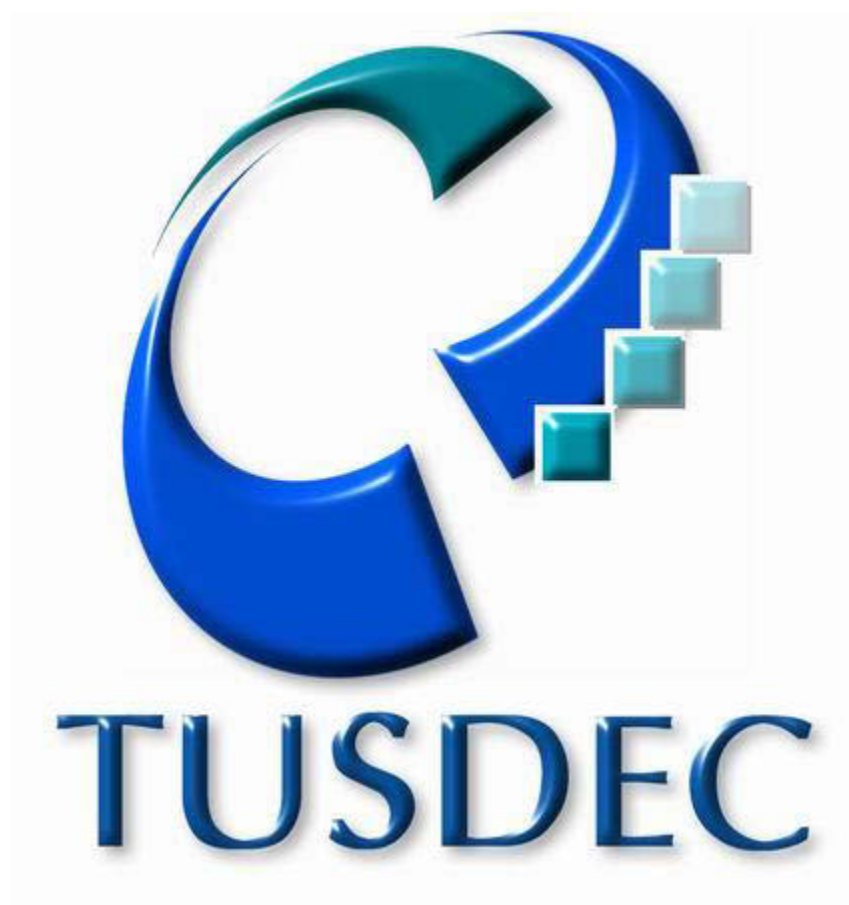


Annual Report for the Year ended 2021



COMPANY INFORMATION

Board of Directors

Independent Directors

Rana Nasir Mehmood
Chairman

Mr. Iftikhar Ahmed Jomezai
Director

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

Dr. Muhammad Aslam
Director

Prof. Dr. Younus Javed
Director

Executive Directors

Mr. Nadeem Ahsan
Chief Executive Officer

Non-Executive Directors

Ms. Saira Imdad Ali
Director

Mr. Hashim Raza
Director

Representative, Ministry of Finance
Director

Board Audit Committee

Mr. Iftikhar Ahmed Jomezai
Chairman

Ms. Saira Imdad Ali
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

Ms. Saira Imdad Ali
Director

Mr. Iftikhar Ahmed Jomezai
Director

Mr. Hashim Raza
Director

Mr. Nadeem Ahsan
Chief Executive Officer

Board Finance and Procurement Committee

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

Representative, Ministry of Finance
Director

Dr. Muhammad Aslam
Director

Mr. Nadeem Ahsan
Chief Executive Officer

Board Nomination Committee

Ms. Saira Imdad Ali
Director

Rana Nasir Mehmood
Director

Mr. Nadeem Ahsan
Chief Executive Officer



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Technology Upgradation and Skill Development Company

Ministry of Industries and Production

State Cement Corporation Building, Kot Lakhpat, Lahore 54770, Pakistan

Tel: (+92)-42-35145793-5, 35215890, 35215874, Fax: (+92)-42-35121658, tusdec.org.pk

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





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, 2021.

1- TUSDEC OVERVIEW

The establishment of TUSDEC came about as an implementation of Engineering Vision. The company was incorporated in 2005 as a Not-for-profit, guarantee limited company, a subsidiary of PIDC (Pakistan Industrial Development Corporation Pvt. Ltd.). The Objective of the company is to promote and establish Technology Up-gradation Centers and Skill Development Centers by establishing / providing common facility, design, support and maintenance, testing, certification, incubation, applied research, dissemination centers and / or any other institution deemed necessary for up-gradation / assimilation /streamlining / acquiring technology, however the Company shall not itself set-up or otherwise engage in industrial or commercial activities or in any manner function as a trade organization. TUSDEC is established to up-grade and transfer technology in industrial sector(s) relating but not limited to agro processing, chemicals, plastic, glass, metal, ceramics, auto motives, consumer durables and mining for introducing latest machinery therein so that production capability can be brought at par with international standards.

Since its inception, TUSDEC has absolutely fulfilled all of its strategic commitment aligned to the vision of building prosperous Pakistan. Over the years, TUSDEC has implemented numerous projects of Federal and Provincial Government, International Donors and also collaborated with local NGOs and CSR (Corporate Social Responsibility) Wings to implement large-scale development initiatives in diverse areas like TDM (Tools Dies and Moulds), Digital Product Design & Engineering, Ceramics, Cement and Garments industrial clusters. Cognizant to the dichotomy of manpower abundance and prevalent economics crises trickling down in the form of raging impoverishment in the country, TUSDEC is emphasizing on vocational skill development of vulnerable communities. The company is also pursuing many TVET (Technical, Vocational Education & Training) initiatives focusing at the capacity building of marginalized women thereby enabling them to mitigate the socioeconomic adversaries.

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

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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.

Since its very outset, TUSDEC is continued to record its efforts and accomplishment across the country. From the grand-scale interventions of technological upgradation, basic and advanced technical skills dissemination to the vocational training and capacity building of the modest communities, TUSDEC has followed through a myriad of project amounting to PkR 4 Billion. Each initiative has testified the company's contribution in hauling up the progression of national economy.

Public Sector Development programme (PSDP) is the most important fiscal policy tool to achieve socio economic targets as envisaged in the Vision 2025 by channelizing scarce public resources to projects having complementary and crowding in impact on economic activities. Ultimate goal of the spending under PSDP is to further strengthen physical and social infrastructure to put our country on sustainable and high growth trajectory.

The year under review was the 16th operational year of your Company in which **three** projects, namely NIDA (Lahore, Quetta & Sialkot) completed 15th years of successful operations. **The other two NIDA Centers** (Karachi & Peshawar) have completed 14th years of operations. **SkillTech Karachi** has completed 11th year of its operational activities. **Gujranwala Tools Dies and Moulds Centre (GTDMC)** has completed 11th year while **Ceramics Development and Training Complex (CDTC)** has also completed 11th year of its operational activities. **Cement Research and Training Institute (CR&DI)** has completed 15th year of its operational activities. A detailed report on the achievements of your Company during the year is given as under;

Financial Performance:

Particulars	2020-21	2019-20
Income	121,429,556	109,105,147
Expenditures before depreciation and amortization	134,955,422	141,706,126
Deficit before depreciation and amortization	(13,525,866)	(32,600,979)
Depreciation and amortization	74,188,969	113,760,371
Deficit after depreciation and amortization	(87,714,835)	(146,361,350)
Cost recovery (%)	89.97%	77%

2 – Technology Upgradation Centers (TUCs)

i) Gujranwala Tools Dies and Moulds Centre (GTDMC) (Operational)

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Gujranwala Tools, Dies and Moulds Centre (GTDMC) is modern engineering centre which provide training, consultancy, design, machining and manufacturing services to the local industry.

A brief table of operational results for the year 2020-21 is as under:

Type of Job	No. of Jobs (2020-21)
No of Industrial Jobs	76 Jobs (Heat Treatment, Mold and Die Making & 3D Scanning)
No. of participants trained (PSDF, NAVTTC etc.)	239 Trainees

ii) Ceramics Development and Training Centre (CDTC) (Operational)

The fundamental aim of CDTC is to upgrade the ceramics industry specifically the sanitary ware sector with integrated engineering solutions, contemporary machinery, latest technology, Laboratory for testing facilities of ceramics raw materials and process control.

A brief table of operational results for the year 2020-21 is as under:

Type of Job	No. of Jobs (2020-21)
No of Industrial Jobs	415 Jobs (Shuttle Kling, CNC Pattern Making & Consultancy)
Laboratory services	336 Samples Tested
Training of Trainees (PSDF, NAVTTC etc.)	24

iii) Cement Research and Development Institute (CR&DI) (Operational)

After up-gradation and revitalization of the CR&DI laboratory and building, the laboratory started functioning under TUSDEC management and control in January 2006. Minor renovation activities were carried out and separate physical lab was established to maintain temperature.

PC-1 for renovation of existing facility and the transformation to modern laboratory was submitted earlier to PIDC, however due to delay, TUSDEC has submitted PC-1 for approval to planning commission for consideration under PSDP, as one of the components in "National Strategic Program for Acquisition of Industrial Technology" (NSPAIT), which is expected to be approved in the FY 21-22.





During the financial year 2020-21, CR&DI conducted 1229 tests and earned revenue of **Rs. 7,928,677/-**.

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
92 Construction Firms
29 Cement Factories

Since inception CR&DI generated revenue amounting to Rs. 64.37 million and tested 10,370 number of samples.

Engineering Support Centres (ESCs)

TUSDEC is running 03 Engineering Support Centres including Hyderabad Engineering Support Centre, Light Engineering Upgradation Centre for SMEs in Baluchistan and Peshawar Light Engineering Centre

- The centres are facilitating the local industry with modern design, training and consultancy services to local industry

(iv) Peshawar Light Engineering Centre (PLEC) Rs 296.53 Million

- 46 Jobs (456 Parts) performed on different machines
- 70 participants trained in various technical trades under NAVTTC PMYSDP
- Training to 50 trainees is in progress under various training program

(v) Light Engineering Upgradation Centre for SMEs in Baluchistan (LEUC) Rs 264.8 Million

- 62 Jobs (403 Parts) performed on different machines
- 40 trained and training to 201 trainees is in progress under GIZ – TVET Support Programme and NAVTTC.

