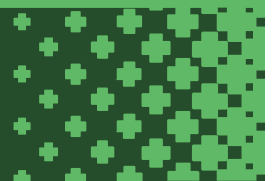


Annual Report 2023-24



National Productivity Organization
Ministry of Industries and Production
Government of Pakistan



ANNUAL REPORT 2023-24





National Productivity Organization (NPO)

(A company set up under section 42 of the Companies Ordinance, 1984,
now referred as Companies act 2017)

Under the Ministry of Industries and Production

Islamabad, Pakistan

Tel: 92-51-9244254-5

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TABLE OF CONTENT

FOREWORD	i
PREFACE	ii
1. EXECUTIVE SUMMARY	01
HIGHLIGHTS OF THE YEAR.....	03
2. NPO INTRODUCTION	04
2.1 Vision.....	04
2.2 Mission.....	04
2.3 Objective.....	04
2.4 Creation of APO.....	04
2.5 NPO Services & Regional Presence.....	05
3. STRATEGIC INITIATIVES' IMPLEMENTATION STATUS	08
3.1 Development of National Productivity Master Plan.....	08
3.2 Productivity Certification Body of Pakistan.....	08
3.3 Bilateral Cooperation Between NPOs (BCN).....	09
3.4 APO Vision 2025.....	09
3.5 Individual Country Observational Study Missions (IOSM).....	09
3.6 Development and Implementation of NPO Annual Plan 2023-24.....	10
3.7 Development of Demonstration Companies.....	10
3.8 Technical Expert Services.....	11
4. NEW STRATEGIC INITIATIVES 2023-24	14
4.1 Environmental and Energy Audits in Textile and Leather Enterprises WWF-Pakistan's Project International Labor and Environmental Standards.....	14
4.2 Green Productivity Assessments (GPA).....	15
4.3 Financial Progress 2023-24.....	16
4.4 APO Funded Programs 2023-24.....	16
4.5 APO Regional Award 2024.....	17
4.6 APO National Award 2023.....	17
5. APO INTERNATIONAL PROGRAMS	19
5.1 International Training.....	20

5.2	Multi-Country Training Program hosted by Pakistan.....	27
5.3	Research Programs 2023-24.....	31
6.	NATIONAL TRAININGS/PROGRAMS.....	32
7.	MEDIA OUTREACH	36
8.	PICTURE GALLERY.....	37
9.	FINANCIAL REPORT.....	40



FOREWORD

CHAIRMAN, NPO BOARD OF DIRECTORS



FOREWORD

It gives me immense pleasure to present you the NPO Annual Report FY 2023-24 on behalf of the Board of Directors of the National Productivity Organization. We are privileged to guide NPO's strategic direction, ensuring sustained growth and success.



Productivity, defined as the ability to achieve more with fewer resources, is not just a theoretical concept but a critical lifeline for both individuals and organizations. It acts as a catalyst for transforming ideas into action, and maximizing our potential toward achieving the goals. Whether you are a professional, an emerging entrepreneur, or an individual focusing on personal development, principles of productivity outlined in this report serve as a roadmap for unlocking your inherent capabilities and potential.

At the heart of NPO's mission is our steadfast commitment to excellence, our deep dedication to our cause, and our enduring responsibility to the communities and individuals we serve. Within these pages, you will find a detailed account of NPO's journey over the past one year.

While our role as Directors is to provide guidance and oversight, it is the exceptional commitment and expertise of our staff, volunteers, and leadership team that bring our mission to life. Together, we have reached significant milestones, demonstrating resilience and expertise in overcoming challenges.

This annual report stands as a testament to our commitment to transparency and accountability. We invite you to delve into its contents, gain insights into our efforts/achievements and future aspirations, and share your valuable feedback with us.

During the fiscal year 2023-24, NPO has made remarkable progress towards fulfilling its objectives. These accomplishments not only motivate us but also reaffirm our dedication for making a meaningful impact on productivity and quality landscape. As we look ahead, we are energized by the opportunities and challenges that lie before us. Our core values of integrity, community engagement, and unwavering commitment to sustainable growth continue to be the foundation of our success.

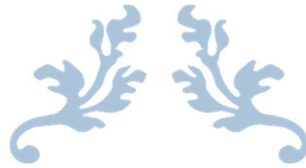
We extend our heartfelt gratitude to our development partners, our dedicated staff, and the entire NPO community. Your unwavering support and belief in our mission have been crucial to our progress.

We sincerely appreciate your continued support, trust, and partnership. Together, we will continue to shape a brighter future for NPO and foster a more productive Pakistan.

A handwritten signature in black ink, appearing to read 'M Asad', written in a cursive style.

Muhammad Asad Islam Mahni
Chairman
NPO Board of Director / APO Alternate
Director for Pakistan

Dated: 28/10/2024



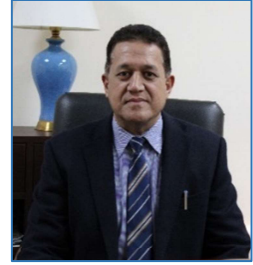
PREFACE

CHIEF EXECUTIVE OFFICER, NPO



PREFACE

As we close another chapter in our journey, it is my distinct privilege to present the Annual Report for 2023-24. This report not only chronicles the achievements of the National Productivity Organization (NPO) but also reflects our unwavering commitment to fostering a culture of productivity across Pakistan.



Over the past year, we have navigated a complex landscape marked by different challenges and shifting economic dynamics. These trials have tested our resilience, yet they have also sparked innovation and collaboration within our organization. I am immensely proud of how our team has responded, transforming obstacles into opportunities and reinforcing our dedication to our mission.

Productivity is not merely a measure of output; it is a philosophy that permeates every aspect of our lives. It empowers individuals to find balance, drive efficiency, and pursue excellence in all endeavors. As we continue to promote this ethos, we strive to enable our communities to harness their potential, nurturing both personal and professional growth.

In the fiscal year 2023-24, NPO Pakistan achieved remarkable milestones, launching a variety of projects designed to enhance productivity and address pressing challenges within our regions. Our success in meeting and exceeding our targets is a testament to our strategic planning and collaborative execution, underscoring our commitment to our mission of creating a more productive Pakistan.

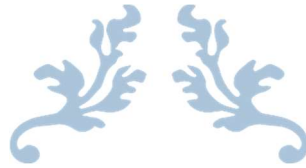
I would like to take this opportunity to express my sincere gratitude to every member of our team. Their dedication, expertise, and shared vision have been instrumental in driving our initiatives forward. It is their passion that breathes life into our goals and helps us realize our collective vision for a productive future.

As you delve into this report, I invite you to explore the stories and successes that embody the spirit of NPO Pakistan. Together, we can continue to make a significant impact on the productivity landscape, contributing to the growth and prosperity of our nation.

Thank you for your continued trust and support.

Dated: 28/10/2024


Muhammad Alamgir Chaudhry
Chief Executive Officer



EXECUTIVE SUMMARY



1. EXECUTIVE SUMMARY

This report provides a comprehensive summary of the initiatives, programs, and activities spearheaded by the National Productivity Organization (NPO) across key economic sectors in Pakistan during the fiscal year 2023-24. These efforts engaged a wide range of stakeholders, including public and private sector institutions, chambers of commerce and industry, small and medium enterprises, the Asian Productivity Organization (APO), as well as federal ministries and provincial departments.

In pursuit of excellence, NPO significantly enhanced its capacity by adopting advanced digital platforms and technological solutions to drive its initiatives. Through APO's multi-country training programs, participants from Pakistan gained valuable insights, while NPO hosted international training programs, offered technical expertise to industries and institutions, and facilitated study missions, all of which strengthened regional partnerships through bilateral cooperation among NPOs. NPO also played a key role in supporting national experts to secure research funding in diverse industrial sectors.

Over the course of the year, NPO actively participated in the 66th Session of the APO Governing Body, the Program/Project Planning Workshop (PPP), and the 64th Workshop Meeting of Heads of NPOs. In addition, NPO collaborated with APO on the development of a Databook and database for various research projects. A detailed summary of APO-sponsored international programs that benefited Pakistan is presented in the following table.

Description	2023-24	
	Programs	Participants
International Courses in Multiple Countries	68	173
International Courses hosted by Pakistan <i>(Programs had participation from 13 APO member countries)</i>	04	121
Technical Expert Services (TES)	04	782
Individual-Country Observational Study Missions (IOSM)	01	11
Bilateral Cooperation Between NPOs (BCN)	01	04
Research Projects	07	07
APO Productivity Data Book	01	01

NPO delivered a wide range of specialized training programs across various platforms, including General Awareness Training (GAT), Corporate Training (CT), Professional Development (PD), In-house Training (ITA), Distance Learning, online trainings, and several special projects. These programs covered key areas such as Productivity and Quality Management, Green Productivity, International Standards and Compliance, Agricultural Productivity, Soft Skills, and the Development of Productivity Practitioners. Additionally, NPO introduced tailored programs to address emerging trends and specific developmental needs, with a special focus on rural communities and individuals with special needs. The following table outlines the detailed offerings and services provided by NPO.

NPO Capacity Building Program	
Title	No. of Programs
Productivity Training	105
Green Productivity Assessments (GPA)	20

A total of 2248 beneficiaries were supported under these programs. NPO also extended training and consultancy services to both national and multinational companies, covering areas such as 5S, Kaizen Management, Energy Efficiency, Benchmarking, Industrial Engineering Tools, Total Productive Maintenance, Six Sigma, Lean Manufacturing, Human Resource Management, and Factory Improvement studies.

To expand its reach and meet the evolving challenges of globalization within the industry, NPO has a national database of trainers and consultants. NPO is also equipped to assist companies with the implementation of various standards, including ISO 9001:2015, ISO 14000, OHSAS 18001, SA 8000, and ISO 17025. These services include gap analysis studies, which are instrumental in assessing the competitive standing of Pakistan’s industries compared to global benchmarks.

NPO met all corporate compliance requirements and made significant strides in improving its internal systems. Furthermore, NPO actively pursued the implementation of APO-assisted strategic initiatives in collaboration with local stakeholders. The following section provides a detailed account of the implementation of these initiatives and the institutional enhancements achieved by NPO during FY 2023-24.

Implementation of APO Assisted Strategic Initiatives	Implementation of NPO’s Institutional Enhancement Initiatives
<ul style="list-style-type: none"> • Development of Demonstration Companies on Workplace Environment Management through Lean Manufacturing • Certification Body for Productivity Specialist under the umbrella of APO-AB. • APO Regional Award 2024 and APO National Award 2023 	<ul style="list-style-type: none"> • Performance appraisal system developed for NPO Employees. • Successful implementation of NPO annual plans 2023-24 • Capacity building of NPO employees on productivity tools

Alongside the implementation of its ongoing initiatives and programs, NPO is advancing new strategic initiatives designed to provide lasting benefits for both the organization and its stakeholders. These efforts are poised to make a meaningful impact on socio-economic development, enhance quality of life, and stimulate industrial growth in the years ahead.

Accomplishments	
Implementation of APO Vision 2025	Conducted 20 Green Productivity Assessments with the value addition of Rs. 95 million
Environmental and Energy Audits in Textile and Leather Enterprises based in Punjab and Sindh under WWF-Pakistan’s Project International Labor and Environmental Standards	Productivity Certification Body of Pakistan Successfully completed 1 st Certification Cycle under APO Accreditation Body (APO-AB)

HIGHLIGHTS OF THE YEAR 2023-24

Development of National Productivity Master Plan

Doubling up the National Productivity of Pakistan

Promotion / Awareness for the Productivity Certification Body of Pakistan

1st Certification Cycle successfully completed

Implementation of APO Vision 2025

Innovations for Higher Quality

APO Technical Expert Service (TES)

04 TES program executed

APO funded 07 International Research Projects

Participation of 07 National Experts from Pakistan

Participation of Pakistan in 72 APO International programs

294 participants trained

Organized Individual-Country Observational Study Missions (IOSM)

From Pakistan to Vietnam

Organized Bilateral Cooperation Between NPOs (BCBN) Program

From Pakistan to Malaysia

Organized 105 Training Programs

2248 participants trained

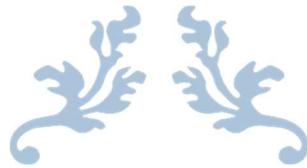
Environmental and Energy Audits in Textile and Leather Enterprises based in Punjab and Sindh under WWF-Pakistan's Project International Labor and Environmental Standards

Conducted 20 Green Productivity Assessment

Value addition Rs. 95 million

Development of Demonstration Companies on Workplace Environment Management through Lean Manufacturing

APO Regional Award 2024 and APO National Award 2023



NPO INTRODUCTION



2. NPO INTRODUCTION

National Productivity Organization (NPO) is a public sector company of Ministry of Industries and Production, registered with SECP under section 42 of Companies Ordinance 1984 and working as a Liaison Office of the Asian Productivity Organization (APO), Tokyo, Japan. APO has 21 member Countries (MCs). Pakistan is among eight founding member countries of the APO.

- | | | |
|------------|------------------|---|
| 2.1 | Vision | Economically Productive and Globally Competitive Pakistan |
| 2.2 | Mission | To enhance total factor productivity (TFP) through human resource development (HRD), technology demonstration and improved practices, processes and procedures by 2030 |
| 2.3 | Objective | 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 through enhancing productivity.



