and available for sale financial assets. Management determines the classification of financial assets at initial recognition.

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

(a) Financial instruments at fair value through profit or loss

Financial instruments are classified in this category if they are held for trading, or if they are designated by management under the fair value option. Instruments are classified as held for trading if they are: (I) acquired principally for the purposes of selling or repurchasing in the near term; (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking: or (iii) a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

The instruments are derecognized when the rights to receive cash flows have expired or the Corporation has transferred substantially all the risks and rewards of ownership and the transfer qualifies for de-recognition.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. Loans and receivables are initially recognized at fair value including direct and incremental transaction costs. They are subsequently valued at amortized cost. using the effective interest method. They are derecognized when the rights to receive cash flows have expired or the Corporation has transferred substantially all the risks and rewards of ownership.

(c) Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments that the Corporation's management has the intention and ability to hold to maturity. They are initially recognized at fair value including direct and incremental transaction costs. They are subsequently valued at amortized cost, using the effective interest method. They are derecognized when the rights to receive cash flows have expired.

(d) Available for sale

Available for sale assets are non-derivative financial assets that are designated as available for sale and are not categorized into any of the other categories described above. They are initially recognized at fair value including direct and incremental transaction costs. They are subsequently held at fair value. Gains and losses arising from changes in fair value are included as a separate component of equity until sale when the cumulative gain or loss is transferred to the Statement of Comprehensive Income. Interest determined using the effective interest method; impairment losses and translation differences on monetary items are recognized in the Statement of Comprehensive Income. The assets are derecognized when the rights to receive cash flows have expired or the Corporation has transferred substantially all the risks and rewards of ownership.

3.16.2 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Corporation are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Corporation after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(a) Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortized cost, using the effective interest method, except where they are identified as a hedged item in a fair value hedge. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognized over the term of the borrowing.

(b) Equity instruments

Equity instruments issued by the Corporation are recorded as the proceeds received, net of direct issue costs.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are set off at the year end and net amount is reported in the statement of financial position, if the Corporation has a legally enforceable right to set off the transaction and also intends to realize the asset and discharge the liability simultaneously. Corresponding income on assets and charges on liabilities are reported at net amounts.

4 PROPERTY, PLANT AND EQUIPMENT

	Notes	2017	2016
		(Rupees)	
Operating	4.1	**2,565,533,329**	2.733.482.850
Capital work in progress	4.2	**654,283,391**	633.765.645
		3,219,816,720	3,367,248,495

