



STRENGTHENING TRANSPARENCY IN PUBLIC PROCUREMENT



**ANNUAL
REPORT
2021-2022**



Public Procurement
Regulatory Authority.

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



This Annual Report for the FY 2021-22 is being issued in accordance with section 17 of PPRA ordinance 2002, covering PPRA Legal Framework, Strategic Initiatives, Achievements and Way forward being PPRA as a Regulator in Public Procurement.

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 with. 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 (EPADS) and technical assistance in the development phase of e-Procurement System (EPADS) 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.

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GLOSSARY OF ACRONYMS USED

| | | | |
|--------------|-----------------------------------------------|-------|----------------------------------------------------|
| AGP | Auditor General of Pakistan | PIM | Pakistan Institute of Management |
| API | Application Program Interface | PFM | Financial Management project |
| CIPS | Chartered Institute of Procurement and Supply | PMU | Project Management Unit |
| ECC | Economic Coordination Committee | PPP | Public Private Partnership |
| EPADS | e-Pak Acquisition and Disposal System | PPMI | Pakistan Planning & Management Institute |
| FY | Financial Year | PPR | Public Procurement Rules |
| HRCI | Human Resource Certification Institute | PPRA | Public Procurement Regulatory Authority |
| LUMS | Lahore University of Management Sciences | RFQ | Request for Quotation |
| M&E | Monitoring and Evaluation | SECP | Securities & Exchange Commission of Pakistan |
| NADRA | National Database & Registration Authority | STI | Secretariat Training Institute |
| NLC | National Logistics Cell | SHRM | Society for Human Resource Management |
| NITB | National Information Technology Board | SRS | Software Requirements Specifications |
| NPO | National Productivity Organization | UAT | User Acceptance Testing |
| <i>PforR</i> | Program for Results | USAID | United States Agency for International Development |

CHAIRMAN'S MESSAGE

Public Procurement Regulatory Authority is an autonomous body established under PPRA Ordinance, 2002, endowed with the responsibility of regulating Public Procurement to improve Governance, Management, Transparency, Accountability and Quality in the Public Procurement of Goods, Works and Services.

I have the pleasure to present the PPRA Annual Report for Financial Year 2021-22. The report has been prepared in accordance with Section 17 of the PPRA Ordinance, 2002 and provides the performance of PPRA as an institution.

During the FY 2021-2022, the Authority made accelerated approach towards implementation of the e-Pak Acquisition and Disposal System (E-PADS) on fast track basis. The E-PADS is a web based system which shall encompass the complete procurement life cycle from planning to close out of the contract and shall record all activities of Public Procurement. During the FY 2021-22, the required technical human resource has also been recruited for the implementation of project in its true spirit.

The Authority has also notified Standard Procurement Documents for different categories of procurement to harmonize the public procurement process across procuring agencies. Based on regulatory feedback, the Authority has notified new regulations for the redressal of grievances, review of blacklisting of firms and manner of advertisement, to enhance the confidence of the procuring agencies and suppliers on the Public Procurement System in the country.

I shall like to acknowledge the contribution of the development partners for their financial and technical support under which numerous activities related to E-PADS were implemented to improve transparency in Public Procurement Process. Their support complemented the Government subvention in attainment of PPRA objectives.

Finally I would take this opportunity to congratulate PPRA management and other Public Procurement stakeholders for their hard work and commitment that led the Authority for its remarkable performance during the year under review.



Imdad Ullah Bosal
Chairman PPRA Board



It is a matter of great privilege to present the PPRA Annual Report for the year 2021-22, which accentuates the performance of the Public Procurement Regulatory Authority during the reported year. It depicts the achievements made during the fiscal year 2021-22. This report has been prepared as an obligation under Section 17 of the Public Procurement Regulatory Authority Ordinance, 2002.

Public procurement is a key aspect of public administration that links the Public Financial System with social and economic outcomes, and is treated as major determinant of the quality of community services, infrastructure, and the effectiveness of the Government. This function cuts across almost all areas of planning, programme management, and budgeting.

PPRA is primarily entrusted with powers for improving Governance, Management, Transparency, Accountability and Quality of Public Procurement and promote Transparency, Efficiency in Procurement Procedures while providing equal and non-discriminatory treatment to the bidders' fraternity, private sector associations and other stakeholders participating in Public Procurement. To accomplish specific goals and objectives, during fiscal year 2021-22, number of amendments were made in Procurement Regulatory Framework, while certain amendments were also made in order to make Public Procurement Process more efficient, cost-effective and transparent. We firmly believe that simplification and elaboration of regulatory framework will meaningfully contribute towards ease of doing business.

PPRA is continuously striving to empower the procuring agencies to efficiently conduct procurement processes. PPRA has aligned its strategy with National Development Agenda and we remain committed to our efforts to bring transparency, fairness and level playing field for all the bidders. In this regard, PPRA has focussed to harness the knowledge and skills to deliver tangible and practical results while taking Public Procurement to new horizons.

One part of this efforts is the development of national-level unified e-Procurement System (EPADS). National Procurement Strategy was devised, transforming from legacy procurement system to automated procurement system that outlines common vision and outlook on making procurement process efficient and transparent in the country. We are cognizant of the fact that technological innovations such as e-Procurement System will significantly enhance the efficiency of procurement process, eliminate bid rigging, strengthen transparency and achieve value for money. e-Procurement is highlighted as one of the major drivers in National Procurement Strategy to achieve transparency and value for money in Public Procurement.

e-Pak Acquisition and Disposal System (EPADS) is supported under Public Financial Management System "Program for Results" (PforR) under the aegis of World Bank has made significant progress. As result of the frequent and productive deliberations, consensus has been built with provincial and regional PPRA's for the development of unified e-Procurement System (EPADS).



Hasnat Ahmed
Qureshi

**MANAGING
DIRECTOR PPRA**

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 and to regulate Public Sector Procurement of Goods, Services and Works with a view to ensure transparency, accountability, level playing field, fairness, value for money, economy, grievance handling and quality of Public Procurement.

Status of the Authority

Public Procurement Regulatory Authority (PPRA) is an autonomous organization, established under an Ordinance. Public Procurement has become a specialized undertaking of the modern world. Government departments generally face institutional capacity issues in their internal control, fiscal management, procurement and contract administration which limit and hamper their overall performance and the delivery of services. There is a strong correlation between transparent Public Procurement and economic development.

The rationale behind the establishment of PPRA was that no well-defined Regulatory Framework/Code of Ethics existed for checking of malpractices by Public Procurement Practitioners despite several enactments on efficiency and discipline of Government servants while conducting the official business. In addition to this there was no system in place to provide a proper forum for resolution of any grievances regarding any procurement transaction. In case of dispute between the procuring agency and the contractor the options were arbitration under Arbitration Act 1940 and the courts of law.

To fill the gap Public Procurement Regulatory Authority has been established as an autonomous body capable of providing legal and regulatory framework to Federal Government Ministries, Divisions, Corporations, Departments and other public sector entities / organizations in procurement. The overarching goal of PPRA is to improve governance, management, transparency, accountability and quality of public procurement of goods, works and services at all levels across the province leading towards restoring trust in the State Institutions. The PPRA Board outlines guidelines for procuring agencies on various steps involved in a procurement cycle.

Legal Framework

Public Procurement Regulatory Authority is a statutory autonomous body of Federal Government established under the PPRA Ordinance 2002, notified vide 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, Government of Pakistan promulgated new Procurement Rules conforming to international best practices applicable on procurement carried out by the Procuring Agencies as defined under Section 2(i) of the PPRA Ordinance, 2002.

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:

- Monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement;
- 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;
- Recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
- Make regulations and lay down codes of ethics and procedures for public procurement, inspection or quality of goods, services and works;
- Monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;
- Monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
- Provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
- Submit reports to the Government in respect of public procurement activities of procuring agencies;
- 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
- 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 composition of PPRA Board is as under:



| 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 | Members |

PPRA BOARD MEMBERS DURING THE REPORTED PERIOD



Mr. Imdad Ullah Bosal
Secretary
Ministry of Finance
(Chairman - PPRA Board)



Mr. Maqbool Ahmad Gondal
Managing Director
PPRA
(Board Secretary/Member)



Lt Gen (R) Humayun Aziz, HI (M)
Secretary,
Ministry of Defence Production
(Member)



Mr. Iftikhar Ali Shallwani
Secretary
Ministry of Housing & Works
(Member)



Mr. Momin Agha
Add. Secretary (Incharge)
For Ministry of Industries
and Production, (Member)



Mr. Rashid Mahmood Langrial
Secretary
Ministry of Energy - Power
Division (Member)



Mr. Hassan Nasir Jamy
Secretary,
Ministry of Water Resources
(Member)



Capt (R) M. Khurram Agha
Secretary,
Ministry of Communications
(Member)

Key

Highlights

2021-22

KEY HIGHLIGHTS

- 352 officers / officials of different procuring agencies were trained through eleven (11) Training Sessions on Public Procurement Rules 2004 and amendments to date.
- 18 Internal & External Training Workshops were conducted for capacity building of PPRA employees in which 51 employees of the Authority were trained.
- Hiring process of seven vacant positions of Project Management Unit (EPADS) and five vacant positions of Minority and Balochistan Quota is completed.
- 105 Legal Opinions were rendered to different Procuring Agencies.
- 42 Court Cases of Procuring Agencies were disposed of.
- List of 41 Suppliers/Contractors blacklisted by the Procuring Agencies, is published by the Authority on its website.
- 26 Appeal and review petitions have been decided by the Authority.
- Number of Evaluation Reports were issued to save public exchequer from possible misuse/ embezzlement and to improve the procurement process 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 pertaining to 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 facilitate 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.
- In accordance with the “Redressal of Grievances Regulations, 2021” constituted in terms of Rule 48(7) of Public Procurement Rules, 2004 number of appeals have been decided and majority of orders were sustained by the superior courts.
- In pursuance of Section 27 of PPRA Ordinance, 2002 the Authority has developed five new Standard Procurement Documents for national and international competitive bidding.
- Instructions regarding “Publication of Contract Awards on PPRA’s website without any reference to the amount of Contract” and use of new five standard procurement documents available on PPRA website were issued.
- General instructions for constitution of Grievance Redressal Committee(s) in terms of Rule 48(1) of Public Procurement Rules, 2004 were issued.
- 29,578 tenders with 1497 reported violations were uploaded on PPRA website as per Public Procurement Rule 12.
- 253 Procurement Plans of different Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9.
- 7,448 Evaluation Reports are uploaded on PPRA website as per Public Procurement Rule 35.
- 1,180 Procurement Contracts are uploaded on PPRA website as per PPRA Regulation, 2009.
- The Authority has completed its External Audit as on June 30th, 2021.



