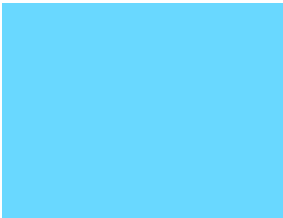


# ANNUAL REPORT 2021-22



Smart Service

Smart Industry



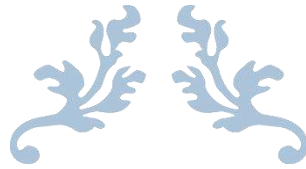


National Productivity Organization (NPO)  
(A company set up under section 42 of the Companies Ordinance, 1984)  
Under the Ministry of Industries and Production  
Islamabad, Pakistan  
Tel: 92-51-9244254-5

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## CONTENTS

<b>FOREWORD</b> .....	<b>i</b>
<b>PREFACE</b> .....	<b>ii</b>
<b>1. EXECUTIVE SUMMARY</b> .....	<b>01</b>
HIGHLIGHTS OF THE YEAR.....	02
<b>2. NPO INTRODUCTION</b> .....	<b>04</b>
<b>3. STRATEGIC INITIATIVES IMPLEMENTATION STATUS</b> .....	<b>05</b>
<b>4. NEW STRATEGIC INITIATIVES 2020-21</b> .....	<b>11</b>
<b>5. APO INTERNATIONAL PROGRAMS</b> .....	<b>24</b>
<b>6. NATIONAL TRAININGS/PROGRAMS</b> .....	<b>35</b>
<b>7. NPO Gallery</b> .....	<b>43</b>
<b>8. FINANCIAL REPORT</b> .....	<b>49</b>



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# FOREWORD

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CHAIRMAN, NPO BOARD OF DIRECTORS





## FOREWORD

I am pleased to present the Annual Report 2021-22 of National Productivity Organization (NPO). NPO has achieved significant milestones during this year. As the industry, businesses and trade are resorting to innovative and digital solution in post pandemic world, NPO is working with the stakeholders to adapt to digitalization for yielding better results. The technology seems to offer a vast potential to enhance firm productivity and ultimately living standards. Access to information boosts productivity and reduces risk. This report reflects NPO's contribution in enhancing productivity and its awareness across major sectors, expansion of NPO's role and its working with various national and international institutions and agencies.

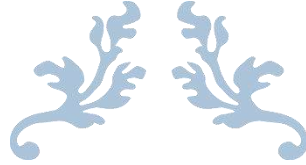


Productivity is one of the most closely watched indicators of long-term economic prospects. With NPO interventions in order to create awareness on this important subject, the results are expected in near future. A landmark initiative, that will eventually be a gamechanger in turning the productivity landscape of Pakistan, is the development of National Productivity Master Plan with financial support of APO and technical assistance of the Korean Development Institute. The Master Plan envisions doubling up the national productivity of Pakistan by employing three major strategies including: i) industrial transformation (vibrant industrial innovation), ii) enhancing national infrastructure (upgrade infrastructure) and iii) reinventing government (better public governance). Industry, businesses and SMEs are gearing up for new technology to create a workforce that is more productive, efficient, and innovative. NPO has achieved all the targets of its annual plan for 2021-22 and added further value through its additional activities and new initiatives. NPO is contributing effectively in actualizing the vision of Ministry of Industries and Production (MoI&P) to achieve efficiency, sustainability and inclusiveness in the industrial development. With such strategic initiatives, NPO has made record revenue generation of Rs. 29.63 million, highest ever in the history of NPO, resultantly the company has been turned around from accumulating loss, carrying for last many years, to a net surplus of Rs. 10.13 million. NPO's potential and contribution is strengthening the MoI&P to strategizing a sustainable industrialization of Pakistan that will eventually help in poverty reduction, job creation and enhancing Pakistan's international competitiveness.

I would also thank the NPO Board of Directors for their interest and support to the organization. The BoD guidance was instrumental in the organizational growth and development to undertake this gigantic task of enhancing competitiveness, productivity and quality. Thank You.

**Ft. Lt. (Retd.) Iftikhar Ali Sahoo**  
Chairman  
NPO Board of Director  
APO Alternate Director for Pakistan

Dated: 24 October, 2022



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# **PREFACE**

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**CHIEF EXECUTIVE OFFICER, NPO**





## PREFACE

The possibility of global recession is imminent in wake of rapid deterioration of growth prospects. Rising inflation and shrinking financing conditions are impacting per capita GDP. In this lurking danger of global recession, food scarcity, environmental challenges and economic crisis in coming future, Pakistan needs to boost productivity of industry, agriculture and services sectors to fight against the slowdown of economy. Pakistan economic survey 2020-21 rightly puts that in the backdrop of these challenges, the present government requires focus on an economic vision of getting sustainable economic growth through improving efficiency, reducing cost of doing business, improving regulatory environment, enhancing productivity and increasing investment.

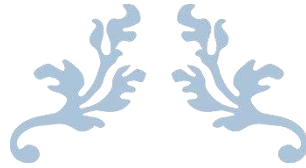


In view of this scenario, NPO is engaged in implementation of various projects that ultimately achieve a common goal of productivity improvement in the industrial sector and clean environment under the able guidance of the NPO Board. Different national and international organizations including Punjab Small Industries Corporation (PSIC), Karandaaz and WWF have entrusted projects, through competitive process to NPO, that are related to energy efficiency, material flow cost accounting (MFCA) for optimized inputs per output and minimized release of pollutants. NPO's efforts towards capacity enhancement of micro-hydro turbine companies in KP followed by transition towards high value technology and its demonstration project on chemical and environment management in textile sector have further strengthened its impactful contribution across different sectors.

NPO has availed a good share in the programs of Asian Productivity Organization (APO). NPO received APO sponsorship for development of National Productivity Master Plan for Pakistan with the technical assistance of Korea Development Institute (KDI). It is at the final stage of becoming a Certification Body for Productivity Specialist Programs under the umbrella of APO Certification Body. NPO received APO financial support under APO vision 2025 to help promote productivity awareness and funding for procurement of *Energy Tools*. APO grant of SME Business Recovery and Resilience to help businesses recover from Covid-19 impacts has been effectively disbursed during this year. NPO hosted four APO Multicountry programs and availed several APO services like virtual training programs, Technical Expert Services (TES), Individual Observational Study Mission (IOSM), Development of DEMO Companies (DMP) and Bilateral Cooperation between NPOs (BCBN). This is evidence of mutual cooperation and close coordination between NPO Pakistan and APO Japan for promoting productivity related activities.

Dated: October 24, 2022.

  
**Muhammad Alamgir Chaudhry**  
Chief Executive Officer



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# EXECUTIVE SUMMARY

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## 1. EXECUTIVE SUMMARY

This report highlights various initiatives, programs and activities of NPO in key economic sectors in Pakistan that were carried out in the year 2021-22. The stakeholders include public and private sector institutions, chamber of commerce and industries, small and medium enterprises, Asian Productivity Organization, as well as federal ministries and provincial departments.

APO Multi-country training programs benefitted participants from Pakistan. NPO hosted international training programs sponsored by APO, technical services were offered to the institutions/industries, study missions and bilateral cooperation between NPOs extended partnerships between regional countries. NPO participated in 64<sup>th</sup> Session of the APO Governing Body, Program/Project Planning Workshop (PPP) and in at least 6 meetings of APO Liaison Office during this year. NPO facilitated APO in developing APO Databook. The tabulated details of APO sponsored international programs which benefitted Pakistan are as follows;

<b>APO International Programs &amp; Services</b>	
<b>Title</b>	<b>No. of Programs</b>
APO Multi-Country Trainings	59
APO International Trainings hosted by Pakistan	4
Technical Expert Services (TES)	4
Individual-Country Observational Study Missions (IOSM)	1
Bilateral Cooperation Between NPOs (BCBN)	1
64 <sup>th</sup> Session of the APO Governing Body	1
61st Workshop Meeting of Heads of NPOs	1
Research Projects	3
APO Productivity Databook and Database	1

NPO organized a wide range of specialized trainings which are being replicated through various types of activities like General Awareness Training (GAT), Corporate Training (CT), Professional Development (PD), In-house Training Activities (ITA), Distance Learning, e-Learning, Trainings under Special Projects in the management and technical disciplines i.e., Productivity and Quality Management, Green Productivity, International standards/compliance, Agricultural Productivity, Soft Skills, Development of Productivity Practitioner and Special Programs as per emerging trends and requirement for the development of rural areas and people with special needs. The tabulated details of NPO programs/services are as follows;

<b>NPO Capacity Building Program</b>	
<b>Title</b>	<b>No. of Programs</b>
Human capital development Trainings	132
NPO certified distance learning program	2
Green Productivity Assessments (Including Energy Audits)	17

The program beneficiaries under these schemes were 3361. NPO also provided training and consultancy services to national and multinational companies on productivity and quality. It includes 5S, Kaizen Management, Benchmarking, Industrial Engineering Tools, Total Productive Maintenance, Six Sigma, Human Resource Management and Factory Improvement studies.

NPO has capacity to assist companies in standards Implementation such as ISO 9001:2015, ISO 14000, OHSAS 18001, SA 8000, ISO 17025. These services help identify the gap and such gap analysis studies are helpful in ascertaining the current level of competitiveness of the Pakistani industry in comparison with other global industries. Benchmarking initiatives encourage industries to adopt best practices.

NPO completed all necessary corporate compliance requirements and actively worked on improving its internal systems. In addition to that, NPO also pursued implementation of APO assisted strategic initiative in collaboration with local stakeholders. Following is a detail of implementation of APO assisted strategic initiatives and NPO’s institutional enhancement initiatives undertaken during the F.Y. 2021-22.

<b>Implementation of APO Assisted Strategic Initiatives</b>
Development of National Productivity Master Plan with technical assistance of Korean Development Institute
NPO to Become Certification Body Under the Umbrella of APO
APO Special Account for SMEs for Business Recovery and Resilience
Participation in the APO Top Talks and Productivity Talks
APO funding for procurement of productivity and green productivity audit tools
APO Outreach Program Vision 2025

In addition to implementation of various on-going initiatives and programmatic activities, NPO is also developing new key initiative through which the organization and its stakeholders will continue to reap benefits in years to come and its impact on socio-economic development, well-being of human lives as well as enhancement of industrial growth will be phenomenal.

<b>Key New Initiatives</b>
Implementation of Productivity Improvement Competitive Reinforcement Initiative under cluster development awarded by Punjab Small Industries Corporation (PSIC)
Provisioning of consultancy Service for Green Industry (GI) through MFCA Material flow cost accounting to WWF-Pakistan.
Karandaz Project for Energy Efficiency
Launching Productivity Movement in Pakistan through PSDP approved project “Improving Competitiveness through Sustainable National Productivity (SNP)”



# HIGHLIGHTS OF THE YEAR 2021-22

**Development of National Productivity Master Plan with financial assistance of APO and technical assistance of Korean Development Institute**

**APO Governing Body comprising APO Directors/Acting APO Directors for the 21 members of the organization met virtually 7–8 June 2022 for its 64th session (GBM).**

**Organized 132 Training Programs – 3361 participants**

**Launching of First Productivity Movement in Pakistan through PSDP Project on "Improving Competitiveness through Sustainable National Productivity (SNP)".**

**APO Special Account for SMEs for Business Recovery and Resilience - Grant for SMEs**

**Online Productivity Portal Development to enhance the awareness among the stake holders**

**APO Top Talks and Productivity Talks**

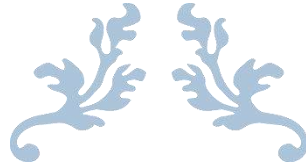
**Conducted 17 Green Productivity Assessments including Energy Audits across the key industrial sectors**

**Green Industry (GI) through MFCA Material flow cost accounting for WWF-Pakistan**

**Implementation of Productivity Improvement Competitive Reinforcement Initiative under cluster development awarded by Punjab Small Industries Corporation (PSIC)**

**APO Outreach Program Vision 2025**

**NPO to Become Certification Body Under the Umbrella of APO**



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# NPO INTRODUCTION

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NATIONAL PRODUCTIVITY ORGANIZATION



## 2. NPO INTRODUCTION

National Productivity Organization (NPO) is a public sector company of Ministry of Industries and Production, registered with SECP and working as a Liaison Office of the Asian Productivity Organization (APO), Tokyo, Japan. APO has 21 Member Countries (MCs) with recent accession of Turkey. Pakistan is among the eight founder member countries of the APO.

- |            |                  |   |
|------------|------------------|---|
| <b>2.1</b> | <b>Vision</b>    | Economically Productive and Globally Competitive Pakistan   |
| <b>2.2</b> | <b>Mission</b>   | To enhance total factor productivity (TFP) through human resource development (HRD), technology demonstration and improved practices, processes and procedures by 2030                |
| <b>2.3</b> | <b>Objective</b> | The encompassing objective of the organization is to promote productivity culture in the country so as to support the cause of competing effectively in the local and global markets. |

## 2.4 CREATION OF APO

### APO's Mission

Contribute to the sustainable socioeconomic development of Asia and the Pacific Region through enhancing productivity.



Asian Round Table Productivity Conference, 1959, Tokyo

08 Asian nations as original members i.e., Japan, Republic of China, India, Korea, Nepal, Pakistan, Philippines and Thailand.

- Asian Productivity Organization (APO), Tokyo, Japan was established in 11<sup>th</sup> May, 1961, under a regional intergovernmental convention and committed to improve productivity in the Asia-Pacific region.

A nonpolitical, nonprofit and non-discriminatory body. The APO contributes to the sustainable socioeconomic development of the region through policy advisory services, acting as a think tank, and undertaking smart initiatives in the industry, agriculture, service, and public sectors.

- The APO is shaping the future of the region by assisting member economies in formulating national strategies for enhanced productivity and through a range of institutional capacity-building efforts, including research and centers of excellence in member countries.

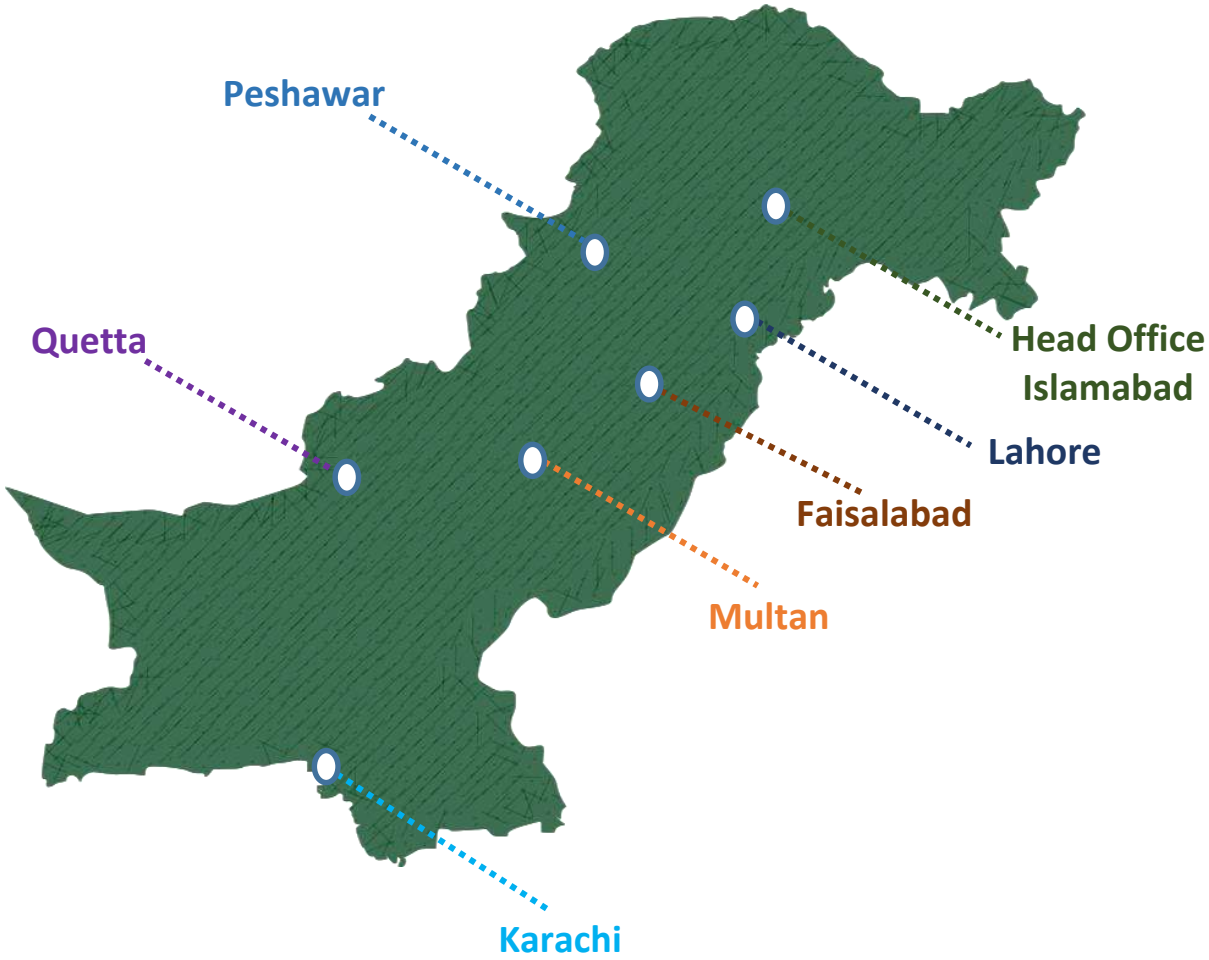
## NPO's Local Services

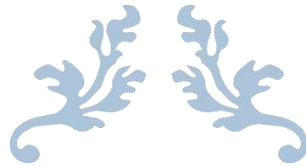
Productivity & Quality Related Training Programs	✓ Customized and specialized training programs
Resource Efficiency	✓ Energy Audit ✓ Industrial Water ✓ Material Assessment
Consultancy & Advisory Services	✓ Industrial Productivity Enhancement
Development Projects	✓ Execution and implementation of development projects

