Annual Report for the Year ended 2024

TUSDEC

COMPANY INFORMATION

Board of Directors

Independent Directors

Rana Nasir Mehmood
Chairman

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

Dr. Muhammad Aslam
Director

Prof. Dr. Younus Javed
Director

Executive Directors

Mr. Asad Islam Mahni
Chief Executive Officer

Non-Executive Directors

Joint Secretary, MoIP
Director

Chief Executive Officer, SMEDA
Director

Representative, Ministry of Finance
Director

Board Procurement Committee

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

Joint Secretary, MoIP
Director

Mr. Asad Islam Mahni
Chief Executive Officer

Dr. Muhammad Aslam
Director

Board Human Resource Committee

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

Joint Secretary, MoIP
Director

Chief Executive Officer, SMEDA
Director

Mr. Asad Islam Mahni
Chief Executive Officer

Board Audit & Finance Committee

Dr. Muhammad Aslam
Chairman

Representative, Ministry of Finance
Director

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

Joint Secretary, MoIP

Board Nomination Committee

Rana Nasir Mehmood
Chairman

Mr. Asad Islam Mahni
Chief Executive Officer

Joint Secretary, MoIP
Director

Auditors

Crowe Hussain Chaudhury & Co
Chartered Accountants

Registered/Head Office

State Cement Corporation Building, Kot Lakhpat,
Lahore

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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TUSDEC

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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, 2024.

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 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 on the capacity building of marginalized women thereby enabling them to mitigate the socioeconomic adversaries.

The countries surfing in the global limelight have adopted knowledge management as an element to build and uphold their competitive advantages. Accomplishment of knowledge directs the achievement of national aspirations and builds on national integrity. TUSDEC has synchronized its visionary streams with the enlightened goals of Government of Pakistan aimed at building a National Skill Base. In collaboration with Federal and Provincial Governments, various international donors and local nonprofit organizations, TUSDEC has been striving to shift the TVET mechanism of Pakistan from a supply driven to a training system that is compelled by the industry's demand for skill in the curricula, training methodologies and foremost the areas of training. From training the managers, machine workers and acute product design engineers to employable skills disbursement for vulnerable 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 10 billion plus. 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 18th operational year of your Company in which **three** projects, namely NIDA (Lahore, Quetta & Sialkot) completed 18th years of successful operations. **The other two NIDA Centers** (Karachi & Peshawar) have completed 17th years of operations. **SkillTech Karachi** has completed 14th year of its operational activities. **Gujranwala Tools Dies and Moulds Centre (GTDMC)** has completed 14th year while **Ceramics Development and Training Complex (CDTC)** has also completed 14th year of its operational activities. **Cement Research and Training Institute (CR&DI)** has completed 18th year of its operational activities. A detailed report on the achievements of your Company during the year is given as under:

Financial Performance:

Particulars	2023-24 (Rs.)	2022-23 (Rs.)
Income	144,121,668	203,676,859
Expenditures before depreciation and amortization	125,801,988	174,004,781
Surplus/(Deficit) before depreciation and amortization	**18,319,680**	**29,672,078**
Depreciation and amortization	108,742,496	106,077,825
Levy / final taxation	1,278,944	-
Net deficit after depreciation, amortization and levy / final taxation	**(91,701,760)**	**(76,405,747)**

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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 2023-24 & 2022-23 are as under:

Type of Job	2023-24	2022-23
No of Industrial Jobs (Heat Treatment, Mold and Die Making & 3D Scanning, machining and surface Treatment etc.,)	79 Jobs	46 Jobs
No. of participants trained (PSDF, NAVTTC & GIZ etc.)	302 Trainees	221 Trainees 100 in process

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 2023-24 & 2022-23 are as under:

Type of Job	2023-24	2022-23
No of Industrial Jobs (Shuttle Kling, CNC Pattern Making & Consultancy)	36	354
Laboratory services (Samples Tested)	56	188
Training of Trainees (PSDF, NAVTTC etc.)	55	153

The significant maintenance work undertaken during the year led to a reduction in the center's services throughout the financial year under review.

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.

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TUSDEC has successfully upgraded CR&DI through its approved PC-1 of "National Strategic Program for Acquisition of Industrial Technology" (NSPAIT). Lab has been fully renovated after civil and interior work. Procurement of partial machinery completed as per allocation, machinery procured and installed and in operations. Latest testing equipment includes NDT tests and concrete testing equipment.

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

A brief table of operational results for the year 2023-24 & 2022-23 are as under:

Particulars	2023-24	2022-23
Laboratory services (Samples Tested)	1,635	1,658
Revenue (Rs.)	Rs. 12,118,120	Rs. 12,291,912

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. These centres were merged into TUSDEC w.e.f 01 July 2021.

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

(iv) Peshawar Light Engineering Centre (PLEC)

- 148 Industrial Jobs/Parts performed on different machines.
- 13 participants trained in various technical trades under NAVTTC PMYSDP.

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

TUSDEC

- 28 Industrial Jobs/Parts performed on different machines

(vi) Hyderabad Engineering Support Centre (HESC)

The center was underperforming, and as part of the restructuring of TUSDEC's operational divisions, the Board of Directors has approved the transfer of HESC facilities to other divisions on an as-needed basis.

3 – Skills Development Centers (SDCs)

a) **PSDP/PIDC/PSDF Funded Initiatives:**

i) Skilltech International Karachi- (PIDC Funded)

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 provides vocational and management trainings. The centre also prepares students for various exams of City & Guilds UK in Pakistan.

The center is also currently undergoing restructuring.

ii) National Institute of Design & Analysis (NIDA) (Advanced CAD/CAM) Centre Rs. 321.12 Million (Lahore, Karachi, Sialkot, Peshawar & Quetta)

NIDA Centres were 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.

Since the facilities for these centers were established in 2006-07, they have now become outdated and inefficient due to technological advancements. As part of TUSDEC's restructuring of its operational units, NIDA Quetta has been transferred to BIUTUM University Quetta. NIDA Lahore and NIDA Sialkot have been closed, NIDA Karachi has been merged with Skilltech, and NIDA Peshawar is also in the process of being shut down. The concept behind these NIDA centers has been integrated into the IDAC project, incorporating the latest technology.

4 – Approved Initiatives

a) <u>Government funded (PSDP):</u>

i) Industrial Designing & Automation Centers (IDAC) Rs.1089.87 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, Sialkot and Karachi have been procured as per PPRA
- Construction consultant hired and Design work completed for all centres
- Construction contractor selected for Lahore, Sialkot & Karachi Centre as per PPRA rules.
- Machinery ordered in FY 2021-22 has been successfully delivered (3D Printer, Scanner, PLC and SCADA Lab equipment) for IDAC Lahore.
- Furniture and I.T equipment has been procured for IDAC implementation team.

- Necessary approval of NOC from KDA for Karachi Centre and construction approval from Muncipal Department for Sialkot centre are processed.
- Tendering process for procurement of plant and machinery completed contract awarded to successful bidders for supply of machinery, equipment & tools.
- Hiring of implementation/operational staff in process

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

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 has completed the implementation phase and the project will contribute to national economy through 900 product design & development job and 1600 trainings. The facility is located in existing building of NIDA Lahore.

Current Status:

- Footwear Design Lab has been established and equipped with desktop computers, Shoe Master Designing software, 3D Scanner and Digitizer which have been successfully delivered and installed.
- Footwear Workshop has been established and equipped with CNC Vertical Machining Center (5 Axis Machine) for footwear Mold Manufacturing, Conventional machinery (Lathe machine, Shaper machine and Radial Drill Machine), 3D Printer, 2D Plotter & accessories.
- Operations of the center initiated, and jobs started like grading and pattern making, designing, and training activities, Mold manufacturing, Product Development, etc.,
- Total no. of trainee trained 29.
- Total no. of mold manufactured – 12 molds and 08 lasts completed.
- Total no. of shoe upper design and grading are 45.

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

TUSDEC has developed "National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)" in close coordination with the stakeholders in order to "Acquire, assimilate and improve the technology being used in various industrial sectors across Pakistan tentatively in the following critically important industrial sectors including Textiles (with particular ref. to Technical Textile), Construction (including Cement, Ceramics, and Marble & Granite) and Engineering & Technology (Including Light Engineering, Cutlery and

Gems & Jewellery)". TUSDEC selected these sectors based on the fact that Textile being the key sector with 59.43% share in overall exports but Pakistan lacking in technical textile and sportswear products in world export share (World Technical Textile Market: US $ 192 Bn, Pakistan Share: US $ 0.250 Bn) due to unavailability of testing laboratory, R&D, waterless dyeing technology and skilled workforce as per initial research and consultations with textile sector stakeholders/experts. Similarly, construction is a high growth sector and Engineering sector of Pakistan is a potential growth sector presently having only 1% global export share due to low technology base and manufacturing of low-end products while the share of engineering sector in world trade is around 55%.

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

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

The NSPAIT PC-I comprised of 10 interventions in Engineering, construction and textile sector was approved with a total cost of PKR 3,207 million.

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:

- Project Physical Progress is 35%. Detail of progress achieved is as under:
- Feasibility studies completed and modified PC-I was approved on 29th November 2021. Out of 10 initiatives 8 initiatives are in process.