(vi) Hyderabad Engineering Support Centre (HESC) Rs 276.105 Million

- 83 Jobs (398 Parts) performed on different machines





- Training to 130 completed and 270 trainees is in progress under various training program

3 – Skills Development Centers (SDCs)

a) Donors Funded Initiatives:

i) GIZ “Technical Skills Development in Sindh & Baluchistan” (In Progress)

598,946 Euro (34 Months Duration - 645 Trainees)

TUSDEC signed agreement with GIZ for Technical Skills Development in Sindh and Baluchistan. Due to COVID 19 the training activities suffered. After detailed discussion with TVET SSP Team, operational plan revised with changes in trades, duration and overall trainee target. Main Activities of the Project are as under:

- To impart training to 645 trainees (465 males and 180 female) jointly with the partnering enterprises using cooperative vocational training approach for demand driven trades
- To encourage CBT delivery and assessments in line with the Baluchistan Sector Study
- To promote and strengthen the engagement of private sector in training design, coordination and delivery, leading to employment.

In this project NIDA Quetta, SkillTech Karachi, Hyderabad Engineering Support Center (HESC) and Light Engineering Upgradation Centre (LEUC), Hub is conducting CBT based trainings.

b) PSDP/PIDC/PSDF Funded Initiatives:

i) Skill tech International Karachi- (PIDC Funded) Rs. 22.5 Million (Ongoing)

TUSDEC established SkillTech International Karachi 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 to 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 **3,834** students in more than **80** different courses/trades. The centre has trained **250** students during the year under review. SkillTech has been merged into TUSDEC vide PIDC notification dated August 20, 2018. Around **240** students are trained in **10** courses under GIZ funded project.

ii) National Institute of Design & Analysis (NIDA) (Advanced CAD/CAM) Centre Rs. 321.12 Million (Operational)

NIDA Centres are providing basic to advanced courses applicable in various industry segments -mechanical, electrical, automation, civil, plant, process, garment, fashion, jewellery etc., 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 lab rooms, 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 15 years of operations; Peshawar & Karachi have started their 14th 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 softwares 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.

NIDA Lahore is also offering the Reverse Engineering Services to the local industry by providing 3D scanning, part designing and 3D modelling services. During the reporting year, contracts were also signed with National Vocational and Technical Training Commission (NAVTTC). 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 abroad and sending precious foreign remittance to Pakistan.





After completion of funding from the Government, PC IV of the Project was 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 15 th year of Operations			Completed 14 th year of Operations		TOTAL
	Lahore	Quetta	Sialkot	Karachi	Peshawar	
Courses Conducted	504	234	444	267	856	2,305
Student Passed Out	3,515	3,341	3,757	3,855	5,926	20,394
Reverse Engineering/Designing Services	3,734	-	-	-	-	3,734

iii) a) Industrial Triangle Programme (ITP-2019-20) (PSDF Funded) Rs. 50.46 Million
(Completed on 30-3-2020, Exams conducted in September 2020)

To produce skilled workforce; TUSDEC offered practical training programs in collaboration with PSDF in Light Engineering sector at GTDMC & CDTC Gujranwala. The trades include: Clay Body and Glaze Making, Auto CAD, CAD CAM, CNC. Programming, CNC Maintenance, CNC Machine Operator, CNC turning Centre operator, CNC Machinist, CNC Operating. 135 students at GTDMC & CDTC successfully trained. The project has improved the livelihood prospects of the trainees through certified qualifications and better job prospects at the national and international sphere.

b) Industrial Triangle Programme (ITP-2021) (PSDF Funded) Rs. 10.79 Million
(Completed on 31-3-2021)

To produce skilled workforce; TUSDEC offered practical training programs in collaboration with PSDF in Light Engineering sector at GTDMC Gujranwala. The trades include: CAD/CAM and Digital manufacturing for Product Design, CNC Programming setup and operations. 4 classes comprising of 66 students has successfully completed the course. The project has improved the livelihood prospects of the trainees through certified qualifications and better job prospects at the national and international sphere.





4 – Current Projects

a) Government funded:

i) **Industrial Designing & Automation Centers (IDAC)**

Rs.972.97 Mn

In the modern era of Industry 4.0 revolution, Pakistan is still lagging behind in this arena due to social-economic challenges. The country is facing slow growth rates of output and exports due to small levels of investment, technical inefficiencies and low R&D resulting in lower productivity and uncompetitive industries. Major reason of low economic growth is decline in manufacturing sector of Pakistan being the backbone of Pakistan's economy.

Foreseeing the future demand of design and automation technologies of local industries and develop strong manufacturing base of Pakistan, TUSDEC developed PC-I for establishing "Industrial Designing & Automation Centres (IDAC)" in Lahore, Sialkot & Karachi to support local industries. These centres include Rapid Prototyping, designing and automation labs to support local industry through industrial jobs including Reverse Engineering using 3D prototyping, scanning and designing; automation using embedded systems, PLC kits, SCADA, DCS and offering high end technical trainings.

The objectives of these centers are:

- Provide designing services through 3D Laser Scanner facility
- Provide ready to use prototypes through 3D Prototyping facility
- Automation of industrial processes of key clusters
- To give local industries demonstration effect about latest technologies how automation and 3D prototyping can improve their manufacturing processes and enhance their research and development
- Improve labor and manufacturing process efficiency to compete in the local and international market

Current Status:

- Administrative Approval of Project received on March 04, 2020
- 02 Kanal land for the IDAC Lahore centre has been procured as per PPRA Rules in the Quaid-e-Azam Industrial Estate (QAIE) Lahore
- Construction consultant (M/S Hassan Associates) has been hired as per PPRA rules
- Design has been completed and approval of design has been given by concerned authority (QAIE)
- Tender documents, evaluation criteria, construction drawings, BoQ and Estimate has been prepared by the consultant for hiring of civil contractor for the Lahore Centre
- Tender Ad for civil contractor at Lahore has been published in the newspaper in





October 2021 and will be opened on 25th October, 2021 for selecting the most advantageous bidder

- Tenders for land of Karachi and Sialkot advertised, and procurement is in process

ii) Footwear Cluster Development through CAD/CAM & CNC Machining PKR 78.7 Mn

In pursuance of its mandate of upgrading technology and skills of key industrial clusters, TUSDEC developed PC-I on "Footwear Cluster Development through CAD/CAM & CNC Machining" to support footwear sector.

TUSDEC's project "Footwear Cluster Development through CAD/CAM Centre, Lahore" approved in CDWP in May, 2019 with a total cost of Rs.78.69 Million. TUSDEC had started implementation and the project will contribute to national economy through

- 900 product design & development job
- 1600 trainees
- Value Addition of worth Rs. 214.42 Million

The proposed facility will be located in existing building of TUSDEC/NIDA.

Current Status:

- Tender regarding "Supply of software, I.T equipment & machinery for footwear Project" has been completed and I.T equipment including desktop computers for Footwear Designing Lab, Shoe Master Designing softwares, 3D Scanny and Digitizer have been delivered and successfully installed
- Construction/renovation of Footwear Lab and Workshop has been completed. The lab has been constructed and workshop for the machinery has been renovated by the supplier
- Procurement for CNC 5 Axis Machine has been completed
- Tender for the procurement of remaining machinery for the footwear project has been published in Newspaper and technical proposals have been opened on 21st October, 2021 for selecting the most advantageous bidder(s)

iii) Industrial Technology Benchmarking Project (Feb 2018 – Onward) Rs. 36.34 Million (Project Handed Over to PIDC)

PC-II of Industrial Technology Benchmarking approved by DDWP of MoIP worth Rs 36.34 Million. Initiative involves Technology Benchmarking of 2 priority/selected sectors viz a viz regional/global competitors in order to identify the technology gaps in these potential sectors to create a basis for technology acquisition in Pakistan.

The proposed study will facilitate in addressing the need of technology advancement for the





Surgical and Cutlery sectors. These sectors will be supported in entering high value markets through engagement of experts for identification of demand based & value-added products and subsequently develop workable proposals / PC-1s for catering medium to long term requirement of these potential sectors for technology up-gradation: Lending programs to support industries, establishment of CFCs & Incubation centres, technical consultancy and Joint Ventures etc.

TUSDEC hired the consultant through international competitive bidding to carry out the benchmarking study. The experts of consultants engaged local industry through meetings, Focus Group Discussions (FGDs) and Interviews to form a technical working group of stakeholders from both sectors representing local industry, public sector organizations / departments and academia. The consultant(s) / experts assessed the state of local industry and identified a range of high value products that can be produced. The consultants along with working group also finalized the list of high value products from each of these sectors.

Based on the findings / recommendations of the working group and associated experts, PC-1s will be developed to assist the potential sectors for entering the high value market.

Current Status:

- PIDC requested to shift the project to PIDC for direct implementation
- Project has been handed over to PIDC after signing of addendum agreement with the hired consultants and PIDC

iv) National Strategic Programme for Acquisition of Industrial Technology (NSPAIT) Rs. 3,206.86 Mn

TUSDEC has developed "National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)" in close coordination with the stakeholders in order to "Acquire, assimilate and improve the technology being used in various industrial sectors across Pakistan tentatively in the following critically important industrial sectors including Textiles (with particular ref. to Technical Textile), Construction (including Cement, Ceramics, and Marble & Granite) and Engineering & Technology (Including Light Engineering, Cutlery and Gems & Jewellery)". TUSDEC selected these sectors based on the fact that Textile being the key sector with 59.43% share in overall exports but Pakistan lacking in technical textile and sportswear products in world export share (World Technical Textile Market: US \$ 192 Bn, Pakistan Share: US \$ 0.250 Bn) due to unavailability of testing laboratory, R&D, waterless dyeing technology and skilled workforce as per initial research and consultations with textile sector stakeholders/experts. Similarly, construction is a high growth sector and Engineering sector of Pakistan is a potential growth sector presently having only 1% global export share due to low technology base and manufacturing of low-end products while the share of engineering sector in world trade is around 55%.





