



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)
NET ASSETS		<u>329,799,684</u>	<u>469,826,774</u>
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**

		2024	2023
	Notes	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.

MSL

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.

Md. C. W.

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.

MBZ

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.

MBL

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%	

100-100

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 Semi 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)			
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>

Handwritten signature/initials

12 OTHER INCOME

Profit on bank deposits	106,262,911	75,703,939
-------------------------	-------------	------------

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		<u>104,266,155</u>	<u>35,675,528</u>
		<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		<u>720,000</u>	<u>748,266</u>
		<u>207,601,271</u>	<u>89,620,123</u>

	2024	2023
	----- (Rupees) -----	
13.2 Auditors' remuneration		
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.

MSL

15 NUMBER OF EMPLOYEES

Total employees of the authority at the year end
Average employees during the year end

2024	2023
-----Numbers-----	
93	93
93	94

16 INCOME TAX EXPENSE

Current year
Prior year
Total

2024	2023
15,153,426	34,929,808
-	45,511,423
<u>15,153,426</u>	<u>80,441,231</u>

17 TAX PAYABLE

Current Year
Withholding Tax
Tax payable

15,153,426	34,929,808
(27,947,596)	(27,849,063)
<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