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- Renovation works for three interventions completed at Lahore, Peshawar and Gujranwala
- Construction Consultants selected for CIP at Wazirabad and Ceramics centre at Gujranwala.
- Civil Work started at Cutlery Institute Wazirabad
- Award of renovation work for PLEC Peshawar and Ceramics at Gujranwala.
- IT Equipment, office Equipment and Furniture & fixture for two interventions procured and delivered.
- 1st Tender process completed for machinery & equipment at CRDI, GTDMC
- IT & Office Equipment & Furniture tender processed for CIP, Multan, Peshawar, Quetta, CDTC.
- Machinery tender will be re-advertised

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

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

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

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

Current Status:

- 03 Kanal Land has been acquired in Sialkot
- Construction consultant hired, designing work completed.
- Tender process for selection of construction contractor completed
- NOC for construction of building applied, approval awaited
- Tendering process for procurement of plant and machinery completed, contract awarded to the successful bidders for supply of machinery, equipment and tools
- Request submitted to MoIP for approval of 15% cost escalation observed due to higher cost of the construction material especially steel and cement, labor cost, dollar exchange rate and inflation, approval awaited

- Hiring of implementation staff in process

b) **Donor Funded:**

i) **PSDF Funded Skill Development Initiatives:**

a) **Skills Scholarship Initiative 2023 (MAHIR)**
b) **Skills for Training Program 2023-24**
c) **Industrial Training Program 2023-24**

To produce skilled workforce; TUSDEC offered practical training programs in collaboration with PSDF in Light Engineering sector at Gujranwala. The trades include; CNC Machine Operator, Injection Moulding Machine Operator, CNC Machinist, 2D and 3D Drafting Using AutoCAD. 227 students got trained at GTDMC under Skills Training Programme 23-24(STP) while 100 participants got trained under ITP 203-24 Mahir program. The project has improved the livelihood prospects of the trainees through certified qualifications and better job prospects at the national and international sphere.

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

TUSDEC qualified for NAVTTC **"Kamyab Jawan Prime Minister Youth Skill Development Program" Batch IV**. Training imparted to 100 students at GTDMC, 13 trainees were trained at PLEC in various trades.

iii) **Hiring local service provider for Skill Development of Returnee Migrant & Local Population (GIZ)**

To enhance the income-generating capacity, social integration of returnee migrants and the local population by providing skill development opportunities and promoting dependent & self-employment opportunities within the country. To provide high-quality training in CNC Machinist, CNC Programming & Model/Moulding Making & Casting in the Ceramics trades to Returnee migrants and the local population. 60 trainees trained at GTDMC & CDTC in the mentioned trades. The project has improved the livelihood prospects of the trainees.

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,

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assimilate and improve the technology being used in various industrial sectors across all major clusters of Pakistan. This draft national level policy proposes following interventions to upgrade Pakistan's industrial technology;

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

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

- 59,543 beneficiaries
- 27,732 new enterprises
- Rs. 350 Billion increases 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.

ii. 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. 1200 Mn (Capex: Rs. 900 Mn, Opex: Rs. 300 Mn)
- 1-year execution & 3 years operations for demonstration
- 100 persons HR

Impact/ Value Addition

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

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

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

Gwadar is considered as a gateway of CPEC, facilitating the major trading breakthrough of Pakistan and china. Planned SMEs in Gwadar 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 Gwadar 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

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- Conduct analysis on the design and material type of parts/products accordingly

Project Cost, Project life & HR:

- Rs. 1200 Mn (Capex: Rs. 900 Mn, Opex: Rs. 300 Mn)
- 1-year execution & 3 years operations for demonstration
- 5 persons

Impact:

- 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

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

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- 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:

- 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:

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Export Development Fund (EDF) Initiatives:

i) Support Centre for Protective Equipment (SCPE) (PKR 921.125 Million)

To mitigate the impact of trade deficit, TUSDEC aimed to establish the project for Leather Industry of Pakistan. The objective is to make quality testing facility available for this sector by establishing a laboratory for Leather Personal Protective Equipment in Sialkot.

The proposed project will also help in achieving the "Engineering Vision" adopted by the Government of Pakistan. The program is unique in its kind and has not been implemented before for leather sector of Pakistan. It will also improve the quality, recognition and reputation of training and working conditions within existing system.

Objective:

Issues pertaining to the potential of leather manufacturing in Pakistan are particularly in reference to:

- Establishment of ISO 17025 accredited testing laboratory in Pakistan for Leather sector including products such as shoes, gloves, garments, fashion products etc.
- Training, development, and consultancy of private sector on standard regulatory requirements.
- Enhancement of exports of PPEs in global markets.

Impacts:

- 42 trainees will be trained in 2 years (Year 1 and Year 2)
    - 21 trainees will be trained on Shoes Testing
    - 21 trainees will be trained on Gloves testing
    - 21 trainings will be conducted on Garments and other testing related to leather
    - 21 Consultancy services will be provided to the industry on international standards in 2 years (Year 1 and Year 2)
    - 21 trainings will be conducted on designing courses
- 41,184 tests will be conducted in 2 years (Year 1 and Year 2)
    - 30,624 Tests will be conducted on Shoes
    - 10,560 Tests will be conducted on Gloves

ii) Industrial Technology benchmarking (ITB) (PKR 99.58 Million)

TUSDEC proposed "Industry Technology Benchmarking (ITB)" of different industrial sectors to develop bankable projects after third party benchmarking studies.

Objective: The primary objective of the project is to make the industry export oriented and import substitution for local market by advancement and upgradation in technologies / processes / products.

Purpose: The main purpose of this project is to identify technology gaps in the identified sectors to increase the quality production capacity to enhance the export potential and import substitutions for local market.

Sectors: Identified sectors are as follows;

- Fan Industry,
- Leather Industry
- Agro-Food Industry

- Textile Industry

iii) Investment and Technology Promotion Offices (ITPO) (PKR 95.298 Million)

Based on international best practices and effective implementation of ITPOs in various countries, TUSDEC proposes establishment of Investment and Trade Promotion Office (ITPO) in Pakistan will brings latest technology through integrated economies, information and best practices sharing, delegate programs for exchange of experts, capacity building and sub-regional cooperation.

The ITPO Pakistan will provide the following services

- Professional support to enterprises for partnership and business negotiations
- Guide potential local investors at each stage of the investment cycle, from project identification through appraisal to implementation.
- Offer a full package of up-to-date information on screened and validated investment opportunities, including manufacturing facilities, and technology supply sources
- Provide first-hand knowledge on how to do business in local environments, including legal and economic aspects.

6. OPERATING RESULTS

Your Company has a net Deficit of Rs. 91.70 million for the year 2023-24 as compared to net deficit of Rs. 76.41 million in 2022-23.

The key financial figures have been tabulated as follows:

	Year Ended June 30, 2024	Year Ended June 30, 2023
	Rupees	
(Deficit)/ Surplus) before Tax	(90,422,816)	(76,405,747)
Levy / final taxation	(1,278,944)	-
Surplus/(Deficit) after Tax	**(91,701,760)***	**(76,405,747)***

EARNING PER SHARE

Basic (Loss)/ earning per share come at Rs (3.84) Year 2023: Rs. (3.27)

***Reason for Deficit**

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

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

DIVIDEND

Your Company is a non-profit organization and all surplus earned would be employed by your Company to meet its objectives. The Securities and Exchange Commission of Pakistan (SECP) 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	2
	Independent Directors:		
4	Mr. Rana Nasir Mehmood	4	3
5	Mr. Iftikhar Ahmad Jogezai	1	1
6	Mr. Nooruddin F. Daud	4	-
7	Dr. Mohammad Aslam	4	1

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S.#.	Name	Eligibility	Attended
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.

BOARD MEETING FEE AND REIMBURSEMENT OF ACTUAL EXPENSES

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	80,000	34,000
2	Representative, Ministry of Finance	80,000	60,000	51,000
3	Chief Executive Officer, SMEDA	20,000	20,000	-
4	Mr. Rana Nasir Mehmood	60,000	-	12,000
5	Mr. Iftikhar Ahmad Jogezai	20,000	20,000	-
6	Mr. Nooruddin F. Daud	-	-	-
7	Dr. Mohammad Aslam	-	-	-
8	Prof. Dr. Younis Javed	-	-	-
	Executive Director:			
9	Chief Executive Officer, TUSDEC	80,000	20,000	-

8. PATTERN OF SHAREHOLDING

The pattern of shareholding as of 30 June 2024 is as follows:

Name of Shareholders	Number of Shares
Pakistan Industrial Development Corporation (Pvt.) Ltd. (PIDC) -	23,882,998

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Parent Company	
Rizwan Ahmad Bhatti	1
Rana Nasir Mehmood	1
Total	**23,883,000**

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
- 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 Crowe Hussain Chaudhry & Co, Chartered Accountants has been retired. The Board of Directors recommended the appointment of M/s Zahid Jamil & Co., Chartered Accountants for the year 2024-25.

11. AUDIT & FINANCE COMMITTEE

The Audit Committee is comprised of following Non-Executive Directors.

- Dr. Mohammad Aslam Khan – Chairman Committee
- Joint Secretary of Ministry of Industries and Production - Member
- Representative of Ministry of Finance - Member
- Mr. Nooruddin F. Daud-(Tamgha-i-Imtiaz-Civil) - Member

12. Key Financial Data

SIX YEAR FINANCIAL DATA					(Rupees in Millions)	
	2024	2023	2022	2021	2020	2019
Assets						
Non-current assets	1,391.58	1,421.07	1,487.31	1,264.55	163.31	276.09
Current assets	1,100.74	972.22	778.32	1,120.00	954.08	808.53
Equity and liabilities						
Share capital and reserves						
Share capital	238.83	238.83	238.83	238.83	238.83	238.83
Reserve	(173.55)	(150.50)	(143.00)	(159.70)	(73.03)	72.02
Surplus on revaluation of Assets	970.25	1038.90	1,107.81	1,177.49	2.68	3.99
	1,035.53	1,127.23	1,203.64	1,256.62	168.48	314.84
Non-current liabilities	336.72	1,206.85	1,011.28	1,061.44	884.17	712.06
Current liabilities	1120.07	59.21	50.71	66.49	64.74	57.72
Revenue	144.12	203.68	272.39	121.43	109.1	137.48
Operating expenditure	235.82	280.09	325.37	209.14	255.46	286.71
(Deficit)/Surplus	(91.70)	(76.41)	(52.98)	(87.71)	(146.36)	(149.23)

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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: 14-12-2024

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TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

FOR THE YEAR ENDED JUNE 30, 2024

Crowe

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECHNOLOGY UPGRADATION AND SKILLS DEVELOPMENT COMPANY

(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **TECHNOLOGY UPGRADATION AND SKILLS DEVELOPMENT COMPANY** (the Company), which comprise the statement of financial position as at June 30, 2024 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, 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, 2024 and of the deficit, its 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.