TUSDEC developed "National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)" in coordination with "PM Task Force on Technology Driven Knowledge Based Economy". The project of NSPAIT was presented in CDWP held on 18th November 2019.

According to the Minutes of CDWP the PC-I was approved to the extent of Feasibility study at a cost of Rs. 89.974 Mn. and it was recommended to initially conduct a 3rd party feasibility so that the need identified in the PC-I could be validated and accordingly updated version of PC-I could be resubmitted.

The project will contribute to the national economy through

Output

- Industrial Jobs Completed 446,029 (Total Parts /pieces 8,711,769)
- Industrial Testing Services 27,283
- Direct Employment Generated 102
- Number of Trainees 12,965

Impact

- New Enterprises 409
- Indirect Employment Generated 3,788
- Number of Trainees 12,965
- Value Addition Rs. 6.4 Bn
- Import Substitution Rs. 450 Mn
- Increase in exports Rs. 18.7 Bn

Current Status:

NSPAIT – Feasibility Study:

- Project of of National Strategic Programme for Acquisition of Industrial Technology (NSPAIT) was principally approved however its feasibility component was approved in the CDWP meeting held on 18th November, 2019 whereas its administrative approval and expenditure sanction was granted on 24th December 2019 and funds were received in May 2020.
- Subsequently three (3) experienced and competent consultants were hired through competitive process to undergo the feasibility study
 - NJHR Pvt Ltd,
 - GAT Consulting (Pvt) Ltd.
 - In Consult (Pvt) Ltd.
- The studies on 12 interventions were completed and the outcomes were incorporated in the PC-I for deliberation of CDWP.

Pre CDWP Held on 29th June 2021

- **Decision:** The project was returned to sponsor with the direction to rectify





/modify the PC-I in light of the findings of feasibility Studies of the project and keeping in view the observations of I&C Section reflected in the working Paper and this form

Consultative Meeting Held on 12th August 2021,

- **Decision:** It was decided that the project will be modified in light of the above directions/observations. The last intervention i.e "Establishment of UNIDO assisted Investment and Technology Promotion Office (ITPO)" will be excluded from the project and cost will be rationalized accordingly. Modified PC-I along with feasibility studies and power point presentation will be submitted to M/o PD&SI for reconsideration in the 2nd Pre CDWP
- Final version of PC-I based on 10 interventions was developed worth Rs. 3,206.86 Mn and submitted to MoPD&R. The CDWP meeting is awaited.

(V) Support Centre for Dental and Surgical Implants (SCDS) 720.345 Million Rs.

Pakistani surgical industry specifically related to surgical and dental implants does not hold its footprint anywhere in global market. After conducting several surveys and feasibility study, Technology Upgradation and Skill Development Company (TUSDEC) clearly revealed a strong need for surgical and dental implants to fill supply and demand gap through precision of latest product designing and development facility along with shifting towards industrial intelligence of 4IR through automation.

To address this design and manufacturing of high precision and sensitive products related issues of Pakistan's surgical sector, Technology Upgradation and Skill Development Company (TUSDEC) proposes to establish Support Centre for Dental and Surgical Implants (SCDS).

The project was approved by the DDWP forum at a total cost of Rs. 720.345 Million dated July 9, 2021 and the administrative approval was received on August 13, 2021 for the establishment of the centre in Sialkot.

Current Status:

- The Project assignment account opened
- Tender for procurement of 03 Kanal Land advertised in Newspaper





b) Donor Funded:

i) "Kamyab Jawan Prime Minister Youth Skill Development Program"

- a) TUSDEC qualified for NAVTTC "Kamyab Jawan Prime Minister Youth Skill Development Program" Cohort A. Training started in February, 2020 but the training program suspended in March 2020 due to COVID-19 and resumed on September 2020 and concluded in March 2021. Training has been imparted to 100 students at GTDMC, 70 at NIDA Peshawar, 40 at LEUC, 50 at PLEC & 60 at HESC in various trades.
- b) TUSDEC qualified for NAVTTC "Kamyab Jawan Prime Minister Youth Skill Development Program" Cohort B. Training started in June 2021. Training is being imparted to 150 students at GTDMC, 25 at CDTC, 50 at NIDA Peshawar, 75 at LEUC, 50 at PLEC & 60 at HESC in various trades.

5. Other Proposed Initiatives

PSDP Initiatives

i- Industrial Technology Acquisition Policy (ITAP)

To bring a systematic approach for developing Pakistan's technological capabilities, TUSDEC drafted "**Industrial Technology Acquisition Policy**" in order to benchmark, acquire, assimilate and improve the technology being used in various industrial sectors across all major clusters of Pakistan. This draft national level policy proposes following interventions to upgrade Pakistan's industrial technology;

- | | |
|---|----------|
| • Technology Upgradation Fund (TUF) | Rs 40 Bn |
| • 50 Technology Up-gradation Centers (TUCs) | Rs 21 Bn |
| • 33 Technology Incubation Centers (TICs) | Rs 7 Bn |
| • 33 Skill Development Centers (SDCs) | Rs 7 Bn |
| • 45 Joint Ventures (JVs) | Rs 40 Bn |
| • Establishment of Regional ITPO Offices | |

The total size of pilot phase is Rs. 115 Billion where Rs. 80 Billion will be private sector investment and government share will be Rs. 35 Billion. The expected outcomes of the policy are;

- 59,543 beneficiaries
- 27,732 new enterprises
- Rs. 350 Billion increase in exports against 35 Billion investment by Government
- 108,064 employment generation
- 27,000 value added jobs
- 45 new JVs





Initially in year 2021-22, approval of Industrial Technology Acquisition Policy will be sought in order to implement policy for developing manufacturing base of Pakistan leading towards sustainable industrial development.

ii. Federal Institute of Homologation (FIH)

The quality, conformity and safety of the industrial products play a major role in worldwide supply chain. Currently, in Pakistan there isn't any 3rd party Product / parts testing facility to homologate products according to international standards and therefore the local industries have to rely on the manufacturer claims. The proposed facility of "Federal Institute of Homologation (FIH)" will provide services in testing, certification and accreditation for industrial product from development of prototypes and pre-tests, to product monitoring and potentially the FIH Certification Mark.

FIH envisions a three-pronged strategy to facilitate the local industry aiming to enter lucrative global markets. It will be providing product and parts testing facilities; personnel training focused on product/system improvements to get international certifications and facilitate certification acquiring processes. As per the demands of many countries that products should conform to national, regional or international quality / safety standards such as UNR, FMVSS, GTR, ASTM, UL, CE, BSS, JIS, GB, GSO, etc. FIH aims to provide proof of conformity with these standards through independent and accredited product testing and certification.

Trainings

Develop skilled work force to identifying skills and technique in testing through providing professional and vocational trainings to enhance productivity and quality to comply with international standards like ISO, CE, UL etc

Project Cost, Project life & HR

- Rs. 950 Mn (Capex: Rs. 700 Mn, Opex: Rs. 250 Mn)
- 1-year execution & 3 years operations for demonstration
- 100 persons HR

Impact/ Value Addition

In three years of operation, approximate output of FIH will be

- 1,500 Product/Part testing and composition jobs will be performed for manufacturing industry
- 100 + industries will be assisted in capacity building on Product/Part testing, composition mechanism, Standard identification and international standards certification
- 150 International quality Accreditations will be granted through technical support
- Exports will be enhanced
- Imports will be substituted





iii. Construction Machinery Support Center (CMSC) (PKR 850 Mn.)

Construction Machinery Support Center (CMSC) will provide technical trainings to engineers, drivers, technicians, industry professionals and marginalized youth on heavy construction machinery. Proposed initiative will address the existing gaps of construction sector with emphasis on Human resource development in context of CPEC and HR export leading to foreign remittance.

Proposed initiative of CMSC will address the existing gaps of construction sector with emphasis on southern region of Pakistan. These centers will work as catalyst in boosting economy through

- Improved construction quality and
- HR export leading to increase in foreign remittance.

The centers will serve in following

- Heavy Construction Machinery (HCM) availability such as Tower Crane, Crane, Excavator, Bulldozer, Dump Truck Road Roller, Breaker, Grader etc. to facilitate small contractors.
- Provide repair and maintenance services to HCM service providers
- Advisory role to industry in machinery handling and techniques.

The center will provide professional and vocation trainings such as Heavy Vehicles operation, Heavy Vehicle repair and Maintenance, Surveying and Monitoring techniques etc. leading to HR export facilitating foreign remittance.

Project Cost, Project life & HR

- Rs. 850 Mn (Capex: Rs. 500 Mn, Opex: Rs. 300 Mn)
- 1-year execution & 3 years operations for demonstration
- 40 persons

Impact/ Value Addition

In three years of operation, approximate output of CMSC will be;

- 3000+ Trainees (Machinery Operations and Maintenance)
- 300+ Supervisory/Renting/ Maintenance services
- Foreign remittance will be increased
- GDP will be improved
- Government Revenue will be boosted





PSDP+ Initiatives / Public-Private Partnerships Initiative:

i. Naphtha Cracker Complex (NCC):

In order to meet the requirements of local petrochemical industry, plastic industry, other allied industries and play a role in raw material import substitution, TUSDEC Proposed the concept of Naphtha Cracker Complex (NCC) facilitating the chemical sector development in Pakistan. The NCC will facilitate the different industries in Pakistan in context of CPEC development sector through raw material import substitution.

Current Status:

- TUSDEC has developed PC-II to conduct formal feasibility study which can be utilized for Govt. funding, Multilateral & Bilateral Funding or Intl. JVs
- On direction of DC-PC, Member Energy convenes a meeting with Petroleum division, Private Associations and MoIP.
- In the meeting it was endorsed that the need of Naphtha Cracking Complex is inevitable.
- Modified PC-II was submitted to MoIP on the basis of Member energy meeting

Electronics Complex Lahore

TUSDEC aim to develop Electronics complex to support electronic manufacturing services (EMS) as well as provide training in mass production techniques to the local manpower. The state of the art centre will provide modern design and manufacturing solution to electronic industry.

