Annual Report for the Year ended 30, June 2016

COMPANY INFORMATION

Board of Directors

Independent Directors

Rana Nasir Mehmood
Chairman

Mr. Iftikhar Ahmed Jogezai
Director

Mr. Nooruddin F. Daud
(Tamgh-i-Imtiaz-Civil)
Director

Dr. Muhammad Aslam
Director

Prof. Dr. Younus Javed
Director

Executive Directors

Mr. Waseem Tahir
Chief Executive Officer (Acting)

Non-Executive Directors

Mr. Zarar Haider
Director

Mr. Sher Ayub Khan
Director

Representative, Ministry of Finance
Director

Board Audit Committee

Mr. Iftikhar Ahmed Jogezai
Chairman

Mr. Zarar Haider
Director

Representative, Ministry of Finance
Director

Dr. Muhammad Aslam
Director

Mr. Nooruddin F. Daud
(Tamgh-i-Imtiaz-Civil)
Director

Board Human Resource Committee

Mr. Nooruddin F. Daud
(Tamgh-i-Imtiaz-Civil)
Chairman

Mr. Zarar Haider
Director

Mr. Iftikhar Ahmed Jogezai
Director

Mr. Sher Ayub Khan
Director

Mr. Waseem Tahir
Chief Executive Officer (Acting)

Board Procurement Committee

Mr. Nooruddin F. Daud
(Tamgh-i-Imtiaz-Civil)
Chairman

Representative, Ministry of Finance
Director

Dr. Muhammad Aslam
Director

Mr. Waseem Tahir
Chief Executive Officer (Acting)

Board Nomination Committee

Mr. Zarar Haider
Director

Rana Nasir Mehmood
Director

Mr. Waseem Tahir
Chief Executive Officer (Acting)

Auditors

E Y Ford Rhodes
Chartered Accountants

Registered/Head Office

State Cement Corporation Building, Kot Lakhpat,
Lahore

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of **Technology Upgradation and Skill Development Company** (Your Company) is pleased to present the Annual Report along with the audited financial statements for the year ended June 30, 2016.

OVERVIEW

The countries surfing in the global limelight have adopted knowledge management as an element to build and uphold their competitive advantages. Accomplishment of knowledge directs the achievement of national aspirations and builds on national integrity. TUSDEC has synchronized its visionary streams with the enlightened goals of Government of Pakistan aimed at building a National Skill Base. In collaboration with Federal and Provincial Governments, various international donors and local nonprofit organizations, TUSDEC has been striving to shift the TVET mechanism of Pakistan from a supply driven to a training system that is compelled by the industry's demand for skill in the curricula, training methodologies and foremost the areas of training. From training the managers, machine workers and acute product design engineers to employable skills disbursement for vulnerable groups, TUSDEC has successfully carried through each strand of industrial support. Interpolating the service profile, the company has broadened the ambit of its operations by implementing TVET reform projects of the Delegation of European Union in KP, FATA Sindh and AJK.

The Public Sector Development Program (PSDP) is the main instrument for providing budgetary resources for development projects and programs. PSDP helps to achieve the macroeconomic and development objectives and targets set by the government. For the year 2016-17, National Economic Council (NEC) has approved an overall size of PSDP at Rs. 1,675 billion. The development program 2016-17 includes Rs. 800 billion as federal PSDP including foreign assistance of Rs. 143 billion. The projects under CPEC are also assigned due priority for timely completion so as to deliver benefits to the general public and make Pakistan a regional hub of trade and development. The strategy was consolidation of the PSDP to keep the throw-forward of projects within a manageable limit. Thus the emphasis has been on completion of projects. Around 96% of the funds are earmarked for on-going projects. However, no new projects have been allocated to Ministry of industries and Production.

The year under review was the 11th operational year of your Company in which **three** projects, namely NIDA (Lahore, Quetta & Sialkot) completed Nine years of successful operations. **Two** NIDA Centers (Karachi & Peshawar) have completed eight years of operations. **SkillTech Karachi** has completed 7th year of its operational activities.

A detailed report on the achievements of your Company during the year is given as under.

Establishment of NIDA (Advanced CAD/CAM) Centers Rs 321.12 Million

NIDA Centres are providing basic to advanced design techniques applicable in various industry

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segments -mechanical, electrical, civil, plant, process, garment, fashion, jewellery and the array reach infinity incorporating the academic aspects together with social interaction during the training. NIDA training facilities are flexible and technologically advanced learning environment is provided that are safe, healthy, comfortable, aesthetically pleasing and accessible. NIDA centres have state of art lab rooms, contemporary building, licensed software and office equipment that are essential for a modern training centre. NIDA (Eight (8) Advanced CAD/CAM training centers), the project was initially approved for 3 years as per PC-I to establish five(5) CAD/CAM centers in Lahore, Karachi, Sialkot, Peshawar and Quetta under management of TUSDEC in the first phase. NIDA Centres at Lahore, Quetta and Sialkot have successfully completed their 9 year of operations; Peshawar & Karachi have started their 9th Year of operations.

These centres were planned to teach 'Design' rather than commercial software training and impart skills of critical importance to help Pakistan's industry move to the other side of the digital divide. CAD/CAM Centres also design and develop courses on internationally renowned design software's to make full use of existing "proven" technologies and offers reasonably priced, justifiable, supportable costs to its clients/students. CAD/CAM technologies, not only reduce the time to design & produce quality, but also enhance the capacities of Pakistani skilled manpower & increase their competitiveness. In pursuit of this objective the CAD/CAM Centres have conducted **1,635** trainings and **15,866** CAD/CAM skilled workforces have been provided to the economy. Revenue up to June, 2016 is approximately Rs. **110 Million**.

During the reporting year, Contracts were also signed with National Vocational and Technical raining Commission (NAVTTC) & Punjab Skills Development Fund (PSDF).

Students certified by CAD/CAM Centres are working in different sectors of Industry and providing valuable services to the industry of Pakistan. Many of them are working aboard and sending precious foreign remittance to Pakistan.

After completion of funding from the Government, PC IV of the Project has been submitted to the Planning Commission and the Project has been merged with TUSDEC after obtaining approval from the relevant forums. A brief table of operational results of five NIDA Centres is as under:

PARTICULARS	Completed 9th year of Operations			Completed 8th year of Operations		TOTAL
	Lahore	Quetta	Sialkot	Karachi	Peshawar	
Courses Conducted	319	199	393	200	524	1,635
Student Passed Out	2,428	2,772	3,392	2,767	4,507	15,866

Cement Research and Development Institute (CR&DI)

After upgradation and revitalization of the CR&DI laboratory and building, the laboratory started functioning under TUSDEC management and control in January 2006. Since then, 5,297 samples have been tested and generated revenue of Rs.31.83 Million. Minor renovation activities have been carried out and separate physical lab is established to maintain temperature.

Renovation of existing facility and the transformation to modern laboratory under Phase-2 & Phase-3 is pending due to approval of PC-1 and release of project funds from PIDC.

During the financial year ended June 30, 2016 CR&DI received 843 samples, conducted tests and earned revenue of Rs.5.26 M.

CR&DI is successfully conducting test on American Cement Standards ,European Cement Standards, Sri Lanka Cement Standards, Indian Cement Standards, Pakistan's latest Standards for common & Masonry Cements for testing and has also initialized compressive Strength of Concrete & Fire Bricks Crushing Strength & Chemical Analysis of Silica fumes, Fly Ash and Slag, Cylinder testing, Concrete Expansion testing and Testing of Dolomite.

CR&DI credibility has been acknowledged by

34 - Consultants
90 - Construction Firms
29 - Cement Factories.

A comparison of CR&DI activities over the last Eleven years have been depicted

11-Years Performance

Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue (In Millions)	0.53	1.46	1.97	2.56	2.57	2.26	3.62	3.1	4.37	4.14	5.26
Samples	92	245	298	392	405	360	594	541	742	785	843

Future Initiatives of CR&DI:

To meet the basic objective of substantial increase in revenue following new proposal has been suggested & PC-1 has been revised for upgradation of the laboratory.

- ISO Accreditation

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* Concrete testing
* Research & Development on modern Cements
* Water Analysis
* Coal Analysis
* Iron Bars Testing

Supporting TVET Sector in KP and FATA- European Union € 3.90 Million

European Union approached TUSDEC through its direct grant award to design a project that contributes to the improvement of technical and vocational training in support of economic development and employment opportunities in Pakistan. The objective of the project is to improve the involvement of private sector in technical and vocational training in KP and FATA by promoting demand and making the supply of courses more demand oriented.

TUSDEC is the implementing organization for this four year project worth 3.9 Million Euros. It will facilitate in establishing linkages among TVET institutes, private sector and the target group for the provision of trainings and employability of the graduates, thus contributing to the economic development of the region and country in whole. TUSDEC will contribute towards improving the economic situation of FATA and KP and will also provide livelihood opportunities to at least 12,000 employable men and women through linking them to demand driven TVET system and with the private sector for paid and self-employability. The contract was signed in August 2012.

Following activities have been carried out for the year 2015-2016:

- Training of 4,200 trainees has been completed in KP & FATA regions under various phases of trainings in Institutes of KP & FATA. These institutes were selected after rigorous selection criteria
- Training of 3,500 students is in progress:
    * 1,500 students under fourth phase of trainings
    * 1,000 trainees in FATA under agreement with FATA Secretariat
    * 1,000 trainees in KPK under agreement with TEVTA KPK
- Fifth phase of trainings to accommodate remaining 2500 students is in evaluation process.
- Community mobilization of more than 7,400 trainees through selected CBOs. Overall 9,000 trainees mobilized
- Up gradation of two TVET institutes:
- Skill Competition and Certificates distribution Ceremony held on 10th May 2016. The Honorable EU Ambassador to Pakistan, Mr. Jean Francois Cautain with his delegation

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participated in the event and distributed certificates and tool kits to the passed out trainees

- TUSDEC has signed MoUs with more than 9 MFIs. Under the MoUs, MFIs will be facilitating TUSDEC-EU/TVET trainees in acquiring interest free loans for their start-up businesses at KP and FATA.