**STRATEGIC
INITIATIVES**
(2021-2022)

E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)

National Procurement Strategy (2013-2016) was developed to outline a common vision and outlook on making procurement process efficient and transparent in the country. The strategy was developed keeping in view the removal of gaps in existing procurement regime. International experience suggests that technological innovations such as e-procurement and electronic reverse auction can enhance the efficiency of procurement, eliminate bid rigging, strengthen transparency and achieve value for money. The digitalization of procurement processes eliminates the direct interface between procurement officials and bidders and thereby significantly reduces the chances of bribery and corruption. E-Procurement was highlighted as one of the major drivers in National Procurement Strategy to achieve transparency and value for money in 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. 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 public exchequer.

Significant progress is made against some of the key milestones mentioned as under:

1. Feasibility Study and Gap Analysis for Federal, Provincial & Regional PPRAs is conducted.
2. Business process mapping for Federal, Provincial & Regional PPRAs is separately conducted in accordance with their respective Regulatory Frameworks.
3. Separate Software Requirements Specifications (SRS) documents are developed for federal, provincial and regional PPRAs.
4. System development for piloting of e-Procurement System is underway whereas, UAT for User Management & Supplier Management Modules is completed.
5. In order to incorporate the feature of e-Payment System, coordination is underway with external entities i.e. State Bank and Commercial Banks, to provide payment gateway APIs.
6. Contract is signed with PTCL for provision of Enterprise Cloud Hosting Services on Infrastructure-as-a-Service (IaaS) model for the e-Procurement System (EPADS).
7. MOUs have been signed with Securities & Exchange Commission of Pakistan (SECP) and NADRA for system integration and information exchange.



PROCUREMENT REGULATORY FRAMEWORK

In accordance with the power conferred under Section 27 of the PPRA Ordinance 2002, the Authority has made Regulations for improvement in the Public Procurement activities. Details of the Regulations notified during the reported period are as under:

- Vide S.R.O.90(I)/2022 & S.R.O.91(I)/2022 regulations were notified on 12th January 2022 titled as “Procedure of filing and disposal of Review Petition under Rule 19(3), 2021” and “Redressal of Grievances Regulations, 2021” respectively.
- The Authority vide S.R.O. 370(I)/2022 notified regulation on 25th February 2022 for the procuring agencies to use National Standard Procurement documents for national/ international competitive bidding, available on Authority’s website.
- The Authority vide SRO No.1915 (I)/ 2022 notified the amendments in “PPRA Accounting Procedure Regulations” on 15th April, 2022.
- The Authority vide S.R.O.591(I)/2022 notified regulations on 10th May 2022 titled as “Manner of Advertisement Regulations, 2022”.
- In pursuance of said regulation, for procurements over five hundred thousand rupees procuring agencies shall advertise the bidding documents on procuring agency’s or PPRA’s website to ensure transparency, open competition and equal opportunities.
- The Authority vide S.R.O.592(I)/2022 notified regulations on 14th May 2022 called as “Declaration of Beneficial Owner’s Information of Public Procurement Contract Awarded Regulations, 2022”. Procuring agencies while engaging in public procurement contracts worth Rs.50 million and above shall make mandatory provisions of beneficial ownership information and after contract award shall publicize the beneficial ownership information of the company on PPRA’s website.

Publication of PPRA Annual Reports:

In accordance with Section -17 of PPRA Ordinance, 2002, Annual Report for the year 2020-2021 including pending/incomplete Annual Reports from 2008-2021 were prepared and approved from PPRA Board.

Implementation of e-Office Suite:

Public Procurement Regulatory Authority (PPRA) has implemented e-Office Suite to ensure efficiency, accuracy, effectiveness and good governance in decision making and delivery of efficient and cost effective public services. NITB has organized an introductory workshop for PPRA officers on e-Office application for utilization of the same.



Achievements



DEVELOPMENT OF STANDARD PROCUREMENT DOCUMENTS:

In pursuance of Section 27 of PPRA Ordinance, 2002 read with Rule 23(4) of Public Procurement Rules, 2004, the Authority has developed the following Standard Procurement Documents:

- National Standard Bidding Document for Procurement of General Goods
- National Request for Proposal Document for Procurement of Consultancy Services
- National Standard Procurement Document for Procurement of Goods through Closed Framework Agreements
- National Standard Bidding Document for Procurement of Therapeutic Goods (Pharmaceuticals)
- National Standard Bidding Document for Procurement of Information System (Supply and Installation)



These documents were notified after incorporating feedback from relevant stakeholders including procuring agencies and suppliers/ contractors. These 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. Above-mentioned documents shall contribute in cost reduction in terms of printing and purchasing of bidding documents, efficiency in bidding process, common terminologies and familiarity with the terms of bidding documents and reduced probability for deviations.

Monitoring & Evaluation:

PPRA is mandated to monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement. During the period from July 2021 to June 2022, following major Monitoring & Evaluation activities were performed by the Authority:

- Number of Evaluation Reports were issued to save public exchequer from possible misuse/ embezzlement and to improve the procurement process ensuring value for money, transparency and quality of public procurement;
- In order to facilitate national investigation agencies, number of queries were responded and experts were attached for providing them expert opinion pertaining to 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 facilitate 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.
- In accordance with the "Redressal of Grievances Regulations, 2021" constituted in terms of Rule 48(7) of Public Procurement Rules, 2004 number of orders were issued and majority of orders were sustained by the superior courts.

Monitoring of Advertisements/ Tenders uploaded on Authority's website:

PPRA operates web portal where tenders issued by all procuring agencies are uploaded for advertisement and wider circulation. All the advertisements uploaded by the procuring agencies are monitored 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.

Instructions and Explanations issued:

- Instructions were issued regarding "Publication of Contract Awards on PPRA's website without any reference to the amount of Contract".
- Instruction regarding use of standard bidding documents available on PPRA website for procurement of general goods, standard Request for Proposal Document for Procurement of Consultancy Services, Procurement of Goods through Closed Framework Agreements, Procurement of Therapeutic Goods (Pharmaceuticals) and procurement of Information System (Supply and Installation);
- General instructions for constitution of Grievance Redressal Committee(s) in terms of Rule 48(1) of Public Procurement Rules, 2004.

TEAM STRENGTHENING ACTIVITIES:

Minority and Balochistan Quota:

Hiring process on five vacant positions of minority and Balochistan quota was conducted and completed in a transparent manner.

e-Procurement (EPADS) Project Team Hiring:

The Authority also recruited highly qualified technical professionals for the Project management Unit (PMU) of e-Pak Acquisition and Disposal System (EPADS). These technical experts will uplift the project to the new horizon by providing a new dimension to the Public Procurement Process.

Capacity Building of PPRA Employees:

PPRA aims to build the capacity of PPRA employees requiring them to attain professional certifications through renowned institutions like Chartered Institute of Procurement and Supply (CIPS), Society for Human Resource Management (SHRM), Human Resource Certification Institute (HRCI), Monitoring, Evaluation and Learning (University of Wolverhampton, UK), LUMS, Harvard University, Google etc. in their respective fields / Wings (i.e. HR, Finance, Monitoring & Evaluation, Legal and IT & Research) in addition to the area of public procurement in particular.

The aforementioned proposal of capacity building of PPRA employees was approved by the PPRA Board in 63rd meeting held on June 14, 2022. Moreover need based different trainings were arranged for the capacity building of PPRA employees. The detail of trainings for the reported period is as under:

| Training Program | Organized by | No. of Participants | No. of Days |
|--------------------------------------------------------------------------|------------------------------------------------------------|---------------------|-------------|
| Stress Management | PPRA (Training Directorate), | 16 | 2 |
| Office Procedures | Secretariat Training Institute (STI), Islamabad | 5 | 14 |
| Duties and Responsibilities of DDOs/Cashiers | | 1 | 5 |
| Duties & Responsibilities General Ethics, Manners & Behavior of Drivers/ | | 6 | 5 |
| E-Office Application | | 5 | 3 |
| Office Procedures | | 4 | 14 |
| Evaluating Regulatory Quality and Performance to Improve Public | National Productivity | 3 | 3 |
| Data Analysis Techniques for Effective Decision Making | Pakistan Institute of Management (PIM), Islamabad | 1 | 3 |
| Effective Communication Skills | | 1 | 3 |
| Enhancing Leadership Skills | | 1 | 2 |
| Dashboard Reporting and Advance Data Analysis with Excel | | 1 | 2 |
| Contract Management | | 1 | 2 |
| Effective Letters, Reports and Presentation | | 2 | 3 |
| Taxation Laws of Pakistan | | 1 | 2 |
| Project Planning and Management Project Monitoring and Evaluation | Pakistan Planning & Management Institute (PPMI), Islamabad | 1 | 2 |
| Procurement and Contract Management (Project Contract and | | | 3 |
| Performance Management in Public Sector (Projects Performance | | 1 | 3 |
| Financial Management (Public Financial Management System) | | 1 | 4 |
| TOTAL | | 51 | |

CAPACITY BUILDING OF PROCURING AGENCIES:

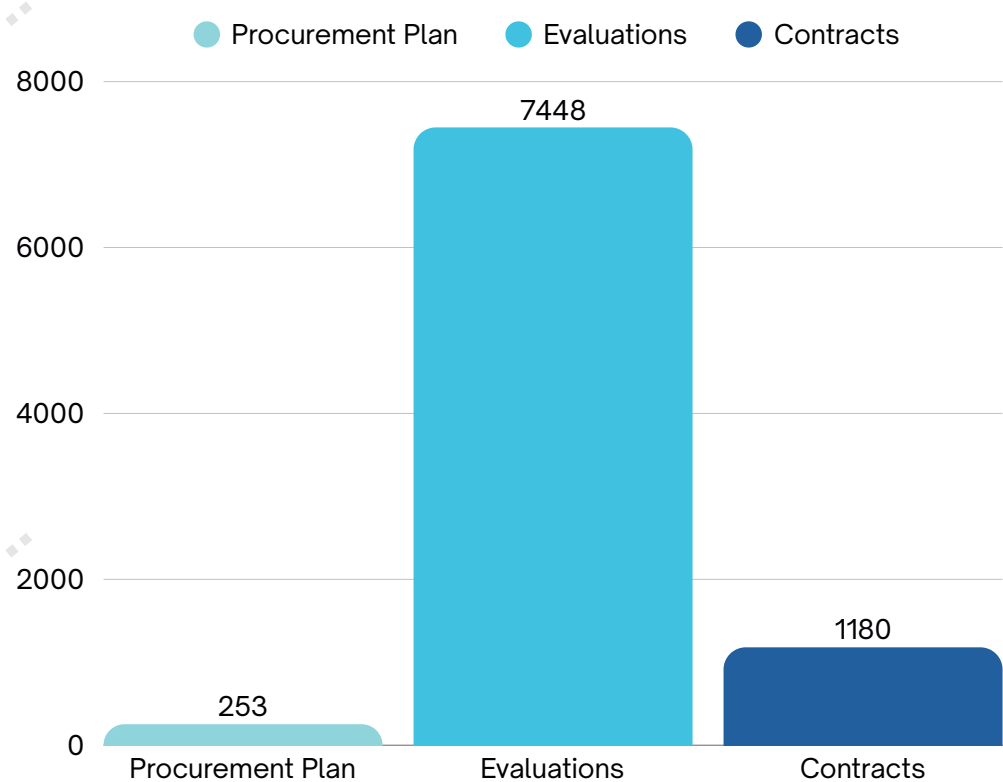
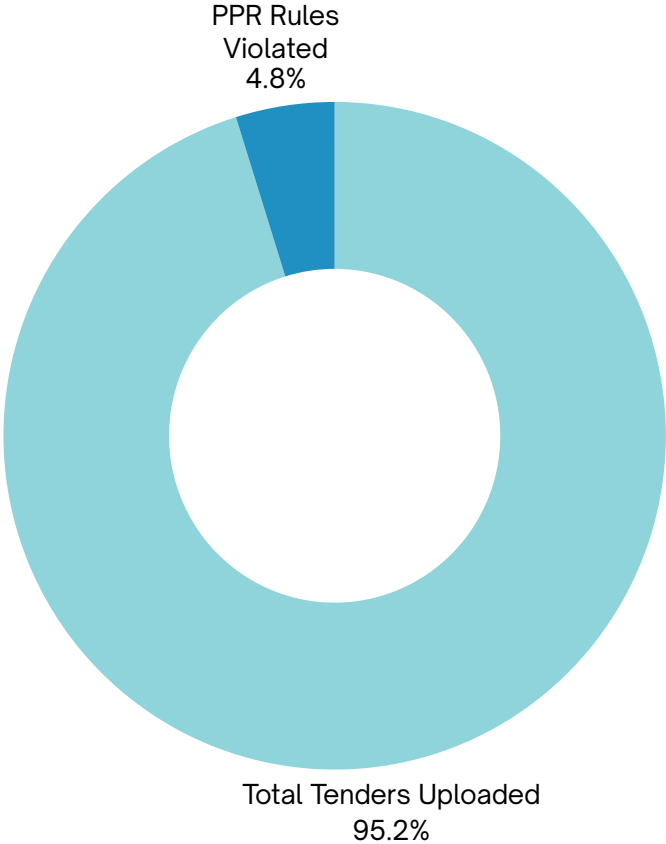
During 2021 – 2022, PPRA arranged eleven (11) Training Sessions on Public Procurement Rules 2004 and amendments to date in which 352 officers / officials of different procuring agencies were trained. The focus of training programs is dissemination of Public Procurement Rules 2004, recent amendments and 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. The procuring agencies appreciated the efforts of the Authority in clarifying the Rules / Regulations/ Procedures / Guidelines in the light of recent amendments. The detail of Trainings is as under:

| Level | Training Date | No. of Participants | Organization / Venue |
|--------------|----------------------|----------------------------|----------------------------------------------------------------------|
| II | July 06 – 08, 2021 | 30 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | July 12 – 14, 2021 | 87 | Pakistan Manpower Institute, Islamabad |
| I | Sep 17, 2021 | 27 | Intelligence Bureau Academy, Islamabad |
| I | Sep 28 - 29, 2021 | 16 | NLC (North) Karachi |
| I | Oct 04 – 05, 2021 | 12 | NLC (South) Karachi |
| I | Dec 14 – 15, 2021 | 61 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | Jan 03, 2022 | 24 | Intelligence Bureau Academy, Islamabad |
| I | Feb 02 – 03, 2022 | 26 | Ordnance College Malir Cantt, Karachi |
| I | Apr 13, 2022 | 23 | Intelligence Bureau Academy, Islamabad |
| II | May 23 – 25, 2022 | 25 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | June 28 – 29, 2022 | 21 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| Total | | 352 | |

TENDERS DATA JULY 2021 TO JUNE 2022

29,578 tenders with 1,497 reported violations have been uploaded on PPRA website as per Public Procurement Rule 12

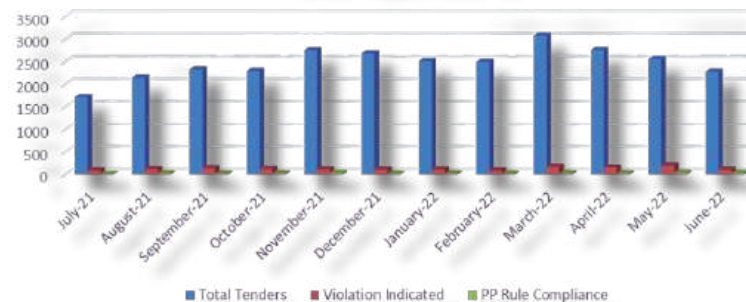
- 253 Procurement Plans of different Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9
- 7,448 Evaluation Reports are uploaded on PPRA website as per Public Procurement Rule 35
- 1,180 Procurement Contracts are uploaded on PPRA website as per PPRA Regulation, 2009



MONTHLY TENDERS/PUBLIC PROCUREMENT RULES VIOLATIONS SUMMARY:

| Tenders Data July, 2021 to June, 2022 | | | | | |
|---------------------------------------|---------------|---------------------|----------------|--------------------|-----------------|
| Month | Total Tenders | Violation Indicated | % of Violation | PP Rule Compliance | % of Compliance |
| July 1st, 2021 | 1716 | 85 | 495 | 17 | 2.000 |
| Aug-21 | 2144 | 119 | 555 | 30 | 2.521 |
| Sep-21 | 2323 | 137 | 590 | 22 | 1.606 |
| Oct 1st, 2021 | 2293 | 124 | 541 | 25 | 2.016 |
| Nov 1st, 2021 | 2750 | 110 | 400 | 35 | 3.182 |
| Dec-21 | 2679 | 105 | 392 | 18 | 1.714 |
| Jan-22 | 2515 | 109 | 433 | 24 | 2.202 |
| Feb 1st, 2022 | 2491 | 84 | 337 | 22 | 2.619 |
| Mar 1st, 2022 | 3075 | 169 | 550 | 27 | 1.598 |
| Apr-22 | 2757 | 153 | 555 | 27 | 1.765 |
| May 1st, 2022 | 2557 | 197 | 770 | 38 | 1.929 |
| June 1st, 2022 | 2278 | 105 | 461 | 35 | 3.333 |
| Total | 29578 | 1497 | 506 | 320 | 2.138 |

Tender Report 2021-22



Legal Opinions / Clarifications:

| Year | Legal Opinion Rendered |
|-----------|------------------------|
| 2021-2022 | 105 |

Blacklisting of Firms:

| Year | No. of Blacklisted Firms |
|-----------|--------------------------|
| 2021-2022 | 41 |

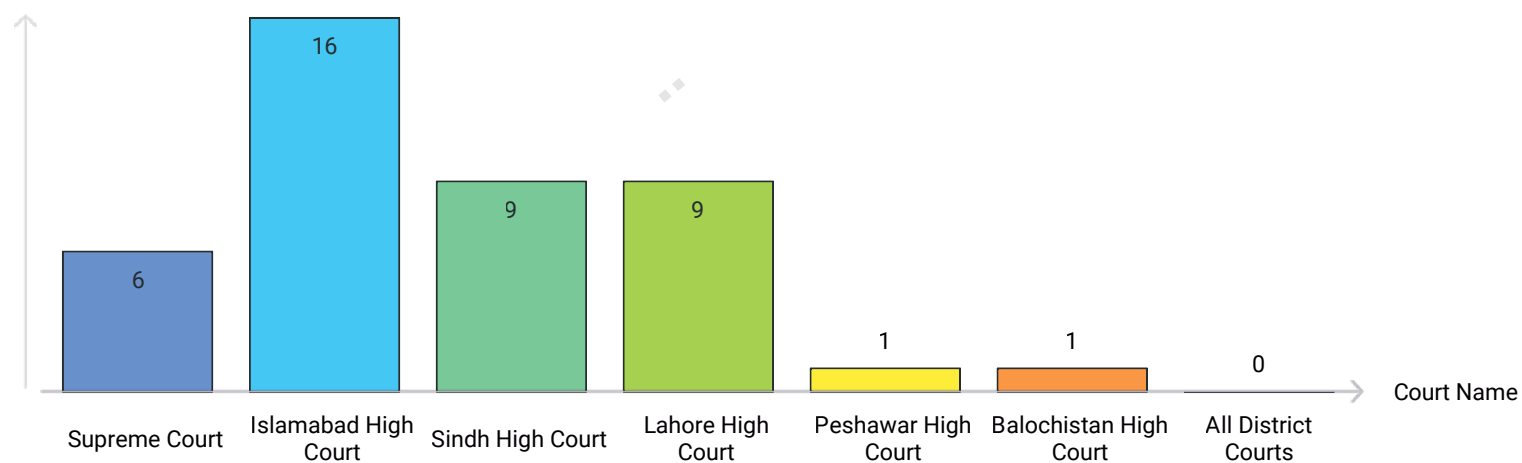
Appeals and Review Petitions:

| Year | Decided Appeals & Review Petitions |
|-----------|------------------------------------|
| 2021-2022 | 26 |