Current Status:

- TUSDEC has developed PC-II to conduct formal feasibility study which can be utilized for Govt. funding, Multilateral & Bilateral Funding or Intl. JVs
- On the direction of DC-PC, a meeting was conducted with National Institute of Electronics (NIE) to discuss the need of electronics complex in Pakistan
- Modified PC-II was submitted to MoIP on the basis of inputs provided by NIE and other stakeholders

6. OPERATING RESULTS

Your Company has a net Deficit of Rs. 87.39 million for the year 2020-21 as compared to net deficit of Rs. 146.36 million in 2019-20.

The key financial figures have been tabulated as follows





	Year Ended June 30, 2021	Year Ended June 30, 2020
	Rupees	
(Deficit)/ Surplus) before Tax	(87,714,835)	(146,361,350)
Taxation		
Current Year	-	-
Surplus/(Deficit) after Tax	(87,714,835)*	(146,361,350)

EARNING PER SHARE

Basic (Loss)/ earning per share come at Rs (3.66) - Year 2020: Rs. (6.13)

*Reason for Deficit

Deficit for the year under review include the major impact of depreciation on fixed assets of the company.

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 Act, 2017 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.

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 218 of the Companies Act, 2017 and the rules formulated for this purpose.

7. MEETINGS OF BOARD OF DIRECTORS

During the year, two meetings of the Board of Directors were held. The two meetings were not held due to spread of COVID-19 pandemic in country and non-availability of quorum. Attendance by each Director at the board meeting is as under:





S.#.	Name	Eligibility	Attended
	Non-Executive Directors:		
1	Joint Secretary, Ministry of Industries and Production	2	1
2	Secretary / Joint Secretary, Ministry of Finance	2	2
3	Chief Executive Officer, SMEDA	2	1
	Independent Directors:		
4	Mr. Rana Nasir Mehmood	2	2
5	Mr. Iftikhar Ahmad Jogezai	2	1
6	Mr. Nooruddin F. Daud	2	-
7	Dr. Mohammad Aslam	2	1
8	Prof. Dr. Younis Javed	2	-
	Executive Director:		
9	Chief Executive Officer, TUSDEC	2	2

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

8. PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2021 is annexed to the Annual Report.

HOLDING COMPANY

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

9. FINANCIAL REPORTING FRAMEWORK:

Technology Upgradation and Skill Development Company

Ministry of Industries and Production

State Cement Corporation Building, Kot Lakhpat, Lahore 54770, Pakistan

Tel: (+92)-42-35145793-5, 35215890, 35215874, Fax: (+92)-42-35121658, tusdec.org.pk

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





- 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

10. AUDITORS

The present auditor's M/s HYK & Co, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

11. AUDIT COMMITTEE

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





- Mr. Iftikhar Ahmed Jogeza
- Ms. Saira Imdad Ali
- Representative of Ministry of Finance
- Dr. Mohammad Aslam Khan
- Mr. Nooruddin F. Daud-(Tamgha-i-Imtiaz-Civil)

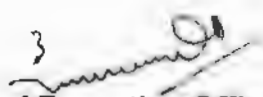
12. Key Financial Data

SIX YEAR FINANCIAL DATA						
	(Rupees in Millions)					
	2021	2020	2019	2018	2017	2016
Assets						
Non-current assets	1,013.90	163.31	276.09	383.57	24.55	34.91
Current assets	1,120.00	954.08	808.53	771.92	581.45	536.17
Equity and liabilities						
Share capital and reserves						
Share capital	238.83	238.83	238.83	226.25	150	150
Share deposit Money	-	-	-	12.58	-	-
Merger Reserve	504.87	504.87	504.87	504.87	-	-
Surplus on revaluation of	926.84	2.68	3.99	5.78	-	-
Accumulated deficit	(664.57)	(577.90)	(432.85)	(277.25)	(134.73)	(103.71)
	1,005.97	168.48	314.84	472.23	15.27	46.29
Non-current liabilities	1,061.44	884.17	712.06	653.22	578.27	481.19
Current liabilities	66.49	64.74	57.72	30.04	12.31	43.54
Revenue	121.43	109.1	137.48	91.51	250.04	231.97
Operating expenditure	209.14	255.46	286.71	262.38	283.52	268.18
(Deficit)/Surplus	(87.71)	(146.36)	(149.23)	(170.87)	(33.48)	(36.21)

13- 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

Date: 20 November 2021




Director

Technology Upgradation and Skill Development Company

Ministry of Industries and Production

State Cement Corporation Building, Kot Lakhpat, Lahore 54770, Pakistan

Tel: (+92)-42-35145793-5, 35215890, 35215874, Fax: (+92)-42-35121658, tusdec.org.pk

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



Auditors

H. Y. K & Co
Chartered Accountants

Registered/Head Office

State Cement Corporation Building, Kot
Lakhat,
Lahore

Independent Auditor's Report

To the Members of Technology Upgradation and Skill Development Company

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Technology Upgradation and Skill Development Company** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

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

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

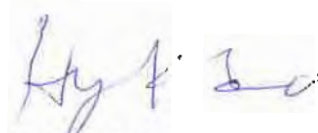
Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) The statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the company for the year ended June 30, 2020 were audited by another firm of chartered accountants who expressed an unmodified opinion dated November 21, 2020.

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



H.Y.K and Co.
Chartered Accountants
Lahore
Date: November 20, 2021

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5.	1,007,337,155	157,826,550
Intangibles	6	2,253,750	746,021
Long term deposits	7	4,311,240	4,732,528
		1,013,902,145	163,305,099
Current assets			
Projects assets	8	969,959,845	845,187,476
Trade debts	9	9,988,702	12,465,457
Stores and spares		11,875,766	12,314,900
Short term advances	10	776,575	510,753
Short term advances deposits and prepayments	11	2,464,565	1,925,762
Other receivables		-	189,358
Short term investments	12	15,205,821	15,291,758
Tax refunds due from the government	13	20,796,425	19,829,558
Cash and bank balances	14	88,940,140	46,370,840
		1,120,007,839	954,085,862
TOTAL ASSETS		2,133,909,984	1,117,390,961
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
135,000,000 (2020: 135,000,000) ordinary shares of Rs. 10/- each	15	1,350,000,000	1,350,000,000
Issued, subscribed and paid-up capital	16	238,830,000	238,830,000
Merger reserve	17	504,865,626	504,865,626
Surplus on revaluation of property and equipment	18.	926,844,273	2,679,044
Accumulated deficit		(664,569,545)	(577,896,784)
Total Equity		1,005,970,354	168,477,886
Non-current liability			
Deferred grant	19	1,061,444,866	884,173,105
Current liabilities			
Trade and other payables	20	50,293,432	48,461,361
Lease Liabilities		325,600	325,600
Project liabilities	21	15,875,732	15,953,009
		66,494,764	64,739,970
TOTAL EQUITY AND LIABILITIES		2,133,909,984	1,117,390,961
Contingencies and commitments	22	-	-

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


CHIEF EXECUTIVE OFFICER




DIRECTOR

hnp

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Income			
Income from services	23.	79,669,015	78,507,849
Amortization of grant related to income	24	34,636,033	24,822,624
		114,305,048	103,330,473
Cost of services			
Operating cost	25	81,885,074	122,450,118
Projects expenses	26	32,497,265	25,044,242
		114,382,339	147,494,360
		(77,291)	(44,163,887)
Expenditures			
Administrative and general expenses	27	93,565,830	106,819,225
Selling expenses	28	1,196,222	1,152,912
		94,762,052	107,972,137
		(94,839,343)	(152,136,024)
Other income	29	7,124,508	5,774,674
Deficit before taxation		(87,714,835)	(146,361,350)
Taxation	30	-	-
Deficit for the year		(87,714,835)	(146,361,350)

The annexed notes from 1 to 38 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 Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
Deficit for the year	(87,714,835)	(146,361,350)
Other comprehensive income:		
<i>Items to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	1,042,074	1,318,838
	-	-
	-	-
Total other comprehensive income	1,042,074	1,318,838
Total comprehensive income for the year	(86,672,761)	(145,042,512)

The annexed notes from 1 to 38 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 Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Deficit before taxation		(87,714,835)	(146,361,350)
Adjustment for non cash items:			
Interest income		(1,245,758)	(3,316,581)
Depreciation on property, plant and equipment	5	73,464,888	112,984,130
Amortization on intangibles	6	724,081	776,241
Amortization of deferred grant	24	(34,636,033)	(24,822,624)
Trade debts written-off		-	-
		38,307,178	85,621,166
Cash used before working capital changes		(49,407,657)	(60,740,184)
Changes in working capital			
Decrease / (increase) in trade debts		2,476,755	15,912,000
Decrease / (increase) in stores and spares		439,134	560,328
Decrease in other receivables		189,358	179,273
Increase in short term advances		(265,822)	1,741,242
(Increase) / decrease in short term prepayments		(538,803)	1,397,736
Increase in projects assets		(124,772,369)	(184,087,974)
Increase / (decrease) in projects liabilities		(77,277)	(822,308)
Increase in trade and other payables		1,832,071	6,748,189
		(120,716,953)	(158,371,514)
Cash used in operations		(170,124,610)	(219,111,698)
Interest income received		-	-
Taxes paid		(966,867)	(1,101,720)
		(966,867)	(1,101,720)
Net cash used in operating activities		(171,091,477)	(220,213,418)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in long term deposits		421,288	(972,910)
Interest income received		1,039,937	3,024,823
Net cash used in investing activities		1,461,225	2,051,913
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received	19	211,907,794	196,933,038
Net cash used in financing activities		211,907,794	196,933,038
Net decrease in cash and cash equivalents		42,277,542	(21,228,467)
Cash and cash equivalents at the beginning of the year		61,370,839	82,599,306
Cash and cash equivalents at the end of the year		103,648,381	61,370,839

The annexed notes from 1 to 38 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 Act, 2017)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued subscribed and paid-up capital	Accumulated (deficit) / surplus	Surplus on Revaluation of Property Plant and Equipment	Merger Reserve	Total
	----- Rupees -----				
Balance at 01 July 2019	238,830,000	(432,854,272)	3,997,882	504,865,626	314,839,236
	-	-	-	-	-
	-	-	-	-	-
Incremental depreciation charge	-	-	(1,318,838)	-	(1,318,838)
Total comprehensive income	-	(145,042,512)	-	-	(145,042,512)
	-	-	-	-	-
Balance at 30 June 2020	238,830,000	(577,896,784)	2,679,044	504,865,626	168,477,886
Incremental depreciation charge	-	-	(1,042,074)	-	(1,042,074)
Revaluation surplus for the year	-	-	925,207,303	-	925,207,303
Total comprehensive income	-	(86,672,761)	-	-	(86,672,761)
	-	-	-	-	-
Balance at 30 June 2021	238,830,000	(664,569,545)	926,844,273	504,865,626	80,763,051

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

3

CHIEF EXECUTIVE OFFICER

M-8

DIRECTOR

hym

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company registered under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. CORPORATE AND GENERAL INFORMATION

1.1 The company 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 repealed Companies Ordinance, 1984 (Now Companies Act, 2017).