- Coordination with Bank of Khyber is in progress for interest free loans through Provincial Industries Department

- So far the placement ratio is around 50% of the total passed out candidates both in self and wage employment

- TUSDEC is regularly organizing for all phases, two to three days orientation session of TSPs (Technical Service Providers) for their capacity building. Objective of organizing the events was to enhance the understanding of TSPs on Agreement, Post training services, TUSDEC policies & practices and M&E framework for better implementation of TUSDEC-EU/TVET Program

- Provincial Facilitation Unit- (PFU) has established "Help Desk" for effective coordination among the TVET stakeholders and also acting as the placement bureau for the program trainees and employers. Help Desk has been developed at the provincial level for effective & prompt coordination & support for the TVET stakeholders and employers

- Awareness sessions with students of pilot, second and third phase students conducted for post training services

- Awareness sessions for career counselling conducted. Workshops were conducted on Business Plan Development and Know About Business (KAB) for pilot, first, second and third phase institutes trainers

- Monitoring and Evaluation activities are in progress and regular visits are made to institutes. M&E activities are also conducted in the FATA region institutes

- Three Job Fairs have been conducted for the passed out trainees of KP & FATA. First Job fair held at Lakki Marwat on 23rd Feb, 2015 and second job fair held at Town Hall Havelian on 8th October, 2015 and thirdly TUSDEC-PFU participated in Rozee.pk Parvaaz Job Fair in Pearl Continental Hotel and linked his students with various companies & exhibited its areas of intervention in KP & FATA to potential stakeholders

Regular update of activities on TUSDEC & TVET project website, press releases, case studies, success stories, job fairs & ceremonies of project are regularly uploaded on websites and dedicated Facebook page.

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Supporting TVET Sector in KPK, AJK and Sindh – ACTED (EU) € 682,039 Euro

TUSDEC implemented 'IMPROVING ACCESS, QUALITY AND SERVICE DELIVERY OF THE TVET SECTOR TO MARGINALIZED RUAL COMMUNITIES THROUGH INNOVATIVE APPROACHES' project to improve the TVET Education through innovative approaches in seven districts of Pakistan. The Project is funded by European Commission in partnership of ACTED and Pakistan Microfinance Network. TUSDEC implemented the technical part of the project. The project is working with 21 technical institutes/centres in all seven district and implemented ten (10) market demanded courses in these area. The aim of the project is to enhance Socio-economic development through the improvement of access to TVET services rural areas in Pakistan.

The project was implemented in three districts Kashmore, Kandkot & Jacobabad of North Sindh & Upper Dir, Lower Dir & Swat of KPK and District Muzaffarabad of AJK.

The project includes Assessment visits for development of demand driven curricula, Development of demand driven curricula, Procurement of Consumables for ToT, Training of Trainers – ToT, Development of trainee / trainer manuals, Procurement of tools, machinés and equipment, Upgradation of TVET institutes through establishment of Labs, Exposure visits of the trainees, Monitoring and Evaluation visits.

Based on the assessment visit of the institutes, TUSDEC developed market driven curricula for selected trades. However in KAB TUSDEC used ILO developed curricula provided by ACTED, TUSDEC successfully conducted Training of Trainers and trained 95 trainers in ten selected trades, TUSDEC procured tools and equipment for TVET institutes of the project areas. The purpose of procurement was to upgrade the existing capacity of TVET institutes through establishment of state of the art labs, TUSDEC developed trainer and trainee manuals covering the contents of the curricula. TUSDEC developed these manuals specifically in Urdu for better understanding of the trainees since they have not good command on English. TUSDEC organized exposure visits of the trainers. The purpose of the exposure visits is to increase their existing capacity, TUSDEC participated in 9th Expo Pakistan organized by TDAP in Karachi and showcased more than 300 products prepared by the trainees of the TVET institutes of Sindh region. The visitors appreciated the products prepared by the institutes and bought items during their visit and place orders. Refresher courses conducted by the TUSDEC curricula experts.

During the reporting year, TUSDEC conducted Career Counseling Sessions in all districts for the institute management, placement officers and trainers. Further TUSDEC conducted exhibitions for products of Dress Making, Hand/Machine Embroidery in Swat and Muzaffarabad and show cased products prepared by the beneficiaries of the TVET institutes.

TUSDEC completed all its duties and obligations and concluded this project in January 2016 with satisfactory performance.

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Skilltech International Karachi– PIDC Funded Project **Rs.22.5 Million**

TUSDEC established SkillTech International Karachi as its constituent unit in 2009 through funding from PIDC. The centre started its operations in April 2010. The centre aims at equipping the youth with international level technical skills to enable them compete in national and international job markets. The centre provides various short technical courses in specified engineering fields and also provides vocational and management trainings. The centre also prepares students for various exams of City & Guilds UK in Pakistan.

The centre has provided trainings to the corporate sector and students from engineering universities as well. The list includes some of the prestigious organizations like SUPARCO, Pakistan Air Force, Pakistan Navy, Maritime Technologies Islamabad, Pakistan Refinery, Amreli Steel, lucky Cement, Thal engineering etc., The students from different universities like NED University of Engineering & Technology, Sir Syed University of Engineering & Technology, NUST, Bahria university, DAWOOD college of Engineering, Indus University and Mehran University of Engineering also attended the courses. Many students from technical institutes have also attended our trainings to enhance their skills so they can compete in local and as well as international market.
SkillTech International Karachi has also secured Punjab Skills Development Fund (PSDF) project to train workforce in Electrical, Electronics and Industrial trades in City & Guilds UK certified curriculum. SkillTech International Karachi has also executed TVET programs given by BBSYDP & NAVTTC.

Due to a fast and cut-throat competition in the Karachi market, the centre is implementing multi throng marketing strategies and offering trainings in high tech and basic TVET courses. Since its inception SkillTech has trained around 2061 students in more than 63 different courses/trades. The centre has trained 356 students in the year 2015-16.

Skills for Job 2014-15 – PSDF Funded Project ***Rs. 4.00 Million***

TUSDEC has joined hands with Punjab Skills Development Fund (PSDF) in energy sector and has been successfully awarded a contract "SKILLS FOR JOB 2014-15" by PSDF to develop modern skills in the field of solar technology among youth of Punjab who want to pursue their careers as a solar technician or an entrepreneur in this field. Under the agreement, TUSDEC has trained 125 trainees on Solar Photovoltaic system in one and half year time period. The target areas for the trainings were districts of Lahore, Sheikhupura, Faisalabad, Chiniot, Sargodha, Gujranwala and Narowal. All the five batches of the training have been completed successfully.

The project objective was to generate more resourceful manpower and capacity building in Solar Photovoltaic sector in Pakistan. The project is also an attempt to support financially handicap fragment of our society, especially who cannot afford such trainings. These trainings were free of cost to financially weak but semi-skilled people. Under the project, Rs. 1500 stipend was also given to trainees to cover their transportation cost to the training facility. Trainees were also provided with free uniforms, books and bags.

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The graduates were equipped enough to set up their own workshops and service centres for solar equipment and to run their businesses.

Skills for Job 2015 – PSDF Funded Project ***Rs. 10.95 Million***

TUSDEC has implemented a project under Punjab Skills Development Fund (PSDF) Skills for Job 2015 scheme. The project has been implemented successfully through SkillTech International platform. Through this project TUSDEC has trained 100 unemployed youth of Bahawalpur, Bahawalnagar, Muzaffargarh, Lodhran, Rahimyar Khan, Khanewal and Vehari in internationally recognized trades of 'Industrial Automation' and ' Electronics Level II'. The trainings of the both first batch and 2nd batch has been concluded. The project will improve the livelihood prospects of the trainees and their region through international qualifications and better job prospects at the national and international sphere.

FATA Recovery Programme – UNDP Funded Project ***Rs. 27.12 Million***

TUSDEC has been awarded project by UNDP "FATA Recovery Programme" for rehabilitation of war torn area of Bara, Khyber Agency. Project signed in April 2016. Under this project TUSDEC will impart skills to 650 employable youth (males & Females) of Bara, Khyber Agency FATA in 06 demand driven trades.

Tender notice published for the procurement of 650 Tool Kits in the trades of Home Appliances Repair, Solar Technician, Building Electrician, Plumber, and Hand Embroidery & Jewelry Making. Technical and financial evaluation of the participated bidders is in progress. 06 Curriculas have been developed for 06 Trades. Institutes for male trainings is identified and being renovated.

Engineering Support Centres **Rs. 772.72 Million**

- ***Peshawar Light Engineering Centre (PLEC)*** ***Rs 265.14 Million***
- ***Light Engineering Upgradation Centre for SMEs in Balochistan (LEUC)*** ***Rs 250.57 Million***
- ***Hyderabad Engineering Support Centre (HESC)*** ***Rs 257.01 Million***

Engineering Support Centres (ESCs) were planned to be set up in Peshawar, Hub/Lesbela and Hyderabad with a project cost as shown above are sponsored by Asian Development Bank (ADB) funding through Government of Pakistan.

Engineering Support Centers (ESCs) shall provide the following services;

- Design, development and manufacture of tools, products and rapid prototyping
- Technical Services in conventional and CNC Machining, Heat Treatment, CAD/CAM and CAE solutions, Precision Grinding and Inspection
- Technical literature, books, journals, software, research on tools and technical assistance

Advanced technical & management training courses for manufacturing & production oriented industries will be offered. Advisory services for improvement of products, processes, quality and productivity will be provided through experts hired by the three ESCs.

For FY 2015-16, funds amounting to Rs. 50 Million each has were allocated for LEUC, HESC and PLEC respectively. However, funds released for LEUC Rs. 50M, HESC Rs.50M and PLEC Rs. 21.7M and Rs. 28.3 M for PLEC were not released in financial year 2015-16. The delay in release of funds is affecting the implementation of Projects.

The construction phase of Light Engineering Upgradation Centre for SMEs in Balochistan (LEUC) has been completed. All utilities are being installed. Sixteen Machines and equipment have been placed at site and remaining machines and equipment has been ordered to the successful bidders for the available funds. Office Equipment, Office Furniture and IT Equipment have been procured for available funds and placed at site.

For the establishment of Peshawar Light Engineering Centre (PLEC), construction phase has been completed. Seven Machines and equipment are placed at site; Commissioning and installation of machines is under progress. Procurement of remaining machinery and equipment is under process. Office and IT equipment's has been delivered at site.

For the establishment of Hyderabad Engineering Support Centre (HESC) Construction phase has been completed.