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

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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 the Companies Act, 2017(XIX of 2017) and for such internal control as the 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, 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 Amin Ali.

Crowe Hussain Ch & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: December 16, 2024
UDIN: AR202410051jU6z2SNfv

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,386,022,517	1,412,285,930
Intangible assets	6	-	2,049,633
Right-of-use asset	7	-	1,080,000
Long term deposits	8	5,554,020	5,652,300
		1,391,576,537	1,421,067,863
Current Assets			
Projects assets	9	1,044,986,942	905,545,386
Trade receivables	10	2,392,109	4,125,047
Stores and spares	11	10,783,209	11,346,706
Advances, prepayments and other receivables	12	1,911,719	2,126,061
Short term investments	13	10,000,000	10,000,000
Tax refund due from the Government	14	20,673,491	22,163,038
Cash and bank balances	15	9,994,268	16,915,143
		1,100,741,738	972,221,381
TOTAL ASSETS		2,492,318,275	2,393,289,244
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 135,000,000 (2023: 135,000,000) ordinary shares of Rs. 10 each		1,350,000,000	1,350,000,000
Issued, subscribed and paid-up capital	16	238,830,000	238,830,000
Reserves		(173,550,793)	(150,495,797)
Surplus on revaluation of property, plant and equipment	17	970,251,683	1,038,898,447
Total Equity		1,035,530,890	1,127,232,650
Non-Current Liabilities			
Deferred grant			
- Grant related to operating fixed assets	18	298,551,804	257,352,680
- Grant related to projects	18	38,167,673	949,497,606
		336,719,477	1,206,850,286
Current Liabilities			
Current portion - deferred grant	18.6	1,032,988,041	-
Trade and other payables	19	69,651,667	49,758,483
Lease liability		-	333,148
Project liabilities	20	17,428,200	9,114,677
		1,120,067,908	59,206,308
Contingencies and Commitments	21	-	-
TOTAL EQUITY AND LIABILITIES		2,492,318,275	2,393,289,244

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Income			
Income from services	22	93,951,114	135,229,180
Amortization of grant	23	45,433,901	49,762,360
		139,385,015	184,991,540
Cost of Services			
Operating cost	24	119,401,002	149,153,437
Projects expenses	25	6,973,025	13,348,033
		(126,374,027)	(162,501,470)
Gross Profit		13,010,988	22,490,070
Administrative expenses	26	(108,170,457)	(117,581,136)
Other income	27	4,736,653	18,685,319
Deficit before Levy and Taxation		(90,422,816)	(76,405,747)
Levy / final taxation	28	(1,278,944)	-
Deficit before Taxation		(91,701,760)	(76,405,747)
Taxation		-	-
Net Deficit for the Year		(91,701,760)	(76,405,747)

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	Rupees
Net Deficit for the Year	(91,701,760)	(76,405,747)
Other comprehensive income:		
Items that may be reclassified to income and expenditure in subsequent periods	-	-
Items that should not be reclassified to income and expenditure in subsequent periods	-	-
Total Comprehensive Deficit for the Year	(91,701,760)	(76,405,747)

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Issued, Subscribed and Paid-up Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Accumulated Loss	Merger Reserve	Subtotal		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at June 30, 2022	238,830,000	(647,871,979)	504,865,626	(143,006,353)	1,107,814,750	1,203,638,397
Incremental depreciation charge	-	68,916,303	-	68,916,303	(68,916,303)	-
Total comprehensive deficit for the year	-	(76,405,747)	-	(76,405,747)	-	(76,405,747)
Balance at June 30, 2023	238,830,000	(655,361,423)	504,865,626	(150,495,797)	1,038,898,447	1,127,232,650
Incremental depreciation charge	-	68,336,214	-	68,336,214	(68,336,214)	-
Surplus realized on disposal of assets	-	310,550	-	310,550	(310,550)	
Total comprehensive deficit for the year	-	(91,701,760)	-	(91,701,760)	-	(91,701,760)
Balance as at June 30, 2024	238,830,000	(678,416,419)	504,865,626	(173,550,793)	970,251,683	1,035,530,890

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY
(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(91,701,760)	(76,405,747)
Adjustment for:			
- Interest income	27	(2,053,495)	(2,337,276)
- Depreciation on property, plant and equipment	5	106,455,164	103,728,474
- Income from disposal of property, plant and equipment	27	(380,530)	-
- Amortization on intangibles	6	2,049,633	1,989,351
- Depreciation on right-of-use asset	7	237,699	360,000
- Amortization of deferred grant	23	(45,433,901)	(49,762,360)
		60,874,570	53,978,189
Operating deficit before working capital changes		(30,827,190)	(22,427,558)
(Increase) / decrease in current assets			
- Projects assets	9	(139,441,556)	(219,992,930)
- Trade receivables	10	1,732,938	723,539
- Stores and spares	11	563,497	(953,953)
- Advances, prepayments and other receivables	12	229,219	867,169
Increase / (decrease) in current liabilities			
- Projects liabilities	20	8,313,523	(3,202,008)
- Trade and other payables	19	19,893,184	11,693,831
		(108,709,195)	(210,864,352)
Cash Used in Operations		(139,536,385)	(233,291,910)
Taxes paid	14	1,489,547	545,438
Net Cash Used in Operating Activities		(138,046,838)	(232,746,472)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(80,502,301)	-
Proceeds from disposal of right of use	7	842,301	-
Advances against capital expenditures		-	(40,031,560)
Long term deposits	8	98,280	192,816
Interest income received		2,038,618	2,344,824
Proceeds from disposal of property, plant and equipment		691,080	-
Net Cash Used in Investing Activities		(76,832,022)	(37,493,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received during the year	18	471,173,953	343,239,918
Grant returned / adjusted during the year	18	(262,882,820)	(97,910,132)
Lease amount paid		(333,148)	-
Net Cash Generated from Financing Activities		207,957,985	245,329,786
Net Decrease in Cash and Cash Equivalents		(6,920,875)	(24,910,606)
Cash and cash equivalents at the beginning of the year		26,915,143	51,825,749
Cash and Cash Equivalents at the End of the Year	29	19,994,268	26,915,143

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY

(A Company set up under Section 42 of the Repealed Companies Ordinance, 1984)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 1

Corporate and General Information

Technology Upgradation and Skill Development Company (TUSDEC, "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 the Companies Act, 2017). The Company is domiciled in Pakistan and its principal activity is to upgrade technology and skills of key and strategic industrial clusters and connect Pakistan to the global value chain. Pakistan Industrial Development Corporation (Private) Limited (PIDC) holds 99.99% shares of the Company.

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

Serial No.	Offices	Addresses
i.	Registered Office	State Cement Corporation Building, Kot Lakhpat, Near Race Club, Lahore.
ii.	Division unit	Morr Emanabad, Near Commander Ceramics, 12-KM Kamoki, Gujranwala.
iii.	Division unit	Sialkot By-Pass Chowk, Sialkot Road, Gujranwala.
iv.	Division unit	1st Floor, Sarhad Chamber of Commerce and Industry, G.T. Road, Peshawar.
v.	Division unit	Owais Ahmad Ghani Research Center, Buitems 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, Hyderabad.
viii.	Division unit	Plot # 134-6, CECOS Industrial Liaison Center, Hayatabad Industrial Estate, Peshawar.
ix.	Division unit	Plot # N-10A, Sector N, Hub Industrial and Trading Estate (HITE), Lasbella, Balochistan.
x.	Division unit	National Institute of Design and Analysis, Estate Cement Guest House Building, Main Stadium Road, Dalmia, Karachi.

Note 2

Basis of Preparation

2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not for Profit Organizations (NPOs) issued by ICAP as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and accounting standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of the following:

Property, plant and equipment	Note 5	Stated at revalued
Intangible assets	Note 6	Stated at revalued
Right-of-use asset	Note 7	Stated at revalued

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, as well as expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the 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 lives, residual values and depreciation method of property, plant and equipment - Note 3.1 and 5
- Useful lives, residual values and amortization method of intangible assets - Note 3.2 and 6
- Project assets in progress - Note 3.4 and 9.1.1
- Provision for expected credit losses - Note 3.5 and 10
- Estimation of provisions - Note 3.8, 10 and 11
- Estimation of contingent liabilities - Note 4.1 and Note 21
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward 'tax losses) Note 3.18 and Note 28

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statement of the Company for the year have been consistent with previous year.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective Date - Annual Periods Beginning on or After
- IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting policies [Amendments]	January 1, 2023
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates [Amendments]	January 1, 2023
- IAS 12 'Income Taxes' - Deferred tax related to Assets and liabilities arising from a Single Transaction [Amendments]	January 1, 2023
- Initial Application of 'IFRS 17 Insurance Contracts and IFRS 9 Comparative Information'	January 1, 2023

Changes in policy - Levy

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under 'IAS 37 Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

Note 2, Basis of Preparation - Continued...