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 majority owned subsidiary company of Pakistan Industrial Development Corporation (Private) Limited (PIDC).

Geographical location and addresses of all business units are as follow;

S.No.	Offices	Addresses
i	Registered Office	State Cement Corporation Building Kot Lakhpat Near Race Club, Lahore. More Emanabad Opposite Custom Intelligence Office
ii	Division unit	Near Commander Ceramics 12-KM Kamoki, Gujranwala Pakistan
iii	Division unit	Sialkot By Pass Chowk, Sialkot Road Gujranwala.
iv	Division unit	1st Floor Sarhad Chamber of Commerce & Industry G.T Road Peshawar.
v	Division unit	Owais Ahmad Ghani Research Centre Buitems Takatu Campus Airport Road Quetta
vi	Division unit	University of Sialkot 1 Km Main Daska Road Sialkot. Plot # A-49 Small Industrial Estate Extension Tando Muhammad Khan Road
vii	Division unit	Hydrabad. Plot # 134-6, CECOS Industrial Liaison Center Hayatabad Industrial Estate
viii	Division unit	Peshawar Plot # N-10 A at sector N, Hub Industrial & Trading Estate (HITE)
ix	Division unit	Hub, District, Lasbella Baluchistan National Institute of Design & Analysis (NIDA-Karachi)
x	Division unit	Estate Cement Guest House Building Main Stadium Road Dalmia

Amalgamation

During the year ended June 30, 2018, there was amalgamation of Gujranwala Tools, Dies and Moulds Centre (GTDMC) and Ceramics Development and Training Complex (CDTC) into Technology Upgradation and skill Development Company at its meeting held on July 18, 2017.

2. STATEMENT OF COMPLIANCE

Financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Accounting and Reporting standards applicable in Pakistan comprise of:

(a) International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 and

(b) Provisions and directives issued under the Companies Act, 2017.

Wherever, the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

3.1 These financial statements have been prepared under the historical cost convention except for property, plant and equipment which are stated at revalued amounts as mentioned in note 5.

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3.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupee, which is Company's functional currency. All financial information presented in Pak Rupee has been rounded off to the nearest thousand unless stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of financial statements of the Company are consistent with previous year except as described in Note 4.1.

4.1 New, amended standards and interpretations which became effective

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2020. These are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

4.2 Standards and interpretations issued but not yet effective for the current financial year

	Effective for periods beginning on or after
	Jan-01-2022 & Jan-01-2023
IAS 1 Presentation of Financial Statements (Amendments)	
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	Jan-01 2023
IAS 12 Income Taxes (Amendments)	Jan-01 2023
IAS 16 Property, Plant and Equipment (Amendments)	Jan-01 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	Jan-01 2022
Annual improvements to IFRS Standards (2018-2020 Cycle)	Jan-01 2022

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

4.2 Use of estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards and Companies Act 2017 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, plant and equipment (4.3)
- Provisions (4.12)
- Employee benefits (4.10)
- Project assets in progress
- Contingencies
- Provision for expected credit loss

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4.3 Property, plant and equipment

Property, plant 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, plant 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 5.

Surplus on revaluation of property, plant 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 statement of income and expenditure account.

4.4 Intangibles

Recognition and measurement

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increase the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in statement of profit or loss.

Amortization

Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date. The rates determined to amortize the intangible assets are disclosed in note 6.

4.5 Capital work-in-progress (CWIP)

Capital work-in-progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property and equipment as and when assets are available for use. Capital work in progress is stated at cost, less any identified impairment loss.

4.6 Stores and spares

Useable stores, spares and loose tools are valued principally at First In First Out (FIFO) methods, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made in the financial statements for slow moving store based on management's best estimate.

4.7 Trade and other receivables

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

The company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair

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value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale

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

4.8 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 Statement of income and expenditure .

4.9 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.

4.10 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.

4.11 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.

4.12 Provisions

A provision is recognized in the statement of financial position 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. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risks specific to the liability. the unwinding of discount is recognised as finance cost. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

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4.13 Cash and cash equivalents

Cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and with banks in current and saving accounts and other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of change in value.

4.14 Foreign currency translation

The financial statements are presented in Pak Rupees, which is the Company's functional currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency rates of exchange prevailing at the balance sheet date. All resulting differences are taken to the statement of income and expenditure.

4.15 Related party transactions

Transactions with related parties are made at arm's length prices except in circumstances where it is in the interest of the Company not to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the company as defined in International Accounting and Reporting Standard 24 "Related Parties".

4.16 Offsetting of financial assets and liabilities

Financial assets and liabilities are set-off and the net amount is reported in the statement of financial position if the Company has legally enforceable right to set-off recognized amounts and the Company intends to settle either on a net basis or realizes the asset and settle the liability simultaneously.

4.17 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.

4.18 Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

4.19 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.

4.20 Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments. TUSDEC is not a profit oriented entity and therefore have no such segments for the operations.

4.22 Impact of Covid-19

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as TUSDEC is operating under the support of the government, therefore such material impact as considered by the management while preparing these financial statements.

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5	PROPERTY, PLANT AND EQUIPMENT	Note	2021	2020
			Rupees	Rupees
	Operating fixed assets	5.1	1,005,987,155	157,500,950
	Right of Use Assets	5.2	1,350,000	325,600
			<u>1,007,337,155</u>	<u>157,826,550</u>
5.1	Operating fixed assets			

PARTICULARS	2021											
	COST/REVALUATION					DEPRECIATION					BOOK VALUE	RATE %
	As on 01 July 2020	Additions/ (deletions)	Impact of revaluation	Acquisition through merger	As on 30 June 2021	As on 01 July 2020	Adjustment	Acquisition through merger	For the year	As on 30 June 2021	AS ON 30 JUNE 2021	
Owned:												
Land	26,500,001	-	441,640,997	-	468,140,998	-	-	-	-	-	468,140,998	0
Building	244,556,037	-	25,689,670	-	270,245,707	178,613,061	-	-	19,376,483	197,989,544	72,256,163	5-10
Building improvements	59,979,239	-	2,282,285	-	62,261,524	53,704,292	-	-	1,631,857	55,336,149	6,925,375	10
						-						
Office equipment	21,448,865	-	868,184	-	22,317,049	17,446,398	-	-	1,697,157	19,143,555	3,173,494	10
						-						
Plant & machinery	860,754,978	-	434,136,750	-	1,294,891,728	812,840,728	-	-	47,914,250	860,754,978	434,136,750	10
Computer equipment	93,738,259	-	8,053,929	-	101,792,188	93,048,670	-	-	628,518	93,677,188	8,115,000	33
						-						
Furniture and fixtures	19,398,793	-	1,080,807	-	20,479,600	17,077,130	-	-	685,595	17,762,725	2,716,875	10
						-						
Vehicles	69,948,664	-	8,198,471	-	78,147,135	66,093,607	-	-	1,531,028	67,624,635	10,522,500	20
						-						
Library books	250,775	-	-	-	250,775	250,775	-	-	-	250,775	-	20
Total	1,396,575,611	-	921,951,093	-	2,318,526,704	1,239,074,661	-	-	73,464,888	1,312,539,549	1,005,987,155	

Right of Use Assets

PARTICULARS	2021											
	COST/REVALUATION					DEPRECIATION					BOOK VALUE	RATE %
	As on 01 July 2019	Additions/ (deletions)	Impact of revaluation	Acquisition through merger	As on 30 June 2019	As on 01 July 2018	Adjustment	Acquisition through merger	For the year	As on 30 June 2019	AS ON 30 JUNE 2019	
	Rupees											
Vehicles	1,752,000	-	1,024,400	-	2,776,400	1,426,400	-	-	-	1,426,400	1,350,000	
Total	1,752,000	-	1,024,400	-	2,776,400	1,426,400	-	-	-	1,426,400	1,350,000	

Allocation of depreciation:

	2021 Rupees	2020 Rupees
Cost of services	47,914,250	86,075,498
Administrative and general expenses	25,550,638	26,908,632
	<u>73,464,888</u>	<u>112,984,130</u>