Number of Cases

Court Cases Detail:

| Court(s) Name | No. of Decided Cases |
|------------------------|----------------------|
| Supreme Court | 6 |
| Islamabad High Court | 16 |
| Sindh High Court | 9 |
| Lahore High Court | 9 |
| Peshawar High Court | 1 |
| Balochistan High Court | 1 |
| All District Courts | 0 |
| Total Cases | 42 |

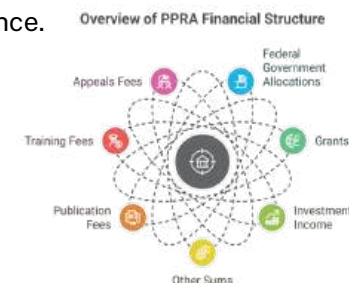


Number of Decided Cases by Court

FINANCE AND ACCOUNTS OF THE AUTHORITY

Section 9 of PPRA Ordinance, 2002 provides that there shall be a Fund to be known as the Public Procurement Regulatory Authority Fund which shall vest in Authority and shall be utilized by the Authority to meet the charges in connection with its functions under this Ordinance. The fund shall be comprising:

- Such sums as the Federal Government may, from time to time, allocate to it in the annual budget;
- Grants;
- Income from investment; and
- All other sums or properties which may in any manner become payable to, or vest in, the Authority in respect of any manner.



Section 13 further provides that the Authority shall cause its accounts to be maintained properly and in respect of each financial year submit for approval of the Federal Government by such date and in such form as may be specified by the Government a statement showing estimated receipts and current expenditure and the sums to be required from the Government during the next financial year. The ordinance also requires that the accounts of the Authority shall be audited every year by the Auditor General of Pakistan.

The Authority framed its financial regulation in 2014 under Section 27 of the Ordinance titled PPRA Accounting Procedures (Regulations), 2014 which further clarifies that in terms Section 9(2)(d) the sums include but not limited to;

1. Income from the fee received from the procuring agencies for uploading their tender notices (including auction) etc. on PPRA website or other similar payments or charges etc. as specified by the Authority from time to time;
2. Fee charged from the participants of various training programmes for procuring agencies and suppliers as specified in Schedule “A”.
3. Fee charged from the Appeals for resolution of complaints as specified in Schedule “A”.
4. Schedule “A” may be revised from time to time as approved by PPRA Board.

During the financial year ended 30th June, 2022, the Finance Wing of the Authority extended continuous support towards achievement of organizational goals in performing its entrusted functions as illustrated under Chapter IV of the PPRA Ordinance, 2002, which are highlighted in ensuing paras.

Levying of nominal publication fee is the charge against efforts PPRA puts behind uploading of every single tender, examining each and every tender/auction 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 also view tenders without any restriction or hurdle.

| Sr. No. | Description | Amount (In Millions) |
|---------------------|-----------------|----------------------|
| 1 | Publication Fee | 262.300 |
| 2 | Training Fee | 2.200 |
| 3 | Appeals | 15.500 |
| Total Income | | 280.000 |

Budgeting:

Budget is an estimation of revenue and expenses over a specified future time period. PPRA being a regulator analyses its revenue streams and expenditure before submitting the Budget to its Board. The major portion of income in budget-estimates comprises of tender income collected from 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. The Authority formulated annual budget of PKR 398 Million out of own resources for FY 2021-22.

External Audit of PPRA 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 external (Chartered Accountants) and Federal Government Auditors (AGP). The Audited Financial Statements of PPRA for FY 2021-22 and Audited Financial Statements of EPADS for FY 2021-22 are placed as **Annexure – I**.

Compliance of Tax Laws:

PPRA Finance Wing represented the Authority as a withholding agent ensuring accurate collection & timely deposit of taxes summarized in the below table and followed by electronic filing of periodic statements relating to income tax / sales tax on goods & services.

| Sr. No. | Description | Amount (In Million) |
|---------|-----------------------------------------|---------------------|
| 1 | Withholding Tax on Bank Deposits | 10.410 |
| 2 | Withholding Tax on receipts | 3.940 |
| 3 | Income Tax withheld by PPRA on Payments | 14.970 |
| 4 | GST withheld by PPRA on Payments | 210 |
| Total | | 29.530 |

Funding for e-Procurement (EPADS):

During reported period, PPRA managed to secure the funds for e-Procurement (EPADS) Project through Technical Supplementary Grant after approval from Prime Minister, ECC and the Federal Cabinet amounting to Rs.555.000 Million.

Pictorial Highlights

2021-2022

PPRA Board Meetings



PPRA Board Meetings





**Group Photo of Ex-Managing Director PPRA,
Mr. Rizwan Malik on his last working day with PPRA**



**A warm welcome of new Managing Director PPRA,
Mr. Maqbool Ahmad Gondal**

EPADS Project Review Meeting with World Bank Officials



MOU Signature Ceremony with SECP



Training on Public Procurement Rules at National Library of Pakistan, Islamabad



Training on Public Procurement Rules at Pakistan Academy of Sciences, Islamabad




TRAINING ON PUBLIC PROCUREMENT RULES AT NLC & ORDNANCE COLLEGE MALIR CANTT, KARACHI



Annex





Annexure - I
Audited Financial Statements FY 2021-22
Audited Financial Statements of EPADS for FY 2021-22



Mian Saleem & Co.
Chartered Accountants

PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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



Main Saleem & Co.
Chartered Accounts

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, 2022, 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, 2022, 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 2022, 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.S.

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



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

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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. Mohammad Saleem.

MS&C

Mian Saleem & Co.
Chartered Accountants
Islamabad

Date **09 MAR 2023**

UDIN **AR209810554tXoR2SP8D**

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1 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 and 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

PPRA is a body corporate as defined in PPRA Ordinance 2002, having 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.

FUNCTIONS, POWERS AND RESPONSIBILITIES OF THE AUTHORITY

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. Without prejudice to the generality of the powers conferred under the Ordinance, 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.

MANAGEMENT OF THE AUTHORITY

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 5 of PPRA Ordinance, 2002 is vested in its Board, which is the apex decision making body for overall direction and administration of the Authority.

KEY HIGHLIGHTS OF 2021-22

- i. 352 officers / officials of different procuring agencies were trained through eleven (11) Training Sessions on Public Procurement Rules 2004 and amendments to date.
- ii. 18 Internal & External Training Workshops were conducted for capacity building of PPRA employees in which 51 employees of the Authority were trained.
- iii. Hiring process of seven vacant positions of Project Management Unit (EPADS) and five vacant positions of Minority and Balochistan Quota is completed.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

- iv. 105 Legal Opinions were rendered to different Procuring Agencies.
- v. 42 Court Cases of Procuring Agencies were disposed of.
- vi. List of 41 Suppliers/Contractors blacklisted by the Procuring Agencies, is published by the Authority on its website.
- vii. 26 Appeal and review petitions have been processed by the Authority.
- viii. Number of Evaluation Reports were issued to save public exchequer from possible misuse/ embezzlement and to improve the procurement process ensuring value for money, transparency and quality of public procurement;
- ix. In order to facilitate national investigation agencies, number of queries were responded providing them expert opinion pertaining to the matters related to public procurement;
- x. Regulatory Reviews were conducted, including some of the large and complex projects, to help bidders to redress their grievances and facilitate procuring agencies for improved public procurement proceedings and to avoid any potential irregularities;
- xi. Number of directives, suggestions and recommendations were issued to procuring agencies and bidders in response to queries, clarifications and complaints raised by them.
- xii. In accordance with the "Redressal of Grievances Regulations, 2021" constituted in terms of Rule 48(7) of Public Procurement Rules, 2004 number of appeals have been decided and majority of orders were sustained by the superior courts.
- xiii. In pursuance of Section 27 of PPRA Ordinance, 2002 the Authority has developed the five new Standard Procurement Documents for national and international competitive bidding.
- xiv. Instructions regarding "Publication of Contract Awards on PPRA's website without any reference to the amount of Contract" and use of new five standard procurement documents available on PPRA website were issued.
- xv. General instructions for constitution of Grievance Redressal Committee(s) in terms of Rule 48(1) of Public Procurement Rules, 2004 were issued.
- xvi. 29,578 tenders with 1497 reported violations were uploaded on PPRA website as per Public Procurement Rule 12.
- xvii. 253 Procurement Plans of different Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9.
- xviii. 7,448 Evaluation Reports are uploaded on PPRA website as per Public Procurement Rule 35.
- xix. 1,180 Procurement Contracts are uploaded on PPRA website as per PPRA Regulation, 2009.

STRATEGIC INITIATIVES & ACHIEVEMENTS DURING 2021-22

A. E-Pak Acquisition & Disposal System (EPADS)

National Procurement Strategy (2013-2016) was developed to outline a common vision and outlook on making procurement process efficient and transparent in the country. The strategy was developed keeping in view to remove the gaps in existing procurement regime. International experience suggests that technological innovations such as e-procurement and electronic reverse auction can enhance the efficiency of procurement, eliminate bid rigging, strengthen transparency and achieve value for money. The digitalization of procurement processes eliminates the direct interface between procurement officials and bidders and thereby significantly reduces the chances of bribery and corruption. E-Procurement was highlighted as one of the major drivers in National Procurement Strategy to achieve transparency and value for money in 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. 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 public exchequer.

Software Milestones/Received Deliverables:

- a) Inception Report approved for all processes related to system implementation;
- b) Feasibility study and Gap Analysis for federal, provincial and regional PPRAs conducted;
- c) Business Process Mapping for federal, provincial and regional PPRAs separately conducted, in accordance with their respective Regulatory Frameworks.

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- i) Separate Software Requirements Specifications (SRS) documents are developed for federal, provincial and regional PPRA's;
- e) The project is phased out in two stages: wave-1 & wave-II. Wave-1 consists of the core functionality encompassing the entire circle of public procurement while wave-II is about additional and advance features e.g. Logging, reporting, GIS, Advanced Automation, Analytics & DSS etc.
- f) User Acceptance Test for test piloting in 2 major ministries consisting of core modules in wave-1 is being carried out;

Hiring of Enterprise Cloud Services:

- g) Contract signed with PTCL on 23rd June 2022 for provision of Enterprise Cloud Hosting Services on infrastructure-as-a-Service (IaaS) model for the e-Procurement System (EPADS). Development & Quality Assurance environment have been set up while production environment was delayed due to resource shortage caused by import restrictions. However, the matter has been resolved and production environment is being established.

Integration with External Entities/Stakeholders & Interoperability with Provincial & Regional PPRA's:

- h) MoUs signed with Securities & Exchange Commission of Pakistan (SECP), NADRA and FBR for system integration and information exchange. Moreover, all provincial and regional PPRA's have principally agreed to sign the MOUs for adoption of unified e-Procurement System those shall be signed by second quarter of F.Y. 2022-23.
- i) Seven technical resource persons are hired to strengthen the Project Management Unit of e-Procurement Project. The resources persons are provided temporary sitting arrangement along with laptops & Internet facility; however, appropriate dedicated office space is required for which several requests have been made to the Finance Department.
- j) MoU signed with Punjab Procurement Regulatory Authority for opting for the e-Procurement System (EPADS).

Training for Test Piloting:

- k) So far almost 30 trainings have been conducted in which more than 170 participants attended out of which 26 suppliers/vendors received training while rest of the participants were from different procuring agencies. The participants attended training for wave-1 modules for test piloting.
- l) Orientation is also being arranged for Islamabad Chamber of Commerce & Industry and Islamabad Women Chamber of Commerce & Industry for awareness and better adaptation of the system.
- m) Furthermore, a complete schedule of training is being arranged for Punjab PRA for launching of the pilot system in selected departments within Punjab. In this regard, meetings are in process with Punjab PRA to finalize the schedule and other requirements.

B. Regulatory Improvements

In accordance with the power conferred under Section 27 of the PPRA Ordinance 2002, the Authority has made Regulations for improvement in the Public Procurement activities. Details of the Regulations notified during the reported period is as under:

- i. Vide S.R.O.90(i)/2022 & S.R.O.91(i)/2022 regulations were notified on 12th January 2022 titled as "Procedure of filing and disposal of Review Petition under Rule 19(3), 2021" and "Redressal of Grievances Regulations, 2021" respectively
- ii. The Authority vide S.R.O. 370(i)/2022 notified regulation on 25th February 2022 for the procuring agencies to use National Standard Procurement documents for national/ international competitive bidding, available on Authority's website.
- iii. The Authority made amendments in "PPRA Accounting Procedure Regulations" that was approved in 61st meeting of PPRA Board held on 30th April, 2022 while the matter has been forwarded to Printing Corporation of Pakistan through Cabinet Division for the notification of the same in the official Gazette of Pakistan.
- iv. The Authority vide S.R.O.591(i)/2022 notified regulations on 10th May 2022 titled as "Manner of Advertisement Regulations, 2022". In pursuance of said regulation, for procurements over five hundred thousand rupees procuring agencies shall advertise the bidding documents on procuring agency's or PPRA's website to ensure transparency, open competition and equal opportunities.

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PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- v. The Authority vide S.R.O.592(i)/2022 notified regulations on 14th May 2022 called as "Declaration of Beneficial Owner's Information of Public Procurement Contract Awarded Regulations, 2022". Procuring agencies while engaging in public procurement contract worth Rs.50 million and above shall make mandatory provisions of beneficial ownership information and after contract award shall publicize the beneficial ownership information of the company on PPRA's website.

C. Publication of PPRA Annual Reports

In accordance with Section -17 of PPRA Ordinance, 2002, Annual Report for the year 2020-2021 including pending/incomplete Annual Reports from 2008-2021 were prepared and approved from PPRA Board.

D. Implementation of e-Office Suite

Public Procurement Regulatory Authority (PPRA) has implemented e-Office Suite to ensure efficiency, accuracy, effectiveness and good governance in decision making and delivery of efficient and cost effective public services. NITB has organized an introductory workshop for PPRA officers on e-Office application for utilization of the same.

E. Development Of Standard Procurement Documents

In pursuance of Section 27 of PPRA Ordinance, 2002 read with Rule 23(4) of Public Procurement Rules, 2004, the Authority has developed the following Standard Procurement Documents:

- i. National Standard Bidding Document for Procurement of General Goods
- ii. National Request for Proposal Document for Procurement of Consultancy Services
- iii. National Standard Procurement Document for Procurement of Good through Closed Framework Agreements
- iv. National Standard Bidding Document for Procurement of Therapeutic Goods (Pharmaceuticals)
- v. National Standard Bidding Document for Procurement of Information System (Supply and Installation)

These documents were notified after incorporating feedback from relevant stakeholders including procuring agencies and suppliers/ contractors.

These 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. Above-mentioned documents shall contribute in cost reduction in terms of printing and purchasing of bidding documents, efficiency in bidding process, common terminologies and familiarity with the terms of bidding documents and reduced probability for deviations.

F. Recruitment Activities

- i. **Minority and Balochistan Quota:** Hiring process on five vacant positions: Assistant Minority – Punjab Quota (one position), Stenotypist Minority – Punjab Quota (one position), Assistant Balochistan Quota (one position) and Stenotypist Balochistan Quota (two positions) is concluded after conducting written test, skills test and interview of shortlisted candidates. The recommendations of selection committee are forwarded to the PPRA Board being the Appointing Authority for the approval.
- ii. **e-Procurement (EPADS) Project Team Hiring:** The Authority has achieved another milestone by recruiting highly qualified technical professionals under PMU of e-Pak Acquisition and Disposal System (EPADS). It will up lift the project to the new horizon by providing a new dimension Public Proc. process.

G. Capacity Building Of PPRA Employees

PPRA aims to build the capacity of PPRA employees requiring them to attain professional certifications through renowned institutions in their respective fields i.e. HR, Finance, Monitoring & Evaluation, Legal and IT & Research, in addition to the area of public procurement in particular. The aforementioned proposal of capacity building of PPRA employees was approved by the PPRA Board in 63rd meeting held on June 14, 2022. Moreover need based different trainings were arranged for the capacity building of PPRA employees during the year.

H. Capacity Building of Procuring Agencies

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**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

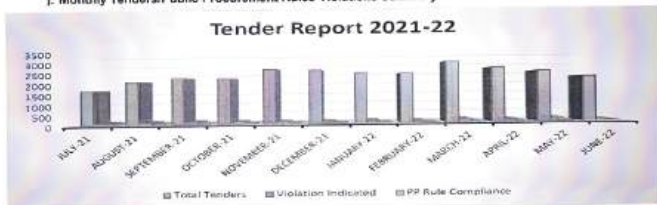
During 2021-22, PPRA arranged eleven (11) Training Sessions on Public Procurement Rules 2004 and amendments to date in which 352 officers / officials of different procuring agencies were trained. The focus of training programme is dissemination of Public Procurement Rules 2004, recent amendments and 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 / Regulations / Procedures / Guidelines in the light of recent amendments. The detail of Trainings is as under:

| Level | Training Date | No. of Participants | Organization / Venue |
|--------------|--------------------|---------------------|----------------------------------------------------------------------|
| II | July 06 - 08, 2021 | 30 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | July 12 - 14, 2021 | 57 | Pakistan Management Institute, Islamabad |
| I | Sept 17, 2021 | 29 | Intelligence Bureau Academy, Islamabad |
| I | Sept 28 - 29, 2021 | 15 | M.C. (North) Karachi |
| I | Oct 04 - 05, 2021 | 12 | M.C. (South) Karachi |
| I | Dec 14 - 15, 2021 | 61 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | Jan 03, 2022 | 34 | Intelligence Bureau Academy, Islamabad |
| I | Feb 02 - 03, 2022 | 26 | Ordinance College Male Cadet, Karachi |
| I | Jan 13, 2022 | 23 | Intelligence Bureau Academy, Islamabad |
| II | May 22 - 25, 2022 | 25 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| I | June 28 - 29, 2022 | 21 | Joint Training Session of Various Organizations by PPRA at Islamabad |
| Total | | 352 | |

L. Tender Uploading on PPRA Website

- A number of 29,578 tenders with 1,497 reported violations have been uploaded on PPRA website as per Public Procurement Rule 12 during the year 2021-22
- 253 Procurement Plans of different Federal Procuring Agencies are uploaded on PPRA website as per Public Procurement Rule 8 & 9.
- 7,448 Evaluation Reports are uploaded on PPRA website as per Public Procurement Rule 35.
- 1180 Procurement Contracts are uploaded on PPRA website as per PPRA Regulation, 2009.