Thirteen Machines and equipment have been placed at site and remaining machinery and equipment has been ordered to the successful bidders for the available funds. Commissioning of machines at site is under progress. Office equipment, office furniture and IT equipment have been procured for available funds and placed at site as well.

Proposed Initiatives:

PC-1 for Technology Upgradation of Cutlery Industry **Rs 167.1 Million**

Upon detail analysis of cutlery production process by TUSDEC, it became apparent that reasons in the decline of Cutlery industry is that it has not been exposed to technological development and the benefits of mass production. Most of the firms are manufacturing their products by traditional manual methods. Automation is of great importance as the sector is facing intense price competition from the foreign manufacturers especially those from China and India. Alongside, practice of economies of scale is also lacking in the industry.

TUSDEC has proposed a project in order to enhance productivity and product quality of cutlery industry, through induction of latest technology in production by 6 common facility centers across the sector. The immediate goal is be to establish modern Tableware grinding and polishing units to increase efficiency in finishing process. This will reduce the manufacturers cost of production and improve the quality & standard of their products for acceptability at International level. At the same time, joint-production through consortiums will help the cluster in obtaining large orders from international markets. Total project estimated cost is PKR 167.1million that will be achieved through public-private partnership between Government of Pakistan and Pakistan Cutlery & Stainless Utensils Manufacturers and Exporters Association (PCSUMEA).

PC-1 for the Footwear Cluster Development through CAD/CAM & CNC Machining: Rs. 78.7 million

We possess incredible potential and immense human resources to improve upon our existing industrial clusters in Pakistan. One of the initiatives planned by the present government for economic revival is revival of Industry and Trade. Manufacturing is the third important sector of the economy accounting for about 18% of GDP and 13% of total employment. For the economy to grow and provide more jobs, the growth of the manufacturing sector (which has declined from an average of 7% to less than 3% in the past 5 years) must be restored. This includes but is not limited to our footwear industry.

Pakistan produces top quality footwear products for both casual and formal wear in vast quantities daily. This adds up to an annual production of 120 million pairs of footwear. Some of these are made to export while others find marketability locally. The constant annual rise of 2.25 % in our population indicates a further increase in the demand for footwear. This necessitates production of high quality products that cater to the tastes of a diversified range of consumers. Local shoe manufacturers are performing commendably despite the hurdles they face. Currently, the main trouble is the lack of local availability of individual components (for instance shoe lasts, soles and moulds) that are required in the creation of finished footwear. This is compounded by the absence of a proper training facility for finished footwear products. This means that manufactures have to import all these items; moulds, soles and lasts. In addition to this, when they hire new employees, they have to train them according to their trade and polish their skills before being able to avail their services. The result is overhead expenses which could be prevented were a product development centre (PDC) available for footwear manufacturing in Pakistan.

This is where TUSDEC comes in; we plan to establish a PDC which will provide training, prototyping and production outsourcing facilities to footwear manufacturers. We carried out a survey and after collectively gaining feedback from 24 stakeholders; we observed that the need for the PDC will benefit all who are invested in this sector; be it small/medium enterprises (SMEs) or the titans of the footwear industry. The proposed facility will be located in Lahore. The centre will be a pioneer in training and shoe, last, mould and sole designing/making services. TUSDEC will oversee the performance of the CFC for the duration of three years. After this time the monitoring will be handed over to the managerial staff of the PDC.

PC-1 has been shortlisted for MoIP's "Value addition in Industrial - Cluster Development Approach" Initiative

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PC-1 for Food Processing Unit **Rs. 167 Million**

Marketing of farm products in Pakistan in general and fruits in particular varies from commodity to commodity, market place to market place and is characterized by the presence of numerous intermediaries performing at various distribution stages, thus adding to marketing costs and directly affecting the price received by the farmers and paid by the consumers. The fruits peach, plum and apricot are highly perishable in nature and are often damaged during transportation from the orchards to markets. Hence the quality of these fruits begins to deteriorate from the moment of harvest and continues to decline throughout the marketing process.

It is common perception among the fruit growers that the production per hectare is less in our country as compare to the advanced and developed nations. There are many factors limiting the profitability of cultivation of fruit orchards such as yield, input costs, availability of marketing facilities and absence of any incentive from the government to farmers. Other parameters like land, environment of the locality, weather conditions and the location where buying and selling take place also affect the profitability of growing fruits orchards. In order to enhance the profitability of this sector, TUSDEC plans on setting up a Fruits Processing Plant in Swat to cater to the preservation and processing needs of the horticulture sector in the KPK region.

The establishment of a Fruits Processing Plant, as envisioned by TUSDEC, can benefit from abundant supply of high quality fruits in the valley and limited existing fruit processing facilities. The goal is to set up a Fruits Processing Plant to process / preserve fresh fruit (namely apples, apricots, peaches, pears and plums) in order to increase their shelf life and marketability. The finished product of the plant will be supplied to the fruit markets of major cities of Pakistan while export quality products will be shipped to the international markets. The processing plant will be used to process the fresh fruit collected from the KPK region.

PC-1 for the Technical Institute of Surgical Instruments **Rs 38.91 Million**

Sialkot city is considered as a major industrial hub of Punjab. A vast majority of the manufacturing units in the city belong to the category of SMEs. The city is known for wide variety of products including Sports Goods, Leather Products and Surgical & Dental Products.

Over the years, the Surgical & Dental industry has been confronting challenges on multiple fronts including, power crisis, reduction in demand, dearth of skilled labor and stiff competition from China & India. TUSDEC carried out need assessment study of the surgical sector of Sialkot in July 2014 to define the problems being faced in Upgradation required to meet upcoming demands and current & required resources. Findings from these need analyses justify the lack of skilled labor in surgical industry. Also in meeting with SIMAP (Surgical Instrument Manufacturers Association of Pakistan), the members highlighted the Declining level of skilled workers entering into the industry

To mitigate the impact of skill shortage confronting the Surgical & Dental Industry of Pakistan, Technology Upgradation and Skill Development Company (TUSDEC) develops a PC-1 for the establishment of technical training facility for the surgical instrument industry. This center will act

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as a catalyst for the enhancement, Up-gradation and Strengthening Capacity of the Surgical Sector of Sialkot with the focus on enhancement of Skill Development of Training Services.

SIMAP representatives would be actively involved at every stage. To ensure a high-level participation from all stakeholders the training program is designed in a manner that every trainee will spend a significant portion of the training period in the industry, where the trainee would be getting hands on practical experience in the industry. The trainees upon completion of the training program will be empowered by skills which would enable them to improve their income and ultimately enhance their livelihood.

PC1 for Development of Surgical Instrument Cluster through Skill Enhancement has been submitted to Ministry of Industries and Production for consideration

PC-1 for Testing Centre for Construction & Allied Industry: Rs 62.51 Million

Construction is the second largest industry in Pakistan's economy after agriculture. Approximately 30-35% of employment is directly or indirectly affiliated with the construction industry. This industry plays an important role in developing the economy and reducing unemployment in Pakistan. Quality in the construction industry has been a foremost problem in Pakistan. It has been reflected in certain serious accidents in the past like collapse of high rise building in Islamabad during an earthquake in 2005 and collapse of a highway bridge in Karachi in 2010 which resulted in heavy loss of life and assets. These incidents have raised many questions related to the quality of cement and other allied materials that were used in the construction. Cement has a significant position in the construction industry and used as a binding material in the construction. Pakistan's Cement Industry is showing healthy recovery after waging a long struggle to survive in the past decade. The investment in the sector has jumped $ 38.3 billion at the end of 2014-15[1]. Domestic demand which was 10.98 Million Tons in 2002-03 climbed to 28.2 Million Tons at the end of 2014-15, while export increased from 0.472 to 7.193 Million Tons from 2002-03 to 2014-15. This situation generated confidence about the future prospects of cement industry in the country. The increase in demand of cement in the last decay is due to many reasons like reconstruction of earthquake affected areas, continuous export to Afghanistan, heavy investment in real estate business, construction in public and private sectors and some mega projects. But, increased demand has also raised the issue of raw-materials quality in construction industry as some mega projects of national interest e.g. China-Pakistan Economic Corridor, Diamer Bhasha Dam, Neelum Jhelum Hydropower project are being carried out which cannot tolerate low quality. China-Pakistan Economic Corridor (CPEC) is a mega infrastructure based project involving $46 billion USD of investment, that link Gwadar Port, Pakistan to Kashgar, China with network of highways, railways and pipelines. This project demands lot of infrastructure built up that will automatically boost the local construction and related industries including cement, iron, steel etc. Any compromise on quality in this type mega project may not only result in huge monetary loss but loss of valuable lives too.

This situation provides a base for the dedicated center which may act as hub to offer testing

[1] APCMA

solutions under one roof and act as a standardization body for construction & cement industry. Keeping in view the above scenario, TUSDEC developed a PC-1 for new testing services to construction & cement as per BSS/ASTM/PSS/EN/IS/SLS/ISO to ensure product quality according to national/international standards.

PC1 for the Value Addition in Construction Industry has been submitted to Ministry of Industries and Production for consideration

Updated PC-1 for the Enhancement, Up-gradation and Strengthen Capacity of Existing Fan Development Institute: Rs. 195 Million

The Fan Sector of Pakistan emerged as an area which if worked upon could contribute towards long-term social and economic development of the country. The interaction with the members of the Fan Association helped in identifying the potential areas of joint cooperation and Up-gradation of present Fan Development Institute (FDI).

The industrial tour provided a unique experience to the participants for sharing good practices which could be replicated to improve the efficiency, production and competency in the cluster. Several Grey areas were identified including the fact that the sector suffers from low levels of productivity, inadequate technology upgrade and shortage of skilled staff. During the field tour it was also identified that those firms which have large local market demand are better at innovation and new designs as compared to those firms which are solely focused on export markets. The key stakeholders helped in understanding and identifying the major bottlenecks at Fan Development Institute (FDI) and a dire need was conveyed by the members of the PEFMA to upgrade the FDI. The troubled area identified were to be addressed through the PC-1 with focus on improving,

- Inconsistent Quality and Certification
- Difficulty in getting adequately skilled manpower
- Empowering PEFMA to develop domestic conformance standards
- Up-gradation of FDI's testing laboratory so that Pakistani fan can conform to quality standards of Saudi Arabia and International Electro technical Commission (IEC)

PC1 for Enhancement, Up-gradation and Strengthen Capacity of Existing Fan Development Institute has been sent to to Ministry of Industries and Production for consideration.