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PARTICULARS	2020											BOOK VALUE AS ON 30 JUNE 2020	RATE %
	COST/REVALUATION					DEPRECIATION							
	As on 01 July 2019	Additions/ (deletions)	Impact of revaluation	Disposals through revaluation through merger	As on 30 June 2020	As on 01 July 2019	Adjustment	Acquisition through merger	For the year	As on 30 June 2020			
Owened:	Rupees												
Land	26,500,001	-	-	-	26,500,001	-	-	-	-	-	26,500,001	0	
Building	244,556,037	-	-	-	244,556,037	158,917,945	-	-	19,695,116	178,613,061	65,942,976	5-10	
Building improvements	59,979,239	-	-	-	59,979,239	52,072,435	-	-	1,631,857	53,704,292	6,274,947	10	
Office equipment	21,448,865	-	-	-	21,448,865	15,554,151	-	-	1,892,247	17,446,398	4,002,467	10	
Plant & machinery	860,754,978	-	-	-	860,754,978	726,765,230	-	-	86,075,498	812,840,728	47,914,250	10	
Computer equipment	93,738,259	-	-	-	93,738,259	92,338,157	-	-	710,513	93,048,670	689,589	33	
Furniture and fixture	19,398,793	-	-	-	19,398,793	15,629,259	-	-	1,447,871	17,077,130	2,321,663	10	
Vehicles	193,678,178	-	-	(123,729,514)	69,948,664	188,292,093	(123,729,514)	-	1,531,028	66,093,607	3,855,057	20	
Library books	250,775	-	-	-	250,775	250,775	-	-	-	250,775	-	20	
Total	1,520,305,125	-	-	(123,729,514)	1,396,575,611	1,249,820,045	(123,729,514)	-	112,984,130	1,239,074,661	157,500,950		

5.2 Right of Use Assets

Right of Use Assets												
PARTICULARS	2020											
	COST					DEPRECIATION					BOOK VALUE	RATE %
	As on 01 July 2019	Additions/ (deletions)	Impact of revaluation	Acquisition through merger	As on 30 June 2020	As on 01 July 2019	Adjustment	Acquisition through merger	For the year	As on 30 June 2020	AS ON 30 JUNE 2020	
Rupees												
Vehicles	1,752,000	-	-	0	1,752,000	1,426,400	-	-	-	1,426,400	325,600	20
Total	1,752,000	-	-	-	1,752,000	1,426,400	-	-	-	1,426,400	325,600	

5.3 In the previous financial year June 30, 2020, Company had erroneously added Rs. 123,729,514 in the cost of the vehicles and the same amount deleted from the accumulated depreciation and ultimately there was no impact on the financial statements. That was the presentation error or typo error and company has updated now the schedule for the presentation purposes.

5.4 The property and equipment (Owned-5.1 and leased-5.2) and intangible (Software-6.1) of the Company were revalued on 30 June, 2021 by an independent accredited valuer Anderson Consulting (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. 925,207,303 over the written down value of Rs. 84,383,602 of these assets as on 30 June 2021 (total revalued amount being Rs. 1,009,590,905-Forced value) The previous valuation was carried out by an independent valuer Empire Enterprises (Private) Limited as at June 30, 2014

Had the property and equipment not been revalued, the total carrying amounts at 30 June would have been as follows:

	2021 Rupees	2020 Rupees
Building	11,522	21,413
Building improvements	482,650	559,758
Office equipment	17,703	27,003
Vehicle-Right of use asset	325,600	325,600
	837,475	933,774

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- 5.5 The right of use assets-5.2 represents a vehicle for which bank has not provided original documents yet for the ownership transfer and the same not transferred to the owned assets.
5.5 As on 30 June 2021, management expects that fair value of the fixed assets is not materially different from their net book value

6. INTANGIBLES

Software	6.1	2,253,750	746,021
		-	-
		<u>2,253,750</u>	<u>746,021</u>

6.1 Software

PARTICULARS	2021											RATE %
	COST					AMORTIZATION					BOOK VALUE AS ON 30 JUNE	
	As on 01 July 2020	Additions/ (deletions)	Impact of revaluation	Acquisition through merger	As on 30 June 2021	As on 01 July 2020		Acquisition through merger	For the year	As on 30 June 2021		
	Rupees											
Software	16,913,985	-	2,231,810	-	19,145,795	16,167,964		-	724,081	16,892,045	2,253,750	33
Total 2021	16,913,985	-	2,231,810		19,145,795	16,167,964			724,081	16,892,045	2,253,750	

PARTICULARS	2020											RATE %
	COST					AMORTIZATION					BOOK VALUE AS ON 30 JUNE	
	As on 01 July 2019	Additions/ (deletions)		Acqulsition through merger	As on 30 June 2020	As on 01 July 2019		Acquisition through merger	For the year	As on 30 June 2020		
	Rupees											
Software	16,913,985	-		-	16,913,985	15,391,723		-	776,241	16,167,964	746,021	33
Total 2020	16,913,985	-			16,913,985	15,391,723			776,241	16,167,964	746,021	

- 6.1 Had the property and intangible not been revalued, the total carrying amounts at 30 June would have been as follows:

Softwares	21,940	746,021
	<u>21,940</u>	<u>746,021</u>

Amortization of intangibles charged to Administrative expenses.

Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage	Total Area Square Yards
Sialkot By Pass Chowk, Sialkot Road Gujranwala	Land and Building	16335
More Emanabad Opposite Custom Intelligence Office Near Commander Ceramics 12-KM Kamoki, Gujranwala Pakistan.	Land and Building	9680

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7	LONG TERM DEPOSITS	Note	2021	2020
			Rupees	Rupees
	<i>These include deposits against:</i>			
	Security deposit SNGPL		2,715,824	2,715,824
	Office		381,883	381,883
	Others	7.1	1,213,533	1,634,821
			<u>4,311,240</u>	<u>4,732,528</u>
7.1	It includes security deposits paid in respect of utilities. Security deposits paid do not carry markup arrangements.			
8	PROJECTS ASSETS			
	Projects in progress	8.1	966,529,890	839,495,445
	Advances to suppliers	8.2	924,385	26,078
	Prepayments and other receivables	8.3	2,505,570	5,665,953
			<u>969,959,845</u>	<u>845,187,476</u>
8.1	Projects in progress			
	Footwear Cluster Development	8.1.1	44,992,435	24,132,749
	Industrial Development and Automation (IDAC)	8.1.1	127,743,135	91,251,699
	NASPAT	8.1.1	39,761,271	24,078,707
	Engineering support centres(ESC)	8.1.1	754,033,049	700,032,290
			<u>966,529,890</u>	<u>839,495,445</u>

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8.1.1 Projects in progress

	2021				2020			
	Footwear	IDAC	ESC	NASPAT	Footwear	IDAC	ESC	NASPT
	Rupees				Rupees			
Opening balance as on 1 July	24,132,749	91,251,699	700,032,290	24,078,707	-	-	647,581,610	-
Additions:								
Capital expenditure								
Building improvements	3,182,704	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-
IT Infrastructure	840,907	480,221	450,420	-	3,925,232.00	-	-	-
Furnitures & fixtures	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
Machinery and equipment	12,210,120	-	-	-	-	-	4,915,808	-
Other assets	-	139,500	-	-	15,742,388.00	78,481,232	-	-
	16,233,731	619,721	450,420	-	19,667,620	78,481,232	4,915,808	-
Operational expenditure								
Employees cost	2,490,000	6,925,942	36,704,610	-	-	-	34,090,285	-
TUSDEC / PMU service fee	400,000	27,075,000	3,083,017	-	-	-	-	-
Vehicle running and maintenance cost	-	-	-	-	-	-	-	-
Electricity, fuel and power	419,869	295,272	1,626,193	190,175	-	-	1,042,238	-
Consumables	125,080	47,215	1,806,307	439,951	-	-	1,865,307	-
Advertisement	472,977	-	249,820	395,600	-	-	516,847	-
Other expenses	718,029	1,528,286	10,080,392	14,656,838	4,465,129.00	12,770,467.00	10,020,195	24,078,707
	4,625,955	35,871,715	53,550,339	15,682,564	4,465,129.00	12,770,467	47,534,872	24,078,707
Less: transferred to TUSDEC on completion of project	-	-	-	-	-	-	-	-
Closing as on 30 June 2021	44,992,435	127,743,135	754,033,049	39,761,271	24,132,749	91,251,699	700,032,290	24,078,707

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8.2	Advances to suppliers	Note	2021 Rupees	2020 Rupees
	NAVTTTC		24,000	-
	GIZ		26,079	26,078
	Footwear		457,056	-
	IDAC		352,001	-
	ESCs		65,249	-
			924,385	26,078
			<u>924,385</u>	<u>26,078</u>
8.3	PREPAYMENTS AND OTHER RECEIVABLES			
	NAVTTTC:			
	Other receivables		63,777	12,957
	IDAC:			
	Prepayments		-	1,524,678
			-	1,524,678
	ESC:			
	Prepayments		-	402,688
	Other receivables		2,427,394	2,903,630
			2,427,394	3,306,318
	NASPAT:			
	Other receivables		14,399	372,000
			14,399	372,000
	Footwear:			
	Prepayments		-	450,000
			-	450,000
			<u>2,505,570</u>	<u>5,665,953</u>
9.	TRADE DEBTS			
	Unsecured - considered good			
	Related party			
	Pakistan Industrial Development Corporation (PIDC)	9.1	4,199,514	4,199,514
	Trade receivables-others		10,269,536	12,430,457
	Less: Provision for Expected Credit Loss		(4,480,348)	(4,164,514)
			<u>9,988,702</u>	<u>12,465,457</u>
	Movement in Expected Credit Loss			
	Opening balance		4,164,514	4,164,514
	Charged for the year		315,834	-
	Closing balance		<u>4,480,348</u>	<u>4,164,514</u>

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 4 years.

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10. SHORT TERM ADVANCES-considered good

Advances to employees		
against expenses	394,312	122,940
against salary	-	5,550
Advances to suppliers	382,263	382,263
	<u>776,575</u>	<u>510,753</u>

11. SHORT TERM ADVANCES, DEPOSITS AND PREPAYMENTS

Prepaid insurance	1,378,536	1,282,996
Sales tax/excise duty	1,063,279	609,495
Others	22,750	33,271
	<u>2,464,565</u>	<u>1,925,762</u>

12. SHORT TERM INVESTMENTS

Faysal Bank Limited	15,000,000	15,000,000
Add: Interest accrued	205,821	291,758
	<u>15,205,821</u>	<u>15,291,758</u>

12.1 These represent Term Deposit 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 7.25% (2020: 9.5% to 10.5%) per annum.

