Annual Report for the Year ended 2022

TUSDEC

COMPANY INFORMATION

Board of Directors

Independent Directors

Rana Nasir Mehmood
Chairman

Mr. Iftikhar Ahmed Jogezai
Director

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

Dr. Muhammad Aslam
Director

Prof. Dr. Younus Javed
Director

Executive Directors

Mr. Nadeem Ahsan
Chief Executive Officer

Non-Executive Directors

Mr. Waqar ud Din Siddqui
Director

Mr. Hashim Raza
Director

Representative, Ministry of Finance
Director

Board Audit Committee

Mr. Iftikhar Ahmed Jogezai
Chairman

Mr. Waqar ud Din Siddqui
Director

Representative, Ministry of Finance
Director

Dr. Muhammad Aslam
Director

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

Board Human Resource Committee

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

Mr. Waqar ud Din Siddqui
Director

Mr. Iftikhar Ahmed Jogezai
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

Mr. Waqar ud Din Siddqui
Director

Rana Nasir Mehmood
Director

Mr. Nadeem Ahsan
Chief Executive Officer

Auditors

H. Y. K & Co
Chartered Accountants

Registered/Head Office

State Cement Corporation Building, Kot Lakhpat,
Lahore

TUSDEC

DIRECTORS' REPORT TO THE SHAREHOLDERS

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Technology Upgradation and Skill Development Company
Ministry of Industries and Production
State Cement Corporation Building, Kot Lakhpat, Lahore 54770, Pakistan
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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, 2022.

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

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Governments, various international donors and local nonprofit organizations, TUSDEC has been striving to shift the TVET mechanism of Pakistan from a supply driven to a training system that is compelled by the industry's demand for skill in the curricula, training methodologies and foremost the areas of training. From training the managers, machine workers and acute product design engineers to employable skills disbursement for vulnerable groups, TUSDEC has successfully carried through each strand of industrial support. Interpolating the service profile, the company has broadened the ambit of its operations by implementing TVET reform projects of the Delegation of European Union in KP, FATA Sindh and AJK.

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 17th operational year of your Company in which **three** projects, namely NIDA (Lahore, Quetta & Sialkot) completed 16th years of successful operations. **The other two NIDA Centers** (Karachi & Peshawar) have completed 15th years of operations. **SkillTech Karachi** has completed 12th year of its operational activities. **Gujranwala Tools Dies and Moulds Centre (GTDMC)** has completed 12th year while **Ceramics Development and Training Complex (CDTC)** has also completed 12th year of its operational activities. **Cement Research and Training Institute (CR&DI)** has completed 16th year of its operational activities. A detailed report on the achievements of your Company during the year is given as under;

Financial Performance:

Particulars	2021-22	2020-21
Income	267,068,564	121,429,556
Expenditures before depreciation and amortization	219,466,857	134,955,422
Surplus/(Deficit) before depreciation and amortization	**47,601,707**	**(13,525,866)**
Depreciation and amortization	83,339,711	74,188,969
Deficit after depreciation and amortization	**(35,738,004)**	**(87,714,835)**
Cost recovery (%)	**121.69%**	**89.97%**

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2 – Technology Upgradation Centers (TUCs)

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

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 2021-22 is as under:

Type of Job	No. of Jobs (2021-22)
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 2021-22 is as under:

Type of Job	No. of Jobs (2021-22)
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

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"National Strategic Program for Acquisition of Industrial Technology" (NSPAIT), which is expected to be approved in the FY 2021-22.

During the financial year 2021-22, CR&DI conducted 1229 tests and earned revenue of **Rs. 8,250,890/-**.

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 numbers 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

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- 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 &

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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

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working aboard 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 16th year of Operations			Completed 15th 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.

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4 – Current Projects

a) Government funded (PSDP):

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

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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 software's, 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 21 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

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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%.

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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 8,711769)
- 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 18 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

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/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 project was approved in CDWP meeting held on 29 November 2021. The project's implementation is in process with the following current status;

Current Status:

- Feasibility studies completed and modified PC-I was approved on 29th November 2021.
- Civil works for two interventions completed.
- IT Equipment, office Equipment and Furniture & fixture for two interventions procured and delivered.
- Tendering process completed and agreement awarded to successful bidders for procurement of 15 machines /equipment. Seven delivered and remaining in progress.
- Hiring of Implementation / operational staff in process

(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).

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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) Government Funded (PSDP Plus)

i. Establishment of Naphtha Cracker Complex (NCC) in Pakistan – Feasibility Study:

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.

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.

Current Status:

The project PC-II is approved in DDWP meeting held on 11th February 2022. The funds for the project will be allocated in next year FY 2022-23.

ii. Establishment of "Centre for Acquisition of Industrial Technology (CAST)" – Feasibility Study

TUSDEC aims to develop Center for Acquisition of Industrial Technology 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.

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 CAST in Pakistan. Modified PC-II was submitted to MoIP on the basis of inputs provided by NIE and other stakeholders.

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Current Status:

The project PC-II is approved in DDWP meeting held on 11th February 2022. The funds for the project will be allocated in next year FY 2022-23.

c) 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.

ii) "National Poverty Graduation Programme – NRSP – Interior Sindh (Thatta, Badin and Sujawal)"

NRSP is implementing National Poverty Graduation Programme (NPGP) Programme, the objective of NPGP (National Poverty Graduation Programme) is to enable the rural poor and especially women and youth to realize their development potential and attain a higher level of social and economic development.

TUSDEC signed MoU with NRSP for the provision of technical and vocational skill training in NPGP project in Districts Thatta, Badin and Sujawal of interior Sindh.

Initially trainings in Thatta and Badin districts have been started in October 2021 in different trades include motorbike repairing, car mechanic/repair, solar technician etc.

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;

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- 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

The final ITAP document is submitted to MoIP for further deliberation and approval.

iii. Federal Institute of Homologation (FIH) (PKR 950 Million)

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)

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- 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. 350 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

iv- Industrialization and Skill Support Centre, Gawadar (ISSC) (PKR 800 Mn.)

Gawadar is considered as a gateway of CPEC, facilitating the major trading breakthrough of Pakistan and china. Planned SMEs in Gawadar are directly or indirectly related to manufacturing sector. Industries include Textile Spinning, Textile Weaving (Mill Sector), Towel Industry, Vegetable Ghee & Cooking Oil, Wool Scouring and Woolen Textile Spinning /Weaving, Agricultural Implements, Auto Parts, Beverage, Bakery Products, Chemical, Chip/Straw Board, Cold Storage, Cotton Ginning & Pressing, Cotton Waste, Doubling of Yarn, Fruit Juices, Foundry Products, Pesticides & Insecticides, Packages, Poultry Feed, Rice Mills, Sizing of Yarn, Solvent Oil Extraction, Soap & Detergent, Tannery, Textile Processing etc.