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	**Effective Date - Annual Periods Beginning on or After**
IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback [Amendments]	January 1, 2024
IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with covenants [Amendments]	January 1, 2024
IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements [Amendments]	January 1, 2024
IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-Current [Amendments]	January 1, 2024
IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability [Amendments]	January 1, 2025
IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' Classification and Measurement of Financial Instruments [Amendments]	January 1, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 17 - Insurance Contracts
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-Related Disclosures

Note 3
Material Accounting Policy Information

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

3.1 Property, plant and equipment

Owned

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, if any. Revaluation is carried out every 3 to 5 years to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss.

Depreciation on property, plant and equipment is charged to statement of income and expenditure 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.

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 method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Normal repairs are charged to statement of income and expenditure as and when incurred. Gains or losses on disposal of property, plant and equipment are included in the current year's statement of income and expenditure. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Note 3, Material Accounting Policy Information - Continued ...

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any, and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.2 Intangibles

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense.

Intangible assets are stated at revalued amount, being the fair value at the date of their revaluation, less any subsequent accumulated amortization and subsequent accumulated impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss.

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 reporting date. The rates determined to amortize the intangible assets are disclosed in Note 6.

3.3 Impairment of non - financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to statement of income and expenditure. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. If impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

3.4 Project assets

The Company operates under the authority of the Ministry of Industries and Production (MoIP), Government of Pakistan. The Company implementing various Public Sector Development Program (PSDP) funded projects as indicated in Note 9 of the financial statements. During the development phase, the Company does not have the ownership of these projects. Therefore, the assets and liabilities of these projects have been recognized separately from the Company's assets and liabilities. The fate of these projects shall be decided by the Government after completion. The grants received for such projects are recognized in Note 18 of the financial statements and same shall be adjusted on completion of the relevant project.

3.5 Trade receivables

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the reporting date. Bad debts are written off when identified.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at banks.

3.7 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due.

Note 3, Material Accounting Policy Information - Continued ...

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods to the customer.

3.8 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.

3.9 Employment benefits obligations

Defined contribution plan

The Company operates a funded 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 basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of income and expenditure as and when incurred.

Compensated absences

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

3.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.11 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and of which a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.12 Government grants

Grants are recognized when 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 revenue over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. The Company meets its expenses with other income, if any, to the extent possible while the balance expenses are covered by the amortization of grant. When the grant relates to an asset, it is recognized as deferred income and transferred to the statement of income and expenditure in amounts equal to depreciation over the expected useful life of related asset.

3.13 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.

Grants related to income are accounted for in accordance with the requirement of IAS-20 "Accounting for Government Grants and Disclosure of Government Assistance" i.e. Grants are recognized on a systematic basis as income over the periods necessary to match them with the related cost which they are intended to compensate.

Grants related to assets are recognized in statement of income and expenditure over the life of the depreciable assets.

Note 3, Material Accounting Policy Information - Continued ...

3.14 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in the equity or other comprehensive income.

Current

Current Taxation with Provision for current taxation is based on taxable income at current rates of taxation after taking into account applicable tax credit, rebates and exemption available, if any as per Income Tax Ordinance, 2001

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

As per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, when the tax liability is calculated on taxable profits exceeds the minimum tax, the portion equivalent to the minimum tax should be recorgnised as a levy in accordance with IFRIC 21 / IAS 37. Further, the Company shall also charge tax expense under levy when tax is calculated under final tax regime.

Deferred

Deferred taxation is accounted for using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary timing differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which deductible temporary differences. unused tax losses and tax credits can be utilized.

3.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through statement of income and expenditure. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

Note 3, Material Accounting Policy Information - Continued ...

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gain or loss and impairment is recognized in statement of income and expenditure.

Financial assets measured at fair value through statement of income and expenditure are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the statement of statement of income and expenditure.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the other comprehensive income.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in statement of income and expenditure.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. 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.

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).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables and project liabilities etc.

Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in statement of income and expenditure. Difference between carrying amount and consideration paid is recognized in statement of income and expenditure when the liabilities are derecognized.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in statement of income and expenditure. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of income and expenditure.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Note 3, Material Accounting Policy Information - Continued ...

3.16 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

Note 4
Summary of Other Accounting Policies

4.1 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.2 Leases

The Company assesses whether a contract contains a lease or not at the inception of a contract and reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Company as a lessee

Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Note 4, Other Accounting Policies - Continued ...

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e, dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the income and expenditure statement, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability. The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

4.3 Scrap Sales

Scrap sales are recognized on transfer of control to customer.

4.4 Foreign currency transactions and translations

Transactions denominated in foreign currencies are initially recorded in Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the reporting date. Exchange differences are included in statement of income and expenditure.

Note 5

Property, Plant and Equipment

	Note	2024	2023
		Rupees	Rupees
Operating fixed assets	5.1	1,345,990,957	1,372,254,370
Capital work in progress	5.12	40,031,560	40,031,560
		1,386,022,517	1,412,285,930

5.1 Operating fixed assets

Year Ended June 30, 2024

Description	Cost / Revalued Amount					Depreciation					Book Value as at June 30, 2024
	As at June 30, 2023	Additions / transfer	Acquisition through merger	Disposals	As at June 30, 2024	Rate	As at June 30, 2023	Charge for the Year	Disposals	As at June 30, 2024	
	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Land	570,754,115	-	-	-	570,754,115	-	-	-	-	-	570,754,115
Buildings and improvements	398,359,083	-	-	-	398,359,083	5-10	278,573,933	12,621,788	-	291,195,721	107,163,362
Office equipment	27,067,322	-	-	(1,238,464)	25,828,858	10	20,557,669	794,629	(1,047,867)	20,304,431	5,524,427
Plant and machinery	1,678,755,427	79,660,000	-	-	1,758,415,427	10	1,024,353,640	84,520,996	-	1,108,874,636	649,540,791
Computer equipment	107,314,190	-	-	(3,502,117)	103,812,073	33	102,274,219	4,675,848	(3,406,682)	103,543,385	268,688
Furniture and fixtures	26,679,869	-	-	(227,300)	26,452,569	10	19,334,175	913,602	(202,782)	20,044,995	6,407,574
Vehicles	81,654,635	842,301	-	-	82,496,936	20	73,236,635	2,928,301	-	76,164,936	6,332,000
Library books	250,775	-	-	-	250,775	20	250,775	-	-	250,775	-
	2,890,835,416	80,502,301	-	(4,967,881)	2,966,369,836		1,518,581,046	106,455,164	(4,657,331)	1,620,378,879	1,345,990,957

Year Ended June 30, 2023

Description	Cost / Revalued Amount					Depreciation					Book Value as at June 30, 2023
	As at June 30, 2022	Additions	Acquisition through merger	Disposals	As at June 30, 2023	Rate	As at June 30, 2022	Charge for the Year	Disposals	As at June 30, 2023	
	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Land	570,754,115	-	-	-	570,754,115	-	-	-		-	570,754,115
Buildings and improvements	398,359,083	-	-	-	398,359,083	5-10	265,949,813	12,624,120	-	278,573,933	119,785,150
Office equipment	27,067,322	-	-	-	27,067,322	10	19,745,179	812,490	-	20,557,669	6,509,653
Plant and machinery	1,678,755,427	-	-	-	1,678,755,427	10	942,553,415	81,800,225	-	1,024,353,640	654,401,787
Computer equipment	107,314,190	-	-	-	107,314,190	33	97,504,790	4,769,429	-	102,274,219	5,039,971
Furniture and fixture	26,679,869	-	-	-	26,679,869	10	18,417,965	916,210	-	19,334,175	7,345,694
Vehicles	81,654,635	-	-	-	81,654,635	20	70,430,635	2,806,000	-	73,236,635	8,418,000
Library books	250,775	-	-	-	250,775	20	250,775	-	-	250,775	-
	2,890,835,416	-	-	-	2,890,835,416		1,414,852,572	103,728,474	-	1,518,581,046	1,372,254,370

Note 5, Property, Plant and Equipment - Continued...

5.2 Depreciation expense for the year has been allocated as follows:

	Note	2024 Rupees	2023 Rupees
Operating cost	24	84,520,996	81,800,225
Administrative expenses	26	21,934,168	21,928,249
		106,455,164	103,728,474

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

Location	Usage of immovable	Total area (Sq. Yards)	Covered area (Sq. Yards)
Sialkot By-Pass Chowk, Sialkot Road, Gujranwala	Land and building	16,335	4,850
12-KM Kamoki, Gujranwala	Land and building	9,680	4,530
Plot No. A-49, SIE Extention, Hyderabad	Land and building	1,000	1,000

5.4 Latest revaluation of property, plant and equipment was carried out by an independent valuer as on June 30, 2021. Had there been no revaluation, the net book values of the revalued assets would have been as follows:

	As on June 30, 2024	As on June 30, 2023	As on June 30, 2021
	Net Book Value	Net Book Value	Forced Sale Value
	Rupees	Rupees	Rupees
Land	46,500,001	46,500,001	468,140,998
Buildings and improvements	76,180,912	85,017,289	79,181,538
Office equipment	2,319,127	2,627,780	3,173,494
Plant and machinery	244,347,079	191,323,250	434,136,750
Computer equipment	268,688	4,089,270	8,115,000
Furniture and fixture	5,063,616	5,780,855	2,716,875
Vehicles	1,059,851	1,394,417	10,522,500
	375,739,274	336,732,862	1,005,987,155