13. TAX REFUNDS DUE FROM THE GOVERNMENT

Tax refunds due from the government		
	13.1	
	20,796,425	19,829,558
	<u>20,796,425</u>	<u>19,829,558</u>

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

14. CASH AND BANK BALANCES

Cash in hand		418,385	321,304
Cash at banks			
- Current Accounts		136,453	-
- Deposit Accounts	(14.1&14.2)	88,385,302	46,049,536
		<u>88,940,140</u>	<u>46,370,840</u>

14.1 The deposits in saving accounts carry mark-up at the rate ranging from 5.5% to 6.5% (2020: 5.5% to 6.5%) per annum.

14.2 This includes an amount of Rs. 1,200,000 (2020: Rs. 1,200,000) on which bank has lien against guarantees issued on behalf of the Company.

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15. AUTHORIZED SHARE CAPITAL

135,000,000 (2020: 135,000,000) ordinary shares of Rs. 10 each	1,350,000,000	1,350,000,000
Closing Balance	<u>1,350,000,000</u>	<u>1,350,000,000</u>

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

23,883,000 (2020: 23,883,000) ordinary shares of Rs. 10 each	238,830,000	238,830,000
Closing Balance	<u>238,830,000</u>	<u>238,830,000</u>

17 Merger reserve-Business combination

Two companies namely Gujranwala Tools Dies and Moulds Centre (GTDMC) and Ceramics Development and Training Complex(CDTC) has been amalgamated in to Technology Upgradation and Skill Development Company (TUDEC) with effect from 18th July, 2017. Ministry of Industry and Production (MOIP) approved the amalgamation of aforementioned companies vide its decision dated 25th May, 2017. Subsequent to the approval of MOIP the BOD of respective companies approved the scheme of amalgamation as required under section 284 of the Companies Act, 2017. Securities and exchange commission of pakistan (SECP) has acknowledged the scheme of amalgamation and BOD resolution vide its letter no. ARL/0082377/9050 dated 2nd November, 2017. As per terms of the Scheme of amalgamation, Pooling Interest method is to be used for amalgamation i-e All the assets (properties, rights, titles, interest, investments, receivables and others) and all liabilities (duties, obligations and undertakings) of the transferee companies (GTDMC & CDTC) are transferred to transferor company(TUSDEC) at carrying amount at effective date of amalgamation scheme.

The fair value and carrying amounts of the assets and liabilities acquired are as follows:

(a) - GUJRANWALA TOOLS, DIES AND MOULDS CENTRE - Net Assets

	Carrying Amounts as at July 17, 2017	Fair value and other Adjustments	Fair value as at July 17, 2017
Assets			
Property, plant and equipment- operating	319,587,553	-	319,587,553
Capital work in progress	2,075,273	-	2,075,273
Long term deposits	852,688	-	852,688
Stores, spare parts and loose tools	16,365,510	-	16,365,510
Stock in trade	793,875	-	793,875
Trade debts and other receivables	5,196,175	-	5,196,175
Loans, advances and prepayments	3,463,876	-	3,463,876
Advance tax	5,144,505	-	5,144,505
Cash and bank balances	7,160,984	-	7,160,984
	360,640,439	-	360,640,439

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Liabilities

Liability against assets subject to finance lease	1,356,348	-	1,356,348
Trade and other payables	27,378,111	-	27,378,111
Current portion of long term liabilities	333,652	-	333,652
	29,068,111	-	29,068,111
	331,572,328	-	331,572,328

(b) - CERAMICS DEVELOPMENT AND TRAINING COMPLEX- Net Assets

	Carrying Amounts as at July 17, 2017	Fair value and other Adjustments	Fair value as at July 17, 2017
Assets			
Property, plant and equipment	146,916,835	-	146,916,835
Long term security deposits	2,196,524	-	2,196,524
Stores and spares	1,451,017	-	1,451,017
Trade debts	1,129,660	-	1,129,660
Receivables	180,204	-	180,204
Prepayments	349,109	-	349,109
Short term investments	13,000,000	-	13,000,000
Tax refunds due from the Government	3,015,544	-	3,015,544
Cash and bank balances	5,719,222	-	5,719,222
	173,958,115	-	173,958,115
Liabilities			
Accrued and other liabilities	664,758	-	664,758.00
	664,758	-	664,758
	173,293,357	-	173,293,357

Fair value of Net Assets

-Gujranwala Tools, Dies And Moulds Center	331,572,328	-
-Ceramics Development And Training Complex	173,293,358	-
	504,865,686	-
Elimination of Investment	60	-
	504,865,626	-

18. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance at 01 July	2,679,044	3,997,882
Incremental depreciation charged during the year	(1,042,074)	(1,318,838)
Revaluation surplus for the year	925,207,303	-
Closing balance	926,844,273	2,679,044

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19 DEFERRED GRANT

Note	Opening Balance as at 01 July	Addition		Deletion/Transfer		Closing balance as at 30 June
		Fund Received for the year	Other Income	Amortization of Grant for the year Note 24	Fund returned/ Surrendered/Transferred	
----- Rupees -----						
19.1	6,822,948			2,138,768	-	4,684,180
19.2	730,279,639	120,877,147	9,582,743	-	59,656,659	801,082,870
19.4	6,010,333	23,138,903	77,209	12,248,865	-	16,977,580
19.3	24,582,749	22,049,774	-	-	1,252,368	45,380,155
19.3	24,450,707	33,400,000	-	-	18,075,037	39,775,670
19.3	92,776,377	132,275,250	-	-	96,956,491	128,095,136
19.4	(749,648)	45,977,362	469,961	20,248,400	-	25,449,275
	877,350,157	377,718,436	10,129,913	32,497,265	175,940,555	1,056,760,686
	884,173,105	377,718,436	10,129,913	34,636,033	175,940,555	1,061,444,866
19.1	8,961,716	-		2,138,768	-	6,822,948
19.2	678,829,235	77,164,000	6,854,762	-	32,568,358	730,279,639
19.4	6,005,902	2,743,829	-	2,739,398	-	6,010,333
19.3	-	30,000,000	-	-	5,417,251	24,582,749
19.3	-	84,970,000	-	-	60,519,293	24,450,707
19.3	-	100,000,000			7,223,623	92,776,377
19.4	18,265,837	-	928,973	19,944,458	-	(749,648)
	703,100,974	294,877,829	7,783,735	22,683,856	105,728,525	877,350,157
	712,062,690	294,877,829	7,783,735	24,822,624	105,728,525	884,173,105

19.1 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 and other projects merged into TUSDEC

19.2 The projects will be merged in the Company w.e.f 01 July 2021.

19.3 The fate of these PSDP projects will be decided on completion of the projects.

19.4 These are ongoing Donor funded projects and shall be completed on expiry of terms as mentioned in the agreement.

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	Note	2021 Rupees	2020 Rupees
20. TRADE AND OTHER PAYABLES			
Creditors		3,891,318	3,455,842
Accrued liabilities		20,012,475	20,489,322
Advances from customers		1,368,825	1,420,056
Withholding income tax payable		909,048	787,604
Employees benefits payable		2,390,062	1,918,572
Other liabilities		10,976,102	9,644,363
Payable to machinery supplier	20.1	10,679,360	10,679,360
Payable to PIDC		66,242	66,242
		<u>50,293,432</u>	<u>48,461,361</u>

20.1 This constitutes an amount of Rs.10,679,360 as a performance bond which is payable to TRUMPF (Germany) after one year from the commissioning of Laser Cutting and Marking machine.

	Note	2021 Rupees	2020 Rupees
21. PROJECT LIABILITIES			
These represent accrued expenses and/or payables in respect of the following projects:			
GIZ:			
Payables		856,470	592,288
Accrued expenses		3,043,930	226,260
		3,900,400	818,548
ESC:			
Payables	21.1	7,090,547	8,036,474
Footwear:			
Payables		205,789	-
Accrued expenses		-	-
		205,789	-
ITB:			
Payables		28,065	2,828,065
Accrued expenses		-	-
		28,065	2,828,065
NAVTC:			
Payables		860,395	479,386
Accrued expenses		3,790,536	3,790,536
		4,650,931	4,269,922
		<u>15,875,732</u>	<u>15,953,009</u>

21.1 This includes an amount of Rs. NIL (2020: Rs. 2,000,253) against the retention money of construction contractors as per the agreement for the ongoing construction of Peshawer Light Engineering Centre, (Lasbela, Light Engineering Upgradation Centre and Hyderabad Engineering Sports Centre.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

Guarantees issued by a bank on behalf of the Company in favor of the following parties:

Pakistan State Oil

Note	2021 Rupees	2020 Rupees
	<u>1,200,000</u>	<u>1,200,000</u>

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22.2 Commitments

Nil Nil

23. INCOME FROM SERVICES	Note	2021	2020
		Rupees	Rupees
Income from:			
trainings	23.1	9,243,789	34,174,403
projects	23.2	4,762,217	659,836
laboratory test and 3D scanning	23.3	10,894,401	7,769,928
Toll manufacturing	23.4	24,180,591	21,747,682
Project implementation fee	23.5	30,588,017	14,156,000
		79,669,015	78,507,849
		-	-
		<u>79,669,015</u>	<u>78,507,849</u>

23.1 This represents the amount being recognised in respect of income from training courses, short courses (CAD/CAM courses, Auto CAD) and other administrative fee against the different Donor projects.