Asian Round Table Productivity Conference,
1959, Tokyo

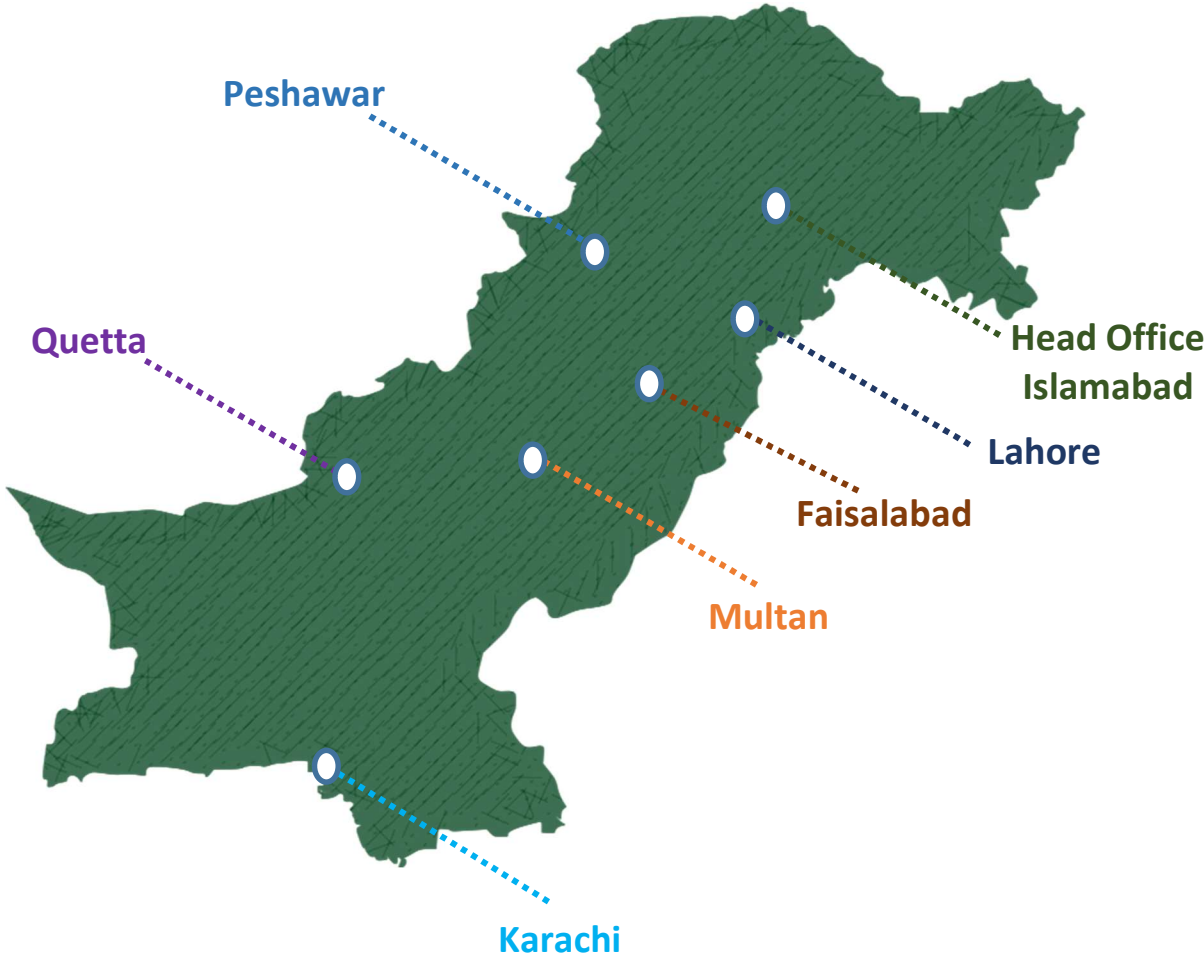
08 Asian nations as original members i.e., Japan, Republic of China, India, Korea, Nepal, Pakistan, Philippines and Thailand.

- Asian Productivity Organization (APO), Tokyo, Japan was established in 11th 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.

2.5 NPO Services and Regional Presence

NPO's National Services	
Services	Support Programs
Productivity & Quality Related Training Programs	✓ Customized and specialized training programs
Resource Efficiency	<ul style="list-style-type: none"> ✓ Energy Audit ✓ Shop Floor Productivity <ul style="list-style-type: none"> ○ Material Assessment ○ Layout Planning ○ Wastage Minimization ✓ Industrial Water
Development Projects	✓ Execution and implementation of development projects
Consultancy & Advisory Services	<ul style="list-style-type: none"> ✓ ENMS ✓ Energy Audit ✓ Productivity Audits ✓ 5S ✓ Lean Manufacturing ✓ Kaizen ✓ Change Management
Productivity Certification Body of Pakistan (PCBP) under APO Accreditation Body (APO-AB)	✓ Certification of Productivity Specialists
NPO's International Services (APO Sponsored)	
Services	Support Programs
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





STRATEGIC INITIATIVES' IMPLEMENTATION STATUS



3. STRATEGIC INITIATIVES IMPLEMENTATION STATUS

Effective governance and strategic clarity are essential to our organization's continued success. Each year, we thoughtfully establish and annual targets that closely align with our core objectives. Guided by visionary leadership, NPO not only met its goals for the fiscal year 2023-24 but also reinforced its reputation for strategic expertise, achieving significant milestones throughout the year.

3.1. Development of National Productivity Master Plan

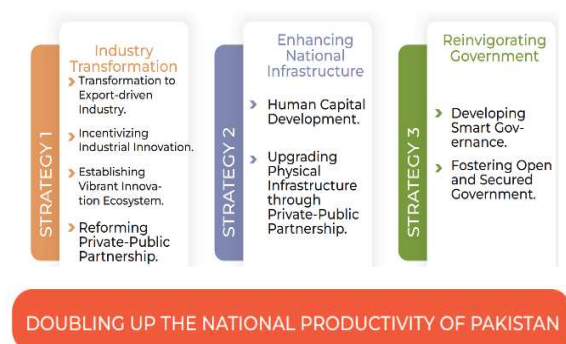
National productivity Master Plan (NPMP) is among the flagship initiative of MoI&P and Planning Commission has included NPMP as key innovative project under Export, Enterprises and Employment chapter of 5E framework and also economic outlook 2035.

APO, on the request of NPO/MoIP, outsourced the development of the NPMP to the Korean Development Institute (KDI). KDI is among the top global think tanks and has leading experts / researchers in the fields of innovation and productivity enhancement policies.

KDI shared the final draft of NPMP document, which included vision for **Doubling up the National Productivity of Pakistan**, and to achieve this vision they proposed following three strategies:

- (i) **Industry Transformation** - Vibrant industrial innovation
- (ii) **Enhancing National Infrastructure** - Up gradation of infrastructure
- (iii) **Re-inventing Government** - Better public governance

As a follow-up to the NPMP implementation plan, NPO Pakistan is in the process of developing Productivity Measurement System aimed at introducing productivity-based incentives, including a productivity-linked wage system.



3.2. Productivity Certification Body of Pakistan (PCBP)

Since its accreditation in May 2023, PCBP successfully conducted Nationwide awareness campaign and sensitized more than 4,000 officials from various Chambers, Associations, Universities, ORICs and industry.

PCBPs 1st certification cycle was conducted from January to April 2024. Total 17 applications were received against Certified Productivity Specialists (CPS) program. Out of these, 12 applicants have successfully qualified for the CPS certification.

3.3 Bilateral Cooperation (BCN) Between NPOs of Pakistan and Malaysia on Productivity measurement system to offer Productivity based incentives.

Under APO's Bilateral Cooperation between NPOs (BCN) program, delegates from Pakistan visited Malaysia Productivity Corporation (MPC) to observe best practices on "Productivity measurement system leading to Productivity based incentives" from August 12-15, 2024 at Kuala Lumpur, Malaysia.

The objective of the visit was to learn best practices adopted by Malaysia Productivity Corporation (MPC), Malaysia on Productivity Measurement System and incentivization. During the visit the delegate observed Productivity Linked Wage System (PLWS) implemented by the industry and service sector voluntarily. The delegation visited industrial and services units to gain insight into the PLWS model, paving way for a more vibrant productive system.

Productivity Linked Wage System (PLWS) is a flexible and competitive wage system that distributes wealth created according to employer's and employee's performance and helps in generating the increased profits and significantly higher productivity to bring shared prosperity and competitiveness.

3.4 Implementation APO Vision 2025

The APO Vision 2025 outreach program, with a primary focus on "Innovations for Higher Quality," has been successfully conducted across a diverse range of organizations, including SMEs, Chambers of Commerce & Industries, universities/academia, and associations. The purpose of this program is to highlight APO services and explore potential areas that will shape the future of key economic sectors through innovative practices.

As part of our ongoing efforts, NPO is committed to building the capacity of over 4,000 targeted professionals from industries, associations, ORICs, and academia in the second phase of this program. Additionally, NPO is fostering strong linkages between industry, academia, and research and development organizations to encourage collaboration and drive innovation forward.

In Phase II, NPO conducted main events in six major cities—Karachi, Lahore, Peshawar, Faisalabad, Multan, and Quetta—while an additional 60 events were held across Pakistan through NPO regional offices.



APO Vision 2025



MPC Official and Delegates from Pakistan

3.5. Individual Country Observational Study Missions (IOSM) on Understanding and Implementing Green Practices in the Textile and Apparel Sector Vietnam 24-28 June, 2024

This mission aims to explore sustainability best practices within Vietnam's textile and apparel sector, fostering knowledge exchange and collaboration among key stakeholders. Participants include representatives from WWF-Pakistan, representatives from Samad Apparel and Crescent Textile, Ministry of Industries, Commerce & Technical Education Department, academia (Government College University, Lahore), and the Sindh Environmental Protection Agency.

The mission focused on enhancing participants' understanding of sustainability, documenting best practices, and building capacity through direct engagement with Vietnam's public sector, testing bodies, and textile industries. Participants gained valuable policy insights and developed actionable strategies to support green productivity in their respective sectors. With 11 participants, the mission included meetings with government bodies, academic institutions, and visits to textile industries to observe and learn from their sustainable practices.



Delegates during site visit

3.6. Development and Implementation of NPO Annual Plan 2023-24

To drive the organization towards its goals, an annual plan was crafted with clear, measurable targets, objectives, and KPIs at the individual, departmental, and organizational levels. This plan served as a strategic roadmap, ensuring that each employee's efforts aligned with the overarching objectives of the NPO.

The execution of these plans yielded significant qualitative results, particularly in capacity building and individual contributions. These outcomes prompted in-depth departmental reviews to enhance the efficiency of input-output ratios, fostering greater productivity and competitiveness.

NPO has successfully achieved its annual targets, dedicating substantial effort to thrive amid current financial challenges. Moreover, NPO has not only delivered numerous impactful programs but has also secured valuable international services from APO and other member countries.

This version offers a fresh structure while maintaining the original intent and message. It highlights the strategic planning and the organization's achievements effectively.



3.7 Development of Demonstration Companies on Workplace Environment Management through Lean Manufacturing

NPO Pakistan has actively supported the industry through various initiatives assisted by the APO Tokyo. Among these, we have developed model organizations that exemplify best practices in productivity, leveraging the expertise of technical specialists and committed NPOs.

In collaboration with SIMAP and APO Japan, NPO Pakistan initiated a demonstration project in 2023-2024 focused on Workplace Environment Management through Lean Manufacturing in the surgical instruments industry.

This initiative led to enhancements in productivity, quality, and sustainability. Five surgical companies, Chaplet International, Ekal Surgical Works, Nurikon International, Surgicare Pvt Ltd, and Rhen Enterprises were selected and supported by Japanese experts to exemplify best practices in productivity. As a result, these companies experienced notable advancements in workplace conditions, product quality, employee health and safety, and resource efficiency.

This initiative not only improved competitiveness and innovation but also fostered sustainable practices and increased productivity, establishing a benchmark for future improvements across the industry.



The newly designed wire cutting mechanism (0% wire cutting losses)



Process layout improvement (Reduce Transportation time)



Improvement in Store department (Tagging System, Store Record Hard and Soft, Colour Coding)




Install the mild steel bridge by replacing of using handcart. Travel distance reduced 60 m to 12 m

3.8 Technical Expert Services

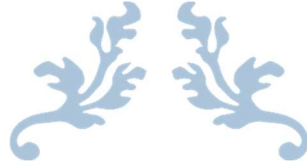
Technical Expert Services Program provides technical assistance to NPOs and related organizations to strengthen their institutional capacities and upgrade their technical competencies in line with individual member country needs for productivity improvement. The creation of multiplier effects for the 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 2023-24 for the industry. These programs helped the stakeholders to upgrade their knowledge and skills with technical experts from abroad.

(Details of TES Programs is given in following Table);

S #	TOPIC & SCHEDULE	DESCRIPTION	Outcome / Stakeholder (Satisfaction)
1	<p>Productivity Promotion for the Gemstone and Jewelry Sector in Pakistan</p> <p><i>April 26- May 7, 2024</i></p> <p>Key Objectives Capacity building of manufacturers (gems and jewelry) to adopt latest techniques in mining, cutting and polishing in gems and jewelry products to improve productivity, product quality and state of the art manufacturing technology</p>	<p>Resource Person: From GIT Thailand Dr. Surin Intayot Ms. Supparat Promwongnan Mr. Thanong Leelawatanasuk</p> <p>Main Beneficiary: PGJDC, UET Peshawar, ICCI, RCCI, KP TEVTA, PIFD, APCEA, Namak Mandi MKT, GJTMC, Gilgit.</p> 	<p>90%</p>  <p>Satisfaction level</p> <ul style="list-style-type: none"> Capacity building of manufacturers (gems and jewelry) to adopt latest techniques in mining, cutting and polishing in gems and jewelry products to improve productivity, product quality and state of the art manufacturing technology.
2	<p>Leveraging Artificial Intelligence for Business Innovation and Entrepreneurial Education - Lahore College Women University.</p> <p>May 5-17, 2024 (Lahore)</p> <p>Key Objective Equip university students and faculty members with the skills and knowledge necessary to utilize Artificial Intelligence (AI) for entrepreneurial purposes. To increase the number of AI-integrated business ventures among the trained participants within two years and to establish a sustainable framework for ongoing AI education in partnership with Pakistani universities.</p>	<p>Resource Person: Dr. Akira Murata, Japan</p> <p>Main Beneficiaries: LCWU, UET, Lahore, Office of PITB, NIC at LUMS. Office of Bureau of Statistics, PSDF, Beacon House National University, LCCI, Lahore.</p>  	<p>95%</p>  <p>Satisfaction Level</p> <ul style="list-style-type: none"> This initiative significantly boosted the participants' confidence and competence in applying AI tools and techniques in real-world business challenges. The initiative successfully stimulated entrepreneurial activity, resulting in a significant increase in the use of AI tools.