5.5 Property, plant and equipment contain the following assets which are received against grant having net book value as follows (Refer to Note 18.1):

	2024 Rupees	2023 Rupees
Land	14,000,000	16,000,000
Building	36,035,048	41,182,912
Office refurbishment	-	362,270
Office equipment	832,586	1,080,879
Machinery	244,172,811	191,304,980
IT infrastructure	-	2,460,614
Furniture and fixtures	3,511,359	4,451,025
Softwares	-	510,000
	298,551,804	257,352,680

5.6 In the year 2022, three Engineering Support Centres (ESCs) located in Hyderabad, Lasbela, and Peshawar, which were part of a project sponsored by the Ministry of Industries and Production (referred to as "the Ministry"), underwent a merger with the Company. This merger was carried out in accordance with the exit strategy as approved in the PC-1. Following this approval, the Company's Board of Directors, during their meeting on November 20, 2021, sanctioned the following measures:

- The valuation of all fixed assets from the ESCs was recorded in TUSDEC's records at their fair values, as determined by an independent valuer. Simultaneously, current assets and liabilities were documented at their carrying values, with effect from July 01,
- The bank accounts of the ESCs were transitioned to operate under the name of TUSDEC.
- As of July 01, 2021, all employees previously affiliated with the ESCs, namely Hyderabad Engineering Support Centre (HESC), Light Engineering Upgradation Centre, Lasbela (LEUC), and Peshawar Light Engineering Centre (PLEC), officially became employees of TUSDEC.
- The financial and operational policies approved by the TUSDEC's Board of Directors were extended to cover the ESCs.
- The ESCs continued to occupy their existing premises, without any relocation or changes.

5.7 During the year ended June 30, 2018, there was an 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.

Note 5, Property, Plant and Equipment - Continued...

5.8 There were no disposal of assets during the year whose aggregate net book value exceeded Rs. 5,000,000 and individual net book value exceeded Rs. 500,000.

5.9 All assets are in the name of the Company and in the Company's possession and control.

5.10 Operating fixed assets contain fully depreciated assets having cost of Rs. 1,311,275 (2023: Rs. 250,775) which are still in use as at the reporting date.

5.11 The following methods and assumptions were used to estimate the fair values:

The significant inputs used in the fair value measurements categorized within Level 2 of the fair value hierarchy, together with a quantitative sensitivity analysis as at June 30, 2024 are shown below:

Description	Fair value Hierarchy	Valuation Technique
Land	Level 2	Market Value
Building and improvements	Level 2	Depreciated value
Office equipment	Level 2	Depreciated value
Plant and machinery	Level 2	Depreciated value
Computer equipment	Level 2	Depreciated value
Furniture and fixture	Level 2	Depreciated value
Vehicles	Level 2	Depreciated value

5.12 Capital work in progress

	2024	2023
	Rupees	Rupees
Opening balance	40,031,560	-
Additions during the year	-	40,031,560
Transfers during the year	-	-
Closing balance	40,031,560	40,031,560

Capital work in progess comprises Electroplating machine delivered by the supplier to the Peshawar Light Engineering Centre. The machine has not yet been commissioned by the supplier, as the final payment being withheld due to the government's ban on supplementary grants.

Note 6
Intangible Assets

	Note	2024	2023
		Rupees	Rupees
Intangible assets	**6.1**	-	2,049,633

6.1 Net carring value

	2024	2023
Opening balace	2,049,633	4,038,984
Addition during the year	-	-
	2,049,633	4,038,984
Amortisation duing the year	(2,049,633)	(1,989,351)
Closing balance	-	2,049,633

6.2 Gross Carring Value

	2024	2023
Cost	6,028,335	6,028,335
Accumulated amortization	(6,028,335)	(3,978,702)
Net book value	-	2,049,633
Amortization rate	33%	33%

6.3 Latest revaluation of property, plant and equipment was carried out by an independent valuer as on June 30, 2021. Had there been no revaluation, the net book values of the revalued assets would have been as follows:

	As on June 30, 2024	As on June 30, 2023	As on June 30, 2021
	Net Book Value	Net Book Value	Forced Sale Value
	Rupees	Rupees	Rupees
Accounting softwares	-	-	375,000
Modelling softwares	-	-	3,021,251
	-	-	3,396,251

Note 6, Intangible - Continued...

6.4 Amortization charge for the year amounting to Rs. 2,049,633 (2023: Rs. 1,989,351) has been allocated to administrative expenses (Refer to Note 26).

Note 7
Right-of-Use Asset

	Note	2024 Rupees	2023 Rupees
Opening balance		1,080,000	1,440,000
Add: Additions during the year		-	-
Less: Transferred to property, plant and equipment		(842,301)	-
Less: Depreciation charge for the year		(237,699)	(360,000)
Closing balance	7.1	-	1,080,000
Lease term (Years)		5	5
Remaining lease term (Years)		-	-

7.1 Gujranwala Tools, Dies and Moulds Centre (GTDMC) leased a Toyota Corolla GLI with the registration number WD-834 on June 21, 2012. The lease agreement had a duration of five years, and the Right-of-Use (ROU) arrangment should have been computed after the five-year term. However, the bank lost the vehicle's registration book, which delayed the settlememt of the remaining lease liability of Rs. 333,148. The Company chose the revaluation model for the leased vehicle. In July 2021, the vehicle was revalued to Rs. 1,800,000. During the year, the payment of balance lease liability was made and vehicle was transferred in the Company's name.

7.2 Depreciation of right-of-use asset is charged to administrative expenses (Refer to Note 26).

Note 8
Long Term Deposits

	Note	2024 Rupees	2023 Rupees
Sui Northern Gas Pipelines Limited		2,988,324	2,988,324
Rented premises		381,883	381,883
Electricity		1,657,677	1,657,677
Others	8.1	526,136	624,416
		5,554,020	5,652,300

8.1 It includes bid deposits.

Note 9
Projects Assets

	Note	2024 Rupees	2023 Rupees
Projects in progress	9.1	1,044,417,884	905,427,918
Other receivables	9.2	569,058	117,468
		1,044,986,942	905,545,386

9.1 Projects in progress

	Note	2024	2023
Footwear Cluster Development (FCD)	9.1.1	77,982,928	74,996,800
Industrial Designing and Automation Centers (IDAC)	9.1.2	424,025,803	417,542,433
National Strategic Program for Acquisition of Industrial Technology (NSPAIT)	9.1.3	358,778,671	230,421,309
Support Centre for Dental and Surgical Implants (SCDS)	9.1.4	183,630,482	176,870,440
Center for Acquisition of Semiconductor Technology (CAST)		-	1,995,246
Naphtha Cracking Complex (NCC)		-	3,601,690
		1,044,417,884	905,427,918

9.1.1 Within Footwear Cluster Development (FCD), individual components of shoes such as molds, soles and shoe lasts are being manufactured. This initiative is essential as manufacturers currently have to import these components due to their unavailability in the local market. The project is completed on 30 June 2023.

9.1.2 The project encompasses the establishment of various facilities, including Simulation/Automation, 3D Scanning, Designing, Prototyping, Training, and Human Resource Development. These facilities will enhance the organization's capabilities in areas such as design and innovation, workforce development and product prototyping.

9.1.3 The purpose of this project is to procure, integrate and enhance technology utilized in diverse industrial sectors across Pakistan; encompassing textiles, construction (including cement, ceramics, marble, and granite), as well as engineering and technology (including light engineering, cutlery, gems, and jewelry).

9.1.4 This project is dedicated to the manufacturing of surgical and dental implants, which are specialized medical devices designed to replace missing biological structures, provide support to damaged structures, or enhance existing ones.

9.1.5 Summary of projects including their estimated timelines , grant details and completion is as follows:

Description	FCD	IDAC	NASPAIT	SCDS	CAST	NCC
Date of commencement	May 06, 2019	February 14, 2020	December 29, 2021	June 01, 2021	February 11, 2022	February 11, 2022
Estimated time of completion	3 Years	3 Years	3 Years	3 Years	1 Years	1 Years
Initial grant approved	78,690,000	972,970,000	3,206,890,000	720,345,000	296,820,000	296,820,000
Total amount of grant received	78,690,000	423,790,000	348,200,000	183,430,000	2,000,000	3,600,000
Revised date of completion	June 30, 2023	June 30, 2025	N/A	June 30, 2025	N/A	N/A
Revised grant, if applicable	N/A	1,089,870,000	N/A	N/A	N/A	N/A
Grant amount still receivable	N/A	666,080,000	2,858,690,000	536,915,000	294,820,000	293,220,000

9.1.6 Projects in progress

	FCD Rupees	IDAC Rupees	NASPAIT Rupees	SCDS Rupees	CAST Rupees	NCC Rupees
Capital Expenditure						
Balance as at June 30, 2023	50,462,601	344,990,383	92,417,811	137,176,000	-	-
Land	-	570,500	-	-	-	-
Building/civil work	-	-	26,625,832	98,000	-	-
Machinery and equipment	-	-	23,550,599	-	-	-
IT infrastructure	-	-	2,808,692	-	-	-
Stores and spares	-	-	13,139,813	-	-	-
Subtotal as at June 30, 2024	50,462,601	345,560,883	158,542,747	137,274,000	-	-
Operational Expenditure						
Balance as at June 30, 2023	24,534,199	72,552,050	138,003,498	39,694,440	1,995,246	3,601,690
Employees cost	2,452,762	3,689,877	8,762,388	4,222,625	-	-
TUSDEC service fee	-	1,000,000	44,500,000	700,000	-	-
Electricity, fuel and power	99,193	177,440	2,098,081	541,818	-	-
Consumables	386,758	119,640	345,486	49,890	-	-
Advertisement	-	11,700	631,405	118,079	-	-
Other expenses	47,415	914,213	5,895,066	1,029,630	-	-
Subtotal as at June 30, 2024	27,520,327	78,464,920	200,235,924	46,356,482	1,995,246	3,601,690
Balance adjusted against deferred Grant	-	-	-	-	(1,995,246)	(3,601,690)
Balance as at June 30, 2024	77,982,928	424,025,803	358,778,671	183,630,482	-	-

Note 9, Project Assets - Continued...