Updated PC-1 for the Skill Development for Enhancing Productivity and Competitiveness of Fan Sector: Rs. 55.2 million

Pakistan fan industry can be summarized in four major clusters; Gujarat, Gujranwala, Lahore and Karachi. Gujarat and Gujranwala owns 98% of the total fan production in Pakistan. This industry produces quantity of over 10 million fans per year with worth of PKR 18 billion. This figure implies that sector total contribution to National GDP is 0.27%.Fan industry of Pakistan lies in the category of domestic fans in terms of production. It includes ceiling fans that are 63%,

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pedestal fans that are 32 % and bracket that are 5% of the total production. Fan manufacturing sector is categorized as light engineering sector and is in existence form the time of Independence.

Industry comprises of 450 companies, in which only 6 companies can be categorized as large scale manufacturing units. These units have in-house capacities to conduct most of the production processes inside the unit and are also characterized with higher levels of investment and modern technology. 40-50 companies can be categorized as medium sized manufacturing units. These units have in-house capacities to conduct major portion of the production process. However, these units lack adequate finance for investment and access to modern technology. The remainder can be categorized as small sized manufacturing units. These units have small operations, high degree of outsourcing and outdated machinery. The cluster offers direct employment to more than 35,000 people. This scale of employment is far below its potential as the industry currently faces a seasonal demand. Employment opportunities only exist for 5-6 months and as a result workers are not attracted.

Over the previous decade, the fan cluster has significantly prospered in terms of exports and value. Pakistan is now exporting around US$35 million worth of fans every year with contribution to national exports 0.20%. Globally, Japan, Hong Kong, China, Korea, Taiwan, India and Pakistan are the front line manufacturers of the fan market. Japan is covering the high quality segment of the fan market. Korea and Hong Kong are targeting the middle segments while India, China. Taiwan and Pakistan are targeting comparatively low quality products at cheaper prices.

Despite of high level of growths shown by this sector in the recent years it suffers from low level of productivity, inadequate technology upgrade and lack of skilled workforce. This is why the fan industry is not able to compete with international market. The firms do not have any capacity to measure their performance against targets and production standard due to lack in understanding of lean management tools at factory level. The fan sector is also facing shortage of trained workforce in different trades for the future of cost controlled manufacturing operations. Fast Track capacity building of fan industry is required to meet the challenges of ever changing demand of international markets.

To cop up with the lack of skilled workforce, Development of a Technical Training Facility is proposed for fan Industry specific requirements. The primary focus of this institution will be training of existing work force and upgradation of entrepreneurial skills.

PC1 for Development of Surgical Instrument Cluster through Skill Enhancement has been submitted to Ministry of Industries and Production for consideration

Updated PC-1 for Three (3) Additional Advanced CAD/CAM Training Centres Gujranwala, Faisalabad, and Hyderabad: Rs. 382 Million

The PC-1 for setting-up three additional CAD/CAM Centres was proposed after the successful establishment and operations of 5 (five) CAD/Cam Centres in Lahore, Karachi, Sialkot, Quetta and Peshawar. The additional three centres were a part of the PC-1 proposed for establishing

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8 (Eight) Advanced CAD/CAM Centres. The objectives are to:

- Provide multidisciplinary training in design using CAD/CAM tools; Help enhance productivity and competitiveness in local and international markets;
- Bridge the 'Digital Divide' by changing the industrial environment from analogue to digital;
- Serve as a Common Facility Centre (CFC) for turnkey product, part, process design and development;
- Overcome shortage of CAD/CAM trained human resource;
- Lead the way to indigenous product design;
- Reduce reliance on foreign technology, tools and designs;
- Add innovation into a product and reduce 'time to market'

PC1 has been prepared, submitted and signed by Secretary MOIP, Government of Pakistan and sent to Planning Commission for CDWP consideration.

Updated PC-1 for Establishment of Advanced CAD/CAM Training Centre in Rawalpindi: Rs. 59.97 Million

Lack of training centers imparting technical education in Pakistan as compared to other developing countries in the region. The industries are still using old techniques for drafting and design. Moreover, manpower required to work with or teach advanced CAD/CAM technologies is not available.

Due to absence of a training and skill development centers/institutes in the Rawalpindi clusters, there is a great shortage of educated, certified and professionally trained/skilled sector workforce.

This PC-1 follows on the success of establishment and operation of 5 (five) of the originally proposed 8 (Eight) Advanced CAD/CAM Centres and proposes to set-up additional centre in Rawalpindi.

The project aims to:

- Provide multidisciplinary training in design using CAD/CAM tools; Help enhance productivity and competitiveness in local and international markets;
- Bridge the 'Digital Divide' by changing the industrial environment from analogue to digital;
- Serve as a Common Facility Centre (CFC) for turnkey product, part, process design and development;
- Overcome shortage of CAD/CAM trained human resource;
- Lead the way to indigenous product design;

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- Reduce reliance on foreign technology, tools and designs;
- Add innovation into a product and reduce 'time to market'

PC1 has been prepared, submitted and signed by Secretary MOIP, Government of Pakistan and sent to Planning Commission for DDWP consideration.

Updated PC-1 for National Institute of Solar Energy: Rs 521 Million

To reduce its dependency on imported oil, Pakistan aims to add small and micro hydropower plants as well as solar and wind energy to its existing energy mix of nuclear, hydro, coal, gas and oil. According to international estimates, energy-sector investments are set to double over the next twenty-five years.

Solar power will play a central role in the coming years to meet Pakistan's energy needs, thus the rapid growth in solar sector would require an extensive pool of competent manpower (knowledgeable and skilled) to design, install and maintain the Solar systems.

The availability of trained manpower is a pre-requisite for Pakistan to be able to generate significant amount of electric power through solar energy. Various reports suggest that approximately 20,000 to 50,000 trained people would be required in the area of solar technologies by the year 2020, of which about 5,000 would be at the graduate and post-graduate levels. Already, we are witnessing a severe shortage of available manpower in the PV industry. The National Centre for Solar Education and Research aims to provide the platform to meet this need.

The Solar Training centre will provide training of solar energy and will promote and create the awareness of advanced solar technologies in other parts of the country.

- Produce qualified graduates to fill the gap between growing industry demand for renewable energy experts and the skills currently available in the Pakistani job market.
- Provide education and training to those working in the renewable energy sector.
- Foster a research platform on renewable energy

PC1 for the National Institute of Solar Energy has been submitted to Ministry of Industries and Production for consideration

OPERATING RESULTS

Your Company has a net Deficit of Rs. 36.21 million for the year 2015-16 as compared to net deficit of Rs. 31.3 million in 2014-15.

The key financial figures have been tabulated as follows

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	Year Ended June 30, 2016	Year Ended June 30, 2015
	Rupees	
(Deficit)/ Surplus) before Tax	(36,210,169)	(31,300,176)
Taxation		
Current Year	-	-
Surplus(Deficit) after Tax	**(36,210,169)**	**(31,300,176)**

EARNING PER SHARE

Basic (Loss)/ earning per share come at Rs (2.41) - Year 2015: Rs. (2.08)

DIVIDEND

Your Company is a non-profit organization and all surplus earned would be employed by your Company to meet its objectives. The Securities and Exchange Commission Pakistan while granting license u/s 42 of the Companies Ordinance, 1984 has also required that no payment would be made to the members; therefore, your Company is not required to declare any dividends.

OUTSTANDING STATUTORY PAYMENTS

There are no outstanding payments due on account of taxes, duties, levies and charges except the current year tax liability and amounts of normal and routine nature.

MEETINGS OF BOARD OF DIRECTORS

During the year, four meetings of the Board of Directors were held. Attendance by each Director at the board meeting is as under:

S.N	Name	Eligibility	Attended
1	Additional Secretary / Joint Secretary, Ministry of Industries and Production	4	2
2	Secretary / Joint Secretary, Ministry of Finance	4	1

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A company set up under Section 42 of the Companies Ordinance, 1984 having share capital

S.N	Name	Eligibility	Attended
3	Chief Executive Officer, SMEDA	4	2
4	Mr. Rana Nasir Mehmood	4	4
5	Mr. Iftikhar Ahmad Jogezai	4	2
6	Mr. Nooruddin F. Daud	4	2
7	Dr. Mohammad Aslam	4	-
8	Prof. Dr. Younis Javed	4	-
9	Mr. Abdul Malik	3	-
10	Mr. Muhammad Ilyas	1	1
11	Chief Executive Officer, TUSDEC	4	4

The Directors who could not attend a Board Meeting were granted leave of absence in accordance with the law.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2016 is annexed to the Annual Report.

HOLDING COMPANY

Pakistan Industrial Development Corporation (Private) Limited has 99.99% holding of the company.

FINANCIAL REPORTING FRAMEWORK:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, its cash flows and its changes in equity.
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement

- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed
- No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report
- The system of internal control is sound in design and has been effectively implemented and monitored
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored
- The appointment of chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Public Sector Company as well as in line with the best practices
- The Board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance
- There are no significant doubts about the company's ability to continue as a going concern
- key operating and financial data of last six years has been summarized

AUDITORS

The present auditors M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit is comprised of following Non-Executive Directors. The Chairman of the Committee being an Independent Director

- Mr. Iftikhar Ahmed Jogezai
- Mr. Zarar Haider
- Representative of Ministry of Finance
- Dr. Mohammad Aslam Khan
- Mr. Nooruddin F Daud (Tamgha-i-Imtiaz-Civil)

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A company set up under Section 42 of the Companies Ordinance, 1984 having share capital

SIX YEAR FINANCIAL DATA

	2016	2015	2014	2013	2012	2011
						(Rupees in Millions)
Assets						
Non-current assets	34.91	44.81	54.21	7.76	10.6	13.13
Current assets	536.11	468.36	376.17	254.46	237.41	231.14
Equity and liabilities						
Share capital and reserves						
Share capital	150	150	150	150	150	150
Accumulated deficit	(103.7)	(69.57)	(38.86	(135.3)	(118.5)	(110.15)
	46.29	80.43	111.14	14.66	31.51	39.85
Non-current liabilities	481.19	410.79	294.23	77.67	100.89	93.36
Current liabilities	43.54	21.95	25.01	169.89	115.6	111.05
Revenue	231.97	177.01	98.31	21.9	27.51	15.96
Operating expenditure	268.18	208.31	61.37	38.75	35.85	43.19
(Deficit)/Surplus	(36.21)	(31.3)	36.93	(16.85)	(8.34)	(27.23)

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation of the support of the shareholders, Government agencies and other parties.