J. Monthly Tenders/Public Procurement Rules Violations Summary



K. Legal Opinion/Clarification

| Year | Legal Opinion Rendered |
|---------|------------------------|
| 2021-22 | 105 |

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**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

L. Court Cases Detail

| Court(s) Name | No. of Decided Cases |
|------------------------|----------------------|
| Supreme Court | 6 |
| Islamabad High Court | 16 |
| Sindh High Court | 9 |
| Lahore High Court | 9 |
| Peshawar High Court | 1 |
| Balochistan High Court | 1 |
| All District Courts | 0 |
| Total Cases | 42 |

M. Blacklisting of Firms

| Year | No. of Blacklisted Firms |
|---------|--------------------------|
| 2021-22 | 41 |

N. Appeals and Review Petitions

| Year | Decided Appeals & Review Petitions |
|---------|------------------------------------|
| 2021-22 | 26 |

O. Acquisition of Plot for PPRA Headquarters

Currently the Authority located in FBC Building on its 1st floor which is not sufficient for the existing workforce of the organization and the Authority has been facing acute issues of inadequate work space for the employees of the Authority. For resolution of work space issue, the Authority made its best efforts to acquire plot / land from CDA, as a result of which CDA has allotted a plot measuring 2,311 square yards to PPRA at Meauve Area, Sector G-9/H1, Islamabad. PPRA has made the payment to the CDA. The acquisition of plot is a step forward towards growth and development of the Authority by establishing permanent Procurement Office in near future which could be able to host the e-Procurement (EPADS) set up as well.

P. Finance and Accounts of the Authority

Section 9 of PPRA Ordinance, 2002 provides that there shall be a Fund to be known as the Public Procurement Regulatory Authority Fund which shall vest in Authority and shall be utilized by the Authority to meet the charges in connection with its functions under this Ordinance. Further, the fund shall be placed comprising:

- Such sums as the Federal Government may, from time to time, allocate to it in the annual budget;
- Grants;
- Income from investment; and
- All other sums or properties which may in any manner become payable to, or vest in, the Authority in respect of any manner.

Section 13 further provides that the Authority shall cause its accounts to be maintained properly and in respect of each financial year submit for approval of the Federal Government by such date and in such form as may be specified by the Government a statement showing estimated receipts and current expenditure and the sums to be required from the Government during the next financial year. The ordinance also requires that the accounts of the Authority shall be audited every year by the Auditor General of Pakistan.

The Authority framed its financial regulation in 2014 under Section 27 of the Ordinance titled PPRA Accounting Procedures (Regulations), 2014 which further clarify that in terms Section 9(2)(c) the sums include but not limited to:

- income from the fee received from the procuring agencies for uploading their tender notices (including auction) etc. on PPRA website or other similar payments or charges etc. as specified by the Authority from time to time;
- fee charged from the participants of various training programmes for procuring agencies and suppliers as specified in Schedule 'A'.
- fee charged from the Appeals for resolution of complaints as specified in Schedule 'A'.
- Schedule 'A' may be revised from time to time as approved by PPRA Board.

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**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Budgeting:

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 major portion of income in budget-estimates comprises of tender income collected from 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. The Authority formulated annual budget of PKR 398 Million out of own resources for FY 2021-22.

Internal Audit & Control:

The Finance Wing of the Authority lead by the Director (Finance) has also developed an Internal Audit Manual as required under Regulation 10 of PPRA Accounting Procedures (Regulation), 2014 to strengthen the internal audit & control in the Authority.

Funding / Budget for e-Procurement (EPADS) for 2021-22:

During reported period, PPRA Finance Wing took extra ordinary efforts to secure the funds for e-Procurement (EPADS) Project through Technical Supplementary Grant (TSG) after approval from the Honourable Prime Minister, ECC and the Federal Cabinet amounting to Rs.525,000 Million for successful execution of the project, for that PPRA has successfully spent Rs.94,603,578/- during FY 2021-22.

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:

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**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

3.1 Property and equipment

Initial recognition

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

Subsequent

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.

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.

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**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

- 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.
- 3.9** Last year figures have been restated.
- 3.10 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.
- 3.11 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.
- 3.12 Provisions**
Provisions are recognized 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.

18/6/22

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

| | | 2022 | 2021 |
|---------------------------------------|---|--------------------|--------------------|
| | | (Rupees) | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 4 | 56,405,567 | 10,634,823 |
| CURRENT ASSETS | | | |
| Advances and other receivables | 5 | 89,225,675 | 68,149,810 |
| Cash and bank balances | 6 | 473,469,606 | 459,222,272 |
| | | 562,695,281 | 527,372,082 |
| | | <u>619,100,846</u> | <u>538,006,905</u> |
| CURRENT LIABILITIES | | | |
| Creditors and accrued liabilities | 7 | (367,165) | (534,451) |
| NON-CURRENT LIABILITIES | | | |
| Other payables (Long Term) | 8 | (142,231,683) | (86,232,001) |
| NET ASSETS | | <u>476,501,998</u> | <u>451,240,453</u> |
| CONTINGENCIES AND COMMITMENTS | 9 | | |
| REPRESENTED BY: | | | |
| RESERVE FUND | | | |
| Balance at the beginning of the year | | 451,240,453 | 409,511,598 |
| Surplus for the year | | 25,261,545 | 41,728,856 |
| Balance at the end of the year | | <u>476,501,998</u> | <u>451,240,453</u> |

The annexed notes from 1 to 18 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, 2022

| | Notes | 2022 | 2021 |
|---------------------------------|-------|--------------------|--------------------|
| Rupees | | | |
| INCOME | | | |
| Government grant | 10 | - | 30,572,644 |
| Service income | 11 | 283,866,175 | 193,589,105 |
| Other income | 12 | 34,832,877 | 24,362,465 |
| | | <u>318,699,052</u> | <u>248,524,214</u> |
| Less on transfer of fixed asset | | | |
| Operating expenses | 13 | 282,845,773 | 206,795,359 |
| | | <u>282,845,773</u> | <u>206,795,359</u> |
| Surplus Before Tax | | <u>35,853,279</u> | <u>41,728,856</u> |
| Income tax expense | 16 | - | - |
| - For the year | | | |
| - Prior year | | 10,591,734 | - |
| Surplus For the Year | | <u>25,261,545</u> | <u>41,728,856</u> |

The annexed notes from 1 to 18 form an integral part of these Financial Statements.


DIRECTOR FINANCE


MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

| | Land & Building | Furniture and fixture | Office Equipment | Computer & Accessories | Vehicles | Total |
|------------------------------------|-----------------|-----------------------|------------------|------------------------|-----------|------------|
| PROPERTY AND EQUIPMENT | | | | | | |
| Cost | | | | | | |
| Balance at July 01, 2020 | - | 3,827,208 | 10,033,029 | 10,233,784 | 7,121,856 | 31,675,845 |
| Additions | - | 472,552 | 1,014,189 | - | - | 1,486,741 |
| Disposals | - | - | - | - | - | - |
| Balance at June 30, 2021 | - | 4,299,760 | 11,047,218 | 10,233,784 | 7,121,856 | 33,162,547 |
| Balance at July 01, 2021 | - | 4,895,730 | 11,687,200 | 10,253,784 | 7,121,856 | 33,162,547 |
| Additions | 41,928,263 | 882,757 | 910,221 | 5,866,928 | - | 49,278,869 |
| Disposals | - | - | - | - | - | - |
| Balance at June 30, 2022 | 41,928,263 | 5,882,487 | 12,597,421 | 16,120,689 | 7,121,856 | 82,441,116 |
| Depreciation | | | | | | |
| Balance at July 01, 2020 | - | 1,936,964 | 4,706,028 | 6,941,026 | 5,146,419 | 20,791,337 |
| Charge for the year | - | 216,277 | 692,117 | 432,986 | 359,088 | 1,736,387 |
| Disposals | - | - | - | - | - | - |
| Balance at June 30, 2021 | - | 2,153,241 | 5,398,145 | 7,374,012 | 5,505,507 | 22,927,724 |
| Balance at July 01, 2021 | - | 2,153,241 | 5,398,145 | 7,374,012 | 5,505,507 | 22,927,724 |
| Charge for the year | - | 292,925 | 672,998 | 222,613 | 316,070 | 3,964,125 |
| Disposals | - | - | - | - | - | - |
| Balance at June 30, 2022 | - | 2,446,166 | 6,071,143 | 7,596,625 | 5,821,577 | 26,035,849 |
| Balance as on June 30, 2022 | 41,928,263 | 2,636,322 | 6,686,278 | 4,519,724 | 1,364,280 | 56,495,567 |
| Balance as on June 30, 2021 | - | 1,966,889 | 6,296,655 | 818,929 | 1,580,349 | 10,642,823 |
| Depreciation Rate | | 10% | 10% | 10% | 20% | |

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 ------(Rupees)----- | 2021 |
|--------------------------------------------------------------------------------------------------|------|-----------------------------|--------------------|
| 5 ADVANCES AND OTHER RECEIVABLES | | | |
| Advances to employees | | | |
| - against motor car | | 24,374,336 | 5,401,984 |
| - against basic pay | | 2,081,199 | 4,221,556 |
| - against expenses | | 306,010 | 81,800 |
| - against house rent | | - | 113,400 |
| - against medical | | 255,000 | 285,000 |
| Accrued interest | | - | - |
| Withholding tax on bank | | 19,002,934 | 20,325,996 |
| Advance income tax | 5.1 | 42,099,700 | 36,613,578 |
| Public Sector (Capacity Building Project (PSCBP)) | | 1,106,496 | 1,106,496 |
| | | <u>89,225,675</u> | <u>68,149,810</u> |
| 5.1 ADVANCE INCOME TAX | | | |
| Advance income tax on receipts/WIT | | 11,094,428 | 7,858,151 |
| Advance income tax on bank profits | | 17,643,348 | 9,180,713 |
| Advance income tax on T-bills | | 13,101,925 | 19,314,714 |
| Advance income tax on vehicles purchase | | 260,000 | 260,000 |
| | | <u>42,099,700</u> | <u>36,613,578</u> |
| 6 CASH AND BANK BALANCES | | | |
| Cash at bank | | | |
| - Saving account | | 473,381,606 | 459,098,522 |
| | | - | - |
| Cash in hand | | 88,000 | 123,750 |
| | | <u>473,469,606</u> | <u>459,222,272</u> |
| 7 CREDITORS AND ACCRUED LIABILITIES | | | |
| Withholding tax payable | | 307,165 | 284,451 |
| Audit fee payable | | 60,000 | 250,000 |
| Salaries payable | | - | - |
| | | <u>367,165</u> | <u>534,451</u> |
| 8 OTHER PAYABLES (LONG TERM) | | | |
| Contributory Provident Fund-PPRA Employees | | 44,633,630 | 26,067,762 |
| Provision for gratuity | | 59,769,431 | 36,662,243 |
| Provision for encashment of earned leaves | | 37,828,421 | 23,501,996 |
| | | <u>142,231,482</u> | <u>86,232,001</u> |
| 9 CONTINGENCIES AND COMMITMENTS | | | |
| There were no contingencies and commitments during the year (2021-22 : Nil) | | | |
| 10 GOVERNMENT GRANT | | | |
| This represent grant received from Government of Pakistan during the year 2021-22,(2021-22: Nil) | | | |
| 11 SERVICE INCOME | | | |
| Advertisement income | | 263,910,599 | 190,427,105 |
| Training income | | 2,355,000 | 1,800,000 |
| Appeals/Complaints Management | | 17,600,576 | 1,362,000 |
| | | <u>283,866,175</u> | <u>193,589,105</u> |