	FCD	IDAC	NASPAIT	SCDS	CAST	NCC
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Capital Expenditure						
Balance as at June 30, 2022	41,083,801	254,362,903	64,984,694	137,026,000	-	-
Land	-	235,103	-	-	-	-
Building/civil work	48,128	9,806,166	1,520,376	150,000	-	-
Office equipment	-	76,615,409	-	-	-	-
Machinery and equipment	9,132,851	1,901,554	25,912,741	-	-	-
IT Infrastructure	-	2,069,248	-	-	-	-
Stores and Spares	197,821	-	-	-	-	-
Subtotal as at June 30, 2023	50,462,601	344,990,383	92,417,811	137,176,000	-	-
Operational Expenditure						
Balance as at June 30, 2022	16,143,418	60,473,950	73,637,398	28,580,651	-	-
Employees cost	3,693,283	6,606,270	10,941,210	5,503,594	1,971,243	365,470
TUSDEC service fee	-	2,970,000	43,106,290	4,180,000	-	3,000,000
Travelling & conveyance	386,495	1,474,580	1,662,313	264,255	-	-
Electricity, fuel and power	949,793	119,480	1,182,738	235,831	-	-
Consumables	843,198	68,900	576,264	-	-	124,220
Advertisement	855,155	559,384	951,980	329,305	-	-
Other expenses	1,662,857	279,486	5,945,305	600,804	24,003	112,000
Subtotal as at June 30, 2023	24,534,199	72,552,050	138,003,498	39,694,440	1,995,246	3,601,690
Balance as at June 30, 2023	74,996,800	417,542,433	230,421,309	176,870,440	1,995,246	3,601,690

9.2 Other Receivables

	2024	2023
	Rupees	Rupees
National Vocational and Technical Training Commission (NAVTTC)	371,844	89,933
National Strategic Program for Acquisition of Industrial Technology (NSPAIT)	14,399	14,399
Support Centre for Dental and Surgical Implants (SCDS)	90,500	-
Footwear Cluster Development (FCD)	92,315	13,136
	569,058	117,468

Note 10
Trade Receivables - Unsecured

	Note	2024	2023
		Rupees	Rupees
Trade receivables - considered good		2,392,109	4,125,047
Trade receivables - considered doubtful		5,093,157	4,379,702
		7,485,266	8,504,749
Less: Provision for expected credit loss	10.2	(5,093,157)	(4,379,702)
		2,392,109	4,125,047

10.1 This balance includes receivable from PIDC amounting to Rs. 4,199,514 (2023: 4,199,514) 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.

10.2 Provision for expected credit loss

	2024	2023
Opening balance	4,379,702	5,756,280
Provision for the year	713,455	-
	5,093,157	5,756,280
Less: Reversal of expected credit loss	-	(1,376,578)
	5,093,157	4,379,702

Note 11
Stores and Spares

	2024	2023
	Rupees	Rupees
Stores and spares	11,937,959	12,501,456
Less: Provision for slow moving items	(1,154,750)	(1,154,750)
	10,783,209	11,346,706

11.1 Provision for obsolescence of stock

Opening balance	1,154,750	1,154,750
Provision for the year	-	-
	1,154,750	1,154,750
Less: Obsolete stock written off	-	-
	1,154,750	1,154,750

Note 12
Advances, Prepayments and Other Receivables

	2024	2023
	Rupees	Rupees
Advances to employees against expenses	794,017	702,722
Advance against rented premises	-	40,000
Prepaid insurance	892,072	1,172,586
Other receivables	225,630	210,753
	1,911,719	2,126,061

Note 13
Short Term Investments

	Note	2024	2023
		Rupees	Rupees
Faysal Bank Limited	13.1	10,000,000	10,000,000

13.1 This represents Term Deposit Receipts (TDRs) which are on roll-over basis, having maturity period of one to three months and carry mark-up @ 9.05% (2023: 7.3% to 9.05%) per annum, approximately.

Note 14
Tax Refund Due from the Government

	Note	2024	2023
		Rupees	Rupees
Advance income tax - Net	14.1	20,673,491	21,672,740
Sales tax receivable		-	490,298
		20,673,491	22,163,038

14.1 Advance income tax - Net

Opening balance	21,672,740	21,379,308
Net - Payments made during the year	279,695	293,432
	21,952,435	21,672,740
Provision for taxation	(1,278,944)	-
	20,673,491	21,672,740

Note 15
Cash and Bank Balances

	Note	2024	2023
		Rupees	Rupees
Cash in hand		443,369	402,179
Cash at banks:			
- Current accounts		5,262,498	8,147,371
- Savings accounts	15.1 and 15.2	4,288,401	8,365,593
		9,994,268	16,915,143

Note 15, Cash and Bank Balances - Continued...

15.1 The deposits in saving accounts carry mark-up ranging from 10.5% to 17.5% (2023: 10.5% to 17.5 %) per annum.

15.2 This includes an amount of Rs. 1.2 million (2023: Rs. 1.2 million) on which the bank has marked lien against guarantee issued on behalf of the Company.

Note 16
Issued, Subscribed And Paid-Up Capital

2024	2023		2024	2023
Number of shares			Rupees	Rupees
23,883,000	23,883,000	Ordinary shares of Rs. 10 each fully paid in cash	238,830,000	238,830,000

16.1 **Reconciliation of changes in number of shares is as follows:**

	2024	2023
	Number of shares	
Opening balance	23,883,000	23,883,000
Number of shares issued / cancelled	-	-
Closing balance	23,883,000	23,883,000

16.2 As at the reporting date, Pakistan Industrial Development Corporation (PIDC), the parent company holds 99.99% shares of the Company.

16.3 The Company has not issued / cancelled any shares during the year.

16.4 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

16.5 All ordinary shares rank equally with regards to the Company's residual assets. Holders of these shares are entitled to one vote per share at general meetings of the Company.

Note 17

Surplus on Revaluation of Property, Plant and Equipment

Description	Land	Buildings and improvements	Office equipment	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Leased Vehicle	Intangibles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022	524,254,114	38,949,439	4,484,292	520,963,362	3,327,778	1,814,759	9,364,777	1,179,520	3,476,709	1,107,814,750
Incremental depreciation charged during the year	-	(4,181,578)	(602,419)	(57,884,825)	(2,377,077)	(249,920)	(2,341,194)	(294,880)	(984,410)	(68,916,303)
Surplus realized on disposal of assets	-	-	-	-	-	-	-	-	-	-
	-	(4,181,578)	(602,419)	(57,884,825)	(2,377,077)	(249,920)	(2,341,194)	(294,880)	(984,410)	(68,916,303)
Balance as at June 30, 2023	524,254,114	34,767,861	3,881,873	463,078,537	950,701	1,564,839	7,023,583	884,640	2,492,299	1,038,898,447
Incremental depreciation charged during the year	-	(3,785,411)	(485,976)	(57,884,825)	(855,266)	(196,363)	(2,341,194)	(294,880)	(2,492,299)	(68,336,214)
Surplus realized on disposal of assets	-	-	(190,597)	-	(95,435)	(24,518)	-	-	-	(310,550)
Transfer from leased to owned assets	-	-	-	-	-	-	589,760	(589,760)	-	-
	-	(3,785,411)	(676,573)	(57,884,825)	(960,701)	(220,881)	(1,751,434)	(884,640)	(2,492,299)	(68,646,764)
Balance as at June 30, 2024	524,254,114	30,982,450	3,205,300	405,193,712	-	1,343,958	5,272,149	-	-	970,251,683

Note 18
Deferred Grant

	Note	2024 Rupees	2023 Rupees
Grant related to operating fixed assets	18.1	298,551,804	257,352,680
Grant related to projects		38,167,673	949,497,606
		336,719,477	1,206,850,286