<p>3</p>	<p>Innovations in Educational Content Development</p> <p>26-30 August, 2024 (Hybrid)</p> <p>Key Objective Aimed at capacity building of Virtual University in becoming APO CEO through equipping it's faculty with the skills and techniques for embedding AI-driven personalized learning approaches into curriculum design.</p>	<p>Resource Person: Dr. Akira Murata, Japan</p> <p>Main Beneficiary: Capacity building of Virtual University</p> 	<p>90%</p>  <p>Satisfaction Level</p> <p>The program coverage enriched Faculty members' knowledge and understanding of AI's potential in education.</p>
<p>4</p>	<p>Generative AI in Education: Harnessing Technology for Enhanced Learning</p> <p>22- 24, July, 2024 (Hybrid)</p> <p>Key Objective Aimed at capacity building of Virtual University in becoming APO CEO through adoption of generative AI tools and techniques for course design and personalized learning.</p>	<p>Resource Person: Dr. Akira Murata, Japan</p> <p>Main Beneficiary: Capacity building of Virtual University (VU) and Allama Iqbal Open University (AIU)</p> 	<p>95%</p>  <p>Satisfaction Level</p> <p>Integrated educational technologies, augmented reality (AR), and AI tools, facilitated by a Japanese expert from Chiba Keizai University who enhanced learning and productivity by leveraging cutting-edge technologies for content creation and immersive educational experiences.</p>



NEW STRATEGIC INITIATIVES 2023-24



4. NEW STRATEGIC INITIATIVES 2023-24

4.1 Environmental and Energy Audits in Textile and Leather Enterprises based in Punjab and Sindh under WWF-Pakistan's Project International Labor and Environmental Standards

NPO Pakistan was awarded the WWF project titled "Environmental and Energy Audits in Textile and Leather Enterprises" under WWF-Pakistan's initiative, International Labor and Environmental Standards Application in Pakistan's SMEs (ILES).

This project aims to enhance environmental sustainability and energy efficiency in small and medium enterprises (SMEs) across Punjab and Sindh, with a focus on the textile and leather sectors.

NPO Pakistan's role in this project includes conducting environmental and energy audits in six enterprises, two from Sindh (Karachi) and four from Punjab, all of which are participants in the ILO Better Work Program. The core objective is to implement Smart Environmental Management Practices (SEMPs) in these enterprises, ensuring compliance with international environmental standards.



NPO team at shop floor

4.2 Green Productivity Assessments (GPA)

Energy efficiency is about optimizing energy use to enhance manufacturing and service operations while minimizing waste. By focusing on energy-efficient practices, industries can reduce their energy consumption, lowering environmental impact and improving sustainability.

NPO Pakistan plays a crucial role in promoting energy efficiency through its Green Productivity (GP) Assessments. These assessments help industries identify and eliminate energy inefficiencies, leading to higher productivity and profitability. With a team of skilled energy auditors equipped with modern tools, NPO provides comprehensive support to industries.

The main goal of GP Assessments is to uncover opportunities for reducing energy usage per unit of output, cutting operational costs, and achieving significant energy savings—all while improving overall efficiency.



NPO Team while conducting Energy Audits

NPO conducted 20 Green Productivity Assessments (GPA)

20 shop floor trainings conducted

Actual Saving Rs. 38.32 million

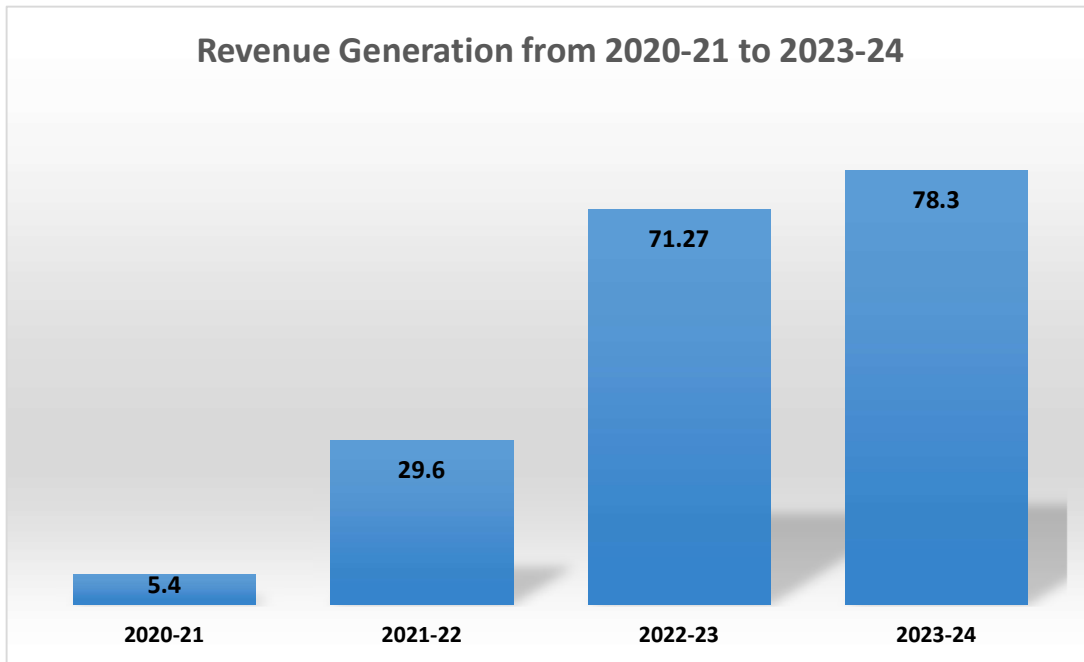
Saving Potential of over Rs. 95.82 million identified

Presented findings of Energy Audit to clients

Hands-on training to the factory staff as Energy Management Practitioner

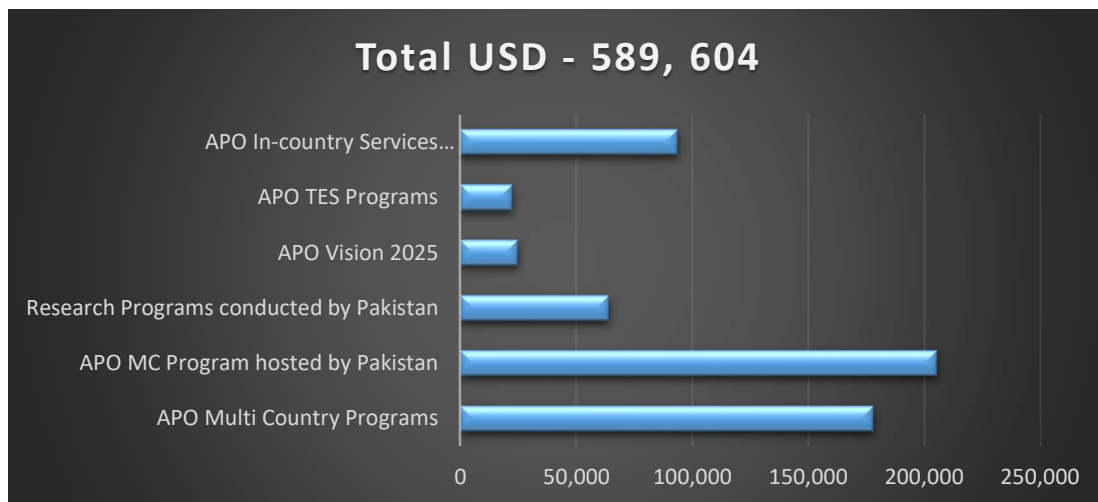
4.3 Financial Progress 2023-24

Effective financial management plays a critical role in ensuring the survival and growth of businesses. NPO has dedicated significant efforts to enhance its internal capabilities and improve the support and services it offers to the industry and related stakeholders. These endeavors have not only revitalized NPO's operations but also elevated its standing within Pakistan and the Asia-Pacific region through its association with the APO platform. These improvements have also had a positive impact on NPO's revenue, enabling it to secure significant projects. With these strategic initiatives, NPO was able to overcome accumulative losses of past several years and got surplus revenue during this financial year. The table below provides a comprehensive overview of NPO's financial receipts over the past four years.



Graph 4.3: Own Generation Receipt – Last 4 years

4.4 APO Funded Program 2023-24



Graph 4.4: APO Funded Programs 2023-24

4.5 APO Regional Award 2024

The APO regional award was established to give due recognition to individuals who have made outstanding contribution, with significant impact or achievement in the Asia-Pacific region. The APO Regional Awards are conferred every three years and according to APO conditions and procedures, total number at each conferment of the APO regional award should not exceed six, with each APO member country nominating no more than one candidate. The awardees shall receive a Gold Medal and a Certificate.

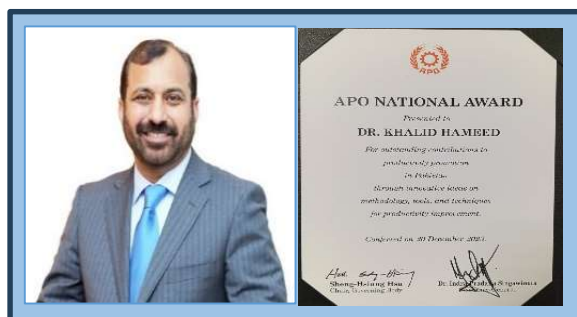


APO Regional Award 2024 was conferred to Dr Ahsan Iqbal Federal Minister for Planning Development & Special Initiatives by APO Secretary General during the APO Governing Body Meeting (GBM) held in Malaysia from 28-30 May 2024 in recognition of his outstanding contributions to the centrality of productivity in socioeconomic development through policymaking, strategic thinking, leadership, and management.

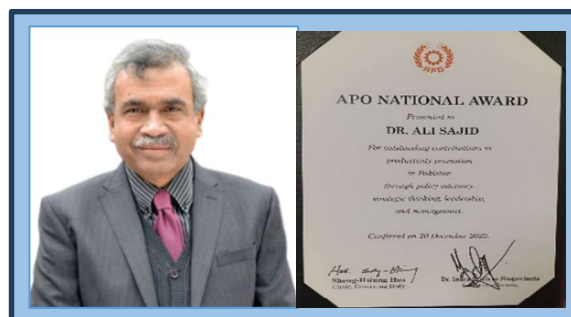
4.6 APO National Award 2023

These awards aim to acknowledge outstanding productivity champions within APO member organizations, encompassing both the public and private sectors, as well as for-profit and non-profit entities. These champions are individuals who lead and implement productivity initiatives while influencing their organizations and external entities in various productivity-related activities. A maximum of two individuals from each APO member can receive this prestigious award annually. APO National Award includes a certificate and an APO plaque. The names of the award winners are announced on the APO's website.

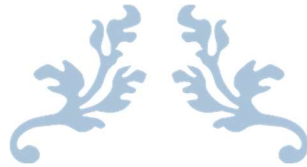
The APO National Awards for 2023 concluded successfully. NPO received good number of applications from the public and private sector professionals. Each member country had to finalize the applicants through their respective National Award Selection Panel (ASP). The applicants were assessed by ASP on the bases of the guidelines provided in APO National Award Framework and following nominees were declared winners under each category of APO National Award 2023.



Dr. Khalid Hameed
Chairman, Tara Group
Productivity Technical Expert



Dr. Ali Sajid
Professor / Director LSM
Productivity Advocates



APO INTERNATIONAL PROGRAMS



NATIONAL PRODUCTIVITY ORGANIZATION

5. APO INTERNATIONAL PROGRAMS:



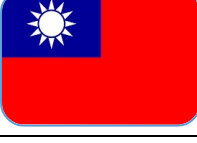



NPO offers a comprehensive range of programs through the APO platform. These programs encompass training sessions and workshops, technical expert services, research initiatives, conferences, observational study missions, and the establishment of demonstration companies. The initiatives address several key areas, including industry development, innovation, green productivity, agricultural development, service sector enhancement, and public sector advancement. Below is a summarized table outlining the international training programs and initiatives for the year 2023-2024

Description	F.Y 2023-24	
	Programs	Participants
International Courses in Multiple Countries	68	173
International Courses Hosted by Pakistan <i>(Programs had participation from 13 APO member countries)</i>	04	121
Technical Expert Services (TES)	04	782
Individual-country Observational Study Missions (IOSM)	01	11
Bilateral Cooperation Between NPOs (BCBN)	01	04
Research Projects	07	07
<ul style="list-style-type: none"> • Research on Public-sector Performance Management in the APO Members • Research on Emerging Trends in APO Members • Research on Agile Working Styles for Productivity • Research on Assessing Needs of APO Members • Need and Readiness Assessment Survey for Implementing Climate-change Mitigation and Adaptation Technologies in Agriculture • Research on New Dynamics of Global Supply Chains and Implications for Productivity • Research on Premature Deindustrialization and Productivity Performance 		
APO Productivity Databook and Database 2023	01	01
Total	86	1099












Table 5.1 Summary of International Programs

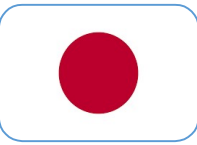
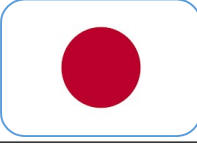


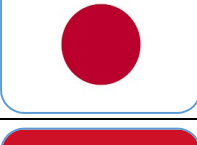






5.1 International Trainings (Participation from Pakistan)

List of APO Multicounty Programs Held from July 2023 to June 2024

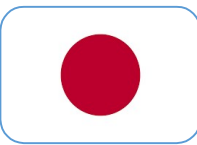
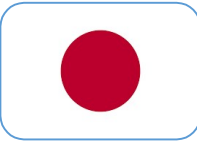