4.1 Operating

	Leased	Owned										
	Leasehold land	**Freehold Land**	**Building**	**Plant & Machinery**	**Furniture & fixtures**	**Office Equipment**	**Vehicles**	**Air Conditioners**	**Electrical Lifts**	**Computer Hardwares**	**Others**	**Total**
Cost												
Balance as at 01 July 2015	7.520.821	20.971.024	725.605.093	3.376.879.768	36.000.120	15.242.879	59.495.409	57.510.467	23.944.512	71.134.434	37.483.442	4.431.787.969
Additions during the year	-	-	7.362.696	85.276.156	2.133.223	199.418	3.634.408	3.665.892	-	4.239.486	1.841.918	108.353.197
Disposals / writte offs	-	-	-	(9.035)	-	-	(4.403.667)	-	-	-	-	(4.412.702)
Balance as at 30 June 2016	7.520.821	20.971.024	732.967.789	3.462.146.889	38.133.343	15.442.297	58.726.150	61.176.359	23.944.512	75.373.920	39.325.360	4.535.728.464
Balance as at 01 July 2016	7.520.821	20.971.023	732.967.789	3.462.146.889	38.133.343	15.442.297	58.726.150	61.176.359	23.944.512	75.373.920	39.325.360	4.535.728.464
Additions during the year	-	-	-	29.182.949	1.826.710	699.265	63.500	3.718.305	-	3.225.644	881.407	39.597.780
Disposals / writte offs	-	(2.220)		(6.429.817)	(94.608)	(54.430)	(3.177.276)	(881.412)	-	(1.823.196)	(62.137)	(12.525.096)
Balance as at 30 June 2017	7.520.821	20.968.803	732.967.789	3.484.900.021	39.865.445	16.087.132	55.612.374	64.013.252	23.944.512	76.776.368	40.144.630	4.562.801.148
Accumulated Depreciation												
Balance as at 01 July 2015	2.910.223	-	417.059.003	923.018.510	19.173.122	11.364.503	54.508.728	50.703.890	16.379.563	57.361.236	35.284.230	1.587.763.009
Depreciation for the year	85.288	-	15.795.439	190.435.107	1.137.613	407.779	1.712.197	2.094.494	756.495	5.403.805	1.004.328	218.832.546
Disposals / writte offs	-	-	-	(6.377)	-	-	(4.343.564)	-	-	-	-	(4.349.941)
Balance as at 30 June 2016	2.995.511	-	432.854.442	1.113.447.240	20.310.736	11.772.282	51.877.361	52.798.384	17.136.058	62.765.041	36.288.558	1.802.245.614
Balance as at 01 July 2016	2.995.511	-	432.854.442	1.113.447.240	20.310.736	11.772.283	51.877.361	52.798.384	17.136.058	62.765.041	36.288.558	1.802.245.614
Depreciation for the year	81.574		15.005.667	178.162.991	1.176.563	435.677	1.378.708	2.417.011	680.845	4.740.896	973.228	205.053.160.03
Disposals / writte offs	-	-	-	(4.053.761)	(54.680)	(41.920)	(3.158.526)	(870.188)		(1.791.659)	(60.221)	(10.030.955)
Balance as at 30 June 2017	3.077.085	-	447.860.110	1.287.556.470	21.432.619	12.166.039	50.097.543	54.345.207	17.816.903	65.714.278	37.201.565	1.997.267.819
Carrying value as at June 30. 2016	4.525.310	20.971.024	300.113.347	2.348.699.649	17.822.607	3.670.015	6.848.789	8.377.975	6.808.454	12.608.879	3.036.802	2.733.482.850
Carrying value as at June 30.2017	4.443.736	20.968.803	285.107.679	2.197.343.551	18.432.826	3.921.093	5.514.831	9.668.045	6.127.609	11.062.090	2.943.065	2.565.533.329
Rate of depreciation	33%	0%	5%	8%	6%	10%	20%	20%	10%	30%	20-33%	

4.2 Depreciation charge for the year has been allocated as follows:

	Note	2017	2016
		--------(Rupees)--------	
Cost of services	19	193.250.232	206.315.834
Selling. general and administration ex	20	11.802.928	12.516.712
		205.053.160	218.832.546

		Notes	2017	2016
			--------------(Rupees)-------------	
4.2	**CAPITAL WORK-IN-PROGRESS**			
	Opening balance		633,765,645	643,185,430
	Addition during the year		22,302,664	24,298,051
			656,068,309	667,483,481
	Less transferred to property, plant and equipment		1,784,918	33,717,836
	Closing balance	4.2.1	654,283,391	633,765,645
4.2.1	Buildings		87,198,864	72,076,864
	Machinery and equipment		567,084,527	561,688,781
			654,283,391	633,765,645

5 INTANGIBLES

		Notes	2017	2016
	Cost			
	Balance at the beginning of the year		2,831,148	2,831,148
	Adddition during the year		-	-
	Balance at the end of year		2,831,148	2,831,148
	Accumulated Depreciation			
	Accumulated amortization-opening		(2,656,343)	(2,568,954)
	Amortization for the year **@33.33%**		(58,263)	(87,389)
	Balance at the end of year		(2,714,606)	(2,656,343)
	Net Book value	5.1	116,542	174,805

5.1 This represents computer software and is amortized @ 33% using reducing balance method.

6 LONG -TERM INVESTMENT

This represents investment made in 1,080,000 shares of Rupees 10 each of Shalimar Recording Company Limited including 990,000 bonus shares. Actual investment was Rs 900,000/- in 90,000 shares of Rs 10 each.

7 STORES AND SPARES

	Notes	2017	2016
Stores and spares		121,526,473	125,769,370
Less provision for obsolete and slow moving stores and spares	7.1	(65,361,848)	(68,710,196)
		56,164,625	57,059,174

7.1 Provision of obsolete and slow moving stores and spares

		2017	2016
Balance as on 01, July		68,710,196	68,955,767
Less written-off during the year		(2,991,164)	-
Less consumption of slow moving store during the year		(357,184)	(245,571)
		65,361,848	68,710,196

8 DEBTORS - UNSECURED, CONSIDERED GOOD

	Notes	2017	2016
Considered good		159,437,449	183,290,564
Considered doubtful		36,153,070	28,449,839
		195,590,519	211,740,403
Less provision for doubtful debts	8.1	(36,153,070)	(28,449,839)
		159,437,449	183,290,564

8.1 Provision for doubtful debts

		2017	2016
Balance as at 01 July		28,449,839	24,489,775
Provision for the year		7,859,579	4,279,978
		36,309,419	28,769,753
Less provision reversed in respect of doubtful debts recovered		(156,349)	(319,914)
Less debtors written off during the year		-	-
		36,153,070	28,449,839

	Notes	2017	2016
		-------------(Rupees)------------	

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	2017	2016
Advances			
- for expenses		6,914,286	1,504,406
- to employees		10,997,321	17,875,279
- to contractors		5,665,470	15,992,470
- to general provident fund		13,599,735	35,531,153
		37,176,812	**70,903,308**
Deposits		5,617,032	4,963,332
Prepayments		2,871,995	5,531,517
Income tax refundable	9.1	49,407,272	54,360,152
Other receivables		5,546,793	3,911,368
		100,619,904	139,669,677

9.1 Advance Tax

	2017	2016
Balance at beginning of the year	54,360,152	51,754,534
Add ; tax paid / deducted at source	3,191,821	4,205,256
Less ; income tax provision for the year	(8,144,701)	(1,599,638)
Balance at end of the year	49,407,272	54,360,152

10 CASH AND BANK BALANCES

	2017	2016
Cash in hand	467,499	281,872
Cash at banks :		
Current accounts	224,276,217	209,660,912
Collection accounts	54,287,403	29,868,860
Pension fund account	4,204,405	(276,762)
	282,768,025	239,253,010
Remittances in transit from :		
Units	4,938,987	23,012,631
Collection accounts	527,662	155,443
	5,466,649	23,168,074
	288,702,173	262,702,956

11 NON-CURRENT ASSETS CLASSIFED AS HELD

	2017	2016
Building - cost	30,680,436	55,410,240
accumulated depriciation	(8,127,496)	(14,678,622)
	22,552,940	40,731,618

11.1 96 flats constructed by Corporation at Landhi - Karachi in the year 2006 were offered for sale to employees of PBC on installments. All of the flats offered were accepted by the employees. Allottment of 42 flats have been given to allottees therefore excluded from accounts in 2016-17.

12 FEDERAL GOVERNMENT NET ASSETS

This represents net assets taken over at carrying amount from Federal Government under PBC act, 1973 upon change of status of Radio Pakistan to Pakistan Broadcasting Corporation.

13 DEFERRED CAPITAL GRANT

	2017	2016
Grant by Japan International Corporation (JICA)	1,350,670,000	1,350,670,000
Grant by United States Agency for International Development (USAID)	721,300,000	721,300,000
	2,071,970,000	2,071,970,000

	Notes	2017	2016
		--------------(Rupees)-------------	

14 DEVELOPMENT LOAN

Balance at 01 July	2,783,781,951	2,681,696,951
Received during the year	33,804,000	102,085,000
	2,817,585,951	2,783,781,951
Less lapsed during the year	-	-
	2,817,585,951	2,783,781,951

This represents the grant received from the government of Pakistan for capital and development expenditure. These grants are considered as development loan and are in 20 years including a grace period of five years for recovery of principal amount, as per sanction letters. The interest will be charged at prevailing rate for respective year. However, the corporation has requested the government for their conversion in to non- repaybale grants. Pending decision on this request, no interest has been provided in these financial statement.

15 EMPLOYEE RETIREMENT BENEFITS

	Notes	2017	2016
Liabilities for pension and gratuity obligation	15.1	24,865,688,194	24,645,035,077

15.1 Staff Pension & gratuity

a) Liability recognized in the balance sheet

Present value of defined benefit obligation	24,865,688,194	24,645,035,077

b) Expense recognized in profit and loss

Current service cost	219,079,592	227,193,788
Net interest charge	1,343,844,265	2,429,710,080
	1,562,923,857	2,656,903,868

c) Remeasurements recognized in other comprehensive income

Remeasurement gain	-	-

d) Movement in present value of defined benefit obligation

Present value of defined benefit obligation at beginning of the year	24,645,035,077	23,244,143,764
Current service cost	219,079,592	227,193,788
Interest cost	1,343,844,265	2,429,710,080
Benefits paid during the year	(1,343,844,265)	(1,256,012,555)
Receipts	1,573,525	-
Present value of defined benefit obligation at the end of the year	24,865,688,194	24,645,035,077

e) Significant actuarial assumptions used were as follows;

Valuation Discount Rate (p.a) : For Closing Liability	-	10.50%
Valuation Discount Rate (p.a) : For P&L Expense	-	13.50%
Salary Increase Rate (p.a)	-	10.05%
Pension Indexation Rate (p.a)	-	7.50%
Duration	-	11.4 Years

f) Sensitivity analysis:

Particulars	Impact on defined benefit obligation: Present value of defined benefit obligation	Impact on defined benefit obligation: Percentage change
+1% Discount Rate	22,243,219,631	-4.31%
-1% Discount Rate	24,512,729,802	5.46%
+1% Salary Increase Rate	23,727,045,126	2.08%
-1% Salary Increase Rate	22,809,991,703	-1.87%
+1% Pension Indexation Rate	23,988,537,321	3.20%
-1% Pension Indexation Rate	22,617,482,328	-2.70%

	Notes	2017	2016
		--------------(Rupees)-------------	

g) Risks Associated with Defined Benefit Plan

Investment Risks:
The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.
Longevity Risks:
The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary Increase Risk:
The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal Risk:
The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

16 CREDITORS, ACCRUED AND OTHER LIABILITIES

	2017	2016
Creditors	224,340	146.097
Accrued expenses		
Salaries. wages and benefits	217,619,046	81,614.074
Security guards charges	781,221,506	697,759,962
Programme and news expenses	21,510,567	15.976.159
Property / Provincial taxes payable	10,128,744	9,510,182
Power and fuel charges	1,653,329	1,465.944
Travelling and conveyance	2,069,026	1,373,238
Communication	15.837,404	15,836.327
Repairs and maintenance	358,481	380,841
Legal and professional charges	1,321,000	978,500
Other administrative expenses	1,354,930	506,575
	1,053,074.033	825,401.802
Other liabilities		
Payable to Government of Sindh	80,700,000	80,700,000
Advance for sale of Landhi Karachi flats	34.939,725	65,242.072
Advances from advertisers	10,997,704	18.185.855
Payable to allottees of Landhi flats	12,430	-
Retention money payable	4.335,226	8,835,337
General sales tax payable	2,668,147	4,381.973
Accounts payable	2,710,049	30,286,470
Securities payable	2,028,699	2,158,699
Income tax deducted at source; payable	268,086	430.367
Payable against stale chques	-	32,193
Group insurance payable	415,741	282,102
Benevolent fund payable	418,984	285,571
Rent received in advance	2.574,799	4,974,977
Earnest money	561,688	649.850
	142,631.277	216,445.466
	1,195,929,650	1,041,993,365

17 CONTINGENCIES AND COMMITMENT

There is no contigency and commitment as at balance sheet date.

18 ADVERTISEMENT INCOME

	2017	2016
Gross income	409,589,426	381,252.055
Less:		
Agency commission	(39,375,640)	(49,487,120)
Cash/Bulk & other discounts	(15,373,142)	(16,705,045)
	(54.748,782)	(66,192.165)
	354,840,644	315,059,890