To meet the demands of Gawadar industry, TUSDEC is proposing "Industrialization and skill support centre" which will be in capacity to:

- Scan imported or locally manufactured parts
- Able to test/identify material being used in the products/parts
- Able to design these parts according to the needs and demands of industry
- Able to manufacture specific metal parts
- Conduct analysis on the design and material type of parts/products accordingly

Project Cost, Project life & HR:

- Rs. 800 Mn (Capex: Rs. 500 Mn, Opex: Rs. 300 Mn)
- 1-year execution & 3 years operations for demonstration
- 5 persons

Impact:

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- Contribution of manufacturing industry in GDP will increase
- Exports will increase due to the quality products manufacturing and standardization
- Imports will decrease due to low cost local available and manufactured quality products
- SMEs will increase due to international demands
- Employment in Manufacturing sector will increase as the SME sector grows

Outputs:

- Approximately 350 tests per year will be conducted
- Metal manufactured parts/products exports will increase
- 25 local manufactured products will be standardized
- Services provided to 50 units per year
- 100 individuals/companies trained on designing per annum

6. OPERATING RESULTS

Your Company has a net Deficit of Rs. 35.74 million for the year 2021-22 as compared to net deficit of Rs. 87.71 million in 2020-21.

The key financial figures have been tabulated as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
	Rupees	
(Deficit)/ Surplus) before Tax	(35,738,004)	(87,714,835)
Taxation	-	-
Surplus/(Deficit) after Tax	**(35,738,004)***	**(87,714,835)**

EARNING PER SHARE

Basic (Loss)/ earning per share come at Rs (1.50) Year 2021: Rs. (3.67)

***Reason for Deficit**

Deficit for the year under review include the major impact of depreciation on fixed assets of the company. During the year under review three PSDP funded projects at Hyderabad, LASBELA and Peshawar merged into the Company.

DIVIDEND

Your Company is a non-profit organization and all surplus earned would be employed by your

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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, four meetings of the Board of Directors were held. 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	4	4
2	Representative, Ministry of Finance	4	4
3	Chief Executive Officer, SMEDA	4	-
	Independent Directors:		
4	Mr. Rana Nasir Mehmood	4	3
5	Mr. Iftikhar Ahmad Jogezai	4	3
6	Mr. Nooruddin F. Daud	4	1
7	Dr. Mohammad Aslam	4	2
8	Prof. Dr. Younis Javed	4	-
	Executive Director:		
9	Chief Executive Officer, TUSDEC	4	4

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

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S.#.	Name	Board Meeting Fee (Rs.)	Committee's Meeting Fee (Rs.)	Reimbursement of actual expenditures (Rs.)
	Non-Executive Directors:			
1	Joint Secretary, Ministry of Industries and Production	80,000	120,000	13,600
2	Representative, Ministry of Finance	80,000	100,000	68,000
3	Chief Executive Officer, SMEDA	-	-	-
4	Mr. Rana Nasir Mehmood	60,000	-	12,000
5	Mr. Iftikhar Ahmad Jogezai	60,000	80,000	-
6	Mr. Nooruddin F. Daud	20,000	20,000	24,000
7	Dr. Mohammad Aslam	40,000	60,000	47,600
8	Prof. Dr. Younis Javed	-	-	-
	Executive Director:			
9	Chief Executive Officer, TUSDEC	80,000	100,000	-

8. PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2022 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:

- 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

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- 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 has been retired. The Board of Directors recommended the appointment of M/S Crowe Hussain Chaudhry & Co., Chartered Accountants for the year 2022-23.

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 Jogezai
- Mr. Waqar Uddin Siddiqui
- Representative of Ministry of Finance
- Dr. Mohammad Aslam Khan
- Mr. Nooruddin F. Daud-(Tamgha-i-Imtiaz-Civil)

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12. Key Financial Data

SIX YEAR FINANCIAL DATA					(Rupees in Millions)	
	2022	2021	2020	2019	2018	2017
Assets						
Non-current assets	1,209.81	1,013.90	163.31	276.09	383.57	24.55
Current assets	778.32	1,120.00	954.08	808.53	771.92	581.45
Equity and liabilities						
Share capital and reserves						
Share capital	238.83	238.83	238.83	238.83	226.25	150
Share deposit Money	-	-	-	-	12.58	-
Merger Reserve	504.87	504.87	504.87	504.87	504.87	-
Surplus on revaluation of Assets	925.61	926.84	2.68	3.99	5.78	-
Accumulated deficit	(699.07)	(664.57)	(577.90)	(432.85)	(277.25)	(134.73)
	970.24	1005.97	168.48	314.84	472.23	15.27
Non-current liabilities	967.20	1,061.44	884.17	712.06	653.22	578.27
Current liabilities	50.71	66.49	64.74	57.72	30.04	12.31
Revenue	267.07	121.43	109.1	137.48	91.51	250.04
Operating expenditure	302.81	209.14	255.46	286.71	262.38	283.52
(Deficit)/Surplus	(35.74)	(87.71)	(146.36)	(149.23)	(170.87)	(33.48)

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 **Director**

Date: 31-12-2022

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M/S TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY (TUSDEC)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 30 JUNE 2022

TUSDEC

H.Y.K & Co.
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Technology Upgradation and Skill Development Company

Report on the Audit of 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, 2022,** and the statement of income and expenditure, the 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, statement of income and expenditure, the 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, 2022** and of the deficit and other comprehensive deficit, 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.

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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

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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.

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

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 and the 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 deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Hy K-Co

H.Y.K & Co.