The Board would like to express their appreciation for the excellent services and the efforts being rendered by the executives and staff members of your Company.

Chief Executive Officer | **Director**

Date: 08 November 2016

Building a better working world

TUSDEC

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY (TUSDEC)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

EY Ford Rhodes
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Technology Upgradation And Skill Development Company ("the Company")** as at **30 June 2016,** the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion:

   i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2016** and of the deficit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

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

Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 21 November 2016

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Ordinance, 1984)
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)	2014 Rupees (Restated)
ASSETS				
Non-current assets				
Property and equipment	4	32,515,901	42,973,442	53,906,932
Intangibles	5	1,191,311	1,080,548	-
Long term investments	6	60	60	60
Long term deposits	7	1,204,438	754,438	300,000
		34,911,710	44,808,488	54,206,992
Current assets				
Projects assets	8	377,365,687	253,701,638	110,396,128
Trade debts	9	4,998,714	5,127,514	4,760,514
Short term advances	10	550,733	292,789	-
Short term prepayments	11	1,431,164	1,185,549	3,836,163
Interest accrued		129,214	424,565	347,344
Other receivables		55,497	798,042	1,119,978
Short term investments	12	97,000,000	155,000,000	130,000,000
Tax refunds due from the Government	13	8,844,235	8,470,409	7,913,260
Cash and bank balances	14	45,735,781	43,359,203	117,798,444
		536,111,025	468,359,709	376,171,831
		571,022,735	513,168,197	430,378,823
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital				
15,000,000 (2015: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000	150,000,000
Issued, subscribed and paid-up capital	15	150,000,000	150,000,000	150,000,000
Accumulated deficit		(103,710,806)	(69,570,566)	(38,864,509)
		46,289,194	80,429,434	111,135,491
Surplus on revaluation of property and equipment	16	11,338,473	13,408,400	14,002,519
Project development fund	17	25,249,684	25,019,341	7,988,362
Non-current liability				
Deferred grant	18	444,605,766	372,360,754	272,239,623
Current liabilities				
Trade and other payables	19	6,200,468	4,393,355	5,270,705
Project liabilities	20	37,339,150	15,949,229	13,087,306
Deferred income		-	1,607,684	6,654,817
		43,539,618	21,950,268	25,012,828
		571,022,735	513,168,197	430,378,823
Contingencies and commitments	21	-	-	-

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Ordinance, 1984)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)
Income			
Income from services	22	**41,823,176**	34,806,555
Amortization of grant related to income	22	**182,393,289**	130,907,702
		224,216,465	165,714,257
Expenditures			
Administrative and general expenses	23	**85,791,476**	77,406,807
Projects expenses	24	**182,393,289**	130,907,702
		268,184,765	208,314,509
		(43,968,300)	(42,600,252)
Other income	25	**7,758,131**	11,300,076
Deficit before taxation		**(36,210,169)**	(31,300,176)
Taxation	26	**-**	-
Deficit for the year		**(36,210,169)**	(31,300,176)

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Ordinance, 1984)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees (Restated)
Deficit for the year	(36,210,169)	(31,300,176)
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	2,069,927	594,119
Total other comprehensive income	2,069,927	594,119
Total comprehensive income for the year	(34,140,242)	(30,706,057)

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Ordinance, 1984)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(36,210,169)	(31,300,176)
Adjustment for non cash items:			
Gain on disposal of property and equipment		(84,589)	-
Interest income		(7,528,359)	(10,995,175)
Depreciation on property and equipment	4	13,397,095	12,998,579
Amortization on intangibles	5	33,688	-
Amortization of deferred grant	18	(51,909,956)	(95,892,900)
Amortization of deferred income		(1,607,684)	(5,047,133)
		(47,699,805)	(98,936,629)
Cash used before working capital changes		(83,909,974)	(130,236,805)
Changes in working capital			
Decrease / (increase) in trade debts		128,800	(367,000)
Decrease in other receivables		742,545	321,936
Increase in short term advances		(257,944)	(292,789)
(Increase) / decrease in short term prepayments		(245,615)	2,650,614
Increase in projects assets		(123,664,049)	(143,305,510)
Increase / (decrease) in projects liabilities		21,389,921	2,861,923
Increase in trade and other payables		1,807,113	(877,350)
		(100,099,229)	(139,008,176)
Cash used in operations		(184,009,203)	(269,244,981)
Interest income received		7,823,710	10,917,954
Taxes paid		(373,826)	(557,149)
		7,449,884	10,360,805
Net cash used in operating activities		(176,559,319)	(258,884,176)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(3,320,184)	(2,065,089)
Additions in intangibles	5	(144,451)	(1,080,548)
Additions in long term deposits		(450,000)	(454,438)
Proceeds from sale of property and equipment		465,221	-
Net cash used in investing activities		(3,449,414)	(3,600,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Funds transferred to project development fund		230,343	17,030,979
Grant received		124,154,968	196,014,031
Net cash used in financing activities		124,385,311	213,045,010
Net decrease in cash and cash equivalents		(55,623,422)	(49,439,241)
Cash and cash equivalents at the beginning of the year		198,359,203	247,798,444
Cash and cash equivalents at the end of the year		142,735,781	198,359,203

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

(A Company registered under section 42 of the Companies Ordinance, 1984)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Issued subscribed and paid-up capital	Accumulated (deficit) / surplus	Total
	----------------------	Rupees	----------------------
Balance at 01 July 2013	150,000,000	(135,335,401)	14,664,599
Total comprehensive income	-	96,470,892	96,470,892
Balance at 01 July 2014	150,000,000	(38,864,509)	111,135,491
Total comprehensive income	-	(30,706,057)	(30,706,057)
Balance at 30 June 2015	150,000,000	(69,570,566)	80,429,434
Total comprehensive income	-	(34,140,240)	(34,140,240)
Balance at 30 June 2016	150,000,000	(103,710,806)	46,289,194

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Ordinance, 1984)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. LEGAL STATUS AND ITS OPERATIONS

Technology Upgradation and Skill Development Company (TUSDEC) or ("the Company") is a company, limited by guarantee having share capital, incorporated in January 2005 and licensed under section 42 of the Companies Ordinance, 1984. The principal activity of TUSDEC is to upgrade technology and skills of key and strategic industrial clusters and connect Pakistan to the global value chain. TUSDEC is subsidiary of Pakistan Industrial Development Corporation (Private) Limited (PIDC). The principal office of TUSDEC is located at State Cement Corporation Building, Kot Lakhpat Lahore, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

As per SRO 929(I) / 2015 dated 10 September 2015 and SRO 413(I) / 2016 dated 11 May 2016 issued by Securities and Exchange Commission of Pakistan (SECP), the Company is required to follow IFRS issued by IASB as notified by SECP and accounting standards for Non Profit Organisations issued by Institute of Chartered Accountants of Pakistan.

Previously, the Company was preparing its financial statements by complying with the Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs).

As per the said notification, the Company has adopted all applicable IFRS for the first time for the year ended 30 June 2016. However, the application of revised accounting framework does not have any significant impact on these financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for property and equipment which are stated at fair value.

2.3 New, amended standards and interpretations which became effective

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 – Separate Financial Statements – (Amended)
IAS 28 – Investment in Associates and Joint Ventures – (Amended)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements. 71

2.4 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Property and equipment (3.1)
- Employee Benefits (3.6)
- Provisions (3.8)
- Taxation (3.10)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Property and equipment are stated at revalued amount, being the fair value at the date of their revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on additions is charged from the month in which the asset is put to use and no depreciation is charged in the month of disposal. Where impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Depreciation on property and equipment is charged to income and expenditure account by applying straight line method so as to write off the value of the assets over their estimated useful lives at the rates given in note 4.

Surplus on revaluation of property and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value.

The asset's residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Major improvements and modifications are capitalized and the assets so replaced, if any, are retired.

Profit or loss on disposal of property and equipment represented by the difference between the sale proceeds and the carrying amount of the asset is included in income and expenditure account.

3.2 Capital work-in-progress (CWIP)

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to fixed assets as and when assets are available for use.

3.3 Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non - financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

Impairment losses are recognized in income and expenditure account.

3.4 Trade and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.5 Investments - Held to maturity

Investments with a fixed maturity that the company has the intent and ability to hold to maturity are classified as held-to-maturity investments. These are initially recognized on trade date at cost and derecognized by the Company on the date it commits to sell them off. At each balance sheet date held-to-maturity investments are stated at amortized cost using the effective interest rate method.

3.6 Employee benefits

Defined contribution plan

The Company operates a recognized provident fund for all its regular employees. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 6.67% of the salary. Obligation for contributions to defined contribution plan is recognized as an expense in the income and expenditure account as and when incurred.

Compensated absences

The Company provides for accumulating compensated absences up to two years, when the employees render services that increase their entitlement to future compensated absences.

3.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.8 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.9 Income recognition

Income represents the fair value of the consideration received or receivable for services rendered, net of discounts. Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of Income, and the associated cost incurred, or to be incurred, can be measured reliably.

Income from project implementation (service fee) is recognized over the period for which the activities on projects are going on, based upon percentage of completion method.

Income on investment is recognized on accrual basis and profit on saving bank accounts is recognized on receipt basis.

3.10 Taxation

Current

No provision for taxation has been charged as the Company is exempt from tax under section 100c of Income Tax Ordinance, 2001 by the relevant tax authorities.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all 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.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cash at banks on deposit accounts and short term highly liquid instruments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

3.12 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual right that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income and expenditure account.

3.13 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on net basis, or to recognize the assets and to settle the liabilities simultaneously.