## NPO's International Services (*APO Sponsored*)

Technical Expert Services (TES)	✓ Provision of International Experts.
Development of Demonstration Companies (DMP)	✓ Establish DEMO models in MCs.
Bilateral Cooperation Between NPOs (BCBN)	✓ Provision of sending delegates to APO MCs for benchmarking of best practices.
Specific National Programs (SNP)	✓ Provide customized assistance to MCs such as; Institutional Capability Development National Productivity Master Plan and Certification Body Development etc.
Multi-Country Programs	✓ Offers Training courses, workshops, conferences and forums etc.
Center of Excellence (CoE)	✓ Establishing CoE in MCs for productivity growth & Competitiveness.
APO National and Regional Awards	✓ For individuals who have made outstanding contributions with a significant impact in the Asia- Pacific region

**NPO PRESENCE IN PAKISTAN**





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# NPO ACTIVITIES

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### 3. STRATEGIC INITIATIVES IMPLEMENTATION STATUS

NPO has devised organizational goals to guide employee's efforts, rationalizing company's activities, and defined performance standards. NPO Board of Directors has played an important role in providing governance to the organization and strategic support to set up the targets.

Under the visionary leadership, NPO was able to accomplish the established targets and has reemerged as an organization with strategic depth with quite significant achievements in the financial year 2021-22.

#### 3.1. National Productivity Master Plan

NPO acquired financial support of the APO in developing a National Productivity Master Plan. APO allocated necessary funds for the execution of the program. APO's National Productivity Master Plan for Pakistan is being developed by the diverse experienced KDI experts. For identifying the needs, a Strategic Consultative Group (SCG) consisting of senior representatives from public and private sectors has been formed and KDI experts/researchers are regularly interacting with them in order to develop a need-based Master Plan for Pakistan. KDI has shared the draft NPMP document on June 30, 2022, suggesting **vision & strategy for doubling up the National Productivity of Pakistan**, and to achieve this vision they have proposed three strategies i.e. **(i.) Vibrant Industrial Innovation (ii.) Upgradation of Infrastructure (iii.) Better Public Governance**. KDI identified large number of stakeholders against the recommended interventions, therefore, feedback is ensured on a much wider scale.

An **Interim Review Workshop arranged** by the APO / NPO Pakistan and conducted by the KDI team of researchers on August 24, 2022. KDI experts are in the process of consolidating all the feedbacks and comments so as to develop a consensus based NPMP. They will present and submit the final version of the Master Plan in the dissemination Seminar tentatively schedule in Nov/Dec, 2022 and will also discuss future opportunities for partnership with Pakistan.

#### 3.2. Bilateral Cooperation Between NPOs (BCBN)

The Bilateral Cooperation Between NPOs scheme provides the perfect platform for members to learn more about and share best practices to improve national competitiveness. The scheme facilitates meetings between officials of NPOs and policymakers as well as observations of new productivity initiatives and interventions to assist members in becoming more competitive.

The BCBN program on Knowledge Transfer for Sustainable Productivity Drive was organized by NPO Pakistan and Vietnam National Productivity Institute (VNPI) from November 16-18, 2021 (Virtual session).

This BCBN mission from Pakistan to Vietnam on Productivity Master Plan Best Practice provided an opportunity to see the implementation of short, medium and long term activities of Vietnam productivity master plan. Opportunity and challenges faced by NPO Vietnam in launching Productivity Movement. Idea sharing on existing situation of Vietnam industry.

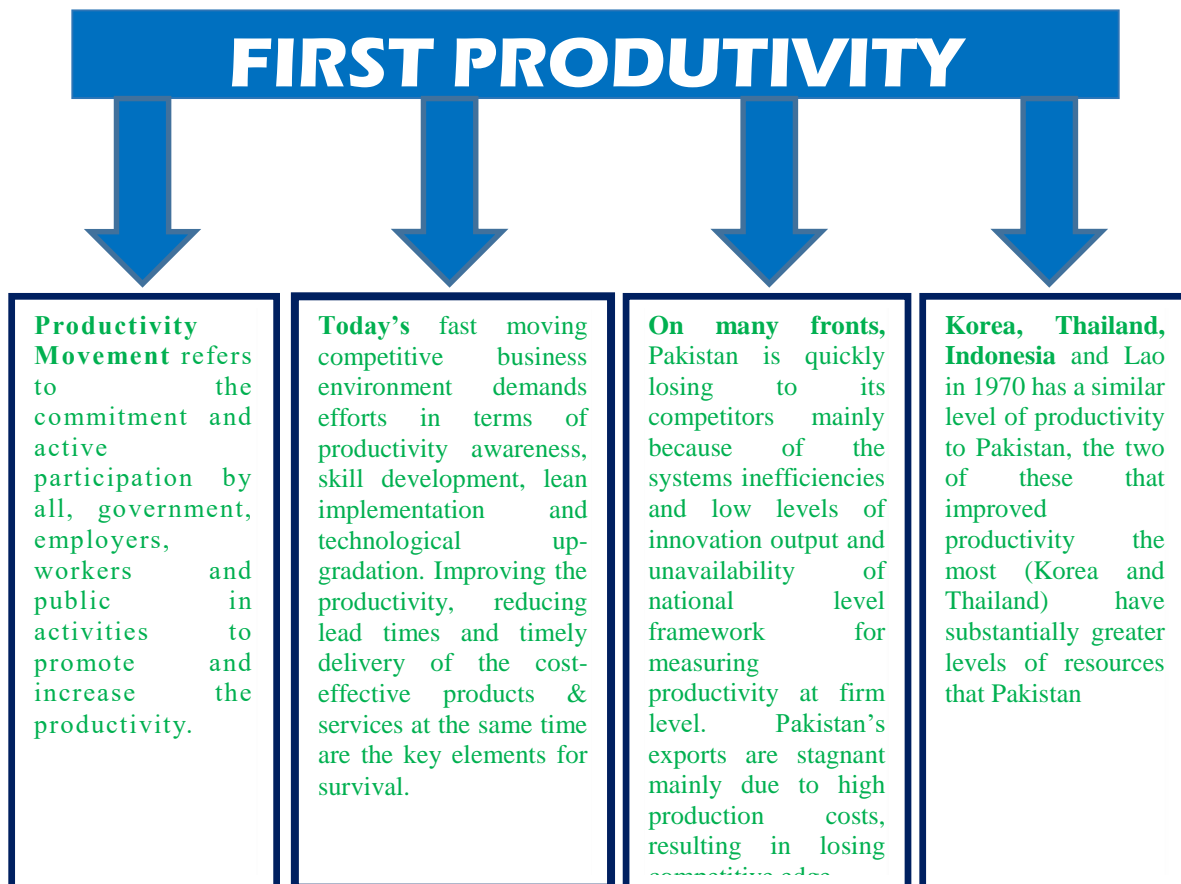


### 3.3. Individual-Country Observational Study Missions (IOSM)

Individual country Observational Study Mission on “Smart and Sustainable City” from Higher Education Commission (HEC) of Pakistan to the KPC, Korea virtually held on December 7-8, 2021.

#### Mission Objective:

The main objective of attending the mission was to enhance the capacity of policymakers and research leaders to design, devise, and implement policies and skills in line with Pakistan’s Vision 2025 strategic initiative titled “Urban Development and Smart Cities” with HEC’s particular reference to develop Human resources required to design, construct and manage the smart cities. 12 members delegation attended the said IOSM program including members from HEC and members from among leading researchers at higher education institutions across Pakistan.



**Essay / Article Award Competition under Sustainable National Productivity (SNP) Project in Pakistan January 2022 - June 2022**

Essay / Articles competition was organized, with an aim to mobilize and sensitize students over productivity issues different competitions at different levels are planned to be organized with public and private educational and technical institutions. This would not only help inculcating concept among students but also encourage stakeholders to take other initiatives related to productivity.

Nationwide advertisement was published in various local newspapers and social media in which essays/articles (Idea/Proposals/Solutions) in both Urdu and English relevant to enhancing productivity of either Industrial, Agriculture, and Services Sectors were invited. For these two separate competitions (Urdu and English) category, corresponding 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> prize for each will be awarded.

Total **140** entries were received, which are under shortlisting and evaluation.

# ESSAY / ARTICLE, Debat and Poster AWARD COMPETITION



## CALL FOR IDEAS/PROPOSALS/SOLUTIONS ON PRODUCTIVITY

### ENGLISH & URDU

National Productivity Organization (NPO) Pakistan is initiating Pakistan's 1<sup>st</sup> Productivity Movement through PSEP (project titled: "Improving Competitiveness through Sustainable National Productivity (SNP)". SNP Key Activities are: Launch of Productivity Movement and Portal, Awareness Sessions, Essay/Article Competition, Curriculum Development, Online Courses, Productivity Walk & Productivity Competitors, National & International Conferences, Celebration of Productivity Week and Awareness Campaign through Documentaries, Print and Social Media.

NPO is inviting Essays/Articles (Idea/Proposals/Solutions) in both Urdu and English relevant to enhancing productivity of either **Industrial, Agriculture, and Services Sectors**. There are two separate competitions for Urdu and English submissions and corresponding 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> prizes for each will be awarded.

**Eligibility Criteria for the Participants**

- 1. Pakistani Nationals
- 2. Students, Teachers, Researchers from academic and industrial works encouraged to apply
- 3. NPO employees are not eligible

- Download essay/article (Idea/Proposals/Solutions) submission form available at NPO website, <http://npa.gov.pk/productivity-portal/>
- Submit his/her article on the prescribed essay/article form along with the copy of GMC (both sides)
- Essay/Article (Idea/Proposals/Solutions) submission detailed TORs available at NPO website

**Deadline:** Participant is required to submit form on or before of: **Tuesday, March 15<sup>th</sup>, 2022 - 05:00 PM**, through email: [snp@npa.gov.pk](mailto:snp@npa.gov.pk)

Ideas / Proposals / Solutions		
<b>1<sup>ST</sup> PRIZE</b>	<b>2<sup>ND</sup> PRIZE</b>	<b>3<sup>RD</sup> PRIZE</b>
RS. 40,000/-	RS. 25,000/-	RS. 15,000/-

[Facebook.com/npa.gov.pk](https://www.facebook.com/npa.gov.pk)
[LinkedIn.com/company/npa.gov.pk](https://www.linkedin.com/company/npa.gov.pk)
[Twitter.com/npa.gov.pk](https://twitter.com/npa.gov.pk)



by Centre for Energy Research & Development, UET Lahore in collaboration with National Productivity Organization



### 3.4. Turn Around Conference

Turn Around Conference was the major initiative of Planning Commission. The conference attempted to realize the essence of Vision 2025 by focusing on a number of cross-cutting thematic areas discussed in Vision 2025 (“Document”). The conference aimed to bring together relevant members from the private sector, academia, think tank(s) and public sector officials to discuss areas enshrined in the Document to debate and suggest salient policy, Public Sector Development Program (PSDP) and other related interventions which the government can utilize to realize the goals of the document.

Productivity, innovation, and product quality are key determinant of long-run output growth. Countries that manage to boost their Total Factor Productivity (TFP, key determinant of productivity) growth, innovation and able to deliver quality goods at competitive price points, grow at a much higher rate and for a sustained period. Specifically, in relation to TFP in G7, G12, and G20 countries, TFP growth has a greater impact on GDP per capita growth than fixed capital formation and employed labor. On the other hand, those countries that grow without a significant contribution from the TFP growth cannot sustain growth.

Keeping in view the linkage of Productivity Planning Commission assigned the module on **“Module-I (Pillar VI) Toward Improved Competitiveness through Enhanced Productivity, Innovation And Quality For Export-Led Growth”** to the NPO. Key objectives of the program module was:

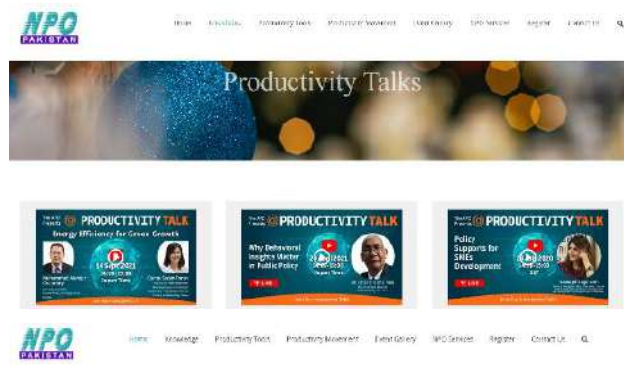
1. To analyze the existing challenges and opportunities which must be addressed to substantially improve the productivity in key industrial sectors i.e., Textile, Leather, Sports Goods, Engineering Goods, and Surgical Instruments.
2. To identify and benchmark the best global models and practices which can be effectively implemented in the local context of Pakistan to improve Industrial productivity.
3. To identify the key aspects of a National Productivity plan.

### 3.5. Online Productivity Portal.

NPO under SNP has developed an Online Productivity Portal to enhance the awareness among the stake holders such as students, teachers, industrial professionals from various fields of the industry, and service sectors of the economy. This portal will also cater various needs of the stakeholders such as self-paced online courses, training on productivity tools and techniques.



The Online productivity is streamed live and can access for the registration and view of productivity material and activities under the project in below link <http://portal.npo.gov.pk/> . For more insights and information related productivity to make your organization competitive, get register and grab the world of productivity just single click away.





NPO has done stakeholder consultation on the Module with Industry. CEO NPO has conducted the session in the conference. Industrial representatives participated and shared their point of view. Planning Commission is finalizing the program findings and future strategy

### 3.6. APO Special Account for Business Recovery and Resilience for member countries - Grant for SMEs

National Productivity Organization (NPO), Ministry of Industries and Production, Govt. of Pakistan has launched “Grant for SMEs: Business Recovery and Resilience Fund” for Covid-19 affected SMEs in collaboration with Asian Productivity Organization (APO) Tokyo, Japan. After a rigorous and competitive selection process, 19 SMEs were selected out of 284 applications.

Upon clearance of all formalities, SME grant have been disbursed to the following SMEs;

S. No	SME Name	Sector
1	Logix College, Sargodha	Education
2	New Lahore School System, Lahore	Education
3	The National College NCCS, Multan	Education
4	An Nsia Dastakari School, Rawalpindi	Textile
5	RS Organic Food, Khanewal	Agro Food & Processing
6	SAS PVC Industries, Lahore	Manufacturing
7	Creek Pharmaceuticals, Karachi	Health
8	Imtiaz Enterprises, Karachi	Agro Food & Processing
9	Pace College of Advanced Studies, Karachi	Education

### 3.7 Changing mind set Through celebration and Walk

SNP-PMU has initiated various activities for the stakeholders to unite on the phenomenon of productivity drive to change the mind set which is principally the driving force for the individual to motivate and become productive not only for him-self but also for the workplace.

In this context SNP-PMU has celebrated Productivity Week across the country. Celebrating productivity day or week focused on productivity related activities. Through these activities the robust productivity movement is conducted which started changing the mindset of the masses and stakeholders from the industry and academia to more receptive and innovative mindset. Sharing the productivity best practices, identifying and analyzing productivity gaps with confidence on initiating effective countermeasures that would ultimately lead to competitiveness were also the part of the celebrations.

productivity day celebrations, productivity walk, and awareness sessions in Islamabad, Karachi, Multan, Lahore, Faisalabad, Peshawar, and Quetta through regional offices.



10	Bestcom Developers, Peshawar	Construction
11	Koh e Moor Mining Company, Mohmand	Marble
12	Peel Consultants, Pakistan, Quetta	ICT
13	Jolie Dame Beauty Clinic & Institute, Muzaffarabad, AJK	Beauty Parlor & Salon

The SMEs have procured equipment and availed training support under this scheme. A pictorial view of various equipment purchased and installed at respective SMEs is as follow; The NPO has requested APO to release remaining funds of the said grant program so that other SMEs may be facilitated as per prescribed procedure.

### 3.8 Launch of online course for professional at their convince

SNP-PMU has launched Online / Self-Paced Courses on Productivity Tools and Techniques under the project sustainable National Productivity (SNP) to cater the needs of the professionals from various stakeholders such as from academia, industry and service sectors. These online programs will help providing productivity awareness and trainings to busy professional to attend the trainings while seating in their offices or homes at their convenience.



### 3.9 Technical Expert Services

The Technical Expert Services Program provide technical assistance to NPOs and related organizations to strengthen their institutional capacities and upgrade their technical competencies in line with individual member country needs for productivity improvement. The creation of multiplier effects for the national productivity movement is expected from this program. NPO Pakistan implemented 04 APO approved proposals under the Technical Expert Services (TES) scheme for Pakistan for 2021-22 for the industry. These programs helped the stakeholder to upgrade their knowledge and skills with technical experts from abroad. (Details of TES Program Evaluation is given in following Table 3.8)

04 TES in various sectors;

- Olive Customization in Pakistan -Spanish Expert engaged (Agriculture Sector)
- Development of framework for productivity improvement in Pakistan – Malaysian Expert engaged (Public Sector, Academia)
- Higher Productivity through Heat Tolerant Wheat – Expert engaged (Agriculture Sector)
- Productivity improvement (tools and techniques) and change management.

<b>Table: TES Program Details</b>	
<b>Beneficiary Organizations/institutions</b>	<b>Barani Agriculture Research Institute (BARI), Olive Industry, NPO, TEVTA, EQUIP Pakistan, KP board of investment and trade, KPEZDMC, MNS Multan, Islamia Univ, Zaikor Trading, al Zaitoonia food, Izhar Grp, SMEDA, JY agro farms, Uni of Shagodha, ZBP Bio, NARC, Janglan Foundation,</b>
<b>Geographical Outreach</b>	Islamabad, Lahore, Karachi, Peshawar, Quetta, Multan, Faisalabad, Chakwal, Abbottabad, Sargodha, Bahawalpur,
<b>Participant trained</b>	477 (114 TES + 371 awareness)
<b>Resource Persons</b>	Dr. Alfonso Manuel Montano Garcia & Dr. Rafael Pleite Gutierrez , Spain Mr. Kabir Ahmad Mohd Jamil, Malaysia Mr. Dr. Velu Govindan, Mexico Dr. Ravi Valluru, UK, Mr. Hideyuki Ezaki, Japan

#### 4. NEW STRATEGIC INITIATIVES 2021-22

##### 4.1 64th Session of the APO Governing Body Meeting (GBM)

The APO Governing Body comprising APO Directors/Acting APO Directors for the 21 members of the organization met virtually on 7–8 June 2022 for its 64th session (GBM).

The 64th GBM also appointed new leaders. Secretary of State, Ministry of Industry, Science, Technology and Innovation, Kingdom of Cambodia, Phork Sovanrith, assumes the role as

APO Chair for 2022–23, succeeding outgoing APO Chair Zakia Sultana, Secretary, Ministry of Industries of Bangladesh.

Noting the multifaceted challenges confronting the global economy, Secretary-General Dr. Mochtan stated that the task ahead for the APO was “making a greater and more visible impact by crafting a new niche for contributions and redeveloping competency to enable the world and regional economies to emerge from these turbulent times through productivity.” Along the same line, APO Chair Phork Sovanrith concluded the meeting by underlining the expectation for the APO to continue assisting members in building resilience for post pandemic productivity growth.



##### 4.2 Launching Productivity Movement in Pakistan through PSDP approved project “Improving Competitiveness through Sustainable National Productivity (SNP)”

NPO Pakistan has initiated first Productivity Movement in Pakistan through DDWP Project on “**Improving Competitiveness through Sustainable National Productivity (SNP)**”. The aim of the project is to achieve competitiveness and exports which consists of four stages, (i) Awareness, (ii) Product identification, design and development, (iii) Implementation, (iv) Continuous Improvement

**Table: SNP Activities**

Description	No of program	participant
Education in school & Technical institutes	27	1595
General Awareness	66	2890
Industries worker training	5	217
Productivity walk	8	522
Poster and Debate competition	5	165
<b>Total</b>	<b>111</b>	<b>5389</b>



PMU SNP-NPO Pakistan has initiated various awareness and training sessions through DDWP Project on "**Improving Competitiveness through Sustainable National Productivity (SNP)**". In this regard, PMU (SNP) has organized awareness and training sessions in major cities of the country which were organized in each region by the NPO Regional Offices (Karachi, Lahore, Multan, Peshawar, Faisalabad and Quetta) through mobilizing Chambers, Association and Academia. These sessions helped in sharing of productivity best practices, identifying and analyzing productivity gaps with confidence on initiating effective countermeasures that would ultimately lead to competitiveness.

### 4.3 Energy Audit concept.

Energy Efficiency is the utilization of energy in the most cost-effective manner to carry out a manufacturing process or provide a service. Energy efficient practices or systems will seek to use less energy while conducting any energy-dependent activity. At the same time, the corresponding (negative) environmental impacts of energy consumption are minimized.

#### Objectives:

The overall objective of conducting Energy Audit is:

- To review the existing energy consumption of site,
- To Identify the potential of energy efficiency and conservation and
- To provide recommendations on optimization and cost savings

SNO	Q1	Q2	Q3	Q4
Units	6	10	10	12



In above projects NPO team identified 8 to 10 % saving potentials at no and low cost. In addition to this NPO team provided shop floor training to workers to make this activity sustainable. NPO team provided shop floor trainings to 152 workers.





### **Green Industry (GI) through MFCA Material flow cost accounting to WWF-Pakistan.**

BDS department has provided consultancy Service for Green Industry (GI) through MFCA Material flow cost accounting to WWF-Pakistan. Implementation period of this project was Nov 2021 to April 2022. The project has been completed successfully. In this Project BDS team has provided consultancy on MFCA to three companies. Details of companies are as follows;

1. Sapphire Textile
2. Royal Leather
3. Veer Sports



### **Karandaz Project:**

NPO team provided consultancy on Energy Efficiency and conservation to following 8 sites. Detail of sites which are covered under Karandaz project are as follows:

1. **NRSP Rice Processing Unit**
2. **Renacon Pharma**
3. **Wahdat Poultry**
4. **Al Bario Engineering**
5. **JSK Feeds**
6. **BF Sciences**
7. **Karandaz Office**
8. **Excel Labs**



#### 4.4 Poster and debate Competitions Under Sustainable Productivity

SNP-PMU, has also initiated various awarded competitions on productivity under the DDWP Project on **"Improving Competitiveness through Sustainable National Productivity (SNP)"**, which includes poster, debate, essay/article competitions to stimulate students to understand the phenomenon of Productivity and its importance. These poster, debate, and essay/article organized in collaboration with various public and private institutes of Pakistan. These competitions would not only disseminate the concepts among the students but will also encourage teachers to take other initiatives on productivity related subjects to develop productive youth.

In this context PMU SNP has organized poster & debate competitions in Karachi, and KPK in collaboration with various institutes of Pakistan.



#### 4.6 Awareness Session through mobilizing chambers of commerce & Industries, Pakistan

SNP-PMU has engaged productivity guru's Dr. Kamran Mussa (CEO PIQC) and Prof Dr. Ali Sajid (Director LSM, Tamga-e-Imtaiz) for the capacity building regarding productivity, improvement tools and techniques for representatives from the various industries which were from the different segments of the economy. The awareness sessions was focused on the enhancement of skills related to productivity, efficiency improvement of the processes, reduction of losses and implementation of international best practices to have cost savings and productivity gains. In these interactive sessions the possibilities for the export promotion and import substitutions were discussed in light of the latest productivity initiatives.

#### 4.5 NPO to Become a Certification Body (CB) Under the Umbrella of APO Accreditation Body

Certification Body Development Project is under way under the umbrella of APO Accreditation Body and NPO CB has successfully completed the 03 phases of the project. As a CB, NPO will contribute in the development of productivity experts for a sustainable productivity drive in the country in a more systematic way, which will eventually help in improving competitiveness of Pakistan over the years. NPO Pakistan will become an APO Certification Body.

APO engaged two experts Mr. Nik Rosdi from Malaysia and Mr. Kelvin Chan from Singapore to assist NPO Pakistan to comply with the requirements and procedures of the scheme. NPO has also successfully completed its pilot project activities in which NPO CB certified 05 productivity specialist in accordance with APO PS-101.



#### 4.7 Awareness session on Productivity Tool and Technique

**The President, Vehari Chamber of Commerce and Industries** and industrial professional from various fields of the industry participated and were keen to improve their competitiveness. Industrialist were enthusiastic to implement the tools to enhance productivity.



**Women Chamber of Commerce and Industries (WCCI), Layyah.** The women members from the various small industries participated and motivated to improve the productivity in their areas.



Awareness Session on Productivity and Quality Management at **Islamabad Chamber of Commerce and Industries (ICCI)**, Islamabad on 24<sup>th</sup> June 2022.



**DG Khan Chamber of Commerce and Industries (DGCCI)** on 8<sup>th</sup> Jan. The President Chamber of Commerce and industrialists from various fields of the economy participated and committed towards improving productivity for the national cause of the country.



Awareness Session on Productivity and Quality Management at **Faisalabad Chamber of Commerce and Industries (FCCI)**, Faisalabad on 23<sup>rd</sup> June 2022



Productivity Session with **President, Hyderabad Chamber of Commerce and Industries** and his team





**Federation of Pakistan Chamber of Commerce and Industries (FPCCI), Karachi.** The Chief Guest Mr. Suleman Chawala (Vice Chairman, Management Committee, FPCCI) and Shabbir Mansha (Member, Management Committee, FPCCI) also addressed and acknowledged the initiatives and ensured their full support for this national cause to enhance productivity.



**President, Quetta Chamber of Commerce and Industries (QCCI)** and his team was enthusiastic to implement the tools to enhance productivity.

#### 4.8 Environmental and Chemical Management

This project aims for improving the Environmental and Chemical Management System of 5 organizations with the opportunity to interact with the APO, Japan sponsored two Canadian Experts and share their existing practices for improvement that supports sustainability and environment conservation through eco-friendly practices. The blue sky of such demo projects empowers the factories workforce learn to conduct survey based on the guidelines of the Experts to understand the root cause of issues, their harmful effects and ways to prevent or curb them. Staff is provided with a platform to speak their minds and offer innovative solutions through knowledge sharing platform, interactive assignments and their presentations for creating a genuine change in the attitude and mindset towards a clean and green environment”.

##### Objectives

Establish systems, processes and procedures that foster environmental sustainability in manufacturing processes, products, and services including cost reduction, process optimization, chemical management, and waste management aspects.

##### Companies Involved

1. Sapphire Textile (STM6), Sheikhpura.
2. Gohar Textile, Faisalabad.
3. Kay & Emms, Faisalabad.
4. Veer Sports, Sialkot.
5. Masood Textile Mills, Faisalabad

Develop a deeper understanding of industrial processes incorporating the latest knowledge on management and available techniques for environmental pollution mitigation.

Implement chemical management systems (CMS) focusing on health and safety, chemical inventory, and storage and handling and environmental management systems (EMS) based on ISO 14001:2015.

Share learning experiences on productivity improvement with other organizations through dissemination activities for multiplier effects in the country

Project Duration: 6 Months

## Best Practices

### Chemical Storage in Metal Containers and Racks



### Secondary Containment of Chemicals



### Chemical Storage in Metal Containers and Racks



#### **4.9 Implementation of Productivity Improvement Competitive Reinforcement Initiative under cluster development awarded by Punjab Small Industries Corporation (PSIC)**

This project is a initiative of Punjab Government won through open bidding by National Productivity Organization (NPO) for creating an enabling environment for growth and prosperity of industries, to create better quality of life through economic uplift in Punjab and to up-grade technology and enhance productivity quality and profitability of local industries.

The overall objective is to strengthen the competitiveness of organizations in four clusters for improving the performance, growth and contribution to industry for improving the productivity, quality and profitability of the local industries.

**This will be achieved through specific objectives;**

- Driving productivity and competitiveness improvements through key established Punjab focused SME manufacturing clusters.
- Building the support infrastructure that underpins collaborative and strategic industry activity. To address the comparative shortcomings i.e. costly factors of production, quality, delivery inefficiency and lack of demand driven export strategies.

#### **Cluster Information**

The initiative would be implemented in 10 factories each of the following industrial clusters of Punjab.

- Ready Made Garments Cluster, Lahore
- Leather Footwear Cluster, Lahore
- Auto Parts Manufacturing Cluster, Lahore
- Surgical Cluster, Sialkot



**Japanese Expert Engaged by the NPO, Pakistan is Meeting with Stakeholders for Implementation of Best Practices for Productivity Enhancement.**

4.10 Consultancy services for implementation of Productivity Improvement Competitive Reinforcement Initiative (CRI) in four cluster

Sub Output 1: SMEs interested in Productivity Improvement are Identified and



Sub output 2: Productivity Improvement Implementation at Selected SMEs



Sub Output 3: Training and Development of Cluster Entrepreneurs on Change



Sub output 4: Communication of the Results of the CRI

Sr.#	Project	Cost
1	Readymade Garments	14.874
2	Leather Footwear and Products	14.714
3	Auto Parts	14.954
4	Surgical	14.634
<b>Total</b>		<b>59.176</b>

**Productivity Walkthrough -- Cutlery Sector**



**Field Visit of Cutlery Factories**



**Consultative Meeting with PCSUMEA.**



**Activity picture highlights**

# NPO's PRACTICAL ACHIEVEMENTS



Resource  
Efficiency



Greening  
the  
Economy



## 4.11 Decarbonizing the Textile Manufacturing Sector in Pakistan:

The proposed project aims to bring a transformational change in the textile sector by working with small and medium sized enterprises (SMEs) producing for the local market and large exporters in Pakistan. WWF-Pakistan will support these SMEs in Energy Efficiency, Resource Efficiency and Renewable Energy through improved access to finance. This work will be reinforced by creating an enabling regulatory environment for enhanced carbon-neutral development in the textile sector and by developing a local market for energy efficient and renewable technologies



#### 4.12 APO Top Talks and Productivity Talks.

Topic: **Productivity: Recovery and Regrowth**

Speaker: Mr. Ali Sajid, Director Leadership and Management Development Associates, Lahore School of Management, Pakistan.

Moderator: Mr. Muhammad Zafar Ullah, Program Officer, Asian Productivity Organization, APO, Tokyo, Japan.



Topic: **Productivity-Led World-Class Organization**

Speaker: Dr. Kamran Moosa, CEO PIQC Institute of Quality, Pakistan

Moderator: Moh Lok Bin Abdullah, Consultant, Malaysia



Topic: **Energy Efficiency for Green Growth**

Speaker: Ms. Gursu Sezen Torun, Industry and Technology Expert, Directorate General for Strategic Research and Productivity, Ministry of Industry and Technology, Turkey

Moderator: Mr. Muhammad Alamgir Chaudhry, CEO NPO Pakistan



#### 4.13 Research Projects Executed by Pakistan National Experts, Funded by APO, Japan

##### **Research on the Complementarities of the Circular Economy and Green Productivity July–December 2021:**

The main objective of this research project was to determine and examine and map out national circular economy principles and policies being evolved by APO member countries., analyze complementarities between circular economy principles and APO Green Productivity (GP) strategies, develop recommendations to upgrade and strengthen GP to make it more relevant and effective in addressing emerging global challenges through alignment and synergies with national circular economy frameworks and practices.

Mr. Aftab Khan Masood, DGM, Business Development Services / Projects & Operations, National Productivity Organization Islamabad, Pakistan conducted the research as National Expert from Pakistan.

##### **Research on Labor Market Policies for Changing Market Demands (June–December 2021):**

The main objective of this research project was to determine and examine policies and programs that will prepare the labor force to meet the changing labor market demands for new skills, enable policymakers to cope with fluid labor market dynamics in member countries and to investigate changing labor market demands and suggest how policymakers, governments, and relevant stakeholders should prepare the workforce in a timely manner.

Dr. Arshia Hashmi, Associate Professor and Head Department of Management Studies, The University of Faisalabad Faisalabad, Punjab Pakistan was selected as National Expert from Pakistan for the research program.

##### **Research on Innovation-led Productivity Growth for Middle income Trap Avoidance (July–December 2021):**

The main objective of this research project was to determine and analyze bottlenecks in the economic growth of middle-income APO member economies, simulate and develop model for the contribution of innovation to productivity and economic growth in middle-income economies (MIEs), review the effectiveness of innovation policies for productivity growth and their implications for middle-income trap avoidance in member countries.

Mr. Abdul Bari, Director Deputy Manager Research and Planning, National Productivity Organization Islamabad, Pakistan was selected as National Expert from Pakistan for the research program.

##### **Research on Need Assessment on Innovation Management (October–December 2021)**

The main objective of this research project was to determine and Identify priority needs and drivers for productivity growth in APO member countries through innovation management, assess the status of adoption of the Innovation Management Systems (ISO 56000) in member countries, support enhancement of innovation systems in member countries and to examine innovation management capabilities in selected APO member countries and

Mr. Wajih Ahmed Abbasi, General Manager (International Linkages), National Productivity Organization Islamabad, Pakistan was selected as National Expert



analyze their status and challenges. It will also recommend models and best practices for implementing, scaling up, improving, and evaluating innovation management systems. The research will be a macro study using available aggregate data on innovation at firm and organizational level.

#### **Research on an Aging Asia and Pacific: Preparing for the Future (April–December 2021):**

The main objective of this research project was to determine and analyze the consequences of aging populations for productivity, share best practices of those countries with rapid aging experiences, propose a set of policy recommendations to deal with aging and its impact on the economy, and how the participating countries cope with the challenges of graying societies and identify measures and solutions for better readiness while making recommendations for effective public policies on healthcare, pensions and increasing birth rates.

from Pakistan for the research program.

Dr. Iffat Batool Naqvi, Assistant Professor, Institute of Science, Technology & Development, Mehran University of Engineering and Technology Jamshoro, Sindh Pakistan was selected as National Expert for the research program.

#### **APO Productivity Data Book and Database 2021 (Virtual) (01 November 2020 to 31 October 2021)**

The main objective of this project was to provide the latest information on productivity – related data and indicators of APO members and reference economies, analyze the socioeconomic and productivity performance of APO members to project economic growth and labor productivity trends in APO member countries.

Mr. Fazil Mahmood Baig, Deputy Director General, National Accounts, Pakistan Bureau of Statistics Islamabad, was selected to facilitate and provide relevant data of Pakistan.

#### **4.14 NPO - HEC Collaboration to Establish a Centre of Excellence on Digital Learning to Enhance Productivity in Higher Education**

In response to project notification issued by APO Japan circulate, initially 02 APO Member Countries (MC) submitted proposals for Centers of Excellence (COE) Program. However, after a virtual meeting of APO Panel of experts held on 28<sup>th</sup> September, 2021, both countries presented their COE proposals, the panel unanimously recommended the Governing Body not to accept the proposals from Pakistan and India for new APO CoE at that time.

Later on, APO Secretariat received requests of resubmission of revised proposals from NPC India and NPO Pakistan separately. After getting endorsement on their requests from the Governing Body, APO Secretariat, informed both countries to submit revised COE proposals so that the Secretariat will then reconvene the Expert Panel Meeting after the receipt of the proposals from both NPC India and NPO Pakistan. Only NPO Pakistan was able to submit the revised proposal on the establishment of APO COE on “Digital Learning to Enhance Productivity in Higher Education” as a collaborative initiative by the Virtual University (VU) of Pakistan, the National Academy of Higher Education (NAHE) of the Higher Education Commission of Pakistan (HEC) and the National Productivity Organization (NPO), as per deadline provided by APO secretariat in March 2022.

The Second Expert Panel Meeting for the Development and Strengthening of the Centers of Excellence (CoE) Program was convened on **29 June 2022** to discuss the revised proposal submitted by Pakistan on the establishment of an APO COE on Digital Learning to Enhance Productivity in Higher Education.

The meeting was chaired by APO Chair Phork Sovanrith and comprised two NPO Heads (Republic of China and Thailand) and an independent expert on the subject matter from Singapore.

The panel noted that the candidate had developed competencies in the field of digital learning within Pakistan, although it was still difficult to confirm whether it had high potential or was recognized as a leader in digital learning in the APO region. The Expert Panel concluded that the proposal for the establishment of the COE on Digital Learning to Enhance Productivity in Higher Education might not yet be ready to receive approval.

Further, APO in its COE guidelines states that if nominated candidate does not meet the level of excellence and competency expected, assistance for preparations of a **Potential COE** may be offered to applicant organizations as under:

The honorable Secretary MoIP/APO Director, Pakistan advised APO Secretariat in his comments that the National Organizations like HEC and its associated institutes including VU and NAHE has the capacity to further strengthen their capabilities through APO support programs in order to reach the expected level of excellence specified under the APO COE guidelines to be considered for reapplication as a COE in the future.

## 5. APO INTERNATIONAL PROGRAMS:

NPO offered different types of programs including Trainings/Workshops, Technical Expert Services, Research, Conferences, Observational Study Missions and Development of Demonstration Companies through APO platform. The key areas of these services include Industry Development, Innovation, Green Productivity, Agriculture Development, Service Sector Development and Public Sector Development. A tabulated summary of international trainings / programs during 2020-21 is as follows.

Description	2021-22	
	Programs	Participants
International Courses in multiple countries	59	165
International Courses hosted by Pakistan	04	175 (From 13 APO member countries)
Technical Expert Services (TES)	04	106
Individual-Country Observational Study Missions (IOSM)	01	22
Bilateral Cooperation Between NPOs (BCBN)	01	15
64 <sup>th</sup> Session of the APO Governing Body	01	01
61st Workshop Meeting of Heads of NPOs	01	02
Research Projects	03	03
APO Productivity Databook and Database (Research project)	01	01
<b>Total</b>	<b>75</b>	<b>490</b>

*Table 5.1 Summary of International Programs*

## 5.1 International Trainings

**List of APO Multicounty programs held from July 2021 to June 2022**

SN	Course Name	Virtual Session By	Dates	No.
1	Workshop on Modern Food Transportation and Regulation	Philippines	13–15 July 2021	1
2	Workshop on Productivity Gainsharing Models in Agribusiness Enterprises	Malaysia	14-16 July 2021	2
3	Training Course on Productivity Measurement for Service-sector Organizations	Indonesia	21-23 July 2021	1
4	Workshop on Smart Transformation for Various Economic Sectors	Republic of China DMC	21-23 July 2021	3
5	Conference on Enabling Regulations to Accelerate Agricultural Innovations	APO Secretariat	22 July 2021	3
6	Multicounty Observational Study Mission on Emerging Models of Controlled-environment Agriculture	Tokyo, Japan	27-29 July 2021	2
7	Workshop on Regulatory Ecosystems for Startups	Philippines	28–30 July 2021	3
8	Multicountry Observational Study Mission on Enhancing Equal Opportunities for Inclusive Engagement of the Workforce	Republic of Korea	23–25 August 2021	2
9	Conference on Promoting the Circular Economy in Manufacturing through Green Productivity	Vietnam	30 July 2021	2
10	Workshop on Enhancing Productivity for SMEs: Measuring and Analyzing Productivity Gains	Fiji	11-13 August 2021	2
11	Training of Assessors for the Green Productivity Specialists Certification Program	Indonesia	23–25 August 2021	4
12	Training Course on Internet of Things Applications for Smart Manufacturing	ROC	25–27 August 2021	2
13	Conference on Public-sector Productivity: Ensuring Public Services in the New Normal	Philippines	25 August 2021	3
14	Workshop on Blockchain Solutions for SME Productivity Enhancement	Republic of Korea	25–27 August 2021	3

15	Conference on Social Empowerment in Agriculture	APO Secretariat	02 Sept 2021	2
16	Workshop on Cybersecurity and Network Resilience Approaches for Industry 4.0	Malaysia	7–9 September 2021	2
17	Conference on Urban Agroecology and Food Security	Philippines	09 September 2021	2
18	Workshop on Continuing Education for the Aging Societies	Republic of China	15–17 September 2021	3
19	Workshop on Digitization of SMEs in the Manufacturing Sector	Japan	28–30 September 2021	3
20	Workshop on Rural Economic Development through Development of Village Tourism	Indonesia	5–7 October 2021	1
21	Conference on Organic Farming and Agroecology	Mongolia	07 October 2021	9
22	Workshop on the Circular Economy in the Agroindustry Sector	Malaysia	12–14 October 2021	2
23	Workshop on Development of New Innovation Standards for SMEs	Vietnam	13–15 October 2021	1
24	Workshop on Enhancing Service Productivity through Effective Business Models	Singapore	19–21 October 2021	2
26	Multicountry Observational Study Mission on Service Quality and Productivity for the Retail Industry	Republic of China	27–29 October 2021	1
27	Workshop on Innovations in Farmers' Cooperatives and Producers' Associations	Japan	9–11 November 2021	1
28	Training Course on Service-sector Productivity Specialists	Singapore	10–12 November 2021	1
29	Workshop on Evaluating Regulatory Quality and Performance to Improve Public Sector Productivity by	Philippines	10 - 12 November 2021	4
30	Multicountry Observational Study Mission on Support for Digital Transformation for SMEs	Republic of China	10–12 November 2021	1
31	Training Course on Innovative Aquaculture Models	Bangladesh	16–18 November 2021	2
32	Workshop on Developing National Innovation Systems	Vietnam	23–25 November 2021	1



33	Multicountry Observational Study Mission on Data Governance in the Public Sector to Improve Productivity	Republic of Korea	24–25 November 2021	3
34	Workshop on Waste Management in Manufacturing SMEs through MFCA and Lean	India	24–26 November 2021	1
35	Workshop on Modern Mechanization Technologies for Increasing Rice Productivity	Thailand	24–26 November 2021	3
36	Training Course on Strategic Management for Public sector Productivity Enhancement	Sri Lanka	30 November–3 December 2021	5
37	Workshop on the Circular Economy for the SDGs	Taiwan (ROC)	24–26 November 2021	1
38	Workshop on Nurturing Social Enterprises	APO Secretariat	6–8 December 2021	1
39	Development of APO-certified Public-sector Productivity Specialists	Philippines	06–10 December 2021	1
40	Workshop on Adoption of Industry 4.0 Applications for SMEs	Bangladesh	7–9 December 2021	2
41	Workshop on Requirements and Management System for APO Certification of Persons Scheme	Vietnam	7 to 9 December 2021	5
41	Workshop on Agroecological Systems	Cambodia	14-16 December 2021	1
42	Training Course on Data Analysis and Applications for Digitization in SMEs	Thailand	14–17 December 2021	1
43	Training Course on Energy Audits and Management	India	20–24 December 2021	6
44	Workshop on Enhancing Employee Productivity in the Digital Workplace (virtual)	Thailand	23–25 February 2022	7
45	Development of APO-certified Productivity Specialists	Malaysia	07–11 March 2022	5
46	Workshop on the Internet of Things in Agriculture and Food Supply Chain Management	APO Secretariat, Japan	9–11 March 2022	4
47	Workshop on Decentralized Governance and Public Accountability	Indonesia	23–25 March 2022	2
48	Workshop on Talent Development for the Future of Work	Thailand	29–31 March 2022	3

49	Workshop on Customer Management Experience Using Data Analytics	Singapore	20–22 April 2022	1
50	Workshop on Foresight for SMEs	Vietnam	20–22 April 2022	2
51	Workshop on Innovative Public–private Partnership Models for Improving the Sustainability of Food Supply Chains	Indonesia	26–28 April 2022	3
52	Workshop on Climate-smart Agriculture Techniques and Practices	Philippines	26–28 April 2022	3
53	Workshop on Women's Entrepreneurship in the Digital Economy	Republic of China	11–13 May 2022	2
54	Development of Public-sector Productivity Specialists	Philippines	16–20 May 2022	6
55	Workshop on Innovative Technologies in Perishable Product Supply Chains for Small Farmers	Taiwan	24–26 May 2022	6
56	Training Course on New Technology for Human Resources Management in the Public Sector	APO, Japan	24–27 May 2022	4
57	Conference on Agricultural Insurance and Farm Risk Management	Thailand	15 June 2022	6
58	Workshop on Building Robust Public Policy Ecosystems through Behavioral Insights	Malaysia	22–24 June 2022	2
59	Multicounty Observational Study Mission on Innovative Smart Farming Models for Agriculture 4.0	Turkey	29–30 June 2022	7

## 5.2 Multi-Country Training Program hosted by Pakistan:

### APO Multi-Country Training Course on Green Productivity Specialists, 13–17 September 2021, (Digital / Virtual Session).

The National Productivity Organization (NPO) organized APO Multi-country Training Course for Green Productivity Specialists, 13–17 September 2021. (Digital Multi-country/Virtual Session).

The objective of this training was to Impart knowledge of Green Productivity (GP) tools, techniques, and methodologies to enhance the productivity, quality, and environmental performance of enterprises, equip participants with the competency to become APO Certified GP Specialists, provide insights on emerging concepts like the circular economy and amalgamation of technological advances with GP tools and techniques for sustainable growth.

The program was attended by a total of 47 participants from 14 APO member countries and 12 participants from different cities of Pakistan participated in this training.

#### Participating Countries

Sri Lanka  
Turkey,  
Thailand,  
Vietnam,  
Mongolia,  
Philippines,  
Iran,  
Republic of China-ROC  
Bangladesh  
Cambodia  
Fiji  
India  
Nepal  
Pakistan

Following resource persons were engaged in this training:

#### International Resource Persons

##### Dr. Suporn Koottatep

Environmental Consultant,  
Norway

##### Kelvin Chan Keng Chuen

Director and Principal Consultant  
Teian Consulting International Pte. Ltd.,  
Singapore

##### Mr. Amit Jain

IRG Systems South Asia Pvt. Ltd., India

#### National Resource Persons

**Mr. Shahid Minhas**, Head, Center for Learning and Development, SDPI, Pakistan.

**Mr. Aftab Khan Masood**, DGM, Project & Operation and Business Development Services, NPO Pakistan.



### 5.3 APO Multi-Country Workshop on Innovative Business Models for Industry 4.0. from 24–26, November 2021 (virtual session);

The National Productivity Organization (NPO) organized APO Multi-Country Workshop on Innovative Business Models for Industry 4.0. from 24–26 November 2021 (virtual session) by Pakistan.

The objective of this workshop was to understand Industry 4.0 trends, specifically how digital technologies influence business operations and strategies, examine innovative business for Industry 4.0 applicable to SMEs and manufacturers, discuss the emerging opportunities for SMEs enabled by digital technologies and to provide references for innovations in business models to keep member countries abreast of current trends and assist them in developing strategies for digital upgrading. It also aims to support innovation-led productivity growth as mandated in the APO Vision 2025.

#### **Participating Countries**

Bangladesh  
Cambodia  
Iran  
Philippines  
Taiwan (ROC),  
Sri Lanka  
Thailand  
Vietnam  
Turkey  
Pakistan

38 participants attended the program from APO member countries i.e. 13 local participants from various cities of Pakistan also attended this workshop.

#### **International Resource Persons**

##### **Dr. Chao-Lung Yang**

Associate Professor  
Department of Industrial Management  
National Taiwan University of Science  
and Technology, Republic of China.

##### **Mr. Simone Cicero**

Chief Executive Officer  
Boundaryless SRL, Italy.

#### **National Resource Persons**

##### **Dr. Muhammad Asim**

Associate Professor, Business School  
University of Karachi.

##### **Ms. Sophia Hasnain**

Chief Executive Officer  
Linked Things (Pvt.) Ltd,  
Karachi, Pakistan.

## 5.4 APO Multi - Country Workshop on Food Storage Models, 30 November - 2 December 2021 (Virtual session);

The National Productivity Organization (NPO) organized APO Multi-country Workshop on Food Storage Models, 30 November–2 December 2021 (virtual session).

The Objective of this workshop **was to discuss** agricultural productivity by reducing food loss and waste with proper storage, review food storage policies and strategies to strengthen national food security, share innovative food storage models and promote their adoption and dissemination among APO member countries.

Total 46 participants from 13 APO member countries including 05 local participants from various cities of Pakistan also attended this workshop.

### Participating Countries

Bangladesh  
Vietnam  
India  
Indonesia  
Iran  
Philippines  
Sri Lanka  
Thailand  
Turkey  
Pakistan  
Cambodia  
Nepal  
Republic of China-ROC

### International Resource Persons

#### **Dr. Ahmad Salahuddin**

Regional Representative for South Asia  
Access Agriculture, Bangladesh.

#### **Mr. Brendan Hoare**

Managing Director Buy Pure, New Zealand.

#### **Mr. Martin Gummert**

Senior Scientist Sustainable Impact Platform  
International Rice Research Institute,  
Philippines.

### National Resource Persons

#### **Dr. Muhammad Aslam**

Deputy General Manager Field Wing Pakistan  
Agricultural Storage & Services Corporation  
(PASSCO), Pakistan





## 5.5 APO Multi-Country Training Course on Green Productivity, 23–27 May 2022 (virtual session);

The National Productivity Organization (NPO) organized APO Multi-country Training Course on Green Productivity, 23–27 May 2022 (virtual session).

The objective of this program was to Introduce the concept of Green Productivity (GP) including its methodology, tools, and techniques, learn about practical approaches to implementing the GP framework at enterprise level to enhance productivity, quality, and environmental performance, impart knowledge on emerging technological trends and new concepts, contributing to sustainable business growth and mitigating climate change., prepare participants to become certified GP specialists.

Total 45 participants from APO member countries, i.e., 10 local participants from various cities of Pakistan also attended this workshop.

### **Participating Countries**

Bangladesh  
Cambodia  
Indonesia  
Iran  
Philippines  
Republic of China-ROC  
Sri Lanka  
Thailand  
Vietnam  
Mongolia  
Turkey  
Fiji  
Pakistan

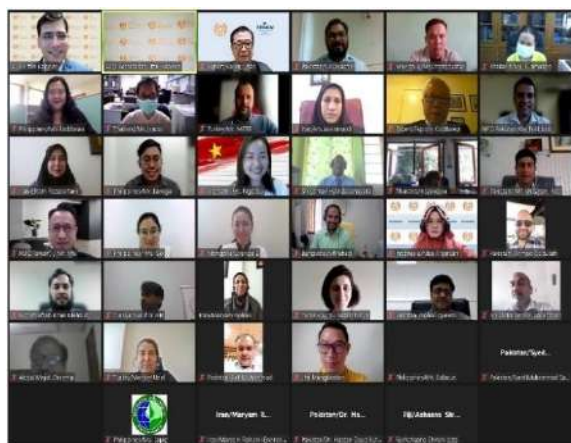
### International Resource Persons

**Dr. Suporn Koottatep**  
Environmental Consultant  
Norway.

**Mr. Kelvin Chan Keng Chuen**  
Director and Principal Consultant  
Teian Consulting International Pte. Ltd  
Singapore.

### National Resource Persons

**Aftab Khan Masood**  
Deputy General Manager  
Projects & Operations and Business Development  
Section, National Productivity Organization,  
Pakistan



*Group Photo*

## 6. NATIONAL TRAININGS / PROGRAMS

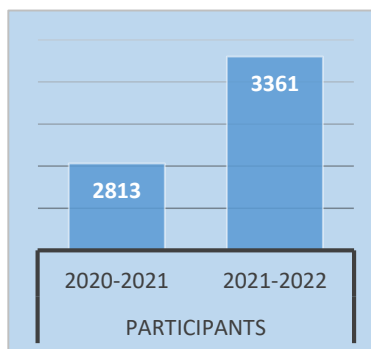
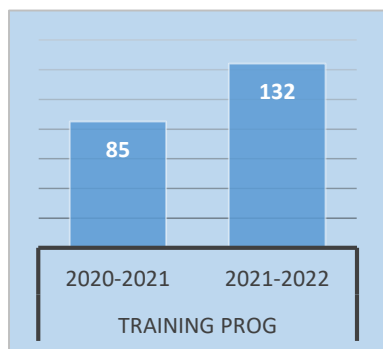
As technology advances and workplace methods and strategies improve, there comes a need for employers and employees to align with these changes in terms of knowledge, skills, values and abilities. One of the best ways to enhance knowledge and skills is through training. Getting employees exposed to relevant and consistent training can help companies improve performance and increase results in the workplace.

NPO provides a wide range of specialized trainings. The international trainings are also replicated in local training programs. Special Programs are also offered as per emerging trends and society requirement for the development of rural areas and disabled persons.

All programs were delivered into virtual sessions mode due to global pandemic COVID-19.

**A summary of national trainings (2021-22) is as follows:**

NPO Capacity Building Program	
Title	No. of Programs
Human capital development Trainings	132
NPO certified distance learning program	2
Green Productivity Assessments (Including Energy Audits)	17



**The following training program were conducted during the year 2021-22.**

S.No	Course Subject	Date	Participants
1	5S - Visual Workplace Methodology	July 08, 2021	29
2	Interpersonal Skills for Success & Productivity	July 15, 2021	27
3	Toyota's 8 Steps of Problem Solving	August 13, 2021	48
4	Skillset for Success	August 16, 2021	37
5	Efficient Work Management	August 25, 2021	39
6	Machine Learning & Python	August 31, 2022	19
7	Zero Error Working Behavior and Quality Mindset	September 09, 2021	32
8	E commerce and Online Business	September 16, 2021	34
9	Smart Goal for Productive Life	September 23,2021	38
10	Emergency Preparedness and Response (EPR)	October 07, 2021	26
11	Performance Management (PM) to Ensure Business Success (Level-1)	October 14, 2021	24
12	Internet of Things	October 21, 2022	26
13	KAIZEN (A Quality Tool for Process Improvement)	November 01, 2021	31
14	Advance Productivity Tools & Techniques for Industry & Technical Institutions	November 03-04, 2022	87
15	Employees Productivity through Motivation	November 10, 2021	17
16	5S Good House Keeping	November 24, 2021	18
17	Managers to Leaders Productive Transformation	November 30, 2021	44
18	Managing Health and Safety at Work	December 09, 2021	32
19	Understanding Knowledge Areas of Project Management to Improve Productivity at Work	December 30, 2021	46

20	Distance Learning Batch 13	July-Oct 2021	16
21	Change Management	January 11, 2022	27
22	Behavior Based Safety	January 19, 2022	45
23	Business Process Reengineering	January 31, 2022	30
24	Distance Learning Batch 14	Feb 15- May 15	7
25	Conflict Resolution & Management Techniques	March 17, 2022	57
26	Process Management Safety	March 24, 2022	55
27	GMP	April 07, 2022	23
28	Public Financial Management System	April 20, 2022	16
29	Risk Management and Mitigation Plan	May 19, 2022	42
30	How to Handle Difficult People	June 08, 2022	47
31	GMP	June 14, 2022	100
32	Presentation Skills	June 25, 2022	25
33	Achieving Customer Identification & Satisfaction	30th July 2021	27
34	Sustainable Supply Chain – A Wining Strategy	13th August 2021	45
35	Labour Management (face to face )	20th August 2021	24
36	Fundamental Principles for Rights at Work (face to face)	28th August 2021	26
37	Improve Productivity through Awareness on Fundamental Principles for Rights at Work (face to face)	8th September 2021	30
38	Productivity Improvement through Managing Organizational Culture & Team Work	14th September 2021	33
39	Improve productivity through awareness on Fundamental labour Rights & Laws in Textile, Ginning & Spinning Sector (Face to face)	25th September 2021	31

40	How to enhance labour Productivity (Face to face)	06th October 2021	33
41	Production Planning & Control	12th October 2021	90
42	Industrial Production Planning & Control	22nd October 2021	29
43	How to become a successful virtual assistant on Amazon FBA (5 Days)	22-26 November 2021	39
44	Understanding emotional Intelligence at work for Improving Productivity	29th-November 2021	16
45	Be A great Leader	11th November 2021	21
46	Performance acceleration and business sustainability through total quality management (TQM)	28th January 2022	19
47	Employee engagement for improved Productivity	9th February 2022	44
48	Effective Communication Skills for Enhanced Productivity	21st March 2022	33
49	In-House training session on Effective Communication Skills for Enhanced Productivity (face to face)	26th March 2022	13
50	Total Productive Maintenance (TPM) Fastest way to improve productivity and efficiency	21st April 2022	29
51	In-House training session on Positive thinking for Enhanced Productivity (face to face)	May 28, 2022	13
52	Enhancing Value adding time at Job	30th May 2022	17
53	Relationship Building through Positive Thinking (face to face)	June 19, 2022	30
54	Productive life & Goal setting	June 24, 2022	17
55	Mentoring for Workplace Productivity	July 13, 2021	23
56	Continuous Improvement	July 29, 2021	23
57	Business Planning for Productivity Improvement	August 17, 2021	24
58	Green Productivity & Integrated Management System	September 10, 2021	27
59	Total Quality Management (TQM)	September 30, 2021	26



60	Workplace Management for Productivity Improvement	28-Oct-21	17
61	Project & Construction Management	10-Nov-21	64
62	Warehousing function & its management	18-Nov-21	38
63	Emerging Trends on Supply Chain Management	30-Nov-21	30
64	Contract Management	20-Jan-22	26
65	Production Planning & Inventory Control	27-Jan-22	27
66	Risks Control Analysis	25-Mar-22	35
67	Problem Solving & Decision Making	August 30, 2022	26
68	Productivity Improvement in Services & Manufacturing Organizations	September 08, 2022	25
69	Productivity Tools & Techniques	13 <sup>th</sup> July, 2021	39
70	Occupational Health & Safety Management System (OH&SMS, ISO 45001:2018)	15 <sup>th</sup> July, 2021	21
71	5S Japanese System of Good House Keeping & Its Implementation	24 <sup>th</sup> August, 2021	12
72	Quality Management System (ISO 9001:2015)	26 <sup>th</sup> August, 2021	44
73	In-house Training on “5S Japanese System of Good House Keeping & Its Implementation” for the staff Members of PCSIR Karachi	1 <sup>st</sup> Sept, 2021	27
74	Leadership Skills for Supervisors	20-Oct-21	32
75	How To Conduct an Effective Training Needs Analysis	21 <sup>st</sup> Oct, 2021	23
76	Patient Safety & Environment of Care	26 <sup>th</sup> Oct, 2021	14
77	Improve The Productivity & Quality Through Statistical Tools & Techniques	28 <sup>th</sup> Oct, 2021	20
78	Effective Employee Engagement	23 <sup>rd</sup> Nov, 2021	10
79	Goals & Target Setting	24 <sup>th</sup> Nov, 2021	14

80	APO/NPO Awareness Session on “Productivity in Education Sector”	11 <sup>th</sup> Nov, 2021	123
81	Paradigm Shift to Zero Defect Through Quality Mindset	21 <sup>st</sup> Dec, 2021	19
82	Effective Learning Through Instructional System Design	22 <sup>nd</sup> Dec, 2021	8
83	In-house Training on “Productivity Tools & Techniques” for the staff Members of TATA PAKISTAN Karachi	24 <sup>th</sup> January, 2022	11
84	In-house Training on “Quality Management System, QMS ISO 9001:2015” for the Staff members of Alpha Labs (Pvt) Ltd Karachi	16 <sup>th</sup> March,2022	15
85	Cost Reduction Techniques for Industrial Sector	26 <sup>th</sup> March,2022	17
86	Leadership Skills for Supervisors	29 <sup>th</sup> March,2022	9
87	EMS ISO 14001:2015	30 <sup>th</sup> March,2022	15
88	Integrated Management System	21 <sup>st</sup> June, 2022	13
89	Quality Control Circles	23 <sup>rd</sup> June, 2022	11
90	Industrial Safety & Emergency Preparedness	28 <sup>th</sup> June, 2022	11
91	Managing Organizational Behavior for Productivity	August 24, 2021	18
92	Mastering Administrative Skills	November 18, 2021	13
93	Individually Productivity and Effectiveness at Work Place	December 24, 2021	13
94	Managing Organizational Change Effectively	June 03, 2022	12
95	Integrated Production Management	July 12-16, 2021	22
96	Cost Saving Techniques in Supply Chain	July 17, 2021	22
97	Effective Communication Skills	August 28, 2021	14
98	Inventory Management for Productivity Improvement	August 31, 2021	15
99	Import Export Procedures & Documentation for Enhanced Trade, Productivity & Competitiveness	September 04, 2021	15

100	Productivity Improvement through Problem Solving Techniques	September 29, 2021	17
101	Risk Management in Supply Chain and Project Management for Productivity Improvement	December 22, 2021	63
102	Risk Management in Supply Chain and Project Management for Productivity Improvement	February 22, 2022	40
103	Pakistan Home Textile Export for Canada	July 8, 2021	13
104	Problem Solving Tools & Technique	August 5, 2021	12
105	Improving Human Resource Management Practice After Covid -19	August 12, 2021	11
106	Problem Solving	August 24, 2021	9
107	Improving Human Resource Management Practice After Covid -19(In-House)	August 25, 2021	15
108	Awareness & Implementation of ISO/IEC 17025:2017	August 31, 2021	9
109	Fundamental Principles of Rights at Work in Cotton Ginning & Spinning Sector	September 8, 2021	30
110	Supply Chain Management	September 15, 2021	18
111	Productivity improvement Through Value Stream mapping	October 29, 2022	8
112	ISO 14001 Environmental Management System	November 17, 2021	21
113	Best Practices for productivity improvement	November 25, 2021	10
114	Policy Making in Human Resource management System	December 2, 2021	16
115	ISO 45001 Occupational Health and Safety	December 9, 2021	27
116	ISO 9001 Quality Management System	January 13, 2022	25
117	Cyber Security to essential Skills	February 15, 2022	7
118	ISO 21001 Education Management	February 17, 2022	7
119	Lean Vision	March 10, 2022	23
120	ISO 46001 Water Efficiency Management System	April 07 2022	10

121	Best Practices for Productivity Improvement	May 24, 2022	16
122	Annual Surveillance Audit under ISO/IEC 17025:2017	May 25, 2022	11
123	Human Resource Leadership	May 31, 2022	27
124	Supply Chain	June 09, 2022	10
125	Shop Floor Training at Darson	October 11 - 16, 2021	5
126	Shop Floor Training at Pak Cutlery Consortium	October 17- 18, 2021	5
127	Shop Floor Training at Inter Market Knit (Pvt.) Ltd	November 07 - 13, 2021	5
128	Shop Floor Training at Spun Yarn	November 22-27, 2021	5
129	Shop Floor Training at Veer Sports	December 08- 12, 2021	5
130	Shop Floor Training J&P Coats	December 13- 17, 2021	5
131	Shop Floor Training at MFCA Project at Royal Leathers	December 19-23,2021	5
132	Shop Floor Training at Saphir	January 12- 14, 2021	5
	<b>Total</b>		<b>3361</b>

## NPO Picture Gallery

Main goal was to create productivity awareness and demonstrate NPO's portfolio and key role for the betterment of the industry to our stakeholders including Chambers, Associations, Industries and media, which play a vital role in achieving the economy's goals and targets. Glimpse of the activities 2021-22.



**Debate Competition at NED University, Karachi**



**Debate Competition at University of Sawabi, Sawabi**



**Debate & Poster Competition at UET Lahore**

## Awareness Session





*Lahore Chamber of Commerce and Industries (LCCI), Lahore  
16<sup>th</sup> June 2022*



**Press and Media professionals on Sustainable National Productivity (SNP)**



**All Pakistan Bedsheets & Upholstery Manufacturing Association (APBUMA), Multan  
08<sup>th</sup> June 2022**

National Productivity organization, Regional Office Karachi has organized an Awareness Session under the SNP project on "Productivity, Quality Tools and Techniques" at Korangi association in of Trade and Industry (KATI) on 22<sup>nd</sup> June 2022. Mr Muhammad Salman Aslam President KATI was the chief guest of the session.





**Govt. Technical Training Institute  
Faisalabad**



**University of Management & Technology,  
Lahore**



**NPO & ICT-PEIRA sign MoU for productivity enhancement activities at ICT schools**



**SNP-PMU has Engaged International Productivity Expert from APO for a Consultative Meeting on Enhancing Productivity in Micro Hydro Power System in Pakistan for Hydro Power Industry at Pearl Continental Peshawar on 9<sup>th</sup> June 2022**

**SNP-PMU, NPO Pakistan Celebrate Productivity Day**





**NPO Head Office Islamabad**



**Head Start School**



**Korangi Trade Association Karachi**



**Government Technical Vocational Center Gulbahar, Peshawar**



**Chamber of Commerce and Industries Quetta**



**Smart College Karachi**



**Govt Technical College Samnabad, Faisalabad**



**All Pakistan Bed sheet & Upholstery Manufacturing Association, Karachi**

**Awareness session**



**Islamabad Chamber of Commerce and Industries (ICCI), Islamabad on 24th June 2022**



**Islamabad Chamber of Commerce and Industries (ICCI), Islamabad on 24th June 2022**



**Bestcom Developers**



**Jolie Dame Beauty Clinic & Institute, Muzaffarabad, AJK**







**Govt Polytechnic Institute, Kalabut Haripur Boys  
Girl Kalabut**



**Govt Technical Vocational College**

**Productivity Walk**



**Productivity Walk Islamabad in collaboration with Islamabad Chamber of Commerce and Industries (ICCI) on 24th June 2022.**



**Productivity Walk Quetta in collaboration with Quetta Chamber of Commerce and Industries (QCCI) on 30th June 2022**



## FINANCIAL REPORT

### Directors Report on the Financial Status

For the Year Ended June 30, 2022

The Directors of the Company have the pleasure to present this report on the financial status of the Company for the year ended June 30, 2022.

a. **Principal Activities (Services and projects)**

i. **International Trainings / Programs:**

*International Trainings/Workshops/Meetings:*

APO International Programs & Services	
Title	No. of Programs
APO Multi-Country Trainings	59
APO International Trainings hosted by Pakistan	4
Technical Expert Services (TES)	4
Individual-Country Observational Study Missions (IOSM)	1
Bilateral Cooperation Between NPOs (BCBN)	1
64 <sup>th</sup> Session of the APO Governing Body	1
61st Workshop Meeting of Heads of NPOs	1
Research Projects	3
APO Productivity Databook and Database	1

ii. **National Trainings**

Sr. #	Description	No. of Programs	No. of Participants
1.	General Awareness	115	3145
2.	In-House/In Company	8	149
3.	GP	1	27
4	Shop Floor (During Energy Audits	8	40
<b>Total</b>		<b>132</b>	<b>3361</b>

### iii. *Green Productivity Services*

- NPO conducted 17 Energy Efficiency Audits in various sectors and identified 15% to 20% potential energy savings in electrical/mechanical and processes at no or negligible investments.
- Awareness / Hands on training: Trained 68 technical staff members

### iv. *NPO's Initiatives:*

#### **National Productivity Master Plan**

NPO acquired support of the APO in developing a National Productivity Master Plan. APO allocated 125,000USD for the execution of the program. NPO's National Productivity Master Plan for Pakistan is being developed by the diverse experienced APO experts. For identifying sectors and arranging consultative meetings of APO experts with the relevant stakeholders of the sectors are planned. KDI has shared the draft NPMP document on June 30, 2022, suggesting **vision & strategy for doubling up the National Productivity of Pakistan**, and to achieve this vision they have proposed three strategies i.e. **(i.) Vibrant Industrial Innovation (ii.) Upgradation of Infrastructure (iii.) Better Public Governance**. KDI identified large number of stakeholders against the recommended interventions, therefore, feedback needs to be solicited on a much wider scale.

#### **Bilateral Cooperation Between NPOs (BCBN)**

The BCBN program on Knowledge Transfer for Sustainable Productivity Drive was organized by NPO Pakistan and Vietnam National Productivity Institute (VNPI) from November 16-18, 2021 (Virtual session). This BCBN mission from Pakistan to Vietnam on Productivity Master Plan Best Practice provided an opportunity to see the implementation of short-, medium- and long-term activities of Vietnam productivity master plan. Opportunity and challenges faced by NPO Vietnam in launching Productivity Movement. Idea sharing on existing situation of Vietnam industry.

#### **Individual-Country Observational Study Missions (IOSM)**

Individual country Observational Study Mission on "Smart and Sustainable City" from Higher Education Commission (HEC) of Pakistan to the KPC, Korea virtually held on December 7-8, 2021. The main objective of attending the mission was to enhance the capacity of policymakers and research leaders to design, devise, and implement policies and skills in line with Pakistan's Vision 2025 strategic initiative titled "Urban Development and Smart Cities". Participants: A 12-member delegation attended the said IOSM program including members from HEC and members from among leading researchers at higher education institutions across Pakistan.

#### **Turn around Conference**

Turn around Conference was the major initiative of Planning Commission. The conference attempted to realize the essence of Vision 2025 by focusing on a number of cross-cutting thematic areas discussed in Vision 2025 ("Document"). The conference aimed to bring together relevant members from the private sector, academia, think tank(s) and public sector officials to discuss areas enshrined in the Document to debate and suggest salient policy, Public Sector Development Program (PSDP) and other related interventions which the government can utilize to realize the goals of the Document.

#### **APO Special Account for Business Recovery and Resilience for member countries - Grant for SMEs**

National Productivity Organization (NPO), Ministry of Industries and Production, Govt. of Pakistan has launched "Grant for SMEs: Business Recovery and Resilience Fund" for Covid-19 affected SMEs in

collaboration with Asian Productivity Organization (APO) Tokyo, Japan. After a rigorous and competitive selection process, 19 SMEs were selected out of 284 applications.

### **64th Session of the APO Governing Body Meeting (GBM)**

The APO Governing Body comprising APO Directors/Acting APO Directors for the 21 members of the organization met virtually 7–8 June 2022 for its 64th session (GBM). The 64th GBM also appointed new leaders. Secretary of State, Ministry of Industry, Science, Technology and Innovation, Kingdom of Cambodia, Phork Sovanrith, assumes the role as APO Chair for 2022–23, succeeding outgoing APO Chair Zakia Sultana, Secretary, Ministry of Industries of Bangladesh.

### **Launching Productivity Movement in Pakistan through PSDP approved project “Improving Competitiveness through Sustainable National Productivity (SNP)”**

NPO Pakistan has initiated first Productivity Movement in Pakistan through DDWP Project on "**Improving Competitiveness through Sustainable National Productivity (SNP)**". The aim of the project is to achieve competitiveness and exports which consists of four stages, (i) Awareness, (ii) Product identification, design and development, (iii) Implementation, (iv) Continuous Improvement

### **Green Industry (GI) through MFCA Material flow cost accounting to WWF-Pakistan.**

BDS department has provided consultancy Service for Green Industry (GI) through MFCA Material flow cost accounting to WWF-Pakistan. Implementation period of this project was Nov 2021 to April 2022. The project has been completed successfully. In this Project BDS team has provided consultancy on MFCA to three companies. Details of companies are as follows:

1. **Sapphire Textile (Finishing)**
2. **Royal Leather**
3. **Veer Sports**

### **Karandaaz Project:**

NPO team provided consultancy on Energy Efficiency and conservation to the industry which was covered under Karandaz project.

### **NPO to Become a Certification Body (CB) Under the Umbrella of APO Accreditation Body**

Certification Body Development Project is under way under the umbrella of APO Accreditation Body and NPO CB has successfully completed the 03 phases of the project. As a CB, NPO will contribute in the development of productivity experts for a sustainable productivity drive in the country in a more systematic way, which will eventually help in improving competitiveness of Pakistan over the years. NPO Pakistan will become an APO Certification Body. APO engaged two experts Mr. Nik Rosdi from Malaysia and Mr. Kelvin Chan from Singapore to assist NPO Pakistan to comply with the requirements and procedures of the scheme. NPO has also successfully completed its pilot project activities in which NPO CB certified 05 productivity specialist in accordance with APO PS-101

## **Implementation of Productivity Improvement Competitive Reinforcement Initiative under cluster development awarded by Punjab Small Industries Corporation (PSIC)**

This project is a initiative of Punjab Government won through open bidding by National Productivity Organization (NPO) for creating an enabling environment for growth and prosperity of industries, to create better quality of life through economic uplift in Punjab and to up-grade technology and enhance productivity quality and profitability of local industries. The overall objective is to strengthen the competitiveness of organizations in four clusters for improving the performance, growth and contribution to industry for improving the productivity, quality and profitability of the local industries.

### **Decarbonizing the Textile Manufacturing Sector in Pakistan:**

The proposed project aims to bring a transformational change in the textile sector by working with small and medium sized enterprises (SMEs) producing for the local market and large exporters in Pakistan. WWF-Pakistan will support these SMEs in Energy Efficiency, Resource Efficiency and Renewable Energy through improved access to finance. This work will be reinforced by creating an enabling regulatory environment for enhanced carbon-neutral development in the textile sector and by developing a local market for energy efficient and renewable technologies

### **Environmental and Chemical Management**

This project aims for improving the Environmental and Chemical Management System of 6 organizations with the opportunity to interact with the 2 APO, Japan - Canadian Experts and share their existing practices for improvement that supports sustainability and environment conservation through eco-friendly practices. The blue sky of such demo projects empower the factories workforce learns to conduct survey based on the guidelines of the Experts to understand the root cause of issues, their harmful effects and ways to prevent or curb them. Staff is provided with a platform to speak their minds and offer innovative solutions through knowledge sharing platform, interactive assignments and their presentations for creating a genuine change in the attitude and mindset towards a clean and green environment”.

### **Participation in the APO Top Talks (T. Talks) and Productivity Talks (P. Talks)**

<b>Topic</b>	<b>Speaker / Moderator</b>
<b>Productivity: Recovery and Regrowth</b>	Mr. Ali Sajid, Director Leadership and Management Development Associates, Lahore School of Management, Pakistan.
<b>Productivity-Led World-Class Organization</b>	Dr. Kamran Moosa, CEO PIQC Institute of Quality, Pakistan
<b>Energy Efficiency for Green Growth</b>	Ms. Gursu Sezen Torun, Industry and Technology Expert, Directorate General for Strategic Research and Productivity, Ministry of Industry and Technology, Turkey

## b. Corporate Compliance

NPO is able to revamp itself and performed significantly well in the year 2021-22. Company has achieved its targets even performed more than that in some areas. The company has to complete all the codal formalities in order to do compliance with Securities and Exchange Commission of Pakistan (SECP) rules and Procedures. In 2021-22 with the support of Ministry of Industries and Production, National Productivity Organization succeeded to receive an unqualified report from the auditors with non-zero compliance with SECP.

## c. Systems and Human Resource Development

NPO actively worked on improving its internal systems & documentations and human resource capacity building. Following activities took place in 2021-22:

- Performance appraisal system developed and successfully implemented for NPO Employees.
- NPO developed annual plans harmonized with the vision and mission.
- Organizational structure redefined as per current requirements.
- NPO Employees salary Rationalization.  
Team work is promoted and Monthly meetings are organized.
- Hiring of New employees on vacant positions of NPO.

NPO-Pakistan is committed to maintain high standards of corporate governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by SECP, Statement of Compliance with Code of Corporate Governance is as under:

The Directors confirm that:

- a) The financial statements prepared by the Management of the Company presents fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements; and any departure thereof has been adequately disclosed and explained;
- e) The system of internal control is sound in design and has been effectively implemented and monitored;
- f) There are no significant doubts upon the Company's ability to continue as a going concern;
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

### **REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS**

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

EXTERNAL AUDITORS Messrs. RSM Avais Hyder Liaqat Nouman Company, Chartered Accountants have completed their assignment for the year 2021. Being eligible, they have offered themselves for re-appointment.



## Operating Result

Significant changes in the company's state of financial affairs occurred during the year under review. The Company has a net surplus Rs. 10.133 million (on 30 June 2022) as compared to net Deficit of Rs. 0.88 million for the financial year ended 30 June 2021. The key financial figures are tabulated as follows:

	2022 (Rupees)	2021 (Rupees)
<b>INCOME</b>		
Grant	75,775,260	63,092,065
Income from training and consultancy	23,074,128	4,177,748
Amortization of deferred grant	1,348,001	1,171,492
Other income	5,208,850	1,232,830
	<b>105,406,239</b>	<b>69,674,135</b>
<b>EXPENDITURE</b>		
Training and consultancy expenses	9,785,021	1,078,552
Operating costs	78,986,873	65,376,785
Seminar expenses	-	495,754
Depreciation	2,345,628	1,171,492
	<b>91,117,522</b>	<b>68,122,583</b>
	<b>14,288,717</b>	<b>1,551,552</b>
<b>(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TAX</b>	<b>(4,155,404)</b>	<b>(670,626)</b>
<b>Income Tax Expenses</b>		
<b>(DEFICIT) / SURPLUS FOR THE YEAR AFTER</b>	<b>10,133,313</b>	<b>880,926</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**Environmental Issues**

The company's operations are not affecting the environment rather its activities are supportive towards green/clean environment.

**Dividend**

The Company is a non-profit organization and all surplus earned, if any, would be employed by the Company to meet its objectives. The SECP while granting license under section 42 of the Companies Ordinance 1984 (now Companies Act 2017) has also required that no payment would be made to the members; therefore, the Company is not required to declare any dividends.

**Meetings of the Board**

As per Public Sector Companies (Corporate Governance) Rules 2013, clause 6(1), the Board shall meet at least once, each quarter of a year, to ensure that it discharges its duties and obligations to shareholders and other stakeholders efficiently and effectively.

The Company has successfully complied by holding five meetings during the year.

**Indemnifying Officer or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer (except for health insurance premium) or auditor of the company.

Signed in accordance with a resolution of the Directors:

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**Chief Executive Officer**

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**Director**

Date:

## Board of Directors

The composition of Board of Directors is as under:

- |   |                       |
|---|-----------------------|
| 1. Flt. Lt. (Retd.) Iftikhar Ali Sahoo<br>Additional Secretary-I, MoI&P | Director (Ex-Officio) |
| 2. Mr. Munir Ahmad<br>Sr. Joint Secretary–Exp (MoI&P), Finance Division | Director (Ex-Officio) |
| 3. Dr. Ghulam Muhammad Ali<br>Chairman, PARC                            | Director (Ex-Officio) |
| 4. Mr. Shahid Karim<br>Management Consultant                            | Independent Director  |
| 5. Mr. Muhammad Alamgir Chaudhry<br>Chief Executive Officer, NPO        | Executive Director    |
| Mr. Waheed Ahmed  | Company Secretary     |

## **NPO Board of Directors Committees**

### **Human Resource Committee**

- |    |   |          |
|----|---|----------|
| 1. | Mr. Shahid Karim, Independent Director                            | Chairman |
| 2. | Flt. Lt. (Retd.) Iftikhar Ali Sahoo, Additional Secretary-I MoI&P | Member   |
| 3. | Mr. Muhammad Alamgir Chaudhry, CEO, NPO                           | Member   |

### **Audit Committee**

- |    |   |          |
|----|---|----------|
| 1. | Mr. Munir Ahmed, Senior JS Expenditure (MoI&P), MoF | Chairman |
| 2. | Dr. Ghulam Muhammad Ali, Chairman, PARC             | Member   |
| 3. | Mr. Shahid Karim, Independent Director              | Member   |

### **Nomination Committee**

- |    |  |          |
|----|--|----------|
| 1. | Mr. Shahid Karim, Independent Director                             | Chairman |
| 2. | Flt. Lt. (Retd.) Iftikhar Ali Sahoo, Additional Secretary-I, MoI&P | Member   |
| 3. | Mr. Muhammad Alamgir Chaudhry, CEO, NPO                            | Member   |

### **Procurement and Finance Committee**

- |    |  |          |
|----|--|----------|
| 1. | Dr. Ghulam Muhammad Ali, Chairman, PARC. | Chairman |
| 3. | Mr. Muhammad Alamgir Chaudhry, CEO, NPO  | Member   |



## HEAD OFFICE

11<sup>th</sup> Floor, Shaheed-e-Millat Secretariat, Nazim-ud-Din Road, Islamabad

Phone: 051-9244254-5, Fax: 051-9244088

Email: [info@npo.gov.pk](mailto:info@npo.gov.pk), Web: [www.npo.gov.pk](http://www.npo.gov.pk)

## REGIONAL OFFICES

### **KARACHI OFFICE:**

House No. New A-45, Old A-33,  
Sachal Village, Dow University  
& Hospital Road, Near PCSIR  
Laboratory, Gulshan -e-Iqbal  
Town Karachi  
Tel: 0301-5077243

### **MULTAN OFFICE:**

Multan Chamber of  
Commerce & Industry  
Shahrah-e-Aiwan-e-Tijarat-o-  
Sanat, Kalma Chowk, Multan  
Ph: 0300-8444879

### **LAHORE OFFICE:**

234, Main Ferozepur Road,  
PITAC Building, Lahore  
Ph: 0333-4432440

### **PESHAWAR OFFICE:**

Khyber Pakhtunkhwa  
Chamber of Commerce &  
Industry, G.T. Road Peshawar.  
Ph: 091-2216012

### **FAISALABAD OFFICE:**

Faisalabad Chamber of  
Commerce & Industry,  
FCCI Complex, Canal Road  
Faisalabad  
Ph: 0332-0315905

### **QUETTA OFFICE:**

First Floor, Pak PWD  
Building, Saryab Road  
Quetta  
Ph: 03343995670





RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of National Productivity Organization

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the annexed financial statements of National Productivity Organization (a company set up under section 42 of the repealed Companies Ordinance, 1984), which comprise the statement of financial position as at June 30, 2022, and statement of income and expenditure, statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of income and expenditure, statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the surplus, its comprehensive income, the changes in funds 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 of the Company is responsible for the other information. The other information comprises the information included in the director report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of income and expenditure, statement of comprehensive income, the statement of changes in funds 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 Syed Naveed Abbas.

A handwritten signature in blue ink, appearing to read 'RSM'.

**RSM AVAIS HYDER LIAQUAT NAUMAN  
CHARTERED ACCOUNTANTS**

**Place: Islamabad**

**Date:**

**UDIN:**

**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	13,122,196	7,848,984
<b>CURRENT ASSETS</b>			
Advances, deposits and prepayments	6	4,735,669	3,667,261
Trade and other receivables	7	9,503,069	502,830
Cash and bank balances	8	17,432,311	9,703,874
		<u>31,671,049</u>	<u>13,873,965</u>
<b>TOTAL ASSETS</b>		<u><u>44,793,245</u></u>	<u><u>21,722,949</u></u>
<b>FUND AND LIABILITIES</b>			
<b>GENERAL FUND</b>			
		6,039,802	(4,093,511)
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	9	122,291	205,459
Deferred capital grant	10	9,816,773	7,248,227
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	21,147,234	12,498,097
Payable to Government Treasury	12	4,364,677	5,864,677
Provision for tax		3,302,468	-
		<u>28,814,379</u>	<u>18,362,774</u>
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>44,793,245</u></u>	<u><u>21,722,949</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-

The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

*Rm*  
  
DIRECTOR



NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
<b>INCOME</b>			
Grant	14	75,775,260	63,092,065
Income from training and consultancy	15	23,074,128	4,177,748
Amortization of deferred grant		1,348,001	1,171,492
Other income	16	5,208,850	1,232,830
		<u>105,406,239</u>	<u>69,674,135</u>
<b>EXPENDITURE</b>			
Operating costs	17	78,986,873	65,376,785
Training and consultancy expenses	18	9,785,021	1,078,552
Seminar expenses		-	495,754
Depreciation	5	2,345,628	1,171,492
		<u>91,117,522</u>	<u>68,122,583</u>
<b>Surplus before tax for the year</b>		<u>14,288,717</u>	<u>1,551,552</u>
Income tax expense		(4,155,404)	(670,026)
<b>Surplus after tax for the year</b>		<u>10,133,313</u>	<u>880,926</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

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DIRECTOR



NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Surplus for the year		10,133,313	880,926
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>10,133,313</b>	<b>880,926</b>

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The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984


**STATEMENT OF CHANGES IN FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	General Fund (Unrestricted) Rupees
Balance as on July 01, 2020		(4,974,437)
Total comprehensive income for the year		
Surplus for the year		880,926
Other comprehensive income		-
		880,926
<b>Balance at June 30, 2021</b>		<b>(4,093,511)</b>
Balance as on July 01, 2021		(4,093,511)
Total comprehensive income for the year		
Surplus for the year		10,133,313
Other comprehensive income		-
		10,133,313
<b>Balance at June 30, 2022</b>		<b>6,039,802</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE

  
 \_\_\_\_\_  
 DIRECTOR



NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		14,288,717	1,551,554
<b>Adjustment for non cash items:</b>			
Depreciation		1,542,476	1,171,491
Amortization of deferred grant		(1,348,001)	(1,171,492)
<b>Operating profit before changes in working capital</b>		<b>14,483,192</b>	<b>1,551,553</b>
<b>Changes in working capital</b>			
<b>(Increase)/ decrease in current assets</b>			
Advances, deposits and prepayments		(1,068,408)	(511,177)
Trade and other receivables		(9,000,239)	(329,889)
<b>Increase/(decrease) in current liabilities</b>			
Trade and other payables		8,649,137	7,028,176
Payable to Government Treasury		(1,500,000)	-
<b>Cash (used in)/generated from operations</b>		<b>(2,919,510)</b>	<b>6,187,110</b>
Taxes paid		(936,104)	(595,023)
<b>Net cash generated from operating activities</b>		<b>10,627,578</b>	<b>7,143,640</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(7,682,545)	(4,625,772)
Disposal of property and equipment		866,857	-
<b>Net cash used in investing activities</b>		<b>(6,815,688)</b>	<b>(4,625,772)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Deferred capital grant		3,916,547	4,605,382
<b>Net cash generated from financing activities</b>		<b>3,916,547</b>	<b>4,605,382</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,728,437</b>	<b>7,123,250</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>9,703,874</b>	<b>2,580,624</b>
<b>Cash and cash equivalents at end of the year</b>		<b>17,432,311</b>	<b>9,703,874</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

## NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### 1 STATUS AND OPERATIONS

1.1 National Productivity Organization ("the Company") was registered in Pakistan on 26 June 2006 as a guarantee limited company under section 42 of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was formed pursuant to the approval of the Prime Minister of Pakistan communicated through letter no. 24(3)/2003-Per-II dated 21 May 2006 of Ministry of Industries and Production, Government of Pakistan.

The objectives of the Company are to inculcate productivity consciousness through promotion of productivity concept by training and education of management and supervisory personnel in industrial, commercial and service organizations in public and private sectors in the techniques and process of modern management.

The geographical location and addresses of the Company and its regional offices are as under:

Business units	Geographical location
Head office	11th Floor, Shaheed-e-Millat Secretariat F-6/1, Islamabad.
Regional offices- Karachi	House no. New A-45, Old A-33 Sachal Village, Dow University & Hospital Road Near PCSIR Laboratory, Gulshan e Iqbal Town, Karachi.
Regional Office - Lahore	234, Main Ferozpur Road, PITAC Building, Lahore.
Regional Office Quetta	First Floor, Pak PWD Building Saryab Road, Quetta.
Regional office - Peshawar	Khyber Pakhtunkhwa Chamber of Commerce & Industry, G-T Road Peshawar.
Sub office - Faisalabad	Faisalabad Chamber of Commerce & Industry, FCCI complex, Canal road Faisalabad.
Sub office Multan	Multan Chamber of Commerce & Industry, Shah rah e Aiwan e Tijarat o Sanat, Kalma Chowk, Multan.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Accounting Standards for Not for Profit Organizations (Accounting standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- 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, 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 for certain items as disclosed in the relevant accounting policies, below.

##### 2.3 Significant accounting estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

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## NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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#### 2.3 Significant accounting estimates (continued...)

- Useful lives, residual values and depreciation method of property and equipment.
- Current income tax expense, provision for current tax and recognition of deferred tax.

The revisions to accounting estimates (if any) 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.

#### 2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Company's functional currency. All financial information presented in rupees has been rounded off to the nearest of rupees, unless otherwise stated.

### 3 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

#### 3.1 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

The following standards, amendments and interpretations are effective for current year. 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.

##### 3.11 IFRS 4 – IFRS 7 – Financial Instruments: Disclosures, IFRS 9 – Financial Instruments, IFRS 16 – Leases and IAS 39 – Financial Instruments: Recognition and Measurement

The IASB has published 'Interest Rate Benchmark Reform — Phase 2 with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

Application of these amendments is not expected to have any impact on the Company's financial statements.

##### 3.12 IFRS 16 - Leases - Covid-19 related rent concessions

The IASB has published 'Covid-19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

Application of these amendments is not expected to have any significant impact on the Company's financial statements.

#### 3.2 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates.

##### 3.21 IAS 16 – Property, Plant and Equipment

The IASB has published 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

The standards prohibits deduction from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in income and expenditure.

The amendments are applicable for annual periods beginning on or after 1 January 2022.

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## NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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#### 3.21 IAS 16 – Property, Plant and Equipment (continued...)

An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

#### 3.22 IAS 1 – Presentation of Financial Statements

The IASB has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements in the following ways:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material; the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.
- In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.
- The IASB has also issued amendments related to Classification of liabilities as current or non current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.
- The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. The management is in the process of assessing impact of these standards/amendments on the financial statements of the company, however, as per initial assessment it may have impact on disclosure of policies.

#### 3.23 IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The IASB has issued amendments related to definition of "Accounting estimates".

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The amendments to IAS 8 are effective for annual periods beginning on or after 1 January 2023.

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## NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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#### 3.24 IAS 12 – Income Taxes

The IASB has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. Accordingly, the initial recognition exemption, provided in IAS 12.15(b) and IAS 12.24, does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Application of these amendments is not expected to have any significant impact on the Company's financial statements.

#### 3.25 Annual Improvements to IFRS Standards 2018–2020 Cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to the following Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project.

**IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**IFRS 16 Leases -** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

**IAS 41 Agriculture -** The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments are applicable for annual periods beginning on or after 1 January 2022. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

#### 3.3 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are yet to be notified by the SECP for purpose of applicability in Pakistan:

- IFRS 1 - First-time adoption of International Financial Reporting Standards
- IFRS 14 - Regulatory deferral accounts
- IFRS 17 - Insurance Contracts

#### 4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### 4.1 Property and equipment

These are stated at cost, which includes purchase price and directly attributable cost less accumulated depreciation and impairment loss, if any.

Normal repairs and maintenance are charged to statement of income and expenditure as and when incurred whereas major improvements and modifications are capitalized.

Depreciation is charged by applying reducing balance method. Rates of depreciation are mentioned in note 5.

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## NATIONAL PRODUCTIVITY ORGANIZATION

A company set up under section 42 of the repealed Companies Ordinance, 1984

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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#### 4.1 Property and equipment (continued...)

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amounts of property and equipment and are recognized within "other operating income" in the statement of income and expenditure.

#### 4.2 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized as expense in the statement of income and expenditure.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### 4.3 Advances, deposits and prepayments

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

#### 4.4 Trade and other receivables

Trade and other receivable are stated initially at the fair value, subsequent to initial recognition these are stated at their fair value as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of counterparty accounts. The Company regularly reviews its debts and receivables that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances and current economic conditions that may affect a customer's ability to pay.

#### 4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances in banks.

#### 4.6 Deferred capital grant

Funds received for the purchase of fixed assets are recognized as deferred capital grant. These are recognized as income over the useful life of assets purchased.

#### 4.7 Trade and other payables

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

#### 4.8 Income

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of income and the associated cost incurred or to be incurred can be measured reliably.

Funds received against which no conditions are attached are recognized as grant income and others are recorded as restricted grant. Restricted grant utilized for acquiring fixed assets are recognized as deferred capital grant and is recognized as income over the useful life of the assets purchased.

Income from training courses is recognized when the related services are rendered.

Profit on deposit accounts is recognized in the statement of income and expenditure on a time proportion

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## **NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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#### **4.9 Taxation**

##### **Current**

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the surplus for the period if enacted. 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 period for such years.

##### **Deferred**

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

#### **4.10 Foreign currency transactions**

Foreign currency transactions (if any) are recorded in PKR at the rate of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevalent on the balance sheet date. All exchange differences are taken to income and expenditure account currently.

#### **4.11 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

#### **4.12 Financial Instruments**

##### **Financial assets**

The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

The company classifies its financial assets at amortized cost.

##### **Financial assets at amortized cost:**

##### **Recognition and measurement**

A financial asset shall be classified as financial asset at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

Regular way purchases and sales of financial assets are recognized on trade date, the date on which the company commits to purchase or sell the asset. After initial recognition, financial assets are carried at amortized cost.

The carrying amount of these assets is adjusted by any expected credit loss allowance.

##### **Financial liabilities**

Financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortized.

##### **De-recognition**

##### **Financial assets**

The company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another company.

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**Financial assets (continued...)**

On de-recognition of financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of consideration received and receivable is recognized in statement of income and expenditure.

**Financial liabilities**

The company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in statement of income and expenditure.

**4.13 Impairment of Financial Assets**

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**4.14 Off-setting of Financial Assets and Financial Liabilities**

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

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**5 PROPERTY AND EQUIPMENT**

**5.1 PROPERTY AND EQUIPMENT (Government Grant)**

	Motor vehicles	Furniture and fixture	Office and equipment	Computer and ancillary equipment	Total
<b>Cost</b>					
As at July 01, 2021	4,989,901	2,114,630	2,136,467	2,174,194	11,415,192
Deletion during the year	(866,857)	-	-	-	(866,857)
Additions during the year	-	1,485,564	921,735	1,509,246	3,916,545
As at June 30, 2022	4,123,044	3,600,194	3,058,202	3,683,440	14,464,880
<b>Depreciation</b>					
As at July 01, 2021	4,504,191	760,591	647,654	993,342	6,905,778
Charge for the year	90,316	205,539	379,166	618,374	1,293,495
Deletion during the year	(805,425)	-	-	-	(805,425)
As at June 30, 2022	3,789,082	966,130	1,026,820	1,611,716	7,393,748

**Carrying amount**

- June 30, 2022

- June 30, 2021

Rate of depreciation

333,962

485,710

20%<sup>a</sup>

10%<sup>a</sup>

20%<sup>a</sup>

30%<sup>a</sup>

2,634,064

1,354,039

2,031,382

1,488,813

2,071,724

1,180,852

7,071,132

4,509,114

20%<sup>a</sup>

30%<sup>a</sup>

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**5.2 PROPERTY AND EQUIPMENT (Non-Government Grant)**

	Motor vehicles	Furniture and fixture	Office and equipment	Computer and ancillary equipment	Total
<b>Cost</b>					
As at July 01, 2021	-	622,416	2,902,648	668,040	4,193,104
Disposal during the year	-	-	-	-	-
Additions during the year	3,283,000	-	483,000	-	3,766,000
As at June 30, 2022	3,283,000	622,416	3,385,648	668,040	7,959,104
<b>Depreciation</b>					
As at July 01, 2021	-	207,139	348,879	297,516	853,534
Charge for the year	383,016	41,527	518,807	111,156	1,054,506
Disposal during the year	-	-	-	-	-
As at June 30, 2022	383,016	248,666	867,686	408,672	1,908,040
<b>Carrying amount</b>					
- June 30, 2022	2,899,984	373,750	2,517,962	259,368	6,051,064
- June 30, 2021	-	415,277	2,553,769	370,524	3,339,570
Rate of depreciation	20%	10%	20%	30%	
<b>Total assets - Cost</b>	7,406,044	4,222,010	6,443,850	4,351,480	22,423,984
<b>Total accumulated depreciation</b>	4,172,098	1,214,796	1,894,506	2,020,388	9,301,788
<b>Total written down value</b>	3,233,946	3,007,214	4,549,344	2,331,092	13,122,196

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>6 ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Advance against expenses		849,343	136,028
Security deposits		2,933,520	1,815,000
Advance tax	6.1	824,282	1,581,973
Prepayments		128,524	134,260
		<u>4,735,669</u>	<u>3,667,261</u>
<b>6.1 Advance tax</b>			
Opening balance		1,581,973	1,452,117
Tax deducted at source during the year		178,413	595,023
Provision for taxation		(936,104)	(465,167)
		<u>824,282</u>	<u>1,581,973</u>
<b>7 TRADE AND OTHER RECEIVABLES</b>			
Receivable against training courses fee - considered good		105,670	285,330
Receivable against energy audits - considered good		492,912	217,500
Punjab Small Industries Corporation consultancy		8,876,400	-
Other receivables		28,087	-
		<u>9,503,069</u>	<u>502,830</u>
<b>8 CASH AND BANK BALANCES</b>			
Cash in hand		165,000	155,000
Cash at bank - local currency current account		15,978	14,195
Cash at bank - local currency saving account	8.1	17,251,333	9,534,679
		<u>17,267,311</u>	<u>9,548,874</u>
		<u>17,432,311</u>	<u>9,703,874</u>
<b>8.1 Rate of return on saving accounts</b>			
The saving accounts earn interest on bank deposit at floating rate ranging from 8 to 10% (2020: 2% to 3%) per annum.			
<b>9 DEFERRED TAX LIABILITY</b>			
Opening		205,459	-
Deferred tax liability decreased during the year		(83,168)	205,459
		<u>122,291</u>	<u>205,459</u>
<b>It represents the following:</b>			
Accelerated tax depreciation		83,168	205,459
		<u>83,168</u>	<u>205,459</u>
Deferred tax liability on temporary difference is measured at the tax rate of 20%.			
A change in income tax rate for small company from 21% to 20% was enacted on July 01, 2022, effective from the same date.			
<b>10 DEFERRED CAPITAL GRANT</b>			
Opening balance		7,248,227	3,814,337
Deferred capital grant during the year		3,916,547	4,605,382
Amortization of items of deferred capital grant		(1,348,001)	(1,171,492)
Closing balance		<u>9,816,773</u>	<u>7,248,227</u>