Chartered Accountants

Lahore

Date: January 18, 2023

UDIN:AR202210144OFwSZ4G8B

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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 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5.	**1,201,605,109**	1,007,337,155
Intangibles	6	**2,364,262**	2,253,750
Long term deposits	7	**5,845,116**	4,311,240
		1,209,814,487	1,013,902,145
Current assets			
Projects assets	8	**685,552,456**	969,959,845
Trade debts	9	**4,848,586**	9,988,702
Stores and spares	10	**10,392,753**	11,875,766
Short term advances	11	**1,323,816**	776,575
Short term advances deposits and prepayments	12	**2,756,321**	2,464,565
Short term investments	13	**15,242,261**	15,205,821
Tax refunds due from the government	14	**21,379,308**	20,796,425
Cash and bank balances	15	**36,825,749**	88,940,140
		778,321,250	1,120,007,839
TOTAL ASSETS		**1,988,135,737**	2,133,909,984
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
135,000,000 (2021: 135,000,000) ordinary shares of Rs. 10/- each	16	**1,350,000,000**	**1,350,000,000**
Issued, subscribed and paid-up capital	17	**238,830,000**	238,830,000
Merger reserve	18	**504,865,626**	504,865,626
Surplus on revaluation of property and equipment	19.	**925,609,368**	926,844,273
Accumulated deficit		**(699,072,644)**	(664,569,545)
Total Equity		**970,232,350**	1,005,970,354
Non-current liability			
Deferred grant	20	**967,196,449**	1,061,444,866
Current liabilities			
Trade and other payables	21	**38,064,652**	50,293,432
Lease Liabilities		**325,600**	325,600
Project liabilities	22	**12,316,686**	15,875,732
		50,706,938	66,494,764
TOTAL EQUITY AND LIABILITIES		**1,988,135,737**	2,133,909,984
Contingencies and commitments	23	-	-

The annexed notes from 1 to 39 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 INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Income			
Income from services	24.	**170,239,767**	79,669,015
Amortization of grant related to income	25	**89,569,234**	34,636,033
		259,809,001	114,305,048
Cost of services			
Operating cost	26	**132,657,829**	81,885,074
Projects expenses	27	**58,380,339**	32,497,265
		191,038,168	114,382,339
		68,770,833	(77,291)
Expenditures			
Administrative and general expenses	28	**110,454,220**	93,565,830
Selling expenses	29	**1,314,180**	1,196,222
		111,768,400	94,762,052
		(42,997,567)	(94,839,343)
Other income	30	**7,259,563**	7,124,508
Deficit before taxation		**(35,738,004)**	(87,714,835)
Taxation	31	-	-
Deficit for the year		**(35,738,004)**	(87,714,835)

The annexed notes from 1 to 39 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 2022

	2022 Rupees	2021 Rupees
Deficit for the year	**(35,738,004)**	(87,714,835)
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	**1,070,803**	1,042,074
Surplus realized on disposal of assets	**164,102**	-
Total other comprehensive income	**1,234,905**	1,042,074
Total comprehensive (Deficit)/income for the year	**(34,503,099)**	(86,672,761)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

TUSDEC

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 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(35,738,004)	(87,714,835)
Adjustment for non cash items:			
Gain on disposal of property, plant and equipment		63,785	-
Interest income		(2,655,413)	(1,245,758)
Depreciation on property, plant and equipment	5	82,339,711	73,464,888
Amortization on intangibles	6	1,164,488	724,081
Amortization of deferred grant	25	(89,569,234)	(34,636,033)
Trade debts written-off		391,737	-
		(8,264,926)	38,307,178
Cash used before working capital changes		(44,002,930)	(49,407,657)
Changes in working capital			
Decrease / (increase) in trade debts		4,748,379	2,476,755
Decrease / (increase) in stores and spares		1,483,013	439,134
Decrease in other receivables		-	189,358
Increase in short term advances		(547,241)	(265,822)
(Increase) / decrease in short term prepayments		(291,756)	(538,803)
Increase in projects assets		284,407,389	(124,772,369)
Increase / (decrease) in projects liabilities		(3,559,046)	(77,277)
Increase in trade and other payables		(12,228,780)	1,832,071
		274,011,958	(120,716,953)
Cash used in operations		230,009,028	(170,124,610)
Taxes paid		(582,883)	(966,867)
		(582,883)	(966,867)
Net cash used in operating activities		229,426,145	(171,091,477)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(1,837,139)	-
Proceds from disposal of assets		76,000	-
Additions in long term deposits		(1,533,876)	421,288
Interest income received		2,618,973	1,039,937
Net cash used in investing activities		(676,042)	1,461,225
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received	20	(280,864,494)	211,907,794
Net cash used in financing activities		(280,864,494)	211,907,794
Net decrease in cash and cash equivalents		(52,114,391)	42,277,542
Cash and cash equivalents at the beginning of the year		103,648,381	61,370,839
Cash and cash equivalents at the end of the year		51,533,990	103,648,381

The annexed notes from 1 to 39 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 2022

	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 2020	**238,830,000**	**(577,896,784)**	**2,679,044**	**504,865,626**	**168,477,886**
Revaluation surplus for the year		-	925,207,303	-	925,207,303
Incremental depreciation charge		-	(1,042,074)		(1,042,074)
Total comprehensive (Deficit)/income	-	(86,672,761)	-	-	(86,672,761)
Balance at 30 June 2021	**238,830,000**	**(664,569,545)**	**926,844,273**	**504,865,626**	**1,005,970,354**
Incremental depreciation charge	-	-	(1,070,803)		(1,070,803)
Total comprehensive (Deficit)/income	-	(34,503,099)	-	-	(34,503,099)
Balance at 30 June 2022	**238,830,000**	**(699,072,644)**	**925,773,470**	**504,865,626**	**970,396,452**

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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.
ii	Division unit	More Emanabad Opposite Custom Intelligence Office 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 & IndustryG.T Road Peshawar.
v	Division unit	Owais Ahmad Ghani Research Cente Bultems Takatu Campus Airport Road Quetta
vi	Division unit	University of Sialkot 1 Km Main Daska Road Sialkot.
vii	Division unit	Plot # A-49 Small Industrial Estate Extension Tando Muhammad Khan Road Hydrabad.
viii	Division unit	Plot # 134-6, CECOS Industrial Liaison Center Hayatabad Industrial Estate
ix	Division unit	Plot # N-10 A at sector N, Hub Industrial & Trading Estate (HITE)
x	Division unit	National Institute of Design & Analysis (NIDA-Karachi) Estate Cement Guest House Building Main Stadium Road Dalmia

1.2 Amalgamation

During the year ended June 30, 2022, there is an amalgamation of Hyderabad Engineering Support Centre (HESC), Light Engineering Upgradation Centre (LEUC) and Peshawar Light Engineering Centre (PLEC) into Technology Upgradation and skill Development Company at its meeting held on November 20, 2022.

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.

1.3 Significant event during the year

During the year, three Enigineering Support Centres (ESC) at Hyderabad, LASBELA and Peshawar, a project sponsored by Ministry of Industries and Production (here in after referred to as " the Ministry"), has been merged into the Company subject to exit strategy approved in the PC-1. Subsequent to the approval, the Board of Directors of the Company in its meeting held on 20 November 2021 has approved the following matters:

- All fixed assets of ESCs shall be accounted for in TUSDEC books at their fair values as determined by independent valuer, whereas current assets and liabilities would be accounted for at their carrying values w.e.f 01 July 2021.
- ESCs bank accounts shall be operated in the name of TUSDEC.
- All employees of ESCs (HESC, LEUC & PLEC) shall be the employees of TUSDEC w.e.f 01-07-2021.
- All financial and operational policies approved by the TUSDEC Board of Directors shall be applicable to the ESCs.
- ESCs will be housed in existing premises as already exist.

