



**E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**



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, 2024, 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, 2024, 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, 2024, 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.

MS

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



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. Muhammad Saleem.

Chartered Accountants
Islamabad

Date 06 MAR 2025

PROGRAM FOR RESULTS (Pfor R)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 ------(Rupees)-----	2023
NON-CURRENT ASSETS			
Property and equipment	4	3,112,348	4,744,893
CURRENT ASSETS			
Advances and other receivables	5	51,800,139	97,742,016
Cash and bank balances	6	-	-
		<u>51,800,139</u>	<u>97,742,016</u>
		<u>54,912,487</u>	<u>102,486,909</u>
FUNDS AND LIABILITIES			
CURRENT LIABILITIES			
Creditors and accrued liabilities	7	(32,742,386)	(20,745,307)
NET ASSETS		<u>22,170,101</u>	<u>81,741,602</u>
REPRESENTED BY:			
RESERVE FUND FOR CAPITAL EXPENDITURES			
Balance at the beginning of the year		81,741,603	38,352,468
Funds Available for Capital Expenditure for the year		(59,571,502)	43,389,135
Balance at the end of the year		<u>22,170,101</u>	<u>81,741,603</u>

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


PROJECT DIRECTOR


MANAGING DIRECTOR

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024**

	Notes	2024 ------(Rupees)-----	2023
INCOME			
Government grant	8	124,593,779	194,490,961
		124,593,779	194,490,961
Operating expenses	9	184,165,281	151,101,826
		184,165,281	151,101,826
		(59,571,502)	43,389,135
Income tax expense	14		
Funds Available for Capital Expenditure		(59,571,502)	43,389,135
Amount Spent on Capital Expenditure		(59,571,502)	43,389,135
Surplus/ Deficit		-	-

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

PROJECT DIRECTOR

MANAGING DIRECTOR

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 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. 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.

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 PPRAs 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 repetitive administrative procedures through computerization
- To increase transparency, fairness in procurement process

Integration

i. With Provincial PPRAs

- a) Centralized System
- b) Separate Data base Schemes or 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/System

- a) PEC
- b) SECP
- c) Punjab PRA
- d) DRAP
- e) Punjab NTN
- f) NADRA (E-Sahulat Test)
- g) AGPR (Test) Integrations
- h) SMS & Email Gateways
- i) KP NTN
- j) Paymir

EPADS Infrastructure

The EPADS operates within a robust and multi-layered infrastructure environment, comprising five distinct setups: Production, Quality Assurance (QA), Development, and the newly established Training Environment created in July 2023. The Production Environment supports the live operations of EPADS, ensuring secure and continuous access for end-users. The QA Environment is dedicated to testing and validating new features, bug fixes, and system performance improvements before they are deployed to production. The Development Environment serves as the primary space for the development team to create and refine application components. In addition, a separate Training Environment was set up in July 2023 to facilitate uninterrupted, specialized training sessions for users without impacting the core functionality of the EPADS application. This isolated environment ensures that training activities can proceed seamlessly, fostering a focused learning experience for users while preserving the integrity and performance of the other operational environments.

- a. Preparation of the cloud tenant, including Firewall and WAF installation and configuration.
- b. Installation and configuration of virtual machines (VMs) (servers):

- i) Frontend
- ii) Identity and Access Management (IAM)
- iii) API
- iv) PostgreSQL
- v) Jenkins
- vi) Docker Master
- vii) Docker Worker 01
- viii) Docker Worker 02
- ix) Microsoft SQL Server (MSSQL)
- x) Network File Server (NFS)
- xi) Key vault
- xii) RabbitMQ

MBL

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

- c. Establishment of connectivity
- d. Testing of the Training Environment

Software Milestones/ Received Deliverables

- a) Inception Report approved for all processes related to system implementation
- b) Feasibility study and Gap Analysis for Federal and Provincial PPRA(s) conducted
- c) Business Process Mapping for Federal and PPRA(s) separately conducted in accordance with their respective Regulatory Framework
- d) Separate Software Requirements Specifications (SRS) documents are developed for Federal and Provincial PPRA(s).
- 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 Modules, Business Intelligence, 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;

Progress of EPADS for 2023-24

- E-Pak Procurement regulation 2023 notified on February 27, 2023
- Final SRS Wave-II submitted by the Service Provider on December 13, 2023
- Letters (92) issued by MD PPRA to Procuring Agencies for submitting beneficial ownership information of successful bidders for contracts amounting to 50 million or above.
- Details of Beneficial Ownership submitted by Procuring Agencies for Contracts amounting to Rs. 50 million and above : **620**
- Details of Beneficial Ownership uploaded on website till June 30, 2024: **112**
- Rollout / Deployment of EPADS in **569** Procuring Agencies
- **13814** suppliers/ vendors got registered under EPADS
- Piloting of EPADS in 49 ministries
- Successful piloting in Punjab on March 02, 2023
- Successful piloting in Sindh on October 13, 2023
- System is ready to be pilot in KPK
- Creation of Annual Procurement Plans
- Extensive training program launched by Federal PPRA at Federal & Provincial Levels for Procuring Agencies and suppliers/ vendors.
- Roll-out of EPADS in **49** Ministries
- **685** Training Programs completed with **9879** participants 8th September, 2022 to 10th January, 2025

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 (model for the e-Procurement System (EPADS). Development & Quality Assurance environment have been set up and production environment is being established

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

- h) MoUs signed with Securities & Exchange Commission of Pakistan (SECP), NADRA and FBR for system integration and information exchange. Similarly, MoUs were signed with different stakeholders like Provincial PPRAs for opting e-Procurement system. The detail of MoUs signed with different stakeholders is as:

- Federal PPRA with AJ&K PPRA 30.12.2023
- Federal PPRA with AGPR on 08.06.2023
- Federal PPRA with DRAP on 21.06.2023

- i) In order to further strengthen the Project Management Unit of e-Procurement Project, seven technical resource persons were hired. This hiring proved beneficial in terms of technical and operational requirements of e-Procurement.

Training for Test Piloting

- j) 373 trainings have been conducted in which more than 7420 participants were trained. In these training programs, 174 suppliers/vendors were present. The participants attended training for wave-I modules for test piloting.
- k) Orientation was also arranged for Islamabad Chamber of Commerce & Industry and Islamabad women Chamber of Commerce & Industry for awareness and better adaptation of the system.
- l) Furthermore, a complete schedule of training was arranged for Punjab PRA for launching of the pilot system in selected departments within Punjab.

MAL

2 STATEMENT OF COMPLIANCE

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

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.2 Functional and presentation currency

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

2.3 Key judgements and estimates

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

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

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Initial recognition

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

Subsequent measurement

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

Depreciation

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

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.

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.

3.2 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.

MAS

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

3.6 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.

3.7 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.

PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT	Plant & Machinery	Computer & Equipment	Furniture & Fixtures	Total
Cost				
Balance at July 01, 2022	7,291,869	953,625		8,245,494
Additions			355,680	
Prior Year Adjustment	(4,777,530)	4,777,530		
Disposals				
Balance at June 30, 2023	<u>2,514,339</u>	<u>5,731,155</u>	<u>355,680</u>	<u>8,601,174</u>
Balance at July 01, 2023	2,514,339	5,731,155	355,680	8,601,174
Additions	-	-	576,608	-
Prior Year Adjustment	-	-	-	-
Disposals	-	-	-	-
Balance at June 30, 2024	<u>2,514,339</u>	<u>5,731,155</u>	<u>932,288</u>	<u>8,601,174</u>
Depreciation				
Balance at July 01, 2022	782,621	629,393		1,412,013
Charge for the year	251,434	1,891,281	35,568	2,178,283
Prior Year Adjustment	(513,049)	779,033		265,984
Disposals				
Balance at June 30, 2023	<u>521,006</u>	<u>3,299,707</u>	<u>35,568</u>	<u>3,856,280</u>
Balance at July 01, 2023	521,006	3,299,707	35,568	3,856,280
Charge for the year	251,434	1,891,281	66,439	2,209,154
Prior Year Adjustment	-	-	-	-
Disposals	-	-	-	-
Balance at June 30, 2024	<u>772,440</u>	<u>5,190,988</u>	<u>102,007</u>	<u>6,065,434</u>
Balance as on June 30, 2024	<u>1,741,899</u>	<u>540,167</u>	<u>830,281</u>	<u>3,112,348</u>
Balance as on June 30, 2023	<u>1,993,333</u>	<u>2,431,448</u>	<u>320,112</u>	<u>4,744,893</u>
Depreciation Rate	10%	33%	10%	

