



ANNUAL REPORT

2020-2021



PUBLIC PROCUREMENT REGULATORY AUTHORITY



Annual Report 2020-21



Mission Statement

To regulate Public Procurement of goods, services and works, and to promote competitive culture having fairness, transparency, economy, efficiency, value for money and quality in Public Procurement by providing level playing field to all National and International suppliers, contractors, and consultants in accordance with the policies of Federal Government leading to improvement in public procurement system.



Acknowledgement

Public Procurement Regulatory Authority was established through an Ordinance in the year 2002. Annual report for the FY 2020-2021 is being issued in accordance with section 17 of PPRA ordinance 2002, covering different activities, inquiries, investigations, and inter-alia provides performance of both PPRA as institution and the Public Procurement Sector in general.

The achievements of PPRA during the reporting period were not possible without the support and cooperation of the stakeholders. They contributed in one way or another as the Authority strived to ensure that the Public Procurement Rules, Regulations and Procedures are complied. Special thanks is extended to PPRA Management and staff who worked tirelessly on this assignment with the guidance and support of all Board Members who played vital role in the achievement of organizational objectives.

PPRA also acknowledges the development partners like World Bank, Asian Development Bank, USAID etc. for their financial and technical support especially through the initiative of e-procurement strategy and technical assistance in the planning phase of e-procurement system under the umbrella of Public Financial Management (PFM) project.

PPRA is grateful to various stakeholders who are contributing immensely towards helping it to exercise the mandate provided under the law. These include the Ministry of Finance, Ministry of Industries and Production, Ministry of Defence Production, Ministry of Water Resources, Ministry of Energy (Power Division), Ministry of Housing and Works, Ministry of Communications, Public Sector Procuring Agencies and private sector including Contractors, Suppliers & Consultants.



Chairman's Message

Government of Pakistan is committed to develop an ecosystem that foment efficiency, fairness, transparency, and accountability. We believe that practices and processes that have proven to be stochastically dominating to remove inefficiencies and improve public services delivery around the world must be contextualized and adopted by developing countries. Developing countries need to take advantage of the possibilities of leapfrog to save their already scare resources.

Public procurement is an essential component of the process of public investments and public service delivery. And it accounts for about 20% of government expenditure worldwide. The redundancies in a traditional public procurement system require no introduction and emphasis. Collusion, weak oversight, lack of transparency and limited implementation capacity lead to enormous loss of public resources to corruption. Pakistan ratified United Nations Convention against Corruption (UNCAC) in 2007 and ever since Public Procurement Regulatory Authority (PPRA), being the regulator, is making all out efforts to align its domestic legal framework with the provisions of the Convention.

Country Review Report of the United Nations shows that Pakistan has made a significant progress by amending the regulatory framework, development of standardized documents, and training of human resource of various procuring agencies within public sector. Taking a cue from the work being done by the federal government, the provinces have started to move towards the standardized documents and amendments in their legal framework to provide enabling clauses for e-procurement. I feel that a stronger partnership among various jurisdictions can help transform the public procurement space in Pakistan.



Annual Report in hand is a compendium of major achievements, initiatives, activities undertook by PPRA during the year 2020-21. I take this opportunity to appreciate the efforts made by PPRA management for the effective implementation of procurement processes through effective monitoring and evaluation system, legal support and capacity building initiatives that is leading towards fair and transparent use of public exchequer.

Hamed Yaqoob Sheikh
Chairman
PPRA Board



Managing Director's Message

On behalf of Public Procurement Regulatory Authority, it is my great pleasure and privilege to present the Authority's Annual Report for the financial year 2020-2021. The release of this report is in fulfilment of the requirements of **Section 17** of the **Public Procurement Ordinance, 2002**. During this tenure, we strived hard to continue to design innovative goals and achieve them successfully by making this Authority a more productive organization. Notwithstanding the inherent capacity constraints, the Authority has achieved numerous accomplishments in this year.

PPRA has planned for developing e-Pak Acquisition and Disposal System (EPAD), which will uplift the Public Procurement System of Pakistan to the new horizons. This system will fully automate the procurement process by decreasing the human interventions up to the maximum extent. To bring ease of business and harmonize the procurement practices, standardized procurement documents are being developed to reduce the different interpretations of the procurement Rules and Regulations.

Despite Covid-19 halted the official activities, PPRA managed to organize 15 successful training workshops on PPRA legal framework in which 360 procurement professionals of different procuring agencies had participated to make the procurement process more transparent and efficient.

To ensure the compliance of Public Procurement Regulatory Framework, a number of regulatory reviews were conducted including numerous recommendations and suggestions to make the procurement process in harmony with Procurement Principles.

At the end, I appreciate the efforts, collective wisdom of its officers, staff along with the support of various organizations especially Cabinet Division, Finance Division, Provincial and Federal Departments and Donor Agencies i.e. World Bank, ADB, and USAID.

Maqbool Ahmad Gondal
Managing Director - PPRA



Executive Summary

In Pakistan, current procurement regime started functioning in 2002 when the Government of Pakistan created PPRA at Federal level through PPRA Ordinance, 2002. The system was strengthened by making the Public Procurement Rules, 2004 and Regulations to undertake procurement of goods, services and works.

In order to address the practical difficulties in the application of laws, amendments/improvements in certain rules were proposed. The initiative was aimed to contribute towards “Doing Business Reform Strategy 2019-21” to create an enabling environment for attracting higher investment (both foreign as well as domestic) as the reforms also focus on regulatory changes at the Federal Government level.

In the history of Pakistan, EPADS is going to be a landmark project in the realm of Public Procurement. EPADS project is of national importance and significance, and through development of such a robust system, PPRA intends to fully automate the public procurement process in Pakistan, by reducing human intervention to the maximum extent possible. The web-based e-Procurement System will encompass complete procurement cycle, from procurement planning to the close-out of the contract. One of the essential outcomes of the System will be establishment of Regulatory Monitoring & Evaluation system resulting in effective regulatory compliance and helping to combat corrupt practices in public procurement. The long term benefits would include greater transparency, better governance, efficiency, cost-effectiveness, increased productivity, value for money, ease of doing business, and above all significant saving to the exchequer.

The Authority has also developed Standard Procurement Documents for procurement of Goods, Closed Framework Agreement for supply of goods and allied services and Standard Request for Proposal document for hiring consultancy services, with the objective to simplify and standardize the procurement procedure, harmonize the procurement practices at national level, and eliminate the probability of different interpretations of the procurement law and regulations.



Furthermore, multiple in-depth investigations were conducted to ensure accountability, efficiency, transparency in procurement processes.

Moreover, number of regulatory reviews were conducted including numerous directives, recommendations and suggestions were issued to procuring agencies to ensure the compliance of procurement Rules.

As a mandatory requirement, Annual Procurement Plans, Procurement Advertisements, Bid Evaluation Reports and Procurement Contracts (above 50 M) of Federal Procuring Agencies were hoisted on Authority's website to ensure transparency in public procurement process. Moreover, it extended legal support to its stakeholders by providing several legal opinions/ clarifications. The Authority reviewed the blacklisted cases conveyed by procuring agencies, while provided it's regulatory position after examining the record so as to ensure the just and fair play to the vendors and contractors.

As per mandate of the Authority to improve the capacity of procuring agencies, fifteen (15) extensive training workshops/ sessions on Public Procurement Rules including Amendments to date are conducted in which 360 Officers/Officials of various procuring agencies were trained.

The Authority has implemented Open Contracting Data Standards (OCDS) in collaboration with World Bank. The OCDS enables the disclosure of data and documents at all stages of the contracting process by defining a common data model. It is created to help organizations to increase contracting transparency and to allow for a deeper analysis of contracting data by a wide range of users.

Table of Contents



Legal Framework	7
Status of the Authority.....	7
Legal Framework.....	7
Power of Federal Government.....	8
Functions, Powers and Responsibility of the Authority.....	8
Composition of the PPRA Board.....	9
Current Office Holders of the PPRA Board.....	10
Organogram	11
Key Highlights	12
Strategic Initiatives	14
Contract Signing Ceremony of EPADS.....	15
PPRA Board Meetings.....	16
Open Contracting Data Standards (OCDS).....	16
Monitoring and Evaluation	18
Procurement Monitoring & Evaluation.....	19
Amendments in PPRA Rules 2004.....	19
Development of Standard Bidding Documents.....	21
Monitoring of Advertisement/Tenders Uploaded on Authority's Website.....	22
PPRA Explanations/Clarifications/Regulations.....	32
e-Pak Acquisition and Disposal System (EPADS).....	32
Tenders Review & Uploading	24
Tenders Review & Uploading	25
Monthly Tenders/PPRA Rules Violations Summary.....	26
Legal initiatives	27
Legal Opinions / Clarifications & Complaints.....	28
Court Cases Detail.....	28

Table of Contents



Capacity Building Initiatives	29
Capacity Building of Procuring Agencies.....	30
Capacity Building of PPRA Employees.....	32
Training Impact Summary.....	33
Finance and Accounts of the Authority	35
Financial Autonomy	36
Budget and Accounts	37
Automation of Revenue.....	37
Financial Management System.....	37
Audit of Accounts	38
Acronyms	39
Management Contacts	41

.....



LEGAL FRAMEWORK

LEGAL FRAMEWORK

The Authority

Public Procurement Regulatory Authority (PPRA) was established in the year 2002, under the Public Procurement Regulatory Authority Ordinance 2002 to build and strengthen Government capacity to develop a modern transparent and cost-effective public procurement system to regulate public sector procurement of goods, services and works with a view to ensure transparency, accountability, fairness, value for money, and quality of public procurement.

Status of the Authority

The status of PPRA is a body corporate as defined in PPRA Ordinance 2002. The Authority shall have perpetual succession and a common seal, with powers subject to the provisions of the said Ordinance, to acquire and hold property, both moveable and immovable, and, sue and be sued by the name assigned to it.

Legal Framework

Public Procurement Regulatory Authority is a statutory autonomous body of Federal Government established under the PPRA Ordinance 2002 No. XXII dated 15th May 2002. The Authority was created for monitoring the application of procurement laws covering goods, works and services with a view to improve governance, management, transparency, accountability and quality of public procurement. After consultation with stakeholders in 2004, the Authority drafted and Government of Pakistan promulgated new Procurement Rules conforming to international best practices applicable on procurement carried out by the Federal Government line departments, private owned enterprises, autonomous, semi-autonomous organizations and corporations established by or under a Federal Law or which is owned or controlled by the Federal Government.

Power of the Federal Government

The Federal Government may, as and when it considers necessary, issue directives to the Authority on matters of policy, and such directives shall be binding on the Authority.

Functions, Powers and Responsibilities of Authority

(1) Subject to other provisions of this Ordinance, the Authority may take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), the Authority may:

- a) Monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement;
- b) Monitor the implementation of and evaluate laws, rules, regulations, policies and procedures in respect of, or relating to, inspection or quality of goods, services and works and recommend reformulation thereof or revisions therein as it deems necessary;
- c) Recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
- d) Make regulations and lay down codes of ethics and procedures for public procurement, inspection or quality of goods, services and works;
- e) Monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;
- f) Monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
- g) Provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
- h) Submit reports to the Government in respect of public procurement activities of procuring agencies;

- i) call any functionary of procuring agencies to provide assistance in its functions and call for any information from such agencies in pursuance of its objectives and functions; and
- j) Perform any other function assigned to it by the Federal Government or that is incidental or consequential to any of the aforesaid functions.