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

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

23.4 This represents the amount being recognized in respect of income from services provided by GTDMC and CDTC.

23.5 This represents the amount being recognized in respect of income from implementation of PSDP projects.

24. AMORTIZATION OF GRANT

amortization of grant related to asset	24.1	2,138,768	2,138,768
amortization of grant related to income	24.2	32,497,265	22,683,856
		<u>34,636,033</u>	<u>24,822,624</u>

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

24.2 This represents amortization of grant against following projects:

National Vocational and Technical Commission (NAV TTC)
GIZ

12,248,865	2,739,398
20,248,400	19,944,458
<u>32,497,265</u>	<u>22,683,856</u>

25. OPERATING COST	Note	2021	2020
		Rupees	Rupees
Gas charges		8,474,794	8,390,445
Salaries, wages and other benefits	25.1	16,421,412	18,061,288
Stores and spares consumed		902,022	654,985
Electricity charges		6,572,182	6,160,401
Diesel for generator		195,283	214,186
Repairs and maintenance		1,043,805	840,959
Insurance charges		-	6,120
Depreciation	5	47,914,250	86,075,498
Training expenses		289,326	1,935,257
Misc. expenses		72,000	110,979
		<u>81,885,074</u>	<u>122,450,118</u>

25.1 This includes an amount of Rs. 547,410 (2020: Rs. 587,920) recognized in respect of Provident Fund and Rs. 354,553 (2020: Rs. 17,421) in respect of compensated absences.

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26. PROJECT EXPENSES

ITB:

Employee cost	-	1,581,440
Other expenses	-	776,946
	-	2,360,386

NAVTC:

Employee cost	6,506,961	859,228
Consumables	1,129,773	749,120
Other expenses	4,612,131	1,131,050
	12,248,865	2,739,398

GIZ:

Employee cost	14,810,367	14,892,503
Vehicle running and maintenance cost	11,466	101,589
Advertisement	902,786	417,952
Travelling and conveyance	725,389	1,825,487
Postage and telephone	274,583	210,139
Other expenses	3,523,809	2,496,788
	20,248,400	19,944,458
	32,497,265	25,044,242
	32,497,265	25,044,242

27. ADMINISTRATIVE AND GENERAL EXPENSES

		2021 Rupees	2020 Rupees
Salaries and other benefits	27.1	51,407,047	58,489,205
Depreciation	5.	25,550,638	26,908,632
Amortization on intangibles	6	724,081	776,241
Traveling, vehicle running and maintenance		4,671,593	5,762,226
Utilities		1,792,233	2,367,496
Rent, rate and taxes		2,155,097	2,213,790
Repair and maintenance		813,783	563,258
Advertisement and business development		241,167	143,111
Consumables		697,548	1,049,194
Janitorial services		1,106,630	1,831,858
Postage and telephone		1,407,233	1,728,722
Insurance		-	549,235
Security services		1,479,484	1,530,600
Printing and stationery		271,101	393,712
Legal and professional charges		256,501	349,240
Miscellaneous expenses		193,887	136,934
Auditors' remuneration	27.2	330,000	330,000
Project expenses		36,720	1,651,999
Provision for expected credit loss		315,834	-
Fee and subscription		115,253	43,772
		93,565,830	106,819,225

27.1 This includes an amount of Rs. 2,735,498 (2020: Rs. 2,736,791) recognized in respect of Provident Fund and Rs. 2,047,664 (2020: Rs. 180,105) in respect of compensated absences.

27.2 Auditor's remuneration

Audit fee	330,000	330,000
	330,000	330,000

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28. SELLING AND DISTRIBUTION EXPENSES	Note	2021	2020
		Rupees	Rupees
Salaries and wages		1,196,222	1,152,912
		<u>1,196,222</u>	<u>1,152,912</u>
29. OTHER INCOME			
Income from financial assets:			
Saving accounts		348,948	791,919
Term deposits receipts		896,810	2,524,662
		1,245,758	3,316,581
Income from assets other than financial assets:			
Miscellaneous	29.1	5,878,750	2,458,093
		<u>5,878,750</u>	<u>2,458,093</u>
		<u>7,124,508</u>	<u>5,774,674</u>

29.1 It includes reversal of liability for the vendor in respect of the ITB project

30. TAXATION

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

31. RELATED PARTY BALANCES AND TRANSACTIONS

31.1 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.

Description	Nature of transactions	2021	2020
		Rupees	Rupees
Provident fund	Contribution to Provident fund	3,282,908	3,324,711
31.2 The parent of the entity is Pakistan Industrial Development Corporation (Private) Limited which holds 99.9% capital of the entity.			

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32. 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 receivables, 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.

32.1 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:

Balances with banks

The Company held balances of Rs. 88,521,755 with banks as at June 30, 2021 (June 2020: 46,049,536) Management assests the credit quality of the counter parties as satisfactory. Credit rating information of banks is as follows:

Bank/Financial institution	Rating			2021	2020
	Short term	Long term	Agency	Rupees	Rupees
Askari bank limited	A1+	AA+	PACRA	70,275,366	38,524,981
Bank alfalah limited	A1+	AA+	PACRA	5,270	2,273
Mcb bank limited	A1+	AAA	PACRA	516,173	985,419
Soneri bank	A1+	AA-	PACRA	92,090	458,995
Paysal bank limited	A1+	AA	PACRA	1,790,055	1,498,499
National bank of Pakistan	A1+	AAA	PACRA	15,842,801	4,579,258
I Habib bank limited	A1+	AAA	JCR-VIS	-	111
				88,521,755	46,049,536

Trade debts

The Company's exposure to Credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the credit risks of its customer base. Credit risk related to trade debts is managed by established procedures and controls relating to customers credit risk management. The company maintains a provision for doubtful debts that represents its estimate of probable losses in respect of trade debts. 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:

	2021 Rupees	2020 Rupees
Past due but not impaired		
Past due 1-30 days	1,698,138	8,481,285
Past due 31-60 days	139,976	3,984,172
Past due 61-90 days	-	-
Over 90 days	14,216,449	4,164,514
	16,054,563	16,629,971

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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:

32.2 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
30 June 2021	----- (Rupees) -----			
Trade and other payables	50,293,432	50,293,432	28,571,728	21,721,704
Project liabilities	15,875,732	15,875,732	15,875,732	-
	66,169,164	66,169,164	44,447,460	21,721,704

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
30 June 2020	----- (Rupees) -----			
Trade and other payables	48,461,361	48,461,361	48,461,361	-
Project liabilities	15,953,009	15,953,009	15,953,009	-
	64,414,370	64,414,370	64,414,370	-

32.3 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:

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	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial assets		
Saving bank accounts	88,385,302	46,049,536
Short term investments	15,205,821	15,291,758
	<u>103,591,123</u>	<u>61,341,294</u>

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.

32.4 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.

32.5 Financial instruments by categories

	2021		
	Cash and cash equivalents	Loans and advances	Total
	(Rupees)		
Assets as per balance sheet			
Long term deposits	-	4,311,240	4,311,240
Trade debts	-	9,988,702	9,988,702
Other receivables	-	-	-
Short term investments	15,205,821	-	15,205,821
Bank balances	88,385,302	-	88,385,302
	<u>103,591,123</u>	<u>14,299,942</u>	<u>117,891,065</u>

	2021
Liabilities as per balance sheet	Financial Liabilities at amortized cost
Trade and other payables	Rupees 50,293,432

Financial instruments by categories

	2020		
	Cash and cash equivalents	Loans and advances	Total
	(Rupees)		
Assets as per balance sheet			
Long term deposits	-	4,732,528	4,732,528
Trade receivables	-	12,465,457	12,465,457
Other receivables	-	189,358	189,358
Short term investments	15,291,758	-	15,291,758
Bank balances	46,370,840	-	46,370,840
	<u>61,662,598</u>	<u>17,387,343</u>	<u>79,049,941</u>

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	2020
	Financial Liabilities
	at amortized cost
	Rupees
Liabilities as per balance sheet	
Trade and other payables	48,461,361

32.6 Fair Value Measurement

Non Recurring Fair Value Measurements

	2021
	Rs
Property, plant and equipment	1,009,590,905

Valuation techniques and inputs used

The group has engaged an external, independent and qualified valuer to determine the fair value of the Property Plant and Equipment. They have determined the fair value by using Market based approach as described in IFRS 13.

The inputs used to develop those measurements are Purchase date, Useful life of asset, Present condition, location and Market value of the similar items.

Level of the fair value hierarchy

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2).

- Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs e.g. estimated future cash flows) (level 3).

32.7 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.

33. REMUNERATION OF CHIEF EXECUTIVE OFFICER , DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for the remuneration, including all benefits, to the Chief Executive, Directors and Executives including key management personnel of the Company were as follows:

	2021		2020	
	Chief Executive Officer	Directors	Chief Executive Officer	Directors
Managerial remuneration	-	-	2,099,023	-
Contribution to provident fund	-	-	210,007	-
Housing and utilities	-	-	1,450,365	-
Medical reimbursements	-	-	209,902	-
Fuel and Mobile Allowance	-	-	220,947	-
	-	-	4,190,244	-
Number of persons	1	8	1	8

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	2021	2020
	Executives	Executives
Managerial remuneration	11,346,963	11,474,217
Contribution to provident fund	769,034	769,034
Vehicle allowance	1,680,000	1,680,000
Medical allowance	769,034	769,034
Fuel and Mobile Allowance	1,965,000	1,658,400
	<u>16,530,031</u>	<u>16,350,685</u>
Number of persons	5	5

34. 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 218 of the Companies Act 2017 (previously Companies Ordinance, 1984) and the rules formulated for this purpose. The salient information of the fund is as follows:

	Note	2021 Rupees (unaudited)	2020 Rupees (unaudited)
Size of the fund		21,860,939	20,611,429
Cost of investment made	34.1	17,000,000	10,000,000
Percentage of investment made		78%	49%
Fair value of investment		17,000,000	10,000,000

34.1 Breakup of investment

	2021		2020	
	Investments (Rupees)	Investment as % of size of the fund	Investments (Rupees)	Investment as % of size of the fund
Bank balance in schedule bank	<u>17,000,000</u>	78%	<u>10,000,000</u>	49%

35. NUMBER OF EMPLOYEES

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

	2021	2020
- TUSDEC	105	120
- Projects	45	44
	<u>150</u>	<u>164</u>

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

	2021	2020
- TUSDEC	113	126
- Projects	45	42
	<u>158</u>	<u>168</u>

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36. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 20 November 2021 by the Board of Directors of the Company.

37. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However, no significant reclassification / restatement have been made in these financial statements.

38. GENERAL

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


CHIEF EXECUTIVE OFFICER


M--8


DIRECTOR

hym