**PROGRAM FOR RESULTS (PforR)
E-PAK ACQUISITION & DISPOSAL SYSTEM (EPADS)
E-PAK ACQUISITION & DISPOSAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 ------(Rupees)-----	2023
5			
ADVANCES AND OTHER RECEIVABLES			
Mobilization Advance		16,212,545	19,590,154
Advance for Contractual work		35,587,594	78,151,862
		<u>51,800,139</u>	<u>97,742,016</u>
6			
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.			
7			
CREDITORS AND ACCRUED LIABILITIES			
Audit fee payable		49,800	50,000
Retention money		32,692,586	20,695,307
		<u>32,742,386</u>	<u>20,745,307</u>
8			
GOVERNMENT GRANT			
This represent grant received from Government of Pakistan during the year 2023-24. Total Funds allocated during the FY 2023-24 were Rs. 547,832,000/- The EPADS Project of PPRA surrendered Rs. 423,238,221/-.			
9			
OPERATING EXPENSES			
Salaries and benefits	10.1	62,510,791	70,591,915
Stationery		-	474,779
Entertainment		396,798	283,604
Consultancy fee		59,986,392	58,486,733
Advertising and promotion		674,927	1,038,758
Audit fee		49,800	50,000
Depreciation		2,209,154	2,444,267
Office Supplies		108,000	108,000
Cloud Hosting		42,564,268	15,322,455
Repair and Maintenance		84,134	13,000
Utilities		-	817,990
Travel Expenses/Training		12,054,806	537,809
Postage and Telegraph		-	120,647
Miscellaneous		1,342,785	385,454
Electronic Communication		2,183,426	426,415
		<u>184,165,281</u>	<u>151,101,826</u>
10			
Salaries and benefits			
Salaries and wages		32,826,721	31,637,795
Honorarium		29,684,070	38,954,120
	10.1	<u>62,510,791</u>	<u>70,591,915</u>
11			
Auditors's remuneration			
Audit services			
Annual audit fee		49,800	50,000
		<u>49,800</u>	<u>50,000</u>

12 RELATED PARTIES TRANSACTIONS

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefits fund and personnel, no transactions with related parties during the year.

13 NUMBER OF EMPLOYEES

	2,024	2023
	-----Numbers-----	
Total employees of the authority at the year end	7	9
Average employees during the year end	9	9

14 INCOME TAX EXPENSE

Provision for income tax is not made in the financial statements as there is no income and all the funds are released by Government of Pakistan

15 FIGURES

Figures have been rounded off to the nearest rupee.

16 GENERAL

These statements were approved on 20 FEB 2025 by the Members of the Board.


PROJECT DIRECTOR


MANAGING DIRECTOR



Mian Saleem & Co.
Chartered Accountants

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**



Mian Saleem & Co.
Chartered Accountants

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

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

Fax: +92 (0) 51-8358921

Web: www.ncbms.com.pk/miansaleem

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Public Procurement Regulatory Authority (the Authority), which comprise the statement of financial position as at June 30, 2024, 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, 2024, 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.

Other Matter

The financial statements of the authority for the year ended 30th June, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 29th March, 2024.

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 2024, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based



on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Board of directors are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting



- and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our
- auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- 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.


Chartered Accountants
Islamabad
Date 06 MAR 2025
UDIN

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	2024	2023
		Rupees	
—NON-CURRENT ASSETS			
Property and equipment	4	52,834,585	53,815,775
CURRENT ASSETS			
Advances and other receivables	5	71,955,486	82,437,351
Cash and bank balances	6	548,355,035	530,125,725
		<u>620,310,521</u>	<u>612,563,076</u>
		<u>673,145,104</u>	<u>666,378,849</u>
NON-CURRENT LIABILITIES			
Other payables (long term)	7	(355,736,187)	(189,125,650)
CURRENT LIABILITIES			
Creditors and accrued liabilities	8	(403,403)	(345,680)
Tax (payable)/Refundable	17	12,794,170	(7,080,745)
		<u>329,799,684</u>	<u>469,826,774</u>
NET ASSETS			
CONETENGENCIES AND COMMITMENTS	9	-	-
REPRESENTED BY:			
RESERVE FUND			
Balance at beginning of the year		469,826,775	476,501,998
Surplus/(Deficit) for the year		(140,027,091)	(6,675,223)
Balance at end of the year		<u>329,799,684</u>	<u>469,826,775</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