Composition of the PPRA Board

All administrative matters of Public Procurement Regulatory Authority (PPRA) in terms of Section 3 and Section 5 of PPRA Ordinance, 2002 are regulated through Board and by Managing Director, PPRA. The Management of PPRA, as defined under Section 6 of PPRA Ordinance, 2002 is vested in its Board, which is the apex decision making body for overall direction and administration of the Authority. The structure of the Board includes the following members:

Sr. No.	Designation & Ministry	Status
1	Secretary, Ministry of Finance	Chairman
2	Secretary, Ministry of Industries and Production	Member
3	Secretary, Ministry of Defence Production	Member
4	Secretary, Ministry of Water Resources	Member
5	Secretary, Ministry of Energy (Power Division)	Member
6	Secretary, Ministry of Housing and Works	Member
7	Secretary, Ministry of Communications	Member
8	Managing Director PPRA	Member / Secretary
9	Three Members from private sector	Member

Current Office Holders of the PPRA Board



Mr. Hamed Yaqoob Sheikh
Chairman

Secretary,
Ministry of Finance



Mr. Maqbool Ahmad
Gondal
Board Secretary/Member

Managing Director
PPRA



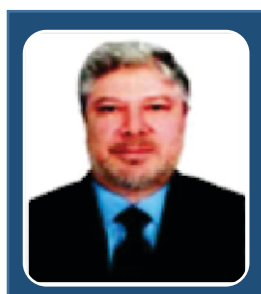
Lt Gen (R) Sadiq Ali, HI (M)
Member

Secretary,
Ministry of Defence Production



Syed Asif Hyder Shah
Member

Secretary,
Ministry of Energy
(Power Division)



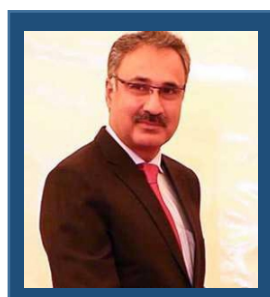
Dr. Imran Zeb Khan
Member

Secretary,
Ministry of Housing and
Works



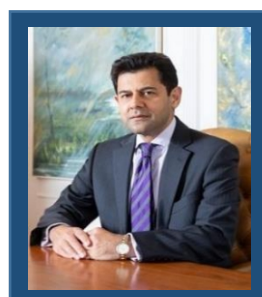
Mr. Jawwad Rafique Malik
Member

Secretary,
Ministry of Industries and
Production



Dr. Kazim Niaz
Member

Secretary,
Ministry of Water Resources



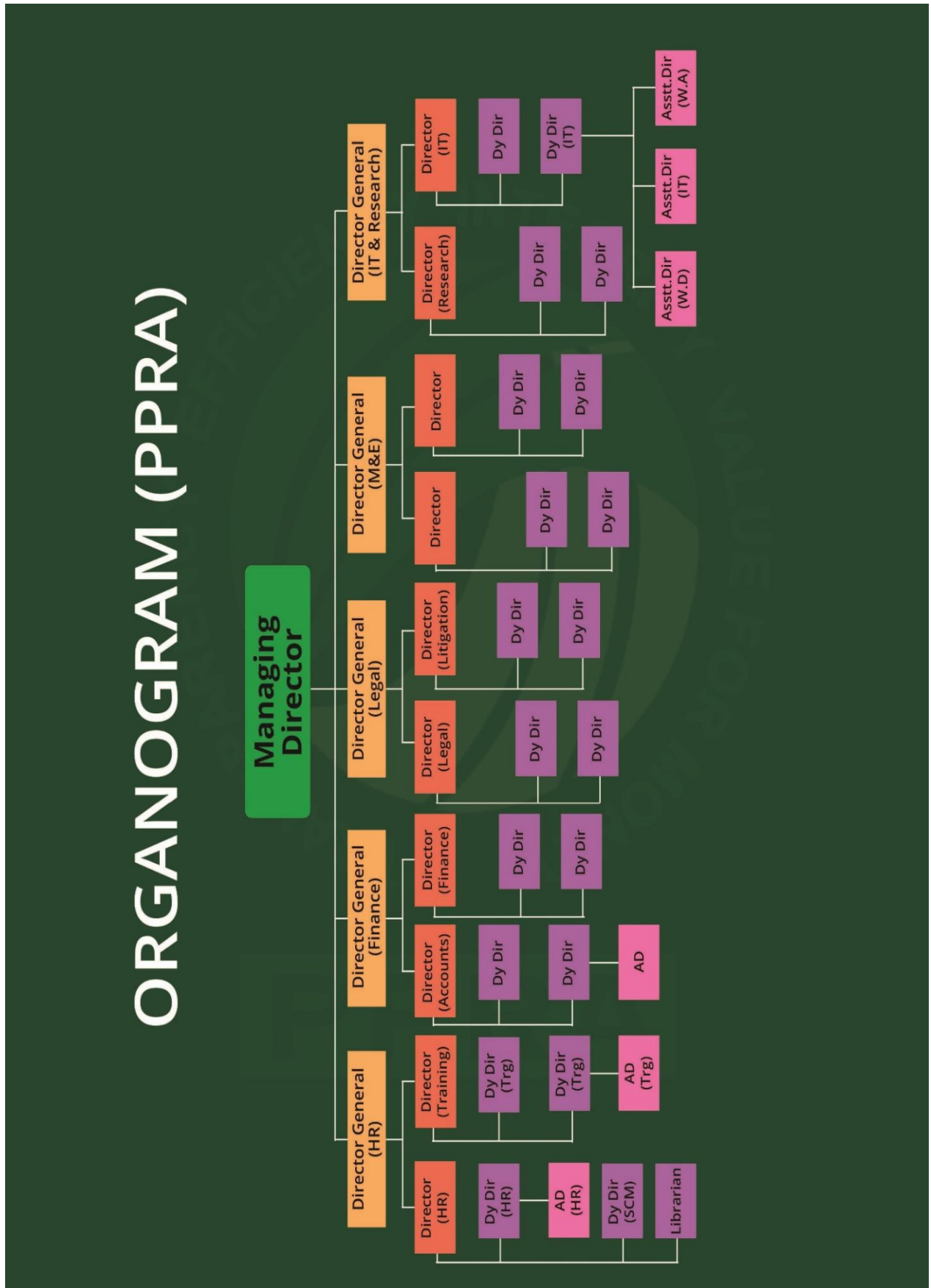
Mr. Zafar Hasan
Member

Secretary,
Ministry of Communications



Three (3) Members from
Private Sector

Organogram:





KEY HIGHLIGHTS

2020-2021

KEY HIGHLIGHTS

- ✦ Total 28901 tenders of different Procuring Agencies have been uploaded on PPRA website with identification of 1855 violations as per Public Procurement Rule 12.
- ✦ 228 Procurement Plans of Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9.
- ✦ 5347 Evaluations are uploaded on PPRA website as per Public Procurement Rule 35.
- ✦ 505 Procurement Contracts over 50 Million and above are uploaded on PPRA website as per PPRA Regulation, 2009.
- ✦ More than 2000 users of various Procuring Agencies are daily uploading tenders through online tender submission system.
- ✦ Online Registration System for Contractors/Suppliers is operationalized where 7115 suppliers are registered from Pakistan and other countries.
- ✦ 139 Legal opinions, Clarifications are rendered and 15 Complaints are disposed of by Legal Wing of the Authority.
- ✦ 33 court cases are disposed of.
- ✦ Fifteen (15) Training Sessions on Public Procurement Rules 2004 and amendments to date are conducted in which 360 officers / officials of different procuring agencies are trained.
- ✦ 12 PPRA employees of different levels are trained through external workshops to enhance their abilities/skills and to bring a positive cultural change.
- ✦ Number of Investigations & Evaluation Reports are issued to save public exchequer from possible misuse/ embezzlement and to improve the procurement processes ensuring value for money, transparency and quality of public procurement.
- ✦ In order to facilitate national investigation agencies number of queries were responded providing them expert opinion on the matters related to public procurement.

- ✦ Regulatory Reviews were conducted, including some of the large and complex projects, to help bidders to redress their grievances and facilitating procuring agencies for improved public procurement proceedings and to avoid any potential irregularities.
- ✦ Number of directives, suggestions and recommendations were issued to procuring agencies and bidders in response to queries, clarifications and complaints raised by them.
- ✦ The Authority has developed Standard Procurement Documents for procurement of Goods, Closed Framework Agreement for supply of goods and allied services and Standard Request for Proposal document for hiring of consultancy services.
- ✦ Budget for FY 2020-21 in 43rd meeting of PPRA Board is duly approved.
- ✦ The Authority has conducted its Audit till June, 2019 and the Audit for FY 2019-21 is under process.



STRATEGIC INITIATIVES 2020-2021

STRATEGIC INITIATIVES DURING 2020-2021

e-Procurement (e-Pak Acquisition and Disposal System) Contract signing Ceremony

In effort to remove bottlenecks confronted during public procurement process and to improve the procurement systems through simplified procedures with greater accountability and enhanced transparency for better service delivery in the public procurement, Contract signing ceremony for the Designing, Development, Installation and Commissioning of the e-Procurement (e-Pak Acquisition and Disposal) System, between Public Procurement Regulatory Authority and M/s Abacus Consulting Technologies (Pvt.) Ltd. was held on April 08, 2021 at Serena Hotel Islamabad.

The e-Procurement System is envisioned to be governed by the core principles of sustainable public procurement including economy, efficiency, optimization, fairness, transparency, good governance, accountability and value for money while taking into account the minimum environmental impacts. Successful implementation of the e-Procurement System will be an important milestones not only a giant leap toward improving service delivers, best utilization of the public money but will also increase the confidence-level of top-notch vendors/contractor/service providers to participate in public procurements.



PPRA Board Meetings

With the coordination of HR Wing, PPRA Board meetings are organized to discuss the progress, activities and matters pertaining to PPRA.

During the time period from July 2020 to June 2021, total ten (10) Board Meetings have been organized.



Open Contracting Data Standards (OCDS)

Public Procurement Regulatory Authority has implemented Open Contracting Data Standards (OCDS) in collaboration with World Bank. The Open Contracting Data Standard (OCDS) is a core product of the Open Contracting Partnership (OCP). The OCDS enables the disclosure of data and documents at all stages of the contracting process by defining a common data model.

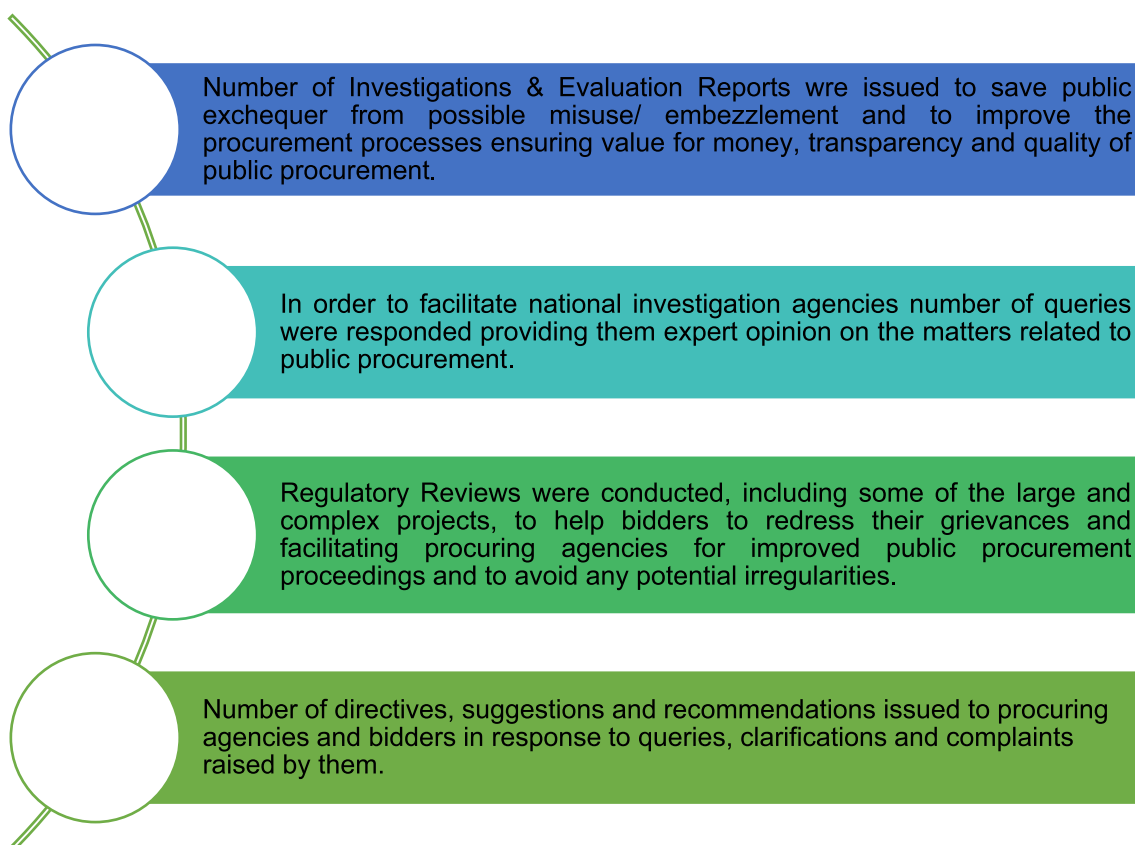
It is created to help organizations to increase contracting transparency and to allow for a deeper analysis of contracting data by a wide range of users. The Authority has also established the link <https://www.ppra.org.pk/api/> of OCDS where users can use it for data analysis as per their requirements.



MONITORING AND EVALUATION

MONITORING AND EVALUATION

Monitoring and evaluation is PPRA's core function that empowers the Authority to monitor the application of laws, rules, regulations, policies and procedures. PPRA is also mandated to monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement. From May 2020 till June 2021, following activities are performed by the Authority's Monitoring & Evaluation Wing:



Amendments in Public Procurement Rules, 2004

In order to address the practical difficulties in the application of laws, amendments/ improvements in certain rules were proposed. The initiative was aimed to contribute towards “**Doing Business Reform Strategy 2019-21**” to create an enabling environment for attracting higher investment (both foreign as well as domestic) as the reforms also focus on regulatory changes at the Federal Government level.

In order to make the Public Procurement processes fair, transparent and efficient, total of **11 amendments** are made in Public Procurement Rules, 2004. Simplification and

elaboration of regulatory framework was made with the objective to contribute towards **ease of doing business**. Amendments were made in Public Procurement Rules, 2004, to enhance the **efficiency, value for money, fairness and transparency** in the public procurement process, wherein some of the new rules are introduced:

- a. Corruption in procurement can impede economic development, distort market mechanisms and create inefficiencies reducing competitiveness, trade and foreign direct investment. Definition as prescribed in rule 2(l)(f) for “**corrupt and fraudulent practices**” extended to coercive, collusive and obstructive practices in order to mitigate the negative impacts i.e. wastage of resources and inefficiency in the public procurement process.
- b. To enhance the competition by making specifications more generic and broad amendments are made in rule-10 to **exclude origin of the country**. Moreover, in cases where there is probability of incomplete specifications without referring brand names, the parameters of equivalence shall be defined to ensure transparency.
- c. Amendments are made in Rule-19 titled as “**blacklisting/ debarment**” which contains that if bidder is blacklisted/debarred by foreign country, international organization or other foreign institutions shall be ineligible for participation in public procurement proceedings. **Penal clauses** are introduced i.e. cross debarment, to eliminate the menace of corrupt and fraudulent practices. Moreover, it has been made mandatory for procuring agencies to devise a comprehensive mechanism for debarment and blacklisting of bidders for a specified period.
- d. Amendment is made in rule-25 to fix the bid security to the extent of five percent of estimated value of procurement rather than that of bid price quoted by the bidders. The amendment will eliminate the chances to determine a bidder’s bid price through bid security.
- e. Amendment is made in rule-35 titled as “Announcement of evaluation reports”, by inserting the provisions that in case where technical proposal is to be evaluated separately, prior to opening of financial proposal, the technical evaluation report shall be announced before opening of the financial proposal to save time.

Amendments are made in Rule-48 titled as **“Redressal of grievance by the procuring agency”**, in order to timely address the complaints/ grievances of the bidders. GRC shall investigate and decide upon the complaint within ten days of the receipt. Any bidder or party not satisfied with the decision of the GRC, may file an appeal before the Authority within thirty days of communication of the decision subject to deposit the prescribed fee in accordance with the procedure issued by the Authority. The decision of the Authority shall be considered as final.

Development of Standard Procurement Documents

The Authority has developed SPDs for procurement of Goods, Closed Framework Agreement for supply of goods and allied services and Standard Request for Proposal document for hiring consultancy services, with the objective to simplify and standardize the procurement procedure, harmonize the procurement practices at national level, and eliminate the probability of different interpretations of the procurement law and regulations.

Subject documents shall be used both for national and international competitive bidding and shall become integral part of the e-Procurement (e-Pak Acquisition & Disposal System). Contents of the bidding documents contain instructions to bidders, bid date sheet, standard bidding forms, general and special conditions of the contract and contract forms. In order to facilitate procuring agencies regarding various evaluation techniques e.g. Least Cost Based Selection (LCBS) and Quality and Cost Based Selection (QCBS), explanation has also been incorporated. Moreover, in case of QCBS technique, weightages to determine the ranking of the bidders has also been explained.

In accordance with decision of PPRA Board, the said procurement documents were hoisted on Authority’s website to seek views/ Comments/ suggestions from the stakeholders. Consultative workshop was organized on July 01, 2021, attended by representatives of various Ministries/ Authorities/ Divisions, wherein valuable feedback/ suggestions were given by the stakeholders to improve the documents. Comments received from the consultant on the above said documents were analysed and incorporated accordingly.

SPDs were presented before PPRA Board in its 55th meeting held on **October 27, 2021**. Agenda item was deferred till next meeting for certain modifications in light of observations received from M/o Communication and M/o Industries & Production. Improved SPDs shall be presented before PPRA Board in its forthcoming meeting for approval and subsequent notification.

Monitoring of Advertisement/ Tenders Uploaded on Authority's Website

PPRA operates web portal where tenders issued by all procuring agencies are uploaded for advertisement and wider circulation. M&E wing monitor all the advertisements uploaded by the procuring agencies on real time basis with a view to ensure compliance with Public Procurement Rules, 2004. Violations of the Public Procurement Rules identified by the Authority are forwarded to Procuring Agencies for taking corrective measures.

PPRA Explanations/Clarifications/Regulations

For facilitation and implementation of PPRA Rules and Regulations in its true spirit, PPRA tend to issue "Explanations/Clarifications/Regulations" for procuring agencies in the light of PPRA Ordinance, Rules and Regulations. Procuring agencies are bound to follow the following Explanations/Clarifications/Regulations issued during the reported period:

1. Explanation issued on August 21, 2020: ***"Explanation of Rule 2(1)(h) regarding Most Advantageous Bid"*** .
2. Regulation issued on January 7, 2021: ***"Regulations on Transaction of Business "*** .
3. Explanation issued on January 25, 2021: ***"Explanation of Rule 26 regarding Extension of Bid Validity Period "*** .
4. Clarification issued on February 15, 2021: ***"General Clarification regarding Award of Contract to Second Most Advantageous Bidder"*** .

e-Pak Acquisition and Disposal System (EPADS)

In the history of Pakistan, EPADS is going to be a landmark project in the realm of Public Procurement. EPADS project is of national importance and significance, and through development of such a robust system, PPRA intends to fully automate the public procurement process in Pakistan, by reducing human intervention to the maximum extent possible. The web-based e-Procurement System will encompass complete procurement cycle, from procurement planning to the close-out of the contract. One of the essential outcomes of the System will be establishment of Regulatory Monitoring & Evaluation system resulting in effective regulatory compliance and helping to combat corrupt practices in public procurement. The long term benefits would include greater transparency, better governance, efficiency, cost-effectiveness, increased productivity, value for money, ease of doing business, and above all significant saving to the exchequer.

The Authority has hired service provider (M/s Abacus Consulting) for the designing, development, installation and commissioning of EPADS through a competitive and transparent process. The Contract is operationalized from 7th May 2021.

Project Management Unit has been constituted for the monitoring & oversight of the project. Moreover, inception report (Deliverable-I) is satisfactorily completed. Position on “Business Process Mapping” document (Deliverable-II) is communicated to Services provider for further improvement. Furthermore, Software Requirements specification Report submitted by service provider is being reviewed by this Authority.

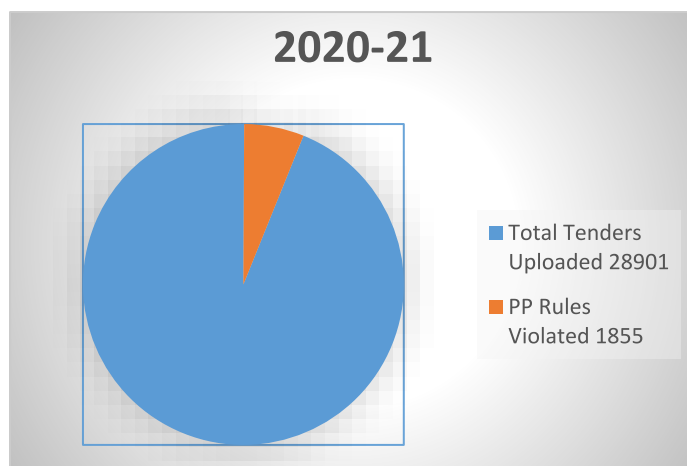
Partial roll-out of the EPADS is expected in selected ministries (i.e. health, education, NHA & WAPDA) by June 2022, whereas, complete implementation in all the Federal Ministries/ Divisions is expected by the second quarter of next F.Y. 2022-23. Accordingly, capacity building program shall be launched to build the capacity of relevant Ministries/ Divisions/ Authorities enabling them to operate the e-Procurement System in an effective manner.



TENDERS REVIEW AND UPLOADING

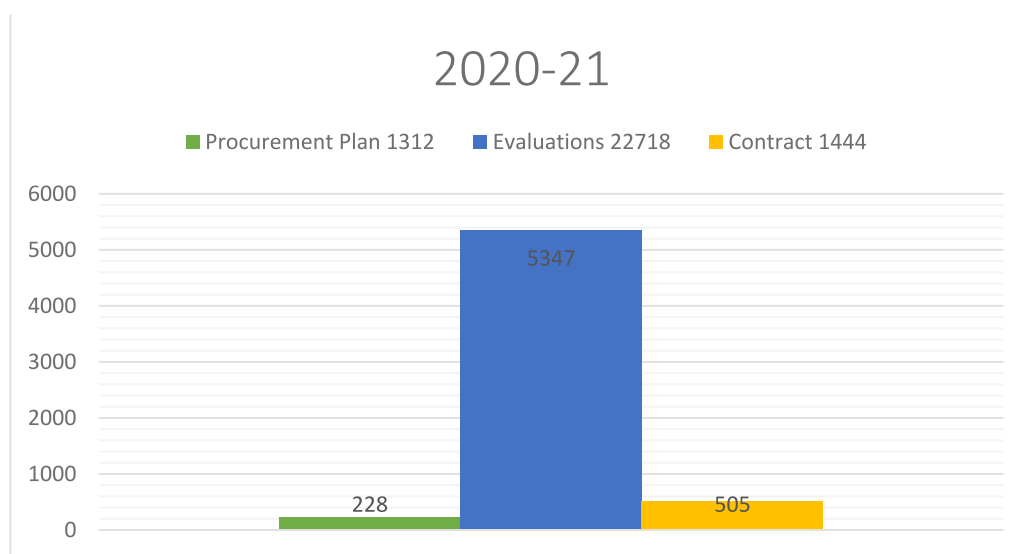
TENDERS REVIEW AND UPLOADING

From July, 2020 to June 2021 total 28901 tenders of different Procuring Agencies have been uploaded on PPRA website with identification of 1855 violations as per Public Procurement Rule 12.



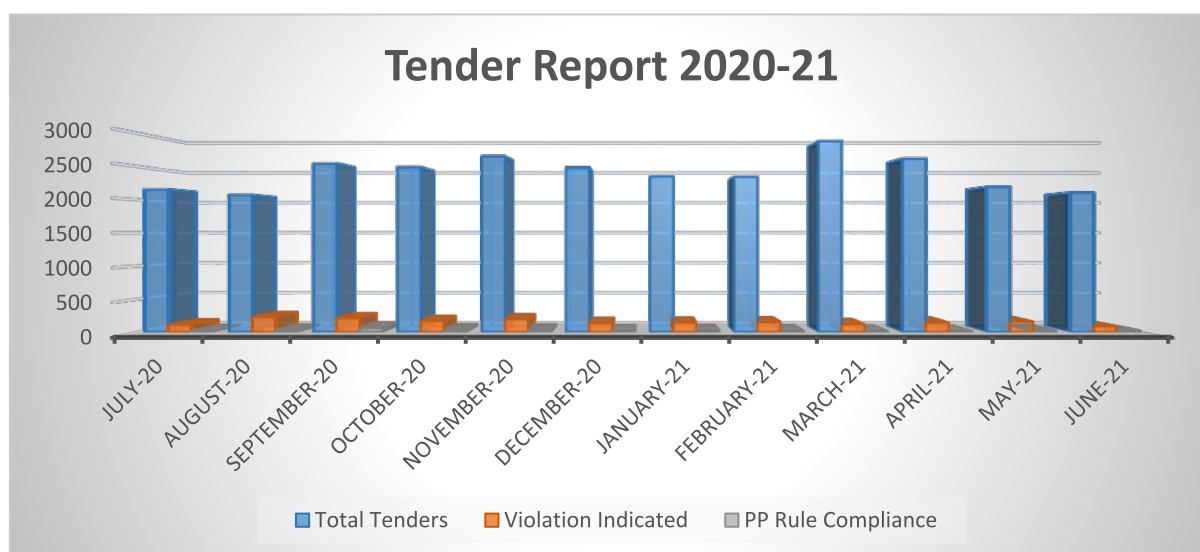
During the reported year 228 Procurement Plans of Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9.

During the period July, 2020 to June, 2021 total 5347 Evaluations are uploaded on PPRA website as per Public Procurement Rule 35, whereas 505 Procurement Contracts over 50 Million and above are uploaded on PPRA website as per PPRA Regulation, 2009.



Monthly Tenders/PPRA Rules Violations Summary Report

Tenders Data July, 2020 to June, 2021					
Month	Total Tenders	Violation Indicated	% of Violation	PP Rule Compliance	% of Compliance
July-20	2153	113	5.25	24	21.24
August-20	2070	230	11.11	35	15.22
September-20	2547	213	8.36	65	30.52
October-20	2491	167	6.70	37	22.16
November-20	2655	196	7.38	35	17.86
December-20	2484	136	5.48	22	16.18
January-21	2353	141	5.99	26	18.44
February-21	2347	149	6.35	21	14.09
March-21	2883	119	4.13	16	13.45
April-21	2621	142	5.42	15	10.56
May-21	2191	159	7.26	23	14.47
June-21	2106	90	4.27	24	26.67
Total	28901	1855	6.42	343	18.49



The Authority operates web portal where tenders issued by all procuring agencies are uploaded as per PPRA Rule-12 for advertisement and wider circulation. By using this system more than 2000 users of various Procuring Agencies daily upload tenders through online tender submission system.

Online Registration System for Contractors/Suppliers has also operationalized where 7115 suppliers are registered from Pakistan and other countries.



LEGAL INITIATIVES

LEGAL INITIATIVES

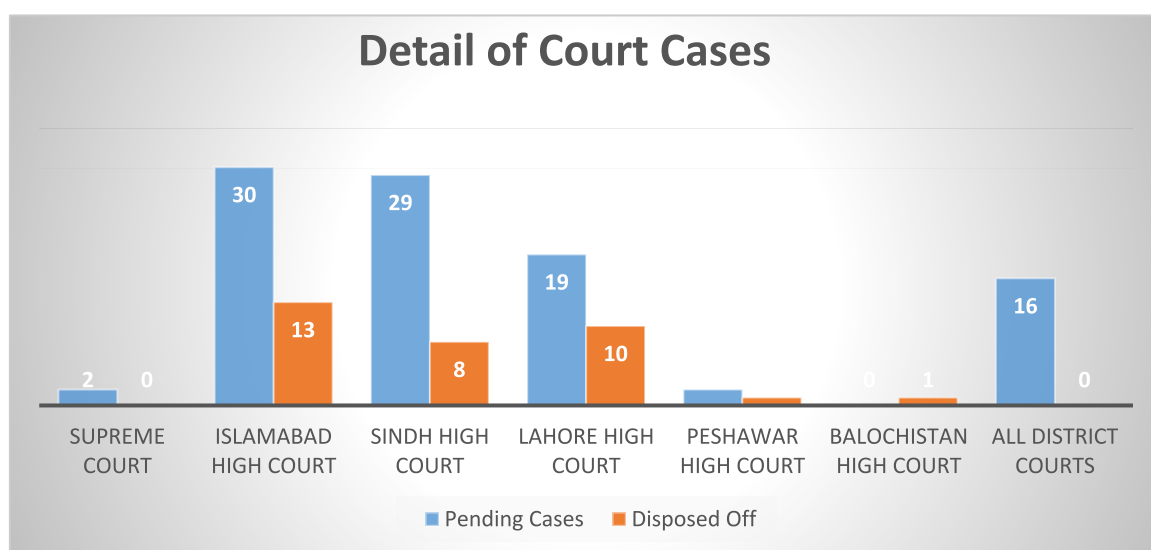
Legal Wing of the Authority is providing legal assistance in rendering legal opinion / suggestions and clarifications to Federal Government agencies / departments including Superior Courts for deciding the cases pertaining to Public Procurement. Through effective cooperation with other Government institutions, the Legal Wing is playing important role for the enforcement and implementation of PPRA Legal Framework. The detail of Legal opinions, Clarifications, Complaints and Blacklisted firms from 2020-2021 are as under:

Legal Opinions / Clarifications & Complaints

Legal Opinions/Clarifications Rendered	139
Complaints Disposed Of	15
Blacklisted Firms	10

Court Cases:

Court Name	Pending Cases	Disposed Of
Supreme Court	02	00
Islamabad High Court	30	13
Sindh High Court	29	08
Lahore High Court	19	10
Peshawar High Court	02	01
Balochistan High Court	00	01
All District Courts	16	00
Total:	98	33





CAPACITY BUILDING INITIATIVES

CAPACITY BUILDING INITIATIVES

Capacity Building of Procuring Agencies:

During 2020 – 2021, PPRA arranged fifteen (15) Training Sessions on Public Procurement Rules 2004 and amendments to date in which 360 officers / officials of different procuring agencies were trained. The focus of training programs is dissemination of Public Procurement Rules 2004, recent amendments and their interpretation in its true spirit and procedures pertaining to modern business of procurement. As per the performance agreement, the Authority achieved the target despite of having restrictions of COVID-19 pandemic, and got very positive response from the procuring agencies. They appreciated the efforts of the Authority in clarifying the Rules / Amendments / Procedures / Guidelines / Regulations in the light of recent amendments. The detail of Trainings is as under:

Date	No. of Participants	Batch No.	Organization(s)
Dec. 14, 2020	30	253	Various Organizations, held at National Library of Pakistan, Islamabad
Dec. 15, 2020	21	254	Various Organizations, held at Pakistan Manpower Institute, Islamabad
Dec. 16, 2020	30	255	Various Organizations, held at National Library of Pakistan, Islamabad
Dec. 18, 2020	22	256	Pakistan Institute of Trade And Development, Islamabad
Jan. 13 – 14, 2021	17	257	Ordnance College Malir Cantonment, Islamabad
Feb. 03, 2021	19	258	Various Organizations, held at Pakistan Planning Management Institute, Islamabad
Feb. 19, 2021	17	259	Various Organizations, held at Pakistan Planning Management Institute, Islamabad
Mar. 03- 04, 2021	22	260	Various Organizations, held at National Library of Pakistan, Islamabad

Date	No. of Participants	Batch No.	Organization(s)
Mar. 16, 2021	12	261	Intelligence Bureau, Islamabad
Mar. 31 - Apr.01, 2021	25	262	Strategic Planning Division, Islamabad
Apr. 6-7, 2021	32	263	Strategic Planning Division, Islamabad
Jun. 09 – 10, 2021	56	264	Officers from Various Organizations, held at Pakistan Academy of Sciences, Islamabad
Jun. 16, 2021	07	265	Pakistan Institute of Trade and Development, Islamabad
June 17, 2021	25	266	National bank of Pakistan, Karachi
June 24, 2021	25	267	
Total Participants:	360		



Two Days Training Session on Public Procurement Rules held in March, 2021 at National Library, Islamabad.



Two Days Training Session on Public Procurement Rules held in April, 2021 at SPD, Islamabad.

Capacity Building of PPRA Employees

Capacity building of internal employees is key factor in success of any organization, as we believe that a motivated employee can add value to the organization's growth. Training Directorate managed to arrange trainings for the employees of PPRA and the response from the employees was overwhelming and satisfied. A series of trainings are arranged starting from top to bottom Level to enhance their abilities / skills and bring a positive cultural change in the organization.



Group Photo of three days Training Workshop on "Development of Key Performance Indicators (KPIs)" organized by PPMI, Islamabad from 28-30 September, 2020

The detail of trainings is as under:

No. of Participants	Training Topic	Training Date	Organized by
01	Human Resource Management in Public sector	1-4 September,2020	Pakistan Planning and Management Institute, Islamabad.
02	Budgeting and Financial Management in the Public Sector	8-11 September, 2020	
01	Project Appraisal and Risk Management	22-25 September, 2020	
04	Development of Key Performance Indicators (KPIs)	28-30 September,2020	
01	Budgeting and Financial Management in the Public Sector	8-11 September, 2020	
02	Environment Audit	25 - 27 August, 2020	Pakistan Audit and Accounts Academy, Islamabad
01	Application of Project Management on MS Project	26 - 28 October, 2020	Pakistan Manpower Institute, Islamabad
Total Participants: 12			

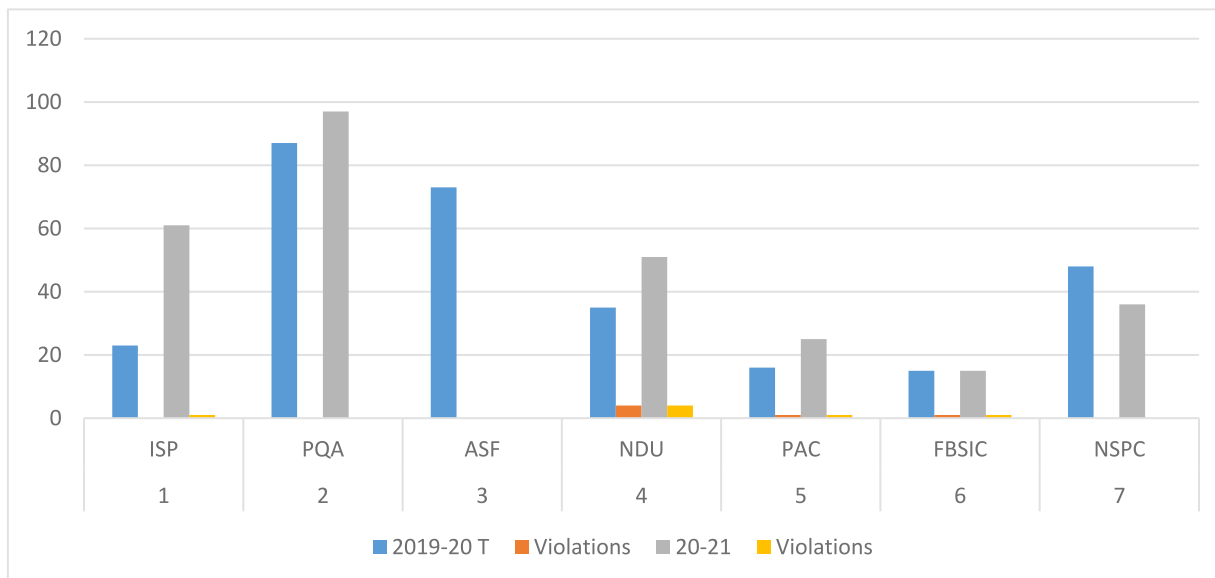
Training Impact Summary

To decrease the rate of violations which was increasing while processing tenders by the procuring agencies, the multiple officials of different procuring agencies were trained. These individuals were trained for conveying the stance of the Authority in their organization by acting as a change agent.

After the successful completion of the said trainings, the Authority again monitored the violations of same procuring agencies and identified some instrumental decrease which authenticates the efforts of the Authority.

The detail is as under:

Sr.No.	Organization Name	Year 2019-20	% of Violations	Year 2020-21	% of Violations
1	Institute of Space and Technology (ISP)	23	0	61	1
2	Port Qasim authority (PQA)	87	0	97	0
3	Airport Security Force (ASF)	73	0	0	0
4	National defence University (NDU)	35	4	51	4
5	Pakistan Atomic Energy Commission (PAC)	16	1	25	1
6	Federal Board of Intermediate and Secondary Education (FBSIC)	15	1	15	1
7	NSPC	48	0	36	0





FINANCE AND ACCOUNTS OF THE AUTHORITY

FINANCE AND ACCOUNTS OF THE AUTHORITY

i. Financial Autonomy

One of the most critical milestones for any regulator in sustaining the unbiasedness, transparency and independence is Financial Autonomy. To achieve Financial Autonomy, PPRA is vigorously engaged in generation of revenues in light of legal provisions contained in PPRA Ordinance, 2002. The Authority plans its activities as per the stream of financial resources. The revenue generated by the Authority is placed in PPRA Fund which is established under Section 9 of the PPRA Ordinance, 2002. The Fund is utilized in meeting any expenses for carrying into effect the provisions of the Ordinance.

PPRA is engaged in constant monitoring of Public Procurements. To ensure transparency and open competition, public sector organizations are bound to upload the tenders on PPRA's website i.e. www.ppra.org.pk. As per Public Procurement Rule (12), all tender advertisements above Rs. 500,000/- are required to be uploaded on PPRA website. During the financial years 2020-21 more than 1000 procuring agencies uploaded their tender advertisements on PPRA website. The Authority has been uploading the advertisement on its website without levying any charges till 2009. However, to achieve financial Autonomy, PPRA started to levy the Tender Fee against uploading of advertisement on PPRA Website.

As per Regulation 12 of Public Procurement Rules, the Procurements over five hundred thousand Pakistani Rupees and up to the limit of three million Pakistani Rupees shall be advertised on the Authority's website in the manner and format specified by the Authority from time to time. The advertisement of tender on PPRA website ensures transparency, monitoring, open competition and access of masses. Through tender advertisement, the Authority saves huge amount of financial and administrative resources of procuring agencies.

The levying of nominal tender fee is the charge against the efforts PPRA puts behind uploading of every single tender, examining each and every tender advertisement, identify errors, disseminating violations to procuring agencies without

causing any additional financial burden on the procuring agencies. Unlike print media, the accessibility of tender notices/advertisements is at international level i.e. any one from foreign country may view tenders without any restriction or hurdle.

ii. Budget and Accounts

A budget is an estimation of revenue and expenses over a specified future period of time. PPRA being a regulator analyses its revenue streams and expenditure before submitting the Budget to its Board. The Authority presented its Budget for FY 2020-21 in 43rd meeting of PPRA Board which was duly approved. The major portion of income in budget-estimates comprises of tender income collected from the procuring agencies against services provided by PPRA. Any shortfall as and when occurred, is met out of Federal Government's grant as provided under PPRA Accounting Procedures (Regulations), 2014.

iii. Automation of Revenue

PPRA receives revenues from number of procuring agencies of the Federal Government. The Finance Wing of the Authority maintains record of each and every procuring agency through automation. The Authority can track down revenue detail of any organization spread over years through automated system.

iv. Financial Management System

PPRA always strived to the strategic planning, organizing, directing, and controlling of financial resources. It also includes applying management principles to the financial assets of an organization, while also playing an important part in fiscal management. PPRA has taken the initiative to convert the accounts from manual accounting to computerized accounting being integral part of the Financial Management System. The Financial Management system increases the efficiency and output of the Organizations by manifolds. Under the Financial Management system, the accounts will be converted in line with the International Accounting Standards (IAS). The key feature of the system is the attachment of the related data with the specific transaction in electronic form creating electronic database of PPRA record. Similarly, FMS will strengthen the financial reporting by having daily, monthly, quarterly



reports on expenditure and receipts. The FMS will leave cash based accounting and will be based on dual entry book keeping and accrual based accounting system.

v. Audit of Accounts

Audit report of any organization reflects the level of transparency and internal control within the organization. The Accounts of PPRA are examined every year through internal, external and Federal Government Auditors each year. The Authority have conducted its external audit till June 2021. The audited accounts are as under:



Mian Saleem & Co.
Chartered Accountants

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

A member of TGS Global, a network of independent accounting firms and business advisors



Mian Saleem & Co.
Chartered Accountants

**Plot No. 35, Street No. 22,
I & T Center,G-8/4,
Islamabad.**

Ph: +92 (0) 51-2331709 -10

Fax:+92 (0) 51-8358921

Web: www.ncbms.com.pk/miansaleem

INDEPENDENT AUDITOR'S REPORT

**To the Members of Public Procurement Regulatory Authority
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Public Procurement Regulatory Authority (the Authority), which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, or give a true and fair view of the financial position of the Authority as at June 30, 2021, and of its financial performance for the year then ended in accordance with the accounting and reporting standards applicable in Pakistan comprise of Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the Institute of Chartered Accountant of Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is 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 Those Charged with Governance 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Authority'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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority'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 Authority to cease to continue as a going concern.

MSL



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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Mohammad Saleem.

MS

Mian Saleem & Co.

Chartered Accountants
Islamabad

Date **02 MAR 2022**

PUBLIC PROCUREMENT REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021	2020
		(Rupees)	
NON-CURRENT ASSETS			
Property and equipment	4	10,634,823	10,884,508
CURRENT ASSETS			
Advances and other receivables	5	66,318,494	61,461,310
Short term investment	6	-	225,785,542
Cash and bank balances	7	459,222,272	177,175,713
		525,540,766	464,422,565
		<u>536,175,589</u>	<u>475,307,073</u>
CURRENT LIABILITIES			
Creditors and accrued liabilities	8	(534,451)	(9,475,092)
NON-CURRENT LIABILITIES			
Other payables		(86,232,001)	(56,320,383)
NET ASSETS		<u>449,409,137</u>	<u>409,511,598</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
REPRESENTED BY:			
RESERVE FUND			
Balance at the beginning of the year		409,511,598	400,615,068
Surplus for the year		39,897,540	8,896,529
Balance at the end of the year		<u>449,409,137</u>	<u>409,511,598</u>

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


 DIRECTOR FINANCE


 MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Notes	Rupees	
INCOME			
Government grant	11	30,572,644	21,088,113
Service income	12	190,395,786	142,779,369
Other income	13	25,724,465	46,526,696
		<u>246,692,895</u>	<u>210,394,178</u>
Loss on transfer of fixed asset			-
Operating expenses	14	206,795,356	201,497,649
		<u>206,795,356</u>	<u>201,497,649</u>
Surplus Before Tax		<u>39,897,540</u>	<u>8,896,529</u>
Income tax expense	17	-	-
Surplus For the Year		<u><u>39,897,540</u></u>	<u><u>8,896,529</u></u>

The annexed notes from 1 to 19 form an integral part of these Financial Statements.

MBL


 DIRECTOR FINANCE


 MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND NATURE OF ACTIVITIES

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. its office is situated at 1st floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or in relation to procurement of goods, services and works in public sector.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the insitute of Chartered Accountant of Pakistan and PPRA accounting procedures (Regulations) 2014.

2.1 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.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Authority's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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 Authority'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:

-Useful lives, residual values and depreciation method of property and equipment – Note 3.1 & 4

The revisions to accounting estimates (if any) are recognised 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

3.1 Property and equipment

Initial recognition

All items of property and equipment are initially recorded at cost.

MBL

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1 STATUS AND NATURE OF ACTIVITIES

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. its office is situated at 1st floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or in relation to procurement of goods, services and works in public sector.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the institute of Chartered Accountant of Pakistan and PPRA accounting procedures (Regulations) 2014.

2.1 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.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Authority's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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 Authority'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:

-Useful lives, residual values and depreciation method of property and equipment – Note 3.1 & 4

The revisions to accounting estimates (if any) are recognised 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

3.1 Property and equipment

Initial recognition

All items of property and equipment are initially recorded at cost.

Subsequent measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged on written down value of assets at the rates mentioned in Note.4 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

MBW

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the income and expenditure account. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the statement of funds.

Judgement and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Impairment

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Authority recognises the reversal immediately in the statement of income and expenditure account, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks. These are carried at cost.

3.4 Government grants

Recognition and measurement

Government grants (if any) are recognised at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognised in income when the grant proceeds are received.

3.5 Employees's benefits

Government employees

Pension, Gratuity, GP Fund and other similar payments of Government employees transferred to PPRA are the liability of the Authority. Therefore, liability for retirement benefits of Government employees is made in the financial statement. Monthly Contribution are deducted from individual employees and are deposited into bank account of the Authority.

Employees on contract

There are no retirement benefits available to contract employees.

3.6 Trade debts

Revenue from tender income is recorded on cash basis therefore no amount is recorded on accrual basis which could result in trade debts.

3.7 Investments held to maturity

Investments with fixed and determinable payments and fixed maturity, which the Authority has positive intent and ability to hold to maturity, are carried at amortised cost, using the effective interest rate method less impairment losses, if so determined.

3.8 Trade and other payables

These liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority.

MBC

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3.9 Income

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

Monetary grants, where no specific condition exists for the utilization of such grants, are recognized on receipt basis.

Tender income is recognized on receipt basis.

Income generated from training / capacity building program is recognized as income when the related services are provided.

Income on bank placements is recognized on accrual basis.

3.10 Offsetting

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Authority has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.11 Provisions

Provisions are recognised when the authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of comprehensive income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

MBC

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

PROPERTY AND EQUIPMENT

	Furniture and fixture	Office Equipment	Computer & Accessories	Vehicles	Total
Cost					
Balance at July 01, 2019	3,569,243	10,583,220	9,755,361	7,121,856	31,029,680
Additions	57,965	89,800	498,400	-	646,165
Disposals	-	-	-	-	-
Balance at June 30, 2020	3,627,208	10,673,020	10,253,761	7,121,856	31,675,845
Balance at July 01, 2020	3,627,208	10,673,020	10,253,761	7,121,856	31,675,845
Additions	472,522	1,014,180	-	-	1,486,702
Disposals	-	-	-	-	-
Balance at June 30, 2021	4,099,730	11,687,200	10,253,761	7,121,856	33,162,547

Depreciation

Balance at July 01, 2019	1,749,159	4,109,696	8,295,799	4,652,557	18,807,211
Charge for the year	187,805	656,332	646,127	493,862	1,984,126
Disposals	-	-	-	-	-
Balance at June 30, 2020	1,936,964	4,766,028	8,941,926	5,146,419	20,791,337
Balance at July 01, 2020	1,936,964	4,766,028	8,941,926	5,146,419	20,791,337
Charge for the year	216,277	692,117	432,906	395,088	1,736,387
Disposals	-	-	-	-	-
Balance at June 30, 2021	2,153,241	5,458,145	9,374,832	5,541,507	22,527,724

Balance as on June 30, 2021

Balance as on June 30, 2020	1,946,489	6,229,055	8,789,299	1,580,349	10,634,823
Balance as on June 30, 2021	1,690,244	5,906,992	1,311,835	1,975,437	10,884,508

Depreciation Rate

10% 10% 33% 20%

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----- (Rupees) -----	
5	ADVANCES AND OTHER RECEIVABLES		
	Advances to employees		
	- against motor car	5,401,984	7,913,972
	- against basic pay	4,221,556	4,906,757
	- against expenses	81,800	138,000
	- against house rent	113,400	113,400
	- against medical	285,000	-
	Accrued interest	-	5,434,658
	Withholding tax on bank	22,336,540	17,945,557
	Advance income tax	32,771,718	23,902,470
	Public Sector Capacity Building Project (PSCBP)	1,106,496	1,106,496
		<u>66,318,494</u>	<u>61,461,310</u>
5.1	ADVANCE INCOME TAX		
	Advance income tax on tender income	5,913,191	5,549,986
	Advance income tax on bank profits	9,180,713	4,415,952
	Advance income tax on T-bills	17,417,814	13,676,532
	Advance income tax on vehicles purchase	260,000	260,000
		<u>32,771,718</u>	<u>23,902,470</u>
6	SHORT TERM INVESTMENT		
	T-Bills	-	225,785,542
		<u>-</u>	<u>225,785,542</u>
	These are investments in T-Bills of Habib Bank Ltd. for tenure of three months. Any interest accrued on these investments have been recorded.		
7	CASH AND BANK BALANCES		
	Cash at bank		
	- Saving account	459,098,522	177,077,031
	Cash in hand	133,750	98,682
		<u>459,232,272</u>	<u>177,175,713</u>
	This carry profit at the rate of 5.75% (2020: 5.75%) on monthly average balance and profit is paid on Semi annual basis i.e at 30 June and 31 December of the respective year.		
8	CREDITORS AND ACCRUED LIABILITIES		
	Withholding tax payable	284,451	467,678
	Audit fee payable	250,000	200,000
	Salaries payable	-	8,807,414
		<u>534,451</u>	<u>9,475,092</u>
9	OTHER PAYABLES		
	Contributory Provident Fund-PPRA Employees	26,067,762	15,698,428
	Provision for gratuity	36,662,243	25,755,051
	Provision for encashment of earned leaves	23,501,996	14,866,904
		<u>86,232,001</u>	<u>56,320,383</u>
10	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments during the year (2020 : nil)		
11	GOVERNMENT GRANT		
	This represent grant received from Government of Pakistan during the year 2020-21.		
12	SERVICE INCOME		
	Tender income	188,595,786	142,779,369
	Training income	1,800,000	-
		<u>190,395,786</u>	<u>142,779,369</u>

MBK

		2021	2020
		----- (Rupees) -----	
13	OTHER INCOME		
	Profit on bank deposits	15,882,540	9,782,800
	Profit on investments	8,479,925	36,743,896
	Complaint management	1,362,000	-
		<u>25,724,465</u>	<u>46,526,696</u>
14	OPERATING EXPENSES		
	Salaries and benefits	193,159,436	191,874,238
	Consultancy fee	1,750,000	1,832,100
	Conference and seminar	452,526	37,200
	Traveling and conveyance	847,240	795,763
	Repair and maintenance - vehicles	307,357	51,926
	Postage and telegraph	622,466	-
	Utilities	256,710	168,163
	Communication	663,009	503,712
	Newspaper and periodicals	151,906	56,784
	Stationary	2,455,879	1,702,714
	Repair and maintenance - other equipments	1,431,528	268,526
	Entertainment	67,599	35,166
	Auditors's remuneration	50,000	50,000
	Advertisement and publicity	411,911	1,556,385
	Miscellaneous expenses	1,381,437	89,205
	Bank charges	176,288	79,836
	Security charges	873,677	411,805
	Depreciation	1,736,387	1,984,126
		<u>206,795,356</u>	<u>201,497,649</u>
14.1	Salaries and benefits		
	Salaries and wages	61,652,578	60,102,619
	Allowances	73,923,316	75,236,828
	Honorarium	15,842,425	15,906,866
	Medical reimbursement	8,407,904	4,745,544
	Earned leaves/ Casual leaves	16,788,638	22,900,870
	Post employment benefit	5,637,383	2,983,811
	Gratuity expense	10,907,192	9,997,700
		<u>193,159,436</u>	<u>191,874,238</u>
14.1.1	Allowances		
	Adhoc allowances	12,133,822	12,062,083
	Conveyance allowance	5,518,106	3,623,349
	Deputation allowance	135,485	114,800
	House rent allowance	35,021,765	36,019,837
	Regular/Other/Misc Allowances	593,383	930,869
	Monetization allowance	1,082,855	917,539
	Special allowance	1,693,548	1,652,742
	Utilities allowance	17,744,352	17,915,609
		<u>73,923,316</u>	<u>75,236,828</u>
14.2	Auditors's remuneration		
	Audit services		
	Annual audit fee	50,000	50,000
	Non-audit services		
	Certifications for regulatory purposes	-	-
		<u>50,000</u>	<u>50,000</u>
15	RELATED PARTIES TRANSACTIONS		
	Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. no transactions with related parties during the year.		

MBC

16 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2021		2020	
	Managing Director	Executives	Managing Director	Executives
Managerial remuneration	1,857,936	25,773,691	1,574,291	24,761,525
Allowances	6,059,518	76,709,307	7,846,830	65,658,572
	7,917,454	102,482,998	9,421,121	90,420,097
Number of persons (including those who worked part of the year)	1	24	1	24

NUMBER OF EMPLOYEES

	2021	2020
	Numbers	Numbers
Total employees of the authority at the year end	95	94
Average employees during the year end	95	91

17 INCOME TAX EXPENSE

Provision for income tax is not made in the financial statements.

18 FIGURES

Figures have been rounded off to the nearest rupee.

19 GENERAL

These statements were approved on **02 MAR 2022** by the Board of Directors.


DIRECTOR FINANCE

MBCW


MANAGING DIRECTOR



**E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**



Mian Saleem & Co.
Chartered Accountants

Plot No. 35, Street No. 22,
I & T Center, G-8/4,
Islamabad.

Ph: +92 (0) 51-2331709 -10

Fax: +92 (0) 51-8358921

Web: www.ncbms.com.pk/miansaleem

INDEPENDENT AUDITOR'S REPORT

To the Members of E-Pak Acquisition & Disposal System

Public Procurement Regulatory Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of E-Pak Acquisition & Disposal System which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, or give a true and fair view of the financial position of project as at June 30, 2021, and of its financial performance for the year then ended in accordance with the accounting and reporting standards applicable in Pakistan comprise of Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the Institute of Chartered Accountant of Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial statements and our auditors' report thereon.

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

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

M. Saleem



Responsibilities of Management and Those Charged with Governance 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 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 or to cease operations of projects, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the 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 Managements' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority'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

MAL



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 Authority to cease to continue as a going concern.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Tariq Mahmood.

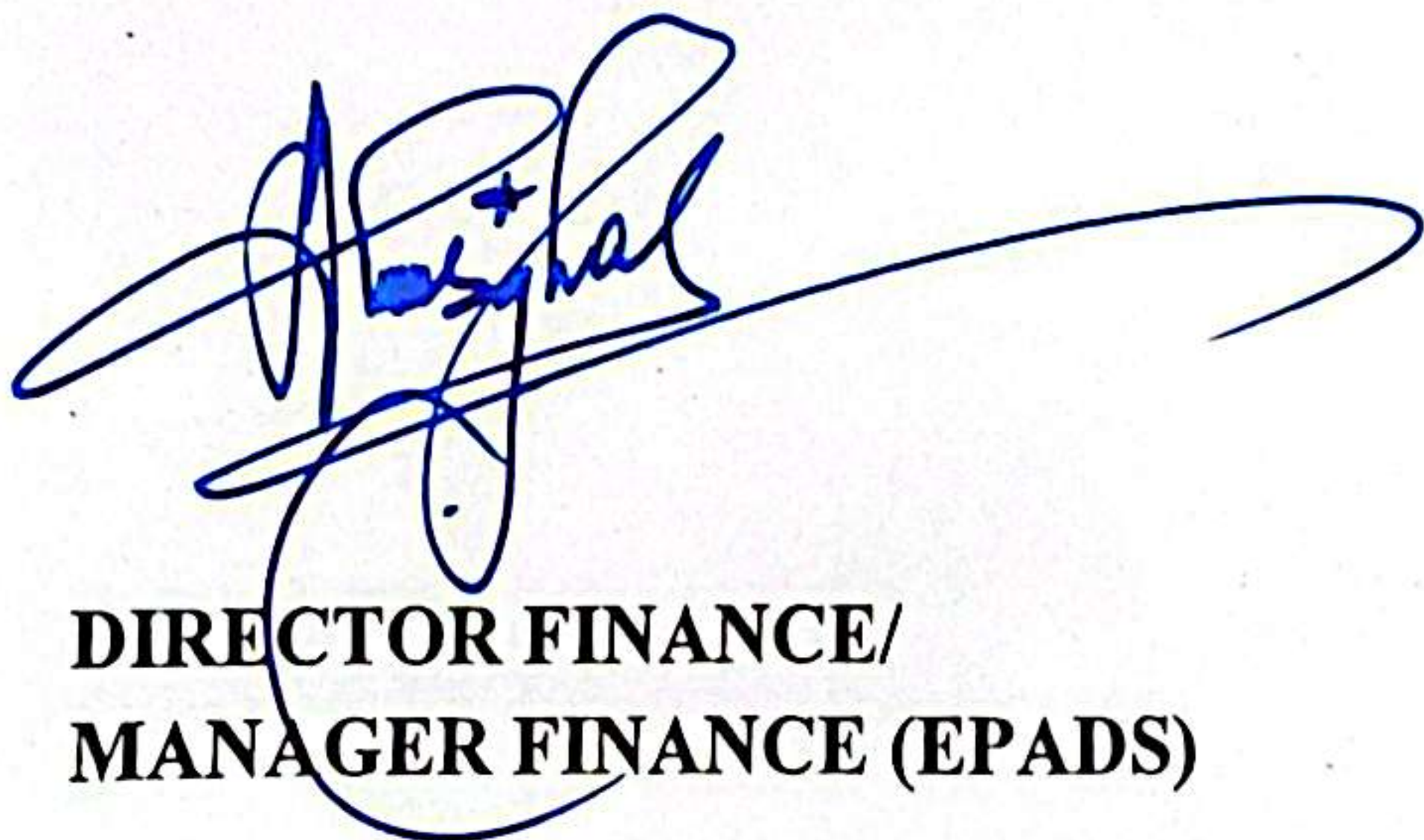
Mian Saleem & Co
Chartered Accountants
Islamabad
Date

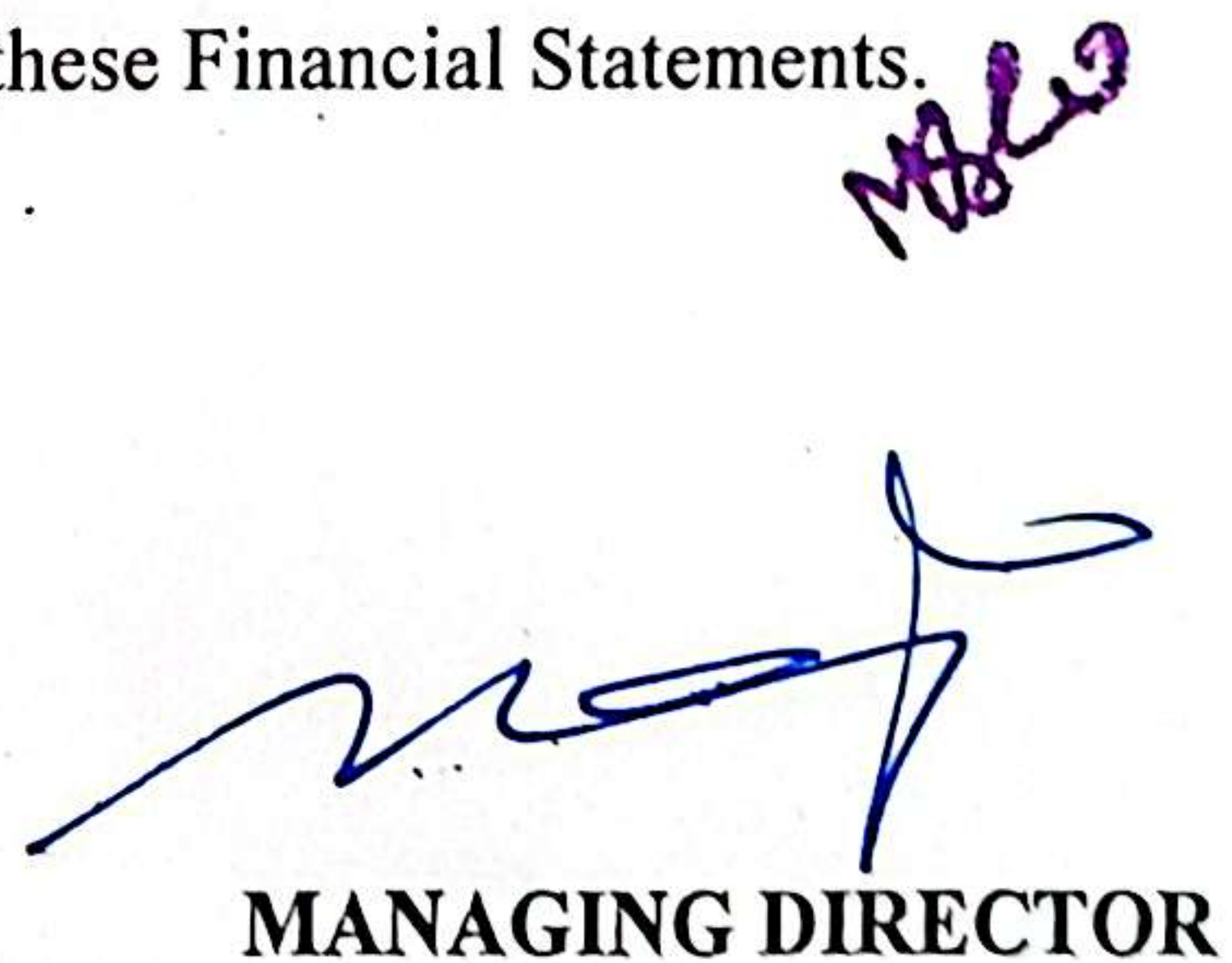
09 MAR 2023

**PROGRAM FOR RESULTS (Pfor R)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 (Rupees)
NON-CURRENT ASSETS		
Property and equipment	4	1,119,834
CURRENT ASSETS		
Advances and other receivables	5	24,994,330
Cash and bank balances	6	-
		24,994,330
		26,114,164
FUNDS AND LIABILITES		
CURRENT LIABILITIES		
Creditors and accrued liabilities	7	(50,000)
NET ASSETS		26,064,164
REPRESENTED BY:		
RESERVE FUND		
Balance at the begenning of the year		-
Funds Available for Capital Expenditure		26,064,164
Balance at the end of the year		26,064,164

The annexed notes from 1 to 16 form an integral part of these Financial Statements.


**DIRECTOR FINANCE/
MANAGER FINANCE (EPADS)**


MANAGING DIRECTOR

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021**

		2021
	Note	Rupees
INCOME		
Government grant	8	44,083,282
		44,083,282
Operating expenses	9	18,019,118
		18,019,118
		26,064,164
Income tax expense	14	-
Funds Available for Capital Expenditure		26,064,164
Amount Spent on Capital Expenditure		26,064,164
Surplus/ Deficit		-

The annexed notes from 1 to 16 form an integral part of these Financial Statements.

13/07/21

**DIRECTOR FINANCE/
MANAGER FINANCE (EPADS)**

MANAGING DIRECTOR

1 STATUS AND NATURE OF ACTIVITIES

The Government of Pakistan has developed a six-pillar Public Financial Management (PFM) strategy (2018-2027) that was jointly approved by the federal and provincial finance secretaries. Its purpose is to consolidate PFM progress and make incremental improvements to ensure that system delivers to their full potential in an accountable and transparent manner. The PFM reforms strategy is further supported by the National Procurement Strategy. In order to remove bottlenecks confronted during public financial management and to improve the procurement systems through simplified procedures, with greater accountability and enhanced transparency for better service delivery particularly in health and education sectors, the GoP with the financial support of the World Bank conceived the Program for Results (PforR) project with five (05) mutually reinforcing Key Result Areas (KRA).

Among others, KRA 2: *"Improved Procurement Performance"* pertains to Federal PPRA, whereas DLI 3 specifies that *"percentage of vendor contracts processed through the recipients e-procurement system"*. In order to achieve DLI-3, following three Disbursement Linked Results (DLRs) shall be monitored and milestone payments will be made based on specific deliverables:

DLR 3.1: PPRA approves the notification of the amendment to the Recipient's Public Procurement Rules 2004 (Rules 10, 19, 24);

DLR 3.2: Publication of mandatory standard bidding documents for goods and request for proposal for consultancy services and contracts for specialized procurements, e.g., ICT, Pharmaceuticals, framework contracts;

DLR 3.3: 50 percent of target of targeted procurement packages (whose contract amount is more than PKR 5 million for goods and services and more than PKR 50 million for works) to be processed through e-procurement for health and education sectors. [IR Indicator 3.3: E-procurement guidelines issued and Supplier Relations Management Module operational in health and education sectors, with Supplier Web-portal established].

1.1 Project Objective

The project is aimed to improve public financial management and procurement systems for better management and accountability in service delivery, particularly in health and education sectors. The e-Procurement System is envisioned to be governed by the core principles of sustainable public procurement including economy, efficiency, optimization, fairness, transparency, good governance, accountability and value for money while taking into account the minimum environmental impacts. Successful implementation of the e-Procurement System will be an important milestone and a giant leap towards improving governance, service delivery and trust building. The e-Procurement System will not only play a vital role for best utilization of public money but will also increase the confidence-level of top-notch vendors/contractors/service providers to participate in public procurements.

1.2 Funding and Support

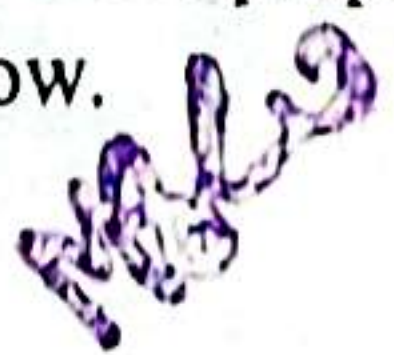
As mentioned above, the EPADS is supported under the World Bank's Public Financial Management (PFM) and Accountability to Support Service Delivery PforR (Program-for-Results) Project for Pakistan. Financing Agreement between Islamic Republic of Pakistan and International Development Association (IDA) was signed on December 29th, 2017. The project has five (05) Key Result Areas (KRAs) wherein KRA 2: *"Improved Procurement Performance"* and DLI 3: *"Percentage of vendor contracts processed through the Recipient's e-Procurement System"* pertains to PPRA with total allocated amount of USD\$ 50 million.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the institute of Chartered Accountant of Pakistan and PPRA Accounting Procedures (Regulations) 2014.

2.1 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.



**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupee (Rs. / Rupees) which is functional currency of EPADS Project of PPRA. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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 judgment in the process of applying the EPADS Project's accounting policies. The areas involving a high degree of judgment 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:

-Useful lives, residual values and depreciation method of property and equipment – Note 3.1 & 4

The revisions to accounting estimates (if any) are recognised 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

3.1 Property and equipment

Initial recognition

All items of property and equipment are initially recorded at cost.

Subsequent measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged on written down value of assets at the rates mentioned in Note.4 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the income and expenditure account. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the statement of funds.

Judgement and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Impairment

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Authority recognises the reversal immediately in the statement of Income and expenditure account, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks. These are carried at cost.

3.4 Government grants

Recognition and measurement

Government grants(if any) are recognised at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognised in income when the grant proceeds are received.

3.5 Employees's benefits

Employees on contract

There are no retirement benefits available to contract employees of the EPADS Project of PPRA.

3.6 Investments held to maturity

There are no investments of the EPADS Project of PPRA.

3.7 Trade and other payables

These liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority.

3.8 Income

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the EPADS Project and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably. Monetary grants, where no specific condition exists for the utilization of such grants, are recognized on receipt basis

3.9 Offsetting

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the EPADS Project has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.10 Provisions

Provisions are recognized when the EPADS Project has a present obligation (legal or constructive) as a result of a past event, it is probable that the authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized, as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of comprehensive income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

PROGRAM FOR RESULTS (PforR)
 E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

4 PROPERTY AND EQUIPMENT

	Plant & Machinery	Computer & Equipment	Total
Cost			
Balance at July 01, 2020			
Additions	534,339	953,625	1,487,964
Disposals	-	-	-
Balance at June 30, 2021	534,339	953,625	1,487,964

Depreciation

Balance at July 01, 2020			
Charge for the year	53,434	314,696	368,130
Disposals	-	-	-
Balance at June 30, 2021	53,434	314,696	368,130

Balance as on June 30, 2021

480,905 638,929 1,119,834

Depreciation Rate

10%

33%

1867

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 <u>-----(Rupees)-----</u>
5 ADVANCES AND OTHER RECEIVABLES		
Mobilization Advance		<u>24,994,330</u> <u>24,994,330</u>
6 CASH AND BANK BALANCES		
Cash at bank		<u>-</u> <u>-</u>
7 CREDITORS AND ACCRUED LIABILITIES		
Withholding tax payable		-
Audit fee payable		50,000
Salaries payable		-
		<u>50,000</u>
8 GOVERNMENT GRANT		
This represent grant received from Government of Pakistan during the year 2020-21. Total Funds received during the FY 2020-21 were Rs. 233,443,000. The EPADS Project of PPRA surrendered Rs. 189,359,718/-.		
9 OPERATING EXPENSES		
Salaries and benefits	10.1	13,542,821
Stationery		459,412
Consultative workshop		235,132
Consultancy fee		3,014,433
Advertising and promotion		313,000
Audit fee		50,000
Depreciation		368,130
Miscellaneous		36,190
		<u>18,019,118</u>
10 Salaries and benefits		
Salaries and wages		8,030,000
Honorarium		5,512,821
	10.1	<u>13,542,821</u>
11 Auditors' remuneration		
Audit services		
Annual audit fee		<u>50,000</u>
		<u>50,000</u>
12 RELATED PARTIES TRANSACTIONS		
Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel, there are no transactions with related parties during the year.		
13 NUMBER OF EMPLOYEES		2021 <u>-----Numbers-----</u>
Total employees of the authority at the year end		1
Average employees during the year end		1

MBC

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

14 INCOME TAX EXPENSE

Provision for income tax is not made in the financial statements.

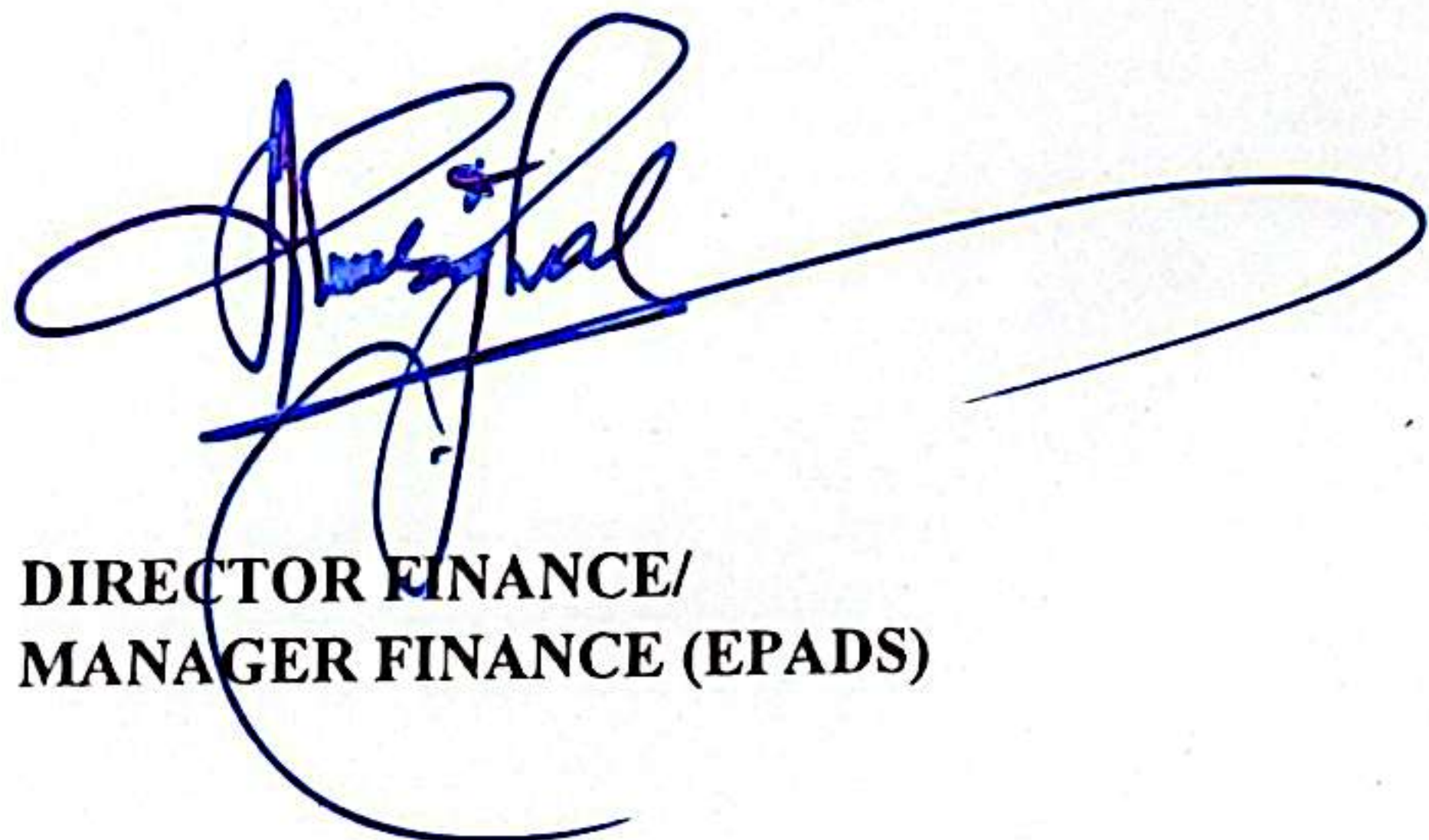
15 FIGURES

Figures have been rounded off to the nearest rupee.

16 GENERAL

These statements were approved on **20 FEB 2023** by the Board of Directors.

MALW



**DIRECTOR FINANCE/
MANAGER FINANCE (EPADS)**



MANAGING DIRECTOR



ACRONYMS



ACRONYMS USED IN THE REPORT

ADB	Asian Development Bank
AGPP	Advisory Group on Public Procurement
ASP	Assessment and Strengthening Programme
DEO	Data Entry Operator
EPADS	e-Pak Acquisition and Disposal System
FY	Financial Year
GDP	Gross Domestic Product
OCDS	Open Contracting Data Standards
OCP	Open Contracting Partnership
PPP	Public Private Partnership
PPR	Public Procurement Rules
PPRA	Public Procurement Regulatory Authority
RFQ	Request for Quotation
RSPN	Rural Support Programmes Network
NITB	National Information Technology Board
TNA	Training Needs Assessment
UNCITRAL	United Nations Commission on International Trade Law
USAID	United States Agency for International Development
PR	Performance Review
WB	World Bank



MANAGEMENT CONTACTS

Management Contacts

S.No.	Name & Designation	Department	Telephone No.	E-mail
1	Mr. Maqbool Ahmad Gondal Managing Director	Managing Director	051-9224824 Ext. 108	mdppra@ppra.org.pk
2	Engr. Muhammad Zubair Director General	Monitoring & Evaluation Wing	051-9202254 Ext. 109	zubair@ppra.org.pk
3	Dr. Aslam Waseem Director General	Legal Wing	051-9254982 Ext. 110	aslamwaseem@ppra.org.pk
4	Mr. Farukh Bashir Director General	HR Wing	051-9224822 Ext. 111	farrukh@ppra.org.pk
5	Mr. Ali Asghar Bhutto Director	Finance Wing	051-9211880 Ext. 114	aliasghar@ppra.org.pk
6	Mr. Abdul Nabi Gilal Director	Legal Wing	051-9203542 Ext. 113	abdulnabi@ppra.org.pk
7	Mr. Ateeq Haider Baig Director	IT Wing	051-9245634 Ext. 112	ateeq@ppra.org.pk
8	Mr. Muhammad Ibrahim R. Khan Director	HR Wing	051-9211881 Ext. 116	Ibrahimkhan.ppra@org.pk
9	Mr. Ali Tamoor Deputy Director	HR Wing	051-9204462 Ext. 120	alitemoor@ppra.org.pk
10	Mr. Sagheer Ahmed Deputy Director	Training Directorate	051-9245635 Ext. 125	sagheer@ppra.org.pk
11	Ms. Faiza Nayer Deputy Director	Training Directorate	051-9224822 Ext. 124	Faiza@ppra.org.pk
12	Mr. Yasir Shamim Khan Deputy Director	Finance/ Accounts	051-9216994 Ext. 121	yasir@ppra.org.pk
13	Mr. M. Faraz Alvi Deputy Director	Finance/ Accounts	051-9203541 Ext. 122	faraz.ppra@gmail.com
14	Ms. Asma Shaheen Deputy Director	Finance/ Accounts	051-9203541 Ext. 123	finance.ppra@gmail.com
15	Mr. M. Khurshid Deputy Director	Legal Wing	051-9216995 Ext. 126	khurshid@ppra.org.pk
16	Mr. Abid Akram Cheema Deputy Director	Legal Wing	051-9254982 Ext. 127	abidcheema@ppra.org.pk
17	Dr. Asim Jalil Deputy Director	Monitoring & Evaluation Wing	051-9211879 Ext. 115	aasimjaleel@ppra.org.pk
18	Mr. Rizwan Mehmood Deputy Director	IT Wing	051-9205728 Ext. 119	rizwan@ppra.org.pk



19	Mr. M. Aasim Bashir Deputy Director	IT Wing	051-9245634	aasim@ppra.org.pk
20	Syed Jahangir Rizvi Assistant Director	Training Directorate	051-9245635 Ext. 128	Jahangir@ppra.org.pk
20	Syed Mohsin Hassan Assistant Director	Web	051-9205726 Ext. 129	mohsin@ppra.org.pk
21	Mr. Sheheryar Masood Assistant Director	IT Wing	051-9205726 Ext. 129	sheheryar@ppra.org.pk
22	Engr. M. Saleh Izhar Deputy Director	Monitoring & Evaluation Wing	051-9211883 Ext. 134	salehizhar@ppra.org.pk
23	Ms. Saima Mueed Deputy Director	Monitoring & Evaluation Wing	051-9211882 Ext. 134	saima@ppra.org.pk
24	Mr. Shafique Ahmed Deputy Director	IT Wing		shafiq@ppra.org.pk