A summary of fair value of assets and liabilities, that were transferred to the Company, as per the books of accounts of ESCs as at 01 July 2021, is as follows:

	01 July 2021 Rupees
Assets	
Non-current assets	
Fixed assets	272,324,310
Current assets	
Advances, prepayments and other receivables	18,096,503
Cash and bank balances	36,007,387
	54,103,890
Current liabilities	
Trade and other payables	(7,090,547)
Net current assets	47,013,343
Total Net Assets	319,337,653
Represented by:	
Grant related to assets	272,324,310
Grant related to income	47,013,343
	319,337,653

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.

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
IAS 1	Presentation of Financial Statements (Amendments)	Jan-01-2022 & Jan-01-2023
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.

4.3 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:

Useful life and recoverable amounts of depreciable assets
Useful life of intangible assets
Employee benefits
Project assets in progress
Contingencies
Provision for expected credit loss
Estimation for provisions and contingent liabilities

4.4 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 of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

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 other than land and capital work in progress 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.

4.5 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 , 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.

4.6 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.

4.7 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.

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

ECLs are 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 over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

4.9 Impairment of 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.

Impairment of 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 .

4.10 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.

4.11 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.

4.12 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.

4.13 Provisions & Contingent liabilities

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. Where outflow of resources embodying economic benefits is not probable , a contingent liability is disclosed, unless the probability of outflow is remote.

4.14 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.

4.15 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.

4.16 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".

4.17 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.

4.18 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.

4.19 Government Grants

Government grant is 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 and presented as deduction from the related expense 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.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

4.20 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.

4.21 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 recognised as expense on a straight-line basis over the lease term.

4.22 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.

As company is provising services under section 42 of the companies Act 2017, therefore there is no formal reporting structure for the CODM in respect of segment reporting.

All non current assets of the company as at June 30, 2022 are located in Pakistan. All revenue of the company relates to the customers in Pakistan and customer base is diverse in respect of the total revenue.

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPA...
(A Company registered under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	5.1	1,200,525,109	1,005,987,155
Rights for use	5.2	1,080,000	1,350,000
		1,201,605,109	1,007,337,155

5.1 Operating fixed assets

PARTICULARS	2022										
	COST				DEPRECIATION					BOOK VALUE	RATE %
	As on 01 July 2021	Additions/ (deletions)	Acquisition through merger	As on 30 June 2022	As on 01 July 2021	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2022	AS ON 30 JUNE 2022	
Owned:											
Land	468,140,998	-	17,000,000	485,140,998	-	-	-	-	-	485,140,998	0
Building	270,245,707	-	43,756,844	314,002,551	197,989,544	-	4,375,684	5,628,281	207,993,509	106,009,042	5-10
Building improvements	62,261,524	-	-	62,261,524	55,336,149	-	-	726,538	56,062,687	6,198,837	10
Office equipment	22,317,049	584,323 (254,568)	319,175	22,965,979	19,143,555	(205,584)	31,919	622,454	19,592,344	3,373,635	10
Plant & machinery	1,294,891,728	(2,363)	202,930,900	1,497,820,265	860,754,978	(1,847)	20,030,596	43,676,168	924,459,895	573,360,370	10
Computer equipment	101,792,188	809,666 (871,314)	6,634,828	108,365,368	93,677,188	(831,077)	1,990,290	2,153,581	96,989,982	11,375,386	33
Furniture and fixtures	20,479,600	443,150 (299,556)	4,268,564	24,891,758	17,762,725	(249,508)	364,767	364,933	18,242,917	6,648,841	10
Vehicles	78,147,135	-	-	78,147,135	67,624,635	-	-	2,104,500	69,729,135	8,418,000	20
Library books	250,775	-	-	250,775	250,775	-	-	-	250,775	-	20
Total	**2,318,526,704**	**1,837,139 (1,427,801)**	**274,910,311**	**2,593,846,353**	**1,312,539,549**	**(1,288,016)**	**26,793,256**	**55,276,455**	**1,393,321,244**	**1,200,525,109**	

5.2 Rights for use:

PARTICULARS	2022										
	COST				DEPRECIATION					BOOK VALUE	RATE %
	As on 01 July 2021	Additions/ (deletions)	Acquisition through merger	As on 30 June 2022	As on 01 July 2021	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2022	AS ON 30 JUNE 2022	
	Rupees										
Vehicles	2,776,400		-	2,776,400	1,426,400	-	-	270,000	1,696,400	1,080,000	20
Total	**2,776,400**	-	-	**2,776,400**	**1,426,400**		-	**270,000**	**1,696,400**	**1,080,000**	

Allocation of depreciation:

	2022 Rupees	2021 Rupees
Cost of services	63,706,764	47,914,250
Administrative and general expenses	18,632,947	25,550,638
	82,339,711	73,464,888

PARTICULARS	2021										
	COST				DEPRECIATION					BOOK VALUE AS ON 30 JUNE 2021	RATE %
	As on 01 July 2020	Additions/ (deletions)	Impact of Revaluation	As on 30 June 2021	As on 01 July 2020	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2021		
	Rupees										
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 fixture	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				DEPRECIATION					BOOK VALUE AS ON 30 JUNE 2021	RATE %
	As on 01 July 2020	Additions/ (deletions)	Impact of Revaluation	As on 30 June 2021	As on 01 July 2020	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2021		
	Rupees										
Vehicles	1,752,000	-	1,024,400	2,776,400	1,426,400	-	-	-	1,426,400	1,350,000	20
Total	**1,752,000**	-	**1,024,400**	**2,776,400**	**1,426,400**	-	-	-	**1,426,400**	**1,350,000**	

5.3 During the year, three Enigineering Support Centres (ESC) at Hyderabad, LASBELA and Peshawar, a project sponsored by Ministry of Industries and Production (here in after referred to as " the Ministry"), has been merged into the Company subject to exit strategy approved in the PC-1. Subsequent to the approval, the Board of Directors of the Company in its meeting held on 20 November 2021. Note 1.3 to the financial statements has discussed in detail the said merger.

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 independent valuer Empire Enterprises (Private) Limited as at June 30, 2014.

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

	2022 Rupees	2021 Rupees
Building improvements	2,284	11,522
Office equipment	433,618	482,650
Furniture and fixtures	8,403	17,703
Vehicle-Right of use asset	325,600	325,600
	769,905	837,475

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.