DIRECTOR FINANCE



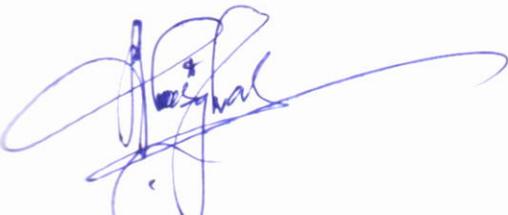

MANAGING DIRECTOR

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024**

	Notes	2024	2023
		Rupees	
INCOME			
Service income	11	324,151,868	300,330,959
Other income	12	106,262,911	75,703,939
		430,414,779	376,034,898
Operating expenses	13	555,288,444	302,268,891
		555,288,444	302,268,891
Surplus before tax		(124,873,665)	73,766,008
Income tax expense	16		
- For the year		15,153,426	34,929,808
- Prior years		-	45,511,423
Deficit for the year		(140,027,091)	(6,675,223)

M&C

The annexed notes from 1 to 19 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, 2024**

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 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.

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 600 Million out of own resources for FY 2023-24.

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.

MBC

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Funding / Budget for e-Procurement (EPADS) for 2023-24:

During reported period, i.e. FY 2023-24, the Finance wing of the Authority secured finances for the execution of EPADS activities. Finance wing got a budget of Rs.529.299 Million from Federal Government for EPADS, out of which Rs. 124.59 Million were spent for EPADS activities during FY 2023-24.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Accounting Standard for Small Size Entities (Accounting Standard for SSEs) issued by the institute of Chartered Accountant of Pakistan except for the recognition of income which is provided in relevant note hereunder.

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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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 recognized 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.

M. C. 2

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 amortization 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 amortization, 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 Employees' benefits

Government employees

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

Employees on contract

There are no retirement benefits available to contract employees

3.5 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.

3.6 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 amortized cost, using the effective interest rate method less impairment losses, if so determined.

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 Authority and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably generally.

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

Tender income is recognized on receipt basis.

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

Income on bank placements is recognized on accrual basis.

3.10 Offsetting

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

MS/LS

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.11 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 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.

MS/LS

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

	Land & Building	Furniture and fixture	Office Equipment	Computer & Accessories	Vehicles	Total
Cost						
Balance at 01 July 2022	41,928,263	5,082,487	12,188,121	16,120,689	7,121,856	82,441,416
Additions		26,559				26,559
Disposals						
Balance at 30 June 2023	41,928,263	5,109,046	12,188,121	16,120,689	7,121,856	82,467,975
Additions		694,242		386,227		1,080,469
Disposal						
Balance at 30 June 2024	41,928,263	5,803,288	12,188,121	16,506,916	7,121,856	83,548,444
Depreciation						
Balance at 01 July 2022	-	2,446,165	6,131,143	11,600,965	5,857,576	26,035,849
charge for the year	-	266,288	605,698	1,491,509	252,856	2,616,351
disposal						
Balance at 30 June 2023	-	2,712,453	6,736,841	13,092,474	6,110,432	28,652,200
Balance at 01 July 2023	-	2,712,453	6,736,841	13,092,474	6,110,432	28,652,200
Charge for the year	-	251,209	545,128.04	1,063,038.54	202,284.72	2,061,660
Disposal						
Balance at 30 June 2024		2,963,662	7,281,968.64	14,155,512.13	6,312,717.11	30,713,860
Balance at 30 June 2024	41,928,263	2,839,626	4,906,152.36	2,351,403.87	809,138.89	52,834,584
Balance at 30 June 2023	41,928,263	2,396,593	5,451,280	3,028,215	1,011,424	53,815,775
Depreciation rate		10%	10%	33%	20%	

100

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ------(Rupees)-----	2023
5 ADVANCES AND OTHER RECEIVABLES			
Advances to employees			
- against motor car		33,847,935	43,400,211
- against basic pay		4,603,262	5,975,558
- against expenses		359,500	280,000
- against medical		420,290	418,600
Advance income tax	5.1	31,618,003	31,256,486
Public Sector Capacity Building Project (PSCBP)		1,106,496	1,106,496
		<u>71,955,486</u>	<u>82,437,351</u>
5.1 ADVANCE INCOME TAX			
Withholding tax on bank		16,621,685	16,621,685
Advance income tax on receipts/WHT		4,813,383	4,451,665
Advance income tax on bank profits		2,459,192	2,459,392
Advance income tax on T-bills		7,463,744	7,463,744
Advance income tax on vehicles purchase		260,000	260,000
		<u>31,618,003</u>	<u>31,256,486</u>
6 CASH AND BANK BALANCES			
Cash at bank			
- Saving account		548,355,035	530,124,805
Cash in hand		-	920
		<u>548,355,035</u>	<u>530,125,725</u>
This carry profit and profit is paid on Sami annual basis i-e at 30 June and 31 December of the respective year.			
7 OTHER PAYABLES (LONG TERM)			
Contributory Provident Fund-PPRA Employees		85,397,522	63,452,002
Provision for gratuity		196,188,322	95,444,959
Provision for encashment of earned leaves		74,150,343	30,228,689
		<u>355,736,187</u>	<u>189,125,650</u>
8 CREDITORS AND ACCRUED LIABILITIES			
Withholding tax payable		328,293	285,680
Audit fee payable		59,800	60,000
Other payable		15,310	-
		<u>403,403</u>	<u>345,680</u>
9 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments during the year (2023-24: nil)			
10 GOVERNMENT GRANT			
This represent grant received from Government of Pakistan during the year (2023-24: Nil)			
		2024	2023
		------(Rupees)-----	
11 SERVICE INCOME			
Advertisement income		294,048,058	268,748,501
Training income		675,000	2,990,000
Appeals/Complaints Management		29,428,810	28,592,458
		<u>324,151,868</u>	<u>300,330,959</u>

M/S

12	OTHER INCOME		
	Profit on bank deposits	<u>106,262,911</u>	<u>75,703,939</u>
13	OPERATING EXPENSES		
	Salaries and benefits	14.1 531,824,849	275,218,900
	Consultancy fee	1,276,000	1,716,000
	Conference and seminar	800,000	1,119,700
	Fuel	3,193,347	2,235,596
	Traveling and conveyance	422,240	296,270
	Repair and maintenance	1,608,173	1,362,461
	Postage and telegraph	1,342,005	890,159
	Utilities	5,058,426	7,255,104
	Communication	1,523,096	892,912
	Newspaper and periodicals	400,888	346,052
	Stationary	1,956,802	4,823,144
	Entertainment	86,464	154,374
	Auditors' remuneration	13.2 59,800	60,000
	Advertisement and publicity	1,341,066	376,194
	Miscellaneous expenses	271,120	1,683,319
	Bank charges	149,533	98,647
	Security charges	1,912,975	1,123,708
	Depreciation	2,061,660	2,616,351
		<u>555,288,444</u>	<u>302,268,891</u>
13.1	Salaries and benefits		
	Salaries and wages	92,593,060	75,967,275
	Allowances	13.1.1 207,601,271	89,620,123
	Honorarium	43,737,509	28,236,240
	Medical reimbursement	14,648,208	12,545,804
	Earned leaves/ Casual leaves	57,345,421	23,565,195
	CPF Employer Contribution	11,633,225	9,608,735
	Gratuity expense	104,266,155	35,675,528
		<u>531,824,849</u>	<u>275,218,900</u>
13.1.1	Allowances		
	Ad hoc allowances	13,838,773	7,559,025
	Conveyance allowance/VUMA	13,429,422	11,656,317
	House rent allowance	55,013,511	45,301,166
	Regular/Other/Misc. Allowances	93,650,135	1,625,292
	Transport Monetization	77,430	-
	Utilities allowance	27,572,000	22,730,057
	Asset package for deceased employees	3,300,000	-
	PhD/MPhil Allowance	720,000	748,266
		<u>207,601,271</u>	<u>89,620,123</u>
		2024	2023
13.2	Auditors' remuneration	----- (Rupees) -----	
	Audit services		
	Annual audit fee	59,800	60,000
	Non-audit services		
	Certifications for regulatory purposes	<u>59,800</u>	<u>60,000</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.

M&C

15	NUMBER OF EMPLOYEES	2024	2023
		-----Numbers-----	
	Total employees of the authority at the year end	93	93
	Average employees during the year end	93	94
16	INCOME TAX EXPENSE	2024	2023
	Current year	15,153,426	34,929,808
	Prior year	-	45,511,423
	Total	<u>15,153,426</u>	<u>80,441,231</u>
17	TAX PAYABLE		
	Current Year	15,153,426	34,929,808
	Withholding Tax	<u>(27,947,596)</u>	<u>(27,849,063)</u>
	Tax payable	<u>(12,794,170)</u>	<u>7,080.745</u>

18 FIGURES
 Figures have been rounded off to the nearest rupee.

MBC

19 GENERAL

12 0 FEB 2025

These statements were approved on _____ by the Board of Directors.



DIRECTOR FINANCE



MANAGING DIRECTOR