3.14 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture:	01 January 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard	IASB effective date (Annual periods beginning on or after)
IFRS 9 -Financial Instruments: Classification and Measurement\	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 -Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

		Note	2016 Rupees	2015 Rupees
4.	**PROPERTY AND EQUIPMENT**			
	Operating fixed assets	**(4.1)**	**32,515,901**	42,723,442
	Advances against capital expenditure	**(4.2)**	-	250,000
			32,515,901	42,973,442

4.1 Operating fixed assets

PARTICULARS	2016							
	COST			DEPRECIATION			VALUE AS ON 30 JUNE 2016	RATE %
	As on 01 July 2015	Additions/ (deletions)	As on 30 June 2016	As on 01 July 2015	For the year	As on 30 June 2016		
Owned:	Rupees							
Building improvements	59,768,575	211,464	59,980,039	45,564,510	1,612,553	47,177,063	12,802,976	10
Office equipment	6,265,832	517,444	6,779,676	2,968,392	396,093	3,363,765	3,415,911	10
		(3,600)			(720)			
Computer equipment	77,912,236	2,744,443	80,464,459	62,894,672	9,418,425	72,173,629	8,290,830	33
		(192,220)			(139,468)			
Furniture and fixtures	9,749,781	96,835	9,846,616	5,529,381	486,531	6,015,912	3,830,704	10
Vehicles	188,792,118	-	188,292,118	182,808,145	1,483,493	184,116,638	4,175,480	20
		(500,000)			(175,000)			
Library books	250,775	-	250,775	250,775	-	250,775	-	20
Total	342,739,317	3,570,186	345,613,683	300,015,875	13,397,095	313,097,782	32,515,901	
		(695,820)			(315,188)			

PARTICULARS	2015							
	COST			DEPRECIATION			VALUE AS ON 30 JUNE 2015	RATE %
	As on 01 July 2014	Additions/ (deletions)	As on 30 June 2015	As on 01 July 2014	For the year	As on 30 June 2015		
Owned:	Rupees							
Building improvements	58,871,680	896,895	59,768,575	44,022,998	1,541,512	45,564,510	14,204,065	10
Office equipment	6,248,157	17,675	6,265,832	2,595,466	372,926	2,968,392	3,297,440	10
Computer equipment	77,252,057	660,179	77,912,236	53,815,154	9,079,518	62,894,672	15,017,564	33
Furniture and fixture	9,259,441	490,340	9,749,781	5,083,251	446,130	5,529,381	4,220,400	10
Vehicles	188,792,118	-	188,792,118	181,249,652	1,558,493	182,808,145	5,983,973	20
Library books	250,775	-	250,775	250,775	-	250,775	-	20
Total	340,674,228	2,065,089	342,739,317	287,017,296	12,998,579	300,015,875	42,723,442	

4.2 This represented advances in respect of hardware for the new software. The amount has been transferred to computer equipment.

4.3 The property and equipment of the Company were revalued on 30 June, 2014 by an independent accredited valuer Empire Enterprises (Pvt.) Ltd- (Valuers, Engineers & Surveyors). The valuation was based on comparable market transactions that consider sales of similar properties that have been transacted in open market. The impact of valuation had been incorporated in financial statements and had resulted in an increase in revaluation surplus of Rs. 14,002,518 over the written down value of Rs. 5,502,647 of these assets as on 30 June 2014 (total revalued amount being Rs. 19,505,166). The details of revalued amounts are as follows:

	2016	2015
	Rupees	Rupees
Building improvements	**6,372,417**	7,168,976
Office equipment	**1,872,997**	2,107,126
Computer equipment	**960,969**	1,895,490
Furniture and fixtures	**861,446**	969,131
Vehicles	**3,175,479**	4,233,972
	13,243,308	16,374,695

Had the property and equipment not been revalued, the total carrying amounts at 30 June would have been as follows:	2016 Rupees	2015 Rupees
Building improvements	385,227	795,332
Office equipment	1,330,646	1,706,863
Computer equipment	81,704	244,748
Furniture and fixtures	107,258	214,250
Vehicles	-	5,102
	1,904,835	2,966,295

4.4 As on 30 June 2016, management expects that fair value of the fixed assets is not materially different from their net book value.

5. INTANGIBLES

Software	(5.1)	1,191,311	-
Advances against capital expenditure	(5.2)	-	1,080,548
		1,191,311	1,080,548

5.1 Software

PARTICULARS	2016							
	COST			AMORTIZATION			VALUE AS ON 30 JUNE 2016	RATE %
	As on 01 July 2015	Additions/ (deletions)	As on 30 June 2016	As on 01 July 2015	For the year	As on 30 June 2016		
	Rupees							
Software	-	1,224,999	1,224,999	-	33,688	33,688	1,191,311	33
Total	-	1,224,999	1,224,999	-	33,688	33,688	1,191,311	

5.2 This represented advances against software.

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6. LONG TERM INVESTMENTS

	Note	2016 Rupees	2015 Rupees
Investments in associates - at cost:			
Gujranwala Tools, Dies and Moulds Centre (GTDMC)	**(6.1)**	**30**	30
Ceramics Development and Training Complex (CDTC)	**(6.2)**	**30**	30
		60	60

6.1 This represents 3 (2015:3) ordinary shares of Rs. 10 each in GTDMC. The Company holds 0.003% (2015: 0.003%) ordinary shares in GTDMC.

6.2 This represents 3 (2015:3) ordinary shares of Rs. 10 each in CDTC. The Company holds 0.003% (2015: 0.003%) ordinary shares in CDTC.

7. LONG TERM DEPOSITS

	Note	2016 Rupees	2015 Rupees
These include deposits against:			
Rent		**450,000**	300,000
UNDP Project-Training & Consultancy services		**300,000**	-
Office		**381,883**	381,883
Others		**72,555**	72,555
		1,204,438	754,438

8. PROJECTS ASSETS

	Note	2016 Rupees	2015 Rupees
Projects in progress	(8.1)	**308,841,518**	167,485,322
Advances to suppliers	(8.2)	**63,991,498**	79,622,308
Prepayments and other receivables	(8.3)	**4,532,671**	6,594,008
		377,365,687	253,701,638

8.1 Projects in progress

	Note	2016 Rupees	2015 Rupees
Agency for Technical Coorperation and Development (ACTED)	(8.1.1)	**1,032,254**	1,032,254
European Commission (EC)	(8.1.1)	**11,835,643**	10,329,543
Engineering Support Centres(ESC)	(8.1.1)	**287,556,075**	147,979,270
Project Monitoring Unit(PMU)	(8.1.1)	**1,246,851**	1,197,310
Skill Tech	(8.1.1)	**7,170,695**	6,946,945
		308,841,518	167,485,322

8.1.1 Projects in progress

	ACTED	EC	ESC	PMU	Skill Tech	ACTED	EC	ESC	PMU	Skill Tech
	2016					2015				
	Rupees					Rupees				
Opening balance as on 1 July	1,032,254	10,329,543	147,979,270	1,197,310	6,946,945	1,032,254	10,171,208	68,253,636	999,290	6,946,945
Additions:										
Capital expenditure										
Building improvements	-	-	280,848	-	-	-	62,900	46,740,832	-	-
Office equipment	-	139,400	138,843	30,596	-	-	52,935	539,959	198,020	-
IT Infrastructure	-	873,500	2,478,460	-	223,750	-	-	616,627	-	-
Furnitures & Fixtures	-	493,200	2,996,920	18,945	-	-	42,500	-	-	-
Vehicles	-	-		-	-	-	-	-	-	-
Machinery and equipment	-	-	110,207,684	-	-	-	-	19,166,200	-	-
Other assets	-	-	5,598,960	-	-	-	-	2,383,785	-	-
	-	1,506,100	121,701,715	49,541	223,750	-	158,335	69,447,403	198,020	-
Operational expenditure										
Employees cost	-	-	5,314,261	-	-	-	-	589,326	-	-
TUSDEC / PMU service fee	-	-	8,000,000	-	-	-	-	6,695,000	-	-
Building rent	-	-	-	-	-	-	-	160,000	-	-
Vehicle running and maintenance cost	-	-	-	-	-	-	-	1,877,854	-	-
Electricity, fuel and power	-	-	60,052	-	-	-	-	-	-	-
Consumables	-	-	176,867	-	-	-	-	-	-	-
Advertisement	-	-	347,213	-	-	-	-	921,265	-	-
Other expenses	-	-	3,976,697	-	-	-	-	34,786	-	-
	-	-	17,875,090	-	-	-	-	10,278,231	-	-
Closing as on 30 June	1,032,254	11,835,643	287,556,075	1,246,851	7,170,695	1,032,254	10,329,543	147,979,270	1,197,310	6,946,945

8.2 Advances to suppliers	Note	2016 Rupees	2015 Rupees
EC:			
TEVTA-KPK	(8.2.1)	6,281,250	-
Others		-	40,650
		6,281,250	40,650
ESC:			
KTD (Private) Limited	(8.2.2)	39,291,026	33,142,005
K.M. Enterprises	(8.2.2)	16,412,908	46,060,500
Torjans	(8.2.2)	1,000,000	-
Others	(8.2.2)	395,226	-
		57,099,160	79,202,505
PMU:			
Others		611,088	379,153
		63,991,498	79,622,308

8.2.1 This represents the amount paid to Technical Education and Vocational Training Authority (TEVTA) Khyber Pakhtunkhwa (KPK) against the agreement as 50% of total agreement fee to carry out technical and vocational training under the ambit of European Commission (EC) project in FATA region.

8.2.2 These represent the amounts paid to suppliers as advance payment for the import of machinery and equipment as a commercial importer which is backed by bank guarantee.

8.3 PREPAYMENTS AND OTHER RECEIVABALES

	2016	2015
ACTED:		
Other receivables	-	124,260
EC:		
Prepayments	1,521,941	1,161,282
Other receivables	953,555	2,790,602
	2,475,496	3,951,884
NAVTTC:		
Other receivables	4,579	-
UNDP:		
Other receivables	1,888	-
PMU:		
Prepayments	74,189	76,695
Other receivables	529,775	410,820
	603,964	487,515
ESC:		
Prepayments	143,544	-
Other receivables	172,107	-
	315,651	-
Skill tech:		
Prepayments	54,333	56,594
Other receivables	1,076,760	1,973,755
	1,131,093	2,030,349
	4,532,671	6,594,008

		Note	2016 Rupees	2015 Rupees
9.	**TRADE DEBTS**			
	Unsecured - considered good			
	Related party			
	Pakistan Industrial Development Corporation (PIDC)	(9.1)	**4,164,514**	4,164,514
	Others			
	Descom		**418,500**	418,500
	Punjab Skill Development Fund		**271,500**	207,500
	Basic Education for Awareness Reforms and Empowerment (BEFARe)		**-**	337,000
	Others		**144,200**	-
			4,998,714	5,127,514

9.1 This represents receivable from PIDC in respect of expenses incurred by the Company on its behalf for Skills Development Centre (SDC) Khaki and Batgram and it is past due for more than 3 years.