5.6 As on 30 June 2022, management expects that fair value of the fixed assets is not materially different from their net book value.

6. INTANGIBLES

	Note	2022 Rupees	2021 Rupees
Software	6.1	2,364,262	2,253,750
Advances against software		-	-
		2,364,262	2,253,750

6.1 Software

PARTICULARS	2022									
	COST				AMORTIZATION					
	As on 01 July 2021	Additions/ (deletions)	Acquisition through merger	As on 30 June 2022	As on 01 July 2021	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2022	BOOK VALUE AS ON 30 JUNE 2022	RATE %
	Rupees										
Software	19,145,795	-	1,275,000	20,420,795	16,892,045	-	420,750	743,738	18,056,533	2,364,262	33
Total 2022	19,145,795	-	1,275,000	20,420,795	16,892,045			743,738	18,056,533	2,364,262	

PARTICULARS	2021									
	COST				AMORTIZATION					
	As on 01 July 2020	Additions/ (deletions)	Impact of Revaluation	As on 30 June 2021	As on 01 July 2020	Adjustment during the year	Acquisition through merger	For the year	As on 30 June 2021	BOOK VALUE AS ON 30 JUNE 2021	RATE %
	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	

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

	2022 Rupees	2021 Rupees
Softwares	-	21,940
	-	21,940

Amortization of intangibles charged to Administerative expenses.

6.3 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 Inteligence Office Near Commandar Ceramics 12-KM Kamoki, Gujranwala Pakistan	Land and Building	9680
Plot No. A-49 SIE Extention Hyderabad	Land and Building	1000

		Note	2022 Rupees	2021 Rupees
7	**LONG TERM DEPOSITS**			
	These include deposits against:			
			-	-
	Security deposit SNGPL		**2,715,824**	2,715,824
	Office		**381,883**	381,883
	Others		**2,747,409**	1,213,533
			5,845,116	4,311,240

7.1 It includes security deposits paid in respect of utilities. Security deposits paid do not carry markup arrangements.

		Note	2022 Rupees	2021 Rupees
8	**PROJECTS ASSETS**			
	Projects in progress	8.1	**676,292,815**	966,529,890
	Advances to suppliers	8.2	**9,134,958**	924,385
	Prepayments and other receivables	8.3	**124,683**	2,505,570
			685,552,456	969,959,845
8.1	**Projects in progress**			
	Footwear Cluster Development	8.1.1	**57,227,219**	44,992,435
	Industrial Development and Automation (IDAC)	8.1.1	**314,836,853**	127,743,135
	NASPAT	8.1.1	**138,622,092**	39,761,271
	Surgical	8.1.1	**165,606,651**	-
	Engineering support centres(ESC)	8.1.1	**-**	754,033,049
			676,292,815	966,529,890

8.1.1 Projects in progress

	2022					2021			
	Footwear	IDAC	ESCs	NASPAT	Surgical	Footwear	IDAC	ESCs	NASPAT
	Rupees					Rupees			
Opening balance as on 1 July	44,992,435	127,743,135	754,033,049	39,761,271	-	24,132,749	91,251,699	700,032,290	24,078,707
Additions:									
Capital expenditure									
Building/civil work	-	42,215,795	-	18,455,756	-	3,182,704.00	-	-	-
Office equipment	277,056	-	-	1,973,057	-	-	-	-	-
IT Infrastructure	-	5,000,000	-	2,920,310	-	840,907.00	480,221	450,420	-
Furnitures & fixtures	180,000	150,000	-	3,384,571	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,185,722	-	-	38,251,000	-	12,210,120.00	-	-	-
Land	-	127,896,155	-	-	137,026,000	-	-	-	-
Other assets	539,672	-	-	-	-	-	139,500	-	-
	5,182,450	175,261,950	-	64,984,694	137,026,000	16,233,731	619,721	450,420	-
Operational expenditure									
Employees cost	3,656,176	5,786,047	-	4,493,740	3,419,807	2,490,000	6,925,942	36,704,610	-
TUSDEC service fee	420,000	3,594,000	-	27,000,000	23,999,000	400,000	27,075,000	3,083,017	11,490,000
Traveling & conveyance	357,954	1,276,318	-	623,530	-	92,857	-	-	873,247
Electricity, fuel and power	762,133	77,657	-	990,725	217,184	418,428	295,272	1,626,193	201,955
Consumables	583,354	59,301	-	164,040	97,990	97,080	47,215	1,806,307	97,190
Advertisement	182,310	799,439	-	89,750	274,490	472,977	-	249,820	1,703,979
Other expenses	1,090,407	239,006	-	514,342	572,180	654,613	1,528,286	10,080,392	1,316,193
	7,052,334	11,831,768	-	33,876,127	28,580,651	4,625,955.00	35,871,715	53,550,339	15,682,564
Less: transferred to TUSDEC on completion of project (8.1.2)	-	-	(754,033,049)	-	-				
Closing as on 30 June 2022	57,227,219	314,836,853	-	138,622,092	165,606,651	44,992,435	127,743,135	754,033,049	39,761,271

8.1.2 The project phase of three Engineering Support Centers (ESCs) funded by the PSDP at Hyderabad, LASBELA and Peshawar was completed on 30-06-2021. As per exit strategy approved in the approved PC-1 and subsequent approavl of the TUSDEC Board of Directors in its meeting held on 20 November 2021, these centres have been merged into TUSDEC w.e.f 01 July 2021. Now these centres no more exist as PSDP projects, therefore these have been transferred to TUSDEC.

		Note	2022 Rupees	2021 Rupees
8.2	**Advances to suppliers-Unsecured**			
	Considered good			
	NAVTTC		**2,106**	24,000
	GIZ		**-**	26,079
	Footwear		**9,132,851**	457,056
	IDAC		**1**	352,001
	ESCs		**-**	65,249
			9,134,958	924,385
			9,134,958	924,385

		2022 Rupees	2021 Rupees
8.3	**PREPAYMENTS AND OTHER RECEIVABALES**		
	NAVTTC:		
	Other receivables	**89,833**	63,777
	ESC:		
	Other receivables	**-**	2,427,394
		-	2,427,394
	NASPAT:		
	Other receivables	**14,399**	14,399
		14,399	14,399
		-	-
	Footwear:		
	Other receivables	**20,451**	-
		20,451	-
		124,683	2,505,570

		Note	2022 Rupees	2021 Rupees
9.	**TRADE DEBTS**			
	Unsecured - considered good			
	Related party			
	Pakistan Industrial Development Corp	**9.1**	**4,199,514**	4,199,514
	Trade receivables-others		**6,405,352**	10,269,536
	Less: Provision for expected loss		**(5,756,280)**	(4,480,348)
			4,848,586	9,988,702

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 5 years.