Description	Grant related to Assets	Grant related to projects									Total
		Engineering Support Centres (ESCs)	Footwear Cluster Development (FCD)	National Strategic Program for Acquisition of Industrial Technology (NSPAIT)	Industrial Designing and Automation Centres (IDAC)	Support Centre for Dental and Surgical Implants (SCDS)	Center for Acquisition of Semiconductor Technology (CAST)	Naphtha Cracking Complex (NCC)	National Vocational and Technical Training Commission (NAVTTC)	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Note	18.1	18.2	18.3	18.4	18.4	18.4			18.5		
Balance as at June 30, 2022	293,767,007	-	66,231,813	138,409,942	314,732,917	165,583,437	-	-	9,839,014	22,718,730	1,011,282,860
Funds received during the year	-	49,866,000	12,559,000	110,000,000	130,000,000	17,600,002	2,000,000	5,000,000	13,089,172	118,870	340,233,044
Other income	-	-	765,500	-	16,000	-	-	-	1,988	2,223,386	3,006,874
Amortization of grant for the year	(36,414,327)	-	-	-	-	-	-	-	(13,348,033)	-	(49,762,360)
Funds returned / transferred	-	(15,971,443)	(3,859,860)	(17,974,506)	(27,294,420)	(6,345,853)	(4,754)	(1,398,310)	-	(25,060,986)	(97,910,132)
	(36,414,327)	33,894,557	9,464,640	92,025,494	102,721,580	11,254,149	1,995,246	3,601,690	(256,873)	(22,718,730)	195,567,426
Balance as at June 30, 2023	257,352,680	33,894,557	75,696,453	230,435,436	417,454,497	176,837,586	1,995,246	3,601,690	9,582,141	-	1,206,850,286
Funds received during the year	79,660,000	-	-	180,000,000	120,000,000	88,000,000	-	-	1,664,000	-	469,324,000
Other income	-	-	1,686,953	139,000	24,000	-	-	-	-	-	1,849,953
Amortization of grant for the year	(38,460,876)	-	-	-	-	-	-	-	(6,973,025)	-	(45,433,901)
Grant adjusted against Project asset	-	-	-	-	-	-	(1,995,246)	(3,601,690)	-	-	(5,596,936)
Funds returned / Transferred	-	-	-	(62,231,906)	(113,644,498)	(81,409,480)	-	-	-	-	(257,285,884)
	41,199,124	-	1,686,953	117,907,094	6,379,502	6,590,520	(1,995,246)	(3,601,690)	(5,309,025)	-	162,857,232
Transfer to current portion	-	-	(77,383,406)	(348,342,530)	(423,833,999)	(183,428,106)	-	-	-	-	(1,032,988,041)
Balance as at June 30, 2024	298,551,804	33,894,557	-	-	-	-	-	-	4,273,116	-	336,719,477

18.1 This represents grants received for assets acquired under Public Sector Development Program (PSDP) funded projects, including the National Institute of Design and Analysis (NIDA) and three Engineering Support Centers in Hyderabad, Lasbela, and Peshawar. These assets were subsequently transferred to TUSDEC after the completion of their respective projects.

Note 18, Deferred Grant - Continued...

18.2 As per the exit strategy sanctioned in PC-1 and the subsequent approval by the Company's Board of Directors during its 63rd meeting, three Engineering Support Centers (ESCs) situated in Hyderabad, Lasbela, and Peshawar were integrated into the Company, effective from July 1, 2021.

18.3 The Footwear Cluster Development Project was completed during the year.

18.4 These are ongoing projects funded by the Public Sector Development Program (PSDP). Their future status and continuation will be determined once these projects reach completion and their outcomes are assessed.

18.5 The National Vocational and Technical Training Commission (NAVTTC) is an ongoing project, sustained by donor funding and overseen by the Ministry of Federal Education and Professional Training. NAVTTC holds the central mandate of advancing, facilitating, regulating, strategizing, overhauling, endorsing curricula, conducting training, and shaping policy direction for the nation's comprehensive Technical & Vocational Education and Training (TVET) system. The project is slated for completion in accordance with the stipulated terms outlined in the agreement.

18.6 Reconciliation of deferred grant, other than grant related to assets, with the project assets is given below:

		2024								
Description		**ESCs**	**FCD**	**NASPAT**	**IDAC**	**SCDC**	**CAST**	**NAPTHA**	**NAVTTC**	**Total**
	Note	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Opening deferred grant		33,894,557	75,696,453	230,435,436	417,454,497	176,837,586	1,995,246	3,601,690	9,582,141	949,497,606
Add:										
Funds received		-	-	180,000,000	120,000,000	88,000,000	-	-	1,664,000	389,664,000
Other income		-	1,686,953	139,000	24,000	-	-	-	-	1,849,953
Funds lapsed		-	-	(62,231,906)	(113,644,498)	(81,409,480)	-	-	-	(257,285,884)
Amortization of grant	23.2	-	-	-	-	-	-	-	(6,973,025)	(6,973,025)
Grant adjusted against Project asset	9.1.6	-	-	-	-	-	(1,995,246)	(3,601,690)	-	(5,596,936)
Transfer to current portion		-	(77,383,406)	(348,342,530)	(423,833,999)	(183,428,106)	-	-	-	(1,032,988,041)
Closing deferred grant		**33,894,557**	**-**	**-**	**-**	**-**	**-**	**-**	**4,273,116**	**38,167,673**
Current portion of deferred grant		-	77,383,406	348,342,530	423,833,999	183,428,106	-	-	-	1,032,988,041
Project liabilities and creditors	19 & 20	6,137,003	691,837	12,515,829	3,418,935	292,876	-	-	508,723	23,565,203
Total liabilities		**40,031,560**	**78,075,243**	**360,858,359**	**427,252,934**	**183,720,982**	**-**	**-**	**4,781,839**	**1,094,720,917**
Less:										
Receivable	9.2	-	92,315	14,399	-	90,500	-	-	371,844	569,058
Projects in progress	5.12 & 9.1.6	40,031,560	77,982,928	358,778,671	424,025,803	183,630,482	-	-	-	1,084,449,444
Cash and bank	15	-	-	2,065,289	3,227,131	-	-	-	4,409,995	9,702,415
Total assets		**40,031,560**	**78,075,243**	**360,858,359**	**427,252,934**	**183,720,982**	**-**	**-**	**4,781,839**	**1,094,720,917**

Note 18, Deferred Grant - Continued...

18.7 The movement of deferred grant are as follows:

	2024		2023	
	Assets	**Projects**	**Assets**	**Projects**
Opening	257,352,680	949,497,606	293,767,007	717,515,853
Other income	-	1,849,953	-	3,006,874
Grant received	79,660,000	389,664,000	-	340,233,044
Grant lapsed	-	(257,285,884)	-	(97,910,132)
Grant utilized / amortized	(38,460,876)	(12,569,961)	(36,414,327)	(13,348,033)
Transfer to current portion	-	(1,032,988,041)	-	-
Closing	298,551,804	38,167,673	257,352,680	949,497,606

18.7.1 Detail of grant received during the period are as follows:

Project	Receiving Date	Letter Date	Letter No.	Amount
National Strategic Program for Acquisition of Industrial Technology (NSPAIT)	29-Aug-23	15-Aug-23	No. 3(84)2020	12,500,000
	15-Nov-23	27-Oct-23	No. 3(84)2020	105,000,000
	20-Mar-24	16-Feb-24	No. 3(84)2020	62,500,000
Industrial Designing and Automation Centres (IDAC)	29-Aug-23	15-Aug-23	No. 3(83)2020	10,625,000
	15-Nov-23	27-Oct-23	No. 3(83)2020	60,000,000
	20-Mar-24	16-Feb-24	No. 3(83)2020	49,375,000
Support Centre for Dental and Surgical Implants (SCDS)	21-Aug-23	15-Aug-23	No. 3(90)2021	9,000,000
	30-Nov-23	27-Oct-23	No. 3(90)2021	29,000,000
	4-Mar-24	16-Feb-24	No. 3(90)2021	50,000,000
National Vocational and Technical Training	10-May-24	N/A	N/A	832,000
	3-Jun-24	N/A	N/A	832,000

Note 19
Trade and Other Payables

	Note	2024 Rupees	2023 Rupees
Creditors		16,062,927	13,078,698
Accrued liabilities		34,299,228	20,700,585
Contract liabilities	19.1	3,378,601	3,900,055
Provident fund payable		11,891,092	7,466,337
Withholding income tax payable		1,744,558	927,947
Employees benefits payable		2,275,261	3,684,861
		69,651,667	49,758,483

19.1 Amount of revenue recognized from opening balance of contract liablities is Rs. 1,898,079.

19.2 Contract liabilities are expected to be satisfied during year ending on June 30, 2025.

Note 20
Project Liabilities

	2024 Rupees	2023 Rupees
These represent accrued expenses and payables in respect of the following projects:		
Industrial Designing and Automation Centres (IDAC)	3,418,935	3,639,115
National Strategic Program for Acquisition of Industrial Technology (NSPAIT)	12,515,829	4,621,589
Support Centre for Dental and Surgical Implants (SCDS)	292,876	118,809
Footwear Cluster Development (FCD)	691,837	232,700
National Vocational and Technical Training Commission (NAVTTC)	508,723	502,464
	17,428,200	9,114,677

20.1 These liabilities will be settled upon receipt of the grant allocated for the respective project.

Note 21
Contingencies and Commitments

21.1 Contingencies

The Company has provided bank guarantee in favour of Pakistan State Oil amounting to Rs. 1.2 million (2023: Rs. 1.2million).

21.2 Commitments

There are no material commitments outstanding as at the reporting date (2023: Nil).

Note 22
Income from Services

	Note	2024 Rupees	2023 Rupees
Income from:			
Trainings	22.1	12,540,984	26,735,849
Projects	22.2	4,108,226	10,128,442
Laboratory test and 3D scanning	22.3	13,511,765	13,617,666
Toll manufacturing	22.4	17,590,139	31,490,933
Project implementation fee	22.5	46,200,000	53,256,290
		93,951,114	135,229,180

22.1 This represents the amount recognized in respect of income generated from various training courses, including CAD/CAM courses and AutoCAD, as well as other administrative fees associated with different donor projects.

22.2 This represents the amount recognized in respect of project's overheads shared.

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

22.4 This represents the amount being recognized in respect of services provided at Gujranwala Tools, Dies and Moulds Centre (GTDMC) and Ceramics Development and Training Complex (CDTC).

22.5 This represents the amount being recognized as income from the Government of Pakistan, specifically under the Ministry of Industries and Production, in the form of project implementation fees for Public Sector Development Programme (PSDP) projects.