SN	Course Name	Virtual/F2F Session By	Dates	Participants From Pakistan
1	Development of Public-sector Productivity Specialists (Online session) Philippines		10–14 July 2023	4
2	Multicounty Observational Study Mission on Millennial Leaders to Drive Rural Development (Face-to-face session) Indonesia		11–13 July 2023	1
3	Training Course for Assessors of the Green Productivity Specialist Certification Program (Online session) Vietnam		11–14 July 2023	2
4	Multicounty Observational Study Mission on Service Innovation (Online session) Taiwan		12–13 July 2023	3
5	Workshop on Innovative Public Procurement (Online session) APO Secretariat, Sri Lanka		18–20 July 2023	4
6	Training Course on Strategic Planning for Sustainable Ecotourism in the Hospitality Industry (Online session) Fiji		18–21 July 2023	3
7	Workshop on Food Innovation (Online session) Thailand		25–27 July 2023	2
8	Training Course on Productivity Measurement for Digitalized SMEs (Online session) Republic of Korea		01-04 August 2023	2
9	Workshop on Public Service Innovation in the New Normal (Online session) Indonesia		14–16 August 2023	2

10	Workshop on Productivity Enhancement for Women Entrepreneurs (Face to Face session) Singapore		14–17 August 2023	2
11	Workshop on Industrial Ecosystems for Digital Transformation (Online session) Taiwan (ROC)		16–18 August 2023	2
12	Training Course on Knowledge Transfer to Improve Agricultural Productivity (Face to Face session) Bangladesh		28 August 2023–01 September 2023	2
13	Training Course on Applications of Behavioral Insights in Regulatory (Face to Face session) Malaysia		11–15 September 2023	3
14	Multicountry Observational Study Mission on the Cashless Society (Online session) Srilanka		12-13 September 2023	1
15	Workshop on Agricultural Innovations for Climate Resilience (Online session) Japan		12–14 September 2023	1
16	Training Course on Work Design for Inclusive Productivity (Online session) India		19–22 September 2023	3
17	Conference on Green Productivity and the Circular Economy (Online session) Vietnam		26 September 2023	2
18	Training Course on Data Analytics for SMEs (Online session) Singapore		26–29 September 2023	1
19	Conference on Women's Leadership in Public-sector Organizations for Productivity Enhancement (Face to Face session) Indonesia		27–28 September 2023	10
20	Workshop on Policies for Engaging Persons with Disabilities in Agriculture (Online session) Japan		03-05 October 2023	5

21	Workshop on the Green Tourism Certification Framework (Face to Face session) Fiji		03–06 October 2023	2
22	Workshop on Digital Government for Inclusive Public Service Delivery (Online session) Cambodia		04–06 October 2023	5
23	Workshop on True Value and Cost Accounting in Organic Agriculture (Online session) Mongolia		10–12 October 2023	3
24	Training Course on Design and Evaluation of Innovation Policies (Face to Face session) Philippines		23–27 October 2023	2
25	Development of Public-sector Productivity Specialists (Face to Face session) Philippines		06–17 November 2023	1
26	Development of Productivity Specialists (Face to Face session) Malaysia		06–17 November 2023	2
27	Workshop on Supporting Youth in Entrepreneurship (Face to Face session) Republic of Korea		07–10 November 2023	2
28	Conference on Tourism 4.0 for Rural Development (Face to Face session) Indonesia		08–09 November 2023	8
29	Workshop on Green Innovation (Online session) Philippines		04-06 October 2023	1
30	Training Course on Total Productive Maintenance for SMEs (Face to Face session) Bangladesh		30 October–3 November 2023	2
31	Training Course on Green Productivity (Face to Face session) Vietnam		30 October 2023–10 November 2023	2

32	International Conference on Climate-smart Agriculture (Online session) Japan		08–10 November 2023	3
33	Training Course on Digital Manufacturing for SMEs (Face to Face session) Japan		13–17 November 2023	2
34	Workshop on Social Entrepreneurship for Persons with Disabilities (Face to Face session) Lao PDR		14–17 November 2023	2
35	Multicountry Observational Study Mission on Well-being and Productivity (Online session) Japan		14–15 November 2023	3
36	Workshop on Blockchain Technologies for Business Innovation and Productivity (Online session) Japan		20-22 November, 2023	10
37	Workshop on the Future of the Creative Economy (Online session) Indonesia		22–24 November 2023	2
38	Workshop on Community-based Sustainable Agriculture (Online session) Sri Lanka		28–30 November 2023	1
39	Workshop on Food Supply Chains in the Informal Sector (Online session) Bangladesh		05–07 December 2022	3
40	Study Mission on Overseas Business Development Assistance to SMEs for Innovative Products and Service (Face to Face session) Japan		06–08 December 2023	1
41	Conference on Enhancing Employability of Workers in the Informal Economy (Online session) India		07 December 2023	3
42	Workshop on Future Skill Requirements in the Manufacturing Sector (Online session) India		12–14 December 2023	1

43	Capacity Building of NPOs in New Digital Systems (Online session) Japan		16–19 January 2024	2
44	Multicountry Observational Study Mission on Smart Poultry Farming (Online session) Thailand		23-25 January 2024	2
45	Training Course on Regenerative Farming (Online session) Cambodia		23–26 January 2024	4
46	Workshop on Green Hydrogen Systems for the Sustainable Energy Transition (Online session) India		07–09 February 2024	2
47	Training Course on Advanced Technologies in Manufacturing Industries (Online session) Turkiye		26–29 February 2024	3
48	Conference on the Digital Food and Beverage Industry (Online session) Japan		07 March 2024	9
49	Development of Public-sector Productivity Specialists (Online session) Philippines		01-05 April 2024	4
50	Training Course on Blockchain Application (Online session) India		02–05 April 2024	1
51	Training Course for Assessors for the Green Productivity Specialists Certification Program (Face to Face session) *India		22–26 April 2024	2
52	Workshop on Innovative Transformation for Lifestyle and Service Sectors (Online session) Singapore		23–25 April 2024	2
53	Training Course on Applications of Virtual and Augmented Reality (Online session) Republic of Korea		23–26 April 2024	1

54	Training Course on Data Analytic Skills for Service-sector Employees (Online session) Japan		23–26 April 2024	1
55	Training Course on AI Applications in the Service Sector (Online session) Japan		23–26 April 2024	3
56	Multicounty Observational Study Mission on Enhancing the Participation of Persons with Disabilities (Online session) Japan		24–25 April 2024	1
57	Workshop on Need Assessment of APO Members in Public-sector Productivity (Face to Face session) Philippines		13–17 May 2024	2
58	Training Course on Gainsharing in Agribusiness Enterprises (Face to Face session) Philippines		20–24 May 2024	2
59	Multicountry Observational Study Mission on Industrial Symbiosis (Face to Face session) Vietnam		21–23 May 2024	2
60	Training Course on Nurturing Creative Industries (Online session) Vietnam		04–07 June 2024	1
61	Development of Productivity Practitioners for the Youth (Face to Face session) Mongolia		10–14 June 2024	2
62	Training Course on Building Community-driven Farm Schools (Face to Face session) Indonesia		10–14 June 2024	1
63	Training Course on Big Data Analytics and Data Visualization for Productivity (Online session) Turkiye		10–14 June 202	1
64	Workshop on Innovations in Public Service Delivery (Online session) Republic of Korea		11–13 June 2024	1

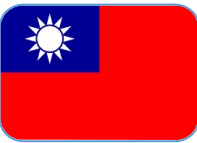

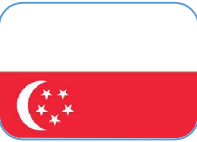

65	Training Course on Gamification and Game Design for Customers and Employee Engagement (Online session) Taiwan		18–21 June 2024	4
66	Training Course on Building Reliable Supply Chains (Face to Face session) Sri Lanka		24-28 June 2024	2
67	Workshop on the Business Model Canvas for Startups and Entrepreneurs (Face to Face session) Singapore		25–28 June 2024	1
68	Workshop on Digital Communications Strategy for the Public Sector Taiwan		26–28 June 2024	1
Total Participants from Pakistan				173

Table 5.2 International Programs

** 01 multi-country program in India was not attended by Pakistan.*

5.2 Multi-Country Training Program Hosted by Pakistan:

- **APO Multi-Country Training Course for Assessors of the Productivity Specialists, 04–08 September 2023, Pakistan (face to face session), Islamabad, Pakistan**

In collaboration with the Asian Productivity Organization (APO), NPO organized the Multi-country Training Course for Assessors of the Productivity Specialists from September 04-08, 2023 at Islamabad, Pakistan.

This face-to-face multi-country session aimed to Develop qualified, competent assessors in National Productivity Organizations (NPOs) that serve as APO-accredited certification bodies (CBs); familiarize participants with APO-PS 101:2019: Requirements for Productivity Specialists; and explain the methods, criteria, and competencies required to conduct assessment for the certification of productivity specialists.

Participating Countries

- Bangladesh
- Cambodia
- Indonesia
- Malaysia
- Mongolia
- Pakistan
- Republic of Korea
- Sri Lanka
- Vietnam

The program had 17 participants from 08 APO member countries and 05 participants from various cities in Pakistan.

Outcome:

Competent assessors for APO-PS 101 were equipped with skills, knowledge, and ability while maintaining the highest standards in conducting assessments; CBs' capability is developed; and networks among assessors in member economies are strengthened.

Following resource persons were engaged in this training;

International Resource Persons

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

Ms. Gerel Bat-Ochir
Management Systems Consultant and Lead Auditor
Mongolia

Mr. Riwayat Bin Mansor
Managing Director
Andal Consult PLT Sungai Buloh
Malaysia

National Resource Persons

Mr. Wajih Ahmed Abbasi
Head of Certification Body
Productivity Certification Body of Pakistan (PCBP)



Group Photo

- **APO Multi-Country Workshop on Improving Agricultural Productivity through Mechanization, 06-09 November 2023, Pakistan (face to face session), Lahore**

In collaboration with the Asian Productivity Organization (APO), NPO organized the Multi-country Workshop on Improving Agricultural Productivity through Mechanization from November, 06-09 2023 at Lahore, Pakistan.

This face-to-face multi-country session aimed to understand the latest technologies and measures for mechanization in agriculture; learn about policies and frameworks to support mechanization on small farms; discuss issues, opportunities, and challenges; share good practices; and make recommendations for possible mechanization options on small farms in APO members.

Participating Countries

- Bangladesh
- Cambodia
- Fiji
- Mongolia
- Nepal
- Pakistan
- Philippines
- Turkiye
- Vietnam

The program had 18 participants from 08 APO member countries and 06 participants from various cities in Pakistan.

Outcome:

This workshop enhanced knowledge and understanding of the effectiveness of agricultural mechanization, appropriate machinery for agriculture and supporting policies based on local farming conditions, and cost-benefit analysis of machinery use in APO members.

Following resource persons were engaged in this training;

International Resource Persons

Mr. Takashi Fujimori

Executive Director,
Japan Agricultural Mechanization Association
(JAMECA)
Japan

Dr. Isara Chaopisit

Academic Professor,
International Academy of Aviation Industry
King Mongkut's Institute of Technology
Ladkrabang
Thailand

Mr. Riwayat Bin Mansor

Managing Director
Andal Consult PLT Sungai Buloh
Malaysia

National Resource Persons

Mr. Mahmood Riaz

Agricultural Engineer
Punjab Agriculture Department Agricultural
Mechanization Research Institute, Multan



Group Photo

- **APO Multi-Country Workshop on Value Addition of Gemstone Products for Compliance with International Standards, 22–25 April 2024, Pakistan (face to face session), Islamabad**

In collaboration with the Asian Productivity Organization (APO), NPO organized the Multi-country Workshop on Value Addition of Gemstone Products for Compliance with International Standards from April 22–25, 2024 at Islamabad, Pakistan.

Participating Countries

- Cambodia
- Indonesia
- Malaysia
- Mongolia
- Nepal
- Pakistan
- Sri Lanka
- Vietnam

This face-to-face multi-country session aimed to Review international standards on gemstone products; provide comprehensive knowledge of cutting, polishing, designing, and heating techniques; and enhance understanding of best practices and technological advances in gemstone value chains including mining, manufacturing, and trading.

The program had 17 participants from 07 APO member countries and 11 participants from various cities in Pakistan.

Outcome:

This workshop enhanced understanding of the gemstone industry, participants were be able to disseminate the knowledge and contribute to policy recommendations tailored to their national contexts.

Following resource persons were engaged in this training;

International Resource Persons

Dr. Surin Intayot
Independent Researcher
Chiang Mai Lapidary House
Thailand

Mr. Bhuwadol Wanthanachaisaeng
Academic Professor,
Chief, Research and Standard Development
Gem and Jewelry Institute of Thailand
Thailand

Mr. Riwayat Bin Mansor
Managing Director
Andal Consult PLT Sungai Buloh
Malaysia

National Resource Persons

Mr. Muhammad Shoab
Principal
Gems and Jewelry Training and
Manufacturing Center (GJTMC), Lahore



Group Photo

- **APO Multi-Country Workshop on Technological Capacity Enhancement of Businesses, 29–31 January 2024, Pakistan (Online session).**

In collaboration with the Asian Productivity Organization (APO), NPO organized the Multi-country Workshop on Technological Capacity Enhancement of Businesses from January 29-31, 2024 at Islamabad, Pakistan.

Participating Countries

- Islamic Republic of Iran
- Bangladesh
- Cambodia
- Mongolia
- India
- Philippines
- Republic of China
- Pakistan
- Thailand
- Sri Lanka
- Turkiye
- Vietnam

This face-to-face multi-country session aimed to provide references for digital transformation strategies to strengthen the resilience and productivity of businesses as well as Examine trends influencing businesses in the context of digital transformation, with implications for SMEs and manufacturers; identify key competencies and technological capabilities required for productivity enhancement; and share good practices of capacity building for innovation and productivity improvement in businesses.

The program had 28 participants from 11 APO member countries and 09 participants from various cities in Pakistan.

Outcome:

This workshop enhanced understanding of the industry, participants were be able to target areas of digital upgrading in businesses, give references for competence development in businesses, and practical steps for digital upgrading. Ultimately learned to disseminate the knowledge and contribute to policy recommendations tailored to their national contexts.

Following resource persons were engaged in this training;

International Resource Persons

- Dr. William Lee Gan Kai**
Research Director
Cloud Services, International Data Corporation Asia/Pacific Pte. Ltd.
Singapore.
- Mr. Jackie Tan Ho Wei**
Digital Transformation Leader
Digital Consulting, Kalypso
Singapore.
- Ms. Irene Boey Lin Fong**
Consulting Director
Integral Solutions (Asia) Pte. Ltd.
Singapore.

National Resource Persons

- Ms. Sophia Hasnain**
Chief Executive Officer
Linked Things (Pvt.) Ltd. Karachi, Pakistan.
- Mr. Amaan Naseer Khan**
Founding Partner
Advocate Marketers. Lahore, Pakistan.



Group Photo

Research Projects Executed by Pakistan National Experts, funded by APO, Japan

Research on Public-sector Performance Management in the APO Members:

The main objective of this research project was to review performance management systems in public-sector organizations. - Assess existing performance management systems in public-sector organizations in APO members in the post-COVID-19 era. Undertake comparative analyses of performance management systems in public-sector organizations. Recommend ways to improve performance management systems in public-sector organizations in APO members.

Dr. Fiaz Hussain, Associate Professor Public Administration Department, Fatima Jinnah Women University, Rawalpindi was selected as National Expert from Pakistan for this research program.

Research on Emerging Trends in APO Members:

The main objective of this research project was to identify emerging trends in digital transformation in industry, agriculture, the public sector, and services in APO members; examine country specific levels of adoption of emerging trends in technologies and innovation across different sectors; and derive evidence-based policy implications related to those trends for increasing productivity in APO members.

Dr. Abdul Zahid Khan, Chairman Department of Technology and Project Management, International Islamic University Islamabad was selected as National Expert from Pakistan for this research program.

Research on Agile Working Styles for Productivity:

The main objective of this research project was to explore approaches to create agile workplaces across sectors; determine factors for successful agile implementation, investigate challenges, and suggest strategies to overcome them; and provide recommendations for introducing agile practices and addressing key issues faced by employers/employees during adoption.

Dr. Muhammad Faisal Shahzad, Assistant Professor Industrial & Manufacturing Engineering, University of Engineering and Technology, Lahore. was selected as National Expert from Pakistan for this research program.

Research on Assessing Needs of APO Members:

The main objective of this research project was to Identify and assess the needs for productivity enhancement of identified sectors in selected APO members by analyzing challenges and opportunities faced during and after the pandemic; examine linkages among business resilience, productivity, and innovation at enterprise level; and make recommendations to address the identified needs for strengthening the resiliency and competitiveness of SMEs.

Mr. Muhammad Alamgir Ch., Chief Executive Officer, National Productivity Organization was selected as National Expert from Pakistan for this research program.

Research on Need and Readiness Assessment Survey for Implementing Climate-change Mitigation and Adaptation Technologies in Agriculture:

The main objective of this research project was to review the priority needs of member countries for developing and strengthening technical knowledge and skills related to climate-smart agriculture (CSA) technologies to reduce greenhouse gas (GHG) emissions and improve food security in the region.

Dr. Ghani Akbar, Principal, Scientific Officer, Climate, Energy and Water Research Institute, National Agricultural Research Centre, Pakistan Agricultural Research Council was selected as National Expert from Pakistan for this research program.

Research on New Dynamics of Global Supply Chains and Implications for Productivity:

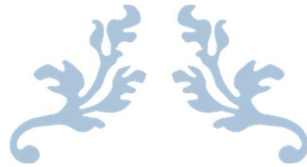
The main objective of this research project was to analyze the new dynamics of global supply chains (GSCs) post- COVID-19; estimate the impact of the trend of supply chain diversification and relocation on productivity performance; determine the level of human resources readiness to respond to the new GSC dynamics; and draw productivity policy implications.

Dr. Qalander Hayat, Assistant Professor, Department of Management Sciences, National University of Modern Languages, Islamabad was selected as National Expert from Pakistan for this research program.

Research on Premature Deindustrialization and Productivity Performance:

The main objective of this research project was to Study the risk of premature deindustrialization among APO member economies; estimate the impact of deindustrialization on long-term productivity performance; and generate implications for industry and productivity policies.

Dr. Ijaz Yusuf, Chairman Dept. of Operations and Supply Chain, University of Management and Technology, Lahore was selected as National Expert from Pakistan for this research program.



NATIONAL TRAININGS/PROGRAMS



NATIONAL PRODUCTIVITY ORGANIZATION

6. NATIONAL TRAININGS/PROGRAMS

In today's rapidly evolving technological landscape and shifting workplace dynamics, it is essential for both employers and employees to stay aligned with new developments in knowledge, skills, values, and competencies.

Training plays a pivotal role in equipping individuals with the tools they need to enhance performance and drive better outcomes in the workplace.

NPO offers a broad selection of specialized training programs, incorporating international best practices and custom-designed courses. These programs are crafted to meet emerging trends and societal challenges, with a particular emphasis on rural development and the inclusion of people with disabilities.

Training Areas

- Lean Management to Improve Productivity
- ISO 14001:2015, ISO 45001:2018
- Quality Assurance and Management
- Total Productive Maintenance
- Productivity Improvement in Service and Manufacturing Organization
- Six Sigma
- Skills Corporate Training (CT)
- In-house Training Activities (ITA)
- Green Productivity
- Agricultural Productivity
- Development of Productivity Practitioner

A summary of national trainings (2023-24) is as follows:

Sr. #	Description	No. of Programs	No. of Participants
1.	Productivity and Quality Management	30	651
2.	Operations Management	28	682
3.	Personal Productivity Skills	47	915
Total		105	2248

*Trainings were attended from 39 major cities of Pakistan including Islamabad, Lahore, Karachi, Faisalabad, Abbottabad, Rawalpindi, Laki Marwat, Taxila, Peshawar, Rahim Yar Khan, Hyderabad, Swat, Nausharo Feroze, Rawalpindi, D.G Khan, Multan, Kasur, Sukkur, Sadiqabad, Bahwalpur, Hyderabad Okara, Sheikhpura, Sahiwal, Kotli, Quetta, Sargodha, Attock, Kohat, Muzaffargarh, Mianwali, Umerkot, Ghotki, Moro, Hub, Haripur.

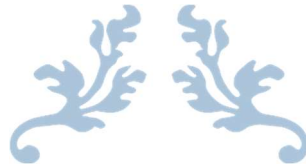
The following training program were conducted in the year 2023-24

S #	Course Title	Participants
1	Understanding Taxation & Financial Management in Pakistan	55
2	Problem Solving Skill, Convert into Opportunities	64
3	Steer Your Success Vehicle	33
4	Becoming an EnMS (ISO 50001:2015) Lead Auditor	38
5	Attitude a Window of Personality	26
6	Crisis Management	16
7	Data Analytics for Industry, Academics and Government Institutions	36
8	Peace, Justice & Strong Institution	17
9	Professional Practices	23
10	Search Engine Optimization (Seo)Fundamentals	29
11	Emergency Preparedness and Response (EPR)	38
12	Workplace Harassment on Organization	20
13	Building A Resilient Cyber Security Framework: Best Practices for Industry	12
14	Tax and Regulatory Compliance	13
15	Change Management through Organizational Culture	21
16	Occupational Safety and Health	50
17	Productivity Specialist	26
18	Cognitive, Social & Emotional Development	17
19	Risk and Mitigation Plan	35
20	Business Analytics and Management	22
21	Rehabilitation Agriculture & Promoting Food Security in Pakistan	10
22	Opening Doors through Emotional Intelligence	12
23	ENMS	28
24	One-Minute Management: Efficient Leadership in a Flash	22
25	Digital Marketing Tools and Techniques	18
26	Advance Excel	9
27	Mastering Talent Acquisition: Strategies for Success	16
28	Distance Learning Batch-16	17
29	ISO 9001:2015 QMS	80
30	Roles of SDGs in Sustainable Industrial Practices	13

31	Think Strategically and Make Your Ideas a Reality	15
32	Think Strategically and Make Your Ideas a Reality Advance Level	16
33	Manage Workplace Stress & Strike A balance	17
34	Manage Work Place Stress & Strike A Balance” On 24th August, 2023	15
35	Integrated Management System 1	43
36	Fire hazard Issue & Practice	15
37	Fire Hazzard Issue & Practices Advance Level	15
38	Integrated Management System 2	28
39	Integrated Management System 3	21
40	Securing the Internet of Things (IoT) Best Practices for Industry	16
41	Creativity approach to problem Solving September 25, 2023	23
42	AI (artificial intelligence) Transformation for Industry	26
43	Accident Prevention & control at the workplace	23
44	Boost Business Efficiency through Waste Control & Recycling	13
45	World Class HR 21st Century Talent Management	15
46	Certificate in Manufacturing	15
47	Implementation ISOIEC 17025 2017 Annual Surveillance Audit	20
48	Mastering Leadership: A Journey to Excellence	15
49	Certificate in Productivity and Quality Practitioner	12
50	Implementation ISO21500 Project Management	11
51	How to manage the toxic relationship at work-place	11
52	Certificate in portfolio management professional	10
53	5S Japanese System of Good House Keeping & Its Implementation	19
54	Advanced Excel	28
55	Conflict Management & Negotiation Skills	26
56	Improve The Productivity & Quality Through Statistical Tools & Techniques	42
57	Internal Quality Auditing	18
58	Occupational Health & Safety Management System, OH&SMS ISO 45001:2018	9
59	Introduction To Power Bi Desktop	8
60	How 1 st Line Manager Grow as Effective Leader	7
61	Quality Management System - QMS ISO 9001:2015	9
62	Dealing With Difficult People at Workplace	17

63	Root Cause Analysis	20
64	Productivity & Quality Tools and Techniques	16
65	Environmental Management System	7
66	Advanced Excel	12
67	Integrated Management System	11
68	Internal Quality Auditing	17
69	Cost of Quality	8
70	International ACCORD for Health & Safety in Textile and Garment Industry	7
71	Industrial Safety & Emergency Preparedness	13
72	5S Japanese System of Good House Keeping & Its Implementation	7
73	Conflict Management & Negotiation Skills	7
74	"SELF LEADERSHIP" Lead Yourself First	23
75	"ETHICAL CONDUCT & PROFESSIONALISM"	15
76	Mastering in Interpersonal Communication	14
77	Cost Reduction Methodologies	17
78	Data Analytics and Business Intelligence	34
79	Scientific Management Techniques	13
80	Practical Project Management	16
81	Practical Project Management	16
82	Risk Planning & Mitigation	59
83	Productivity Improvement in Services & Manufacturing Organizations	27
84	Warehousing Function & Its Management	22
85	Solar Energy for Electricity Generation	34
86	Conducted Online training sessions on Strategic Procurement & Sourcing	55
87	Conducted Online training Session on Occupational health and safety	61
88	Leading with Integrity: Corporate Governance and Social Responsibility	25
89	One-Minute Management Efficient Leadership in a Flash	60
90	Entrepreneurship as career choice and initiating business startup	16
91	Total Productive Maintenance	15
92	Adopting to AI driven world (AI)	15
93	5S	13
94	5S and its implementation	14

95	Good Manufacturing Processes	9
96	Entrepreneurship as career choice and initiating business startup	15
97	ISO 2015 2009	13
98	Professional Environment and Work Ethics to Enhance Productivity	13
99	Effective Communication Skills Through Artificial Intelligence	14
100	Anger Management	13
101	Project Planning, Process & Quality Initiatives	16
102	Critical thinking and problem solving	17
103	Industrial automation	19
104	Time Management for productive Accomplishment	18
105	Circular economy techniques for cost effective sustainable industrial Production	18
	Total	2248



MEDIA OUTREACH



7. MEDIA OUTREACH

NPO made all endeavors to reach out to the public and stakeholders through media for raising awareness on issues of productivity and quality as well as disseminating information on its activities, engage with the community, and garner support from the stakeholder. Following are highlights of major NPO's initiatives taken during the fiscal year 2023-24.



NPO launches programme for development of gemstone sector

CONSTANT REPORTER ISLAMABAD

The objective is to promote international standards in gemstone products, provide comprehensive knowledge of cutting, polishing, designing and trading techniques, and enhance understanding of best practices and technological advances in gemstone value chains, suggest relevant associations such as NGTA, WGA and FNGA, industry experts, business professionals involved in the sector's value chain, and experts to train local stakeholders and promote thereby leading to overall productivity and employment in the sector.

The Asian Productivity Organization (APO) reports here on Tuesday that its Programme Office, accompanied by senior international resource persons from Gems and Jewelry Institute, Thailand, has held a series of seminars, workshops, and training sessions in Peshawar, Gilgit, Islamabad, Karachi, and Lahore aimed to enhance stakeholder capacity and foster economic growth through knowledge sharing and skill development. The experts shared knowledge and transfer skills and practices for enhancing the capacity of the stakeholders, making way for broader involvement in and propelling forward in the gemstone sector.

Agricultural productivity International workshop concludes

RECORDED REPORT

LAHORE: Four days international workshop on improving agricultural productivity through mechanization concluded here on Thursday. The international workshop was arranged by the National Productivity Organization (NPO) in collaboration with the Asian Productivity Organization (APO), Japan, International participants from APO member countries including Turkey, Mongolia, Fiji, Philippines, Vietnam, Cambodia, Nepal and Bangladesh and along with local participants attended the workshop while resource speakers were Takashi Fujimori from Japan, Isara Chaopit from KASETSART University, Thailand, and Mahmood Riaz, Director Design and Development at Agricultural Mechanization Research Institute Multan, Pakistan.

APO workshop concludes

By our correspondent

LAHORE: The four-day international workshop aimed at promoting understanding of the latest technologies and frameworks for mechanisation in agriculture, policies and measures to support mechanization on small farms, and improving agricultural productivity concluded on Thursday.

The workshop was arranged by the National Productivity Organization (NPO) in collaboration with the Asian Productivity Organization (APO), Japan, a statement said.

Resource speakers Takashi Fujimori from Japan, Isara Chaopit from KASETSART University, Thailand, and Mahmood Riaz, Director Design and Development at Agricultural Mechanization Research Institute Multan, Pakistan.

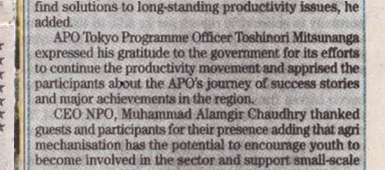
Guest of honour, Ahmed Sohal, Director General Agriculture (field), government of Punjab said they are working on taxes and duties to facilitate the agricultural sector and farmers as the economy cannot grow in the presence of such issues.

Lahore Chamber of Commerce and Industry (LCCI) President Kashif Anwar lauded the role of APO in the development of Asia-Pacific region, and added it was time to revitalise our commitment to achieve its vision of inclusive and innovation-led productivity growth in the region.

Working in tandem with APO, Pakistan will be able to find solutions to long-standing productivity issues, he added.

APO Tokyo Programme Officer Toshinori Mitsuanga expressed his gratitude to the government for its efforts to continue the productivity movement and apprised the participants about the APO's journey of success stories and major achievements in the region.

CEO NPO, Muhammad Alamgir Chaudhry thanked guests and participants for their presence adding that agri mechanisation has the potential to encourage youth to become involved in the sector and support small-scale growers.



APO's role in driving inclusive, innovation-led productivity growth eulogized

ISLAMABAD (APP) Senior Vice President, Islamabad Chamber of Commerce and Industry (LCCI) had welcomed here on Friday the Asian Productivity Organization (APO) in its Asia-Pacific development while praising the need to foster economic growth through knowledge sharing and skill development.

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NPO, FCCI meets to tackle issues

ISLAMABAD (APP) The President Faisalabad Chamber of Commerce and Industry (FCCI), Dr. Khuram Tariq on Thursday held a meeting with Chief Executive Officer (CEO) of National Productivity Organization (NPO) Muhammad Alamgir Chaudhry to address Pakistan's economic challenges and explore effective solutions for economic rejuvenation.

NPO launches program for development of gemstone sector

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NPO's multi-country delegations visits Millat Tractors Ltd Factory

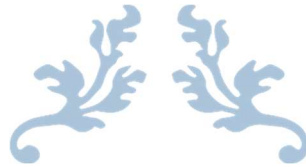
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PICTURE GALLERY



8. PICTURE GALLERY



Participation of DG PNAC as member APO Accreditation Body (APO-AB), 5-6 Mar 2024, Hanoi Vietnam



APO Regional award 2024 conferment, 66th GBM, 26-30 May 2024, Kuala Lumpur, Malaysia



Group Photo at occasion of APO Vision 2025 event



CEO Visit to M/s Sigma Distributor, Lahore



APO Multicounty program hosted by Pakistan, Islamabad



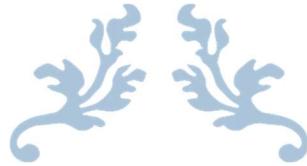
Group Photo at occasion of APO Multicounty program hosted by Pakistan, Lahore



Event at Karachi Chamber of Commerce and Industry, Karachi



Group Photo at occasion of APO Multicounty program hosted by Pakistan, Islamabad



FINANCIAL REPORT



NATIONAL PRODUCTIVITY ORGANIZATION

9. FINANCIAL REPORT

Directors Report on the Financial Status

For the Year Ended June 30, 2024

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, 2024.

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. 33.287 million (on 30 June 2024) as compared to net surplus of Rs. 19.431 million for the financial year ended 30 June 2023. The key financial figures are tabulated as follows:

	2024 (Rupees)	2023 (Rupees)
INCOME		
Grant	96,000,000	82,604,050
Income from training and consultancy	46,867,144	64,579,211
Amortization of deferred grant	1,190,573	1,466,743
Other income	10,296,637	5,227,476
	154,354,354	153,877,480
EXPENDITURE		
Direct Expenses		
Operating expenses	76,858,521	33,332,719
Training and consultancy expenses	9,507,028	66,300,835
Seminar expenses	10,961,717	11,197,238
General and Admin expenses	23,739,207	23,744,930
	121,066,473	134,575,722
(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TAX	33,287,881	19,301,758
Taxation Net.		130,034
(DEFICIT) / SURPLUS FOR THE YEAR AFTER	33,287,881	19,431,793

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

i. **International Trainings / Programs:**
International Trainings/Workshops/Meetings:

Description	2023-24	
	Programs	Participants
International Courses in Multiple Countries	68	173
International Courses Hosted by Pakistan <i>(Programs had participation from 13 APO member countries)</i>	04	121
Technical Expert Services (TES)	04	782
Individual-country Observational Study Missions (IOSM)	01	11
Bilateral Cooperation Between NPOs (BCBN)	01	04
Research Projects	07	07
<ul style="list-style-type: none"> • Research on Public-sector Performance Management in the APO Members • Research on Emerging Trends in APO Members • Research on Agile Working Styles for Productivity • Research on Assessing Needs of APO Members • Need and Readiness Assessment Survey for Implementing Climate-change Mitigation and Adaptation Technologies in Agriculture • Research on New Dynamics of Global Supply Chains and Implications for Productivity • Research on Premature Deindustrialization and Productivity Performance 		
APO Productivity Databook and Database 2023	01	01
Total	86	1099

ii. **National Trainings**

Sr. #	Description	No. of Programs	No. of Participants
1.	Productivity and Quality Management	30	651
2.	Operations Management	28	682
3.	Personal Productivity Skills	47	915
Total		105	2248

NPO's Initiatives:

The NPO has established clear organizational goals to guide employees' efforts, streamline the company's activities, and set defined performance standards. The NPO Board of Directors has been instrumental in providing governance and strategic oversight, ensuring the successful formulation of targets

Development of National Productivity Master Plan

National productivity Master Plan (NPMP) is among the flagship initiative of MoI&P and Planning Commission has included NPMP as key innovative project under Export, Enterprises and Employment chapter of 5E framework and also economic outlook 2035.

Productivity Certification Body of Pakistan (PCBP)

PCBP successfully conducted Nationwide awareness campaign and sensitizing more than 4,000 officials. 1st certification cycle milestones achieved from January 2024 to April 2024.

Bilateral Cooperation (BCN) Between NPOs of Pakistan and Malaysia

Under APO's Bilateral Cooperation between NPOs (BCN) program, delegates from Pakistan visited Malaysia Productivity Corporation (MPC) on "Productivity measurement system to offer Productivity based incentives from August 12-15, 2024 at Kuala Lumpur, Malaysia.

Individual Country Observational Study Missions (IOSM) Vietnam 24-28 June, 2024

This mission aims to explore sustainability best practices within Vietnam's textile and apparel sector, fostering knowledge exchange and collaboration among key stakeholders. Participants include representatives from NPO Pakistan, WWF-Pakistan, prominent textile industries like Samad Apparel and Crescent Textile, the Ministry of Industries, Commerce & Technical Education Department, academia (Government College University, Lahore), and the Sindh Environmental Protection Agency.

Implementation APO Vision 2025

The APO Vision 2025 outreach program, with a primary focus on "Innovations for Higher Quality," has been successfully conducted across a diverse range of organizations. The purpose of this program is to highlight APO services and explore potential areas that will shape the future of key economic sectors through innovative practices.

Development and Implementation of NPO Annual Plan 2023-24

To drive the organization towards its goals, an annual plan was crafted with clear, measurable targets, objectives, and KPIs at the individual, departmental, and organizational levels. This plan served as a strategic roadmap, ensuring that each employee's efforts aligned with the overarching objectives of the NPO.

Development of Demonstration Companies on Workplace Environment Management through Lean Manufacturing

NPO Pakistan has actively supported the industry through various initiatives assisted by the APO Tokyo. Among these, we have developed model organizations that exemplify best practices in productivity, leveraging the expertise of technical specialists and committed NPOs.

Technical Expert Services

NPO Pakistan implemented 04 APO approved proposals under the Technical Expert Services (TES) scheme for Pakistan for 2023-24 for the industry.

NEW STRATEGIC INITIATIVES 2023-24

Green Productivity Assessments (GPA)

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 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. NPO conducted 20 Green Productivity Assessments (GPA) - 20 shop floor trainings conducted

Financial Progress 2023-24

Effective financial management plays a critical role in ensuring the survival and growth of businesses. NPO has dedicated significant efforts to enhance its internal capabilities and improve the support and services it offers to the industry and related stakeholders. These endeavors have not only revitalized NPO's operations but also elevated its standing within Pakistan and the Asia-Pacific region through its association with the APO platform. These improvements have also had a positive impact on NPO's revenue, enabling it to secure significant projects.

APO Regional Award 2024

APO Regional award 2024 was conferred to Dr Ahsan Iqbal Federal Minister for Planning Development & Special Initiatives by APO Secretary General during the APO Governing Body Meeting (GBM) held in Malaysia from 28-30 May 2024 in recognition of his outstanding contributions to the centrality of productivity in socioeconomic development through policymaking, strategic thinking, leadership, and management.

APO National Award 2023

The APO National Awards for 2023 is successfully concluded. The applicants were assessed by Award Selection Panel on the bases of the guidelines provided in APO National Award Framework and following nominees were declared winners under each category of APO National Award 2023.

- i. Dr. Khalid Hameed, Chairman, Tara Group, Productivity Technical Expert Category
- ii. Dr. Ali Sajid, Professor / Director LSM, Productivity Advocates Category

APO INTERNATIONAL PROGRAMS

NPO offers a comprehensive range of programs through the APO platform. These programs encompass training sessions and workshops, technical expert services, research initiatives, conferences, observational study missions, and the establishment of demonstration companies. The initiatives address several key areas, including industry development, innovation, green productivity, agricultural development, service sector enhancement, and public sector advancement. Below is a summarized table outlining the international training programs and initiatives for the year 2023-2024

Multi-Country Training Program hosted by Pakistan

- APO Multi-Country Training Course for Assessors of the Productivity Specialists, 04–08 September 2023, Pakistan, Islamabad, Pakistan
- APO Multi-Country Workshop on Improving Agricultural Productivity through Mechanization, 06-09 November 2023, Pakistan, Lahore

- APO Multi-Country Workshop on Value Addition of Gemstone Products for Compliance with International Standards, 22–25 April 2024, Pakistan, Islamabad
- APO Multi-Country Workshop on Technological Capacity Enhancement of Businesses, 29–31 January 2024, Pakistan (Online session).

Research Projects Executed by Pakistan National Experts, funded by APO, Japan. Pakistan contributed in 7 research programs of APO in 2023-24.

NATIONAL TRAININGS/PROGRAMS

In today’s rapidly evolving technological landscape and shifting workplace dynamics, it is essential for both employers and employees to stay aligned with new developments in knowledge, skills, values, and competencies. Training plays a pivotal role in equipping individuals with the tools they need to enhance performance and drive better outcomes in the workplace. NPO offers a broad selection of specialized training programs, incorporating international best practices and custom-designed courses. These programs are crafted to meet emerging trends and societal challenges, with a particular emphasis on rural development and the inclusion of people with disabilities.

Corporate Compliance

NPO Pakistan has achieved its targets and even performed beyond the targets in some areas. The company has to complete all the codal formalities in order to ensure its compliance with Securities and Exchange Commission of Pakistan (SECP) rules and Procedures. In 2023-24, with the support of Ministry of Industries and Production, National Productivity Organization succeeded to receive an unqualified report from the auditors with zero non-compliance with SECP.

b. Systems and Human Resource Development

NPO actively worked on improving its internal systems & documentations and human resource capacity building. Following activities took place in 2023-24:

- 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.
- Team work is promoted and Monthly meetings are organized.

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 2024. Being eligible, they have offered themselves for re-appointment.

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.

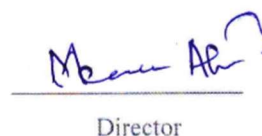
The Company has successfully complied by holding five meetings during the year.

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:


Chief Executive Office


Director

Dated: 28/10/2024

Board of Directors

The composition of Board of Directors is as under:

- | | |
|---|-----------------------|
| 1. Mr. Muhammad Asad Islam Mahni
Additional Secretary-I, MoI&P | Director (Ex-Officio) |
| 2. Mr. Munir Ahmed
Sr. Joint Secretary–Exp (MoI&P), Finance Division | Director (Ex-Officio) |
| 3. Dr. Ghulam Muhammad Ali
Chairman, PARC | Director (Ex-Officio) |
| 4. Mr. Muhammad Alamgir Chaudhry
Chief Executive Officer, NPO | Executive Director |
| Mr. Waheed Ahmed | Company Secretary |

NPO Board of Directors Committees

Human Resource Committee

- | | | |
|----|---|----------|
| 1. | Mr. Muhammad Asad Islam Mahni, Additional Secretary-I MoI&P | Chairman |
| 2. | 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 |

Nomination Committee

- | | | |
|----|---|----------|
| 1. | Mr. Muhammad Asad Islam Mahni, Additional Secretary-I MoI&P | Chairman |
| 2. | Mr. Muhammad Alamgir Chaudhry, CEO, NPO | Member |

Procurement and Finance Committee

- | | | |
|----|---|----------|
| 1. | Dr. Ghulam Muhammad Ali, Chairman, PARC | Chairman |
| 2. | Mr. Muhammad Alamgir Chaudhry, CEO, | |



RSM Avas Hyder Liaquat Nauman
Chartered Accountants

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RSM/ISB/AUD/24-25/429

October 11, 2024

The Board of Directors
National Productivity Organization
Islamabad

Honorable Members of the Board:

Audit of financial statements of National Productivity Organization for the year ended June 30, 2024

We are pleased to enclose three copies of financial statements of National Productivity Organization for the period ended June 30, 2024 prepared by management together with our auditors' report thereon, duly initialed by us for the purpose of identification only.

May we apprise the Board of Directors that until the auditors have signed their report on the financial statements, such financial statements will remain and be deemed unaudited.

We would like to sign our audit report in present or amended form, based on the availability of following information/documents by you:

- a) The financial statements, with or without adjustments, approved by the board and signed by the chief executive officer and a director duly authorized in this behalf.
- b) Minutes of the meeting of the Board of Directors; in which the financial were approved.
- c) A representation letter signed by the Chief Executive Officer and the Director.
- d) Annual report of the Company for the year ended June 30, 2024.

Matters for specific attention

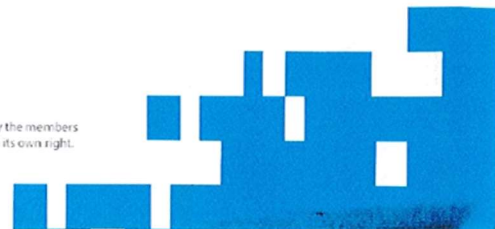
Confirmation of PSIC consultancy (Receivables) has not been received.

Responsibilities of the Auditors and the Board of Directors in relation to the financial statements

The responsibilities of the independent auditors in a usual examination of the financial statements are explained in Section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the Company's Board of Directors. The Board's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the Company. The audit of the financial statements does not relieve the Board of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities, which are not material in relation to the financial statements.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avas Hyder Liaquat Nauman is a related entity of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.





Further the inclusion, publication, or reproduction by the Company of our reports in documents containing information in addition to the financial statements and our report thereon may require us to perform additional procedures to fulfill our professional responsibilities. For this management shall provide us that additional information for our review.

We take the opportunity to express our appreciation of the courtesy and cooperation extended to us during the course of our audit by the staff and management of the company.

Rsm Avasi Hyder Liaquat Nauman
RSM AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants

Engagement partner: Syed Naveed Abbas





RSM Avas 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, 2024, 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, 2024 and of the surplus, the 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.

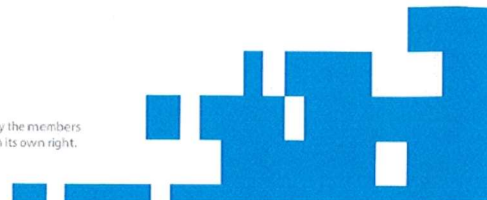
Information other than the Financial Statements and Auditor's Report thereon

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.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

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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 Material 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 Material audit findings, including any Material 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.



**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Islamabad

Date:

UDIN:



NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	5	12,536,911	13,908,502
CURRENT ASSETS			
Short term investment	6	-	18,000,000
Advances, deposits and prepayments	7	10,189,957	7,750,888
Trade and other receivables	8	22,573,816	6,438,565
Cash and bank balances	9	44,815,713	12,159,448
		<u>77,579,486</u>	<u>44,348,901</u>
TOTAL ASSETS		<u>90,116,397</u>	<u>58,257,403</u>
FUND AND LIABILITIES			
GENERAL FUND			
		58,762,996	25,471,595
NON-CURRENT LIABILITIES			
Deferred tax liability	10	-	-
Deferred capital grant	11	9,334,488	10,525,061
		<u>9,334,488</u>	<u>10,525,061</u>
CURRENT LIABILITIES			
Accrued and other liabilities	12	17,139,974	14,087,084
Deferred grant revenue	13	4,878,939	4,878,939
Provision for taxation	14	-	3,294,724
		<u>22,018,913</u>	<u>22,260,747</u>
TOTAL FUND AND LIABILITIES		<u>90,116,397</u>	<u>58,257,403</u>
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 30 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
INCOME			
Government grant	16	96,000,000	82,604,050
Grant from training and consultancy	17	46,867,144	64,579,211
Amortization of deferred grant	11	1,190,573	1,466,743
Other income	18	10,235,526	5,227,476
		154,293,243	153,877,480
EXPENDITURE			
Direct expenses			
Operating expenses	19	77,701,916	66,300,835
Training and consultancy expenses	21	9,507,028	33,332,719
Seminar/conferencer expenses	22	10,961,717	11,197,238
		98,170,661	110,830,792
General and administrative expenses	20	22,831,181	23,744,930
		121,001,842	134,575,722
Surplus before tax for the year		33,291,401	19,301,758
Taxation-net	23	-	130,035
Surplus after tax for the year		33,291,401	19,431,793

The annexed notes 1 to 30 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

**NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 (Rupees)	2023 (Rupees)
Surplus for the year	33,291,401	19,431,793
Other comprehensive income	-	-
Total comprehensive income for the year	33,291,401	19,431,793

The annexed notes 1 to 30 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

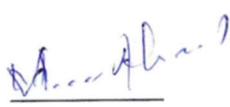
NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund (Unrestricted) (Rupees)
Balance as at July 01, 2022	6,039,802
Surplus for the year	19,431,793
Other comprehensive income	-
Total comprehensive income for the year	19,431,793
Balance at June 30, 2023	25,471,595
Surplus for the year	33,291,401
Other comprehensive income	-
Total comprehensive income for the year	33,291,401
Balance at June 30, 2024	58,762,996

The annexed notes 1 to 30 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

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 DIRECTOR

NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		33,291,401	19,301,758
Adjustment for non cash items:			
Depreciation	5	3,088,480	2,882,479
Gain on disposal of fixed asset	18	(1,924,611)	
Amortization of deferred grant	11	(1,190,573)	(1,466,743)
Operating profit before changes in working capital		33,264,697	20,717,494
Changes in working capital			
(Increase)/ decrease in current assets			
Advances, deposits and prepayments	7	(2,439,069)	(3,015,219)
Trade and other receivables	8	(16,135,251)	3,064,504
Increase/(decrease) in current liabilities			
Accrued and other liabilities	12	3,052,890	(2,181,211)
Payable to Government Treasury		-	(4,364,677)
Net cash (used in) operations		(15,521,430)	(6,496,603)
Taxes paid	14	(3,294,724)	-
Net cash generated from operating activities		14,448,543	14,220,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment made against acquisition of operating fixed assets	5	(1,877,278)	(3,668,785)
Proceeds from disposal of operating fixed assets		2,085,000	-
Investment in TDRs	6	18,000,000	(18,000,000)
Net cash generated from/ (used in) investing activities		18,207,722	(21,668,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred capital grant	11	-	2,175,031
Net cash generated from financing activities		-	2,175,031
Net increase/(decrease) in cash and cash equivalents		32,656,265	(5,272,863)
Cash and cash equivalents at beginning of the year		12,159,448	17,432,311
Cash and cash equivalents at end of the year		44,815,713	12,159,448

The annexed notes 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Ferozepur 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:

- i) International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- ii) 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
- iii) 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 Key judgements and 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 COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

2.3 Key judgements and 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

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Operating fixed assets

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 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.

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**NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

4.4 Trade and other receivables (continued...)

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 basis.

4.9 Taxation

The Company is entitled to a tax credit equivalent to 100% of the tax payable, as per the provisions of Section 100C of the Income Tax Ordinance, 2001. This credit is available due to the Company's status as a non-profit organization, subject to compliance with the regulatory requirements stipulated under the Ordinance.

Current tax

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 tax

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.

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**NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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.

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 COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5 OPERATING FIXED ASSETS

5.1 OPERATING FIXED ASSETS
(Government Grant)

	Motor vehicles	Furniture and fixture	Office equipment	Computer and ancillary equipment	Total
.....Rupees.....					
Cost					
Balance as at July 01, 2022	4,123,044	3,600,194	3,058,202	3,683,440	14,464,880
Disposal during the year	-	-	-	-	-
Additions during the year	-	-	-	-	-
Balance as at June 30, 2023	4,123,044	3,600,194	3,058,202	3,683,440	14,464,880
Additions during the year	-	-	-	-	-
Disposal during the year	(2,074,639)	-	-	-	(2,074,639)
Balance as at June 30, 2024	2,048,405	3,600,194	3,058,202	3,683,440	12,390,241
Accumulated depreciation					
Balance as at July 01, 2022	3,789,082	966,130	1,026,820	1,611,716	7,393,748
Charge for the year	66,792	263,406	406,276	621,517	1,357,991
Disposal during the year	-	-	-	-	-
Balance as at June 30, 2023	3,855,874	1,229,536	1,433,096	2,233,233	8,751,739
Charge for the year	35,612	235,777	325,022	435,062	1,031,472
Disposal during the year	(1,914,249)	-	-	-	(1,914,249)
Balance as at June 30, 2024	1,977,237	1,465,313	1,758,118	2,668,295	7,868,962
Carrying amount					
- June 30, 2024	71,168	2,134,881	1,300,084	1,015,145	4,521,279
- June 30, 2023	267,170	2,370,658	1,625,106	1,450,207	5,713,141
Rate of depreciation	20%	10%	20%	30%	

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NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5 OPERATING FIXED ASSETS					
5.2 OPERATING FIXED ASSETS (Non-Government Grant)	Motor vehicles	Furniture and fixture	Office equipment	Computer and ancillary equipment	Total
.....Rupees.....					
Cost					
Balance as at July 01, 2022	3,283,000	622,416	3,385,648	668,040	7,959,104
Additions during the year	-	-	2,936,934	731,851	3,668,785
Balance as at June 30, 2023	3,283,000	622,416	6,322,582	1,399,891	11,627,889
Additions during the year	-	-	67,680	1,809,598	1,877,278
Balance as at June 30, 2024	3,283,000	622,416	6,390,262	3,209,489	13,505,167
Accumulated depreciation					
Balance as at July 01, 2022	383,016	248,666	867,683	408,672	1,908,037
Charge for the year	579,996	37,378	701,233	205,884	1,524,491
Balance as at June 30, 2023	963,012	286,044	1,568,916	614,556	3,432,528
Charge for the year	463,997	32,348	963,141	597,520	2,057,007
Balance as at June 30, 2024	1,427,009	318,392	2,532,057	1,212,076	5,489,534
Carrying amount					
- June 30, 2024	1,855,991	304,024	3,858,205	1,997,413	8,015,632
- June 30, 2023	2,319,988	336,372	4,753,666	785,335	8,195,361
Rate of depreciation	20%	10%	20%	30%	
Total cost	5,331,405	4,222,610	9,440,464	6,892,929	25,895,408
Total accumulated depreciation	3,404,246	1,783,705	4,290,174	3,880,371	13,358,497
Total written down value	1,927,159	2,438,905	5,158,289	3,012,558	12,536,911
5.3 Depreciation charged for the year has been allocated as follows:	Basis of allocation	2024 (Rupees)	2023 (Rupees)		
Operating expenses	70%	2,161,935	2,017,737		
General and administrative expenses	30%	926,544	864,745		
		3,088,479	2,882,482		

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NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
6 SHORT TERM INVESTMENT			
Investment in TDRs	6.1	-	18,000,000
6.1	This represent investment in Term Deposit Receipts (TDRs) of National Bank of Pakistan carrying interest rates of 19.70% p.a. (2023: 19.70%).		
7 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advance against expenses		2,677,005	723,405
Security deposits		2,433,520	2,433,520
Advance tax	7.1	4,754,434	4,447,008
Prepayments		324,998	146,955
		10,189,957	7,750,888
7.1 ADVANCE TAX			
Opening balance		4,447,008	824,282
Tax deducted at source during the year		307,426	3,622,726
		4,754,434	4,447,008
8 TRADE AND OTHER RECEIVABLES			
PSIC consultancy		20,711,600	-
Receivable against training courses fee - considered good		84,100	459,000
Receivable against energy audits - considered good		62,500	132,500
Interest on PLS accounts		729,049	814,512
APO vision 2025 and conference		-	3,982,923
APO seminar income		946,356	959,630
Other receivables		40,211	90,000
		22,573,816	6,438,565
9 CASH AND BANK BALANCES			
Cash in hand		225,000	165,000
Cash at banks:			
-Current accounts		55,265	178
-Saving accounts		44,535,448	11,994,270
		44,590,713	11,994,448
		44,815,713	12,159,448
9.1 Rate of return on saving accounts			
	The saving accounts earn interest on bank deposit at floating rate ranging from 6.75% to 20.05% (2023: 10 % to 21.5 %).		
10 DEFERRED TAX LIABILITY			
Opening balance		-	122,291
Deferred tax liability decreased during the year		-	(122,291)
		-	-
It represents the following:			
Accelerated tax depreciation		-	-
Decrease in tax liability due to exemption		-	122,291
		-	122,291
11 DEFERRED CAPITAL GRANT			
Opening balance		10,525,061	9,816,773
Deferred capital grant during the year		-	2,175,031
Amortization of items of deferred capital grant		(1,190,573)	(1,466,743)
Closing balance		9,334,488	10,525,061

Rm

NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
12 ACCRUED AND OTHER LIABILITIES			
Accrued expenses		4,820,417	2,388,082
Office rent payables		2,347,515	1,594,942
Other payables		2,192,736	3,632,566
Donors liabilities	12.1	7,779,306	6,471,494
		<u>17,139,974</u>	<u>14,087,084</u>
12.1 APO grant for energy audit tools		3,550,969	3,550,969
APO grant for certification body		1,407,129	-
APO grant for demo companies		1,422,500	-
APO grant for national quality award		1,398,500	-
APO SMEs support program		208	2,920,525
		<u>7,779,306</u>	<u>6,471,494</u>
13 DEFERRED GRANT REVENUE			
Advance from Irrigation Department Punjab		<u>4,878,939</u>	<u>4,878,939</u>
13.1 This represents amount received in advance from Irrigation Department Punjab against energy audit of tubewells.			
14 PROVISION FOR TAXATION - NET			
Opening balance		3,294,724	3,302,468
Provision for taxation		-	(7,744)
		<u>3,294,724</u>	<u>3,294,724</u>
Tax paid during the year		<u>(3,294,724)</u>	-
		<u>-</u>	<u>3,294,724</u>
15 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at year end (2023: Nil) except: - Recovery suit against Mr. Abdul Ghaffar Khattak (Ex CEO, NPO) and Muhammad Faisal Shahzad (Ex. Assistant Manager, NPO) for the illegal appointment of Assistant Manager.			
16 GOVERNMENT GRANT			
Grant received from Ministry of Industries and Production	16.1	<u>96,000,000</u>	<u>82,604,050</u>
16.1 This amount represents the grant provided by the Ministry of Industry and Production for the purpose of meeting operational expenses and employees salaries..			
17 GRANT FROM TRAINING AND CONSULTANCY			
PSIC productivity consultancy project		20,711,600	29,588,000
APO Conference and seminars		10,322,350	11,983,377
APO Vision 2025		6,920,375	4,665,423
WWF project		3,260,690	-
Income from training and training consultancy		2,442,444	2,207,049
Grant for SME Business support		1,922,817	6,641,314
Income from energy audit and energy consultancy		1,286,868	1,285,648
PSIC energy efficiency project		-	3,114,400
Demo companies project		-	5,094,000
		<u>46,867,144</u>	<u>64,579,211</u>

Rmm

NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
18 OTHER INCOME			
Profit on bank deposits		7,012,086	3,048,304
Gain on disposal of asset		1,924,611	-
Training processing fee		1,207,000	1,016,500
SNP service charges		-	882,764
Exchange loss		(61,111)	-
Miscellaneous income		152,940	279,908
		<u>10,235,526</u>	<u>5,227,476</u>
19 OPERATING COSTS			
Salaries and other benefits		63,379,983	55,027,309
Utilities expense		2,409,388	1,617,429
Vehicle running and maintenance expenses		1,875,324	1,271,469
Insurance expense		1,655,278	1,342,681
Printing and stationery expenses		1,589,299	158,525
Staff travelling and conveyance		1,099,741	757,460
Rent expense		999,806	1,052,271
Office expenses		974,536	698,490
Communication expenses		755,515	634,509
Repair and maintenance expense		510,805	227,730
Legal and professional expenses		46,825	75,000
Depreciation expense		2,161,935	2,017,737
Miscellaneous expense		243,480	1,420,224
		<u>77,701,916</u>	<u>66,300,835</u>
20 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits		17,536,152	17,082,743
Board meeting		957,756	2,208,725
Insurance expense		615,145	500,353
Utilities expense		553,115	663,158
Vehicle running and maintenance		430,850	416,323
Office expenses		302,320	289,072
Staff travelling and conveyance		287,675	203,964
Legal and professional expenses		250,000	295,000
Printing and stationery expenses		202,650	158,525
Communication expenses		155,155	136,396
Advertisement expenses		143,249	298,238
News paper and periodicals		59,990	29,900
Bank charges		580	2,425
Fee and subscription		-	19,825
Depreciation expense	5	926,544	864,745
Auditors' remuneration	18.1	410,000	410,000
Miscellaneous expense		-	165,539
		<u>22,831,181</u>	<u>23,744,930</u>
18.1 Auditor's remuneration			
Audit services			
Annual audit fee		300,000	300,000
Out of pocket expenses		60,000	60,000
		<u>360,000</u>	<u>360,000</u>
Non-audit services			
Review report on compliance with Code of Corporate Governance		50,000	50,000
		<u>410,000</u>	<u>410,000</u>

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NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
21 TRAINING AND CONSULTANCY EXPENSES			
APO vision 2025		5,427,597	2,985,537
Training course expenses		1,291,911	651,453
WWF consultancy project		1,115,000	-
Energy audit expenses		666,915	588,591
PSIC productivity consultancy project		456,282	19,333,546
Demo companies project		305,688	1,381,981
APO national award expenses		105,400	-
Other APO related expenses		71,735	-
APO consultancy		66,500	585,026
SME business support fund		-	6,641,314
PSIC energy efficiency project		-	1,165,271
		<u>9,507,028</u>	<u>33,332,719</u>
22 SEMINAR/CONFERENCE EXPENSES			
APO Seminar expenses		<u>10,961,717</u>	<u>11,197,238</u>
23 INCOME TAX EXPENSE			
Provision for taxation			
Current taxation:		-	(7,744)
Deferred taxation:		-	(122,291)
		-	<u>(130,035)</u>
Current tax :			
Current year	22.1	-	-
Prior year		-	(7,744)
		-	<u>(7,744)</u>

23.1 The Company is entitled to a tax credit equivalent to 100% of the tax payable, as per the provisions of Section 100C of the Income Tax Ordinance, 2001. This credit is available due to the Company's status as a non-profit organization, subject to compliance with the regulatory requirements stipulated under the Ordinance.

24 FINANCIAL RISK MANAGEMENT

Financial instruments give exposure to following risks.

- (a) Credit risk;
- (b) Liquidity risk;
- (c) Market risk.

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.

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NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

24 FINANCIAL RISK MANAGEMENT (CONTINUED...)

(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:

	2024 (Rupees)	2023 (Rupees)
Advances, deposits and prepayments	10,189,957	7,750,888
Trade and other receivables	22,573,816	6,438,565
Bank balances	44,815,713	12,159,448
	77,579,486	26,348,901

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) Liquidity risk

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.

Financial liabilities

Trade and other payables - maturity up to one year	17,139,974	14,087,084
	17,139,974	14,087,084

(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

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

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 COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

25 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:

	2024		2023	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Financial assets				
Security deposits	2,433,520	-	2,433,520	-
Trade and other receivables	22,573,816	-	6,438,565	-
Cash and bank balances	44,815,713	-	12,159,448	-
Short term investment	-	-	18,000,000	-
	69,823,049	-	39,031,533	-
Financial liabilities				
Trade and other payables	17,139,974	-	19,250,814	-
	17,139,974	-	19,250,814	-

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.

25.1 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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- 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.

26 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
Managerial remuneration	8,450,000	-	37,226,136	7,747,700	-	30,383,109
Board Fees	200,000	712,000	-	360,000	2,160,000	-
Allowances	441,809	-	12,560,000	1,787,370	-	900,000
	9,091,809	712,000	49,786,136	9,895,070	2,160,000	31,283,109
Number	1	3	21	1	4	17

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NATIONAL PRODUCTIVITY ORGANIZATION
A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

27 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:

	2024	2023
	(Rupees)	(Rupees)
Grant received from Government of Pakistan	96,000,000	82,604,050
Remuneration of key management personnel	9,803,809	12,055,070

28 NUMBER OF EMPLOYEES

	2024	2023
	Numbers	Numbers
No. of employees as at year end	52	57
Average no. of employees during the year	54	54

29 DATE OF APPROVAL OF FINANCIAL STATEMENTS

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

30 GENERAL

-All above figures are rounded off to nearest Rupees.

-Figures of the previous year have been re-arranged and reclassified wherever necessary for the purpose of comparison. Following material rearrangements have been made in these financial statements for better presentation.

From	To	2023
		Rupees
Trade and other payables <i>(Notes to the financial statements)</i>	Deferred grant revenue <i>(Face of the statement of financial position)</i>	4,878,939
Trade and other payables <i>(Face of the statement of financial position)</i>	Accrued and other liabilities <i>(Face of the statement of financial position)</i>	14,087,084


CHIEF EXECUTIVE OFFICER


DIRECTOR



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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Chohan Plaza, G-8, Markaz
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**Independent Auditor's Review Report
To the Members of National Productivity Organization
Review report on the Statements 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 2024 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 requires 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.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avais Hyder Liaquat Nauman is a related entity of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.





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, 2024.

Rmn

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Engagement Partner: Syed Naveed Abbas

Place: Islamabad

Date: 11-October-24



**Statement of Compliance
With Public Sector Companies (Corporate Governance) Rules, 2013**

Name of Company: National Productivity Organization
Name of line ministry: Ministry of Industries & Production
For the year ended: June 30, 2024

- 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)	Y														
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="381 1081 950 1354"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Non-Executive Directors</td> <td>1. Mr. Muhammad Asad Islam Mahni, AS-I MoI&P (Director)</td> <td>September 5, 2023</td> </tr> <tr> <td>2. Mr. Ghulam Muhammad Ali, Chairman PARC</td> <td>October 14, 2021.</td> </tr> <tr> <td>3. Mr. Munir Ahmad Sr. Joint Secretary Exp(I&P</td> <td>December 14, 2020</td> </tr> <tr> <td>Executive Director</td> <td>4. Mr. Muhammad Alamgir Chaudhry</td> <td>December 18, 2022</td> </tr> </tbody> </table>	Category	Names	Date of Appointment	Non-Executive Directors	1. Mr. Muhammad Asad Islam Mahni, AS-I MoI&P (Director)	September 5, 2023	2. Mr. Ghulam Muhammad Ali, Chairman PARC	October 14, 2021.	3. Mr. Munir Ahmad Sr. Joint Secretary Exp(I&P	December 14, 2020	Executive Director	4. Mr. Muhammad Alamgir Chaudhry	December 18, 2022	3(2)		
Category	Names	Date of Appointment															
Non-Executive Directors	1. Mr. Muhammad Asad Islam Mahni, AS-I MoI&P (Director)	September 5, 2023															
	2. Mr. Ghulam Muhammad Ali, Chairman PARC	October 14, 2021.															
	3. Mr. Munir Ahmad Sr. Joint Secretary Exp(I&P	December 14, 2020															
Executive Director	4. Mr. Muhammad Alamgir Chaudhry	December 18, 2022															
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)	Y														
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)	Y														
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	Y														

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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)	Y	
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)	Y	
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 (https://npo.gov.pk/about/rules/)) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	Y Y Y	
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. (Anticorruption policy)	5(5)	Y	
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. (Conflict of interest policy)	5(5)(b) (ii)	Y	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company. (Anticorruption policy)	5(5) (b) (vi)	Y	
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. (Service rules and Office notification)	5(5) (c) (ii)	Y	

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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. (Committee notifications for Bidding)	5(5) (c) (iii)	Y	PEPRA RULES
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	Y	
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)	Y	
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.	5(8)	N/A	
17.	The Board has ensured compliance with policy directions and requirements received from the Government.	5(11)	Y	
18.	(a) The Board has met at least four times during the year.	6(1)	Y	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	Y	
	(c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	Y	
19.	The Board has monitored and assessed the performance of senior management on annual and held them accountable for accomplishing objectives, goals, and key performance indicators set for this purpose. • Strike out whichever is not applicable	8 (2)	Y	
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 the 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. https://npo.gov.pk/about/annual_reports/	10	Y	
			N/A	
			Y	

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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.	11	Y																
23.	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with a 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> <table border="1"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>2</td> <td>Mr. Munir Ahmad, Sr. Joint Secretary -Exp (MoI&P), MoF (Chairman)</td> </tr> <tr> <td>Human Resource Committee</td> <td>3</td> <td>AS-I MoI&P (Chairman)</td> </tr> <tr> <td>Nomination Committee</td> <td>3</td> <td>AS-I MoI&P (Chairman)</td> </tr> <tr> <td>Procurement and Finance Committee</td> <td>3</td> <td>Chairman, PARC (Chairman)</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chair	Audit Committee	2	Mr. Munir Ahmad, Sr. Joint Secretary -Exp (MoI&P), MoF (Chairman)	Human Resource Committee	3	AS-I MoI&P (Chairman)	Nomination Committee	3	AS-I MoI&P (Chairman)	Procurement and Finance Committee	3	Chairman, PARC (Chairman)	12	Y Y Y	
Committee	Number of Members	Name of Chair																	
Audit Committee	2	Mr. Munir Ahmad, Sr. Joint Secretary -Exp (MoI&P), MoF (Chairman)																	
Human Resource Committee	3	AS-I MoI&P (Chairman)																	
Nomination Committee	3	AS-I MoI&P (Chairman)																	
Procurement and Finance Committee	3	Chairman, PARC (Chairman)																	
24.	The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	Y																
25.	The Chief Financial Officer and the Company Secretary have requisite qualifications prescribed in the Rules.	14	Y																
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	Y																
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	Y																

Rm


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	Y									
29.	(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. (b) The annual report of the company contains criteria and details of the remuneration of each director.	19	Y									
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	Y									
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members:	21(1) And 21(2)	Y									
	<table border="1"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional background</th> </tr> </thead> <tbody> <tr> <td>Munir Ahmad</td> <td>Chairman</td> <td>Financial background Sr. Joint Secretary - Exp (MoIP), Mof</td> </tr> <tr> <td>Chairman PARC</td> <td>Ex-officio</td> <td>Worked in different organizations at the senior level</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	Professional background	Munir Ahmad	Chairman	Financial background Sr. Joint Secretary - Exp (MoIP), Mof	Chairman PARC	Ex-officio	Worked in different organizations at the senior level	Y
Name of Member	Category	Professional background										
Munir Ahmad	Chairman	Financial background Sr. Joint Secretary - Exp (MoIP), Mof										
Chairman PARC	Ex-officio	Worked in different organizations at the senior level										
32.	(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 audits were discussed. (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. (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 the chief financial officer and the external auditors.	21(3)	Y Y Y									

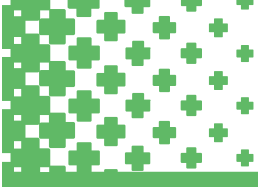
Rm

33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has the requisite qualifications and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	Y	
34.	(d)The external auditors of the company have confirmed that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as applicable in Pakistan.	23(4)	Y	
35.	(e) The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to the provision of non-audit services.	23(5)	Y	

Rm


 Chief Executive Officer


 Chairman/Independent director



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