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>11 TRADE AND OTHER PAYABLES</b>			
Accrued expenses		5,948,959	3,863,470
Office rent payables		1,622,578	2,354,995
Other payables		1,657,597	1,400,693
Donors liabilities	11.1	7,039,161	-
Unearned revenue	11.2	4,878,939	4,878,939
		<u>21,147,234</u>	<u>12,498,097</u>
11.1 Asian Productivity Organization receipt for vision 2025		4,035,500	-
Asian Productivity Organization SMEs' support program		3,003,661	-
		<u>7,039,161</u>	<u>-</u>
11.2 This represents amount received in advance from Irrigation Department Punjab against energy audit of tubewells.			
<b>12 PAYABLE TO GOVERNMENT TREASURY</b>			
Principal amount		4,364,677	4,377,890
Interest earned		-	1,486,787
Closing balance		<u>4,364,677</u>	<u>5,864,677</u>
12.1 This amount relates to amount payable to Government of Pakistan, which was previously received from National Accountability Beauru as recovery from the management personnels of NPO.			
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitment as at year end. (2021: Nil).			
<b>14 GRANT</b>			
Grant received from Ministry of Industries and Production		79,891,633	64,736,647
Capital expenditures transferred to deferred grant		(4,116,373)	(1,644,582)
		<u>75,775,260</u>	<u>63,092,065</u>
<b>15 INCOME FROM TRAINING AND CONSULTANCY</b>			
Income from training and training consultancy		4,123,209	2,415,687
Income from energy audit and energy consultancy		2,903,779	1,762,061
APO consultancy income		7,170,740	-
PSIC productivity consultancy project		8,876,400	-
		<u>23,074,128</u>	<u>4,177,748</u>
<b>16 OTHER INCOME</b>			
APO grant for IT equipment		-	174,065
Training processing fee		735,000	359,500
Profit on bank deposits		1,189,431	146,489
SNP service charges		2,804,497	-
Gain on disposal of asset		396,293	-
Miscellaneous income		83,629	552,776
		<u>5,208,850</u>	<u>1,232,830</u>

**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>17 OPERATING COST</b>			
Salaries and other benefits		65,782,409	54,172,953
Utilities		1,902,193	1,400,166
Rent		575,742	564,114
Repair and maintenance		109,239	808,178
Printing and stationery		1,155,593	413,654
Communication		883,031	875,617
Staff travelling and conveyance		1,361,248	1,000,672
Vehicle running and maintenance		1,127,584	840,830
News paper and periodicals		23,270	28,080
Office expenses		682,783	593,285
Bank charges		-	63,225
Legal and professional		335,000	25,000
Fee and subscription		441,810	35,601
Insurance		2,600,521	2,273,375
Auditors' remuneration	17.1	220,000	200,000
Advertisement expenses		247,485	239,111
Board meeting		924,330	1,173,481
Others		614,635	669,443
		<b>78,986,873</b>	<b>65,376,785</b>
<b>17.1 Auditor's remuneration</b>			
Annual audit fee		159,091	150,000
Out of pocket expenses		10,909	10,000
Review report on compliance with Code of Corporate Governance		50,000	40,000
		<b>220,000</b>	<b>200,000</b>
<b>18 TRAINING AND CONSULTANCY EXPENSES</b>			
Training course expenses		1,140,650	732,328
Energy audit expenses		1,432,294	346,224
5S consultancy expenses		336,146	-
Other consultancy expenses		6,875,931	-
		<b>9,785,021</b>	<b>1,078,552</b>
<b>19 INCOME TAX EXPENSE</b>			
Prior		-	-
Current		4,238,572	465,167
Deferred	19.1	(83,168)	205,459
		<b>4,155,404</b>	<b>670,626</b>
<b>19.1 Deferred tax (income)/ expense</b>			
-effect of tax rate change		(9,784)	205,459
-relating to differences for the year		(73,384)	-
		<b>(83,168)</b>	<b>205,459</b>
<b>19.2</b>			
Income tax of the estimated assessable surplus for the year includes normal tax @ 21% and minimum tax on services.			

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>19.3 Reconciliation between tax expense and accounting profit:</b>			
Accounting profit before tax - normal tax regime		11,160,822	1,458,519
Tax rate		21%	22%
Tax on accounting profit - normal tax regime		2,343,773	320,874
Tax effect of expenses and incomes not admissible for tax purposes		428,529	242,275
Tax effect of expenses and incomes admissible for tax purposes		(379,660)	(432,202)
Effect of minimum tax		1,845,930	334,220
Effect of tax rate change	19.1	(9,784)	-
Impact of deferred tax charge		(73,384)	205,459
		<u>4,155,404</u>	<u>670,626</u>

**20 FINANCIAL RISK MANAGEMENT**

Financial instruments give exposure to following risks.

Credit risk;

(a) Liquidity risk;

(b) Market risk.

(c) This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Advances, deposits and prepayments	4,735,669	3,667,261
Trade and other receivables	9,503,069	502,830
Bank balances	17,432,311	9,703,874
	<u>31,671,049</u>	<u>13,873,965</u>

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees)
<b>(a) Credit risk (continued...)</b>			
Geographically there is no concentration of credit risk. Credit risk is minimum as the bank accounts are maintained with reputable banks with good credit worthiness.			
Based on historical experience, the management believes that except as already provided for, so no further impairment is necessary against its financial assets.			
<b>(b) Liquidity risk</b>			
Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.			
The management believes that at the moment there is insignificant risk that it will have difficulty in meeting its financial obligations as sufficient funds are available with the Company. Carrying amount of the Company's financial liabilities approximate the estimated contractual cash outflows which are due within one year of the reporting date.			
<b>Financial liabilities</b>			
Trade & other payables - maturity up to one year		21,147,234	12,498,097
Payable to government treasury		4,364,677	5,864,677
		<u>25,511,911</u>	<u>18,362,774</u>

**(c) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that 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 on risk. The company is not significantly exposed to market risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements. The Company is not exposed to any significant interest rate risk.

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not affect income or expenditure.

**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. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is not exposed to currency risk.

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**21 FINANCIAL ASSETS AND LIABILITIES**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2022		2021	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
<b>Financial assets</b>				
Security deposits	2,933,520	-	1,815,000	-
Trade and other receivables	9,503,069	-	502,830	-
Cash and bank balances	17,432,311	-	9,703,874	-
	<b>29,868,900</b>	<b>-</b>	<b>12,021,704</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade and other payables	16,268,295	-	5,469,920	-
Payable to Government Treasury	4,364,677	-	5,864,677	-
	<b>20,632,972</b>	<b>-</b>	<b>11,334,597</b>	<b>-</b>

**Fund management**

The Board of Directors of the company monitors the performance along with the related funds requirements. The Company is not subject to externally imposed fund requirements.

**21.1 Fair Value of Financial Assets and Liabilities**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

**22 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	6,230,400	-	10,525,328	9,612,924	-	8,562,992
Board Fees	180,000	760,000	-	180,000	640,000	-
Allowances	3,664,580	-	988,454	300,230	-	239,976
	<b>10,074,980</b>	<b>760,000</b>	<b>11,513,782</b>	<b>10,093,154</b>	<b>640,000</b>	<b>8,802,968</b>

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**NATIONAL PRODUCTIVITY ORGANIZATION**

A company set up under section 42 of the repealed Companies Ordinance, 1984

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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Number of persons	1	4	7	1	5	6
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**23 RELATED PARTY TRANSACTIONS**

The Company is established by the Ministry of Industries and Production, Government of Pakistan "GOP". Therefore all department and agencies controlled by the GOP (" State-controlled entities") are related parties of the Company. Other related parties include directors, members and key management personnel and their family members. Significant transactions with related parties are as follows:

	2022 Rupees	2021 Rupees
Grant received from Government of Pakistan	79,891,633	64,736,647
Remuneration of key management personnel	10,834,980	10,733,154

**24 NUMBER OF EMPLOYEES**

No. of employees as at year end	57	57
Average no. of employees during the year	54	56

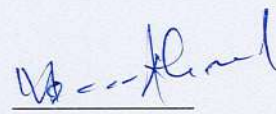
**25 DATE OF APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized and approved by the Board of Directors in their meeting held on \_\_\_\_\_

**26 General**

- All above figures are rounded off to nearest Rupees.

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR



RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

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**Independent Auditor's Review Report  
To the Members of National Productivity Organization  
Review report on the Statement of Compliance with the Public Sector Companies (Corporate  
Governance) Rules, 2013**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of National Productivity Organization for the year ended 30 June, 2022 to comply with the requirements of provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2022.

*Rm*

**RSM Avais Hyder Liaquat Nauman  
Chartered Accountants**

**Engagement Partner:** Syed Naveed Abbas

**Place:** Islamabad

**Date:**

**UDIN:**

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Peshawar : 92 (91) 527 8310/527 7205  
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# Statement of Compliance

With Public Sector Companies (Corporate Governance) Rules, 2013

**Name of Company:** National Productivity Organization  
**Name of the line ministry:** Ministry of Industries & Production  
**For the year ended:** June 30, 2022

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner

Sr. No.	Provision of the Rules	Rule no.	Y	N																
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																	
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes: <table border="1" data-bbox="207 1075 989 1523"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td>Independent Directors</td> <td>1. Shahid Akram</td> <td>10/12/2019</td> </tr> <tr> <td>Executive Director</td> <td>2. Muhammad Alamgir Chaudhry</td> <td>16/12/2019</td> </tr> <tr> <td rowspan="3">Non-Executive Directors</td> <td>3. Flt. Lt. (Retd.) Iftikhar Ali Sahoo.</td> <td>10/12/2019</td> </tr> <tr> <td>4. Ghulam Muhammad Ali.</td> <td>10/12/2019</td> </tr> <tr> <td>5. Munir Ahmad.</td> <td>10/12/2019</td> </tr> </tbody> </table>	Category	Names	Date of Appointment	Independent Directors	1. Shahid Akram	10/12/2019	Executive Director	2. Muhammad Alamgir Chaudhry	16/12/2019	Non-Executive Directors	3. Flt. Lt. (Retd.) Iftikhar Ali Sahoo.	10/12/2019	4. Ghulam Muhammad Ali.	10/12/2019	5. Munir Ahmad.	10/12/2019	3(2)	At year end, i.e., June 30, 2022, the Board has only 1 independent director. The case for inclusion of independent director in NPO board has already been forwarded to the Ministry of Industries & Production, which is under process.	
Category	Names	Date of Appointment																		
Independent Directors	1. Shahid Akram	10/12/2019																		
Executive Director	2. Muhammad Alamgir Chaudhry	16/12/2019																		
Non-Executive Directors	3. Flt. Lt. (Retd.) Iftikhar Ali Sahoo.	10/12/2019																		
	4. Ghulam Muhammad Ali.	10/12/2019																		
	5. Munir Ahmad.	10/12/2019																		
3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																	
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓																	
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓																	
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓																	

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7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.  (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (Address of website to be indicated ( <a href="http://www.npo.gov.pk">http://www.npo.gov.pk</a> )  (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓  ✓  ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	

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16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	<b>5(8)</b>	N/A No such transactions exist.	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	<b>5(11)</b>	✓	
18.	(a) The Board has met at least four times during the year.	<b>6(1)</b>	✓	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	<b>6(2)</b>	✓	
	(c) The minutes of the meetings were appropriately recorded and circulated.	<b>6(3)</b>	✓	
19.	The Board has monitored and assessed the performance of senior management on annual/half-yearly/quarterly basis* and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.  • Strike out whichever is not applicable	<b>8 (2)</b>	✓	
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.  (b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.  (c) The Board has placed the annual financial statements on the company's website.	<b>10</b>	✓	
			N/A	
			✓	
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	<b>11</b>	✓	

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23.	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with written term of reference defining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the Board members.</p> <p>(d) The committees were chaired by the following non-executive directors:</p>	12	✓																
<table border="1"> <thead> <tr> <th data-bbox="217 636 560 707">Committee</th> <th data-bbox="560 636 767 707">Number of Members</th> <th data-bbox="767 636 1034 707">Name of Chair</th> </tr> </thead> <tbody> <tr> <td data-bbox="217 707 560 815">Audit Committee</td> <td data-bbox="560 707 767 815">3</td> <td data-bbox="767 707 1034 815">Mr. Munir Ahmad, Sr. Joint Secretary – Exp (MoIP), MoF.</td> </tr> <tr> <td data-bbox="217 815 560 922">Human Resource Committee</td> <td data-bbox="560 815 767 922">3</td> <td data-bbox="767 815 1034 922">Mr. Shahid Karim</td> </tr> <tr> <td data-bbox="217 922 560 1030">Nomination Committee</td> <td data-bbox="560 922 767 1030">3</td> <td data-bbox="767 922 1034 1030">Mr. Shahid Karim</td> </tr> <tr> <td data-bbox="217 1030 560 1155">Procurement and Finance Committee</td> <td data-bbox="560 1030 767 1155">3</td> <td data-bbox="767 1030 1034 1155">Mr. Shahid Karim</td> </tr> </tbody> </table>		Committee	Number of Members	Name of Chair	Audit Committee	3	Mr. Munir Ahmad, Sr. Joint Secretary – Exp (MoIP), MoF.	Human Resource Committee	3	Mr. Shahid Karim	Nomination Committee	3	Mr. Shahid Karim	Procurement and Finance Committee	3	Mr. Shahid Karim		✓ ✓ ✓ ✓	
Committee	Number of Members	Name of Chair																	
Audit Committee	3	Mr. Munir Ahmad, Sr. Joint Secretary – Exp (MoIP), MoF.																	
Human Resource Committee	3	Mr. Shahid Karim																	
Nomination Committee	3	Mr. Shahid Karim																	
Procurement and Finance Committee	3	Mr. Shahid Karim																	
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	✓																
29.	<p>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.</p> <p>(b) The annual report of the company contains criteria and details of remuneration of each director.</p>	19	✓																
			✓																

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30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	✓													
31.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table border="1" data-bbox="284 414 1029 779"> <thead> <tr> <th data-bbox="284 414 475 488">Name of Member</th> <th data-bbox="475 414 753 488">Category<sup>1</sup></th> <th data-bbox="753 414 1029 488">Professional background</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 488 475 600">Munir Ahmad</td> <td data-bbox="475 488 753 600">Chairman</td> <td data-bbox="753 488 1029 600">Financial background Sr. Joint Secretary – Exp (MoIP), Mof</td> </tr> <tr> <td data-bbox="284 600 475 712">Chairman PARC</td> <td data-bbox="475 600 753 712">Ex-officio</td> <td data-bbox="753 600 1029 712">Worked different organizations at senior level</td> </tr> <tr> <td data-bbox="284 712 475 779">Waheed Ahmad</td> <td data-bbox="475 712 753 779">Head Finance NPO</td> <td data-bbox="753 712 1029 779">Financial background</td> </tr> </tbody> </table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	Name of Member	Category <sup>1</sup>	Professional background	Munir Ahmad	Chairman	Financial background Sr. Joint Secretary – Exp (MoIP), Mof	Chairman PARC	Ex-officio	Worked different organizations at senior level	Waheed Ahmad	Head Finance NPO	Financial background	21 (1) and 21(2)	✓	
Name of Member	Category <sup>1</sup>	Professional background														
Munir Ahmad	Chairman	Financial background Sr. Joint Secretary – Exp (MoIP), Mof														
Chairman PARC	Ex-officio	Worked different organizations at senior level														
Waheed Ahmad	Head Finance NPO	Financial background														
32.	<p>(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.</p> <p>(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</p>	21(3)	✓  ✓  ✓													
33.	<p>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</p> <p>(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.</p> <p>(c) The internal audit reports have been provided to the external auditors for their review.</p>	22	✓  ✓  ✓													
34.	<p>The external auditors of the company have confirmed that the firm</p> <p>(d) and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.</p>	23(4)	✓													
35.	<p>(e) The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.</p>	23(5)	✓													

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Chief Executive Officer

Chairman/Independent director