		2016 Rupees	2015 Rupees
10.	**SHORT TERM ADVANCES**		
	Advances to staff - considered good		
	against expenses	**11,790**	15,000
	against salary	**538,943**	277,789
		550,733	292,789

		2016 Rupees	2015 Rupees
11.	**SHORT TERM PREPAYMENTS**		
	Prepaid rent	**120,000**	96,800
	Prepaid insurance	**1,274,764**	1,078,913
	Others	**36,400**	9,836
		1,431,164	1,185,549

		2016 Rupees	2015 Rupees
12.	**SHORT TERM INVESTMENTS**		
	Soneri Bank Limited	**47,000,000**	84,000,000
	National Bank of Pakistan	**-**	41,000,000
	NIB Bank	**25,000,000**	-
	Bank Alfalah Limited	**25,000,000**	-
	Askari Bank Limited	**-**	30,000,000
		97,000,000	155,000,000

12.1 These represent Term Deposits Receipts (TDRs) which are on roll-over basis, having maturity period of one to three months and carry mark-up at the rate ranging from 5.75% to 6.90% (2015: 6% to 9.50%) per annum.

13. TAX REFUNDS DUE FROM THE GOVERNMENT

This represents income tax withheld by the banks from profits on deposit accounts and Term Deposit Receipts.

14. CASH AND BANK BALANCES

	Note	2016 Rupees	2015 Rupees
Cash in hand		**180,842**	143,221
Cash at banks - saving accounts	(14.1&14.2)	**45,554,939**	43,215,982
		45,735,781	43,359,203

14.1 The deposits in saving accounts carry mark-up at the rate ranging from 3.75% to 6.3% (2015: 4.5% to 8.5 %) per annum.

14.2 This includes an amount of Rs. 1,200,000 (2015: Rs. 2,532,000) on which bank has lien against guarantees issued on behalf of the Company.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2016	2015
15,000,000 (2015: 15,000,000) ordinary shares of Rs. 10/- each fully paid in cash	**150,000,000**	150,000,000

16. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

	2016	2015
Balance at 01 July	**13,408,400**	14,002,519
Incremental depreciation charged during the year	**(2,069,927)**	(594,119)
Closing balance	**11,338,473**	13,408,400

17. PROJECT DEVELOPMENT FUND

	Note	2016	2015
Opening balance		**25,019,341**	7,988,362
Interest earned during the year	(17.2)	**230,343**	590,901
Adjustments	(17.3)	**-**	16,440,078
Closing balance		**25,249,684**	25,019,341

17.1 This represents Project development fund (PDF) established on 28 August 2008 in pursuance of a resolution passed by the Board. The Board in its 27th meeting held on 30 June 2012 passed a resolution, according to which the Company can only use this fund for the following purposes (a) research and development activities; (b) to finance PC-1 which is not funded by Government; and (c) for operating expenditure of the Company, if required.

17.2 This represents interest earned on term deposit receipts and saving accounts made out of PDF amounting to Rs. 53,154 (2015: Rs.391,813) and Rs. 177,189 (2015: Rs. 199,088) respectively.

17.3 This represents reversal of provision charged to PDF against 10% contribution of TUSDEC to European Commission (EC) Project under the respective agreement. As the same has been contributed by the Government of Khyber Pakhtunkhwa (KPK) in 2015.

18. DEFERRED GRANT

	Note	2016 Rupees	2015 Rupees
Grant related to assets	(18.1)	**24,010,559**	33,675,588
Grant related to income	(18.2)	**613,075,276**	479,257,897
Amortization for the year	(18.3)	**(192,480,069)**	(140,572,731)
		444,605,766	372,360,754

18.1 This represents grant against assets of NIDA transferred to TUSDEC as per letter no. 3(15)2006-plg dated 31 December 2013 granted by the Ministry of Industries and Production.

18.2 These include grant against the following projects

Engineering Sports Centres (ESCs)	18.2.1	**341,606,717**	220,953,990
Project Monitoring Unit (PMU)	18.2.1	**14,969,543**	17,799,333
European Commission (EC)	18.2.2	**196,394,194**	162,283,108
Agency for Technical Coorperation and Development (ACTED)	18.2.2	**18,998,272**	46,327,915
National Vocational and Technical Commission (NAVTTC)	18.2.2	**4,154,110**	5,765,115
United Nation Development Program (UNDP)	18.2.2	**18,763,034**	-
Skill Tech	18.2.1	**18,189,406**	26,128,436
		613,075,276	479,257,897

18.2.1 These projects will be incorporated as independent companies under section 42 of Companies Ordinance, 1984.

18.2.2 It is not certain at the year end date whether these projects will be handed over to the donor or not.

18.3 Amortization for the year

Grant related to assets	(22.4 & 22.5)	**10,086,780**	9,665,029
Grant related to income	(22.4 & 22.5)	**182,393,289**	130,907,702
		192,480,069	140,572,731

19. TRADE AND OTHER PAYABLES

Creditors	**3,715,187**	2,827,193
Accrued liabilities	**2,053,912**	1,499,920
Other liabilities	**365,127**	-
Payable to PIDC	**66,242**	66,242
	6,200,468	4,393,355

20. PROJECT LIABILITIES

These represent accrued expenses and/or payables in respect of the following projects:

	Note	2016 Rupees	2015 Rupees
ACTED:			
Payables		39,988	863,813
EC:			
Payables	(20.1)	32,413,696	7,269,763
Accrued expenses		1,292,723	42,751
		33,706,419	7,312,514
PMU:			
Payables		121,959	649,436
Accrued expenses		-	5,883
		121,959	655,319
ESC:			
Payables	(20.2)	3,364,169	6,227,785
Skill tech:			
Payables		103,215	889,798
Accrued expenses		3,400	-
		106,615	889,798
		37,339,150	15,949,229

20.1 This includes an amount of Rs. 29,594,367 (2015: Rs. 7,111,142) for the services being rendered by the Institutes in imparting training and against the retention money of institutes. The release of retention amount is subject to fulfilment of terms and conditions by the Institutes.

20.2 This includes an amount of Rs. 2,812,472 (2015: Rs. 6,227,785) against the retention money of construction contractors as per the agreement for the ongoing contruction of Peshawer Light Engineering Centre, (Lasbela, Light Engineering Upgradation Centre and Hyderabad Engineering Sports Centre.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

Guarantees issued by a bank on behalf of the Company in favour of the following parties:	Note	2016 Rupees	2015 Rupees
a) Punjab Skills Development Fund		-	1,332,000
b) Pakistan State Oil		1,200,000	1,200,000

21.2 Commitments

Commitments in respect of contribution towards European Commission / EC Project.		21,064,072	31,559,922

22. INCOME

	Note	2016 Rupees	2015 Rupees
Income from:			
trainings	(22.1)	20,479,857	15,143,533
projects	(22.2)	4,588,947	4,629,556
laboratory test and 3D scanning	(22.3)	6,667,592	5,368,437
amortization of grant related to asset	(22.4)	10,086,780	9,665,029
		41,823,176	34,806,555
amortization of grant related to income	(22.5)	182,393,289	130,907,702
		224,216,465	165,714,257

22.1 This represents the amount being recognised in respect of income from traning (solar training courses), short courses (CAD/CAM courses, Auto CAD) and other administrative fee against the EC and UNDP projects.

22.2 This represents amount recognized in respect of projects for the overheads shared.

22.3 This represents the amount being recognised in respect of income from laboratory test fee and 2D/3D scanning.

22.4 This represents the amortization of deferred grant against the assets of NIDA being merged with the TUSDEC.

22.5 This represents amortization of grant against following projects:

		2016	2015
a)	Agency for Technical Coorperation and Development (ACTED)	14,601,326	36,862,483
b)	National Vocational and Technical Commission (NAVTTC)	3,588,409	3,738,557
c)	European Commission (EC)	139,507,474	62,815,964
d)	United Nation Development Program (UNDP)	6,078,519	-
e)	Skill Tech	9,081,457	16,660,908
f)	Project Monitoring Unit (PMU)	9,536,104	10,829,790
		182,393,289	130,907,702

23. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2016	2015
Salaries and other benefits	(23.1)	48,761,874	40,289,787
Depreciation	(4)	13,397,095	12,998,579
Amortization on intangibles	(5)	33,688	-
Traveling, vehicle running and maintenance		3,679,163	4,526,895
Utilities		3,565,043	3,786,668
Rent, rate and taxes		2,838,140	2,872,557
Repair and maintenance		2,563,577	2,299,254
Advertisement and business development		1,173,314	1,669,778
Consumables		1,510,912	1,448,726
Janitorial services		1,689,669	1,786,930
Postage and telephone		1,557,731	1,301,550
Insurance		716,649	946,271
Security services		1,261,686	1,131,561
Printing and stationery		928,837	705,874
Legal and professional charges		924,982	513,045
Miscellaneous expenses		378,163	739,418
Auditors' remuneration		346,500	235,950
Balances written-off		446,915	111,119
Fee and subscription		17,538	42,845
		85,791,476	77,406,807

23.1 This includes an amount of Rs. 2,293,745 (2015: Rs. 1,796,423) recognized in respect of Provident Fund and Rs. 1,448,726 (2015: Rs. 779,036) in respect of compensated absences.

24. PROJECTS EXPENSES

	Note	2016 Rupees	2015 Rupees
ACTED:			
Employee Cost		3,845,362	8,447,099
Vehicle running and maintenance cost		856,602	3,598,791
Electricity, fuel and power		8,542	-
Consumables		786,081	12,142,000
Advertisement		1,760,589	1,207,240
Travelling and conveyance		1,658,116	1,311,032
Staff training and exhibitions		5,670,933	10,143,406
Other expenses		15,101	12,915
		14,601,326	36,862,483
NAVTTC:			
Employee Cost		1,060,000	1,396,000
Consumables		417,747	-
Other expenses		2,110,662	2,342,557
		3,588,409	3,738,557
EC:			
Employee Cost		28,673,878	17,032,988
Building rent		1,745,424	1,507,760
Vehicle running and maintenance cost		2,883,698	2,168,962
Consumables		1,038,017	-
Advertisement		5,029,413	408,960
Travelling and conveyance		5,060,427	1,307,259
Training package/service fee		80,987,630	40,168,051
Community mobilization charges		2,858,590	-
Other expenses		11,230,397	221,984
		139,507,474	62,815,964
UNDP:			
Employee Cost		1,511,260	-
Vehicle running and maintenance cost		7,000	-
Advertisement		82,396	-
Travelling and conveyance		1,362,644	-
Postage and telephone		5,675	-
Other expenses		3,109,544	-
		6,078,519	-
PMU:			
Employee Cost		6,581,000	7,363,564
Vehicle running and maintenance cost		30,000	1,765,925
Advertisement		-	69,600
Travelling and conveyance		4,500	-
Postage and telephone		-	-
Other expenses		2,920,604	1,630,701
		9,536,104	10,829,790
Skill Tech:			
Employee Cost		4,335,637	5,366,651
Building Rent		10,000	-
Vehicle running and maintenance cost		62,043	203,318
Electricity fuel and power		124,302	187,586
Consumables		3,028,327	-
Advertisement		141,505	105,555
Travelling and conveyance		-	-
Postage and telephone		-	-
Trainees boarding and stipened cost		1,129,695	8,106,321
Other expenses		249,948	2,691,477
		9,081,457	16,660,908
		182,393,289	130,907,702

25. OTHER INCOME

	Note	2016 Rupees	2015 Rupees
Income from financial assets:			
Saving accounts		1,042,036	1,689,884
Term deposits receipts		6,486,323	9,305,291
		7,528,359	10,995,175
Income from assets other than financial assets:			
Disposal of property and equipment		84,589	-
Miscellaneous (Income from Projects)	(25.1)	145,183	304,901
		229,772	304,901
		7,758,131	11,300,076

25.1 This includes amount of Rs. Nil (2015: Rs. 174,795) received during the year from PSDF Project against charges for using office space for the purpose of training.

26. TAXATION

No provision for taxation has been charged as the Company is exempt from tax under section 100c of Income Tax Ordinance, 2001.

These include grant against the following projects

27. RELATED PARTY BALANCES AND TRANSACTIONS

27.1 The related parties comprise associated undertakings, directors of the Company, key management personnel and post employment benefit plans. The parent of the entity is Pakistan Industrial Development Corporation (Private) Limited which holds 99.9% capital of the entity. Amounts due from and to related parties are shown under respective notes to the financial statements.

28. FINANCIAL RISK MANAGEMENT

The Company's financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to raise finances for Company's operations. The Company's financial assets comprise of long term deposits, trade debts, other recceivables, short term investments and cash and bank balances that arrive directly from its operations.

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

Risk management is carried out by the Board of Directors (the Board), and Chief Financial Officer (CFO). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, interest rate risk, credit risk and liquidity risk.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Company's activities.

28.1 Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The Company's credit risk is attributable to its long term deposits, trade and other receivables, short term investments and bank balances. The maximum exposure to credit risk at the reporting date was as follows:

Outstanding receivables are regularly monitored. The requirement for an impairment is analyzed at each reporting date on an individual basis for major parties.

	2016 Rupees	2015 Rupees
Long term deposits	1,204,438	754,438
Trade debts	4,998,714	5,127,514
Other receivables	55,497	798,042
Short term investments	97,000,000	155,000,000
Bank balances	45,554,939	43,215,982
	148,813,588	204,895,976

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Trade debts

Credit risk related to trade debts is managed by established procedures and controls relating to customers credit risk management. Outstanding receivables are regularly monitored.

The maximum credit risk exposure at reporting date is carrying value of financial assets stated above.

The aging of trade debts at the reporting date is:	2016 Rupees	2015 Rupees
Past due but not impaired		
Past due 1–30 days	**181,995**	89,927
Past due 31–60 days	**289,200**	1,252,615
Past due 61–90 days	-	-
Over 90 days	**4,527,519**	3,784,972
	4,998,714	5,127,514

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate. The table below shows the bank balances and short term investments held with some major counterparties at the balance sheet date:

	Rating			2016	2015
	Short term	Long term	Agency	Rupees	Rupees
Soneri Bank Limited	A1+	AA-	PACRA	**67,380,946**	85,742,200
National Bank of Pakistan	A1+	AAA	PACRA	**2,341**	41,000,548
NIB Bank Limited	A1+	AA-	PACRA	**31,190,438**	11,395,247
Bank Alfalah Limited	A1+	AA	PACRA	**25,002,936**	274,636
Askari Bank Limited	A1+	AA+	PACRA	**18,978,278**	59,782,012
UBL Ameen	A-1+	AAA	JCR-VIS	-	21,339
				142,554,939	198,215,982

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

28.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has export running finance facility available from a commercial bank to meet its liquidity requirements, without incurring unacceptable losses or risking damage to the company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	----------(Rupees)----------			
30 June 2016				
Trade and other payables	39,824,456	39,824,456	39,824,456	-

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
30 June 2015	----------------------------	(Rupees)	----------------------------	
Trade and other payables	18,794,030	18,794,030	18,794,030	-

28.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monitory Items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company are periodically restated to Pak rupee equivalent and the associated gain or loss is taken to the profit and loss account. As there are no foreign currency transactions during the year, the Company is not exposed to currency risk.

(b) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing financial instruments. The Company's interest rate risk arises from short term investments and bank balances only. There are no financial instruments obtained at variable rates so the Company is not exposed to cash flow interest rate risk. Saving accounts and short term investments are carried at fixed rate which expose the Company to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial assets		
Saving bank accounts	**45,554,939**	43,215,982
Short term investments	**97,000,000**	155,000,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

(c) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as its investments in equity securities are recorded at cost and not equity method of accounting.

28.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For working capital requirements and capital expenditure, the Company primarily relies on short term borrowings and internally generated cash flows.

28.5 Financial instruments by categories

	2016		
	Cash and cash equivalents	Loans and advances	Total
Assets as per balance sheet	------------------(Rupees)------------------		
Long term deposits	-	1,204,438	1,204,438
Trade debts	-	4,998,714	4,998,714
Other receivables	-	55,497	55,497
Short term investments	97,000,000	-	97,000,000
Bank balances	45,554,939	-	45,554,939
	142,554,939	6,258,649	148,813,588

	2016
	Financial Liabilities at amortized cost
Liabilities as per balance sheet	Rupees
Trade and other payables	39,824,456

Financial instruments by categories

	2015		
	Cash and cash equivalents	Loans and advances	Total
Assets as per balance sheet	------------------(Rupees)------------------		
Long term deposits	-	754,438	754,438
Trade receivables	-	5,127,514	5,127,514
Other receivables	-	798,042	798,042
Short term investments	155,000,000	-	155,000,000
Bank balances	43,215,982	-	43,215,982
	198,215,982	6,679,994	204,895,976

	2015
	Financial Liabilities at amortized cost
Liabilities as per balance sheet	Rupees
Trade and other payables	18,794,030

28.6 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

28.7 Level of Fair value Modelling

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June, the Company had following financial instruments with respect to their level of fair value modelling:

	Level 1	Level 2	Level 3
		Rupees	
2016			
Long term deposits	-	-	1,204,438
Trade debts	-	-	4,998,714
Other receivables	-	-	55,497
Short term investments	-	-	97,000,000
Cash and bank balances	-	-	45,554,939
2015			
Long term deposits	-	-	754,438
Trade debts	-	-	5,127,514
Other receivables	-	-	798,042
Short term investments	-	-	155,000,000
Cash and bank balances	-	-	43,215,982

During the year ended 30 June 2016, there were no transfers between level 1 and level 2 fair value measurements.

28.7 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

Total capital includes total equity' amounting to 46,289,194 as shown in the balance sheet. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

29. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

	2016		2015	
	Chief Executive Officer	Directors	Chief Executive Officer	Directors
	---------- Rupees ----------			
Managerial remuneration	**3,388,000**	-	3,080,000	-
Contribution to provident fund	**338,970**	-	308,094	-
Housing and utilities	**1,694,000**	-	1,540,000	-
Medical reimbursements	**142,915**	-	286,446	-
	5,563,885	-	5,214,540	-
Number of persons	**1**	**8**	1	10

30. PROVIDENT FUND

The Company has maintained an employee provident fund and investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. The salient information of the fund is as follows:

	Note	2016 Rupees (unaudited)	2015 Rupees (audited)
Size of the fund		**10,334,187**	9,890,056
Cost of investment made	(30.1)	**10,000,000**	10,000,000
Percentage of investment made		**100%**	100%
Fair value of investment		**10,000,000**	10,000,000

30.1 Breakup of investment

	2016		2015	
	Investments (Rupees)	Investment as % of size of the fund	Investments (Rupees)	Investment as % of size of the fund
Bank balance in schedule bank	**10,000,000**	**100%**	10,000,000	100%

31. NUMBER OF EMPLOYEES

The number of employees at the year end were as follows:

	2016	2015
- TUSDEC	**39**	24
- Projects	**115**	90
	154	114

The average number of employees during the year were as follows:

	2016	2015
- TUSDEC	32	12
- Projects	103	90
	135	102

32. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 08 NOV 2016 by the Board of Directors of the Company.

33. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However, no significant reclassification / restatement has been made except as follows:

Restated / reclassification from	Restated / reclassification to	Rupees
Trade and other payables	Grant income	182,393,289
Trade and other payables	Projects expenses	182,393,289
Trade and other payables	Projects assets	377,365,687
Trade and other payables	Projects liabilities	37,339,150

In prior years, the Company accounted for project related grant, expenses, assets and liabilities into trade and other payables which has now been restated/reclassified. The effect of restatement is given below.

Effect on balance sheet:	2015 Rupees	2014 Rupees
Increase in current assets	253,701,638	110,396,128
Increase in current liability	(94,648,557)	(128,167,907)

Effect on income and expenditure account:	2015 Rupees
Increase in income	130,907,702
Increase in expenses	130,907,702

34. GENERAL

Figures in these financial statements have been rounded off to the nearest rupee, unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR