



2020 DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present the Directors' Report 2020 together with audited financial statements of the company for the year ended June 30, 2020.

About PSDF

Our Purpose

Shape the **future and well-being** of our **poor and vulnerable** youth by giving them **access to skills training** of the **highest standard** so they can find **sustainable employment** and **income-generating** opportunities in **Pakistan and beyond**



600+
TRAINING
SERVICE
PROVIDERS



2,400+
LOCATIONS



250+
TRADES
ACROSS
10 SECTORS



190+
EMPLOYERS
TRAINING
YOUTH IN
MARKET
RELEVANT
TRADES

PSDF is the largest skills development fund in Pakistan. PSDF was established in 2010 as a not-for-profit company set up under the Companies Ordinance 1984 by the Government of Punjab (GoPb) in collaboration with Foreign, Commonwealth and Development Office (FCDO). PSDF also exclusively manages the skills training funding of the World Bank.

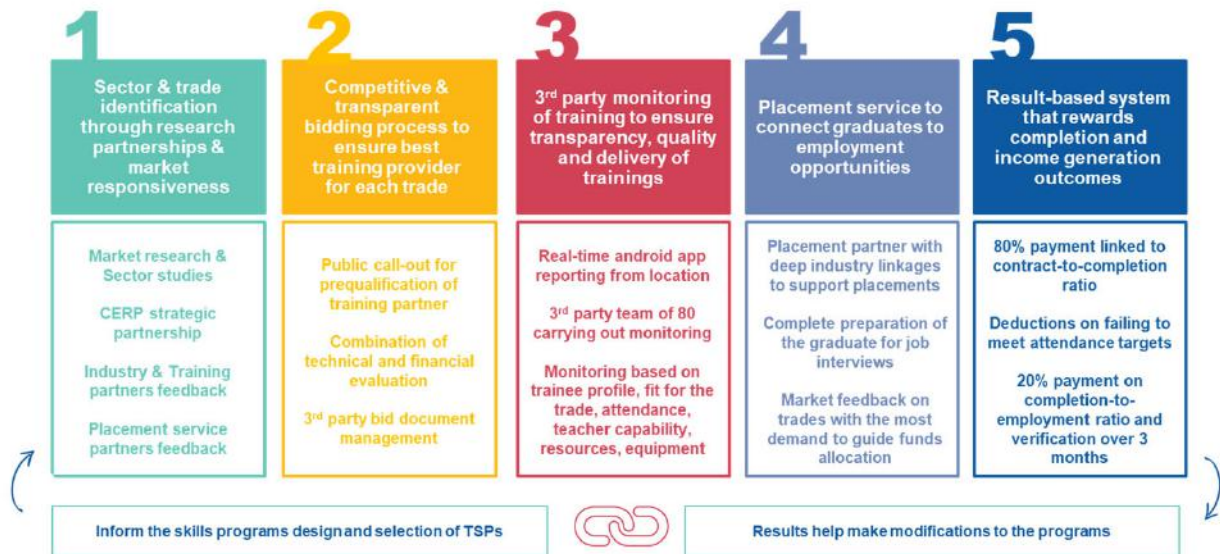
PSDF started its operations in the 4 poorest districts of Punjab. Since 2016, the geographical remit has expanded to the entire 36 districts of Punjab. Following the success of Punjab Economic Opportunity Program (PEOP), the principal sponsors of PSDF, decided to expand operations across Punjab for the training of 330,000 poor and vulnerable youth by 2021. This commitment of sponsors was formalized through Skills Development Programme (SDP) 2015-2021, which became operational in August 2016.

PSDF has adopted an output-based funding mechanism where it funds contract-to-completion outputs as well as completion-to-income generation outcomes.

PSDF plays a leadership role in skills training by collaborating with over 500+ training service providers, including 200 businesses across 10 sectors at 2,400+ locations in 250+ trades. PSDF also leads the National Accelerator on Closing the Skills Gap in Pakistan in partnership with the World Economic Forum.

PSDF Operating Model

PSDF's operating model is constructed on result-based funding to its Training Service Providers, who are selected through a competitive & transparent procurement process. Training allocations follow a three-pronged approach: **geographic, sector, program** and training contracts are awarded through a competitive and transparent bidding process.



PSDF targets poor and vulnerable youth: between the ages of 18-35 years; education attainment levels of grade 8-12; household poverty scores between 20 and 40; and are either unemployed or in unskilled jobs. PSDF's inclusion policy ensures 40% beneficiaries are women and non-Muslim youth, transgender community, and youth with disabilities.

Impact of COVID-19 on PSDF Operations and Strategy

Closure of PSDF Training Operations

COVID-19 pandemic wreaked havoc on economies and affected educational systems worldwide. Measures taken by Federal and Provincial Governments to shut down public and private education and training institutions resulted in suspension of all PSDF classes from April 2020 with all training operations being put on hold. Prolonged closures of institutions highlighted inequalities in education, digital divide and gaps in distance and remote learning. These forced closures accelerated our already in-motion strategic plans to expand our reach to beneficiaries digitally.

Re-alignment of PSDF Training Model

Pakistan was among the first countries in the world to institute widespread school closures as a result of COVID-19 pandemic. The disruption of routine services and programs were reassessed with new set of objectives. During this unprecedented time, we remained committed to skilling the most vulnerable youth of Punjab. Realizing that the pandemic was here for at least another year, PSDF pivoted from only brick and mortar to click and hybrid-based learning. In the absence of skills based e-learning opportunities available in Pakistan, PSDF began to develop programs that were going to be available digitally. We partnered with consultants and tech developers to design both short form explainer style content and full-scale programs. Developing the digital ecosystem of online skills learning will enable us to disseminate standardized teaching to all beneficiaries regardless of geography, while being able to track progress and bottlenecks at a lower cost than conventional trainings. Recognizing economic slowdown and reduction in available employment, PSDF focused on self employment as a result of both online and in person trainings. Amidst these challenges, essential guidelines and protocols were also prepared to enable the safe reopening of institutes, ensuring health, safety, and well-being of our beneficiaries and teachers.

PSDF priorities re-aligned



Start moving to digital and blended learning as training delivery models



Set new SOPs to ensure safety of the trainees, trainers along with better learning outcomes once institutes reopen



With slow economic growth expected for the next 12-18 months, focus on self-employment trades for training in priority sectors

Year in Review

PSDF TRAINEE TRAGETS JULY 2019 - MARCH 2020

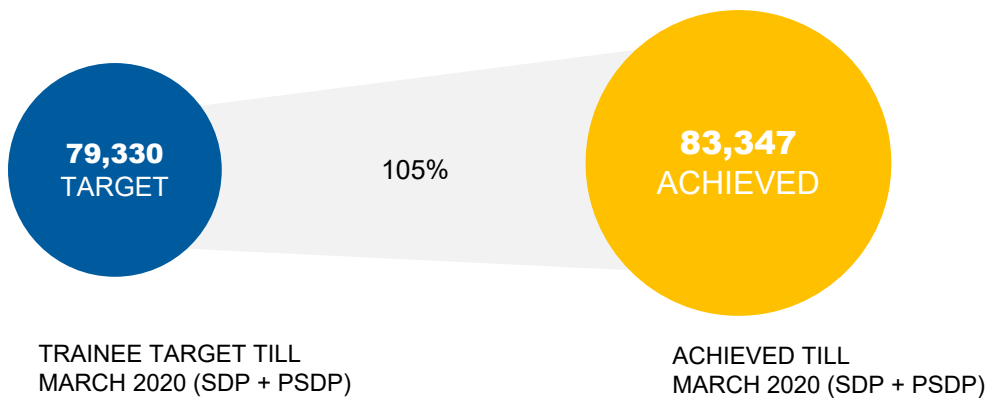


83,347
TRAINEES
TRAINED



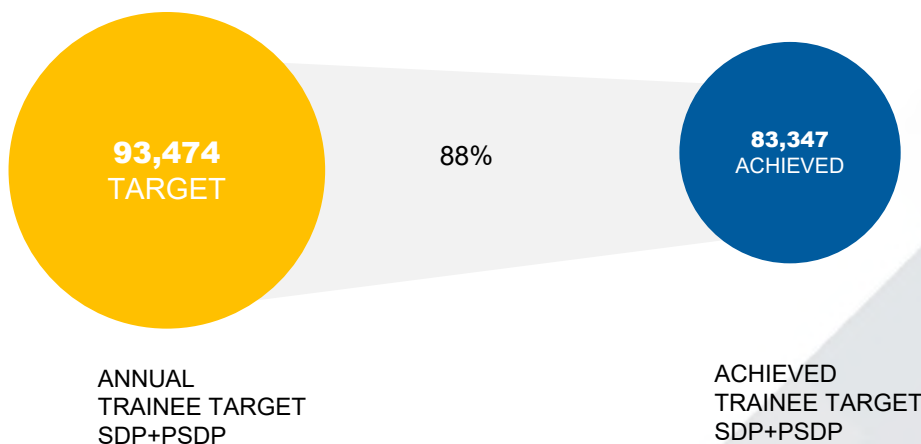
40,140 (48%)
OF THESE TRAINEES
ARE WOMEN

In FY 2019-20, PSDF successfully funded the training of **83,347** trainees under **Skills Development Programme (SDP) and Punjab Skills Development Project (PSDP)** against the target of **79,330** which is an increase of **105%**. PSDF trained **40,140 (48%)** women against the target of 40%.



ANNUAL PSDF TRAINEE TARGETS JULY 2019 - JUNE 2020

During the year, PSDF was continuously ahead of trainee targets quarter on quarter. As a result of COVID-19 pandemic, all classes were put on hold in March 2020 resulting in complete shut down of all training operations in Q4. Had the classes not been closed PSDF would have funded trainings for 98,000+ beneficiaries.



Year in Review



SDP TRAINEE TARGETS 2019-20

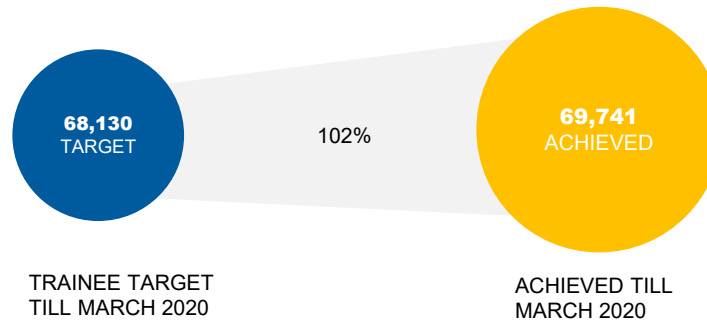


69,741
TRAINEES
TRAINED
UNDER SDP



35,980 (52%)
OF THESE TRAINEES
ARE WOMEN

In FY 2019-20, PSDF successfully funded the training of **69,741** against the annual target of **82,274** completed trainees under **Skills Development Programme (SDP)**. PSDF trained **35,980 (52%)** women against the target of 40%.



PSDP TRAINEE TARGETS 2019-20

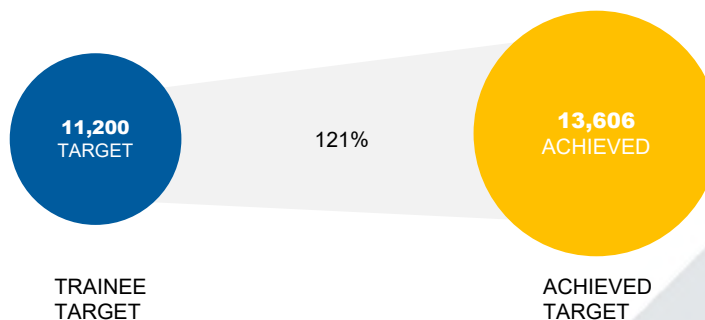


13,606
TRAINEES
TRAINED
UNDER PSDP



4,160 (31%)
OF THESE TRAINEES
ARE WOMEN

In FY 2019-20, PSDF successfully achieved the Disbursement Link Indicator target of The World Bank funded **Punjab Skills Development Project (PSDP)** i.e., funding of **13,606** (including Cost-sharing partnership) graduates in demand-based training in growth sectors against the target of **11,200** graduates across Punjab.



Year in Review

EXPANDING SKILLS ECOSYSTEM

PSDF conducted road shows, personalized sessions and town halls across Punjab with industry players and training service providers to create awareness about PSDF programs and mechanisms to participate. Prequalification was introduced every quarter to expand the ecosystem of training service providers and improve the speed of launching any scheme.

The results for 2019-20 of all the efforts are:



Out of the **370 Training Service Providers** in the PSDF training ecosystem, **92% are from private sector**



42 Formal Training Institutes + 68 Industries new Training Service Providers joining in 2019-20

Year in Review

INDUSTRY LEADERSHIP IN SKILLS DEVELOPMENT

PSDF actively supports involvement of industry across all sectors to make the trainings it imparts to be demand-driven and market-relevant. i.e., developing and rolling out customized schemes tailored to the industry and actively responding to specific needs through a 'Cost-Sharing' basis.

The results for 2019-20 are:



97

INDUSTRY TRAINING
SERVICE PARTNERS



18,986

INDUSTRY
GRADUATES **2019-20**

Businesses/Industry are training on behalf of PSDF and not only employing the trained graduates but also ensuring supply to the rest of the Industry.

Year in Review

COST-SHARING PARTNERSHIP



PSDF successfully contracted with Cost-sharing partner organizations in FY 2019-20. Under Cost-sharing programs, trainees completed in 9 months of 2019-20 were **9,784** compared to **6,521** in the 12 months of 2018-19, which was an increase of 50% with confirmed employment of 87% in 2019-20. The cost saving (bid to contract) from this program was **PKR 447 Million** as compared to **PKR 345 Million** in last year.

Within its Cost-sharing partnership, PSDF was able to work with 34 businesses under the Cost Sharing Scheme in 2019-20, compared to 29 Businesses in 2018-19, 23 businesses in 2017-18 & only 3 businesses in 2016-17. The Cost-sharing has primarily been in the range of 50-70% contribution from the businesses.

Year in Review

FOCUS ON HUMAN CAPITAL

PSDF set an ambitious target to become the most modern and progressive organization within the development sector in Pakistan. With comprehensive organizational redesign, setting up new functions and implementation of HR processes by aligning with best HR practices, PSDF doubled its strength. Talent from different corporates and best educational institutions were attracted to fill out **26 positions** with help of an online psychometric assessment for selecting best candidates through a transparent hiring process with attrition rate less than 10% while succession planning was done to attract and maintain a pool of talented people. We took an outsourced agency onboard to help PSDF expand its operations in Punjab.

1 Online Library

PSDF continued to invest in its employees, through capacity building workshops. A dedicated training and development budget was allocated by the Board in technical assistance component. An online library for different international courses was introduced resulting in **more than 40%** of employees enrolling and completing courses relevant to their domain. Overall effective utilization of learning budget was achieved by **more than 80%**.

2 Introduction of LEAD Program

LEAD is an exclusive program to identify and develop agile and aspiring leaders, with the right mix of aspiration, ability, and engagement, at PSDF to become the future change leaders in the company. It is a competitive and modulated program where the performance of LEADs are evaluated and weighed against a myriad of interventions.

3 Implementing Performance Management System

PSDF implemented digital annual performance management system for all employees called Success Factors. With the help of innovative technology-based solutions, the employees now can see the goals across entire organization, that provides wide-ranging reporting options and decreased paperwork.

Implementing performance management effectively provided benefits such as time and cost saving, efficiency, performance, reduce conflicts, accuracy, and consistency. Frequently monitoring progress and objectives in contrast to annual goals alone helped to identify and reward the employees for their performance and excellent effort, this in turn, contributed to job satisfaction and productivity.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

As required by Public Sector Companies (Corporate Governance Rule 2013) we are pleased to report the following:

- The Board has complied with the relevant principles of corporate governance and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance
- The Financial Statements, prepared by the management of the company present fairly the result of its operations, cashflow and changes in equity
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable & prudent judgement
- Board recognizes its responsibility to establish and maintain a sound system of internal control, which is regularly reviewed and monitored
- Appointment of the Chairman and other members of the board and terms of their appointment are in the best interest of the company as well as in line with the best practices
- Detail of remuneration of Directors, Chief Executive and Executives are disclosed in the note 24 of the financial statements of the Company
- The value of investments of PSDF Staff Gratuity Fund Trust as of June 30, 2020 is PKR 50.776 Million

CORPORATE & FINANCIAL REPORTING FRAMEWORK

Board of Directors

The Board of Directors as of June 30, 2020 consists of following fourteen (14) directors:

Category	Count	Name
Independent Directors / Non-Executive	1	Ms. Ghazala Rehman
	2	Ms. Aqueela Mumtaz
	3	Dr. Naved Hamid
	4	Mr. Sheryar Ahmed Bukhsh
	5	Ms. Zahra Hasan Zaidy
	6	Ms. Rabia Zia
	7	Mr. Monis Ur Rahmaan
Executive Director	1	Mr. Jawad Zahoor Khan
Government Nominated / Non- Executive Directors	1	Dr. Ijaz Nabi
	2	Ms. Khawar Mumtaz
	3	Secretary Industries
	4	Secretary P&D
	5	Secretary Finance
	6	Secretary Livestock

Four (04) meetings of the Board of Directors were held during the year:

Sr #	Meeting	Date
1	37th BOD Meeting	July 05, 2019
2	38th BOD Meeting	November 07, 2019
3	39th BOD Meeting	January 28, 2020
4	40th BOD Meeting	May 20, 2020*

*Board meeting was held via Zoom due to COVID-19 lockdown

CORPORATE & FINANCIAL REPORTING FRAMEWORK

Board of Directors

And attendances of BOD Members are as follows:

<i>Sr.</i>	<i>Board Members</i>	<i>Position</i>	<i>No. of Meetings Attended</i>
1	Dr. Ijaz Nabi	Chairman of the Board	4
2	Mr. Jawad Zahoor Khan	Chief Executive Officer	4
3	Secretary Industries	Director	3
4	Secretary P&D	Director	4
5	Secretary Finance	Director	4
6	Secretary Livestock	Director	3
7	Dr. Naved Hamid	Director	3
8	Ms. Khawar Mumtaz	Director	2
9	Ms. Ghazala Rehman	Director	1
10	Ms. Aqueela Mumtaz	Director	0
11	Mr. Sheryar Ahmed Bukhsh	Director	4
12	Ms. Zahra Hasan Zaidy	Director	1
13	Ms. Rabia Zia	Director	2
14	Mr. Monis Ur Rahmaan	Director	2

Auditors

Quality of financial reporting continues to be of prime concern to the stakeholders-sponsors, Board of Directors and Management. Therefore, the company will continue to exercise due diligence and care in the selection of auditors as it had done in the past. GT Anjum Rehman & Co. Chartered Accountants was appointed as the company auditor for the year 2019-20.

The Board of Directors' recommends the appointment of GT Anjum Rehman & Co. Chartered Accountants as the Company's auditors for the next year, as suggested by the Audit Committee

Funding Opportunity

PROSPECTS AND FINANCIAL SUSTAINABILITY

1 FCDO Extension

Foreign, Commonwealth and Development Office (FCDO) funding under the Skills Development Programme will end in June 2021. Program gestation period extension is underway. PSDF is in efforts to mobilise new funds through international donors / financing agencies for skills development



2 Asian Development Bank

Asian Development Bank has completed its due diligence of PSDF for the upcoming "Improving Workforce Readiness in Punjab Project".



3 United Nations Children's Fund

United Nations Children's Fund (UNICEF) and PSDF signed a partnership agreement to implement a research and development project in support of adolescent and youth education, skills development, and job placement as part of the 'Generation Unlimited' partnership in Pakistan.



Risk Management and Compliance

PRINCIPAL RISKS AND UNCERTANITIES OF PSDF

Risk is inherent in all activities of an organization and adoption of sound risk management practices is integral to the achievement of long-term goals and objectives. At PSDF, Risk management is an essential element of governance that leads to strong compliance to regulations, internal policies and procedures and increased assurance on control. For the purpose, Board Audit and Finance Committee oversee risk management arrangements of PSDF where a quarterly reporting of risk mitigation plan is presented to the Committee for informed decision making.

Principle risks for PSDF:

Risks	Mitigation Plan
Strategic Risk	Annual targets of the PSDF are made in line with the five-year plan that is approved by the Board.
Financial Risk	The risk is mitigated through the finance manual and policies approved by the Board Audit & Finance Committee and the Board.
Operational Risk	This risk is addressed through approved PSDF's policies and procedures.
Compliance Risk	Charters and Policies have been developed to comply with the regulatory requirements. Implementation is ensured through internal and compliance audits and reports are issued to Board Audit and Finance Committee.
Reputational Risk	The risk is mitigated through the effective communication policy.

Funding Arrangements

Skills Development Programme (SDP)

was launched through a contract between the Foreign, Commonwealth & Development Office ("FCDO") and Government of the Punjab (GOP) on 02 August 2016. Under this Program, technical and vocational skills training will be provided to 330,000 poor and vulnerable people (40% women) across all districts of Punjab to enhance their employment prospects and income. The program also aims to support institutional development of the PSDF, policy, regulatory and institutional reforms in the skills sector in Punjab to improve the quality and market relevance of skills development initiatives. The overall budget of the Skills Development Programme is GBP 127.5 million.

Foreign, Commonwealth & Development Office 's share is 30% (GBP 38.4 million) of this total amount including both vocational training (GBP 31.4 million) and technical assistance (GBP 7 million) and GOP will provide funding for the remaining 70% (GBP 89.1 million) of the overall program budget. The contract is for five years and will expire in 2021. The vocational training activities under this agreement were started from October 2016. Foreign, Commonwealth & Development Office has contributed GBP 26.528 million equivalent to Rs. 4,328.677 million and Government of the Punjab has contributed Rs. 6,200.000 million equivalents to GBP 44.841 million (as per conversion rate of project document) to the program till 30 June 2020.

Punjab Skills Development Project (PSDP)

was launched through a contract between The World Bank and Islamic Republic of Pakistan on 30 April 2015. Its core objective was to improve the quality, labor market relevance of, and increased access to skills and vocational training programs in priority sectors in Punjab. As per the project appraisal document, 50,000 individuals (at least 15% females) were to be enrolled out of which 40,000 were planned to be completed by 2020 with total fund allocation of USD 32.200 million under the said Project. The company has received Rs. 1,568.8 million out of the allocated funds so far. Trainings under the project are completed in March 2020 and the company has trained 45,472 individuals out of which 14,300 individuals are females.

Key Operating & Financial Data

<i>Particulars</i>	2014	2015	2016	2017	2018	2019	2020
	----- PKR in Millions -----						
<i>Fixed Assets</i>	24.840	21.395	22.805	50.794	57.226	59.928	52.692
<i>Intangible Assets</i>	1.410	1.252	1.307	1.741	10.643	12.801	21.703
<i>Short term Investment</i>	-	-	0	-	-	-	75.000
<i>Advances, Deposits and Prepayments</i>	19.240	9.166	366.504	75.694	62.942	69.124	56.553
<i>Tax Refunds due from Tax Authorities</i>	3.420	8.634	11.567	16.008	19.872	20.200	20.513
<i>Cash and Bank Balances</i>	712.490	611.797	301.671	1,563.859	1,431.789	677.220	868.257
Total Assets	761.400	652.244	703.854	1,708.096	1,582.472	839.273	1,094.719
<i>Capital Fund</i>	1.800	1.800	1.800	1.800	1.800	1.800	1.800
<i>Accumulated Fund</i>	-	-	10.450	32.441	61.861	82.104	124.616
<i>Deferred Contribution / Grant</i>	502.230	195.374	46.557	1,012.815	463.898	(310.201)	(90.756)
<i>Deferred Contribution - Capital Assets</i>	26.250	21.593	22.232	52.535	67.869	72.729	74.395
<i>Deferred Liability</i>	4.540	10.861	11.885	18.200	26.686	2.122	6.199
<i>Creditors, Accrued and Other Liabilities</i>	226.580	422.616	610.930	590.305	960.358	990.719	978.465
Total Funds and Liabilities	761.400	652.244	703.854	1,708.096	1,582.472	839.273	1,094.719
<i>Training Cost</i>	1,176.370	2,622.087	2,983.603	1,630.795	3,301.943	3,034.446	2,879.028
<i>Monitoring Cost</i>	19.570	44.463	52.697	67.454	88.769	113.854	100.697
<i>Advertisement Cost</i>	12.840	25.119	6.312	22.007	27.180	39.282	35.965
Total Program related Cost	1,208.780	2,691.669	3,042.612	1,720.256	3,417.892	3,187.582	3,015.690
Non-Program Cost	65.680	92.840	100.051	128.097	222.889	262.493	301.178
Surplus of Income over Expenses	-	-	11.047	24.202	29.914	23.358	42.600

Key Operating & Financial Data

Capital Expenditures

During the year capital expenditure incurred amounting to PKR 27.440 million against the approved budget of PKR 60.568 million. This mainly includes information technology development cost i.e. PKR 23.220 million, office infrastructure improvement cost i.e. PKR 1.726 million, electrical equipment cost of PKR 1.016 million and furniture & fixtures cost is PKR 1.478 million. Main variances of PKR 32.549 million is observed in information technology development cost delay due to COVID-19 lockdown.

Technical Assistance

Activities related to Technical Assistance of PKR 142.991 million are executed during the year against the approved budget of PKR 259.349 million. Variance of PKR 37.950 million was due to activities that are not initiated, and PKR 70.543 was due to delay in activities with delay.

<i>TA Activities not initiated during the year</i>	<i>PKR</i>
<i>Development of corporate website and portals</i>	11,500,000
<i>Limited Reviews Assignments</i>	6,500,000
<i>Cluster Mapping of Eastern Belt and Agri Heartland to identify formal and self-employment opportunities in skilled workforce (phase 1)</i>	7,500,000
<i>Research Phase 1 - Brand Health</i>	2,450,000
<i>Skills Needs Assessment of Socially Marginalized Segments</i>	2,000,000
<i>Hiring of Third Party for Capacity Development of Training Service Providers Placement Staff</i>	3,000,000
<i>Art of Placement (consultant - selected TSP's placement cell staff training)</i>	5,000,000
Total	37,950,000

<i>Delay in TA Activities due to COVID-19</i>	<i>PKR</i>
<i>IT Infra for new initiatives</i>	15,488,096
<i>Revamping PSDF's trade taxonomy</i>	1,687,783
<i>Staff Training & Learning interventions</i>	7,466,700
<i>Impact Assessment of Livestock training Programme</i>	4,091,783
<i>Identification of Employment Opportunities and Barriers Faced by Punjab's Low-Income Women in Accessing Formal Employment in Large Urban Centers</i>	6,425,339
<i>Generation Project</i>	11,293,488
<i>Integrating Soft Skills into Technical Curricula</i>	2,551,940
<i>Partnership with World economic forum on developing a national study closing the skills gap</i>	11,374,171
<i>Curricula Consultant for development and upgradation of curricula</i>	7,524,800
<i>Business development for international placements</i>	2,639,424
Total	70,543,524

Key Operating & Financial Data

During the financial year, the company received PKR 3,467.317 million under following projects to meet its expenses related to both program and non-program activities. All costs directly related to the program activities have been classified and accounted for as program related costs. Costs pertaining to non-program activities include management cost, operating and capital expenditure.

Particulars	GoPb	DFID	Total
	PKR in Millions		
<i>Skills Development Programme (SDP)</i>	1,500.00	1,477.517	2,977.517
<i>Punjab Skills Development Project (PSDP)</i>	489.800	-	489.800
Grand Total	1,989.800	1,477.517	3,467.317

Following are the operating results for the financial year 2019-20 and its reasons of variance are explained as follows:

SUMMARY - BUDGET VS ACTUAL COMPARISON FY 2019-20

Description	Budget	Actual	Variance	% Variance
<i>Completed Trainees (No. of trainees)</i>	94,174	83,347	(10,827)	-11%
<i>Average Headcount (Count)</i>	104	101	3	3%
	-----PKR in Millions-----			
Revenue:				
<i>Income Earned on Account of Management fee & Placement services</i>	43.418	33.250	(10.168)	-23%
Cost:				
<i>Program Activities</i>	3,446.774	2,879.567	567.207	16%
<i>Management Cost</i>	217.858	201.776	16.082	7%
<i>Operating Expenditure</i>	80.048	66.875	13.173	16%
<i>Management fee</i>	43.418	32.648	10.770	25%
<i>Capital Expenditure</i>	60.568	27.440	33.128	55%
<i>Technical Assistance</i>	259.349	142.991	116.358	45%
Total Cost	4,108.016	3,351.297	756.719	18%

Key Operating & Financial Data

Revenue

PSDF has agreed to recognized management fee from Punjab Skills Development Project @ 7.5% of the amount disbursed, and during this year, PSDF has disbursed total amount of PKR 443.334 million and charged the amount of PKR 32.648 million.

Program Activities

The novel coronavirus (COVID-19) emerged and on March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. Due to the lockdown, trainings remained disrupted in last three months resulting into decrease in expenditure incurred on trainings, PSDF has not been able achieved its trainee target for year 2019-20 in SDP only whereas trainee target is achieved and in PSDP. Majority of schemes were budgeted at 70:10:20 ratio (70% regular invoices, 10% on completion and 20% on fulfilment of employment condition) to increase focus on employment commitment. Based on completed schemes it was observed the employment condition was not attaining 100%, therefore, likelihood of payments of final invoices were set @ 50% for industrial training program and 25% for Formal Trainings Programs in the financial statements of the company. Total program variance of PKR 567.207 million, comprises of: positive variance of PKR 374.057 million (less spent) due to decrease in number of trainees (i.e., 83,347 against budget of 94,174 Trainees), positive variance of PKR 362.227 million due to reduction in average training period (i.e. 3.24 months against budget of 3.60 months) and negative variance of PKR 169.076 million due to increase in average cost per trainee per month (i.e. 10,167 against budget of 10,665).

Management Cost

Management cost incurred during the year 2019-20 was PKR 201.776 million against budget of PKR 217.858 million leaving us with a savings of PKR 16.082 million with efficient planning of human resource hiring.

Operating Expenditures

Operating cost incurred during the year 2019-20 was PKR 66.875 million against the approved budget of PKR 80.048 million. This mainly includes cost for premises rentals, communication, utilities, printing & stationery, travelling and legal and professional charges. Savings have been observed due to closure of offices during COVID-19 pandemic in last Quarter FY 2019-20.

Management Fee

Under Punjab Skills Development Project, management fee agreed is 7.5% of amount disbursed by PSDF, and PSDF has disbursed total amount of PKR 443.334 million and charged the amount of PKR 32.648 million during this year. The same amount has been placed in a separate bank account at entity level. Variance of PKR 10.770 million is due to delay of disbursements of funds against requirement of PSDF as Project Implementation Unit did not disburse PKR 90 million in last quarter which has been disbursed in 2nd Quarter FY 2020-21.

Key Operating & Financial Data

Capital Expenditures

During the year capital expenditure incurred amounting to PKR 27.440 million against the approved budget of PKR 60.568 million. This mainly includes information technology development cost i.e. PKR 23.220 million, office infrastructure improvement cost i.e. PKR 1.726 million, electrical equipment cost of PKR 1.016 million and furniture & fixtures cost is PKR 1.478 million. Main variances of PKR 32.549 million is observed in information technology development cost delay due to COVID-19 lockdown.

Technical Assistance

Activities related to Technical Assistance of PKR 142.991 million are executed during the year against the approved budget of PKR 259.349 million. Variance of PKR 37.950 million was due to activities that are not initiated, and PKR 70.543 was due to delay in activities with delay.

<i>TA Activities not initiated during the year</i>	<i>PKR</i>
<i>Development of corporate website and portals</i>	11,500,000
<i>Limited Reviews Assignments</i>	6,500,000
<i>Cluster Mapping of Eastern Belt and Agri Heartland to identify formal and self-employment opportunities in skilled workforce (phase 1)</i>	7,500,000
<i>Research Phase 1 - Brand Health</i>	2,450,000
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<i>Art of Placement (consultant - selected TSP's placement cell staff training)</i>	5,000,000
Total	37,950,000

<i>Delay in TA Activities due to COVID-19</i>	<i>PKR</i>
<i>IT Infra for new initiatives</i>	15,488,096
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<i>Identification of Employment Opportunities and Barriers Faced by Punjab's Low-Income Women in Accessing Formal Employment in Large Urban Centers</i>	6,425,339
<i>Generation Project</i>	11,293,488
<i>Integrating Soft Skills into Technical Curricula</i>	2,551,940
<i>Partnership with World economic forum on developing a national study closing the skills gap</i>	11,374,171
<i>Curricula Consultant for development and upgradation of curricula</i>	7,524,800
<i>Business development for international placements</i>	2,639,424
Total	70,543,524

Acknowledgement

The Board wishes to place on record its appreciation for the untiring efforts of all PSDF employees in taking the company forward.

On Behalf of the Board



Mr. Jawad Khan

Director / Chief Executive Officer

Lahore: January 08, 2021