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| | | 2022 ------(Rupees)----- | 2021 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------------------------|--------------------|
| 12 OTHER INCOME | | | |
| Profit on bank deposits | | 34,730,649 | 15,882,540 |
| Profit on investments | | - | 8,479,925 |
| PPRA fund Misc Income | | 102,228 | - |
| | | <u>34,832,877</u> | <u>24,362,465</u> |
| 13 OPERATING EXPENSES | | | |
| Salaries and benefits | 14.1 | 266,702,093 | 193,159,436 |
| Consultancy fee | | 826,599 | 1,730,000 |
| Conference and seminar | | 968,113 | 452,526 |
| Fuel | | 1,051,687 | - |
| Traveling and conveyance | | 321,002 | 847,240 |
| Repair and maintenance - vehicles | | 479,765 | 307,357 |
| Postage and telegraph | | 1,262,770 | 622,466 |
| Utilities | | 253,240 | 256,710 |
| Communication | | 1,090,813 | 663,009 |
| Newspaper and periodicals | | 312,083 | 151,906 |
| Stationary | | 1,726,091 | 2,455,879 |
| Repair and maintenance | | 1,156,438 | 1,431,528 |
| Entertainment | | 314,730 | 67,599 |
| Auditors's remuneration | 14.2 | 60,000 | 50,000 |
| Advertisement and publicity | | 40,232 | 411,911 |
| Miscellaneous expenses | | 1,627,662 | 1,381,437 |
| Bank charges | | 91,630 | 176,288 |
| Security charges | | 1,052,700 | 873,680 |
| Depreciation | | 3,608,125 | 1,736,387 |
| | | <u>282,845,773</u> | <u>206,795,350</u> |
| 14.1 Salaries and benefits | | | |
| Salaries and wages | | 76,586,034 | 61,652,578 |
| Allowances | 14.1.1 | 95,217,024 | 73,923,316 |
| Honorarium | | 23,867,861 | 15,842,425 |
| Medical reimbursement | | 10,852,825 | 8,407,904 |
| Earned leaves/ Casual leaves | | 22,772,972 | 16,788,638 |
| Post employment benefit | | 9,740,069 | 5,637,383 |
| Gratuity expense | | 27,665,308 | 10,907,192 |
| | | <u>266,702,093</u> | <u>193,159,436</u> |
| 14.1.1 Allowances | | | |
| Adhoc allowance | | 8,965,654 | 12,133,822 |
| Conveyance allowance | | 6,934,595 | 5,518,106 |
| Deputation allowance | | 134,400 | 135,485 |
| House rent allowance | | 45,070,733 | 35,621,765 |
| Regular/Other/Misc Allowances | | 693,521 | 593,383 |
| Monetization allowance | | 950,376 | 1,682,855 |
| Special allowance | | - | 1,693,548 |
| Utilities allowance | | 22,330,422 | 17,744,352 |
| Asset package for deceased employees | | 8,000,000 | - |
| Phd/Mgmt Allowance | | 2,137,323 | - |
| | | <u>95,217,024</u> | <u>73,923,316</u> |
| 14.2 Auditors's remuneration | | | |
| Audit services | | | |
| Annual audit fee | | 60,000 | 50,000 |
| Non-audit services | | - | - |
| Certifications for regulatory purposes | | - | - |
| | | <u>60,000</u> | <u>50,000</u> |
| 14 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. | | | |

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15 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | 2022 | | 2021 | |
|-----------------------------------------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Managing Director | Executives | Managing Director | Executives |
| Managerial remuneration | 1,821,640 | 32,288,190 | 1,857,936 | 25,773,691 |
| Allowances | 3,694,451 | 37,852,484 | 6,059,318 | 76,709,307 |
| | <u>5,516,091</u> | <u>70,140,674</u> | <u>7,917,254</u> | <u>102,482,998</u> |
| Number of persons (including those who worked part of the year) | 1 | 24 | 1 | 24 |

NUMBER OF EMPLOYEES

| | 2022 | 2021 |
|--------------------------------------------------|---------------|------|
| | ---Numbers--- | |
| Total employees of the authority at the year end | 94 | 95 |
| Average employees during the year end | 95 | 95 |

16 INCOME TAX EXPENSE

| | 2022 | 2021 |
|--------------|-------------------|------|
| Current year | - | - |
| Prior year | 10,591,734 | - |
| Total | <u>10,591,734</u> | - |

No provision is made in current year

17 FIGURES

Figures have been rounded off to the nearest rupee.

18 GENERAL

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


DIRECTOR FINANCE

M. K. S.


MANAGING DIRECTOR



**E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**



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, 2022, 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, 2022, 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, 2022, 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.

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Mian Saleem & Co.
Chartered Accountants

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

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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.


Chartered Accountants
Islamabad
Date: 09 MAR 2023
UDIN : AR202210554fBYkq7RJs

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

| | Note | 2022 ------(Rupees)----- | 2021 |
|------------------------------------------------------|------|-----------------------------|-------------------|
| NON-CURRENT ASSETS | | | |
| Property and equipment | 4 | 6,833,481 | 1,119,834 |
| CURRENT ASSETS | | | |
| Advances and other receivables | 5 | 41,616,720 | 24,994,330 |
| Cash and bank balances | 6 | - | - |
| | | <u>41,616,720</u> | <u>24,994,330</u> |
| | | <u>48,450,201</u> | <u>26,114,164</u> |
| FUNDS AND LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Creditors and accrued liabilities | 7 | (10,097,733) | (50,000) |
| | | <u>38,352,468</u> | <u>26,064,164</u> |
| NET ASSETS | | | |
| | | <u>38,352,468</u> | <u>26,064,164</u> |
| REPRESENTED BY: | | | |
| RESERVE FUND FOR CAPITAL EXPENDITURES | | | |
| Balance at the beginning of the year | | 26,064,164 | - |
| Funds Available for Capital Expenditure for the year | | 12,288,304 | 26,064,164 |
| Balance at the end of the year | | <u>38,352,468</u> | <u>26,064,164</u> |

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, 2022**

| | Note | 2022 ------(Rupees)----- | 2021 |
|------------------------------------------------|------|-----------------------------|-------------------|
| INCOME | | | |
| Government grant | 8 | 94,603,578 | 44,083,282 |
| | | 94,603,578 | 44,083,282 |
| Operating expenses | 9 | 82,315,274 | 18,019,118 |
| | | 82,315,274 | 18,019,118 |
| | | 12,288,304 | 26,064,164 |
| Income tax expense | 14 | - | - |
| Funds Available for Capital Expenditure | | 12,288,304 | 26,064,164 |
| Amount Spent on Capital Expenditure | | 12,288,304 | 26,064,164 |
| Surplus/ Deficit | | - | - |

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

I STATUS AND NATURE OF ACTIVITIES

The e-procurement is supported under Public Financial Management System "Program for Results" (PforR) under the aegis of World Bank (DLI-3 of World Bank document linked with e-Procurement). E-Procurement is a web-based system, customized solution which shall encompass the total procurement life cycle and record all procurement activities and related information. All public procurement activities shall be channelled through e-procurement infrastructure. The e-Procurement is envisioned to be governed by the core principles of procurement including Economy, Efficiency and Optimization, Fairness, Transparency and Accountability, to enhance the confidence of the interested parties.

In terms of DLI 3 (DLR 3.3) of the PFM (PforR) project of the World Bank which indicates that 50 percent of target 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, significant progress has been made as explained above and pilot system has been planned to achieve this.

e-Procurement Objectives

- To implement state-of-the-art customized solution as a key enabler to automate complete procurement cycle
- To deploy a robust, advance and futuristic e-Procurement System
- To improve governance and institutional capacity of PPRA's and procuring agencies
- To serve as ICT backbone and a driving force for e-governance initiatives in Pakistan
- To automate and integrate procurement processes as well as to enhance transparent spending and cost-effectiveness
- To eliminate paperwork and repetitious administrative procedure through computerization

Integrations:

i. With Provincial PPRA

- a. Centralized system
- b. Separate Data base Schemes of each provinces
- c. Replication & loose coupling
- d. Formally defined data sharing mechanism
- e. Highly customized business processes, access levels, rights & administration
- f. Centralized command & control system, infrastructure, security implementing & management

ii. With Other Stakeholders/ Entities /Systems

- a. NADRA
- b. FBR
- c. AGPR
- d. CGA/PIFRA
- e. SECP
- f. STATE BANK
- g. TELCOS
- h. PEC
- i. PID
- j. ALL COMMERCIAL BANKS
- k. ELECTRONIC CERTIFICATIONS ACCREDITATION COUNCIL (for digital certificate)

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Progress Report

Key Milestones/ Received Deliverables for software are listed below

Software Milestones/ Received Deliverables

- a) Inception Report approved for all processes related to system implementation;
- b) Feasibility study and Gap Analysis for federal, provincial and regional PPRAs conducted;
- c) Business Process Mapping for federal, provincial and regional PPRAs separately conducted, in accordance with their respective Regulatory Framework;
- d) Separate Software Requirements Specifications (SRS) documents are developed for federal, provincial and regional PPRAs;
- e) The project is phased out in two stages: wave-I & wave-II. Wave-I consists of the core functionality encompassing the entire circle of public procurement while wave-II is about additional and advance features e.g. Logging, reporting, GIS, Advanced Automation, Analytics & DSS etc.
- f) User Acceptance Test for test piloting in 2 major ministries consisting of core modules in wave-I is being carried out;

Hiring of Enterprise Cloud Services

- a) Contract signed with PTCL on 23rd June 2022 for provision of Enterprise Cloud Hosting Services on Infrastructure-as-a-Service (IaaS) model for the e-Procurement System (EPADS). Development & Quality Assurance environment have been set up while production environment was delayed due to resource shortage caused by import restrictions. However, the matter has been resolved and production environment is being established.

Integration with External Entities/Stakeholders & Interoperability with Provincial & Regional PPRAs

- a) MoUs signed with Securities & Exchange Commission of Pakistan (SECP), NADRA and FBR for system integration and information exchange. Moreover, all provincial and regional PPRAs have principally agreed to sign the MOUs for adoption of unified e-Procurement System those shall be signed by second quarter of F.Y. 2022-23.
Seven technical resource persons are hired to strengthen the Project Management Unit of e-Procurement Project. The resources persons are provided temporary sitting arrangement along with laptops & Internet facility; however, appropriate dedicated office space is required for which several requests have been made to the Finance Department.
- b) MoU signed with Punjab Procurement Regulatory Authority for opting for the e-Procurement System (EPADS).

Training for Test Piloting

- a) So far almost 30 trainings have been conducted in which more than 170 participants attended out of which 26 suppliers/vendors received training while rest of the participants were from different procuring agencies. The participants attended training for wave-I modules for test piloting.
- b) Orientation is also being arranged for Islamabad Chamber of Commerce & Industry and Islamabad Women Chamber of Commerce & Industry for awareness and better adaptation of the system.
- c) Furthermore, a complete schedule of training is being arranged for Punjab PRA for launching of the pilot system in selected departments within Punjab. In this regard, meetings are in process with Punjab PRA to finalize the schedule and other requirements.

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**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 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.

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**PROGRAM FOR RESULTS (P/or R)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 recognized. The Authority recognizes 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

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.

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**PROGRAM FOR RESULTS (P/or R)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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.

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PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

| 4 PROPERTY AND EQUIPMENT | Computer & Equipment | | Total |
|-----------------------------|----------------------|----------------------|-----------|
| | Plant & Machinery | Computer & Equipment | |
| Cost | | | |
| Balance at July 01, 2020 | | | 1,487,964 |
| Additions | 534,339 | 953,625 | |
| Disposals | - | - | - |
| Balance at June 30, 2021 | 534,339 | 953,625 | 1,487,964 |
| Balance at July 01, 2021 | | | 1,487,964 |
| Additions | 534,339 | 953,625 | |
| Disposals | 6,757,530 | - | 6,757,530 |
| Depreciation | - | - | - |
| Balance at July 01, 2020 | | | 368,130 |
| Charge for the year | 53,434 | 314,696 | |
| Disposals | - | - | - |
| Balance at June 30, 2021 | 53,434 | 314,696 | 368,130 |
| Balance at July 01, 2021 | | | 368,130 |
| Charge for the year | 53,434 | 314,696 | |
| Disposals | 729,187 | 314,696 | 1,043,883 |
| Balance at June 30, 2022 | 782,621 | 629,393 | 1,412,013 |
| Balance as on June 30, 2022 | 6,509,248 | 324,233 | 6,833,481 |
| Balance as on June 30, 2021 | 480,905 | 638,929 | 1,119,834 |
| Depreciation Rate | 10% | 11% | |

PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

| 5 | Note | 2022 | 2021 |
|--------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| | | (Rupees) | (Rupees) |
| ADVANCES AND OTHER RECEIVABLES | | | |
| Mobilization Advance | | 21,616,720 | 24,994,330 |
| Advance for Contractual work | | 20,000,000 | - |
| | | <u>41,616,720</u> | <u>24,994,330</u> |
| CASH AND BANK BALANCES | | | |
| Cash at bank | | - | - |
| | | <u>-</u> | <u>-</u> |
| | | There is not amount in bank at the year end because all amount is surrendered to Government. | |
| CREDITORS AND ACCRUED LIABILITIES | | | |
| Audit fee payable | | 100,000 | 50,000 |
| Retention money | | 9,997,733 | - |
| | | <u>10,097,733</u> | <u>50,000</u> |
| GOVERNMENT GRANT | | | |
| | | This represent grant received from Government of Pakistan during the year 2021-22. Total Funds received during the FY 2021-22 were Rs. 555,000,000/- The EPADS Project of PPRA surrendered Rs. 460,396,422/-. | |
| OPERATING EXPENSES | | | |
| Salaries and benefits | 10.1 | 36,000,000 | 13,542,821 |
| Stationery | | 8,000 | 459,412 |
| Entertainment | | 65,097 | - |
| Consultative workshop | | - | 235,132 |
| Audit fee | | 50,000 | 50,000 |
| Depreciation | | 1,043,883 | 368,130 |
| Office Supplies | | 141,500 | - |
| Miscellaneous | | 17,800 | 36,190 |
| | | <u>82,315,274</u> | <u>18,019,118</u> |
| Salaries and benefits | | | |
| Salaries and wages | | 7,000,000 | 8,030,000 |
| Honorarium | | 29,000,000 | 5,512,821 |
| | 10.1 | <u>36,000,000</u> | <u>13,542,821</u> |
| Auditors' remuneration | | | |
| Audit services | | 50,000 | 50,000 |
| Annual audit fee | | 50,000 | 50,000 |
| | | <u>50,000</u> | <u>50,000</u> |
| 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. | |
| NUMBER OF EMPLOYEES | | 2022 | 2021 |
| | | 1 | 1 |
| Total employees of the authority at the year end | | 1 | 1 |
| Average employees during the year end | | 1 | 1 |

PROGRAM FOR RESULTS (P/or R)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

INCOME TAX EXPENSE

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

FIGURES

15 Figures have been rounded off to the nearest rupee

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


DIRECTOR FINANCE/
MANAGER FINANCE (EPADS)


MANAGING DIRECTOR


Annexure - II


| S.No. | Name & Designation | Department | Telephone No. | E-mail | 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 | 13 | Engr. M. Saleh Izhar Deputy Director | Monitoring & Evaluation Wing | 051-9211883 Ext. 115 | salehizhar@ppra.org.pk |
| 2 | Dr. M. Aslam Waseem Director General | Legal Wing | 051-9254982 Ext. 110 | aslamwaseem@ppra.org.pk | 14 | Mr. M. Faraz Alvi Deputy Director | Finance Wing | 051-9203541 Ext. 122 | faraz@ppra.org.pk |
| 3 | Mr. Farukh Bashir Director General | HR Wing | 051-9224822 Ext. 111 | farrukh@ppra.org.pk | 15 | Ms. Asma Shaheen Deputy Director | Finance Wing | 051-9203541 Ext. 123 | asma@ppra.org.pk |
| 4 | Mr. Ateeq Haider Baig Director General | IT & Research Wing | 051-9245634 Ext. 112 | ateeq@ppra.org.pk | 16 | Mr. M. Khurshid Deputy Director | Legal Wing | 051-9216995 Ext. 126 | khurshid@ppra.org.pk |
| 5 | Mr. Ali Asghar Bhutto Director | Finance Wing | 051-9211880 Ext. 114 | aliasghar@ppra.org.pk | 17 | Mr. M. Aasim Bashir Deputy Director | IT & Research Wing | 051-9245634 | aasim@ppra.org.pk |
| 6 | Mr. Abdul Nabi Director | Legal Wing | 051-9203542 Ext. 113 | abdulnabi@ppra.org.pk | 18 | Mr. M. Ibrahim R. Khan Deputy Director | Monitoring & Evaluation Wing | 051-9211881 Ext. 117 | ibrahimkhan@ppra.org.pk |
| 7 | Dr. Asim Jaleel Director | Monitoring & Evaluation Wing | 051-9211879 Ext. 118 | asimjaleel@ppra.org.pk | 19 | Ms. Saima Mueed Deputy Director | Monitoring & Evaluation Wing | 051-9211882 Ext.116 | saima@ppra.org.pk |
| 8 | Ms. Faiza Nayyer Director HR | HR Wing | 051-9224822 Ext. 124 | faiza@ppra.org.pk | 20 | Mr. Shafique Ahmed Deputy Director | IT & Research Wing | Ext. 134 | shafiq@ppra.org.pk |
| 9 | Mr. Ali Temoor Deputy Director | HR Wing | 051-9204462 Ext. 120 | alitemoor@ppra.org.pk | 21 | Syed Mohsin Hassan Assistant Director | IT & Research Wing | 051-9205726 Ext. 129 | mohsin@ppra.org.pk |
| 10 | Mr. Rizwan Mehmood Deputy Director | IT Wing | 051-9205728 Ext. 119 | rizwan@ppra.org.pk | 22 | Mr. Sheheryar Masood Assistant Director | IT & Research Wing | 051-9205726 Ext. 129 | sheheryar@ppra.org.pk |
| 11 | Mr. Yasir Shamim Khan Deputy Director | Finance Wing | 051-9216994 Ext. 121 | yasir@ppra.org.pk | 23 | Syed Jahangir Rizvi Assistant Director | Training Wing | 051-9245635 Ext. 128 | Jahangir@ppra.org.pk |
| 12 | Mr. Sagheer Ahmed Deputy Director | HR Wing | 051-9245635 Ext. 125 | sagheer@ppra.org.pk | | | | | |





Public Procurement Regulatory Authority
1st Floor FBC Building near State Bank
Sector G-5/2, Islamabad-Pakistan

 +92-51-9205728

 +92-51-9219149

 www.ppra.gov.pk