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10 STORES AND SPARES

Stores and spares	**11,547,503**	11,875,766
Less: Provision for slow moving items	**(1,154,750)**	-
	10,392,753	11,875,766

11. SHORT TERM ADVANCES-*considered good*

Advances to employees against expenses	**1,215,632**	394,312
Advances to suppliers	**108,184**	382,263
	1,323,816	776,575

12. SHORT TERM ADVANCES, DEPOSITS AND PREPAYMENTS

Prepaid insurance	**1,404,403**	1,378,536
Sales tax/excise duty	**1,329,168**	1,063,279
Others	**22,750**	22,750
	2,756,321	2,464,565

13. SHORT TERM INVESTMENTS

Faysal Bank Limited	**15,000,000**	15,000,000
Add: Intesest accrued	**242,261**	205,821
	15,242,261	15,205,821

13.1 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 7.75% to 13.75% (2021: 5.75% to 7.25%) per annum.

14. TAX REFUNDS DUE FROM THE GOVERNMENT

Tax refunds due from the	**14.1**	**21,379,308**	20,796,425
		21,379,308	**20,796,425**

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

15. CASH AND BANK BALANCES

Cash in hand		**479,673**	418,385
Cash at banks			
- Current Accounts		**7,274,371**	136,453
- Deposit Accounts	**(15.1&15.2)**	**29,071,705**	88,385,302
		36,825,749	88,940,140

15.1 The deposits in saving accounts carry mark-up at the rate ranging from 5.5% to 7.5% (2021: 5.5% to 6.5 %) per annum.

15.2 This includes an amount of Rs. 1,200,000 (2021: Rs. 1,200,000) on which bank has lien against guarantees issued on behalf of the Company.

16. AUTHORIZED SHARE CAPITAL

135,000,000 (2021: 135,000,000) ordinary shares of Rs. 10 each	**1,350,000,000**	1,350,000,000
Closing Balance	**1,350,000,000**	1,350,000,000

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

23,883,000 (2021: 23,883,000) ordinary shares of Rs. 10 each fully paid in cash	**238,830,000**	238,830,000
Closing Balance	**238,830,000**	238,830,000

Owners of ordinary shares are entitled to distributions approved by the Company, and the shareholding entitles the owners to vote at the general meetings, with one vote per share. All shares have the same right to Company's remaining net assets.

The Company is not subject to any externally imposed capital requirements for the financial years 2022 and 2021.

18 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. Securties and exchange commision 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.

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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- operat	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
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	-

19. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance at 01 July	**926,844,273**	2,679,044
Incremental depreciation charged during the year	**(1,070,803)**	(1,042,074)
Revaluation surplus for the year	-	925,207,303
Surplus realized on disposal of assets	**(164,102)**	-
Closing balance	**925,609,368**	926,844,273

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20 DEFERRED GRANT

	Note	Opening Balance as at 01 July	Addition: Fund Received for the year	Addition: Other Income	Addition: Acquisition through merger	Deletion/Transfer: Amortization of Grant for the year Note 25	Deletion/Transfer: Fund returned/ Surrendered/Transferred/Adjustment	Closing balance as at 30 June
		---------- Rupees ----------						
30 June 2022								
Grant related to assets	20.1	4,684,180	-	-	276,185,311	31,188,895	-	249,680,596
Grant related to income:								
Engineering support centres	20.2	801,082,870	-	-	-	-	801,082,870	-
National vocational and technical commission	20.4	16,977,580	17,799,340	-	-	24,937,906	-	9,839,014
Footwear Cluster Development through CAD/CAM	20.3	45,380,155	22,300,000	80,001	-	-	1,528,343	66,231,813
National Strategic Program for Acq. of Technology	20.3	39,775,670	98,940,000	-	-	-	305,728	138,409,942
Industrial Designing & Automation Centre (IDAC)	20.3	128,095,136	191,100,000	-	-	-	4,462,219	314,732,917
Support Centre Surgical and Dental Implants	20.3	-	165,587,000	-	-	-	3,563	165,583,437
GIZ	20.4	25,449,275	29,192,864	1,519,024	-	33,442,433	-	22,718,730
		1,056,760,686	524,919,204	1,599,025	-	58,380,339	807,382,723	717,515,853
		1,061,444,866	524,919,204	1,599,025	276,185,311	89,569,234	807,382,723	967,196,449
30 June 2021								
Grant related to assets	20.1	6,822,948	-	-	-	2,138,768	-	4,684,180
Grant related to income:								
Engineering support centres	20.2	730,279,639	120,877,147	9,582,743	-	-	59,656,659	801,082,870
National vocational and technical commission	20.4	6,010,333	23,138,903	77,209	-	12,248,865	-	16,977,580
Footwear Cluster Development through CAD/CAM	20.3	24,582,749	22,049,774	-	-	-	1,252,368	45,380,155
National Strategic Program for Acq. of Technology	20.3	24,450,707	33,400,000	-	-	-	18,075,037	39,775,670
Industrial Designing & Automation Centre (IDAC)	20.3	92,776,377	132,275,250	-	-	-	96,956,491	128,095,136
GIZ	20.4	(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

20.1 This represents grant recognition and amortization against assets of National Institute of Design and Analysis (NIDA)s, three Engineering Support Centers (ESCs), ACTED, Delegation of Eurpeon Commission in Pakistan, Skilltech Karachi, Project Monitoring Unit (PMU) and NAVTTC transferred to TUSDEC after completion/merger of projects. The amount of grant is being amortized on the basis of useful life of assets transferred to TUSDEC.

20.2 In persuance to the exit strategy approved in PC-1s and subsequent approval by the TUSDEC Board of Directors in its meeting held on 20 November 2021 these projects have been merged into TUSDEC w.e.f 01 July 2021. Assets and liabilities of these projects have been transferred to TUSDEC.

20.3 These PSDP funded projects are under implementation by the TUSDEC. The fate of these PSDP projects will be decided on completion of the projects.

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

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21. TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Creditors		**5,554,015**	3,891,318
Accrued liabilities		**7,428,491**	20,012,475
Advances from customers-Contract liability	21.2	**1,292,825**	1,368,825
Withholding income tax payable		**510,325**	909,048
Employees benefits payable		**2,142,354**	2,390,062
Other liabilities		**10,391,040**	10,976,102
Payable to machinery supplier	21.1	**10,679,360**	10,679,360
Payable to PIDC-related party	21.3	**66,242**	66,242
		38,064,652	50,293,432

21.1 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

21.2 These represents advances reveived from customers and Rs. 1,038,825 booked as revenue during the year from the opening balance.

21.3 These relates to no normal course of business.

22. PROJECT LIABILITIES

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

	Note	2022 Rupees	2021 Rupees
IDAC:			
Payables		**2,750,435**	-
Accrued expenses		**-**	-
		2,750,435	-
NASPAT:			
Payables		**-**	-
Accrued expenses		**3,557,605**	-
		3,557,605	-
Surgical:			
Payables		**265,909**	-
Accrued expenses		**23,214**	-
		289,123	-
GIZ:			
Payables		**1**	856,470
Accrued expenses		**3,519**	3,043,930
		3,520	3,900,400
ESC:			
Payables		**-**	7,090,547

	2022	2021
Footwear:		
Payables	**1,037,645**	205,789
Accrued expenses	**141,973**	-
	1,179,618	205,789
ITB:		
Payables	-	28,065
	-	28,065
NAVTTC:		
Payables	**745,849**	860,395
Accrued expenses	**3,790,536**	3,790,536
	4,536,385	4,650,931
	12,316,686	15,875,732

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

Guarantees issued by a bank on behalf of the Company in favor of the following	2022 Rupees	2021 Rupees
Pakistan State Oil	**1,200,000**	1,200,000

23.2 Commitments

	2022	2021
	Nil	**Nil**

24. INCOME FROM SERVICES

	Note	2022 Rupees	2021 Rupees
Disaggregation of Revenue			
Income from:			
trainings	24.1	**14,903,600**	9,243,789
projects	24.2	**12,701,287**	4,762,217
laboratory test and 3D scanning	24.3	**10,638,898**	10,894,401
Toll manufacturing	24.4	**29,934,608**	24,180,591
Grant income	24.5	**47,013,342**	-
Project implementation fee	24.6	**55,048,032**	30,588,017
		170,239,767	79,669,015
		-	-
		170,239,767	**79,669,015**

24.1 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

24.2 This represents amount recognized in respect of projects for the overheads shared where TUSDEC management fee is not part of agreement with Donor agencies like NAVTTC.

24.3 This represents the amount being recognised in respect of income from laboratory test fee and 2D/3D scanning services to the local customers/industry.

24.4 This represents the amount being recognized in respect of income from machining services provided by GTDMC, CDTC and ESCs being common facility centers (CFCs) to the local

24.5 This amount represents grant income as explained in note 1.3.

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

25. AMORTIZATION OF GRANT

amortization of grant related to asset	25.1	**31,188,895**	2,138,768
amortization of grant related to income	25.2	**58,380,339**	32,497,265
		89,569,234	**34,636,033**

25.1 This represents grant amortization against assets of National Institute of Design and Analysis (NIDA)s, three Engineering Support Centers (ESCs), ACTED, Delegation of Eurpeon Commission in Pakistan, Skilltech Karachi, Project Monitoring Unit (PMU) and NAVTTC transferred to TUSDEC after completion/merger of projects. The amount of grant is being amortized on the basis of usefûl life of assets transferred to TUSDEC on matching principle basis.

The breakup of amortization of grant related to assets during the year is given below:

Land	**1,700,000**	-
Building	**4,375,684**	-
Office Refurbishment	**724,542**	724,542
Office equipment	**311,504**	279,586
Machinery	**20,325,476**	-
IT Infrastructure	**2,217,957**	439,890
Furniture & Fixture	**782,982**	364,750
Vehicles	**330,000**	330,000
Software	**420,750**	-
	31,188,895	2,138,768

25.2 This represents amortization/utilization of grant related to the projects funded by the donors for the activities envisaged in the agreement. Donor wise breakup is given below:

National Vocational and Technical Commission (NAVTTC)	27.1	**24,937,906**	12,248,865
GIZ	27.2	**33,442,433**	20,248,400
		58,380,339	32,497,265

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		Note	2022 Rupees	2021 Rupees
26.	**OPERATING COST**			
	Gas charges		9,438,794	8,474,794
	Salaries, wages and other benefits		47,317,288	16,421,412
	Stores and spares consumed		388,370	902,022
	Electricity charges		9,620,619	6,572,182
	Diesel for generator		229,800	195,283
	Repairs and maintenance		671,155	1,043,805
	Depreciation	5	63,706,764	47,914,250
	Training expenses		15,389	289,326
	Provision for slow moving items		1,154,750	-
	Misc. expenses		114,900	72,000
			132,657,829	81,885,074

26.1 This includes an amount of Rs. 1,589,437 (2021: Rs. 547,410) recognized in respect of Provident Fund and Rs. 225,246 (2021: Rs. 354,553) in respect of compensated absences.

		2022 Rupees	2021 Rupees
27.	**PROJECT EXPENSES**		
27.1	***NAVTTC:***		
	Employee cost	13,311,124	6,506,961
	Consumables	2,889,542	1,129,773
	Other expenses	8,737,240	4,612,131
		24,937,906	12,248,865
27.2	***GIZ:***		
	Employee cost	6,636,488	14,810,367
	Vehicle running and maintenance cost	1,239	11,466
	Advertisement	2,536,987	902,786
	Travelling and conveyance	1,593,225	725,389
	Postage and telephone	129,899	274,583
	Consumables	11,185,506	-
	Project expenses	7,352,669	-
	Other expenses	4,006,420	3,523,809
		33,442,433	20,248,400
		58,380,339	32,497,265
			-
		58,380,339	32,497,265

28. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2022 Rupees	2021 Rupees
Salaries and other benefits	28.1	**59,905,566**	51,407,047
Depreciation	5.	**18,632,947**	25,550,638
Amortization on intangibles	6	**1,164,488**	724,081
Traveling, vehicle running and maintenance		**8,621,283**	4,671,593
Utilities		**2,712,650**	1,792,233
Rent, rate and taxes	28.2	**2,872,857**	2,155,097
Repair and maintenance		**1,273,173**	813,783
Advertisement and business development		**369,525**	241,167
Consumables		**2,195,031**	697,548
Janitorial services		**1,910,585**	1,106,630
Postage and telephone		**1,794,853**	1,407,233
Security services		**4,911,946**	1,479,484
Printing and stationery		**383,759**	271,101
Legal and professional charges		**489,335**	256,500
Miscellaneous expenses		**236,705**	193,887
Auditors' remuneration	28.3	**330,000**	330,000
Project expenses		**952,670**	36,720
Balances written-off		**391,737**	-
Provision for expected credit loss		**1,275,932**	315,834
Fee and subscription		**29,178**	115,254
		110,454,220	**93,565,830**

28.1 This includes an amount of Rs. 2,720,024 (2021: Rs. 2,735,498) recognized in respect of Provident Fund and Rs.2,616,839 (2021: Rs. 2,047,264) in respect of compensated absences.

28.2 Rent, rates & taxes include expense in respect of short term leases.

28.3 Auditor's remuneration

	2022	2021
Audit fee	**330,000**	330,000
	330,000	**330,000**

29. SELLING AND DISTRIBUTION EXPENSES

	2022	2021
Salaries and wages	**1,314,180**	1,196,222
	1,314,180	**1,196,222**

30. OTHER INCOME

	2022	2021
Income from financial assets:		
Saving accounts	**1,693,075**	348,948
Term deposits receipts	**962,338**	896,810
	2,655,413	1,245,758
Income from assets other than financial assets:		
Miscellaneous	**4,667,935**	5,878,750
Gain/(Loss) on disposal of assets	**(63,785)**	-
	4,604,150	5,878,750
	7,259,563	7,124,508

31. TAXATION

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

32. RELATED PARTY BALANCES AND TRANSACTIONS

32.1 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	2022 Rupees	2021 Rupees
Provident fund	Contribution to Provident func	**4,309,461**	3,282,908

32.2 The parent of the entity is Pakistan Industrial Development Corporation (Private) Limited which holds 99.9% capital of the entity.

33. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks. The Board of Directors of the Company have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company sets policies, strategies and mechanisms, which aim at effective management of these risks within its unique operating environment. The key financial risks include credit risk, liquidity risk, interest rate risk, and foreign currency 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.

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 key financial risks include the following;

i. Credit Risk
ii. Liquidity Risk
iii. Market Risk

33.1 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:

	2022	2021
Financial Assets	**Rupees**	Rupees
Amortized cost		
Long term deposits	**5,845,116**	4,311,240
Trade debts	**4,848,586**	9,988,702
Short term advances	**1,323,816**	776,575
Short term advances deposits and prepayments	**22,750**	22,750
Short term investments	**15,242,261**	15,205,821
Bank balances	**36,346,076**	88,521,755
	63,628,605	118,826,843

Balances with banks

The Company held balances of Rs. 36,346,076 with banks as at June 30, 2022 (June 2021: 88,521,755) Management assessed the credit quality of the counter parties as satisfactory. Credit rating information of banks is as follows:

Banks	Rating			2022	2021
	Short term	Long term	Agency	Rupees	Rupees
Askari Bank Limited	A1+	AA+	PACRA	**26,867,810**	70,275,366
Bank Alfalah Limited	A1+	AA+	PACRA	**4,758**	5,270
MCB Bank Limited	A1+	AAA	PACRA	**281,817**	516,173
Soneri Bank	A1+	AA-	PACRA	**16,291**	92,090
Faysal Bank Limited	A1+	AA-	PACRA	**577,190**	1,790,055
NBP	A1+	AAA	PACRA	**8,598,209**	15,842,801
				36,346,075	88,521,755

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 is 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:	2022 Rupees	2021 Rupees
Past due but not impaired		
Not Past due	-	-
Past due 1–30 days	**1,628,775**	1,698,138
Past due 31–60 days	**938,000**	139,976
Past due 61–120 days	**1,544,571**	640,500
Past due 121–365 days	-	1,243,032
One to two years	**90,088**	6,407,316
More then two years	**6,452,622**	5,925,601
	10,654,056	**16,054,563**

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

33.2 Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	(Rupees)			
30 June 2022				
Trade and other payables	36,802,957	36,802,957	10,745,602	26,057,355
Project liabilities	12,316,686	12,316,686	12,316,686	-
	49,119,643	**49,119,643**	**23,062,288**	**26,057,355**

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	(Rupees)			
30 June 2021				
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**

33.3 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.

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk

(a) Currency Risk
(b) Interest Rate Risk
(c) Other Price Risk

(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:

	2022 Rupees	2021 Rupees
Fixed rate instruments		
Financial assets		
Saving bank accounts	29,071,705	88,385,302
Short term investments	15,242,261	15,205,821
	44,313,966	**103,591,123**

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.

33.4 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 internally generated cash flows.

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33.5 Financial instruments by categories

	2022		
	Cash and cash equivalents	Loans and advances	Total
	(Rupees)		
Assets as per balance sheet			
Long term deposits	-	5,845,116	5,845,116
Trade debts	-	4,848,586	4,848,586
Short term investments	15,242,261	-	15,242,261
Bank balances	29,071,705	-	29,071,705
	44,313,966	10,693,702	55,007,668

	2022
	Financial Liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Trade and other payables	36,802,957

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 receivables	-	9,988,702	9,988,702
Short term investments	15,205,821	-	15,205,821
Bank balances	88,385,302	-	88,385,302
	103,591,123	14,299,942	117,891,065

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

33.6 Fair Value Measurement

Non Recurring Fair Value Measurements	2022	2021
	Rs	Rs
Property, plant and equipment	276,185,309	1,009,949,655

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

This is a level 2 measurement as per the fair value hierarchy set out in IFRS 13.

33.7 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.

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2022		2021	
	Chief Executive Officer	**Directors**	**Chief Executive Officer**	**Directors**
Managerial remuneration	-	-	-	-
Allowances	-	-	-	-
	-	-	-	-
Number of persons	1	8	1	8

All TUSDEC Board members are nominated by the Government of Pakistan therefore, donot receive any managerial remuneration from the Company.

	2022	2021
	Executives	**Executives**
Managerial remuneration	16,432,304	13,026,963
Contribution to provident fund	853,162	769,034
Medical reimbursements	853,162	769,034
Fuel and Mobile Allowance	2,624,700	1,965,000
	20,763,328	16,530,031
Number of persons	5	5

35. 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	2022 Rupees (unaudited)	2021 Rupees (audited)
Size of the fund		**20,655,609**	21,860,939
Cost of investment made	35.1	**10,000,000**	17,000,000
Percentage of investment made		**48%**	**78%**
Fair value of investment		**10,000,000**	17,000,000

35.1 Breakup of investment

	2022		2021	
	Investments (Rupees)	**Investment as % of size of the fund**	**Investments (Rupees)**	**Investment as % of size of the fund**
Bank balance	**10,000,000**	**48%**	17,000,000	78%

36. NUMBER OF EMPLOYEES

The number of employees at the year end were as follows:	2022	2021
- TUSDEC	**155**	105
- Projects	**7**	45
	162	150

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

- TUSDEC	**143**	113
- Projects	**25**	45
	168	158

During the year three PSDP projects,merged into TUSDEC as indicated in note 1.3. The employyees of three projects (44 No.) have been absorbed into TUSDEC w.e.f. 01 July 2021.

37. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 31-12-2022 by the Board of Directors of the Company.

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38. 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.

39. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

TUSDEC