		Notes	2017	2016
			--------------(Rupees)-------------	
19	**COST OF SERVICES**			
	Salaries and allowances			
	Engineering staff		617,155,129	577,010,425
	Programme staff		270,186,292	244,598,888
	News staff		105,258,075	118,885,878
	Employee retirement benefit		953,383,552	1,620,711,359
	Audience research staff		1,090,217	1,189,073
			1,947,073,265	2,562,395,623
	Other benefits			
	Rent, rates and taxes		358,622,625	358,872,793
	Medical		203,084,507	191,694,145
	Gas and electricity charges		16,350,061	5,875,901
	Death compensation		109,103,320	9,333,671
	Staff welfare		2,110,023	2,595,990
	Uniform		10,211	35,645
			689,280,747	568,408,145
	Programe Expenses			
	Casual artists' fee		155,827,819	162,738,355
	Programmes expenses		102,065,504	80,486,330
	Function expense		3,103,025	4,451,108
	Training expense			
	Script fee		2,922,000	2,698,848
	Casual artists' traveling		189,345	744,491
	Miscellaneous		440,986	1,201,924
			264,548,679	252,321,056
	News Expenses			
	Newsreaders' fee		55,298,288	46,959,006
	Current affairs		30,103,015	35,751,708
	Internet charges		3,887,328	4,760,576
	Scripts and commentaries		1,999,629	1,502,772
	Newspapers and periodicals		710,273	583,769
	News agencies' fee		28,850	502,915
	Election compaign		147,759	-
			92,175,142	90,060,746
	Depreciation		193,250,232	206,315,834
			3,186,328,065	3,679,501,404
20	**SELLING, GENERAL AND ADMINISTRATION EXPENSES**			
	Salaries and allowances			
	Administrative staff		493,469,730	458,490,927
	Accounts staff		124,322,571	126,822,345
	Pension and gratuity		609,540,304	1,036,192,509
	Sales staff		10,159,301	8,900,782
			1,237,491,906	1,630,406,563
	Power and fuel charges			
	Electricity charges		216,436,649	209,282,364
	Diesel for generators		5,614,698	8,233,156
	Sui gas charges		3,116,657	2,161,795
			225,168,004	219,677,315
	Security guard charges		196,636,554	186,306,673
	Traveling and Conveyance Charges			
	Petrol oil and lubricants		19,469,863	19,158,755
	Outstation traveling		14,608,867	13,804,853
	Vehicles' repairs and maintenance		7,360,986	7,716,344
	Vehicles' hire charges		7,502,084	7,230,478
	Local conveyance		118,416	85,668
			49,060,216	47,996,098

	Notes	2017	2016
		(Rupees)	
Repair and maintenance			
Buildings		15,308,965	23,369.265
Air conditioning equipment		1,095,382	1,091,031
Plant and machinary		7,937,698	9,557,075
Furniture and fixtures		519,456	768,518
Miscellaneous		680,682	896,698
		25,542,183	35,682.587
Legal Expenses			
Legal and other charges		1,824,437	1,459.301
Audit fee		368,000	368,000
		2,192,437	1,827,301
Training expenses		226,213	3,363.688
Communication		26,246,510	23,992,848
Rent, rates and taxes		6,808,016	8,414.243
Insurance charges - assets		15,869,305	6,622,770
Printing and stationery		9,425,221	8,285.826
Entertainment		5,709,493	4,489.262
Books and periodicals		1,293,217	1.465,351
Advertisement		670,393	3,685.797
Subscription and membership		3,312,749	4,436,123
Water charges		1,946,769	1,020,721
Stores and spares consumed		894,549	816.249
Fixed assets written off		2,473,171	-
		74,875,606	66,592,878
Miscellaneous Expenses			
Directors fees		86,752	151.774
Gardening expenses		221,260	199.187
Hot cold weather charges		1,003,161	1,074,560
Sundry expenses		5,906,424	5,655,616
Financial expenses		670,226	1,289,223
		7,887,823	8,370.360
Depreciation		11.802,928	12,516,712
Amortization Expense		58,263	87.389
Provision for doubtful debts		7,859,579	3,960,064
		1,838,575,498	2,213,423,939

21 SUBSIDY FROM GOVERNMENT OF PAKISTAN

It represents annual cash subsidy received from Government of Pakistan to meet the expenses of the Corporation as per PBC

22 OTHER INCOME

	2017	2016
Building rent	11.948,958	6,755,229
Dividend income	810,000	-
Gain on sale of fixed assets	5,209,962	4,312.248
Gain on sale of Landhi flats	14,115.576	-
Sale of programmes and publications	60,000	94,000
Provision reversed for doubtful debts	156,349	-
Miscellaneous	9.826,625	4,853.530
Liability written back	-	17,497,330
	42,127,470	33,512,337

	Notes	2017	2016
		--------------(Rupees)-------------	

23 PROVISION FOR TAXATION

	Notes	2017	2016
Current taxation	9.1	8,144,701	1,599,638
Previous year taxation		-	-
		8,144,701	1,599,638

24 DATE OF AUTHORIZATION FOR ISSUE

These fiancial statments were authorized for issue by the Board of Directors of Pakistan Broadcasting Corporation on 24/12/20

DIRECTOR GENERAL

A..RREN JAN
...tor General
PBC Hqrs, Islamabad

DIRECTOR