Note 23
Amortization of Grant

	Note	2024 Rupees	2023 Rupees
Amortization of grant related to asset	23.1	38,460,876	36,414,327
Amortization of grant related to income	23.2	6,973,025	13,348,033
		45,433,901	49,762,360

23.1 Amortization of grant related to asset

	2024	2023
Land	2,000,000	2,000,000
Building	5,147,864	5,147,864
Office refurbishment	362,270	724,542
Office equipment	248,293	317,136
Machinery	26,778,003	23,915,400
IT Infrastructure	2,686,730	2,607,710
Furniture and fixtures	713,550	876,675
Vehicles	14,166	330,000
Software	510,000	495,000
	38,460,876	36,414,327

23.2 Amortization of grant related to income

	Note	2024	2023
National Vocational and Technical Training Commission (NAVTTC)	25	6,973,025	13,348,033

Note 24
Operating Cost

	Note	2024 Rupees	2023 Rupees
Salaries, wages and other benefits	24.1	22,421,214	38,831,433
Power and gas		10,626,204	27,335,547
Stores and spares consumed		271,145	160,816
Repairs and maintenance		971,576	606,838
Insurance		182,623	257,266
Training expenses		372,244	136,828
Other expenses		35,000	24,484
Depreciation on property, plant and equipment	5	84,520,996	81,800,225
		119,401,002	149,153,437

Note 24, Operating Cost- Continued...

24.1 This includes an amount of Rs. 629,211 (2023: Rs. 1,279,924) recognized in respect of Provident Fund and Rs. 161,056 (2023: Rs. 449,592) in respect of compensated absences.

Note 25
Project Expenses

	2024	2023
	Rupees	Rupees
National Vocational and Technical Training Commission (NAVTTC)		
Employee cost	4,712,892	6,679,314
Consumables	438,970	1,330,334
Other expenses	1,821,163	5,338,385
	6,973,025	13,348,033

Note 26
Administrative Expenses

	Note	2024	2023
		Rupees	Rupees
Salaries, wages and other benefits	26.1	55,082,657	54,445,740
Traveling, vehicle running and maintenance		11,230,634	12,258,536
Printing and stationery		201,299	568,837
Postage and telephone		1,329,824	1,719,403
Utilities		4,481,642	3,936,458
Rent, rates and taxes	26.2	321,220	2,397,155
Legal and professional charges		916,379	358,385
Fees and subscription		77,652	331,958
Insurance		876,377	1,226,390
Repairs and maintenance		1,229,855	937,321
Consumables		1,735,843	4,412,531
Janitorial services		2,340,334	1,505,148
Security services		2,936,151	2,912,727
Project expenses		80,700	3,170,559
Advertisement and business development		14,500	140,408
Finance cost		42,894	46,716
Other expenses		7,541	242,013
Auditors' remuneration		330,000	330,000
Balances written-off		-	2,363,251
Provision for expected credit loss		713,455	-
Depreciation on property, plant and equipment	5	21,934,168	21,928,249
Depreciation on right-of-use asset		237,699	360,000
Amortization on intangibles	6	2,049,633	1,989,351
		108,170,457	117,581,136

26.1 This includes an amount of Rs. 2,820,215 (2023: Rs. 2,784,469) recognized in respect of Provident Fund and Rs. 1,056,061 (2023: Rs. 1,850,631) in respect of compensated absences.

26.2 Rent, rates and taxes include expense in respect of short term leases.

Note 27
Other Income

	2024	2023
	Rupees	Rupees
Bank profit on:		
- Savings accounts	1,126,180	1,112,562
- Term deposit receipts	927,315	1,224,714
Excess liabilities written back	1,053,750	16,132,486
Gain on disposal of assets	380,530	-
Miscellaneous	1,248,878	215,557
	4,736,653	18,685,319

Note 28
Levy / final taxation

	2024	2023
	Rupees	Rupees
Levies	1,278,944	-

28.1 This represents minimum tax paid under section 153 (3) of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

28.2 Reconciliation of levy and income tax under IAS-12

	2024	2023
Current tax expense for the year as per applicable tax laws	1,278,944	-
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of levy in terms of requirements of IFRIC 21 / IAS 37	(1,278,944)	-
Difference	-	-

28.3 No deferred tax asset has been recognized as effective rate calculated is zero as per 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance).

Note 29
Cash and Cash Equivalents

	Note	2024	2023
		Rupees	Rupees
Cash and bank balances	15	9,994,268	16,915,143
Short term investments	13	10,000,000	10,000,000
		19,994,268	26,915,143

Note 30
Related Party Balances and Transactions

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

Transactions during the year

During the year, there were no transactions involving the Company and its related parties.

Outstanding Balance as at the year end

Related party	Relationship	Nature of transactions	2024	2023
			Rupees	Rupees
Pakistan Industrial Development Corporation (Private) Limited	Holding Company	Expenses incurred by the Company on its behalf for Skills Development Centre (SDC) (Refer to Note 10.1)	4,199,514	4,199,514

Note 31
Financial Risk Management

31.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Note 31, Financial Risk Managements - Continued...

The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, interest rate risk, credit risk and liquidity risk.

(a) 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.

(i) 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.

(ii) 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:

Fixed rate instruments	2024	2023
	Rupees	Rupees
Short term investments	10,000,000	10,000,000
Floating rate instruments		
Saving bank accounts	4,288,401	8,365,593

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2024, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, deficit before tax for the year would have been lower / higher by Rs. 22,860 (2023: Rs. 83,656), mainly as a result of interest exposure on variable rate borrowings.

(iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument 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 individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to any market price risk.

(b) 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. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	Rupees	Rupees
Long term deposits	5,554,020	5,652,300
Trade receivables	7,485,266	8,504,749
Advances, prepayments and other receivables	1,911,719	2,126,061
Short term investment	10,000,000	10,000,000
Bank balances	9,994,268	16,915,143
	34,945,273	43,198,253

Note 31, Financial Risk Management - Continued...

The aging of trade receivables as at reporting date is as follows:	2024 Rupees	2023 Rupees
Past due 1–30 days	545,454	897,707
Past due 31–60 days	509,072	1,200,840
Past due 61–120 days	172,346	1,223,328
Past due 121–365 days	1,059,101	618,830
More than one year	5,199,293	4,564,044
	7,485,266	8,504,749

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of parties and trade receivables are subject to specific credit ceilings based on customer credit history.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2024	2023
	Short term	Long term	Agency		
				Rupees	Rupees
Askari Bank Limited	A1+	AA+	PACRA	4,264,807	7,489,293
Bank Alfalah Limited	A1+	AA+	PACRA	7,313	6,665
MCB Bank Limited	A1+	AAA	PACRA	1,972,506	400,632
Soneri Bank Limited	A1+	AA-	PACRA	20,706	18,435
Faysal Bank Limited	A1+	AA+	PACRA	30,083	450,568
National Bank of Pakistan	A1+	AAA	PACRA	3,255,484	8,147,371
				9,550,899	16,512,964

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	Rupees			
Contractual maturities of financial liabilities as at June 30, 2024:				
Trade and other payables	67,907,109	67,907,109	67,907,109	-
Project liabilities	17,428,200	17,428,200	17,428,200	-
	85,335,309	85,335,309	85,335,309	-
Contractual maturities of financial liabilities as at June 30, 2023:				
Trade and other payables	48,830,536	48,830,536	48,830,536	-
Project liabilities	9,114,677	9,114,677	9,114,677	-
	57,945,213	57,945,213	57,945,213	-

Note 31, Financial Risk Management - Continued...

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques using market observable inputs
Level 3	Valuation techniques using non market observable inputs

There are no financial instruments measured at fair value by the Company as at year end.

31.2 Financial instruments by categories

	Cash and cash equivalents	Loans and advances	Total
	Rupees		
Financial assets as at June 30, 2024			
Long term deposits	-	5,554,020	5,554,020
Trade receivables	-	2,392,109	2,392,109
Short term investments	10,000,000	-	10,000,000
Bank balances	9,994,268	-	9,994,268
	19,994,268	7,946,129	27,940,397
Financial assets as at June 30, 2023			
Long term deposits	-	5,652,300	5,652,300
Trade receivables	-	4,125,047	4,125,047
Short term investments	10,000,000	-	10,000,000
Bank balances	16,915,143	-	16,915,143
	26,915,143	9,777,347	36,692,490

Financial liabilities at amortized cost

	2024	2023
	Rupees	Rupees
Trade and other payables	67,907,109	48,830,536
Project liabilities	17,428,200	9,114,677
	67,907,109	48,830,536

31.3 Fair values of financial assets and liabilities

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

Note 32
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.

Note 33
Remuneration of Chief Executive Officer, Executives and Directors

	2024			2023		
	Chief Executive Officer	**Director**	**Executives**	**Chief Executive Officer**	**Director**	**Executives**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	-	-	28,982,510	144,000	-	34,264,374
Contribution to provident fund	-	-	1,502,728	-	-	2,135,651
Board meeting fee	-	380,000	-	-	420,000	-
Committee's meeting fee	-	200,000	-	-	560,000	-
Travelling and medical reimbursements	-	97,000	1,502,726	-	133,600	2,135,651
Fuel and mobile allowances	-	-	7,824,640	-	-	9,425,000
	-	677,000	39,812,604	144,000	1,113,600	47,960,676
Number of persons	1	8	14	1	8	20

33.1 An executive is defined as an employee, other than the chief executive and executive directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 34
Number of Employees

	2024	2023
	Number	Number
Number of employees as at June 30,		
- TUSDEC	115	136
- Projects	2	11
	117	147
The average number of employees during the year were as follows:		
- TUSDEC	126	145
- Projects	7	9
	133	154

Note 35
Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on 14-12-2024.

Note 36
General

Figures have been rounded off to the nearest rupees, unless otherwise stated. Corresponding figures are rearranged / reclassified for better presentation. No reclassifications / rearrangements have been made in these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR