Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
Tel: 92-21-35681391-95, 35683853-57, 35657730-39
UAN: 92-21-111-568-568
Fax: 92-21-35680005 & 35682125
Website: www.ppl.com.pk

Our reference: CS/PSX-0175 Your reference: Date: 5th October 2022

Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Madam,

Re: **Annual Report for the Year Ended 30th June 2022**

This is further to our letter reference CS/PSX-0173 dated 5th October 2022.

In PPL's Annual Report 2022 uploaded on PUCARS today, due to an inadvertent error, pages 174-175 of the PDF file were misplaced. Their placement has been duly corrected. A corrected version of the Annual Report 2022 is attached.

The inadvertent error is deeply regretted.

The above may please be circulated among your members.

Yours truly,

Ali Jaffar
Company Secretary

Pakistan Petroleum Limited

PIDC House, Dr. Ziauddin Ahmed Road
P.O. Box 3942, Karachi-75530, Pakistan
UAN: +92 (21) 111 568568
Fax: +92 (21) 35680005, 35682125
website: www.ppl.com.pk

BETTER TOMORROW

ANNUAL REPORT 2022

Our journey of creating hope for a better tomorrow starts with the discovery of Sui gas field back in the early 1950s, a time when gas was in low demand in the country with predominantly oil-based economy. From discovering a major gas field, in the hope of finding oil, to creating demand for domestic and industrial use of gas with establishing the region's largest gas supply network at the time, PPL continues to be a beacon of hope for the local energy sector with its ability to take risks and venture for new solutions.

With embracing technological advancement in the E&P business and forging partnerships with leading international players, encouraging them to invest locally, we continue to remain steadfast despite the increasing demand-supply gap and diminishing easy, economical finds. In our quest to look for new solutions, we led the industry in expanding our international footprint in global prosperous basins as a transnational operator with our recent venture in Abu Dhabi. As for strengthening our revenue streams to ensure continuity of our energy sector pursuits, we have in-principle agreed to enter into a promising Reko Diq project. All this shows our enthusiasm and strength in creating the possibilities, one after another, to stand tall for a better tomorrow!

Cover Page: Gambat South Field
This Page: Adhi Field

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Compliance with International Integrated Reporting Framework

PPL's annual report 2022 has been prepared in compliance with International Integrated Reporting Framework. The report materially complies with and includes the fundamental concepts, content elements and guiding principles as set out in International Integrated Reporting Framework.

COMPANY INFORMATION

Board of Directors

Mr. Shahab Rizvi
Chairman
Independent, Non-Executive Director

Mr. Imran Abbasy
Chief Executive Officer /
Managing Director

Mr. Abdul Aziz Uqaili
Non-Executive Director

Mr. Abid Sattar
Independent, Non-Executive Director

Mr. Aftab Ahmad
Independent, Non-Executive Director

Mr. Ali Raza Bhutta
Non-Executive Director

Mr. Awais Manzur Sumra
Non-Executive Director

Mr. Imtiaz A.H. Laliwala
Independent, Non-Executive Director

Ms. Khurshid Bhaimia
Independent, Non-Executive Director

Mian Imtiazuddin
Independent, Non-Executive Director

Syed Zakria Ali Shah
Non-Executive Director

Company Secretary

Mr. Ali Jaffar

Chief Financial Officer

Mr. Mohammad Khalid Abdul Rehman

Registered Office

Pakistan Petroleum Limited
4th Floor, PIDC House
Dr. Ziauddin Ahmed Road
P.O. Box 3942
Karachi 75530
UAN: +92-21-111-568-568
Fax: +92-21-35680005, +92-21-35682125

Islamabad Office

Gerry's Centre, Justice Abdul Rasheed Road,
7th Avenue, Sector G-6/1, Islamabad
UAN: +92-51-111-568-568

Field Locations

Sui Field
Sui, Dera Bugti Agency, Balochistan

Kandhkot Field
District Kashmore, Sindh

Adhi Field
Tehsil Gujjar Khan, Rawalpindi, Punjab

Mazarani Field
Mazarani, Larkana, Sindh

Hala Field
(Adam, Adam West and Fazal)
Sanghar, Sindh

Gambat South Field
(Shahdadpur, Shahdadpur West, Shahdadpur East and Kabir)
Sanghar, Sindh

Benari Field
Shah Bandar Block, District Thatta & Sujawal, Sindh

Dhok Sultan Field
Tehsil Jhand District Attock,
Punjab

Registration Number

CUIN: 0000378

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Shares Registrar

FAMCO Associates (Private) Limited
8-F, Nursery Block-6 P.E.C.H.S.,
Shahra-e-Faisal, Karachi.
Tel: +92 (21) 34380101-05
Fax: +92 (21) 34380106

Legal Advisors

Surridge & Beecheno

Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Bank Al Habib Limited
- Dubai Islamic Bank
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- Industrial and Commercial Bank of China
- JS Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Samba Bank Limited
- Soneri Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- United Bank Limited

Website

www.ppl.com.pk

VISION

To achieve energy self-sufficiency for Pakistan by becoming the most successful and efficient discoverer and producer of oil and gas.

MISSION

To serve the people of Pakistan in an area critical to their economic development by employing, training and developing the best people available and empowering them to deliver extraordinary results while insisting that they conform to the highest standards of professional and ethical conduct.

CORE VALUES

VALUE CREATION
We are thought leaders for fresh ideas and agile execution. We ensure excellence in all spheres of performance.

RESPECT
We value our people and ensure a safe working environment. Our people recognise and respect individual differences and collaborate for high performance.

INTEGRITY
We are honest, ethical and fair. Others trust us to honour our commitments.

SERVE THE NATION
We think about tomorrow and act today - in our workspace and in our communities.

EMPOWERMENT
We act with courage, challenge the status quo and find new ways to grow our company and each other.

AT A GLANCE
2021-22

Operational Highlights

04	08	02	754	45
Exploration wells	Development wells	Discoveries	Sq km 3D Seismic acquired	Line km 2D Seismic acquired

Financial Highlights

202	54	22	34	2.8
Rs. in Billion Sales Revenue	Rs. in Billion Profit After Tax	Rs. in Billion Capital Expenditure	Rs. in Billion Deposit with GoP for equity stake in Reko Diq	in USD - Operational cost Per BOE

Production Highlights | PPL Net Share

808	722	12,493	319	354
MMscfd equivalent	MMscfd of gas	Barrels of Oil / NGL / Condensate per day	Tonnes of LPG per day	Tonnes of baryte & iron ore per day

Above also includes Partner operated areas.

CALENDAR OF MAJOR EVENTS

2021-22

August 2021

- Abu Dhabi Offshore Block-5 was awarded to PPL-led consortium. The consortium comprises of PPL, OGDCL, MPCL and GHPL each with working interest of 25%
- Received certificate of merit in "Fuel and Energy" category of the Best Corporate and Sustainability Report award for the Annual Report 2020 from ICAP/ICMAP

September 2021

- PPL announced discovery Jugan-1 in partner operated, Latif Block. Production commenced in the following month

October 2021

- AGM approved 20% cash dividend

January 2022

- Commenced production from Latif South-1 discovery in Partner Operated Latif Block

February 2022

- Received first prize from SAFA for the Best Presented Corporate Report in the public sector category for the 2020 annual report
- Announced interim cash dividend of 15%
- Resumed production from Kabir X-1 (Gambat South)
- Announced discovery Mohar-1 in partner operated Latif Block

March 2022

- PPL signed a non-binding Framework Agreement to participate in the Reko Diq project with 8.33% equity. It is one of the world's largest undeveloped copper and gold mines. Other partners are Barrick Gold Corporation (operator), GoB, OGDCL and GHPL.

April 2022

- Won 4 blocks in Pakistan's Bid Round 2022
- Commenced Extended Well Test (EWT) production from Dhok Sultan through commissioning of Oil Handling facility at Dhok Sultan and gas processing through POL's Meyal Plant.
- Commenced commercial production from Bashar X-1 ST discovery in Hala Block

June 2022

- Commenced production from Mohar-1, Latif Block

CHAIRMAN'S REVIEW

It is indeed a pleasure to present to you the Annual Report for 2021-22 and share the highlights of the year ended June 30, 2022. The business environment remained challenging during the year, as global economy faced unprecedented inflation and supply chain disruptions. Moreover, there was a significant increase in the price and demand of international crude oil in the wake of relaxation of COVID-19 restrictions, global economic recovery followed by a geopolitical conflict that began in early 2022. Despite all challenges, the Company still managed to achieve notable accomplishments and productive developments for its stakeholders.

I also feel pleased to share a brief overview of the Company's operational and financial performance for the year 2021-22. PPL's financial results for the current fiscal year have benefitted from an extraordinary rise in the price of crude oil. To meet the country's increasing energy demand, PPL is making utmost efforts for early monetization of new discoveries and production optimization from existing mature assets. As a result, production was commenced from two in-hand operated assets, Bashar X-1 ST (Hala Block) & Dhok Sultan X-1 (Dhok Sultan Block) and three partner operated assets viz., Latif South, Jugan-1 & Mohar-1 (Latif Block) during the year.

Currently, the Company has working interest in multiple operated and partner operated producing fields. Despite challenges of consistently lower offtakes from Kandhkot Gas field and natural decline in mature fields, the Company's average hydrocarbon production during the year was 808 MMscfd gas equivalent. In Kandhkot field, GENCO-II has increased its gas offtakes to about 180 MMscfd since April 2022. Several development activities were carried out during the year in the producing assets. Eight development wells were drilled, two of which were in operated fields and six in partner-operated fields. Development activities not only helped in enhancing production but also contributed to the Company's reserves.

In addition to the production assets, your Company and its subsidiaries has a balanced mix of exploration portfolio including the recently acquired Off-Shore Block-5 in Abu Dhabi. The exploration portfolio is spread among high-risk frontier basins, where there is a potential of large discoveries, together with proven but mature basins where small to medium size discoveries at low risk and cost are still possible. Furthermore, the Company has won four new exploration blocks in the bidding round held during 2021-22, two as an operator and the other two as a non-operating partner.

During the year, the Company drilled four exploratory wells out of which three wells were spud in partner-operated areas, while one well was in operated area. PPL announced two discoveries in the partner operated Latif Block this year: Jugan-1 and Mohar-1.

The Company's Reserves Replenishment Ratio (RRR) stands at ~37 percent. The reserves additions primarily came from discoveries i.e., Jugan-1, Mohar-1 and Latif South-1 (Latif Block). Moreover, the revisions in reserves mainly came from Adhi, Nashpa, Sawan, Miano and Tal fields.

To maintain competitiveness and focus on its growth strategy, the Company's diversification efforts are primarily aimed towards two distinct sectors i.e., Minerals & Mining and other Non-E&P opportunities within the energy value chain to strengthen the Company by ensuring steady and diversified revenue/profit streams. Accordingly, as part of its diversification strategy, PPL through a non-binding Framework Agreement has in principle agreed to participate with 8.33% equity along with OGDCL and GHPL in the Reko Diq Copper Gold Project. Reko Diq is one of the largest undeveloped copper and gold deposits in the world and is located in Chagai district of Balochistan. This project has the potential to significantly contribute to the Company's revenue stream and play a pivotal role in the long-term sustainability of the Company, besides brining significant and lasting economic and social benefits to Balochistan and Pakistan. The project is subject to corporate, judicial and legislative approvals.

Governance /Board and its Committees

The Board of Directors held ten meetings during the year. The Board, being the ultimate oversight body, monitored the Company's strategy and operations, putting into place the right mix of policies and procedures for the Company with the ultimate objective of creating value for shareholders. The Board also remained fully committed and engaged in the governance of the Company in the most efficient manner. The Board & Board Committees remained active and met frequently during the year.

During the year, two casual vacancies occurred on the Board due to the resignations by Dr. Arshad Mahmood and Mr. Saleh Muhammad Baloch. These vacancies were subsequently filled by appointing Mr. Ali Raza Bhutta and Mr. Muhammad Zubair in their place respectively to serve for the remainder of the term.

I welcome Mr. Imran Abbasy as the new CEO and thank Mr. Moin Raza Khan for his contributions.

Appreciation

On behalf of the Board and myself personally, I would like to thank all stakeholders in general and the employees of the Company in particular, for their perseverance and commitment to deliver despite challenges. The achievements of the Company during the year are reflective of the dedicated professional commitment and sustained zeal displayed by the management and employees of the Company.

Mr. Shahab Rizvi
Chairman, Board of Directors
20 September 2022

MANAGING DIRECTOR'S OUTLOOK

I joined PPL as MD & CEO on September 21, 2022 and would like to take this opportunity to share your Company's performance for the year. As we sailed smoothly through the Covid-19 pandemic, we are honored to have ensured uninterrupted energy supplies for the nation. During the year, your Company has displayed extraordinary performance to achieve major milestones, including commissioning of oil handling facility at Dhok Sultan, acquisition of an offshore Block 5 in Abu Dhabi's prospective zone by a PPL-led consortium and signing of a non-binding framework agreement for reconstitution of RekoDiq project, which potentially has one of the world's largest undeveloped copper and gold deposits.

As for our operating environment, a sharp increase in crude oil demand was witnessed during 2021-22 with easing Covid-19 restrictions and a resultant rebound in economic activities across the globe. In addition, the geopolitical conflict between Russia and Ukraine led to soaring oil prices. The PKR devaluation also had a positive effect on the Company's bottom line as its impact on revenues outweighs its impact on costs. These factors in turn had a positive impact on the financial output. However, the cashflows do not respond in a proportionate manner due to circular debt and payment of taxes and duties on higher revenues/profits.

On the exploration front, PPL drilled four exploratory wells, one in operated and 3 in partner-operated blocks together with major portion of drilling for 2 operated wells in frontier basins spud-in last year. Two discoveries were announced in partner-operated Latif Block. As part of our efforts to increase the exploration acreage in new, prospective zones, PPL together with its joint venture partners won 4 blocks during the recent Pakistan Bid Round 2022.

Following the acquisition of offshore Block 5 in Abu Dhabi's competitive bid round by PPL-led consortium of four big national E&P companies: PPL, OGDCL, MPCL and GHPL, aggressive exploratory and appraisal efforts are underway by a dedicated multidisciplinary team, to drill the first well in 2023.

Our average daily production stood at approximately 808 MMscfde (PPL net) with a 5% decrease from the previous year primarily due to consistently low offtakes by GENCO II from Kandhkot Gas Field coupled with declining production from mature fields. Against this backdrop, the Company has focused on enhancing production through bringing in new/existing discoveries online as well as optimizing output from mature and new fields. To this end, four discoveries were brought online, including Bashar X-1 in PPL-operated Hala Block and three in partner-operated Latif South-1, Jugan-1 and Mohar-1 in Latif block, adding approximately 57 MMscfd gas (gross) to the national supply network. Additionally, production resumed from our operated discoveries in Dhok Sultan X-1, through commissioning of a rental facility, and Kabir X-1, Gambat South which collectively added nearly 2,000 bbls/ day oil and 5 MMscfd gas. Moreover, eight development wells were drilled — two in operated and six in partner-operated assets.

Your Company managed to showcase exemplary performance realizing the highest ever profit before tax. However, the super tax imposed by the Government along with the dry wells charged in the fourth quarter had a significant impact on profit after taxes (PAT). Despite this, the Company managed to register an increase of 2% in PAT from last year. PPL's cash collections, however, remained stressed with ongoing accumulation of the gas sector circular debt. For this, we have engaged key stakeholders at the highest level to ease the cash flow from customers. We firmly believe that the long-term solution is to address the root-causes, which will unlock the true potential of your Company.

As part of its growth strategy, your Company is pursuing and evaluating diversification opportunities to enhance and de-risk revenue streams. More recently, we got a breakthrough in our mining-based expansion plan by entering into a non-binding agreement for reconstitution of Reko Diq project with Governments of Pakistan and Balochistan, the globally renowned Barrick Gold Corporation, OGDCL and GHPL. As for the Company's increasing outreach in the mineral sector through Bolan Mining Enterprises, there is considerable headway in the Barite, Lead and Zinc (BLZ) project which is expected to kick-off soon, following the grant of a large-scale mining lease with an estimated project life of more than 30 years.

As the industry leader in nurturing and retaining talent, PPL continues to invest in its human resource through exposure to local and international capacity building opportunities as well as improving processes to increase efficiency and creating enabling spaces for work-life balance. The operatorship of Abu Dhabi's offshore block 5 will further strengthen the technical and managerial capacity of our team.

PPL's commitment to improving the quality of life for deserving communities goes a long way with start of its commercial operations in Sui. In the recent devastating floods, the Company came forward to support the flood-hit communities throughout the country with a donation of Rs 70 million, as well as relief goods. PPL continued to make substantial contribution towards CSR as it spent Rs 2 billion during the year. Its efforts were recognized by Pakistan Center for Philanthropy and PPL was presented with the 16th consecutive award for largest corporate giver in terms of volumes of donations.

Looking ahead, PPL is poised to maintain the momentum for exploration in opportune national and international basins and high-risk / high-reward areas to find much-needed hydrocarbon reserves to plug our energy demand vs. supply gap. Improving production efficiency from existing assets is another area of focus. We remain committed to strengthening and diversifying our revenue base through fast-track development of BLZ project, closing out the Reko Diq deal, and exploring diversification ventures in energy value chain and renewables.

Overall, our accomplishments could not have been possible without the relentless support and commitment of Government of Pakistan, our shareholders, regulators, employees and partners to whom we are deeply indebted.

I am committed to take your Company forward for a better Pakistan, a better PPL and a better tomorrow.

Pakistan Paindabad

Imran Abbasy
Managing Director
& Chief Executive Officer

CODE OF CONDUCT

It is a fundamental policy of PPL (the Company) to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted comprehensive Code of Conduct (Code) for members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behaviour, provides guidance to Directors / Employees in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

SALIENT FEATURES OF THE CODE FOR DIRECTORS

1. **Conflict of Interest**

   Each Director must avoid any conflict of interest among the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

2. **Corporate Opportunities**

   Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain; or competing with the Company for business opportunities.

3. **Confidentiality**

   Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorised by the Chairman of the Board or legally mandated.

4. **Honesty, Integrity & Fair Dealing**

   Directors must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.

5. **Compliance with Laws, Rules & Regulations**

   Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Rule Book of the Stock Exchange and insider trading laws.

6. **Encouraging the Reporting of any Possible Illegal or Unethical Behaviour**

   Directors should take steps to ensure that the Company promotes ethical behaviour; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.

7. **Trading in Company's Shares**

   Certain restrictions / reporting requirements apply to trading by the Directors in Company's shares. Directors shall make sure that they remain compliant with these statutory requirements.

8. **Compliance Procedures**

   Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

9. **Inside Information & Insider Trading**

   PPL's Directors and Sponsors who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorized dissemination or use of any inside information, directly or indirectly, is insider trading, is strictly prohibited and actionable under law.

SALIENT FEATURES OF THE CODE FOR EMPLOYEES

1. **Conflict of Interest**

   Employees must not engage in activities or transactions which may give rise to, or which may be seen to have given rise to conflict between their personal interests and the interest of the Company.

2. **Confidentiality & Disclosure of Information**

   Staff is expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to the press, to any outside source, or to any other staff who are not entitled to such information.

3. **Inside Information & Insider Trading**

   PPL's staff who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorised dissemination or use of any inside information, directly or indirectly, is insider trading and is strictly prohibited and actionable under law.

4. **Political Contribution**

   No funds or assets of the Company must be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

5. **Bribes & Commercial Payments**

   No member of staff must give or receive bribes or other payments (in cash or in kind), which are intended to influence a business decision or compromise independent judgment; nor must give money in order to obtain business for the Company, nor receive money or any other benefit for having given the Company business to an outside agency.

6. **Proper Recording of Funds, Assets, Receipts & Disbursements**

   All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

7. **Agreements with Agents, Sales Representatives or Consultants**

   Agreements, contracts, purchase orders etc. should state clearly the services / material to be performed / supplied for the Company, the amount to be paid and all other relevant terms and conditions. Payments made must bear a reasonable relationship to the value of the services / material delivered.

8. **Relations & Dealings with Suppliers, Consultants, Agents, Intermediaries & Other Third Parties**

   PPL's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that PPL's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

9. **Quality, Health, Safety & Environment (QHSE) Policy**

   Every staff member at work, as a condition of employment, must take reasonable care for the health and safety of himself / herself and others including visitors who may be affected by his / her acts or omissions at work; and cooperate in Company's efforts to protect the environment. Heads of departments carry overall responsibility for ensuring commitment towards quality assurance in respective areas.

10. **Smoking Policy**

    Smoking and exposure of workplace to tobacco poses serious health hazard to the staff besides potential risks of fire and explosions. Considering this, smoking is permitted only in designated 'Smoking Areas'.

11. **Seat Belt / Helmet Policy**

    As per policy, it is mandatory for all staff and, contractors, to fasten seat belts at all seats (front & rear) while sitting in the vehicles during occupational travel. PPL staff is required to wear road safety helmets while riding on a motorcycle.

12. **Other Employment, Outside Interests, Civic Activities**

    PPL does not allow any of its staff members to take any part-time and/or full-time second employment during their engagement with the Company. Employees intending to use knowledge, information, experience or position gained through his/her association with the Company to further himself/herself materially in an outside capacity has a duty to disclose that intention to the Company.

13. **Unsolicited Gifts**

    Accepting gifts that might place staff under obligation is prohibited. Staff must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

14. **Travel Sponsored by Contractors / Consultants / Third Party at their Expense**

    No PPL staff shall accept any free travel offers from anyone or any company doing or intending to do business with PPL including vendors, as it is not contemplated as acceptable behaviour and creates conflict of interest. These offers include airfare, hotel or any other cost that should normally not be paid by a vendor. These free offers should also not be accepted during vacation period by any staff member.

15. **Family Connections and Employment of Relatives**

    Any dealings between staff and outside organisations in which they have a direct, indirect or family connection must be fully disclosed to the Management. There is no prima facie objection to the employment of relatives but inappropriate job relationships must be avoided.

16. **Company & Personal Property**

    PPL's staff must not take or use Company's property or the property of another staff without permission; nor must the staff use the Company's property, whether owned or hired by the Company, for private purposes without the Management's permission.

17. **Alcohol & Drugs**

    Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all the Company's premises and work-sites.

18. **Gambling**

    All forms of organised gambling or betting on the Company's premises is forbidden.

19. **Rumour Mongering & Gossiping**

    Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow staff members are strictly prohibited.

20. **Harassment**

    It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any staff that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, humiliating, offensive, or hostile environment. PPL is also compliant with all the requirements of "Harassment of Women at Workplace Act 2010".

21. **Grievance Handling**

    PPL has a comprehensive Grievance Handling Procedure. PPL strives to provide a fair & impartial process to its employees / trainees and ensures timely resolution of their grievance.

22. **Whistle Blowing**

    In order to enhance good governance and transparency, PPL has a Whistle Blowing Policy. The Policy provides an avenue to its staff, vendors and those who deal with PPL to raise concerns and report illegal and unethical issues like fraud, corruption or any other unlawful conduct or conduct which is in violation of the Company's policies and procedures or the misuse or pilferage of the Company's assets and property or endangers the public or the environment.

23. **General Discipline**

    Every staff member must adhere to Company's rules of service and make sure that he/she is familiar with all of them.

24. **Reporting Violations / Disciplinary Actions**

    Any violation of this Code shall be promptly reported to the Human Resources (HR) department by any staff member having knowledge thereof or having reasonable belief that such a violation has occurred. Upon receipt of a report of a violation or a suspected violation of this Code, HR may initiate proceedings in accordance with the Company's disciplinary procedure.

25. **Particulars and Shareholding, if any, in the Company**

    All employees in Job Group-10 and above need to notify the ownership and transactions in the shares of the Company, whether held/undertaken directly or indirectly, by self, spouse or minor children.

GLOBAL COMPACT

PPL has proudly completed more than a decade of its association with the United Nations Global Compact (UNGC). UNGC was developed in the year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With around 17,000 corporate participants and other stakeholders, including business and civil society from over 160 countries, UNGC provides a leadership platform for participants to strengthen their commitment to sustainability and corporate citizenship. UNGC binds all participating organisations to share initiatives compliant with UNGC's ten principles, focusing on human rights, enabling working conditions for employees, environmental conservation and transparency.

PPL reiterates commitment and shares continuous progress on UNGC's 10 principles in its on-going efforts to further strengthen its corporate governance, human resource development, quality, health, safety and environment (QHSE) and corporate social responsibility (CSR) programmes.

HUMAN RIGHTS

Principle 1
Businesses should support and respect the protection of internationally proclaimed human rights.

PPL's Commitment
PPL respects the dignity and rights of its human resource. Through our Corporate Social Responsibility Programme, we also support the right to education, healthcare and basic civic amenities for communities.

Principle 2
Businesses should ensure that they are not complicit in human rights abuses.

PPL's Commitment
PPL is highly committed to conducting its business in accordance with the highest ethical and legal standards.

LABOUR STANDARDS

Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PPL's Commitment
We acknowledge and respect rights to freedom of association and collective bargaining. We are committed to addressing issues, problems and grievances proactively to regulate the Company's operations with dignity of labour, minimisation of animosity and fostering a relationship of trust between management and workers.

Principles 4 & 5
Businesses should support the elimination of all forms of forced and compulsory labour.
Businesses should support the effective abolition of child labour.

PPL's Commitment
PPL supports abolition of child labour and elimination of all forms of forced and compulsory labour in its areas of operations or by any of its business partners and contractors.

Principle 6
Businesses should support the elimination of discrimination in respect of employment and occupation.

PPL's Commitment
PPL is committed to provide equal opportunities for employment as well as growth without any discrimination on the basis of race, sex, religion, language, social origin, birth or other status.

ENVIRONMENT

Principle 7
Businesses should support a precautionary approach to environmental challenges.

PPL's Commitment
PPL is committed to environmental conservation by complying with National Environmental Quality Standards.

Principle 8
Businesses should undertake initiatives to promote greater environmental responsibility.

PPL's Commitment
PPL ensures proactive acceptance of its responsibility and accountability for environmental imperatives. The Company recognises that operational excellence cannot be achieved without embedding QHSE considerations in business decision making processes. Therefore, PPL remains committed to raising environmental awareness among staff, suppliers and contractors for encouraging eco-friendly practices.

Principle 9
Businesses should encourage the development and diffusion of environment friendly technologies.

PPL's Commitment
PPL believes in the use of emerging environment friendly technologies, especially for new projects, to reduce its carbon footprint.

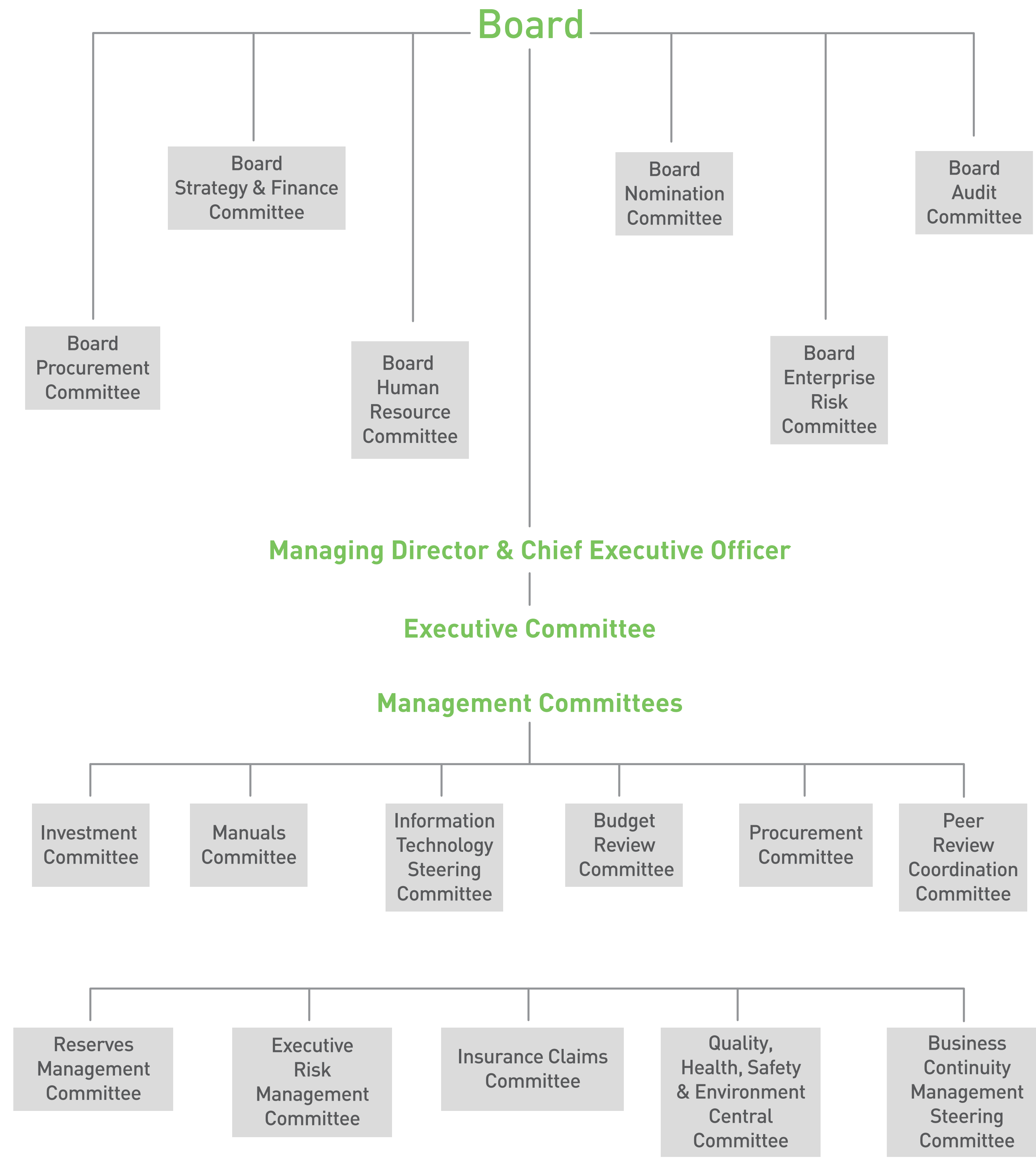
ANTI-CORRUPTION

Principle 10
Businesses should work against all forms of corruption, including extortion and bribery.

PPL's Commitment
PPL is committed to eliminate corruption through implementation of ethical codes and policies that govern business operations and relationships with external stakeholders.

The ethical commitments and values are embedded in the Company's Code of Conduct, the compliance of which is mandatory for members of the Board of Directors and all employees. The Company has zero tolerance to all forms of corrupt practices including bribery, extortion and other forms of corruption.

GOVERNANCE FRAMEWORK



PROFILE OF THE BOARD OF DIRECTORS

Mr. Shahab Rizvi
Chairman - Independent,
Non-Executive Director

Mr. Shahab Rizvi was elected as a member of the Board of Directors on December 23, 2020 and serves as the Chairman of the Board of Directors. He is also the Chairman of the Board Human Resource Committee and a member of the Board Strategy & Finance, Enterprise Risk and Procurement Committees.

A seasoned professional with nearly four decades of diverse experience working for several Fortune 500 companies, especially in business leadership in healthcare, Mr. Shahab Rizvi has served as Country President & Chief Executive, Pakistan and Afghanistan at Novartis Pharma (Pakistan) Limited between 2008 and 2018. Earlier, he was Head, Business Unit for Middle East at Novartis Consumer Health between 2004 and 2008 and Divisional/ Sector Head at Novartis Pharma (Pakistan) Limited during 2001 and 2004.

He has also worked as Regional and Marketing/ Commercial Manager with Shell Gas (LPG), now Burshane LPG (Pakistan) Limited, in Malaysia during 1999 to 2001. He also did sales, marketing and management assignments with Unilever, PepsiCo and Packages Limited.

Mr. Rizvi has led prominent business forums in the country. He was President, Swiss Business Council of Pakistan in 2017, President, Overseas Investors Chamber of Commerce and Industry (OICCI) in 2016 and Chairman, Pharma Bureau in 2014. He was also a member of Panel of Experts, Listing Committee at Pakistan Stock Exchange in 2017. He is also involved in a number of social organizations as advisor to the Board on pro-bono basis in addition to running a software development company.

He has a master's degree in Economics from University of Karachi plus several courses from Harvard Business School in Boston, USA and IMD in Lausanne, Switzerland.

Mr. Imran Abbasy
Managing Director &
Chief Executive Officer

Mr. Imran Abbasy joined Pakistan Petroleum Limited (PPL) as Managing Director and Chief Executive Officer on September 21, 2022. He is also a member of the Board Human Resource and Strategy and Finance Committees.

Abbasy is a director of the Company's wholly-owned subsidiaries PPL Asia E&P B.V. and PPL Europe E&P Limited. He is also a director on the Board of Pakistan International Oil Limited.

He is a seasoned industry professional with diverse, multinational experience of 35 years with several mid-and large-sized Exploration and Production companies as well as a major service company. He has held various technical and leadership roles in production technology, drilling, completion engineering and operations.

Overall, Abbasy has worked in the North Sea, Middle East, Australia, Indonesia and PNG, supporting completion design, artificial lift, well integrity and production optimization. Until late 2020, he was managing a mature producing asset in West Africa. More recently, he was engaged in supporting a development project for subsea gas field in the North Sea and advising a geothermal operator in the Philippines on well integrity matters.

He has been an active member of Society of Petroleum Engineers and authored several papers as well as participated in Applied Technology Workshops.
Abbasy earned a bachelor's degree in Mechanical Engineering in 1981 followed by a master's in Aerospace Engineering in 1983 both from The George Washington University, USA.

Mr. Abdul Aziz Uqaili
Non-Executive Director

Mr. Abdul Aziz Uqaili joined Pakistan Petroleum Limited's Board of Directors on July 27, 2022. He is the member of Board Nomination and Enterprise Risk Committees.

Mr. Uqaili is a seasoned professional with over 29 years of diversified experience in Public Administrative Service at the national, provincial and local levels. He represented Pakistan internationally on diplomatic/consular assignments for over eight years. He was Consul General &Trade Commissioner in Australia and Community Welfare Attaché for Malaysia & Saudi Arabia.

He is currently serving as Chief Secretary to Government of Balochistan. Earlier, Mr. Uqaili has served Ministry of Planning, Development and Special Initiatives as Secretary and Additional Secretary (Development & Special Initiatives) between 2020 and 2022 and Ministry of Interior, Islamabad as Additional and Joint Secretary between 2018 and 2020.

For Government of Sindh, he was engaged at both provincial and district/ local levels. He was Secretary, School Education & Literacy Department in 2017 and Secretary, Culture & Archaeology Department between 2011 and 2013 besides serving as Additional Secretary Finance between 2006 and 2008. He had successful stints as District Coordination Officer & Administrator in districts Larkana in 2008 and Ghotki & Mirpur Mathelo in 2010. He played a pivotal role in rehabilitation of Ghotki during 2010 super-floods and regarded as a 'doer', receiving accolades from local, national and international audience.

Mr. Uqaili started his public service career in 1994 with Government of Punjab as Assistant Commissioner focusing on Bahawalpur, Rahim Yar Khan and Jhelum districts.

He did his Master of Science in Development Management from London School of Economics, UK in 2006. Earlier, he obtained a bachelor's in Civil Engineering from NED University of Engineering and Technology, Karachi in 1993 and a degree in law from Sindh Muslim Law College Karachi in 2001. He maintained a meritorious academic track and clinched 8th position in CSS competitive exam besides earning three gold medals during his bachelors from University of Sindh in 1991 and intermediate and matriculation examinations.

Mr. Abid Sattar
Independent,
Non-Executive Director

Mr. Abid Sattar was re-elected as a member of the Board of Directors on December 23, 2020. He is a member of Board Human Resource and Nomination Committees.

Mr. Sattar is a seasoned banker with over 36 years of extensive experience in corporate, consumer and retail banking, both in Pakistan and overseas. Earlier, he was serving as President and Chief Executive Officer of Askari Bank Limited. He was also associated with Habib Bank Limited (HBL) for over a decade, managing key assignments as Head of International Banking, Asia and Africa Region based in Singapore and Head of Retail and Consumer Banking, Karachi. He played a pivotal role in post privatization transformation of retail segment at HBL.

Prior to this, he also served as Regional Head of Consumer Banking for Northern Gulf and Levant at Standard Chartered Bank in Bahrain.

He holds a master's degree in Business Administration from the Punjab University with a gold medal and an M.Phil in Economics and Politics of Development from Cambridge University, United Kingdom.

Mr. Sattar has a proven track record of leading and building efficient teams with a reputation of hiring talent, maintaining highest standards of compliance while expanding and developing various businesses.

Mr. Aftab Ahmad
Independent,
Non-Executive Director

Mr. Aftab Ahmad was elected as a member of the Board of Directors on December 23, 2020. He is a member of the Board Audit, Human Resource, Strategy & Finance and Enterprise Risk Committees. He is also a director on the Board of PPL Europe E&P Limited.

Mr. Ahmad is a seasoned professional with over 30 years of experience in finance and accounts, strategic business planning, project management, financial management and planning, budgeting and management reporting for oil and gas (exploration and production) as well as aviation industry.

He is a Chartered Accountant and also hold a Master of Science in Management as well as a bachelor's degree in Mathematics and Economics. Mr. Ahmad is currently associated with Naveed Zafar Ashfaq Jeffery & Co. Chartered Accountants, Islamabad as partner.

He has vast experience in management reporting and concession accounting in operated and non-operating environment, joint venture accounting, concession budgeting, taxation and preparation of country budgets.

Mr. Ahmad has managed small and large teams of professionals at Occidental Petroleum (Pakistan) Inc, Orient Petroleum Inc, and Oil and Gas Development Company Limited.

Mr. Ali Raza Bhutta
Non-Executive Director

Mr. Ali Raza Bhutta joined Pakistan Petroleum Limited's Board of Directors on January 7, 2022. He is a member of the Board Human Resource, Enterprise Risk and Strategy & Finance Committees.

He is currently serving as Federal Secretary, Petroleum Division, Ministry of Energy. Mr. Bhutta is a seasoned professional with over 32 years of diverse experience in energy, finance and public administration. As a career civil servant, he has served on several important positions at the federal and provincial levels. These include Federal Secretary Power Division, Poverty Alleviation & Social Protection and Benazir Income Support Programme (Ehsaas). Moreover, he also served as Secretary with various provincial departments, including Energy and Finance Department, Khyber Pakhtunkhwa and Local Government Department, Punjab.

Mr. Bhutta has also managed tribal administration in Waziristan and Orakzai Agencies and played a key role in development and implementation of land record management administration system for Government of Punjab.

He obtained a master's degree in Business Administration from Quaid-e-Azam University, Islamabad followed by an M.Phil in Economic Development from University of Glasgow, Scotland.

Mr. Awais Manzur Sumra
Non-Executive Director

Mr. Awais Manzur Sumra joined Pakistan Petroleum Limited's Board of Directors on December 29, 2021. He is Chairman of the Board Nomination Committee and a member of the Board Audit Committee.

Mr. Sumra is a seasoned professional with nearly 30 years of experience in serving the federal and provincial governments as a member of Pakistan Administrative Service. He is currently working as Special Secretary, Ministry of Finance since June 2022.

Since his first posting as Assistant Commissioner at North-West Frontier Province (now Khyber Pakhtunkhwa) in 1995, Mr. Sumra has served on various key fields, staff and secretariat assignments. These include Additional Secretary - Ministry of Finance, Additional Secretary - Establishment Division, Joint Secretary - Ministry of Finance, Finance Secretary - Gilgit-Baltistan, Director - Earthquake Reconstruction and Rehabilitation Authority, and Deputy General Manager - Pakistan Electronic Media Regulatory Authority. He also served as Senior Advisor to Executive Director at the World Bank Group in Washington D.C (USA) as well as Commercial Counsellor- Embassy of Pakistan, Athens (Greece).

He earned his master's degree in Finance from London Business School in 2005 and a Master of Business Administration from Stockholm University in 2002. Earlier, he studied at University of Engineering and Technology, Lahore to earn a bachelor's degree in Civil Engineering. He also did his Bachelor of Art from University of Punjab in 1991.

Mr. Imtiaz Ahmed Husain Laliwala
Independent,
Non-Executive Director

Mr. Imtiaz Ahmed Husain Laliwala was elected as a member of the Board of Directors on December 23, 2020. He is the Chairman of Board Audit Committee and also a member of Board Nomination Committee.

A fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) as well as a member of Chartered Professional Accountants, Ontario, Canada. He has nearly four decades of rich experience with leading chartered accountancy firms at home and abroad.

Mr. Laliwala remained associated with A.F.Ferguson & Co., Chartered Accountants, a member firm of PwC network, for nearly 28 years and served on important positions, including Ethics and Business Conduct Leader, partner responsible for Independence and led Energies & Utilities group in the Assurance and Business Advisory Services. Earlier, he worked for Ruby, Stein & Wagner, Chartered Accountants, Montreal, Canada, an affiliated firm of Jeffreys Henry International, from 1976 to 1986 in Audit and Assurance.

He did his Bachelor of Commerce from University of Karachi and Concordia University, Montreal, Canada in 1974 and 1976, respectively. He also did a diploma in Public Accountancy from McGill University, Canada.

Currently, he is serving as an independent director on the Board of Sanofi-Aventis Pakistan Limited and as a member on the Board of Governors of The Kidney Centre Post Graduate Training Institute. He also served as a member of the Audit Oversight Board during 2019-2022.

Mian Imtiazuddin
Independent,
Non-Executive Director

Mian Imtiazuddin was re-elected as a member of the Board of Directors on December 23, 2020. He is also a director on the boards of PPL Europe E&P Limited and PPL Asia E&P B.V.. In addition, he is the Chairman of Board Strategy & Finance and Enterprise Risk Committees as well as a member of Board Audit and Procurement Committees.

A seasoned professional with nearly 50 years of multi-dimensional experience in the oil and gas industry, Mr. Imtiazuddin has worked with major national companies in the UAE, Saudi Arabia & Qatar and leading consultancy firms that provide services in country and abroad.

He is currently Managing Director – Consulting and Advisory at Redhill Associates, Pakistan. Earlier, he worked for Gulf Drilling International Limited in Qatar, Delta Oil Company in the United Kingdom, Tesco Technology Corporation of Canada, National Drilling Company in Abu Dhabi, UAE and the Attock Oil Company (now Pakistan Oilfields Limited).

He received his Bachelor of Electrical Engineering from Peshawar University in 1972. Mr. Imtiazuddin has extensive hands-on experience in drilling and related activities. Besides, he has worked on cross-border pipeline projects, procurement of offshore drilling rigs & work barges, upstream asset identification and analysis, business development and marketing as well as onshore and offshore operations and supply chain management.

He was part of the leadership team of two major companies in the Arabian Gulf region as Technical Advisor and Business Development Manager for over 13 years.

Ms. Khurshid Bhaimia
Independent,
Non-Executive Director

Ms. Khurshid Bhaimia was elected as a member of the Board of Directors on December 23, 2020. She is a member of Board Nomination and Procurement Committees. She is also a director on the Board of PPL Asia E&P B.V.

Ms. Khurshid Bhaimia is a seasoned lawyer with extensive corporate experience, especially with the banking sector.

She started her career in 1983 with Surridge and Beecheno and later joined Orr Dignam and Co as Senior Associate. She joined Citibank (NA) Pakistan in 1999 as Corporate Banking Counsel and was Senior Vice President and Country Counsel Pakistan when she left. Currently she provides legal services on non-exclusive retainer to her clients including Citi bank N.A. Pakistan.

Ms. Bhaimia is a Director on the Board of Pak Grease Manufacturing Company (Private) Limited, an Associated company of Pakistan State Oil Limited and Pakistan Refinery Limited. She was also a member of the Board of Directors of Shell Gas (LPG) Pakistan Limited now Burshane LPG (Pakistan) Limited from 1992-2004.

Ms. Bhaimia is ICAP's Certified Director for Corporate Governance and has done her Bachelor of Laws (LLB) from University of Karachi.

Syed Zakria Ali Shah
Non-Executive Director

Syed Zakria Ali Shah joined Pakistan Petroleum Limited's Board of Directors on August 26, 2021. He is the Chairman of Board Procurement Committee and a member of Audit Committee.

A Civil Engineer by profession, Mr. Shah, has over 28 years of integrated working experience in the private, public and development sectors. He is currently serving as Joint Secretary, Ministry of Energy (Petroleum Division).

Mr. Shah joined the Office Management Group of Pakistan Civil Services in 1998 and has served in various capacities in a number of institutions and ministries. These include President's Secretariat as Director General, Establishment Division as Joint Secretary (Discipline & Litigation), Economic Affairs Division as Deputy Secretary (United Nations), Embassy of Pakistan in Morocco as Commercial Counselor, Federally Administered Tribal Areas (FATA) Development Authority as General Manager Planning and Development and with United States Agency for International Development (USAID) as Team Leader (Infrastructure) for USD 150 million FATA Livelihood Development Programme.

He is also serving as director on the Boards of Sui Northern Gas Pipelines Limited and Interstate Gas Systems (Private) Limited.

Earlier, he also served as the first chief executive officer of China Pakistan Economic Corridor Authority (CPEC-A) and District Administrator Afghan Refugees at Dir, Khyber Pakhtunkhwa.

He obtained a Bachelor of Science in Civil Engineering from NWFP University of Engineering and Technology, Peshawar, now University of Engineering and Technology, Peshawar, in 1993. Being a Civil Engineer, he worked as Project Director on various projects of national importance. These include extension of Northern Bypass up to Indus Highway, including interchange at Chamkani at Peshawar end of Islamabad-Peshawar Motorway M-1, rehabilitation of existing carriageway of Indus Highway from Rajanpur to Dera Ghazi Khan, construction of full clover leaf interchange at Faizabad Islamabad and strengthening and extension of runway at Islamabad Airport.

BOARD COMMITTEES

The Board has formed the following Committees:

- Board Audit Committee
- Board Human Resource Committee
- Board Strategy and Finance Committee
- Board Enterprise Risk Committee
- Board Procurement Committee
- Board Nomination Committee

The compositions, roles and responsibilities of the Board Committees are set out in the Terms of Reference of the respective Committees.

Board Audit Committee

Composition

The Board Audit Committee is comprised of:

• Mr. Imtiaz A.H. Laliwala	Chairman
• Mr. Aftab Ahmad	Member
• Mr. Awais Manzur Sumra	Member
• Mian Imtiazuddin	Member
• Syed Zakria Ali Shah	Member
• Head of Internal Audit	Secretary

Terms of Reference

The Terms of Reference of the Board Audit Committee include:

(i) Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.

(ii) Discussion of major observations with the external auditors arising from half yearly review and annual audits, review of the management letter issued by the external auditors and the management's response thereto.

(iii) Review of the scope and extent of the internal audits ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

(iv) Recommendation of the appointment of external auditors and any questions of resignation or removal of the external auditors, audit fees and the provision by the external auditors of any service to the Company in addition to the audit of the Company's financial statements.

(v) Ascertainment of the adequacy and effectiveness of the internal control system including financial and operational controls, accounting system, and reporting structure.

(vi) Determination of compliance with statutory requirements and monitoring compliance with the best practices of corporate governance.

(vii) Institute special projects, value for money studies or other investigations of any matters directed by the Board of Directors.

Seven meetings of the Board Audit Committee were held during the year.

Board Human Resource Committee

Composition

The Board Human Resource Committee is comprised of:

• Mr. Shahab Rizvi	Chairman
• Mr. Abid Sattar	Member
• Mr. Aftab Ahmad	Member
• Mr. Ali Raza Bhutta	Member
• Mr. Imran Abbasy	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

The Committee is responsible for the effective governance of the matters relating to Human Resource management by ensuring the establishment of appropriate human resource management strategies, policies and practices that are aligned with the organisation's Vision and Mission.

The Terms of Reference of the Board Human Resource Committee include:

(i) Ensure applicability of Human Resource Management policies to the entire workforce, including recruitment, training, performance management, succession planning, and compensation philosophy.

(ii) Selection, evaluation, compensation (including retirement benefits) and Succession Planning of the CEO.

(iii) Selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and the Head of Internal Audit.

Seven meetings of the Board Human Resource Committee and a joint meeting of Board Human Resource Committee and the Board Nomination Committee were held during the year.

Board Strategy and Finance Committee

Composition

The Board Strategy and Finance Committee is comprised of:

• Mian Imtiazuddin	Chairman
• Mr. Aftab Ahmad	Member
• Mr. Ali Raza Bhutta	Member
• Mr. Shahab Rizvi	Member
• Mr. Imran Abbasy	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

The primary purpose of the Board Strategy and Finance Committee is to oversee the implementation of the Company's strategy, monitor progress of the delivery of operational targets and to assist the Board in fulfilling its responsibilities with respect to the monitoring and oversight of the Company's financial resources in line with its strategies.

The Terms of Reference of the Board Strategy and Finance Committee include:

(i) Examination and recommendations to the Board in respect of the:
- Long-Term Strategic Vision and Plan of the Company.
- The Annual Strategic Plan for the Company and its alignment with the Long-Term Plan.
- Updates on execution of the Annual Strategic Plan.
- Updates on the Company's petroleum exploration operations in respect of selection of new domestic areas, farm-ins and farm-outs, surrender of licenses and relinquishment of areas.
- Development of existing, as well as, new petroleum discoveries.
- Development of non-petroleum businesses, and consideration of new ventures not in the Company's traditional business stream and updates on the Company's subsidiaries i.e. PPLA and PPLE.

(ii) Review of the Company's overall performance on the Annual Strategic Plan by monitoring its Key Performance Indicators (KPIs) on a quarterly basis.

(iii) Review of data, benchmarking the Company's operational performance and costs against competitors on a bi-annual basis.

(iv) Review and evaluation of propositions relating to investments in operational assets and businesses or entering into partnerships or joint ventures with other parties for the purpose of business expansion.

(v) Evaluation and recommendation of the annual operating and capital budget.

(vi) Review of policies relating to financial matters.

(vii) Review of the financial position of the Company and its operational segments periodically.

(viii) Periodic performance evaluation of utilization of operating and capital budgets.

(ix) Analysis and evaluation of matters relating to treasury function.

(x) Review of the Company's borrowing plans and recommendations to the Board for approval after assessing credit, long term loan facilities and working capital requirements.

(xi) Evaluation of proposals regarding enlistment and approval for addition or deletion of banks in the Company's approved panel of banks.

(xii) Review of major litigation, claims or other contingencies, whether secured or unsecured, that could have a material effect on the Company's financial position or operating results.

(xiii) Review of major financial commitments and approvals required by the Board.

Four meetings of the Board Strategy and Finance Committee were held during the year.

Board Enterprise Risk Committee

Composition

The Board Enterprise Risk Committee is comprised of:

• Mian Imtiazuddin	Chairman
• Mr. Abdul Aziz Uqaili	Member
• Mr. Aftab Ahmad	Member
• Mr. Ali Raza Bhutta	Member
• Mr. Shahab Rizvi	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

The Board Enterprise Risk Committee advises the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments that may be relevant for the Company's risk policies.

The Terms of Reference of the Board Enterprise Risk Committee include:

(i) Monitor organisation's risk profile.

(ii) In relation to risk assessment:
- Review the risk management infrastructure and the critical risk management policies adopted by the Company.
- Review regularly and approve the parameters used in risk management measures and the methodology adopted.
- Set a standard for accurate and timely monitoring of large exposures and certain types of risks of critical importance.

(iii) Oversee that the executive team has identified and assessed all the risks and established risk management infrastructure to address them.

(iv) Define risk review activities regarding decisions, initiatives, transactions and exposures.

(v) Understand and approve the management's definition of risk related reports regarding the full range of risks as well as their form and frequency.

(vi) Review and assess the effectiveness of the Company's Enterprise Risk Management processes and recommend improvements.

Three meetings of the Board Enterprise Risk Committee were held during the year.

Board Procurement Committee

Composition

The Board Procurement Committee is comprised of:

• Syed Zakria Ali Shah	Chairman
• Mr. Abdul Aziz Uqaili	Member
• Ms. Khurshid Bhaimia	Member
• Mian Imtiazuddin	Member
• Mr. Shahab Rizvi	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

The Board Procurement Committee ensures transparency in procurement transactions brought before the Committee and compliance with the provisions of the Public Procurement Regulatory Authority (PPRA) Rules.

The Terms of Reference of the Board Procurement Committee include:

(i) Serve as an advisory forum to suggest measures to streamline and simplify the procurement of goods and services.

(ii) Review special cases of procurement referred by the Procurement Committee of the management for seeking the directives of the Committee.

(iii) Identify, review and approve new and innovative procurement practices and strategies to strengthen, streamline and speed-up the procurement process and ensure that the procurement process achieves value for money in delivering the corporate strategy and strategic priorities.

(iv) Review the Company's policies and procedures for the procurement of goods, services and works and recommend changes for improvement thereof.

(v) Review and approve awards of high value Engineering, Procurement and Construction (EPC) Contracts and Original Equipment Manufacturer (OEM) Procurement Contracts.

(vi) Review (a) the annual procurement plan (b) any changes to financial authorities relating to procurement and (c) any updates and changes made in the Company's Procurement Manual.

Four meetings of the Board Procurement Committee were held during the year.

Board Nomination Committee

Composition

The Board Nomination Committee is comprised of:

• Mr. Awais Manzur Sumra	Chairman
• Mr. Abdul Aziz Uqaili	Member
• Mr. Abid Sattar	Member
• Mr. Imtiaz A.H. Laliwala	Member
• Ms. Khurshid Bhaimia	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

The Committee identifies and recommends candidates for the Board for the consideration of the shareholders after examining their skills and characteristics that are needed in such candidates.

The Terms of Reference of the Board Nomination Committee include:

(i) Evaluate balance of executive and non-executive directors including independent directors and those representing minority interests with requisite range of skills, competencies, knowledge, experience and approach so that the Board as a group includes core competencies and diversity, considered relevant in the context of the Company's operations.

(ii) Consider candidates on merit with due regard for benefits of diversity on the Board taking care that appointees have enough time available to devote to their positions.

(iii) Identify and nominate candidates for filling vacancies as and when they arise.

(iv) Oversee the development and implementation of a board induction process for new directors and a program of continuing director development as needed.

One meeting of the Board Nomination Committee and a joint meeting of Board Human Resource Committee and the Board Nomination Committee were held during the year.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

Financial Year 2021-22

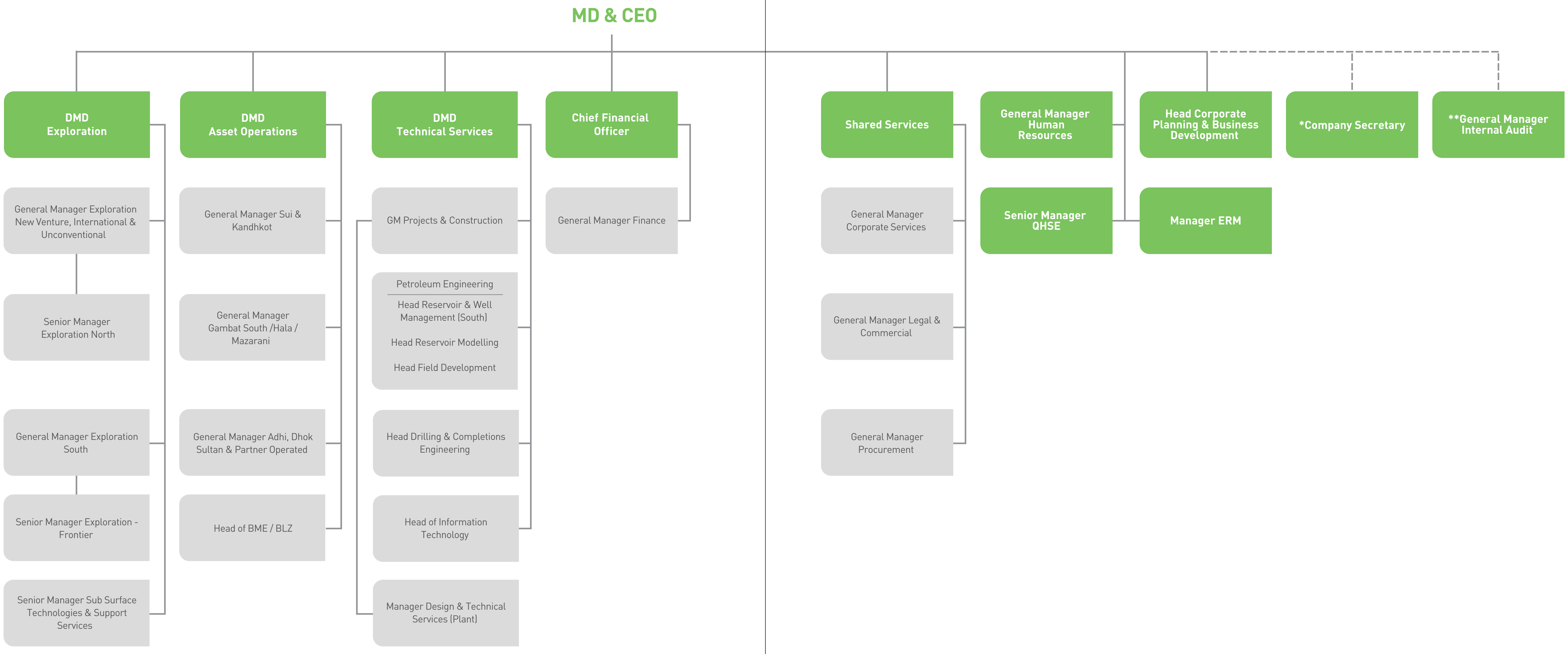
	Board of Directors			Board Human Resource Committee			Board Strategy & Finance Committee		
	Members	Meetings[1]	Attendance	Members	Meetings[1]	Attendance	Members	Meetings[1]	Attendance
Mr. Abid Sattar	✓	10	10	✓	7	7	-	-	-
Mr. Aftab Ahmad	✓	10	10	✓	7	7	✓	4	4
Mr. Ali Raza Bhutta	✓	5	4	✓	2	2	✓	2	2
Dr. Arshad Mahmood	✓	5	5	✓	4	4	✓	2	2
Mr. Awais Manzur Sumra	✓	5	5	-	-	-	-	-	-
Mr. Imtiaz A.H. Laliwala	✓	10	10	-	-	-	✓	4	4
Ms. Khurshid Bhaimia	✓	10	10	-	-	-	-	-	-
Mian Imtiazuddin	✓	10	10	-	3	3	✓	4	4
Mr. Moin Raza Khan	✓	8	7	✓	4	2	✓	4	4
Mr. Muhammad Zubair	✓	2	2	-	-	-	-	-	-
Mr. Saleh Muhammad Baloch	✓	4	4	-	-	-	-	-	-
Mr. Shahab Rizvi	✓	10	10	✓	7	7	✓	4	4
Syed Zakria Ali Shah	✓	9	9	-	-	-	-	-	-

	Board Procurement Committee			Board Enterprise Risk Committee			Board Audit Committee		
	Members	Meetings[1]	Attendance	Members	Meetings[1]	Attendance	Members	Meetings[1]	Attendance
Mr. Abid Sattar	-	-	-	✓	3	3	-	-	-
Mr. Aftab Ahmad	-	-	-	-	-	-	✓	7	7
Mr. Ali Raza Bhutta	-	-	-	✓	1	1	-	-	-
Dr. Arshad Mahmood	-	-	-	✓	2	2	-	-	-
Mr. Awais Manzur Sumra	-	-	-	✓	1	1	-	-	-
Mr. Imtiaz A.H. Laliwala	-	-	-	✓	3	3	✓	7	7
Ms. Khurshid Bhaimia	✓	3	3	✓	2	2	-	-	-
Mian Imtiazuddin	✓	4	4	-	-	-	✓	7	7
Mr. Moin Raza Khan	-	-	-	-	-	-	-	-	-
Mr. Muhammad Zubair	✓	1	1	-	-	-	-	-	-
Mr. Saleh Muhammad Baloch	✓	1	1	-	-	-	-	-	-
Mr. Shahab Rizvi	✓	4	4	-	-	-	-	-	-
Syed Zakria Ali Shah	✓	3	3	-	-	-	✓	5	5

	Board Nomination Committee (BNC)			BHRC/BNC Joint Meeting			Fee Paid to the Directors
	Members	Meetings[1]	Attendance	Members	Meetings[1]	Attendance	
Mr. Abid Sattar	✓	1	1	✓	1	1	3,000,000
Mr. Aftab Ahmad	-	-	-	✓	1	1	3,875,000
Mr. Ali Raza Bhutta	-	-	-	-	-	-	1,125,000
Dr. Arshad Mahmood	-	-	-	✓	1	1	2,000,000
Mr. Awais Manzur Sumra	-	-	-	-	-	-	750,000
Mr. Imtiaz A.H. Laliwala	-	-	-	-	-	-	3,875,000
Ms. Khurshid Bhaimia	✓	1	1	✓	1	1	2,375,000
Mian Imtiazuddin	✓	1	1	✓	1	1	4,625,000
Mr. Moin Raza Khan	-	-	-	-	-	-	-
Mr. Muhammad Zubair	-	-	-	-	-	-	375,000
Mr. Saleh Muhammad Baloch	✓	1	1	-	-	-	875,000
Mr. Shahab Rizvi	-	-	-	✓	1	1	4,125,000
Syed Zakria Ali Shah	-	-	-	-	-	-	2,250,000

Notes:
1. Meetings indicate those which were held during the period when the concerned Director was on the Board.
2. Mr. Moin Raza Khan did not receive director's fee, being MD/CEO of the Company.

ORGANOGRAM



*Company Secretary reports to Chairman of the Board with administrative reporting to MD.
**General Manager Internal Audit reports to Board Audit Committee with administrative reporting to MD.

EXECUTIVE COMMITTEE

Front Row (left to right)

Mohammad Khalid Abdul Rehman
Chief Financial Officer

Imran Abbasy
Managing Director &
Chief Executive Officer

Abid Ashfaque Malick
Deputy Managing Director,
Asset Operations

Back Row (left to right)

Mujahid Ali
GM Exploration-New Ventures,
International, Unconventional

Syed Shariq Ali Hashmi
Head of Technical Services

Adeel Rahmani
Head of Human Resources

Ali Jaffar
General Manager Legal and
Commercial/ Company Secretary

Syed Mahmood ul Hassan
General Manager Corporate Services

OTHER KEY PEOPLE

Farooq Azam Shah
General Manager Sui & Kandhkot

Fazal Hussain Gaffoor
Head of Corporate Planning
& Business Development

Muhammad Afzal Siddiqi
General Manager Procurement

Munir Hasan Ali
General Manager Internal Audit

Dr. Shujjat Ahmad
General Manager Gambat South,
Hala & Mazarani

BUSINESS MODEL & VALUE CHAIN

CAPITAL INPUTS

FINANCIAL CAPITAL
Rs 435 billion
share capital & reserves

HUMAN CAPITAL
2,644
number of employees

NATURAL CAPITAL
41+22+3
exploration + producing oil & gas + mineral assets

MANUFACTURED CAPITAL
Rs 138 billion
property, plant & equipment

INTELLECTUAL CAPITAL
71 years
experience in oil & gas

GEOGRAPHIC PRESENCE
3
countries of operation

VALUE CHAIN

PPL is engaged in the upstream oil & gas sector as well as gas processing. The Company also holds mineral rights in Balochistan for extraction and processing of barytes & iron ore.

upstream oil & gas — Gas/LPG, Oil

MIDSTREAM & DOWNSTREAM

processing → distribution → households & industry

refining → transportation → retail, industry & petrochemicals

minerals (diversification) — Barytes & Iron Ore → mining → export & local sales

PPL's presence in the value chain

BUSINESS ACTIVITIES

Identify
mature prospects through seismic & other G&G studies

Explore & Appraise
drill exploration well and assess resource size of discovery

Develop
build facilities and drill development wells to monetize hydrocarbons

Produce
management of reservoir & production operations

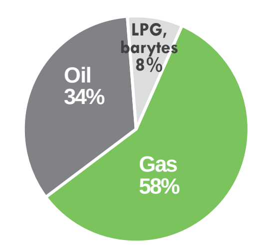
Key Elements of Business Model (as defined in section 4C of IR Framework)
Capital inputs are a fundamental element of the business as they drive the exploration & production and diversification activities of the Company. These business activities drive product portfolio of the Company including Oil, Gas, LPG, Barytes & Iron Ore, thus creating wealth for the stakeholders in the form of capital outcomes.

BUSINESS OUTPUTS

product portfolio

- Gas
- Oil
- LPG
- Barytes & Iron ore

revenue mix



Market share in indigenous production (PPL Net)

Gas: 21%
Oil: 17%
LPG: 15%

PPL is the second largest company of Pakistan in terms of production of oil & gas based on PPL's net share

CAPITAL OUTCOMES

FINANCIAL CAPITAL
Rs 19.68
earnings per share
Rs 2.00
dividend per share

PRODUCTION
295 BCF equivalent
gas, liquids & LPG

FISCAL CONTRIBUTION
Rs 95 billion
contribution to national exchequer

COMMUNITIES
Rs 2 billion
CSR contribution

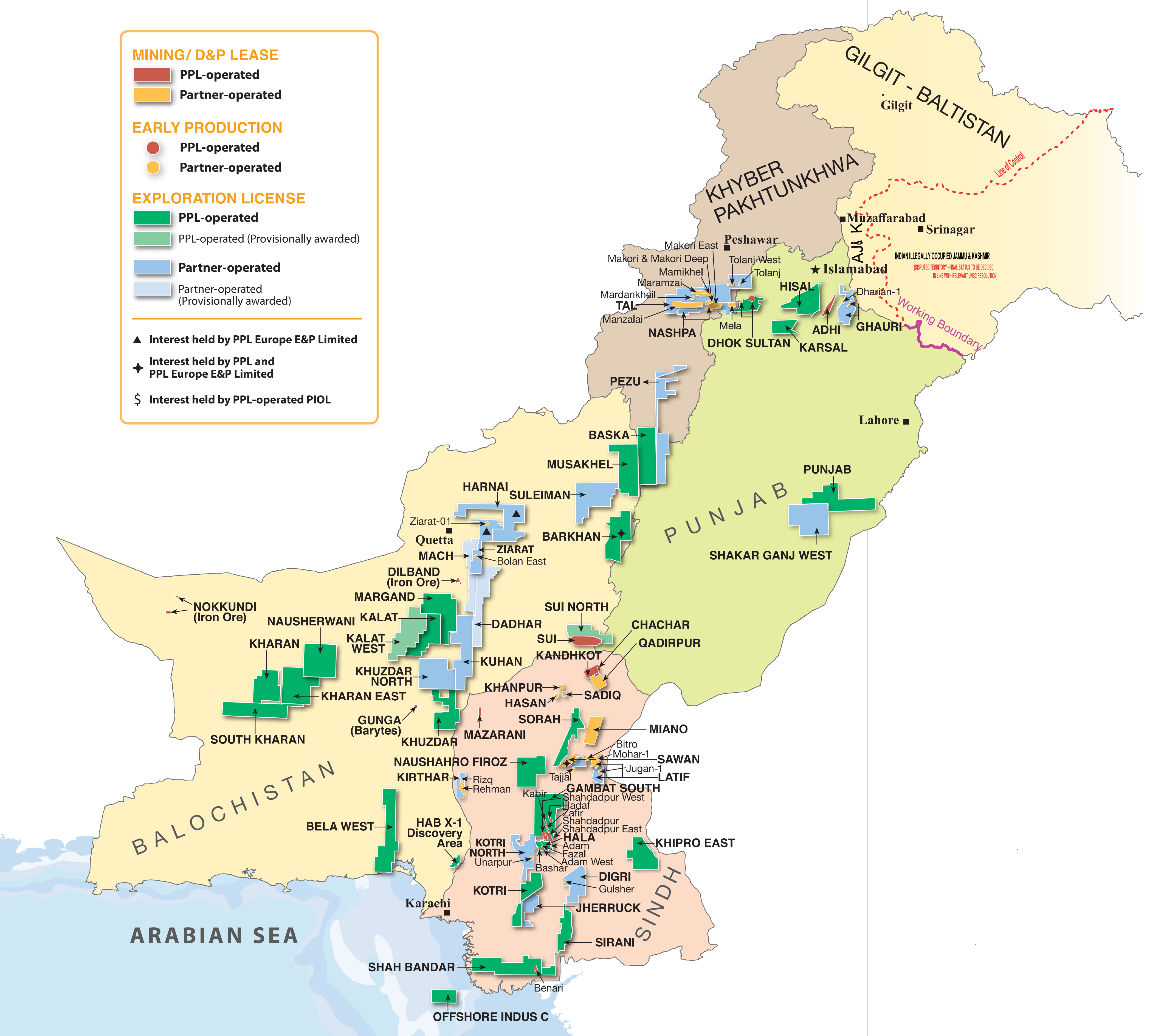
RESERVES
1,732 BCF equivalent
1P reserves

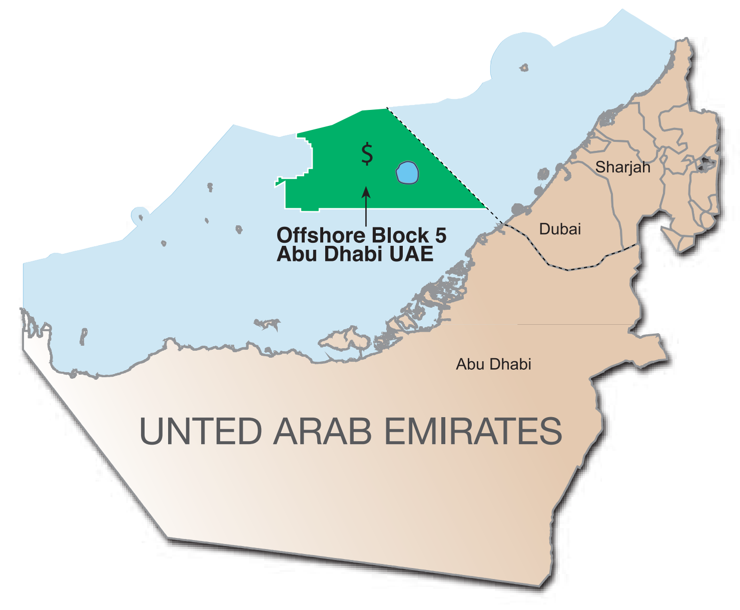
OUR PRESENCE

Group's Exploration, Production and Mining Assets

Name of Fields / Blocks	Operator	Other Partners	Group's Working Interest % as at June 30, 2022
Producing Fields			
1 Adhi	PPL	OGDCL,POL	39.00
2 Dhok Sultan (EWT Phase)	PPL	GHPL	75.00
3 Gambat South	PPL	GHPL,AROL	65.00
4 Hala	PPL	MPCL	65.00
5 Kandhkot	PPL	-	100.00
6 Kandhkot East (Chachar)	PPL	GHPL	75.00
7 Mazarani	PPL	GHPL	87.50
8 Shah Bandar	PPL	MPCL,GHPL,SEHCL	63.00
9 Sui	PPL	-	100.00
10 Block 22	PEL	PPL,GHPL, Pyramid	35.53
11 Digri (Gulsher EWT Phase)	UEPL	PPL	25.00
12 Gambat	UEP-BETA	PPL, Eni, GHPL	23.68
13 Ghauri (Dharian EWT Phase)	MPCL	PPL	35.00
14 Kirthar	POGC	PPL	30.00
15 Kotri North (Unarpur EWT Phase)	UEPL	PPL,AROL	40.00
16 Latif	UEP-BETA	PPL, Eni	33.30
17 Miano	UEP-BETA	PPL, Eni, OGDCL	15.16
18 Nashpa	OGDCL	PPL, GHPL	28.55
19 Qadirpur	OGDCL	PPL, KUFPEC, Al-Haj	7.00
20 Sawan	UEP-BETA	PPL, Eni, GHPL, PPL-E	34.07
21 Tal	MOL	PPL,OGDCL, GHPL, POL	27.76
22 Ziarat (Bolan East EWT Phase)	MPCL	PPLE	40.00
Exploration Blocks			
1 Barkhan	PPL	PPLE, UEP	85.00
2 Bela West	PPL	MPCL, GHPL	58.50
3 Dhok Sultan	PPL	GHPL	75.00
4 Gambat South	PPL	GHPL,AROL	65.00
5 Hala	PPL	MPCL	65.00
6 Hisal	PPL	POL,GHPL,AOC	62.50
7 Kalat	PPL	-	100.00
8 Karsal	PPL	-	100.00
9 Kharan	PPL	-	100.00
10 Kharan-East	PPL	-	100.00
11 Khipro East	PPL	SEHCL	97.50
12 Khuzdar	PPL	-	100.00
13 Kotri	PPL	-	100.00
14 Margand	PPL	-	100.00
15 Musakhel	PPL	OGDCL, POGC, GHPL	37.20
16 Naushahro Firoz	PPL	-	100.00
17 Nausherwani	PPL	GHPL	97.50
18 Punjab	PPL	OGDCL, GHPL	47.50
19 Shah Bandar	PPL	MPCL,GHPL,SEHCL	63.00
20 Sirani	PPL	GHPL	75.00
21 Sorah	PPL	-	100.00
22 South Kharan	PPL	OGDCL, GHPL	51.00
23 Baska	PPL	Zhenhua	82.50
24 Digri	UEPL	PPL	25.00
25 Ghauri	MPCL	PPL	35.00
26 Jherruck	NHEPL	PPL,KEPL	30.00
27 Khuzdar North	OGDCL	PPL,GHPL	25.00
28 Kirthar	POGC	PPL	30.00
29 Kotri North	UEPL	PPL,AROL	40.00
30 Kuhan	UEP-BETA	PPL, GHPL, BECL	47.50
31 Latif	UEP-BETA	PPL,Eni	33.30
32 Nashpa	OGDCL	PPL, GHPL	30.00
33 Pezu	OGDCL	PPL,KPOGCL,GHPL	30.00
34 Shakarganj West	OGDCL	PPL	50.00
35 Suleiman	OGDCL	PPL,GHPL,BECL	50.00
36 Tal	MOL	PPL,OGDCL, GHPL, POL	30.00
37 Ziarat	MPCL	PPLE	40.00
38 Harnai	MPCL	PPLE	40.00
Offshore Blocks			
39 Indus-C	PPL	-	100.00
Exploration Blocks (Outside Pakistan)			
40 Block-3 (Yemen)	TOTAL	PPLE, OMV	20.00
41 Block-5 (Abu Dhabi)	PIOL - PPL	OGDCL, GHPL, MPCL	25.00
Mineral Assets			
1 Khuzdar (Barite, Lead & Zinc)	BME	PPL, GoB	50.00
2 Dilband (Iron Ore)	BME	PPL, GoB	50.00
3 Nokkundi (Pachinkoh & Chigendik)	BME	PPL, GoB	50.00

Note: The above table excludes the blocks for which relinquishment has been applied.





STRATEGY AND RESOURCE ALLOCATION

Strategic Objectives	Short-term	Medium-term	Long-term
Growth in production to arrest natural decline in fields	✓	✓	
Increase in reserves base of the Company		✓	✓
Superior returns to shareholders	✓	✓	✓
Diversification in the energy value chain and mining business		✓	✓
Ensuring all activities meet high standards of QHSE	✓	✓	✓
Continue being recognized as a good corporate citizen	✓	✓	✓

- Growth is the prime focus of PPL's strategy. With a premium share of total domestic production, PPL is better placed to strengthen its leading position as a provider of oil and gas resources to meet the rising domestic demand. The Company will continue to focus on its core E&P business and expand into other value-adding related business segments.

- The Company's ambitious exploration program focuses on frontier exploration areas and exploitation of unconventional resources. The reserves acquisition strategy will provide necessary thrust for the replenishment of reserves. Production optimisation from existing fields by using innovative technologies and fast track development of new discoveries will be pursued to maintain the growth momentum.

- The Company will continue to evaluate various significant projects in the energy and mining sector with a view to further expand and diversify the business portfolio and add value through available strategic partnerships at Government and business levels.

- QHSE will remain the key component of Company's operational excellence. Utmost importance will be given to training of employees and contractors for enhancing safety awareness and active incorporation of industry best practices in the overall operating setup.

- The Company, as a good corporate citizen, shall continue to promote social development of the communities where it operates and shall extend financial and in-kind support for the welfare and development organizations spread across the country.

- The Company cares deeply about the environment and will continue to exercise due care in environmental protection.

- The Company will make efforts for optimum leveraging of the available financial resources and project management skills so that large projects in oil & gas and mining business for growth and value chain integration can be undertaken as required.

- The Company places great emphasis on investing in people to build a world-class workforce, as timely availability of qualified and trained manpower is vital for undertaking complex and diverse operations of the Company.

- The Company is committed to improve base business returns, selectively grow with a focus on integrated value creation, and seek innovative solutions, while ensuring quality as an integral part of its operations. This will also play an important role in making the Company the preferred partner for multinational companies and other resource holders.

- In the long-term, the Company intends to pursue Pakistan's offshore region as operator, explore technologies to develop tight gas in Pakistan, grow its operations internationally and become a regional E&P leader.

Key Performance Indicators (KPIs)

The Company monitors its performance through the following Key Performance Indicators. All the indicators will continue to be relevant in future for monitoring.

Financial

- Earnings per share
- Return on Equity (ROE)
- Free Cash Flows
- Dividends declared per share
- Opex per BOE
- Revenue contribution from Non-E&P business
- CSR contribution
- Payment to Government Exchequer
- Debtor Days

Non-financial

- Lost Time Injury Frequency (LTIF)
- Production
- Number of wells
- Reserves Replacement Ratio (1P)
- Employee Engagement Index (EEI)

Key Risks

The key strategic risks are covered in Risk and Opportunities report section of this annual report.

Resource allocation plans

The Company adequately utilizes the available scarce resources for the implementation and achievement of strategic plans as follows:

Capital	Resource Allocation Plan
Financial	The financial capital on account of aggravating gas sector circular debt is managed by applying capital rationing on future work program and investment opportunities. Overall expected cashflow availability for the upcoming year is determined at the start of the business planning cycle based on which work program and investments are planned.
Human	Human capital planning is at the core of Company's operational strategy ensuring that right skill set is identified and placed for a particular job. Staff rotation is planned and implemented each year to further develop and diversify the core competencies of our human resources. On the job and off the job training sessions are conducted including knowledge sharing sessions that are arranged by core functions for non-core functions and vice versa for the enhancement of overall knowledge base.
Intellectual	The Company also capitalizes on its intellectual capital by adopting and implementing best in class processes in all functions. IT systems provide an enabling environment for the staff to excel and thrive in the delivery of their job responsibilities including the critical work-from-home infrastructure.
Social	The Company develops its social relationships by adequately investing in CSR activities in the areas from where the natural resources are being extracted. Best in class CSR model has been adopted ensuring the adequate deployment of funds.
Natural	Natural capital is being managed by acquiring lucrative local blocks through bidding process/farm-ins and the Company is also targeting acquisition of international blocks to further grow its global footprint.

Effect of environmental changes on the business strategy

The external environment plays a key role on the achievement of the Company's business strategy:

Environmental Component	Effect on Business Strategy
Technology	Technology is at the heart of PPL's business operations and technological improvements are quickly adopted to ensure smooth operations. The setting up of in-house seismic processing center and core lab are a testament to the Company's belief in investment in technology. The Company also plans to explore technological advancements for the exploitation of unconventional reserves.
Society	Societal issues are also considered as it is the community and not the Company alone which can deliver successful projects. The Company considers the challenges posed by the societal changes on the achievement of business strategy and plays its part by actively participating in community development activities to alleviate the social problems of the community at large including health, education, skills development, and adequate employment opportunities for the locals.

Environmental Component	Effect on Business Strategy
Environment	Environmental challenges has a potential to affect the achievement of business objectives and the Company plays its part in mitigating such challenges, abiding by environmental regulations applicable on it. The Company ensures environmental conservation by complying with National Environmental Quality Standards. The Company aims to leave a better environment for the future generations to come.

Key resources and capabilities providing sustainable competitive advantage

The Company enjoys economies of scale due its geographic presence all over the country with international presence in UAE and Yemen. Large asset base of the Company, with no leveraging, signifies its strong balance sheet and financial performance. The Company has a rich experience of over 70 years of operatorship due to which it has developed a strong mix of technical skills which is its core competency. Furthermore, a balanced portfolio in the oil & gas exploration and production business together with diversification in the minerals sector provides a sustainable base for the Company to grow its business.

Value created by the business

Utilizing its capital resources, the Company creates significant value for its stakeholders including:

Value Created for	Governments	Shareholders	Employees	Suppliers	Communities
Value Created through	Fiscal contributions and dividends	Dividends and bonus shares	Remuneration & Benefits	Adequate business opportunities	• Indigenous energy production saving foreign exchange • CSR contributions

Process for strategic decision making

The Board of Directors has formed a Board Strategy and Finance Committee (BSFC) to oversee the strategic decision making of the Company. All the strategic decisions are internally approved by the Executive Committee (EXCOM) of the management and are presented to the BSFC for its review and recommendation to the Board for approval. The Board, through its policies and directions, sets the culture of the organization which is further strengthened by the senior management of the Company.

Development of adequate risk attitude within the organization is managed by the Enterprise Risk Management (ERM) function within the Company. Employee awareness sessions are conducted by ERM to enhance their awareness of the risks underlying business operations. These sessions also help in promoting a positive risk culture in the Company enabling the staff at every level to take day-to-day decisions keeping in view the Company's risk appetite limits. Board Enterprise Risk Committee (BERC) keeps a comprehensive oversight over the risk practices and policies of the Company.

Integrity and ethical issues are managed by the Company through the code of conduct that is applicable on the employees. Every year, employees are mandatorily required to attend e-training module on the code of conduct applicable to their employment and also give their sign-off on it.

Significant changes in objectives and strategies from prior years

The Company in line with its diversification strategy, has participated in a non-binding frame-work agreement to participate in the reconstituted Reko Diq project. The details are mentioned in the Director's Report.

MONITORING OF KEY PERFORMANCE INDICATORS

		Unit	2020-21	2021-22	Commentary
financial	Earnings per share	Rs per share	19.27	**19.68**	Despite highest ever profit before tax, there was a slight increase in after tax profits mainly due to additional 10% super tax that was applied through Finance Act 2022 and higher dry wells charge.
	Return on Equity . (ROE)	%	13	**12**	Despite improved profitability, the ROE has slightly dropped due to accumulation of equity as a result of low dividend payouts given the circular debt issue.
	Free Cashflows	Rs billion	40	**(21)**	Free cashflows turned negative due to higher capital expenditure and long-term investments of the Company including PIOL and PPL Asia. Company also contributed Rs 34 billion towards Reko-Diq project which will be converted into investment once the conditions precedents as set out in the framework agreement are satisfied. This was further augmented by customer collections dropping to 64% of gross revenue as against 89% last year, on the back of aggravating gas sector circular debt. Furthermore, levies significantly increased on account of higher revenue and income.
	Dividend declared per share	Rs per share	3.5	**2.0**	Lower payout due to circular debt issue.
	Opex per BOE	$/BOE	2.8	**2.8**	The opex per boe remained same as last year.
	Revenue contribution from Non-E&P business	Rs billion	0.7	**1.2**	Baryte sales almost doubled from last year in volume terms with its exports increasing by 1.6 times in value terms due to resumption of demand post COVID-19.
	CSR contribution	Rs billion	2.1	**2.0**	CSR contribution is almost same as last year.
	Payment to Govt. exchequer	Rs billion	73	**95**	Higher payments on account of increase in revenue and income due to rise in oil prices and devaluation of PKR against US$.
	Debtor Days	Days	601	**571**	Despite increase in circular debt, debtor days dropped due to sharp increase in gross revenue.
non-financial	LTIF	Ratio	0.05	**0.04**	In a single LTI incident, a worker lost balance and fell from a ladder while carrying out civil maintenance work at the roof of a beach hut. The injured person was provided medical treatment.
	Production	MMscfde	852	**808**	Lower production at Kandhkot on account of lower offtakes from GENCO-II coupled with natural decline slightly offset by full production from GPF-IV phase 2 at Gambat South and commissioning of Dhok Sultan.
	Number of wells	Number	13	**12**	Higher development wells were offset by lower number of exploratory wells during FY 2021-22.
	Reserves replacement ratio (1P)	%	108	**37**	No major replacement of reserves was observed during the year.
	Employee Engagement Index	%	67	**67**	EEI is conducted every two years. Next EEI is planned in FY 2022-23.

COMPETITIVE LANDSCAPE OF E&Ps IN PAKISTAN

Block Bidding Phase

Local and international E&P companies compete at the time of bidding of exploration blocks

Exploration & Appraisal Phase

- The companies collaborate in Joint Ventures to share risks
- The companies compete for resource availability

Development & Production Phase

- Minimal competition for product sales since Pakistan is a net importer of oil and gas
- The companies compete for early production and monetization

OUR COMPETITIVE ADVANTAGE

Our Legacy

We at PPL, as a premier E&P company of Pakistan, take immense pride in our knowledge of the subsurface and the areas we operate in.

PPL has explored, discovered, developed and produced oil and gas in a variety of locations throughout Pakistan with 71 years of experience as an operator in all stages of the oil and gas life cycle.

Our Portfolio

We enable activity in both operated and our partner operated areas and have a balanced portfolio of exploration and development assets.

Our development assets and our low risk exploration portfolio in proven areas provide us a platform to carry out high reward exploration in frontier basins where the greatest potential value exists.

PPL's presence in the mining industry of Pakistan is backed by robust hydrocarbon base and geological knowledge enabling us to unlock value in the minerals sector.

Our Presence

Our experience of working in Pakistan for the last seven decades has given us a competitive edge as we work with local communities to uplift their lives and create shared value.

Our presence and reciprocal respect has enabled us to access resources in remote frontier areas of the country whereby our operations create shared value for the nation.

In addition to our local presence, we have gone international with our operations enabling us to expand our footprint and represent Pakistan in the global energy arena.

DIRECTORS' REPORT 2021-22

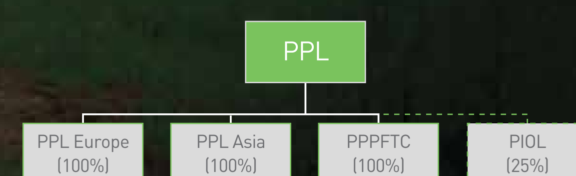
We are pleased to present the Directors' report and audited financial statements of your Company for the year ended June 30,2022 together with the auditors' report thereon. The business review for the year along-with key highlights are presented in the following paragraphs.

Introduction

Pakistan Petroleum Limited (PPL) is a pioneer in the natural gas industry in Pakistan and has been a frontline player in the exploration, development and production of oil and natural gas resources since the early 1950s. The Company's current exploration and production portfolio is spread across Pakistan with international presence in UAE and Yemen. PPL also holds mineral rights in Balochistan through Bolan Mining Enterprises (BME), a 50:50 joint operation between PPL and Government of Balochistan.

Group Structure

The Company has three wholly owned subsidiaries by the names of PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). These Companies are collectively referred to as 'the Group'. During the year, the Company has subscribed to 25% interest in the newly formed Pakistan International Oil Limited (PIOL) in Abu Dhabi, UAE (an associated company). The above-mentioned companies, except PPPFTC, are principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources.



Company's Business Strategy

Your Company remains committed to an exploration led growth strategy to augment its oil and gas reserves as well as diversifying its portfolio to ensure healthy returns for all stakeholders. An outline of the Company's strategy is presented below:

Value Preservation

- Optimizing production and recovery from current producing fields
- Bringing discoveries to production in the shortest possible time
- Developing and retaining key professional resources
- Ensuring all activities meet high standards of QHSE
- Being recognized by local communities as a good corporate citizen

Value Creation

- Maintain exploration activities to achieve sustainable Reserves Replacement Ratio
- Exploration in frontier areas with better prospects of bigger discoveries
- Pursue activities in Pakistan's offshore region as an operator, particularly in shallow offshore
- Diversify portfolio risk through new acreage, farm-ins and farm-outs
- Explore opportunities to grow internationally and become a regional leader in E&P
- Pursuing technological innovations to produce tight gas at commercial rates
- Explore and appraise shale gas/oil potential of Pakistan with globally available technologies

Diversification

- Expanding operations in mining industry
- Evaluate opportunities in the energy sector

Key Achievements

- Offshore Block-5 in Abu Dhabi, UAE was successfully won by the PPL-led Consortium of four companies with an equal share of 25% each (PPL, OGDCL, MPCL, and GHPL) in August 2021. The exploration and appraisal activities have commenced in the block.
- The Company has entered into a non-binding framework agreement to participate in the Reko Diq project to develop the copper and gold deposits. The parties to the agreement are in the process of fulfilling the conditions precedent which include the finalization of the definitive agreements, corporate approvals, and legislative and judicial validation.
- Highest ever annual profit before tax was recorded.
- PPL drilled 4 exploration and 8 development wells in operated and partner-operated areas.
- Production was recorded at 808 MMscfde (PPL Net) during 2021-22 despite challenges of mature declining fields and low customer offtakes in Kandhkot from GENCO.
- PPL announced two discoveries (Jugan-1 and Mohar-1) in partner-operated Latif block. Production commenced from Jugan-1 in October 2021 and Mohar-1 in June 2022 and gradually ramped up to a maximum of ~25MMscfd and ~32MMscfd gas flow rates (gross), respectively.
- PPL won 4 blocks in the domestic bid round in April 2022. Kalat West and Sui North were acquired as an operator, while Mach & Dadhar were acquired as a partner-operated interest.
- Extended Well Test (EWT) production from Dhok Sultan was commenced through the commissioning of a rental based oil handling facility and gas processing through Pakistan Oilfields Limited's Meyal Plant in April 2022.
- Commercial production from partner-operated Latif South-1 discovery was commenced.
- Production from Kabir X-1 (Gambat South) was resumed in February 2022.
- In-house processing of 2,693 line km 2D and 1,315 sq. km 3D seismic data was completed.
- 754 sq. km 3D seismic data was primarily acquired in PPL-operated blocks and 45 line km 2D seismic data was acquired in partner-operated Kirthar block.
- Acquisition of 14,731 line km gravity and 14,620 line km magnetic data in PPL-operated Kharan and Punjab blocks were completed.
- PPL received the prestigious South Asian Federation of Accountants (SAFA) award for its 2020 annual report and was conferred the first prize in the public sector category across its member countries.
- PPL was ranked as the largest corporate giver by volume of donations for the 16th consecutive year by the Pakistan Centre for Philanthropy.

Operating Environment

Since past few years oil and gas exploration in Pakistan has become increasingly challenging primarily due to mature basins where chances of sizeable discoveries are rare while operations in new basins are high risk coupled with high costs. While the local E&P companies are continuing their drilling and exploration activity to bolster fast depleting reserves and make few discoveries, however, the new finds are smaller in size with lesser hydrocarbon content. The average discovery size has reduced from 380 Bcfe (wells drilled before the year 2000) to just 12 Bcfe (wells drilled during 2016-2021). The non-replacement of reserves has resulted in the decline in the country's indigenous production from ~ 4 Bcfd to ~3.5 Bcfd of gas and from ~100,000 to ~75,000 bbl/d of oil.

It is worth mentioning that the foreign investment in the E&P sector has been declining in the past years. In a bid to arrest the decline in production of oil and gas, the government needs to take aggressive steps to attract and facilitate new endeavours especially in security-sensitive areas. Moreover, attention is required to revive the exploration activities in offshore areas, especially shallow offshore. An increase in E&P activity in frontier basins and other un-conventional hydrocarbon areas will assist in reducing dependence on expensive imported fuels and increasing the overall economic activity in the country.

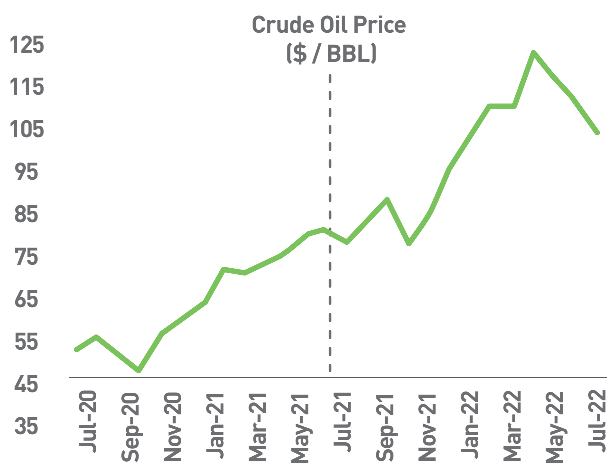
PPL is one of the largest E&P companies in Pakistan, contributing around 20% of local gas production. It has stakes in major gas fields in the country and holds a mix of exploratory blocks especially in frontier and offshore areas. The Company, in line with major petroleum players in the international arena is evaluating and maturing avenues, that can synergize its core business by targeting steady revenue streams, optimizing overall risk profile and contributing towards expansion of national green footprint. PPL is also focusing its diversification efforts in two distinct areas i.e., Minerals & Mining and Non-E&P opportunities in the energy sector, with an aim to further enhance the Company's value and profitability.

External Factors

The following factors play a key role in the operating environment of the upstream oil and gas sector in the country.

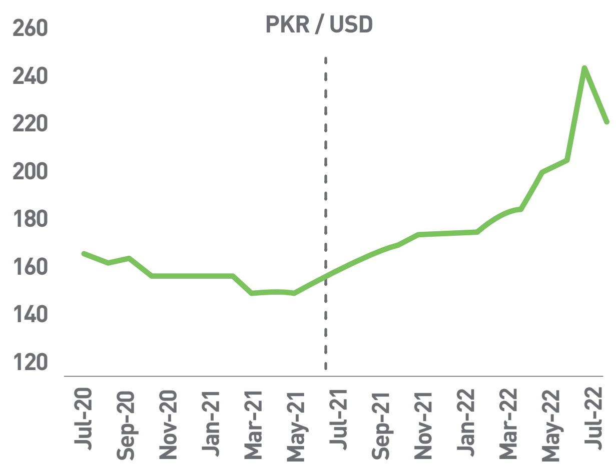
Crude Oil Prices

Oil prices witnessed a sharp increase in 2021-22, which was primarily due to combination of factors, including faster than expected recovery in the world's economy post COVID-19 amid production cuts from oil producing nations. Furthermore, the Russia-Ukraine war played its role in driving the uncertainty in oil markets. The fiscal year started with a surge to USD 76/BBL in July 2021. The demand led recovery maintained the increasing trend in second quarter, witnessing USD 84/BBL in October 2021. The third and fourth quarter of the fiscal year observed a triple digit oil price mark for the first time since 2014 due to Russia -Ukraine conflict which started in February 2022 and is continuing till date. Oil prices have a direct impact on the Company's revenues and strategy; hence, they are being monitored closely. However, the impact of volatility of the price is reduced on its revenue given gas is dominant in the Company's product mix and its price moves on a sliding scale with oil prices.



Fluctuation in Foreign Currency

The PKR witnessed a steep decline against USD during the year, mainly due to significant drop in foreign reserves, huge current account deficit due to increase in prices of crude oil and other commodities and political instability. The fiscal year started with rupee at Rs 162/USD in July 2021. Gradually, the PKR witnessed a consistent decline with high level of uncertainty. The decline was further aggravated due to downgrade of Pakistan's rating by international credit rating agencies and the delay in the IMF funding programme. The PKR traded at an all-time high of Rs 240+ post the fiscal year-end.

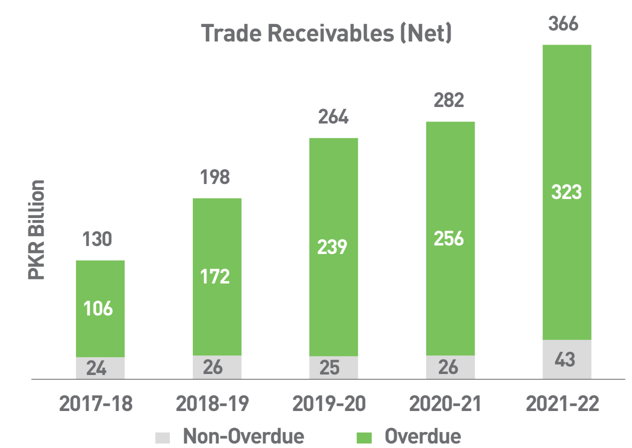


Trade Receivables

The circular debt accumulated rapidly during the current year on the back of rising international oil and LNG prices as a result of post-Covid increase in energy demand further aggravated by the ongoing Russia-Ukraine war. The increase in gas sector circular debt in particular has significantly outpaced the increase in the power sector circular debt as the consumer gas prices remained stagnant throughout the year. Furthermore, devaluing rupee resulted in higher cost of gas for the gas distribution companies leading to an ever-increasing mismatch between the cost of gas and its selling price to the consumers. To top it off, the diversion of expensive LNG to domestic households in winter months reduces the cash inflows of the domestic E&P companies as the payments by the gas distribution companies are diverted to RLNG importers.

Accordingly, the Company's receivables increased significantly during the year due to the circular debt issue, thus reversing the arrest witnessed in its growth during last year. As gas sales dominate the revenue mix of the company, the customer collections during the year declined to 64% of gross revenue as opposed to 89% last year. On the other hand, the Company pays taxes, duties and royalties on accrual basis, further creating a burden on the cashflows.

The management, through the consortium of Petroleum Division companies, remains engaged with the highest level within the Ministry of Energy and finance for the resolution of gas sector circular debt for which several solutions have been discussed and are being considered for implementation. The management is also engaged with the higher-ups in the gas distribution companies for preferential payments to ease up the rising liquidity pressure on the company. The management remains steadfast for the resolution of the issue and to bring much needed cash resources for the company that are necessary to fund its future exploration and development activities and mineral diversification projects to secure the energy wellbeing of the country.



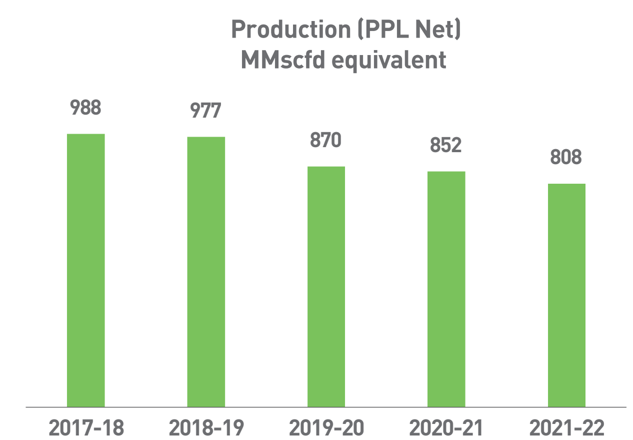
Our Performance

Production Operations

Your Company currently operates nine producing fields at Sui, Kandhkot, Adhi, Gambat South, Hala, Mazarani, Chachar, Dhok Sultan and Shah Bander. In addition, the Company, along with PPLE, has working interests in thirteen partner-operated producing assets. The Company is playing its role in meeting the country's energy requirements by focusing on production enhancement by using advance technology. Furthermore, the Company has an operated interest in Bolan Mining Enterprise (BME), which is a joint venture between the Company and Government of Balochistan, producing barytes and iron ore.

Production

The Company's overall production declined by ~5% from the comparative year in terms of equivalent units. Commodity wise analysis indicates gas production has declined by ~5%, liquids have declined by ~11% while LPG production has slightly increased by ~1% as compared to the previous year. The primary reason for decrease in Gas and Condensate/NGL/Oil production is lower offtake by buyer from Kandhkot Gas Field and natural decline in mature fields (Sui, Adhi, Nashpa and Tal blocks).



A comparison of the current year's production (net to PPL) to the previous year is given below:

	2021-22	2020-21
Natural Gas (MMscf)	263,481	276,309
Crude Oil / NGL / Condensate (Thousand Barrels)	4,560	5,132
LPG (Metric Tonnes)	116,498	115,835

Production of hydrocarbons during the year including the Company's share from joint operations averaged at ~722 MMscfd of gas, 12,493 bbl per day of Oil/NGL/Condensate and ~319 metric tonnes of LPG per day.

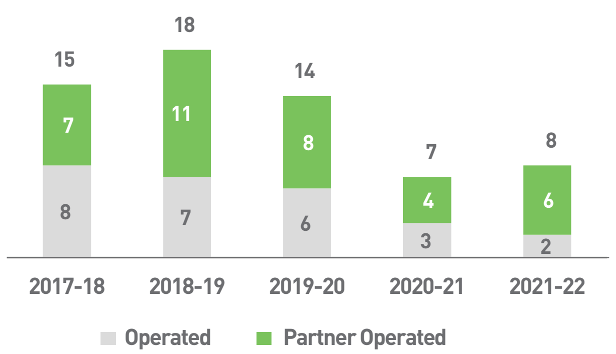
The Company's major customers include Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Central Power Generation Company Limited and Attock Refinery Limited.

Development Wells

The Company drilled eight development wells during the year. Two wells were drilled in operated areas in Adhi, while six wells were drilled in partner-operated areas in Kirthar, Tal, Nashpa, Miano and Qadirpur.

These development activities helped in optimizing the production from the producing fields.

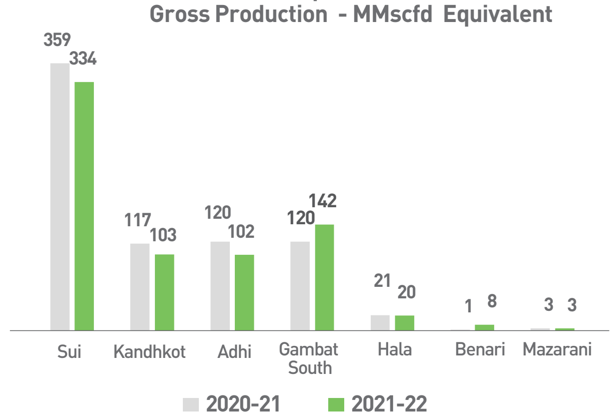
Development Wells



Key Highlights – Producing Fields

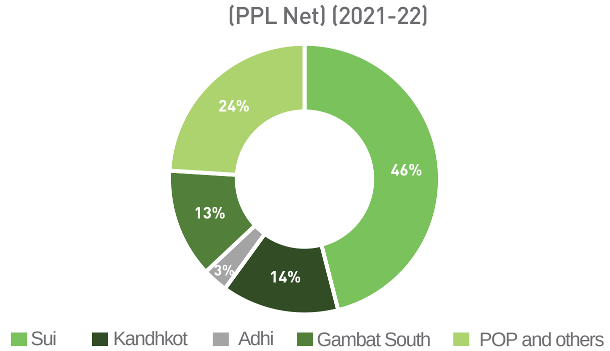
- Sui, being a mature field is witnessing a decline in production, which is being contained by various measures including workovers and optimizations.
- Production from Kandhkot decreased due to lower offtakes by GENCO-II. However, recovery was observed by the end of the financial year, partially reducing the y-o-y decrease.
- Dhok Sultan Oil Handling Facility was commissioned in April 2022.
- Production from Gambat South has increased primarily due to the full-year operational impact of GPF IV, Phase II.
- Adhi field experienced higher than anticipated water production during the year resulting in a decline in hydrocarbon production.
- The production from the Benari well commenced during the fourth quarter of last year. The well has outperformed its initial estimates with a full-year average production of nearly 8 MMscfd (Gross).
- Partner-operated fields have contributed around 218 MMscfde (PPL share) to the overall PPL's production profile. Most of the fields being at the maturity stage have shown a natural decline, except for Latif, where the commissioning of two new wells has supported in offsetting this drop.

PPL Operated Fields
Gross Production - MMscfd Equivalent

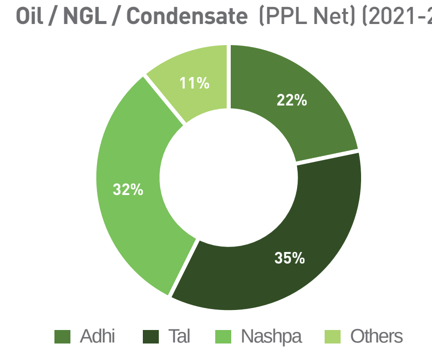


Further details are mentioned under the respective assets.

Field Wise Production of Natural Gas
(PPL Net) (2021-22)



Field Wise Production of Crude
Oil / NGL / Condensate (PPL Net) (2021-22)



PPL Operated Producing Assets

The details of the Company's operated producing assets are mentioned below:

Sui & Kandhkot Asset

- The average production from Sui and Kandhkot fields remained at 334 MMscfd and 103 MMscfd, showing a fall of 7% and 12%, respectively. This is attributed to a natural decline in Sui and low off-takes by Genco-II from Kandhkot.
- Compressor modification project for the existing SML compressors is underway.
- Pab liquid handling facility was successfully installed and commissioned to remove the liquid from Pab wells at Sui.
- Well testing, production logging, and bottom hole pressure surveys were also conducted during the year, to evaluate the field's potential and to plan future optimization activities using an in-house integrated asset model at Sui.
- Several other upgradation activities including refurbishment of a cooling tower at Sui purification plant, upgradation of turbo-generators at SFGCS, duplex surface fitting to cater to feeder line erosion at Sui wells, 3rd party inspection of condensate storage tanks and fire water tank at Kandhkot were also carried out during the year.
- The rehabilitation of the 30-year old Bela Dhoro Bridge situated near Kandhkot Gas Field was completed during the year. The bridge has prime significance in accessing Kandhkot's wells, besides being a passage for local people.
- The grant of Sui D&PL is awaited. In the interim, the Government of Pakistan, through periodic notifications, has allowed the Company to continue production from Sui gas field, the most recent of which allowed the Company to continue production for another year with effect from June 1, 2022.

Adhi / Dhok Sultan Asset

- Drilling of well Adhi South-7 was successfully completed during the year. It is expected to add 664 bbl/day of oil and 2.2 MMscfd of gas.
- Production from Adhi was curtailed by 18% due to unexpected water production and a higher than anticipated decline observed in Adhi South wells.
- Adhi South-5 well was spud-in during the month of June 2022. Drilling has now been completed and testing is underway.
- Water shut-off job was carried out in Adhi-30 after the well was loaded up. The well was revived adding ~3 MMscfd gas and 40 bbl/day.
- Gas lift was installed on Adhi-9 and Adhi-28 to sustain production. The initial increment was ~200 bbl/day from these wells.
- Two additional wells and one water disposal well are planned to be drilled in Adhi in the next fiscal year.
- Dhok Sultan Oil Handling Facility (OHF) was commissioned in the month of April 2022. Production of 1,800 bbl/day oil, 3 MMscfd gas & 20 MT/day LPG is being recorded. The gas is being processed from the nearby Pakistan Oil Field Limited's Meyal production facilities.

Hala / Gambat South / Mazarani / Benari Asset

- Production from Kabir X-1 well was re-commenced in February 2022 which is flowing at ~1 MMscfd gas and ~ 80 bbl/d of condensate.
- GoP has renewed Mazarani D&PL up to August 2025 and has approved the upward gas price revision to $3.75 per MMBtu.
- The Company is pursuing to sort out the legal issues and commence the site construction work at the earliest with respect to the Zafir GPF Project.
- An additional development well in Adam D&PL (Hala) is being planned.
- D&PL of Bashar field was approved by the regulator and the well was commissioned at Hala Plant in March 2022 after the construction of a 7 km feeder-line.
- Production from EWT of Yasar X-1 discovery (Kotri block) was commenced in May 2022, with the sale of an average of 130 bbl/day of condensate.

PPL Mining Asset - Bolan Mining Enterprise (BME)

- BME successfully achieved the highest-ever sale of 240,090 MT during FY 2021-22 in its history of more than 45 years. The production stood at 237,009 MT barite which is 85% higher than the last year.
- BME produced 21,600 MT of iron ore which is almost three times as compared to the last year's production.
- Mines development and overburden removal jobs are in progress at the mine site of Gunga, Khuzdar for extraction of marketable grade barite.
- 2,000 meters of drilling for confirmatory/geotechnical investigation for shallow bearing iron ore horizons stands was completed.
- Open Pit Bulk Scale Bench mining/development and overburden removal jobs are in progress at Pachinkoh (Nokkundi) parallel to the extraction of iron ore.
- Installation and commissioning of iron ore crushing plant was successfully completed at Pachinkoh.
- Civil work is in progress for the installation and commissioning of the jigging plant at Khuzdar, which will help in the availability of high-grade barite for sale.
- The Barite Lead Zinc (BLZ) project is underway.

Partner Operated Producing Assets

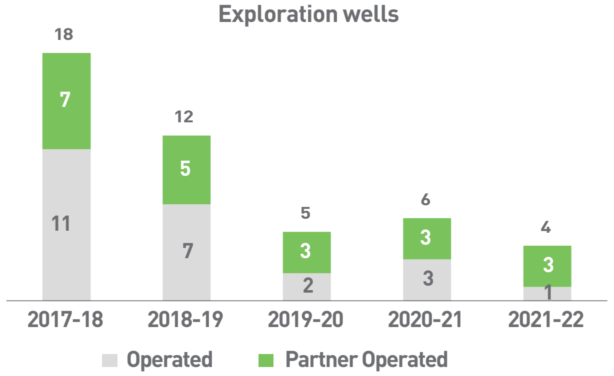
Details of activities carried out along with field-wise performance overview are as follows:

Kirthar	• A compression study has been completed, and subsequent procurement of compressors is in progress which is targeted to be completed in 2022-23. • Development well Rizq-4 in Rizq D&PL has been successfully completed as a gas producer. • In Rehman D&PL, development well Rehman-8 (ST-2) was plugged & suspended due to operational constraints.
Nashpa	• Development wells Mela-8 and Nashpa-11 are under drilling.
Qadirpur	• Development well QP-63 has been completed while its core analysis and frac modelling study are in progress. • Front End Compressors were revamped and Unit-C and Unit-B were commissioned and are operating satisfactorily since January 2022 and April 2022, respectively. • Standby Unit-A has been mechanically completed and its commissioning is expected to be completed post-year-end.
Miano	• Development well Miano-26 has been temporarily shut-in for further evaluation.
Tal	• Development well Tolanj West-2 in Tolanj West D&PL was drilled down to a revised deeper target depth. Based on encouraging log results, well was tested and a hydrocarbon discovery was declared subsequent to the year end in the exploration target. Currently well completion operation is in progress. • Maramzai compressors were commissioned and are running satisfactorily. It achieved ~ 10 MMscfd instantaneous incremental gas. • Manzalai secondary compressors are under procurement and the project is expected to be completed by 2022-23.
Sawan	• Front End Compression replacement project was successfully commissioned.
Latif	• The new discoveries (Jugan & Mohar) were successfully commissioned. • Latif South, a marginal discovery made in 2015, was successfully commissioned in synergy with Jugan Discovery. • Latif-10 workover was completed successfully to restore completion integrity.

Exploration

Key Highlights

- PPL, along with PPL Europe, drilled one exploration well Bazil X-1 in the operated Hala block and three wells in partner-operated blocks: Mohar-1 and Mithrau-1 in Latif block and Bolan South-1 in Ziarat block.
- Two discoveries were announced in the partner-operated Latif block (Jugan-1 and Mohar-1).
- A total of 754 square km of 3D seismic data, 14,731 line km of gravity, and 14,620 line km of magnetic data were acquired in PPL-operated blocks.
- In-house processing of 2,693 line km 2D and 1,315 sq. km 3D seismic data was carried out, realizing cost savings.
- PPL's core laboratory was upgraded with additional analysis equipment.
- PPL participated in Pakistan Bid Round 2022 and submitted joint bids along with MPCL and UEPL and won two blocks as Operator and two blocks as JV partner with MPCL and UEPL.
- In Kirthar block, the acquisition of 45 line km 2D seismic data was successfully completed. Further details are mentioned under the respective assets.



Exploration Portfolio

The Company, together with its subsidiaries and associate, has a portfolio of 41 exploration blocks including 25 operated blocks and 16 partner-operated blocks. The operated blocks include 23 onshore blocks, one offshore block in Pakistan, and one international block i.e., offshore Block-5 in Abu Dhabi. The partner-operated portfolio includes Block-3 in Yemen. Furthermore, four new blocks have been provisionally granted; two in operated and two in partner-operated areas. The execution of petroleum concession agreements is in process.

The Company strategically holds a diversified exploration portfolio with a mix of high-risk, medium to high reward, and low-risk, low/medium-reward assets. The Company continues to invest in the high-risk high-cost frontier areas to explore for the potentially bigger discoveries as the resource size per discovery in the mature corridors of oil and gas continues to diminish.

Block-wise details of the exploratory work program delivered during the year are summarized on the following pages:

PPL Operated South Blocks

Gambat South	• Exploration well Qasar X-1 was drilled down to the target depth. However, due to discouraging results, the well was plugged & abandoned. • Exploration well Shahpur Chakar North X-1 was spud-in in July 2022 and the well was drilled down to the target depth. Preparations are underway for testing. • Interpretation & mapping of newly processed 650 square km 3D seismic data was completed. • Rock-Physics modelling & AVO Inversion feasibility study for Hadi X-1A tight gas discovery have been completed. However, preparations are under way to carry out a third-party full field study.
Hala	• Exploration well Bazil X-1 was drilled down to target depth. However, due to discouraging testing results, the well was plugged & abandoned. • Evaluation of Lower Goru Upper Sand prospect has been completed and firmed up for drilling of an exploration well. • In-house G&G studies including evaluation of Lower Goru, and Massive Sand (Deep) potential are in progress.
Jungshahi	• Applied to DGPC for relinquishment of the license w.e.f. 31 December 2021.
Khipro East	• Exploration well Khipro East X-1 was drilled down to target depth. However, due to discouraging results, the well was plugged & abandoned. • Post well evaluation of exploration well Khipro East X-1 and remaining block prospectivity is in progress.
Kotri	• Integrated Sequence Stratigraphy study for the block was completed. • Seismic Reservoir Characterization & inversion study of Lower Goru Sands is in progress to evaluate the Upper sand potential. • In-house evaluation of remaining block prospectivity is underway. • Extended Well Testing (EWT) of Yasar X-1 discovery is in progress.
Naushahro Firoz	• Evaluation of remaining block prospectivity is underway.
Sorah	• Contract for the acquisition of 860 square km 3D and 250 line km 2D seismic data was awarded. Currently, a 3D seismic data acquisition survey is in progress. • In-house G&G evaluation on available vintage seismic & well data was completed.
Sirani	• Specialized PSDM processing and interpretation & mapping of 160 square km 3D seismic data were completed. • Preparations are underway for the civil works for the planned exploration well Dolphin X-1 located in the marshy area. • In-house 3D Basin Modelling and other in-house G&G evaluation are in progress.
Shah Bandar	• PSDM processing of newly acquired 130 sq. km 3D and reprocessing of 425 sq. km 3D seismic data have been completed. • Interpretation & mapping of 3D processed & reprocessed data have been completed and Jhim East prospect firmed up for drilling of a second exploration well in the block.

PPL Operated Frontier Asset Blocks

Exploration activities in these blocks are summarized below:

Barkhan	• Reconnaissance survey for accessibility assessment of the surface leads, geological field work (GFW) along with post GFW studies are completed. • In-house 3D Basin Modelling study is in progress. • The bidding for 3D seismic survey design study is in progress.
Baska	• Operatorship along with ZhenHua Oil's 33.5% working interest was transferred to PPL in May 2022. • Preparations are underway to drill the first exploration well Durug X-1 in 2022-23. • In-house Integrated G&G evaluation is in progress.
Bela West	• Post well geological studies of Bela West X-1 including biostratigraphy, geochemical & sedimentological analysis were completed. • Pre-SDM processing of ~370 line km 2D seismic data was completed, while its in-house interpretation & mapping is in progress. • Sequence stratigraphy study is in progress. • An in-house integrated G&G study is underway to evaluate the remaining block prospectivity.
Hab	• Evaluation of remaining block prospectivity was completed. • Application to retain Hab X-1 discovery area of ~150 square km and to relinquish the remaining block area was submitted to DGPC.
Kalat	• Drilling of exploration well Pandrani X-1 was completed. However, due to discouraging testing results, the well was plugged & abandoned. Post-well analysis is in progress. • Preparations are underway to drill third exploration well Murad X-1 in 2022-23. • The bidding for the acquisition of 2D seismic data is in progress.
Kharan & Kharan East	• Acquisition, processing, and interpretation of ~3,872 line km gravity & magnetic survey are completed. • Acquisition of 750 square km 3D seismic data was completed, while its processing is in progress. • Acquisition of ~200 line km 2D seismic data in Kharan East Block is in progress.
Khuzdar	• Acquisition of 100 line km 2D seismic data is planned to mature remaining leads into drillable prospects, subject to security clearance. • Efforts to acquire NOC from the Ministry of Defence for seismic acquisition are in progress.
Margand	• The bidding for the acquisition of 2D seismic data over Iskalku lead is in progress. • In-house Integrated G&G evaluation is in progress.
Musakhel	• Processing and interpretation of acquired 3,244 line km gravity and magnetic data are completed. • Acquisition of ~622 line km 2D seismic data is in progress.
Nausherwani	• Acquisition, processing, and interpretation of ~1,454 line km gravity & magnetic data were completed. • 100 line km 2D seismic data will be acquired after the completion of 2D seismic data acquisition in Kharan East.
Eastern Offshore Indus-C	• The Company has acquired sixty percent participating interest along with operatorship from Eni Pakistan with effect from 9 June 2021. • Reprocessing of 402 square km 3D and 630 line km 2D vintage seismic is in progress. • In-house integrated G&G evaluation is in progress.
South Kharan	• Processing and interpretation of ~5,000 line km gravity & magnetic data were completed. • In-house integration of gravity & magnetic data with 2D seismic data and other G&G data is in progress.

PPL Operated North Asset Blocks

Exploration activities in these blocks are summarized below:

Dhok Sultan	• 3D Seismic fracture reservoir characterization study over 350 square km 3D seismic data to identify the natural fractures in the reservoirs is in progress. • In-house PSTM/PSDM reprocessing of 350 square km 3D seismic data has been completed, whereas interpretation & mapping is in progress. • A structural modelling study on 3D seismic data over Musal prospect is completed.
Hisal	• In-house PSDM reprocessing and interpretation of 160 square km of 3D seismic data were completed. • In-house fracture characterization study was completed. • Acquisition of 230 square km 3D seismic data over Misrial prospect is in progress.
Karsal	• PSDM reprocessing of 280 line km 2D data is in progress. • Evaluation of remaining block prospectivity is in progress.
Punjab	• Acquisition, processing, and interpretation of 7,787 line km gravity & magnetic survey were completed. • In-house PSTM reprocessing of 1,240 line km 2D seismic data was completed, whereas, PSDM processing over 400 line km data is in progress. • In-house basin modeling study was completed. • The bidding process for the acquisition of 350 line km of 2D seismic data is in progress.

Partner Operated Blocks

Exploration activities in these blocks are summarized below:

Digri Operator: UEPL	• Evaluation of remaining block prospectivity is underway.
Latif Operator: UEP Beta	• Exploration wells Jugan-1 & Mohar-1 were successfully completed as gas discoveries in Latif block. • Exploration well Mithrau-1 was shut-in for further evaluation after inconclusive testing results.
Jherruck Operator: NHEPL	• Techno commercial evaluation is being finalized to decide way forward.
Khuzdar North Operator: OGDCL	• Processing & interpretation of the acquired 472 line km data were completed. • Post geological fieldwork studies are in progress. • Reprocessing of 2D seismic data is in progress.
Kotri North Operator: UEPL	• Drilling and testing of 4th exploration well Khanot-1 was completed. Due to discouraging testing results, the well was suspended for further evaluation. • Post well analysis and evaluation of remaining block prospectivity is in progress.
Kuhan Operator: UEPL	• Interpretation & mapping on reprocessed 2D seismic data was completed. • Preparations are underway for geological fieldwork along with the acquisition of gravity-magnetic and 2D seismic data. • G&G data evaluation is in progress.
Pezu Operator: OGDCL	• PSDM processing of 2D seismic data over Ramak Prospect was completed. • In-house Basin Modelling was completed.
Shakar Ganj West Operator: OGDCL	• Interpretation & mapping of 850 line km 2D seismic data was completed. • Bidding process for 2D seismic PSDM processing is in progress. • In-house G&G evaluation is in progress.
Suleiman Block Operator: OGDCL	• Preliminary geological field work was completed. • PSTM reprocessing of ~120 line km 2D seismic data is in progress. • In-house G&G evaluation is in progress.

PPL's Subsidiaries / Associate

PPL Asia E&P B.V.

Block-8, Iraq	• Subsequent to year-end, Midland Oil Company, Iraq (MdOC) has intimated termination/expiry of the Exploration, Development and Production Service Contract (EDPSC) and advised to settle all outstanding liabilities and receivables and commence close-out proceedings. The Company will take appropriate actions in due course of time.

PPL Europe E&P Limited

Block 3 – Yemen Operator: Total Energies EP Yemen	• The block is under Force Majeure since April 2015 due to civil unrest.
Harnai Operator: MPCL	• Preparations are underway for the acquisition of gravity & magnetic data. • Post geological fieldwork analysis on outcrop samples was completed. • In-house G&G evaluation is in progress.
Ziarat Operator: MPCL	• EWT production from the discovery well Bolan East-1 continued from the Chiltan formation. • Exploratory well Bolan South-1 has been plugged and suspended for further evaluation. • Acquisition of 3D seismic is in progress and 188 sq. km has been acquired out of the planned 234 sq. km.

Pakistan International Oil Limited (Associate)

Offshore Block 5, Abu Dhabi (Pakistan International Oil Limited)	• New block was awarded to PPL led consortium of OGDCL, MPCL, and GHPL. • Exploration and appraisal work has started with the first well expected to be drilled in the next calendar year. • Subsequent to the year end, the Company has made an equity investment amounting to USD 10 million. Consequently, total equity investment of the Company has increased to USD 35 million.

New Blocks, Farm-in and Farm-out Activities

As part of its business strategy, the Company regularly acquires and divest working interest to further expand and optimize its portfolio while remaining within its risk appetite. Several activities were carried out during the year which are summarized below:

International Activities

Middle East, Africa, and Far East regions	• The Company is scouting for and assessing new international E&P opportunities in the region.

Domestic Activities

New Blocks

PPL actively participated in the Bid Round 2022 and achieved the provisional grant of four exploration blocks. Details of these blocks are summarized below:

Kalat West	• Block has been awarded to PPL as an operator with 50% working interest. MPCL is the joint venture partner with equal working interest.
Sui North	• Block has been awarded to PPL as an operator with 50% working interest. MPCL is the joint venture partner with equal working interest.
Dadhar	• Block has been awarded to PPL with 30% working interest. MPCL is the operator with 40% working interest and UEPL as the joint venture partner with 30% working interest.
Mach	• Block has been awarded to PPL with 30% working interest. MPCL is the operator with 40% working interest and UEPL as the joint venture partner with 30% working interest.

Farm-in Efforts

Baska	• Operatorship along with ZhenHua Oil's 33.5% working interest was transferred to PPL with effect from 13 May 2022. Now, PPL has the operatorship along with 82.5% working interest with the remaining 17.5% being owned by ZhenHua as a joint venture partner.
Eastern Offshore Indus Block-C	• Operatorship along with 60% participating interest was acquired by PPL from Eni Pakistan. Now, PPL has operatorship with 100% participating interest in the block

Diversification

To expand PPL's mineral and mining business and to identify new opportunities, a dedicated mineral exploration team has been established. Details of pertinent activities are provided below:

Reconstituted Reko Diq Project	• Based on the decision by the Government of Pakistan, the Board of Directors of the Company resolved to enter into a non-binding framework agreement with the GoP, the GoB, OGDCL, GHPL, and Barrick Gold Corporation to participate in the reconstituted Reko Diq project for the mining of one of the largest undeveloped copper and gold deposits. The Company intends to participate through a Consortium of other State-Owned Entities including OGDCL and GHPL – each holding 8.33% of the Consortium's stake of 25% in the project. The other partners are Barrick Gold Corporation (50%) and the Government of Balochistan (25%, out of which 10% is free carried). In terms of the Framework Agreement, several conditions are required to be satisfied before binding arrangements are effective including receipt of administrative and regulatory approvals, execution of definitive agreements, stabilization of the fiscal regime, and legislative and judicial validation amongst others. The Company has also paid a deposit of USD 187.5 million in an Escrow account, being its share of the equity stake in the project. • Further details of the transaction including the interest payable on the Escrow account, the release of funds in the Escrow account, and the long stop date are mentioned in the notes to the financial statements for the year ended June 30, 2022.
Other Minerals	• A bid has been submitted to Balochistan Mineral Resources Limited (BMRL) for a new mineral exploration license.

Business rationale of major capital expenditure

All the capital expenditures including major projects planned for the year were approved in line with Company's strategy and the risk management framework. The projects include exploring prospective resources, enhancement of production by bringing new discoveries online, drilling infill wells, and installation of compression for arresting natural decline from mature fields and mining projects.

Keeping in view the liquidity constraints faced by the company due to the long-outstanding circular debt issue in the country, resources available for the work program were formulated before the start of the budget cycle based on which capital expenditure outlay was finalized. Proposals with the best economics and payback were allocated capital for further development.

Significant plans and expansion

During the year, the Company entered into a non-binding agreement to diversify into copper and gold mining project. The details are mentioned in the Diversification section. Furthermore, the Company has expanded itself internationally by winning an offshore block 5 in the Abu Dhabi bid round. The Company plans to expand its mineral operations through the Barite Lead Zinc project coupled with expansion in the extraction of Iron Ore.

Subsurface Technologies and Support Services

- PPL has recently designed and successfully acquired a high-density, low frequency 3D seismic survey covering 750 sq. km in Kharan East & Kharan blocks, Balochistan, using the 4-10Hz frequency technique for the first time in Pakistan.
- The hardware and software of the PPL seismic data processing center are being upgraded for capacity enhancement.
- The core lab has been upgraded to perform in-house complete routine core analysis at ambient & reservoir conditions.
- PPL has also acquired the additional capability of conducting high-resolution petrographic analysis under plain and polarized light to identify various minerals' optical properties.

Technical Services – Reservoir Modelling

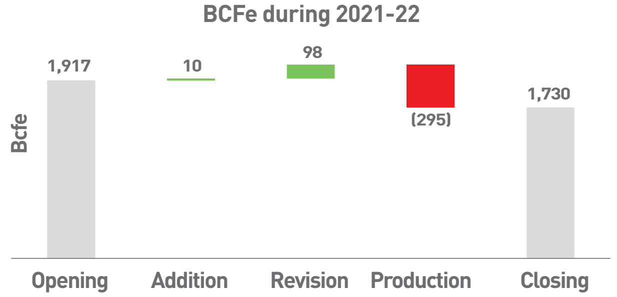
Reservoir Modelling is a specialist technical group developed under the umbrella of Technical Services to create value through integrated subsurface studies with a primary focus on 3D reservoir simulation.

The in-house 3D reservoir simulation studies were completed for Adam and Shahdadpur fields while a similar study is in progress for the Sui Pab reservoir and the Fazl field. These reservoir studies will provide a better understanding of the reservoir performance, and identify production optimization and reserves enhancement opportunities. The in-house resource utilization has also resulted in considerable savings.

Reserves Management

Based on hydrocarbon reserves revisions, additions, and production for the year, the Company's Reserves Replenishment Ratio (RRR) stands at ~37 percent. The addition has come due to discovery in partner-operated exploration well Jugan-1 and Mohar-1 (Latif Block). Furthermore, the revisions in reserves have primarily come from Adhi, Nashpa, Sawan, Miano, and Tal blocks.

Movement in PPL Net (1P) Reserves in BCFe during 2021-22



Quality, Health, Safety and Environment (QHSE)

The Company adopts international standards and industry practices to ensure consistency in the safe production of hydrocarbons. Your Company recognizes that operational safety and health of staff and contractors, quality of processes, and minimizing the ecological footprint of operations, promote operational excellence.

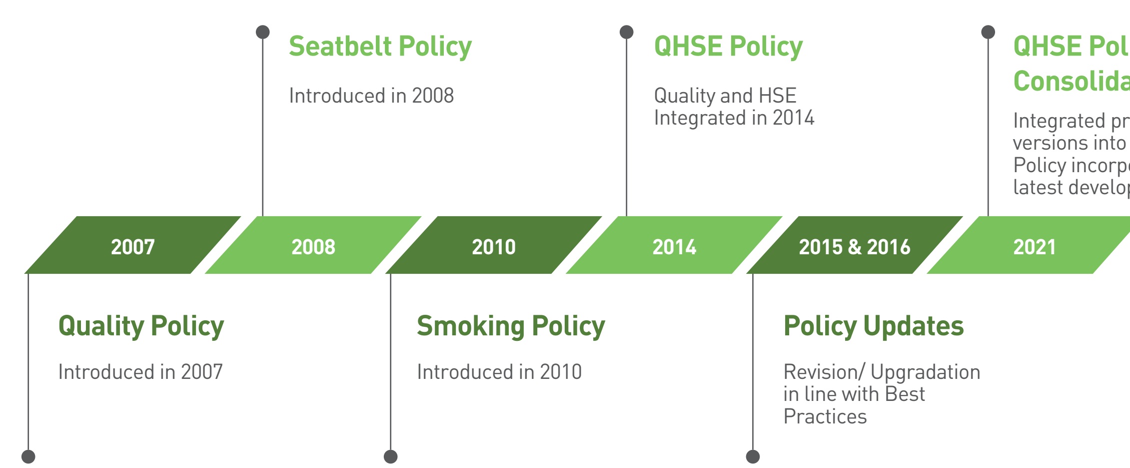
QHSE is a core value and an integral part of PPL's business planning, strategic decision-making, and target-setting process. The engagement of staff in QHSE activities is ensured for inculcating a safety culture across the organization.

QHSE Policy & Governance Framework

At PPL, management is committed to maintaining and continually improving QHSE standards in all spheres of business activities. We firmly believe that the implementation of the QHSE Management System augments continual improvement in all business processes and add value to external stakeholders.

PPL has developed the QHSE Policy to define the overarching roles and responsibilities of staff, contractors, and other stakeholders who are part of the Company's operations. The policy provides a framework and direction to manage QHSE activities in line with industry practices.

QHSE POLICY EVOLUTION AT PPL

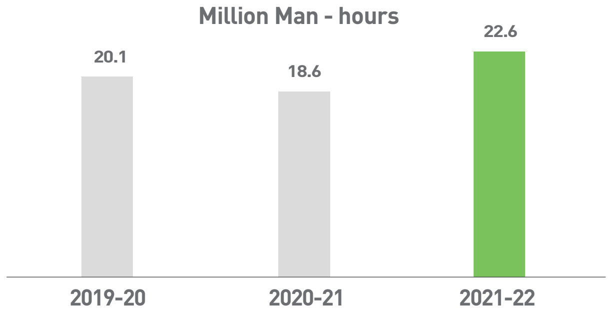


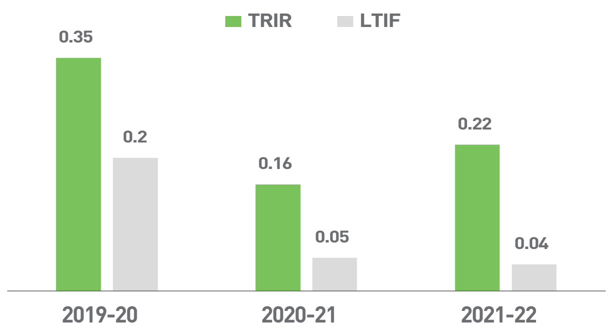
Key Performance Indicators / Incidents

A composite graph of million manhours, Lost Time Injury Frequency (LTIF), and Total Recordable Injury Rate (TRIR) is provided below aggregating the company and contractor data.

Incidents with high potential were investigated, and corrective measures were taken accordingly to prevent a recurrence. In a single LTI incident, a worker lost balance and fell from a ladder while carrying out civil maintenance work at the roof of a Beach Hut. The injured person was provided medical treatment and rest to recover from the foot fracture.

Initiatives were taken in all focus areas of QHSE. Further details of QHSE activities are mentioned in the 'QHSE' section of this Annual Report.





Financial Overview

The Directors propose the following appropriations out of the profit for the current year:

	2021-22 Rs. Million	2020-21 Rs. Million
Profit before Taxation	98,130.751	68,581.618
Taxation	(44,584.587)	(16,150.218)
Profit after Taxation	53,546.164	52,431.400
Unappropriated profit as at July 1, 2021 / 2020	302,937.471	257,007.666
Dividend Equalisation Reserve as at July 1, 2021 / 2020	2,535.354	2,535.354
	359,018.989	311,974.420
Appropriations during the year		
Final dividend for the year 2020-21 on ordinary shares @ 20% and preference shares @ 15% (2019-20: 10%)	(5,441.962)	(2,720.984)
Interim dividend for the year 2021-22 on ordinary and preference shares @15% (2020-21: 15%)	(4,081.475)	(4,081.475)
Other Comprehensive Income	324.248	300.864
Balance as at June 30, 2022/2021	349,819.800	305,472.825
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 20, 2022, proposed the following:		
Final dividend on ordinary shares @ 5% (2020-21: 20%)	1,360.487	5,441.946
Final dividend preference shares @ 5% (2020-21: 15%)	0.005	0.016
	1,360.492	5,441.962

Sales Revenue

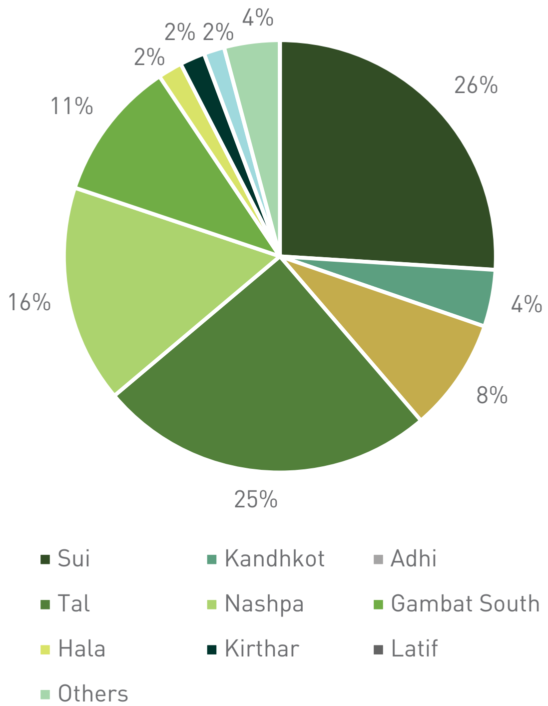
Sales revenue increased by Rs 53,770 million during the current year as compared to the corresponding year. The increase is due to positive variance on account of price (including change in exchange rate) amounting to Rs 61,142 million, partially offset by negative volume variance of Rs 7,372 million.

Positive price variance is due to increase in average international crude oil prices from US$ 53.6/bbl in the corresponding year to US$ 90.3/bbl during the current year, coupled with devaluation of Pak rupee against US dollar (average exchange rate for the corresponding year was PKR 160.5 as compared to PKR 178.2 during the current year).

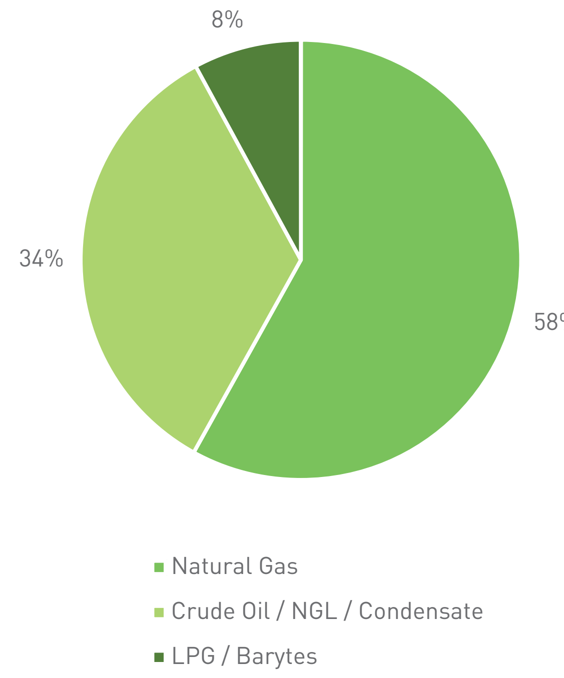
Negative volume variance is mainly attributable to Sui, Adhi, Tal, Nashpa and Kandhkot fields, partially offset by higher production from Gambat South, Dhok Sultan, Latif and Shah Bandar fields.

The field-wise and product-wise sales revenues are analysed below:

Field Wise Sales Revenue (2021-22)



Product Wise Sales Revenue (2021-22)



Sales Volumes	Unit	Year ended June 30, 2022	Year ended June 30, 2021
Natural Gas	MMscf	223,133	237,187
Crude Oil / NGL / Condensate	BBL	4,480,926	5,141,394
LPG	Metric Tonnes	116,083	115,601
Barytes *	Metric Tonnes	112,464	64,057

* Total gross sales volume of baryte powder, baryte ore and iron ore, made by BME aggregated to 240,090 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 112,464 metric tonnes.

Profitability

Earnings per Share (EPS) of the Company for the year stood at Rs 19.68 against Rs 19.27 for 2020-21. The principal reasons for higher profitability are significant increase in sales revenue and other income, largely offset by higher taxation, exploration expenses, other charges, royalties & levies, coupled with recognition of share of loss of associate (PIOL).

Increase in taxation is primarily due to imposition of super tax at the rate of 10% for the current year coupled with 4% for future years which has impacted deferred tax charge, while exploration expenses have increased due to higher cost of dry wells charged to profit or loss.

Furthermore, increase in other charges is mainly on account of higher provision for windfall levy on oil / condensate, impairment loss on capital stores and investment in PPL Asia during the year.

Additionally, other income significantly increased primarily due to exchange gain on foreign currency deposits as well as higher interest rates.

Contribution to National Economy

Your Company is a significant contributor to the national economy. The Company's share of natural gas, oil and LPG sold from operated and partner-operated fields for the financial year 2021-22 in terms of energy was equivalent to over 122,000 barrels of crude oil per day, resulting in annual foreign exchange savings through import substitution of over US$ 4 billion, assuming an average crude oil price of US$ 90.3/bbl.

The Company contributed nearly Rs 95 billion to the national exchequer on account of income tax, royalties, excise duty, sales tax, windfall levy, petroleum levy, GDS, GIDC, WPPF and dividends.

Group Performance

Financial statements of the Group reflected increase in consolidated profitability by 4%. The Group's sales revenue was recorded at Rs 203,811 million while profit-after-tax stands at Rs 54,353 million in 2021-22, compared to Rs 149,279 million and Rs 52,283 million, respectively, in 2020-21. During the year, PPLE contributed around Rs 1,612 million to the Group's revenue.

Brief profiles of subsidiary companies are mentioned in the note-1 to the Company's consolidated financial statements.

Financial Strategy

PPL operates under a prudent financial strategy. The Company faces the ongoing liquidity risk due to low collections from GoP nominated customers on account of aggravating circular debt issue in the gas sector supply chain of Pakistan as explained in the trade receivables section.

The Company maintains good financial discipline and manages this liquidity risk through active working capital management by continuously monitoring its liabilities and funding its internal work plans and long-term investments by taking a calculated call on its liabilities and focusing on generating sufficient free cash flow on year-on-year basis. PPL operated operations are efficiently managed and financed through internal funds and timely receipt of cash calls from JV Partners. The Company is also working in close coordination with the Ministry of Energy to resolve the liquidity problem it faces on account of circular debt issue to ensure that much needed cash resources flow to the Company that will bring some respite for the funding of work plans and committed investments. The Company's capital structure is adequate, keeping in view of the current projects in pipeline.

The Company also faces the risk of oil price and exchange rate fluctuations that has a direct impact on its revenue and hence cash collections. The Company keeps an oversight over the controls set for the overall expenditures during the year ensuring that they are in line with the annual ceiling approved by the Board of Directors.

SAFA best presented Annual Report Award 2020 in 'public sector' category

OUR PEOPLE

HUMAN RESOURCES

In support of its corporate strategy, the Human Resources function remained focused on delivering its core objectives of attracting talent and building a high-performing engaged workforce by providing them learning, development and growth opportunities. To this end, efforts were concentrated on implementation of succession plans, development of leadership pipeline and strengthening learning and organizational development.

Succession planning

Majority of manpower requirements were managed internally by successful implementation of the Succession Plan, which is based on the philosophy of right person for the right job. In addition to PPL, manpower requirements of Pakistan International Oil Limited (PIOL) were also fulfilled through staff of PPL with relevant skills and experience. Filling of vacancies with in-house resources not only saved significant cost to the Company but also developed staff for working in a challenging and diversified environment, which is aligned with strategic objectives.

Talent Acquisition

Diversity and inclusion, without compromising on merit, remained the core in development of talent pipeline. The objective was achieved by inducting young professionals through a 2-year on-the-job training program as Graduate Trainees and Special Trainees. In the former category, engineers, geoscientists, and management graduates were inducted purely on open merit while in the latter category, engineers as well as diploma holders were onboarded as part of the Company's commitment for capacity building of skilled youth for communities residing around its producing fields.

Training and Development

Besides job related professional trainings by internationally renowned facilitators, the Company continued to increase focus on in-house trainings to convert tacit knowledge into explicit knowledge and foster a learning environment. Leadership retreats by the name of One Team, One Goal, were also organized to provide the staff with experiential learning opportunity for sharpening their leadership skills and building long lasting bonds with peers.

Job Evaluation and Reorganization Exercise

As part of continuous improvement, an extensive job evaluation and reorganization exercise was carried out through a consultant. This will help optimize human resource requirement and improve organizational structure to enhance overall productivity.

Medical Services

In furtherance of the objective of building a healthy workforce, the Company continued to work on mitigating the risks related to COVID-19 and other illnesses by launching an extensive health screening program for all employees and vaccination / administration of booster shots to employees and their families. To create a health-conscious and well-aware PPL family, frequent awareness sessions on various important topics were also organized.

Industrial Relations

The management maintained effective liaison with Union representatives resulting in keeping an overall harmonious working environment at Head Office and all locations of the Company. The negotiation on charter of demand was amicably concluded for the 2020-2021 CBA agreement. Continuous improvement initiatives embracing process automation such as overtime system, streamlining IR activities during retirement and full & final settlement of Non-MPT staff were also taken.

Corporate Social Responsibility

For over 60 years, your Company has been carrying out projects for uplifting the quality of lives of deprived communities mainly focusing on initiatives in the Company's producing and exploration areas. The Company's Corporate Social Responsibility (CSR) program originated in mid-1950s when Sui Model School was first established for children of workers and local communities at Sui Field. PPL makes mandatory as well as voluntary contributions in the social development of society at large.

At PPL, the Board of Directors and the Company management carefully examines each CSR initiative, its merits, objectives and impact are all integrated in the decision-making, encouraging innovation and strengthening local institutions for long term sustainable development of the area. Over the years, PPL has always contributed over & above its obligations to ensure overall socio-economic development of the society with the preference to the communities living around its operational areas. During FY 2021-22, the Company's total contribution for CSR activities measured around Rs 2 billion.

Under PPL's multi-sectoral community development program, our focused areas of interventions are healthcare, education & vocational training, infrastructure development, water management, skill development for livelihood generation resultantly benefitting the community at large and uplifting the quality of life of the community.

To promote ownership and sustainability, the Company's CSR activities are based on the principles of developing partnerships and participatory development, taking all relevant stakeholders onboard to ensure transparency and quality. The Company regularly monitors all project activities undertaken by it for continual improvement.

Details of PPL's CSR activities are presented in 'Corporate Social Responsibilities' section of this Annual Report.

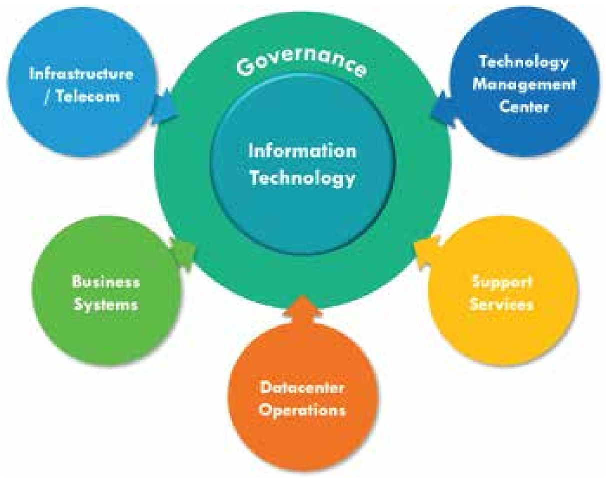
Flood Relief Efforts

As a responsible national E&P company, the Company has always been in the forefront to supplement the Government's efforts in providing relief and rehabilitation to severely hit communities during national calamities. Recent rain and floods have affected the entire country with loss of human lives as well as severe damage to the infrastructure and properties, resulting in major displacement. To this end, PPL has reached out to affectees with both financial assistance to local administration and sending out relief consignments to severely hit population.

PPL has approved Rs. 70 million for the relief and rehabilitation of flood affectees. Of which, Rs. 25 million was handed over to Provincial Disaster Management Authority (PDMA), Balochistan while a donation of Rs. 15 million each was given to PDMAs in Khyber Pakhtunkhwa and Punjab. Moreover, relief goods worth Rs. 15 million have been handed over to disaster-hit district administrations in Sanghar, Matiari, Kashmore and Sujawal as well as union council Ghaibi Dero, District Qambar Shahdadkot in Sindh.

Information Technology Governance

The Company is continuously undertaking and focusing on technological advancement and enabling the business to undertake its growth and expansion plans through leveraging opportunities and investments in people, processes, and technology.



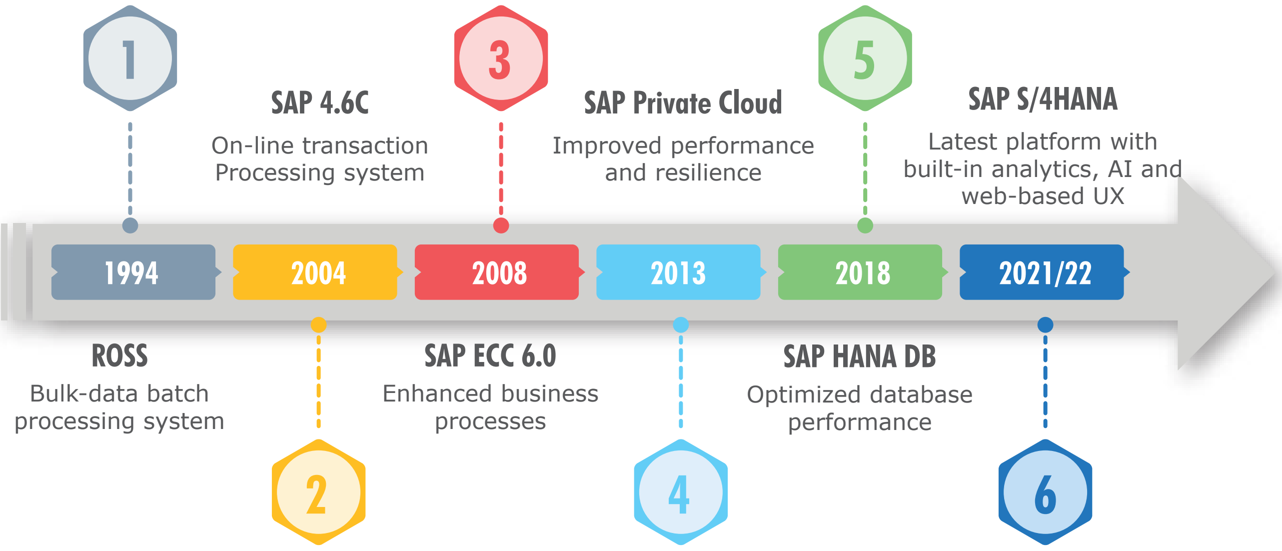
Enterprise Resource Planning

SAP remains PPL's flagship ERP system integrating the back-office operations and core business processes including Finance, Human Capital Management, Procurement, and Inventory Management.

In-house SAP Competence Center within IT manages the product updates, end-user trainings, change requests and risk mitigations. Periodic internal / external audits and SAP system health checks ensure risks are mitigated, internal controls are in-place and segregation of duties are complied. SAP data integrity has been ensured since inception and no compromises have been reported to date.

Cyber Security - Programs, Policies, Training and Procedures

All the Information Technology systems at PPL are governed by policies and procedures in accordance with the Information Security Management standard ISO 27001 and Information Technology Infrastructure Library (ITIL) guidelines. The Company is also aiming to assess and benchmark its cybersecurity capability through Oil & Natural Gas Subsector Cybersecurity Capability Maturity Model (ONG-C2M2). This model will measure the Company's cybersecurity capabilities over time, identify the target maturity levels for the capabilities based on risk levels, and prioritize the actions and investments that will allow it to meet those targets.



Currently, the Company's in-house Network Operations Center and Security Operations Center are engaged in proactive monitoring of the primary data center, disaster recovery site, cyberthreats, system events and system vulnerabilities to ensure full and secure availability of the systems, applications and data to the users. Annual penetration testing is undertaken through third party audits for prevention, mitigation and aversion of the potential information security threats. With the required safeguards and practices in place, none of the internal or external threats to our digital infrastructure had a significant impact on our business in 2021–22 as with previous years.

Furthermore, to encourage vigilance among the employees, our cybersecurity training and awareness program covers topics such as phishing and the correct classification and handling of the Company's information.

Board's Oversight on Cyber Security

In its role of risk oversight, the Board seeks assurance on the overall cybersecurity management, including appropriate risk mitigation strategies, systems, processes, and controls. Relevant disclosures on cyberthreats, in-place mitigations, inherent and residual risk levels and any system or data breaches are made to the Board of Directors through Board Enterprise Risk Committee (BERC) in line with the corporate Enterprise Risk Management (ERM) framework. Risk appetite statement in the area of cybersecurity covers the aspects of financial loss, theft of confidential information, disruption in the network and non-availability of services. Risk thresholds are tested against risk appetite at least twice in the year, and breaches if any, are reported to the BERC and the Board. In addition to this, there have been regular engagements between the Board and the executive management team for identification of possible improvements in the cybersecurity management systems and executive actions for their implementation.

Resilient Infrastructure

Infrastructure readiness for remote working is now enabled round the clock and business users may connect from anywhere in the world. The Company has adopted industry leading cloud solutions for its core collaboration applications. Disaster recovery drills are also conducted bi-annually for all critical IT Services to mitigate possible risk exposures, cyber breaches and comply with management guidelines for safe and sustainable operations and ensure resilience.

Software Defined Wide Area Network (SDWAN) has been established for optimal connectivity of data services and voice messaging system has been established across all fields through IP telephony.

Technology Enablement and Digital Transformation

The Company's diversification in minerals exploration is being supported through high-tech business applications to spearhead development on fast-track basis. Seismic data processing facility is being leveraged for advanced data processing requirements using in-house resources, with plans for further expansion.

Sustainability Reporting (SR) and Management of Change (MoC) processes have been digitized along with several enhancements to management reporting and upgrades to the eProcurement platform and Health Care Management System.

The Company has deployed industry leading cloud solutions for enabling the digital transformation drive. Cross functional teams are engaged in this transformation through developing centers of excellence in key functional areas and educating staff. These teams aim to revolutionize the way business processes are executed and how information is consumed through Robotic Process Automation (RPA).

Business Continuity Management System (BCMS)

Preparation for emergency scenario is paramount to ensure smooth uninterrupted operations. Business continuity management covers infrastructure, technology, employee, business, operational and communication risks with the aim of managing an organization's exposure to new challenges and risks to secure continuity of operations.

To align existing management system with the requirement of existing and potential threats, strategic Business Impact Assessment (BIA) of all assets, departments and operated fields is underway with in-house resources. The exercise aims to incorporate lessons learnt during the pandemic and improve overall efficacy of management system and resilience of the organization.

Corporate Governance

Functioning of the Board

The Board attaches utmost importance to adherence with the international and local principles of good corporate governance and is committed to inculcating a healthy corporate culture, ethical business practices, reliable and transparent financial reporting, open communication channels with the stakeholders and conducting business strictly in compliance with the laws and regulations. As a result, good corporate governance principles have been deeply ingrained in the Company's decision making and operating set-up as well as monitoring processes.

The Board sets strategic goals of the Company and aligns the organization with its vision and mission. The Board approves major policies & decisions, oversees performance and guides & advises the management / Chief Executive Officer (CEO). The Board carries out its fiduciary duties with a sense of objective judgment, in good faith and in the best interests of the Company and its stakeholders.

In accordance with the requirements of rule 12 of the Public Sector Companies (Corporate Governance) Rules, 2013, the Board is required to form five statutory Board Committees. However, the Board has established an additional Board Committee, namely, Board Strategy and Finance Committee, to support it in performance of its functions efficiently and for assistance in the decision-making process. All the Board Committees function according to their respective Terms of Reference.

The Board has delegated certain powers, for facilitating the business of the Company, to the CEO and has approved the limits of authority for the management.

Composition of the Board

The names and status of the directors are set out in the 'Company Information' section of the Annual Report. The independent directors have declared their independence as required by sub-regulation (3) of regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Diversity on the Board

The Company has a diverse Board with a blend of professionals, having experience and qualifications in leadership and governance, law, economics and finance, engineering, and exploration and production. At the year-end, the Board had six independent directors including one female director, four non-executive directors and the Chief Executive Officer.

Casual Vacancy on the Board

Two casual vacancies arose on the Board owing to the resignations of Dr. Arshad Mahmood and Mr. Saleh Mohammad Baloch, which were filled during the year with the appointments of Mr. Ali Raza Bhutta and Mr. Muhammad Zubair, respectively.

Profiles of Directors

The profiles of the directors, setting out their education, experience, involvement and engagement in other organisations are included in the "Profiles of the Board of Directors" section of the Annual Report.

Roles of the Chairman and the Chief Executive Officer

The office of the Chairman of the Company is separate and the responsibilities of the Chairman are distinct from those of the CEO. The Chairman ensures that the Board works properly and all matters relevant to the governance of the Company are placed on the agenda of the Board. The Chairman fixes the agenda, conducts meetings in a conducive manner and encourages directors to fully participate in the deliberations and decisions of the Board. The Chairman leads the Board and ensures its effective functioning and continuous development of the members.

The Chief Executive Officer is responsible for the management of the affairs of the Company under the direction and oversight of the Board. The CEO implements strategies and policies approved by the Board and makes appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively, and in accordance with all statutory obligations.

Board Committees

The salient features of the Terms of Reference of the Board Committees are set out in the "Board Committees" section of this Annual Report. Ten meetings of the Board of Directors and twenty seven meetings of the Board Committees were held during the financial year. The details of attendance by the directors of the meetings of the Board and its Committees are set out in the "Attendance of Board and Committee Meetings" section of this Annual Report.

Annual Performance Evaluation

Pursuant to the Public Sector Companies (Corporate Governance) Rules, 2013 the evaluation of the performance of the Board shall be undertaken by the Federal Government. In accordance with the directives of the Federal Government, the Pakistan Institute of Corporate Governance (PICG) had been engaged to evaluate the performance of the Board and its members for the financial year 2020-21.

Subsequent to the year ended 30 June 2022, Board's performance evaluation exercise shall be carried out in accordance with the applicable laws.

The Board evaluated the performance of the CEO during the year against pre-determined operational, tactical and strategic objectives. The Federal Government will also evaluate the performance of the CEO.

Orientation Programme for the Directors

The directors elected and appointed during the year were given briefing on the business, operations and environment of the Company as well as the duties of directors. The Memorandum and Articles of Association of the Company and the quarterly and annual reports of the Company were included in the welcome packs for the directors. A formal comprehensive orientation programme for the directors was conducted in October 2021.

Directors' Training Programme

The directors are aware of their duties and strive to discharge them according to the highest standards. At the year end, the Company was majorly compliant with the optional requirements for the Directors' Training Program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Remuneration of Non-Executive Directors

The Company does not pay any remuneration to non-executive directors other than directors' fees for attending meetings of the Board, Board Committees and general meetings.

Additional Directorships held by Executive Director

During the year, the CEO of the Company was also the director on the boards of the Company's wholly owned subsidiaries, PPL Asia E&P B.V. and PPL Europe E&P Limited and an associated company, Pakistan International Oil Limited. He did not receive any fee for attending meetings of these companies.

Security Clearance of Foreign Directors

No foreigner is appointed on the Board of the Company.

Board Meetings held outside Pakistan

No meeting of the Board was held outside Pakistan.

Conflict of Interest relating to the Board of Directors

The Company's Code of Conduct for the Board of Directors requires every director to avoid any conflict of interest between him/her and the Company, its associated companies, subsidiaries and undertakings. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, is required to be disclosed promptly by the concerned director to the Company.

Any matter of conflict of interest relating to the directors is dealt with in accordance with the applicable provisions of the Companies Act, 2017, the Public Sector Companies (Corporate Governance) Rules, 2013, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Articles of Association of the Company.

Transactions with Related Parties

Related party transactions are carried out on commercial terms and the details thereof are placed periodically before the Board Audit Committee for review and recommendation to the Board for approval. Any interest in related party transactions by the members of the Board is disclosed by them to the Company. The details of related party transactions are disclosed in the notes to the Company's financial statements for the year ended June 30, 2022.

Internal Audit

The Company has an independent internal audit function, which reports directly to the Board Audit Committee. Internal audit department staff have unrestricted access to all records and information to discharge their duties effectively. The scope of internal audit is clearly defined in the Internal Audit Charter, which has been approved by the Board.

Significant Policies

The significant policies of the Company include:

- Code of Conduct
- Corporate Donation Policy
- Data Retention Policy
- Enterprise Risk Management Policy
- Exploration and Farm-in/Farm-out Strategy for sustained growth
- Human Resource Management Policy
- Incident Reporting Policy
- Investment Management Policy
- Rotation of External Auditors
- Provision of Additional Services by External Auditors
- QHSE Policy
- Sexual Harassment Policy
- Whistle Blowing Policy (Details are mentioned on the Company's website)

Shareholders' Grievance

The Company takes all possible measures to address any grievances of shareholders within the shortest possible time. Shareholders can lodge complaints or make inquires by completing the online feedback and complaints form available on the Company's website. The Share Registrar of the Company is the interface for general shareholders and any complaints or inquiries can be lodged with them by way of letter, facsimile, email or a telephone call, as well as with the Company.

Engagement with Stakeholders

The Company assigns utmost importance to the views of its shareholders. A question-and-answer session was held at the last Annual General Meeting (AGM) of the Company, in which inquiries by the stakeholders were responded to in detail. A corporate briefing session was also held in accordance with the requirements of the Pakistan Stock Exchange. The presentation made during the corporate briefing session is available on the Company's website.

The issues raised at the last AGM and the decisions taken in respect thereof were recorded in the minutes of the meeting. The minutes were submitted to the Pakistan Stock Exchange and copies made available for the shareholders free of charge at the AGM. The Chairman of the Board Audit Committee is also present at the AGM to answer questions on the Committee's activities.

The Federal Government is the major shareholder of the Company. The directors, including non-executive directors, are aware of the views of the major shareholder about the Company and share them with the Board and the management.

Minority Shareholders

The Company recognises and respects the interests of all stakeholders, including shareholders, employees, creditors, customers, business partners and local communities, and values their views. The Company encourages its shareholders to participate at the Annual and Extraordinary General Meetings of the Company and give their valuable suggestions and feedback. The Company makes the following arrangements:

- Dispatch of notice of the AGM / EGM to all shareholders at least 21 clear days prior to the meeting together with the Annual Report for the AGM.
- Publication of the notice of the AGM / EGM in an English and Urdu language newspaper having wide circulation in Karachi, Lahore and Islamabad.
- Publication of the notice of the AGM / EGM on the online portal of the Pakistan Stock Exchange as well as on Company's website.
- Dispatching printed copies of the Annual Report to those shareholders who have expressly requested them.
- Facilitation of the shareholders for appointing proxies.
- Facilitation to the representatives of the minority shareholders in proxy solicitation by publication of their given statement and proxy form in the newspapers in the event of election of directors.

Statement of Compliance with The Public Sector Companies (Corporate Governance) Rules, 2013

The Directors are pleased to state that:

i. The Board has complied with the principles of corporate governance.

ii. The financial statements prepared by the Company's management present a true and fair view of its state of affairs, results of operations, cash flows and changes in equity.

iii. Proper books of accounts have been maintained by the Company.

iv. Appropriate accounting policies have been used in the preparation of the financial statements and any changes in accounting policies have been disclosed. Accounting estimates are based on reasonable and prudent judgment.

v. The financial statements comply with the accounting and reporting standards as applicable in Pakistan.

vi. Systems of internal control are sound in design and have been effectively implemented, regularly reviewed and monitored.

vii. The reasons for significant deviations from the preceding year's operating results have been explained in the relevant sections of the Directors' Report.

viii. Key operating and financial data for the last six years is given in the "Six Years' Summary" section of the Annual Report.

ix. Information about outstanding taxes, duties, levies and charges, is given in the Balance Sheet read with the notes to the financial statements.

x. Significant plans and decisions in respect of corporate restructuring, business expansion and discontinuation of operations, where applicable, have been outlined in the Annual Report. Future prospects, risks and uncertainties have also been disclosed in the relevant sections of the Directors' Report.

xi. Appointment of the Chairman and other directors, the terms of their appointment and remuneration policy, are in the best interests of the Company and in accordance with best practices.

xii. The Key Performance Indicators relating to the Company's social objectives and outcomes have been disclosed in the relevant sections of the Directors' Report.

xiii. The value of investments in employee retirement funds based on the latest audited accounts is:

Investment amounts as per latest audited accounts as at June 30, 2020	**Rs Million**
Senior Provident Fund	3,253.522
Junior Provident Fund	1,378.652
Executive Staff Gratuity Fund	920.110
Non-Executive Staff Gratuity Fund	1,218.094
Executive Staff Pension Fund	8,553.974
Non-Executive Staff Pension Fund	3,042.901
Executive Staff Pension Fund Defined Contribution (Shariah)	1,846.832
Executive Staff Pension Fund Defined Contribution (Conventional)	715.262

xiv. The number of meetings of the Board and Board Committees held during the year and the attendance thereat by the respective members have been disclosed in the "Attendance of Board and Committee Meetings" section of the Annual Report. The Board and Committees gave leave of absence to the members who were unable to attend any meeting.

xv. Directors only receive directors' fees for attending meetings of the Board, Board Committees and general meetings. The details of fees paid to each director are included in the Annual Report in the section entitled 'Attendance of Board and Committee Meetings'.

xvi. The pattern of shareholding in the Company as at June 30, 2022 as well as the details of transactions in the shares of the Company by directors, executives, their spouses and minor children during the year are included in the 'Pattern of Shareholding' section of the Annual Report 2022.

Risk Management

Being one of the largest E&P companies of Pakistan having assets at various national and international geographical locations, PPL is exposed to a constantly changing, wide spectrum of risks – including strategic, operational, financial, and safety & security risks. Sustenance of its top-tier position in Pakistan in terms of market capitalization and sales of hydrocarbons demands identification, assessment and mitigation of all the enterprise level risks to ensure achieving the strategic objectives of value preservation and creation.

Company's enterprise risk management (ERM) process is based on international standards and prevailing best practices. It focuses on identification, thorough assessment and selection of an effective risk response strategy which ensures that any potential risk event has least impact on the Company's strategic performance. Risk profiling is carried out at the corporate and business unit levels, which is regularly reviewed and monitored by the management to optimize the risk taking and making risk-informed decisions.

Enterprise Risk Management process components (adapted from COSO's ERM Integrated Framework – 2017 update)

Risk Governance Structure

Board of Directors and Board Enterprise Risk Committee (BERC)

The ultimate responsibility for risk governance lies with the Board of Directors, which maintains sound and internationally best risk management practices through the Board Enterprise Risk Committee (BERC). The Committee is the apex body for risk management in PPL. Its purpose is to assist the Board in examining the effectiveness of Company's risk management plans, systems, processes, and procedures; and in reviewing Group-wide risk policies, guidelines and limits as well as risk exposure and risk treatment plans.

Executive Risk Management Committee (ERMC)

The Executive Risk Management Committee is the risk-related entity at management level which comprises Directorates, Business Unit Heads and Functional Heads. The Committee acts as an Advisory Sub-Committee of the Executive Committee / Managing Director. Its role is to review the significant risks for the year, review Company's risk management methodologies and build organization-wide risk awareness.

Enterprise Risk Management (ERM) function

The Enterprise Risk Management (ERM) function coordinates the risk management activities centrally at the Group level. The ERM Function provides recommendations to the ERMC, carries out risk monitoring, performs risk reviews of business units, and works on improving risk methodologies. A corporate risk register is developed and updated with input from all stakeholders, identifying all key enterprise-level risks from the Group's risk universe which are then assessed at both the inherent and residual level.

Annual Risk Management Review

The annual risk review involving senior management marked the beginning of the corporate ERM cycle. This review was focused on highlighting the major and emerging risks identified along with their mitigation plans. Enterprise level risks were identified that could be classified, at least, as 'High', and were assessed for their impact and probability. High-level management session were conducted with all the relevant stakeholders aimed at finalizing the risk identification, assignment of inherent and residual risk ratings, and development of corresponding risk mitigation response plans.

After year-end risk assessment, certain risks were downgraded to lower risk categories whereas remaining risks were carried forward to the next year. Some new risks were added to the risks inventory.

Corporate Risk Register

Subsequent to the annual risk management review, Corporate Risk Register for the year was issued, that comprised of the risk inventory developed by taking into consideration PPL's strategic and other corporate objectives against risk factors in the external and internal environment. Risks identified were from the strategic impact areas (reserves replacement, recovery and diversification from the core business), financial & business planning areas, and the areas impacting business core values (environment, safety, security, legal & regulatory compliance, HR, information protection and reputation).

Environmental, Social and Governance (ESG) Related Risks

As a responsible corporate citizen, PPL identifies, assesses, monitors, and mitigates Environmental, Social and Governance (ESG) risks that can adversely impact the entity in the broader perspective of sustainability. In the recent years, these risks are getting much more attention of the stakeholders worldwide in perspective of corporate sustainability, thereby requiring greater focus for their risk management. ESG-related risks were integrated into the overall risk management process considering the guidelines provided by COSO's Enterprise Risk Management framework.

Corporate Risk Appetite Testing – Risk Tolerance

Risk appetite testing was carried out for the Company and its subsidiaries & joint ventures on biannual basis. Appetite breach events were reported to the Board Enterprise Risk Committee (BERC) and respective mitigation strategies were developed to avoid repetition of breach events in future.

Corporate ERM Framework Revisions

A new risk manageability matrix was developed to evaluate the manageability of risk scenarios in the risk register based on effectiveness of the mitigations and the time available to implement the mitigations. The matrix, after approval by the PPL Board of Directors, was made part of the PPL's ERM Framework.

Risk Culture Building Sessions

Risk culture building sessions were conducted during the year that were designed to create a risk-aware mindset that can permeate throughout the organization and influence the action of employees.

Risk Assessment

The Board, through BERC, has carried out a robust assessment of the principal risks facing the Company including those that threaten the business model. Details of key risks faced by PPL are presented in the 'Key Risks' section of this annual report.

Business Outlook

With a strong emphasis on delivering optimum hydrocarbon production, the Company's strategy strives to address the ongoing challenges of country's energy deficiency. Local petroleum companies are being further encouraged by the current oil and gas market conditions to speed up exploration and production (E&P) activities to close the local energy supply vs demand gap while maintaining a focus on business development and value creation for our stakeholders. The Company is committed to sustain its pace of exploration and development activities in both frontier and mature basins. Company has firm plans to acquire new seismic surveys in frontier areas to determine the prospectivity of the basins and to pursue possibly high risk and larger-sized hydrocarbon resource expansions. Ongoing seismic campaign in Sindh will also help to mature potentially low risk prospects. Resultantly, the Company will be able to balance its portfolio risk. In addition, the Company is actively pursuing its plan to farm out working interests in high-risk areas and simultaneously making efforts to acquire working interests in prospective local and international areas. Also, PIOL (a consortium led by PPL) in the Abu Dhabi Offshore Block-5 has commenced its exploration and appraisal activities with zeal and zest.

On the development front, installation / upgradation of compression at Sui, Gambat South, Kirthar and Tal fields will be executed to ensure sustainable production which will eventually enhance the economic life of respective producing assets. Kandhkot field's production revived near the year-end after re-start of the old turbines. The Company is monitoring the production to figure out the optimal production levels and the surplus gas available for re-allocation to other sectors by the GoP.

Additionally, the Company has in principle agreed to join OGDCL and GHPL, with equal participation, in a 25 percent equity stake in the Copper and Gold Mining Project in Reko Diq, Balochistan. The project is subject to regulatory, corporate, legislative and judicial approvals. This project has the potential to play a pivotal role in the growth of the Company. Furthermore, The Company has expedited its efforts on Baryte, Lead, Zinc (BLZ) mining project along with extraction of other mineral opportunities in Balochistan. To assess local minerals potential, the Company has also applied for fresh mineral exploration license in Balochistan. Moreover, the Company is evaluating potential business diversification opportunities in the energy value chain that could bolster its core business by generating consistent revenues and cash flows and ultimately create value for the stakeholders.

Aerial view of Adhi field

Post Balance Sheet Events

Directors

Subsequent to the year end, Mr. Muhammad Zubair, Secretary, Energy Department, Government of Balochistan resigned from the Board of Directors and Mr. Abdul Aziz Uqaili, Chief Secretary, Government of Balochistan was appointed as director on PPL's Board to fill the casual vacancy occurred due to the aforesaid resignation.

Change of MD

Subsequent to year end, upon the expiry of the term of Mr. Moin Raza Khan, Chief Executive Officer of the Company, the Board of Directors at its meeting held on September 2, 2022 appointed Mr. Abid Ashfaque Malick as Chief Executive Officer of the Company on an additional charge basis, till the appointment of a regular Chief Executive Officer of the Company. Thereafter, the Board in its meeting dated September 16, 2022 appointed Mr. Imran Abbasy as a regular Chief Executive Officer of the Company for a term of three years with effect from September 21, 2022.

Dividend

Subsequent to the year end, the Board of Directors in its meeting held on September 20, 2022 has recommended cash dividend @ 5% amounting to Rs 1,360.487 million (2021: @ 20% amounting to Rs 5,441.946 million) on paid-up value of ordinary share capital and @ 5% amounting to Rs 0.005 million (2021: @ 15% amounting to Rs 0.016 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 26, 2022.

Discovery

A hydrocarbon discovery has been made from the deeper Samanasuk & Shinawari formations of Tolanj West D&PL in the Tolanj West-2 development well, in the partner operated Tal Block.

Auditors

The Company's auditors KPMG Taseer Hadi & Co., who retire at the forthcoming Annual General Meeting are eligible for reappointment for the year 2022-23 and have been recommended by the Board of Directors for reappointment.

CHAIRMAN
BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

Karachi: September 20, 2022

گمبٹ ساؤتھ، کیرتھر اور ٹل فیلڈز میں کمپریشن کی تنصیب/اپ گریڈیشن کی جائے گی جس سے متعلقہ پیداواری اثاثوں کی معاشی زندگی میں اضافہ ہوگا۔ کندھ کوٹ فیلڈ کی پیداوار سال کے آخر میں پرانی ٹربائنوں کے دوبارہ اسٹارٹ ہونے کے بعد بحال ہوئی۔ کمپنی پیداوار کی مسلسل نگرانی کرتی ہے تاکہ پیداوار کی بہترین سطحوں اور حکومت پاکستان کی جانب سے دیگر شعبوں کو مختص کرنے کے لیے دستیاب اضافی گیس کا پتا لگایا جا سکے۔

اس کے علاوہ، کمپنی نے او جی ڈی سی ایل اور جی ایچ پی ایل کے ساتھ ریکوڈک بلوچستان میں تانبے اور سونے کی کان کنی کے منصوبے میں مساوی شرکت پر اصولی اتفاق کیا ہے۔ یہ منصوبہ ریگولیٹری، کارپوریٹ، قانونی اور عدالتی منظوریوں سے مشروط ہے۔ یہ پروجیکٹ کمپنی کی ترقی میں اہم کردار ادا کرنے کی صلاحیت رکھتا ہے۔ مزید برآں، کمپنی نے بیرائٹ، سیسہ، زنک (BLZ) کان کنی کے منصوبے کے ساتھ ساتھ بلوچستان میں دیگر معدنیات نکالنے کے لیے اپنی کوششیں تیز کر دی ہیں۔ مقامی معدنیات کی صلاحیت کا اندازہ لگانے کے لیے کمپنی نے بلوچستان میں معدنیات کی تلاش کے تازہ لائسنس کے لیے بھی درخواست دی ہے۔ اس کے علاوہ، کمپنی انرجی ویلیو چین میں ممکنہ کاروباری تنوع کے مواقع کا جائزہ لے رہی ہے جس کے ذریعے کمپنی مستقل آمدنی اور نقد بہاؤ پیدا کر کے اور بالآخر اسٹیک ہولڈرز کے لیے قدر پیدا کر کے اپنے بنیادی کاروبار کو تقویت دے سکتی ہے۔

بعد از بیلنس شیٹ واقعات

ڈائریکٹرز

سال کے اختتام کے بعد جناب محمد زبیر، سیکریٹری محکمہ توانائی بلوچستان نے بورڈ آف ڈائریکٹرز سے استعفا دے دیا اور اس اسامی کو پر کرنے کے لیے جناب عبدالعزیز عقیلی، چیف سیکریٹری بلوچستان کو پی پی ایل کا ڈائریکٹر مقرر کیا گیا۔

ایم ڈی کی تبدیلی

سال کے اختتام کے بعد جناب عابد اشفاق ملک کو بطور اضافی ذمہ داری کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا۔ اسکے بعد کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 16 ستمبر 2022 میں جناب عمران عباسی کو 21 ستمبر 2022 سے تین سال کے لئے کمپنی کا باضابطہ چیف ایگزیکٹو آفیسر مقرر کر دیا۔

منافع منقسمہ/بونس

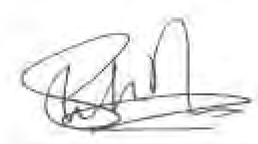
سال کے اختتام کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 20 ستمبر 2022 میں ادا شدہ عمومی شیئر پر 5% فیصد 1,360.487 ملین روپے (2021 میں 20% کی شرح سے 5,441.946 ملین روپے) اور ادا شدہ تبدیل پذیر ترجیحی شیئرز پر 5% فیصد 0.005 ملین روپے (2021 میں 15% کی شرح سے 0.016 ملین روپے) کی ادائیگی کی سفارش کی ہے۔ یہ تجاویز 26 اکتوبر 2022 کو منعقد ہونے والے سالانہ اجلاس عام میں حصص یافتگان کی منظوری کے لئے پیش کی جائیں گی۔

دریافت

پارٹنر آپریٹڈ ٹل بلاک کے توغ ویسٹ ڈی اینڈ پی ایل میں توغ ویسٹ-2 پیداواری کنوئیں کے گہرے سمبا سوک اور شینوا واری فارمیشنوں سے ہائیڈروکاربن دریافت ہوئی۔

آڈیٹرز

کمپنی کے آڈیٹرز کے پی ایم جی (KPMG) تاثیر ہادی اینڈ کمپنی جو آئندہ سالانہ اجلاس عام میں سبکدوش ہو جائیں گے، سال 23-2022 کے لیے دوبارہ تقرری کے اہل ہیں اور بورڈ نے دوبارہ تقرری کے لیے ان کی سفارش کی ہے۔



چیئرمین

چیف ایگزیکٹو آفیسر / مینجنگ ڈائریکٹر

بورڈ آف ڈائریکٹرز اور بورڈ انٹر پرائز رسک کمیٹی (بی ای آر سی)

کمپنی کے رسک گورننس کی مجموعی ذمے داری بورڈ آف ڈائریکٹرز پر عائد ہوتی ہے جو بورڈ انٹر پرائز رسک کمیٹی (بی ای آر سی) کے ذریعے بین الاقوامی سطح پر تسلیم شدہ رسک مینجمنٹ کے طریقوں کو برقرار رکھتا ہے۔ یہ کمیٹی PPL میں رسک مینجمنٹ کے لیے اعلیٰ ترین ادارہ ہے۔ اس کا مقصد کمپنی کے رسک مینجمنٹ پلانز، سسٹمز، عمل، اور طریقہ کار کی تاثیر کی جانچ کرنے اور گروپ بھر میں خطرے کی پالیسیوں، رہنما خطوط اور حدود کے ساتھ ساتھ ممکنہ خطرات اور ان کے تدارک کے منصوبوں کا جائزہ لینے میں بورڈ کی مدد کرنا ہے۔

ایگزیکٹو رسک مینجمنٹ کمیٹی (ERMC)

ایگزیکٹو رسک مینجمنٹ کمیٹی خطرات سے متعلق انتظامی سطح کا ادارہ ہے جس میں ڈائریکٹوریٹ، بزنس یونٹ ہیڈز اور فنکشنل ہیڈز شامل ہیں۔ کمیٹی ایگزیکٹو کمیٹی/ مینجنگ ڈائریکٹر کی ایک مشاورتی ذیلی کمیٹی کے طور پر کام کرتی ہے۔ اس کا کردار سال کے لیے اہم خطرات، کمپنی کے رسک مینجمنٹ کے طریقہ کار کا جائزہ لینا اور ادارے بھر میں خطرات سے متعلق آگاہی پیدا کرنا ہے۔

انٹر پرائز رسک مینجمنٹ (ERM) فنکشن

کمپنی کی سطح پر رسک مینجمنٹ کی سرگرمیاں مرکزی طور پر انٹر پرائز رسک مینجمنٹ فنکشن کے ذریعے مربوط ہوتی ہیں۔ یہ فنکشن ERM کمیٹی کو سفارشات فراہم کرتا ہے، خطرے کی نگرانی کرتا ہے، کاروباری اکائیوں کے خطرے کے جائزے کرتا ہے اور رسک مینجمنٹ کے طریقہ کار کو بہتر بنانے پر کام کرتا ہے۔ تمام اسٹیک ہولڈرز کی تجاویز کے ساتھ ایک کارپوریٹ رسک رجسٹر تیار اور اپ ڈیٹ کیا گیا ہے جس میں کمپنی کے رسک یونیورس میں موجود تمام اہم انٹر پرائز لیول کے خطرات کی نشان دہی کی گئی ہے جن کا بعد میں موروثی اور باقی ماندہ دونوں سطح پر تجزیہ کیا جاتا ہے۔

سالانہ رسک مینجمنٹ کا جائزہ

کارپوریٹ ERM سائیکل کا آغاز سینیئر مینجمنٹ کی جانب سے سالانہ رسک ریویو سے ہوا۔ یہ جائزہ بڑے اور ابھرتے ہوئے خطرات کی نشاندہی اور ان کو کم کرنے کے اقدامات پر مرکوز تھا۔ انٹر پرائز لیول کے ان خطرات کی نشاندہی کی گئی جن کی درجہ بندی کم از کم "انتہائی" کی سطح پر کی جا سکتی ہو اور ان کے اثرات اور امکان کا جائزہ لیا گیا۔ تمام متعلقہ اسٹیک ہولڈرز کے ساتھ اعلیٰ سطح کے انتظامی سیشن کا انعقاد کیا گیا جس کا مقصد خطرات کی شناخت کو حتمی شکل دینا، موروثی اور باقی ماندہ خطرات کی درجہ بندیوں کی تفویض اور ان کی تخفیف منصوبے تیار کرنا تھا۔

سال کے آخر میں خطرات کے تجزیے کے بعد بعض خطرات کو کم خطرے کی کیٹیگری میں ڈال دیا گیا جبکہ باقی خطرات کو اگلے سال کی فہرست میں لے جایا گیا اور ان میں کچھ نئے خطرات شامل کیے گئے۔

کارپوریٹ رسک رجسٹر

سالانہ رسک مینجمنٹ کے جائزے کے بعد سال کے لیے کارپوریٹ رسک رجسٹر جاری کیا گیا جو بیرونی اور اندرونی ماحول میں خطرے کے عوامل کے خلاف پی پی ایل کے اسٹریٹجک اور دیگر کارپوریٹ مقاصد کو مدنظر رکھتے ہوئے تیار کردہ رسک انوینٹری پر مشتمل تھا۔ جن خطرات کی نشاندہی کی گئی وہ اسٹریٹجک اثر والے شعبوں (بنیادی کاروبار کے ذخائر کی تبدیلی، بحالی اور تنوع)، مالیاتی اور کاروباری منصوبہ بندی کے شعبوں اور کاروباری بنیادی اقدار کو متاثر کرنے والے شعبوں (ماحول، حفاظت، تحفظ، قانونی اور ریگولیٹری تعمیل؛ انسانی وسائل، معلومات کے تحفظ اور ساکھ) میں سے تھے۔

ماحولیات، سماجی اور گورننس (ESG) سے متعلق خطرات

بطور ایک ذمے دار کارپوریٹ شہری، پی پی ایل ماحولیاتی، سماجی اور گورننس (ESG) کے خطرات کی نشان دہی، تشخیص، نگرانی اور تخفیف کرتا ہے جو پائیداری کے وسیع تناظر میں ادارے پر منفی اثر ڈال سکتے ہیں۔ حالیہ برسوں میں یہ خطرات کارپوریٹ پائیداری کے تناظر میں دنیا بھر کے اسٹیک ہولڈرز کی بہت زیادہ توجہ حاصل کر رہے ہیں اس لیے ان کی رسک مینجمنٹ پر زیادہ توجہ دینے کی ضرورت ہے۔ COSO کے انٹر پرائز رسک مینجمنٹ فریم ورک کے ذریعے فراہم کردہ رہنما خطوط کو مدنظر رکھتے ہوئے ESG سے متعلقہ خطرات کو رسک مینجمنٹ کے مجموعی عمل میں ضم کیا گیا تھا۔

خطرے کے میلان کا تجزیہ - رسک ٹولرینس

پی پی ایل، اس کے ماتحت اداروں اور جوائنٹ وینچرز کے لیے سال میں دو بار رسک اپی ٹائٹ یعنی خطرے کے میلان کی جانچ کی گئی۔ رسک اپی ٹائٹ کی خلاف ورزی کے واقعات کی اطلاع بورڈ انٹر پرائز رسک کمیٹی (BERC) کو دی گئی اور مستقبل میں ان واقعات کی تکرار سے بچنے کے لیے متعلقہ تخفیف کی حکمت عملی تیار کی گئی۔

کارپوریٹ ERM فریم ورک کی نظر ثانی

رسک رجسٹر میں رسک سیناریو کے انتظام کا اندازہ لگانے کے لیے ایک نیا رسک مینجمنٹ میٹرکس تیار کیا گیا ہے۔ اس میٹرکس کی بنیاد خطرات کی تخفیف کے اقدامات کے اثر اور ان کے نفاذ کے لیے دستیاب وقت کی بنیاد پر تھی۔ یہ میٹرکس بورڈ آف ڈائریکٹرز کی منظوری کے بعد پی پی ایل کے ای آر ایم فریم ورک کا حصہ بنایا گیا۔

رسک کلچر کا فروغ

سال کے دوران رسک کلچر کے فروغ کے کئی سیشن منعقد کیے گئے تاکہ خطرات سے آگاہی کا ایسا رویہ پیدا کیا جا سکے جو پورے ادارے میں پھیلے اور جس سے ملازمین کی کارکردگی پر بہتر اثر پڑے۔

خطرات کا جائزہ

بورڈ نے BERC کے ذریعے کمپنی کو درپیش بنیادی خطرات کا ایک جامع جائزہ لیا جن میں وہ خطرات بھی شامل ہیں جو کاروباری ماڈل کو لاحق ہیں۔ پی پی ایل کو درپیش اہم خطرات کی تفصیلات اس سالانہ رپورٹ کے سیکشن "اہم خطرات" میں پیش کی گئی ہیں۔

کاروباری منظر نامہ

کمپنی کی حکمت عملی ہائیڈروکاربن کی زیادہ سے زیادہ پیداوار فراہم کرنے پر زور دینے کے ساتھ ملک میں توانائی کی کمی کے جاری چیلنجوں سے نمٹنے کی کوششوں پر مرکوز ہے۔ مقامی پٹرولیم کمپنیوں کو تیل اور گیس کی موجودہ مارکیٹ کے حالات سے مزید حوصلہ افزائی کی جا رہی ہے کہ وہ اپنے اسٹیک ہولڈرز کے لیے کاروبار کی ترقی اور قدر پیدا کرنے پر توجہ مرکوز رکھتے ہوئے مقامی توانائی کی طلب و رسد کے فرق کو ختم کرنے کے لیے تلاش اور پیداوار (E&P) کی سرگرمیوں کو تیز کریں۔ کمپنی سرحدی اور میچیور بیسن دونوں علاقوں میں اپنی تلاش اور ترقیاتی سرگرمیوں کی رفتار کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی کا ٹھوس منصوبہ ہے کہ سرحدی علاقوں میں نئے سائزمک سروے حاصل کیے جائیں تاکہ بیسنوں میں دریافتی امکانات کا تعین کیا جا سکے اور ممکنہ طور پر زیادہ خطرے اور بڑے سائز کے ہائیڈروکاربن وسائل کے توسیعی منصوبوں کو آگے بڑھایا جا سکے۔ سندھ میں جاری سائزمک مہم سے ممکنہ طور پر کم خطرے والے دریافتی امکانات پر پیش رفت میں بھی مدد ملے گی۔ جس کے نتیجے میں کمپنی اپنے پورٹ فولیو کے خطرات کو متوازن کرنے کے قابل ہو جائے گی۔ اس کے علاوہ کمپنی زیادہ خطرے والے علاقوں میں فارم آؤٹ کی سرگرمیاں بڑھانے پر بھی عمل پیرا ہے اور ساتھ ہی ساتھ ممکنہ ذخائر والے مقامی اور بین الاقوامی علاقوں میں تلاش کی دلچسپیاں حاصل کرنے کی کوششیں کر رہی ہے۔ مزید برآں ابوظہبی آف شور بلاک-5 میں پی آئی او ایل (پی پی ایل کی قیادت میں ایک کنسورشیم) نے جوش و جذبے کے ساتھ اپنی تلاش اور تشخیص کے پروگرام کا آغاز کیا ہے۔

اقلیتی حصص یافتگان

کمپنی حصص یافتگان، ملازمین، قرض دہندگان، صارفین، کاروباری شراکت داروں اور مقامی کمیونٹی سمیت تمام اسٹیک ہولڈرز کے مفادات کو تسلیم کرتی ہے۔ ان کا احترام کرتی ہے اور ان کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے شیئر ہولڈرز اور اسٹیک ہولڈرز کو سالانہ اجلاس عام میں شرکت کرنے اور اپنی قیمتی تجاویز اور رائے دینے کے لیے ان کی حوصلہ افزائی کرتی ہے۔ اس سلسلے میں کمپنی مندرجہ ذیل انتظامات کرتی ہے:

- سالانہ رپورٹ کے ساتھ میٹنگ سے کم از کم 21 دن پہلے تمام حصص داران کو سالانہ/غیر معمولی اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی ترسیل۔
- کراچی، لاہور اور اسلام آباد میں انگریزی اور اردو کے ایک وسیع الاشاعت اخبار میں سالانہ اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی اشاعت۔
- پاکستان اسٹاک ایکسچینج کے آن لائن پورٹل اور کمپنی کی ویب سائٹ پر سالانہ اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی اشاعت۔
- ان حصص داران کو سالانہ رپورٹ کی طباعت شدہ کاپیوں کی ترسیل جنھوں نے واضح طور پر اس کی درخواست کی تھی۔
- پراکسی کی تقرری کے لیے حصص داران کی سہولت۔
- ڈائریکٹرز کے انتخاب کی صورت میں، اقلیتی حصص یافتگان کے نمائندگان کو پراکسی درخواست میں ان کے دیے گئے بیان اور پراکسی فارم کو اخبارات میں شائع کرنے کی سہولت۔

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین 2013 کے ساتھ مطابقت کا بیان

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

I) بورڈ نے کارپوریٹ گورننس کے اصولوں کی پاسداری کی ہے۔

II) کمپنی کی انتظامیہ کے تیار کردہ مالی گوشوارے، اس کے معاملات کی حالت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کا ایک صحیح اور منصفانہ نقطہ نظر پیش کرتے ہیں۔

III) کمپنی کے کھاتوں کا حساب درست برقرار رکھا گیا ہے۔

IV) مالی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں استعمال کی گئیں اور اکاؤنٹنگ پالیسیوں میں ہونے والی کسی بھی تبدیلی کو ظاہر کر دیا گیا ہے۔ اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہے۔

V) مالی گوشوارے پاکستان میں نافذ اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق ہیں

VI) اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستند ہے اور اسے مؤثر انداز میں لاگو کیا گیا ہے۔ اس کے علاوہ ان کا باقاعدگی سے جائزہ بھی لیا جاتا ہے اور نگرانی بھی کی جاتی ہے۔

vii. پچھلے سال کے آپریٹنگ نتائج سے اہم انحراف کی وجوہات ڈائریکٹرز کی رپورٹ کے متعلقہ حصوں میں بیان کی گئی ہیں۔

viii. پچھلے چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا سالانہ رپورٹ کے "چھ سال کا خلاصہ" سیکشن میں دیا گیا ہے۔

ix. بقایا ٹیکس، ڈیوٹیز، لیویز اور چارجز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹوں کے ساتھ پڑھی گئی بیلنس شیٹ میں دی گئی ہیں۔

X) ادارے کی تنظیم نو، کاروبار میں توسیع اور آپریشنز جاری نہ رکھنے (جہاں قابل اطلاق ہو) کے بارے میں اہم منصوبے اور فیصلے سالانہ رپورٹ میں پیش کیے گئے ہیں۔ ڈائریکٹرز رپورٹ کے متعلقہ حصوں میں مستقبل کے امکانات، خطرات اور غیر یقینی صورت حال کا بھی ڈائریکٹرز رپورٹ کے متعلقہ حصوں میں انکشاف کیا گیا ہے۔

XI) چیئرمین اور دیگر ڈائریکٹرز کی تقرری، ان کی تقرری اور معاوضہ پالیسی کی شرائط کمپنی کے بہترین مفادات میں ہیں اور بہترین طریقہ کار کے مطابق ہیں۔

XII) کمپنی کے اہم سماجی مقاصد اور ان کے نتائج اس سالانہ رپورٹ کے "کارپوریٹ سماجی ذمہ داری" سیکشن میں ظاہر کر دیے گئے ہیں۔

XIII) تازہ ترین آڈٹ شدہ اکاؤنٹس کی بنیاد پر ایمپلائی ریٹائرمنٹ فنڈز میں سرمایہ کاری کی قدر یہ ہے:

تازہ ترین آڈٹ شدہ اکاؤنٹس کے مطابق سرمایہ کاری کی رقم

Investment amounts as per latest audited accounts as at June 30, 2020	Rs Million
Senior Provident Fund	3,253.522
Junior Provident Fund	1,378.652
Executive Staff Gratuity Fund	920.110
Non-Executive Staff Gratuity Fund	1,218.094
Executive Staff Pension Fund	8,553.974
Non-Executive Staff Pension Fund	3,042.901
Executive Staff Pension Fund Defined Contribution (Shariah)	1,846.832
Executive Staff Pension Fund Defined Contribution (Conventional)	715.262

xiv. سال کے دوران ہونے والے بورڈ اور بورڈ کمیٹیوں کے اجلاسوں کی تعداد اور متعلقہ ممبران کے ذریعے وہاں کی حاضری کا انکشاف، سالانہ رپورٹ کے سیکشن "بورڈ اور کمیٹی اجلاسوں میں شرکت" میں کیا گیا ہے۔ بورڈ اور کمیٹی نے ان ممبران کو غیر حاضری کی رخصت دے دی جو کسی اجلاس میں شریک ہونے سے قاصر تھے۔

xv. بورڈ اور بورڈ کمیٹیوں کے اجلاس میں شرکت کے لیے ڈائریکٹرز، صرف ڈائریکٹرز فیس وصول کرتے ہیں۔ ہر ڈائریکٹر کو ادا کی جانے والی فیس کی تفصیلات، سالانہ رپورٹ کے سیکشن "بورڈ اور کمیٹی اجلاسوں میں شرکت" میں شامل ہیں۔

xvi. 30 جون 2022 کو کمپنی میں شیئرز کی ملکیت کی جزیات، اس کے ساتھ ساتھ ڈائریکٹرز، ایگزیکٹیوز، ان کے شریک حیات اور نابالغ بچوں کی جانب سے سال کے دوران شیئرز کی خرید و فروخت کی تفصیلات سالانہ رپورٹ 2022 کے سیکشن "پیٹرن آف شیئر ہولڈنگ" میں شامل ہے۔

رسک مینجمنٹ

مختلف قومی اور بین الاقوامی جغرافیائی مقامات پر اثاثے رکھنے والی پاکستان کی سب سے بڑی E&P کمپنیوں میں سے ایک ہونے کی وجہ سے پی پی ایل کو مسلسل بدلتے ہوئے اور وسیع پیمانے کے خطرات کا سامنا ہے۔ ان میں اسٹریٹجک، آپریشنل، مالیاتی، اور حفاظت اور سلامتی کے خطرات شامل ہیں۔ مارکیٹ کیپٹلائزیشن اور ہائیڈرو کاربن کی فروخت کے لحاظ سے پاکستان میں اپنے اعلیٰ درجے کی پوزیشن کو برقرار رکھنے کے لیے ضروری ہے کہ انٹرپرائز کی سطح کے تمام خطرات کی شناخت، تشخیص اور ان میں کمی کی جائے تاکہ قدر کا تحفظ اور تخلیق کیا اسٹریٹجک مقاصد کا حصول یقینی بنایا جا سکے۔

کمپنی کا انٹرپرائز رسک مینجمنٹ (ERM) عمل بین الاقوامی معیارات اور مروجہ بہترین طریقوں پر مبنی ہے۔ یہ ایک مؤثر رسک رسپانس حکمت عملی کی شناخت، مکمل تشخیص اور انتخاب پر توجہ مرکوز کرتا ہے جو اس بات کو یقینی بناتا ہے کہ کسی بھی ممکنہ خطرے کے واقعے کا کمپنی کی اسٹریٹجک کارکردگی پر کم سے کم اثر پڑے۔ رسک پروفائلنگ کارپوریٹ اور بزنس یونٹ کی سطحوں پر کی جاتی ہے، جس کا سسٹم باقاعدگی سے جائزہ لیتا ہے اور اس کی نگرانی کرتا ہے تاکہ رسک لینے اور خطرے سے باخبر ہو کر فیصلے کرنے کے عمل کو بہتر بنایا جا سکے۔

نان ایگزیکٹیو ڈائریکٹرز کا معاوضہ

کمپنی، نان ایگزیکٹیو ڈائریکٹرز کو بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز فیس کے سوا کوئی معاوضہ ادا نہیں کرتی۔

ایگزیکٹیو ڈائریکٹرز کے زیرِ انتظام اضافی ڈائریکٹرشپ

کمپنی کے سی ای او، کمپنی کے مکمل ملکیتی ماتحت اداروں، پی پی ایل ایشیا ای اینڈ پی بی وی اور پی پی ایل یورپ ای اینڈ پی لمیٹڈ اور جزوی ملکیت والی کمپنی پاکستان انٹرنیشنل آئل لمیٹڈ کے ڈائریکٹر بھی ہیں۔ انھوں نے ان کمپنیوں کے اجلاسوں میں شرکت کے لیے کوئی فیس وصول نہیں کی۔

غیر ملکی ڈائریکٹرز کی سیکیورٹی کلیئرنس

کمپنی کے بورڈ میں کوئی غیر ملکی ڈائریکٹر تعینات نہیں کیا گیا ہے۔

پاکستان سے باہر ہونے والے بورڈ کے اجلاس

سال کے دوران پاکستان سے باہر بورڈ کا کوئی اجلاس نہیں ہوا۔

بورڈ آف ڈائریکٹرز سے متعلق مفادات کا تصادم

بورڈ آف ڈائریکٹرز کے لیے کمپنی کا ضابطہ اخلاق ہر ڈائریکٹر سے مطالبہ کرتا ہے کہ وہ ڈائریکٹر اور کمپنی، اس سے وابستہ کمپنیوں، ماتحت اداروں اور اقدامات کے مابین کسی بھی طرح کے مفادات کے تصادم سے گریز کرے۔ ایسی کوئی بھی صورتِ حال جس میں کمپنی کے ساتھ مفادات کا تصادم شامل ہو، یا ممکنہ طور پر اس کی توقع کی جاسکتی ہو، متعلقہ ڈائریکٹر کو اس سلسلے میں کمپنی کو فوری طور پر مطلع کرنے کی ضرورت ہوتی ہے۔

ڈائریکٹرز سے متعلق مفادات کے تصادم کا کوئی بھی معاملہ کمپنیز ایکٹ، 2017، پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین 2013، لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2017، کی لاگو دفعات اور کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق نمٹایا جاتا ہے۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریق کی لین دین تجارتی شرائط پر کی جاتی ہیں اور ان کی تفصیلات وقتاً فوقتاً جائزہ لینے اور بورڈ کی منظوری کی سفارش کے لیے بورڈ آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں۔ بورڈ کے ممبران کی جانب سے، متعلق فریق کے لین دین میں کسی بھی دلچسپی کو اُن کے ذریعے کمپنی کو واضح کر دیا جاتا ہے۔ متعلقہ فریقین اور اُن کے ساتھ لین دین کی تفصیلات 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے مالی گوشواروں کے بیانات میں ظاہر کی گئی ہیں۔

اندرونی آڈٹ

کمپنی کا ایک آزاد اندرونی آڈٹ ڈپارٹمنٹ کام کرتا ہے جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔

اہم پالیسیاں

کمپنی کی اہم پالیسیوں میں شامل ہیں:

- ضابطہء اخلاق
- کارپوریٹ عطیات کی پالیسی
- ڈیٹا محفوظ رکھنے کی پالیسی
- انٹرپرائز رسک مینجمنٹ پالیسی
- مستحکم ترقی کے لیے دریافت اور فارم۔ ان/ فارم۔ آؤٹ کی پالیسی
- افرادی قوت کی انتظام کاری کی پالیسی
- حادثے کی اطلاع کی پالیسی
- سرمایہ کاری کے انتظام کی پالیسی
- بیرونی آڈیٹرز کے تبادلے کی پالیسی
- بیرونی آڈیٹرز کے ذریعے اضافی خدمات کی فراہمی
- کیو ایچ ایس ای پالیسی
- جنسی ہراسانی کی پالیسی
- وسل بلوئنگ پالیسی (تفصیلات کمپنی کی ویب سائٹ پر درج ہیں)

حصص یافتگان کی شکایات کا ازالہ

کم سے کم وقت میں حصص یافتگان کی کسی بھی شکایت کو دور کرنے کے لیے کمپنی ہر ممکن اقدامات کرتی ہے۔ حصص یافتگان کمپنی کی ویب سائٹ پر دستیاب آراء اور شکایات فارم کو مکمل کر کے، شکایات یا انکوائری کر سکتے ہیں۔ کمپنی کا شیئر رجسٹرار، حصص داران کے لیے رابطے کا ذریعہ ہے اور کوئی بھی شکایت یا انکوائری خط، فیکس، ای میل یا ٹیلی فون کے ذریعے اس کے پاس درج کرائی جاسکتی ہے۔

شراکت داروں کے ساتھ تعلقات

کمپنی اپنے حصص یافتگان کی آراء کو انتہائی اہمیت دیتی ہے۔ کمپنی کے سالانہ اجلاس عام (AGM) میں سوال و جواب کے ایک سیشن کا انعقاد کیا گیا جس میں حصص داروں کے سوالات کے تفصیل سے جوابات دیے گئے۔ اس ضمن میں، پاکستان اسٹاک ایکسچینج کے قواعد کے مطابق کارپوریٹ بریفنگ سیشن بھی منعقد کیا گیا۔ کارپوریٹ بریفنگ سیشن کے دوران دی گئی پریزنٹیشن کمپنی کی ویب سائٹ پر دستیاب ہے۔

گزشتہ سالانہ اجلاس عام میں اٹھائے گئے مسائل اور اس سلسلے میں کیے گئے فیصلوں کو اجلاس کی کارروائی کے اہم نکات میں ریکارڈ کیا جاتا ہے اور انھیں پاکستان اسٹاک ایکسچینج میں جمع کروایا جاتا ہے۔ اس کی کاپیاں اے جی ایم میں حصص داروں کے لیے مفت دستیاب ہوتی ہیں۔ بورڈ آڈٹ کمیٹی کے چیئرمین بھی سالانہ اجلاس عام میں کمیٹی کی سرگرمیوں پر سوالات کے جوابات دینے کے لیے موجود ہوتے ہیں۔

وفاقی حکومت اس کمپنی کی بڑی حصے دار ہے۔ نان ایگزیکٹیو ڈائریکٹرز سمیت، ڈائریکٹرز کمپنی کے بارے میں بڑے شیئر ہولڈرز کے خیالات سے واقف ہیں اور انھیں بورڈ اور انتظامیہ کے ساتھ شیئر کرتے ہیں۔

کارپوریٹ گورننس

بورڈ کے امور

کمپنی کا بورڈ آف ڈائریکٹرز اپنے فرائض، بہترین بین الاقوامی اور مقامی کارپوریٹ گورننس کے طریقوں کے مطابق انجام دینے کو انتہائی اہمیت دیتا ہے۔ بورڈ صحت مند کارپوریٹ کلچر اور ماحول کو فروغ دینے، اخلاقی کاروباری طریقوں، شفافیت اور قابلِ اعتماد مالی رپورٹنگ، تمام شراکت داروں کے ساتھ روابط بڑھانے اور قانون کے مطابق کاروبار کرنے کے لیے پرعزم ہے۔ یہی وجہ ہے کہ اچھی کارپوریٹ گورننس کے اصول کمپنی کے فیصلہ سازی اور آپریٹنگ سیٹ اپ کے ساتھ ساتھ نگرانی کے عمل میں گہرے طور پر پیوست ہیں۔

بورڈ کمپنی کی حکمتِ عملی کے اہداف طے کرتا ہے اور کمپنی کو اس کے وژن اور مشن سے ہم آہنگ کرتا ہے۔ بورڈ بڑی پالیسیوں اور فیصلوں کی منظوری دیتا ہے، کارکردگی کی نگرانی کرتا ہے اور رہنمائی کرتا ہے اور انتظامیہ/ چیف ایگزیکٹو آفیسر (سی ای او) کو مشورہ دیتا ہے۔ بورڈ نیک نیتی کے ساتھ اور کمپنی اور اس کے اسٹیک ہولڈرز کے بہترین مفاد میں حقائق کے تحت فیصلے کے احساس کے ساتھ اپنے فرائض منصبی انجام دیتا ہے۔

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز 2013 کے رول 12 کے تقاضوں کے مطابق بورڈ کو پانچ قانونی بورڈ کمیٹیاں بنانی ہوتی ہیں تاہم بورڈ نے ایک اضافی بورڈ کمیٹی قائم کی ہے، یعنی بورڈ کی حکمتِ عملی اور مالیاتی کمیٹی، جو اس کے کاموں کو مؤثر طریقے سے انجام دینے اور فیصلہ سازی کے عمل میں مدد کے لیے اس کی معاونت کرتی ہے۔ تمام بورڈ کمیٹیاں اپنے متعلقہ ضوابطِ کار کے مطابق کام کرتی ہیں۔

بورڈ نے کمپنی کے کاروبار کو آسان بنانے کے لیے سی ای او کو کچھ اختیارات تفویض کیے ہیں اور انتظامیہ کے لیے اختیارات کی حدود کی منظوری دی ہے۔

بورڈ کی تشکیل

ڈائریکٹرز کے نام اور اُن کی تفصیلات، سالانہ رپورٹ کے "کمپنی انفارمیشن" سیکشن میں بیان کی گئی ہے۔ آزاد ڈائریکٹروں نے لسٹڈ کمپنیز ریگولیشنز 2019 (کارپوریٹ گورننس کے ضوابط) کی شق 6 کی ذیلی شق 3 کے مطابق اپنی آزاد حیثیت کا اعلان کیا ہے۔

بورڈ میں تنوع

کمپنی کے پاس ایک متنوع بورڈ ہے جس میں پیشہ ور افراد کا امتزاج ہے جو قیادت و گورننس، معاشیات و مالیات، انجینئرنگ اور دریافت و پیداوار میں تجربہ اور قابلیت رکھتے ہیں۔ اس سال بورڈ ایک خاتون اور چار نان ایگزیکٹو ڈائریکٹرز سمیت چھ آزاد ڈائریکٹرز اور ایک چیف ایگزیکٹو آفیسر پر مشتمل رہا۔

بورڈ آف ڈائریکٹرز میں اتفاقی اسامیاں

اس سال ڈاکٹر ارشد محمود اور جناب صالح محمد بلوچ کے استعفوں کی وجہ سے بورڈ میں دو اتفاقی اسامیاں پیدا ہوئیں، جو جناب علی رضا بھٹہ اور محمد زبیر کی تقرریوں سے پُر ہوئیں۔

ڈائریکٹرز کے پروفائل

ڈائریکٹرز کے پروفائل جن میں اُن کی تعلیم، تجربہ، دیگر اداروں سے وابستگی کا ذکر کیا گیا ہے، سالانہ رپورٹ کے سیکشن 'بورڈ آف ڈائریکٹرز کے پروفائلز' میں بیان کیا گیا ہے۔

چیئرمین اور چیف ایگزیکٹو کے کردار

کمپنی کے چیئرمین کا دفتر اور اس کی ذمے داریاں سی ای او کی ذمے داریوں سے مختلف ہیں۔ چیئرمین اس بات کو یقینی بناتا ہے کہ بورڈ ٹھیک سے کام کرے اور کمپنی کی گورننس سے متعلق تمام معاملات بورڈ کے ایجنڈوں پر رکھے جائیں۔ چیئرمین اجلاس کا ایجنڈا طے کرتا ہے، سازگار اجلاسوں کا انعقاد کرتا ہے اور بورڈ کے مشوروں اور فیصلوں میں ڈائریکٹرز کو مکمل طور پر حصہ لینے کی ترغیب دیتا ہے۔ چیئرمین بورڈ کی سربراہی کرتا ہے اور ممبران کے مؤثر افعال اور ان کی کارکردگی میں اضافے کو یقینی بناتا ہے۔

چیف ایگزیکٹو آفیسر بورڈ کی ہدایت اور نگرانی کے تحت کمپنی کے امور کے نظم و نسق کے ذمے دار ہیں۔ سی ای او، بورڈ کے ذریعے منظور شدہ حکمتِ عملیوں اور پالیسیوں کو نافذ کرتا ہے اور اس بات کو یقینی بنانے کے لیے مناسب انتظامات کرتا ہے کہ فنڈز اور وسائل کی حفاظت کی جائے اور انھیں کفایت اور اہلیت کے ساتھ مؤثر طریقے سے استعمال کیا جائے اور وہ تمام قانونی ذمے داریوں کے مطابق ہوں۔

بورڈ کی کمیٹیاں

بورڈ کمیٹیوں کے ضوابطِ کار کی نمایاں خصوصیات، سالانہ رپورٹ کے سیکشن 'بورڈ کی کمیٹیاں' میں پیش کی گئی ہیں۔ مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 10 اور بورڈ کمیٹیوں کے 27 اجلاس منعقد ہوئے۔ بورڈ اور کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی شرکت کی تفصیلات، سالانہ رپورٹ کے سیکشن 'بورڈ اور کمیٹی اجلاسوں میں شرکت' میں دی گئی ہیں۔

کارکردگی کا سالانہ جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013 کے مطابق، بورڈ کی کارکردگی کا جائزہ وفاقی حکومت لے گی۔ وفاقی حکومت کی ہدایات کے مطابق پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) نے مالی سال 21-2020 کے لیے بورڈ اور اس کے اراکین کی کارکردگی کا جائزہ لیا۔ 30 جون 2022 کو ختم ہونے والے سال کے بعد بورڈ کی کارکردگی کی جانچ قابلِ اطلاق قوانین کے مطابق کی گئی۔

بورڈ نے سال کے دوران پہلے سے طے شدہ آپریشنل، تدبرانہ طریقۂ کار اور حکمتِ عملی کے مقاصد کے مطابق سی ای او کی کارکردگی کا جائزہ لیا۔ وفاقی حکومت بھی سی ای او کی کارکردگی کا جائزہ لے گی۔

ڈائریکٹرز کے لیے آگاہی پروگرام

منتخب اور مقرر ڈائریکٹرز کو کمپنی کے کاروبار، آپریشنز اور ماحول کے ساتھ ساتھ ڈائریکٹرز کے فرائض منصبی کے متعلق بریفنگ دی گئی۔ رواں سال کے افتتاحی اجلاس میں ڈائریکٹرز کو فراہم کردہ دستاویزات میں کمپنی کا میمورنڈم، آرٹیکل آف ایسوسی ایشن اور کمپنی کی سہ ماہی اور سالانہ رپورٹیں شامل تھیں۔ ڈائریکٹرز کے لیے ایک باضابطہ جامع آگاہی پروگرام اکتوبر 2021 میں منعقد کیا گیا۔

ڈائریکٹرز کا تربیتی پروگرام

ڈائریکٹرز اپنے فرائض سے آگاہ ہیں اور ان کو اعلیٰ ترین معیار کے مطابق انجام دینے کی کوشش کرتے ہیں۔ سال کے آخر تک کمپنی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مقرر کردہ ڈائریکٹرز ٹریننگ پروگرام کی اختیاری شرائط پر بھی بڑی حد تک عمل کر رہی تھی۔

انفارمیشن ٹیکنالوجی گورننس

کمپنی تکنیکی ترقی کے لیے مسلسل کام کر رہی ہے جس کے نتیجے میں کمپنی مواقع سے فائدہ اٹھانے اور لوگوں، آپریشن اور ٹیکنالوجی میں سرمایہ کاری کے ذریعے کاروبار کی توسیع اور ترقی کے منصوبے شروع کرنے کے قابل ہوئی ہے۔

انٹرپرائز ریسورس پلاننگ

SAP پی پی ایل کا فلیگ شپ ERP سسٹم ہے جس میں بیک آفس آپریشنز اور بنیادی کاروباری عمل بشمول فنانس، ہیومن کیپیٹل مینجمنٹ، پروکیورمنٹ اور انوینٹری مینجمنٹ شامل ہیں۔

آئی ٹی کا ان ہاؤس SAPCompetenceCenter پروڈکٹ اپ ڈیٹس، اینڈ یوزر ٹریننگ، تبدیلی کی درخواستوں اور خطرات میں کمی کا انتظام کرتا ہے۔ وقتے وقفے سے اندرونی/بیرونی آڈٹ اور SAP سسٹم کی صحت کی جانچ اس بات کو یقینی بناتی ہے کہ خطرات کو کم کیا گیا ہے، اندرونی کنٹرولز اپنی جگہ پر ہیں اور فرائض کی تقسیم کاری کی تعمیل کی گئی ہے۔ SAP ڈیٹا کی سالمیت کو آغاز ہی سے یقینی بنایا گیا ہے اور آج تک کوئی سمجھوتا نہیں کیا گیا ہے۔

سائبر سیکیورٹی - پروگرام، پالیسیاں، تربیت اور طریقہ کار

پی پی ایل کے تمام انفارمیشن ٹیکنالوجی سسٹم انفارمیشن سیکیورٹی مینجمنٹ اسٹینڈرڈ ISO 27001 اور انفارمیشن ٹیکنالوجی انفراسٹرکچر لائبریری (ITIL) کے رہنما خطوط کے مطابق طے کردہ پالیسیوں اور طریقہ کار کے تحت چلتے ہیں۔ کمپنی آئل اینڈ گیس سب سیکٹر سائبر سیکیورٹی کیپبلیٹی میچورٹی ماڈل کے ذریعے بھی اپنی سائبر سیکیورٹی صلاحیت کا جائزہ لینے اور بینچ مارک کرنے کا عزم رکھتی ہے۔ یہ ماڈل وقت کے ساتھ ساتھ کمپنی کی سائبر سیکیورٹی صلاحیتوں کی پیمائش کرے گا، خطرات سے نمٹنے کی صلاحیتوں کے لیے ہدف کی پختگی کے لیول کی نشاندہی کرے گا اور ان اقدامات اور سرمایہ کاری کو ترجیح دینے میں مدد دے گا جو ان اہداف کو پورا کرنے کے قابل بنائیں۔

فی الحال، کمپنی کا اندرون ملک نیٹ ورک آپریشن سینٹر اور سیکیورٹی آپریشن سینٹر بنیادی ڈیٹا سینٹر، ڈیزاسٹر ریکوری سائٹ، سائبر خطرات، سسٹم ایونٹس اور سسٹم کی کمزوریوں کی فعال نگرانی میں مصروف ہے تاکہ سسٹم، ایپلیکیشنز اور ڈیٹا کی مکمل اور محفوظ دستیابی کو یقینی بنایا جا سکے۔ صارفین، معلومات کی حفاظت کو درپیش ممکنہ خطرات کی روک تھام، تخفیف اور ان سے بچنے کے لیے تیسرے فریق کے آڈٹ کے ذریعے سالانہ مداخلتوں کی جانچ کی جاتی ہے۔ مطلوبہ حفاظتی اقدامات اور طرز عمل کی بدولت ہمارے ڈیجیٹل انفراسٹرکچر کے لیے کسی بھی اندرونی یا بیرونی خطرے کا ہمارے کاروبار پر پچھلے سالوں کی طرح 22-2021 میں کوئی خاص اثر نہیں پڑا۔

اس کے علاوہ، ملازمین میں حوصلہ افزائی کے لیے ہمارے سائبر سیکیورٹی ٹریننگ اور آگاہی پروگرام میں فشنگ اور کمپنی کی معلومات کی درست ہینڈلنگ اور درجہ بندی جیسے موضوعات کا احاطہ کیا گیا ہے۔

سائبر سیکیورٹی پر بورڈ کی نگرانی

خطرات کی نگرانی کے اپنے کردار میں، بورڈ سائبر سیکیورٹی کے مجموعی انتظام کے بارے میں یقین دہانی چاہتا ہے جس میں خطرے کو کم کرنے کی مناسب حکمت عملی، نظام، طریقہ کار اور کنٹرول شامل ہوں۔ تمام سائبر خطرات، ان خطرات کی تخفیف کے لیے روبہ عمل اقدامات، منتقل ہونے والے اور بقایا خطرے کی سطحوں اور کسی بھی سسٹم یا ڈیٹا کی خلاف ورزیوں پر متعلقہ انکشافات کارپوریٹ انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک کے مطابق بورڈ آف ڈائریکٹرز کو بورڈ انٹرپرائز رسک کمیٹی (BERC) کے ذریعے کیے جاتے ہیں۔ سائبر سیکیورٹی کے شعبے میں رسک اپی ٹائٹ یعنی خطرے کے مالی نقصان، خفیہ معلومات کی چوری، نیٹ ورک میں رکاوٹ اور

عدم دستیابی کے پہلوؤں کا احاطہ کرتا ہے۔ خطرات کی حد کو سال میں کم از کم دو بار رسک اپی ٹائٹ کی کسوٹی پر جانچا جاتا ہے اور اگر کوئی خلاف ورزی ہوتی ہے تو اس کی اطلاع بورڈ انٹرپرائز رسک کمیٹی BERC اور بورڈ کو دی جاتی ہے۔ اس کے علاوہ، بورڈ اور ایگزیکٹو مینجمنٹ ٹیم سائبر سیکیورٹی مینجمنٹ سسٹم میں ممکنہ بہتری کی نشاندہی اور ان کے نفاذ کے لیے ایگزیکٹو اقدامات کے لیے باقاعدگی سے رابطے میں رہتے ہیں۔

مضبوط انفراسٹرکچر

ریموٹ ورکنگ کے لیے انفراسٹرکچر کی تیاری اب چوبیس گھنٹے فعال ہے اور کاروباری صارفین دنیا میں کہیں سے بھی جڑ سکتے ہیں۔ کمپنی نے اپنی بنیادی کولیبریشن ایپلی کیشنز کے لیے انڈسٹری کے معروف کلاؤڈ حل کو اپنایا ہے۔ تمام اہم آئی ٹی خدمات کے لیے ڈیزاسٹر ریکوری ڈرلز کا انعقاد بھی سال میں دو بار کیا جاتا ہے تاکہ ممکنہ خطرات، سائبر خلاف ورزیوں کو کم کیا جا سکے اور محفوظ اور پائیدار آپریشنز کے لیے انتظامی رہنما خطوط پر عمل کیا جا سکے اور مضبوطی کو یقینی بنایا جا سکے۔

سافٹ ویئر ڈیفائنڈ وائیڈ ایریا نیٹ ورک (SDWAN) ڈیٹا سرورز کے بہترین رابطے کے لیے قائم کیا گیا ہے اور مزید یہ کہ آئی پی ٹیلی فونی کے ذریعے تمام شعبوں میں صوتی پیغام رسانی کا نظام قائم کیا گیا ہے۔

ٹیکنالوجی کی اہلیت اور ڈیجیٹل ٹرانسفارمیشن

معدنیات کی تلاش میں کمپنی کے تنوع کو ہائی ٹیک کاروباری ایپلی کیشنز کے ذریعے مدد فراہم کی جا رہی ہے تاکہ تیز رفتاری سے ترقی کی جا سکے۔ مزید توسیع کے منصوبوں کے ساتھ اندرون ملک وسائل کا استعمال کرتے ہوئے جدید ڈیٹا پروسیسنگ کی ضروریات کے لیے سائزمک ڈیٹا پروسیسنگ کی سہولت کا فائدہ اٹھایا جا رہا ہے۔

سسٹین ایبلٹی رپورٹنگ (SR) اور مینجمنٹ آف چینج (MOC) کے عمل کو ڈیجیٹائز کیا گیا ہے اور ساتھ ہی مینجمنٹ رپورٹنگ کی صلاحیت میں اضافہ اور ای پروکیورمنٹ پلیٹ فارم اور ہیلتھ کیئر مینجمنٹ سسٹم کو اپ گریڈ کیا گیا ہے۔

کمپنی ڈیجیٹل ٹرانسفارمیشن ڈرائیو کو فعال کرنے کے لیے انڈسٹری کے معروف کلاؤڈ سولیوشنز استعمال کر رہی ہے۔ کراس فنکشنل ٹیمیں کلیدی فعال شعبوں میں جدید تربیتی مراکز کے قیام اور عملے کو تعلیم دینے کے ذریعے اس تبدیلی میں مصروف ہیں۔ ان ٹیموں کا مقصد کاروباری عمل کو انجام دینے کے طریقوں اور روبوٹک پروسیس آٹومیشن (RPA) کے ذریعے معلومات کے استعمال کے طریقے میں انقلاب لانا ہے۔

کاروباری تسلسل کی انتظام کاری

کاروباری تسلسل کو یقینی بنانے کے لیے ناگہانی واقعات اور ان کے نتائج وعواقب سے نمٹنے کی تیاری ضروری ہوتی ہے۔ کاروباری تسلسل کی انتظام کاری بنیادی ڈھانچے، سائبر نظام، ملازمین، کاروبار، آپریشنل اور مواصلاتی خطرات کا احاطہ کرتی ہے جس کا مقصد ادارے کو درپیش نئے چیلنجوں اور خطرات کا سدباب کرنا ہے۔

موجودہ انتظامی سسٹم کو موجودہ اور ممکنہ خطرات کی ضرورت سے ہم آہنگ کرنے کے لیے اندرونی وسائل کے ساتھ تمام اثاثوں، محکموں اور آپریٹڈ فیلڈز کی اسٹریٹجک بزنس امپیکٹ اسیسمنٹ (BIA) جاری ہے۔ اس مشق کا مقصد کووڈ کی وبا کے دوران سیکھے گئے اسباق کو شامل کرنا اور انتظامی سسٹم کی مجموعی افادیت اور ادارے کی لچک کو بہتر بنانا ہے۔

صنعتی تعلقات

انتظامیہ نے یونین کے نمائندوں کے ساتھ موثر رابطہ برقرار رکھا جس کے نتیجے میں ہیڈ آفس اور کمپنی کے تمام مقامات پر کام کا مجموعی ماحول خوشگوار رہا۔ مسلسل بہتری کے اقدامات کیے گئے ہیں جن میں اوور ٹائم سسٹم، ریٹائرمنٹ کے دوران IR سرگرمیوں کی اسٹریم لائننگ اور نان ایم پی ٹی عملے کی تکمیل اور حتمی تصفیے کی آٹومیشن شامل ہے۔

کاروباری سماجی ذمے داری

آپ کی کمپنی محروم کمیونٹیوں کے معیار زندگی کو بلند کرنے کے لیے 60 سال سے مختلف منصوبے چلا رہی ہے خاص طور پر کمپنی کے پیداواری اور تلاش کے علاقوں کے اطراف کی آبادیوں پر خصوصی توجہ مرکوز کی جاتی ہے۔ کمپنی کا کاروباری سماجی ذمے داری (CSR) پروگرام 1950 کی دہائی کے وسط میں شروع ہوا جب سوئی فیلڈ میں مزدوروں اور مقامی آبادیوں کے بچوں کے لیے پہلی بار سوئی ماڈل اسکول قائم کیا گیا تھا۔ پی پی ایل مجموعی طور پر معاشرے کی سماجی ترقی میں لازمی اور رضاکارانہ شراکت کو یقینی بناتی ہے۔

PPL میں بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ ہر CSR اقدام کا بغور جائزہ لیتی ہے، اس کی خوبیاں، مقاصد اور اثرات بھی فیصلہ سازی میں بنیادی کردار ادا کرتے ہیں۔ علاقے کی طویل مدتی پائیدار ترقی کے لیے مقامی اداروں کو مضبوط کرتے اور اختراعات کی حوصلہ افزائی کی جاتی ہے۔ گزشتہ برسوں کے دوران پی پی ایل نے اپنے آپریشنل علاقوں کے ارد گرد رہنے والی کمیونٹیوں کو ترجیح دیتے ہوئے معاشرے کی مجموعی سماجی و اقتصادی ترقی کو یقینی بنانے کے لیے ہمیشہ اپنی ذمے داریوں سے بڑھ کر حصہ ڈالا ہے۔ مالی سال 22-2021 کے دوران CSR سرگرمیوں کے لیے کمپنی کی کل شراکت تقریباً 2 ارب روپے تھی۔

PPL کے مختلف شعبہ جاتی کمیونٹی ڈویلپمنٹ پروگرام کے تحت، ہمارے توجہ کا مرکز رہنے والے شعبوں میں صحت، تعلیم اور پیشہ ورانہ تربیت، بنیادی ڈھانچے کی ترقی، پانی کا انتظام، ذریعہ معاش پیدا کرنے کے لیے مہارت کی ترقی شامل ہیں جس کے نتیجے میں مقامی آبادیوں کو بڑے پیمانے پر فائدہ پہنچ رہا ہے اور ان کا معیار زندگی بلند ہوا ہے۔ سماجی ترقی کی منصوبوں کی پائیداری کے لیے کمپنی کی سی ایس آر سرگرمیاں شراکت داری اور مشترکہ ترقی کی اصولوں پر مبنی ہیں جس کے لیے تمام فریقوں کو اعتماد میں لیا جاتا ہے۔ معیار اور بروقت نتائج کو یقینی بنانے کے لیے پی پی ایل پراجیکٹ کی سرگرمیوں کی باقاعدگی سے نگرانی کرتی ہے۔

پی پی ایل کی سی ایس آر سرگرمیوں کی تفصیلات اس سالانہ رپورٹ کے 'کارپوریٹ سماجی ذمے داری' سیکشن میں پیش کی گئی ہیں۔

سیلاب متاثرین کے لیے امدادی سرگرمیاں

ایک ذمے دار قومی کمپنی کے طور پر قومی آفات کے دوران شدید متاثرہ آبادیوں کی امداد اور بحالی فراہم کرنے میں حکومت کی کوششوں کو آگے بڑھانے کے لیے کمپنی ہمیشہ پیش پیش رہی ہے۔ حالیہ بارشوں اور سیلاب نے پورے ملک کو متاثر کیا ہے جس میں انسانی جانوں کے ضیاع کے ساتھ ساتھ بنیادی ڈھانچے اور املاک کو شدید نقصان پہنچا ہے جس کے نتیجے میں بڑے پیمانے پر نقل مکانی ہوئی ہے۔ پی پی ایل نے مقامی انتظامیہ کی مالی مدد اور شدید متاثرہ آبادی کے لیے امدادی سامان بھیجنے کے ساتھ اپنی ذمے داریاں پوری کی ہیں۔

پی پی ایل نے سیلاب متاثرین کی امداد اور بحالی کے لیے 7 کروڑ روپے کی رقم مختص کی جن میں سے ڈھائی کروڑ روپے روپے صوبائی ڈیزاسٹر مینجمنٹ اتھارٹی (PDMA) بلوچستان کے حوالے کیے گئے جبکہ خیبر پختونخوا اور پنجاب میں PDMAs کو ڈیڑھ ڈیڑھ کروڑ روپے دیے گئے۔ مزید برآں امدادی سامان سانگھڑ، خیرپور، کشمور اور سجاول کے ساتھ ساتھ یونین کونسل تھیبی ڈیرو ضلع قمبر شہداد کوٹ سندھ میں ضلعی انتظامیہ کو فراہم کیا گیا۔

انسانی وسائل

کمپنی کی کارپوریٹ حکمت عملی کے مطابق انسانی وسائل کا شعبہ اپنے بنیادی مقاصد کی انجام دہی کے لیے کوشاں ہے کہ وہ ٹیلنٹ کو اپنی جانب راغب کرے، سیکھنے اور آگے بڑھنے کے مواقع فراہم کر کے عملے کی صلاحیتوں میں اضافہ کرے۔ اس مقصد کے لیے جانشینی کے منصوبوں پر عمل درآمد، متبادل قیادت کی تیاری، سیکھنے کو مضبوط بنانے اور اداراتی ترقی پر توجہ مرکوز کی گئی۔

جانشینی کی منصوبہ بندی

کمپنی میں افرادی قوت کی زیادہ تر ضروریات کا انتظام اندرونی طور پر جانشینی پلان کے کامیاب نفاذ سے کیا گیا جو کہ صحیح کام کے لیے صحیح شخص کے فلسفے پر مبنی ہے۔ پی پی ایل کے علاوہ، پاکستان انٹرنیشنل آئل لمیٹڈ (پی آئی او ایل) کی افرادی قوت کی ضروریات بھی متعلقہ مہارتوں اور تجربے کے ساتھ پی پی ایل کے عملے کے ذریعے پوری کی گئیں۔ اندرون ملک وسائل سے خالی اسامیوں کو پُر کرنے سے نہ صرف کمپنی کے اخراجات میں بڑی بچت ہوئی بلکہ ایک چیلنجنگ اور متنوع ماحول میں کام کرنے کے لیے عملے کو بھی تیار کیا گیا، جو اسٹریٹجک مقاصد کے ساتھ ہم آہنگ ہے۔

ٹیلنٹ کا حصول

میرٹ پر سمجھوتا کیے بغیر تنوع اور شمولیت ٹیلنٹ کے حصول میں بنیادی نکتہ رہا۔ یہ مقصد نوجوان پیشہ ور افراد کو گریجویٹ ٹرینیز اور اپرنٹس شپ ٹرینیز کے طور پر 2 سالہ آن دی جاب ٹریننگ پروگرام میں شامل کر کے حاصل کیا گیا۔ پہلی کیٹیگری میں انجینئرز، ارضیاتی سائنسدانوں اور مینجمنٹ گریجویٹس کو خالصتاً اوپن میرٹ پر شامل کیا گیا تھا جبکہ دوسری کیٹیگری میں انجینئرز کے ساتھ ساتھ ڈپلوما ہولڈرز کو بھی شامل کیا گیا جو کمپنی کی پیداواری فیلڈز کے قریب رہنے والی کمیونٹیوں کے ہنرمند نوجوانوں کی صلاحیتوں کے فروغ کے عزم کا حصہ ہے۔

تربیت اور ترقی

بین الاقوامی شہرت یافتہ ماہرین کے ذریعے ملازمت سے متعلق پیشہ ورانہ تربیت کے علاوہ کمپنی نے اندرون خانہ تربیت پر توجہ مرکوز کرنا جاری رکھا تاکہ معنوی علم کو لفظی علم میں تبدیل کیا جا سکے اور سیکھنے کے ماحول کو فروغ دیا جا سکے۔ "ون ٹیم، ون گول" کے نام سے لیڈرشپ ریٹریٹس کا بھی اہتمام کیا گیا تاکہ عملے کو ان کی قائدانہ صلاحیتوں کو تیز کرنے اور ساتھیوں کے ساتھ دیرپا تعلقات استوار کرنے کے لیے تجربے سے سیکھنے کا موقع فراہم کیا جا سکے۔

کام کا تجزیہ اور تنظیم نو کی مشق

مسلسل بہتری کی پالیسی کے تحت ایک کنسلٹنٹ کے ذریعے کام کے ایک وسیع تجزیے اور تنظیم نو کی مشق کی گئی۔ اس سے انسانی وسائل کی ضروریات کو بہتر طور پر پورا کرنے اور مجموعی پیداواری صلاحیت کو بڑھانے کے لیے تنظیمی ڈھانچے کو بہتر بنانے میں مدد ملے گی۔

طبی خدمات

صحت مند افرادی قوت کے فروغ کا مقصد آگے بڑھانے کے لیے کمپنی نے تمام ملازمین کے لیے Covid-19 اور دیگر بیماریوں کو کم کرنے پر کام جاری رکھا۔ ملازمین کے لیے ایک وسیع ہیلتھ اسکریننگ پروگرام اور ملازمین اور ان کے خاندانوں کو ویکسینیشن / بوسٹر شاٹس لگائے گئے۔ صحت کی اہمیت سے باخبر پی پی ایل فیملی بنانے کے لیے ہم نے مختلف اہم موضوعات پر آگاہی سیشنز کا انعقاد کیا۔

قومی معیشت میں شراکت

آپ کی کمپنی قومی معیشت میں شراکت کرنے والی نمایاں کمپنی ہے۔ مالی سال 22-2021 کے دوران کمپنی کی آپریٹڈ اور شراکتی آپریٹڈ فیلڈز سے 122,000 بیرل خام تیل یومیہ کے مساوی قدرتی گیس، خام تیل اور ایل پی جی فروخت کی گئی جس کے نتیجے میں خام تیل کی اوسط قیمت 90.3 ڈالر فی بیرل فرض کرتے ہوئے درآمدی متبادل کے ذریعے 4 ارب امریکی ڈالر سے زیادہ سالانہ زرمبادلہ کی بچت ہوئی۔
کمپنی نے انکم ٹیکس، رائلٹی، ایکسائز ڈیوٹی، سیلز ٹیکس، ونڈ فال لیوی، جی ڈی ایس، جی آئی ڈی سی، ڈبلیو پی پی ایف اور منافع منقسمہ کی صورت میں قومی خزانے میں 95 ارب روپے سے زائد کی شراکت کی۔

گروپ کی مالیاتی کارکردگی

گروپ کے مالی گوشوارے مجموعی طور پر منافع میں 4 فیصد اضافہ ظاہر کرتے ہیں۔ مالی سال 22-2021 میں گروپ کی فروخت آمدن 203,811 ملین روپے رہی جبکہ بعد از ٹیکس منافع 54,353 ملین روپے رہا جبکہ مالی سال 21-2020 میں فروخت آمدن 149,279 ملین روپے اور بعد از ٹیکس منافع 52,283 ملین روپے رہا۔ مالی سال کے دوران، پی پی ایل ای نے گروپ کی آمدنی میں تقریباً 1,612 ملین روپے کی شراکت کی۔

ذیلی کمپنیوں کے مختصر پروفائلز کا تذکرہ کمپنی کے مجموعی مالی گوشواروں کے اندر نوٹ 1 میں کیا گیا ہے۔

مالی حکمت عملی

پی پی ایل ایک محتاط مالی حکمت عملی کے تحت کام کرتا ہے۔ جیسا کہ تجارتی وصولی سیکشن میں بیان کیا گیا ہے کہ پاکستان کے گیس سیکٹر سپلائی چین میں گردشی قرضے کے بڑھتے ہوئے مسئلے کی وجہ سے حکومت پاکستان کے نامزد صارفین سے کم وصولیوں کے سبب کمپنی کو جاری لیکویڈیٹی کے خطرے کا سامنا ہے۔

کمپنی اچھے مالی نظم وضبط کو برقرار رکھتی ہے اور اپنی ذمہ داریوں کی مسلسل نگرانی کرتے ہوئے، اپنے اندرون خانہ کام کے منصوبوں اور طویل مدتی سرمایہ کاری کے لیے اپنی ذمہ داریوں کا حساب لگاتے ہوئے اور معقول فری کیش فلو کا انتظام کرنے پر توجہ مرکوز کرتے ہوئے سال بہ سال کی بنیاد پر فعال ورکنگ کیپٹل مینجمنٹ کے ذریعے اپنی لیکویڈیٹی رسک کا انتظام کرتی ہے۔ پی پی ایل کے تحت چلنے والے آپریشنز اندرونی فنڈز اور جے وی پارٹنرز سے کیش کالز کی بروقت وصولی کے ذریعے مؤثر طریقے سے چلائے جاتے ہیں اور انہیں مالی اعانت بھی فراہم کی جاتی ہے۔ کمپنی وزارت توانائی کے قریب رہ کر ہم آہنگی کے ساتھ گردشی قرضے کے مسئلے کی وجہ سے درپیش لیکویڈیٹی کی مشکلات کو حل کرنے کے لیے بھی کام کر رہی ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ کمپنی کو بہت زیادہ مطلوب نقدی وسائل فراہم ہوں جس سے کام کے منصوبوں اور پرعزم سرمایہ کاری کی فنڈنگ کے لیے کچھ مہلت ملے گی۔ پائپ لائن میں موجودہ منصوبوں کو مدنظر رکھتے ہوئے، کمپنی کا کیپٹل اسٹرکچر مناسب ہے۔

کمپنی کو تیل کی قیمتوں اور شرح مبادلہ میں اتار چڑھاؤ کے خطرے کا بھی سامنا ہے جس کا براہ راست اثر اس کی آمدنی پر پڑتا ہے اور لہٰذا نقد وصولی پر بھی پڑتا ہے۔ سال کے دوران مجموعی اخراجات کے لیے کمپنی مقرر کردہ کنٹرولز کی نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ سالانہ حد کے مطابق ہیں۔

فروخت آمدن

رواں سال کے دوران تقابلی سال کے مقابلے میں فروخت آمدن میں 53,770 ملین روپے کا اضافہ ہوا ہے۔ یہ اضافہ 61,142 ملین روپے کی قیمت (بشمول شرح مبادلہ میں تبدیلی) کے مثبت تغیر کے سبب ہوا ہے، 7,372 ملین روپے کے منفی حجم کے تغیر سے جزوی طور پر کمی ہے۔

قیمتوں میں مثبت تغیر اوسطاً خام تیل کی قیمتوں میں اضافے کی وجہ سے ہے جو تقابلی سال کی 53.6 امریکی ڈالر فی بیرل کی قیمت کے مقابلے میں رواں سال کے دوران بڑھ کر 90.3 امریکی ڈالر فی بیرل تک پہنچ گئی، اس کے ساتھ ساتھ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے بھی ہے (تقابلی سال میں اوسط شرح مبادلہ 160.5 روپے تھی جو کہ رواں سال کے دوران 178.2 روپے رہی)۔

حجم میں منفی تغیر کی بنیادی وجہ سوئی، آدھی، نشپا، کندھکوٹ فیلڈز سے کم پیداوار ہے جو گمبٹ ساؤتھ، ڈھوک سلطان، لطیف اور شاہ بندر میں زیادہ پیداوار سے جزوی طور پر زائل ہوئی۔

فیلڈز اور مصنوعات کے لحاظ سے کمپنی کی فروخت آمدن کا تجزیہ ذیل میں دیا گیا ہے:

Sales Volumes	Unit	Year ended June 30, 2022	Year ended June 30, 2021
Natural Gas	MMscf	223,133	237,187
Crude Oil / NGL / Condensate	BBL	4,480,926	5,141,394
LPG	Metric Tonnes	116,083	115,601
Barytes *	Metric Tonnes	112,464	64,057

*بی ایم ای کی جانب سے تیار کیے جانے والے بیرائیٹ پاؤڈر اور خام بیرائیٹ اور خام لوہے کی کل فروخت کا مجموعی حجم سال کے دوران 240,090 میٹرک ٹن رہا۔ بی ایم ای کی جانب سے پی پی ایل کو اپنی پیداوار فروخت کرنے اور پی پی ایل کا 50 فیصد حصہ لاگو کرنے کے بعد خالص حجم 112,464 میٹرک ٹن رپورٹ کیا گیا ہے۔

منفعت

رواں سال کمپنی کی فی شیئر آمدنی 19.68 روپے رہی جو سال 21-2020 میں 19.27 روپے تھی۔ منافع میں اضافے کی بنیادی وجوہات فروخت آمدن اور دیگر آمدن میں نمایاں اضافہ ہیں۔ اس کے علاوہ زیادہ ٹیکسز، تلاش کے اخراجات، دیگر اخراجات، رائلٹیز اور لیویز کے ساتھ ساتھ ایسوسی ایٹ (PIOL) کے نقصان کے حصے کی وجہ سے منافع کم ہوا ہے۔

ٹیکس میں اضافہ بنیادی طور پر رواں برس کے لیے 10 فیصد کی شرح سے اور آئندہ برسوں کے لیے 4 فیصد کے ساتھ سپر ٹیکس کے نفاذ کی وجہ سے ہے جس نے مؤخر ٹیکس چارج کو متاثر کیا ہے، جب کہ تلاش کے اخراجات میں اضافہ ہوا ہے کیوں کہ سوکھے ہوئے کنوؤں کی قیمت نقصان پر چارج کی جاتی ہے۔

مزید برآں، دیگر چارجز میں اضافہ بنیادی طور پر تیل / کنڈنسیٹ پر ونڈ فال لیوی کے لیے زیادہ فراہمی، سپئیل اسٹورز پر نقصان اور سال کے دوران پی پی ایل ایشیا میں سرمایہ کاری کی وجہ سے ہے۔

اس کے علاوہ، دیگر آمدنی میں نمایاں اضافہ بنیادی طور پر غیر ملکی کرنسی کے ذخائر پر ہونے والے زرمبادلہ کے منافع کے ساتھ ساتھ زیادہ شرح سود کی وجہ سے ہوا۔

تمام ممکنہ سنگین واقعات کی گہرائی سے تفتیش کی گئی اور ان کو دوبارہ ہونے سے روکنے کے لیے اقدامات کیے گئے۔ سال کے دوران لوسٹ ٹائم انجری کا صرف ایک واقعہ پیش آیا جس میں ایک کارکن نیچ ہٹ کی چھت پر تعمیراتی کام کے دوران سیڑھی سے گر گیا اور اس کے پاؤں میں فریکچر ہو گیا۔ اس کارکن کو فوری طبی امداد اور مکمل آرام کا موقع فراہم کیا گیا۔

QHSE کے تمام فوکس ایریاز میں اقدامات کیے گئے۔ QHSE کی سرگرمیوں کی مزید تفصیلات اس سالانہ رپورٹ کے QHSE سیکشن میں بیان کی گئی ہیں۔

مالی جائزہ

ڈائریکٹرز رواں سال کے لیے، منافع میں سے مندرجہ ذیل تخصیصات تجویز کرتے ہیں:

	2021-22 Rs. Million	2020-21 Rs. Million
Profit before Taxation	98,130.751	68,581.618
Taxation	(44,584.587)	(16,150.218)
Profit after Taxation	53,546.164	52,431.400
Unappropriated profit as at July 1, 2021 / 2020	302,937.471	257,007.666
Dividend Equalisation Reserve as at July 1, 2021 / 2020	2,535.354	2,535.354
	359,018.989	311,974.420
Appropriations during the year		
Final dividend for the year 2020-21 on ordinary shares @ 20% and preference shares @ 15% (2019-20: 10%)	(5,441.962)	(2,720.984)
Interim dividend for the year 2021-22 on ordinary and preference shares @15% (2020-21: 15%)	(4,081.475)	(4,081.475)
Other Comprehensive Income	324.248	300.864
Balance as at June 30, 2022/2021	349,819.800	305,472.825
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 20, 2022, proposed the following:		
Final dividend on ordinary shares @ 5% (2020-21: 20%)	1,360.487	5,441.946
Final dividend preference shares @ 5% (2020-21: 15%)	0.005	0.016
	1,360.492	5,441.962

ٹیکنیکل سروسز - ریزروائر مانیٹرنگ

ریزروائر مانیٹرنگ ایک مخصوص ٹیکنیکل گروپ ہے جسے ٹیکنیکل سروسز کے تحت قائم کیا گیا ہے تاکہ 3D ذخائر سمولیشن پر بنیادی توجہ کے ساتھ مربوط ذیلی سطح کے مطالعے کے ذریعے قدر پیدا کی جا سکے۔

آدم اور شہداد پور فیلڈز کے لیے عملے کے ذریعے 3D ریزروائر سمولیشن تحقیقات مکمل کی گئی ہیں جبکہ سوئی پب ریزروائر اور فضل فیلڈ کے لیے بھی اسی طرح کا مطالعہ جاری ہے۔ یہ تحقیقات ذخائر کی کارکردگی، پیداوار کی بہتری کی نشان دہی کی تفہیم اور ذخائر میں اضافے کے مواقع فراہم کرتی ہیں۔ عملے کے ذریعے ہونے والی تحقیقات کے نتیجے میں لاگت میں خاطر خواہ بچت ہوئی ہے۔

ذخائر کا انتظام

ہائیڈروکاربن ذخائر میں نظر ثانی، اضافے اور سال کی پیداوار کی بنیاد پر، کمپنی کے تصدیق شدہ ذخائر کی تجدید کی شرح تقریباً 37 فیصد ہے۔ یہ اضافہ پارٹنر آپریٹڈ جگن-1 اور موہر-1 فیلڈ میں دریافت کے نتیجے میں ہوا ہے۔ مزید برآں نظر ثانی، بنیادی طور پر آدھی، ناشپا، ساون، میانو اور ٹل بلاک سے آئی۔

معیار، صحت، حفاظت اور ماحول (QHSE)

کمپنی ہائیڈروکاربن کی محفوظ پیداوار میں تسلسل کو یقینی بنانے کے لیے بین الاقوامی معیارات اور صنعتی طریقوں کو اپناتی ہے۔ آپ کی کمپنی تسلیم کرتی ہے کہ عملے اور ٹھیکیداروں کی آپریشنل حفاظت اور صحت، کاموں کا اعلیٰ معیار، اور آپریشن کے ماحولیاتی اثرات کو کم سے کم کرنا کمپنی کے آپریشنل امتیاز اور کارپوریٹ ذمے داری کو فروغ دیتا ہے۔

کیو ایچ ایس ای (QHSE)، پی پی ایل کی کاروباری منصوبہ بندی، حکمت عملی سے متعلق فیصلہ سازی اور اہداف کی نشاندہی کا لازمی جزو ہے۔ ادارے میں تحفظ کی روایت کو فروغ دینے کے لیے کیو ایچ ایس ای کی مختلف سرگرمیوں میں عملے کی شمولیت کو یقینی بنایا جاتا ہے۔

QHSE پالیسی اور نفاذ کا فریم ورک

پی پی ایل انتظامیہ کاروباری سرگرمیوں کے تمام شعبوں میں QHSE معیارات کو برقرار رکھنے اور اسے مسلسل بہتر بنانے کے لیے پرعزم ہے۔ ہم پختہ یقین رکھتے ہیں کہ QHSE مینجمنٹ سسٹم کا نفاذ تمام کاروباری معاملات میں مسلسل بہتری کو بڑھاتا ہے اور بیرونی اسٹیک ہولڈرز کے لیے قدر میں اضافہ کرتا ہے۔
PPL نے QHSE پالیسی تیار کی ہے تاکہ عملے، ٹھیکیداروں اور دیگر اسٹیک ہولڈرز کے اہم کرداروں اور ذمے داریوں کی وضاحت کی جائے جو کمپنی کے آپریشنز کا حصہ ہیں۔ یہ پالیسی انڈسٹری کے مروجہ طریقوں کے مطابق QHSE کی سرگرمیوں کو منظم کرنے کے لیے ایک فریم ورک اور سمت فراہم کرتی ہے۔

مقامی سرگرمیاں

نئے بلاکس

پی پی ایل نے بولی راؤنڈ 2022 میں شرکت کی اور 4 دریافتی بلاکس کی عارضی گرانٹ حاصل کی۔ ان بلاکس کی تفصیلات کا خلاصہ ذیل میں دیا گیا ہے:

قلات ویسٹ

- پی پی ایل کو بلاک بطور آپریٹر 50 فیصد حصہ داری کے ساتھ دیا گیا ہے۔ ایم پی سی ایل یکساں حصہ داری کے ساتھ مشترکہ منصوبے کا شراکت دار ہے۔

سوئی نارتھ

- پی پی ایل کو بلاک بطور آپریٹر 50 فیصد حصہ داری کے ساتھ دیا گیا ہے۔ ایم پی سی ایل یکساں حصہ داری کے ساتھ مشترکہ منصوبے کا شراکت دار ہے۔

دادھر

- پی پی ایل کو یہ بلاک 30 فیصد شراکت کے ساتھ دیا گیا ہے۔ ایم پی سی ایل نے 40 فیصد شراکت کے ساتھ آپریٹرشپ حاصل کی ہے اور یوای پی ایل 30 فیصد حصہ داری کے ساتھ مشترکہ منصوبے کا شراکت دار ہے۔

مچھ

- پی پی ایل کو یہ بلاک 30 فیصد شراکت کے ساتھ دیا گیا ہے۔ ایم پی سی ایل نے 40 فیصد شراکت کے ساتھ آپریٹرشپ حاصل کی ہے اور یوای پی ایل 30 فیصد حصہ داری کے ساتھ مشترکہ منصوبے کا شراکت دار ہے۔

فارم-ان کاوشیں

بسکہ

- زین ہوا آئل کی 33.5 فیصد حصہ داری، آپریٹرشپ کے ساتھ 13 مئی 2022 کو پی پی ایل کو منتقل کردی گئی تھی۔ اس وقت، پی پی ایل کے پاس 82.5 فیصد شراکت کے ساتھ آپریٹرشپ ہے اور بقیہ 17.5 فیصد زین ہوا کے پاس ایک مشترکہ منصوبے کے شراکت دار کے طور پر ہے۔

ایسٹرن آف شور انڈس بلاک - سی

- پی پی ایل نے ای این آئی پاکستان سے 60 فیصد شراکت کے ساتھ آپریٹرشپ حاصل کی تھی۔ اب پی پی ایل کے پاس بلاک میں 100 فیصد شراکت کے ساتھ آپریٹرشپ ہے۔

تنوع

پی پی ایل کے معدنیات اور کان کنی کے کاروبار کو وسعت دینے اور نئے مواقع کی نشان دہی کرنے کے لیے معدنیات کی دریافت کی ایک وقف ٹیم قائم کی گئی ہے۔ متعلقہ سرگرمیوں کی تفصیلات ذیل میں فراہم کی گئی ہیں:

ریکوڈیک پروجیکٹ کی تشکیلِ نو

- حکومت پاکستان کے فیصلے کی بنیاد پر، کمپنی کے بورڈ آف ڈائریکٹرز نے تانبے اور سونے کے سب سے بڑے غیر ترقی یافتہ ذخائر میں سے ایک کی مائننگ کے لیے حکومت پاکستان، او جی ڈی سی ایل، حکومت بلوچستان، جی ایچ پی ایل اور بیرک گولڈ کارپوریشن کے ساتھ از سرِ نو تشکیل شدہ ریکوڈیک پروجیکٹ میں شرکت کرنے کے لیے ایک غیر پابند فریم ورک معاہدہ کرنے کا فیصلہ کیا ہے۔ کمپنی او جی ڈی سی ایل اور جی ایچ پی ایل سمیت ریاستی ملکیتی اداروں کے کنسورشیم کے ذریعے شرکت کرنے کا ارادہ رکھتی ہے جس کے تحت منصوبے میں ہر ایک کے پاس کنسورشیم کے 25 فیصد اسٹیک کے 8.33 فیصد شیئرز ہیں۔ دیگر شراکت داروں میں بیرک گولڈ کارپوریشن (50 فیصد) اور حکومت بلوچستان (25 فیصد) ہیں۔ فریم ورک معاہدے کے لحاظ سے، پابند انتظامات کے مؤثر ہونے

سے پہلے کئی شرائط کو پورا کرنا ضروری ہے جس میں دیگر چیزوں کے علاوہ انتظامی اور قانونی منظوریوں کی حصولی قطعی معاہدوں پر عمل درآمد، مالی نظام کا استحکام اور قانونی اور عدالتی توثیق شامل ہیں۔ کمپنی نے منصوبے میں اپنے ایکویٹی اسٹیک کے حصے کے طور پر ایسکرو اکاؤنٹ میں 187.5 ملین امریکی ڈالر کی رقم کا ڈپازٹ بھی ادا کیا ہے۔

- 30 جون 2022 کو ختم ہونے والے سال کے مالی گوشواروں کے نوٹس میں لین دین کی مزید تفصیلات بشمول ایسکرو اکاؤنٹ پر قابل ادائیگی مارک اپ/ ایسکرو اکاؤنٹ میں فنڈز کا اجراء اور طویل اسٹاپ تاریخ کا ذکر کیا گیا ہے۔

دیگر معدنیات

معدنیات کی تلاش کے نئے لائسنس کے لیے بلوچستان منرل ریسورسز لمیٹڈ (BMRL) کو ایک بولی جمع کرادی گئی ہے۔

سرمایہ کاری کے بڑے اخراجات کا کاروباری استدلال

سال کے بڑے منصوبوں سمیت تمام سرمایہ کاری کے اخراجات کی منظوری کمپنی کی حکمت عملی اور خطرات کے انتظام کے فریم ورک کے مطابق دی گئی۔ ان منصوبوں میں ممکنہ وسائل کی تلاش، نئی دریافتوں کو پیداواری سلسلے سے جوڑ کر پیداوار میں اضافہ، پیداواری کنوؤں کی کھدائی اور پختہ فیلڈز سے قدرتی تنزل کو روکنے کے لیے کمپریشن کی تنصیب اور کان کنی کے منصوبے شامل ہیں۔

ملک میں طویل عرصے سے گردشی قرضوں کے مسئلے کی وجہ سے کمپنی کو درپیش لیکویڈیٹی کی فراہمی میں درپیش مشکلات کو مدنظر رکھتے ہوئے، بجٹ سائیکل کے آغاز سے پہلے ورک پروگرام کے لیے دستیاب وسائل وضع کیے گئے تھے جن کی بنیاد پر سرمایہ کاری کے اخراجات کو حتمی شکل دی گئی تھی۔ معاشی طور پر بہترین اور فائدہ مند تجاویز پر مزید کام کے لیے سرمایہ مختص کیا گیا۔

اہم منصوبے اور توسیع

اس سال کمپنی اپنے کاروبار میں تنوع لانے کے تحت تانبے اور سونے کی کان کنی کے منصوبے کے لیے ایک غیر پابند معاہدہ کیا۔ اس کی تفصیلات کا ذکر کاروباری تنوع کے سیکشن میں کیا گیا ہے۔ مزید برآں کمپنی نے ابوظہبی بولی راؤنڈ میں آف شور بلاک 5 حاصل کر کے بین الاقوامی سطح پر اپنے آپ کو وسعت دی ہے۔ کمپنی کا منصوبہ ہے کہ اپنے کان کنی کے آپریشنز کو بیرائٹ، سیسہ، زنک منصوبے کے ساتھ لوہے کی کان کنی کے ذریعے بھی وسعت دے۔

سب سرفیس ٹیکنالوجیز اور سپورٹ سروسز

- پی پی ایل نے حال ہی میں خاران ایسٹ اور خاران بلاکس، بلوچستان میں 750 مربع کلومیٹر پر محیط ایک اعلیٰ کثافت، کم فریکوئنسی 3D سائزمک سروے ڈیزائن کیا اور کامیابی سے ڈیٹا کا حصول کیا ہے۔ اس مقصد کے لیے پاکستان میں پہلی بار 4- 10Hz فریکوئنسی تکنیک کا استعمال کیا گیا۔
- پی پی ایل سائزمک ڈیٹا پروسیسنگ سینٹر کے ہارڈ ویئر اور سافٹ ویئر کی صلاحیت میں اضافے کے لیے اسے اپ گریڈ کیا جا رہا ہے۔
- کور لیب کو (عملے کے ذریعے لیب میں ہی) ذخائر سے مطابقت رکھنے والے ماحول سے ہم آہنگ کرتے ہوئے مکمل روٹین کور تجزیہ کرنے کے لیے اپ گریڈ کیا گیا ہے۔
- پی پی ایل نے مختلف معدنیات کی بصری خصوصیات کی نشاندہی کے لیے سادہ اور پولرائزڈ روشنی کے تحت ہائی ریزولوشن پیٹروگرافک تجزیہ کرنے کی اضافی صلاحیت بھی حاصل کر لی ہے۔

ہرنائی

آپریٹر: ایم پی سی ایل

- کشش ثقل اور مقناطیسی ڈیٹا کے حصول کے لیے تیاریاں جاری ہیں۔
- آؤٹ کروپ کے نمونوں پر جیولوجیکل فیلڈ ورک کے بعد کا تجزیہ مکمل ہوگیا۔
- عملے کے ذریعے ارضی اور ارضی طبعیاتی جانچ جاری ہے۔

زیارت

آپریٹر: ایم پی سی ایل

- دریافتی کنوئیں بولان ایسٹ-1 سے ابتدائی پیداوار چلتن فارمیشن سے جاری ہے۔
- دریافتی کنوئیں بولان ساؤتھ-1 کو مزید جانچ کے لیے بند کرکے معطل کردیا گیا ہے۔
- 3D سائزمک کا حصول جاری ہے اور منصوبہ شدہ 234 مربع کلومیٹر میں سے 188 مربع کلومیٹر رقبے پر ڈیٹا حاصل کرلیا گیا ہے۔

پاکستان انٹرنیشنل آئل لمیٹڈ (پی آئی او ایل)

آف شور بلاک 5، ابوظہبی (پاکستان انٹرنیشنل آئل لمیٹڈ)

- ٹیا بلاک، او جی ڈی سی ایل، ایم پی سی ایل اور جی ایچ پی ایل کے کنسورشیم جو پی پی ایل کی زیر قیادت ہے، کو دے دیا گیا۔
- اگلے سال میں پہلے کنوئیں کی کھدائی کی توقع کے ساتھ دریافت اور تشخیص کا کام شروع کردیا گیا ہے۔
- مالی سال ختم ہونے کے بعد، کمپنی نے 10 ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری کی ہے۔ اس کے نتیجے میں کمپنی کی مجموعی ایکویٹی سرمایہ کاری بڑھ کر 35 ملین امریکی ڈالر ہوگئی ہے۔

نئے بلاکس، فارم ان اور فارم آؤٹ سرگرمیاں

اپنی کاروباری حکمت عملی کے تحت، خطرات کو بھانپتے ہوئے کمپنی اپنے پورٹ فولیو کو مزید وسعت دینے اور بہتر بنانے کے لیے باقاعدگی سے اثاثوں میں فارم ان اور فارم آؤٹ کرتی ہے۔ زیر نظر سال کے دوران متعدد سرگرمیاں کی گئیں جن کا خلاصہ ذیل میں دیا گیا ہے:

بین الاقوامی سرگرمیاں

مڈل ایسٹ، افریقہ اور فار ایسٹ کے علاقے

- کمپنی خطے میں نئے بین الاقوامی ای اینڈ پی مواقع کی خبر رسانی کر رہی ہے اور امکانات کا جائزہ لے رہی ہے۔

پیزو

آپریٹر: او جی ڈی سی ایل

- رستی کے ممکنہ ذخائر کے لئے 2D سائزمک ڈیٹا کی پی ایس ڈی ایم پروسیسنگ مکمل ہوگئی۔
- عملے کے ذریعے بیسن ماڈلنگ مکمل کرلی گئی۔

شکر گنج ویسٹ

آپریٹر: او جی ڈی سی ایل

- 850 لائن کلومیٹر 2D سائزمک ڈیٹا کی تشریح اور نقشہ سازی مکمل کی گئی۔
- 2D سائزمک پی ایس ڈی ایم پروسیسنگ کے لیے بولیاں منگوانے کا عمل جاری ہے۔
- عملے کے ذریعے ارضی اور ارضی طبعیاتی جانچ جاری ہے۔

سلیمان بلاک

آپریٹر: او جی ڈی سی ایل

- ابتدائی جیولوجیکل فیلڈ ورک مکمل کرلیا گیا۔
- 120~ لائن کلومیٹر 2D سائزمک ڈیٹا کی پی ایس ٹی ایم ری پروسیسنگ جاری ہے۔
- عملے کے ذریعے ارضی اور ارضی طبعیاتی جانچ جاری ہے۔

پی پی ایل کے ذیلی/ملحق ادارے

پی پی ایل ایشیا ای اینڈ پی بی. وی

بلاک-8، عراق

- مالی سال ختم ہونے کے بعد، مڈ لینڈ آئل کمپنی، عراق (MdOC) نے دریافت، ترقی اور پیداواری خدمت کے معاہدے کے منسوخ ہونے/ختم ہونے کی اطلاع دی ہے اور بقایا تمام واجبات اور وصولیوں کو ادا کرنے اور معاہدے کو ختم کرنے کے حوالے سے کارروائی کا آغاز کرنے کی ہدایت کی ہے۔ کمپنی متعلقہ وقت پر مناسب اقدامات کرے گی۔

پی پی ایل یورپ ای اینڈ پی لمیٹڈ

بلاک 3- یمن

آپریٹر: ٹوٹل انرجائز ای پی یمن

- ملک میں بدامنی کی وجہ سے اپریل 2015 سے ناگزیر صورت حال کے تحت کام بند ہے۔

ساؤتھ خاران

- 5,000 ~ لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا کی پروسیسنگ اور تشریح مکمل کی گئی۔
- 2D سائزمک ڈیٹا اور دیگر ارضی اور ارضی طبعیاتی ڈیٹا کے ساتھ کشش ثقل اور مقناطیسی ڈیٹا کا عملے کے ذریعے انضمام جاری ہے۔

پی پی ایل آپریٹڈ نارتھ ایسٹ کے بلاکس

ان بلاکس میں دریافتی سرگرمیوں کا خلاصہ ذیل میں دیا گیا ہے

ڈھوک سلطان

- ذخائر میں قدرتی ٹوٹ پھوٹ (fractures) کی نشان دہی کے لیے 350 مربع کلومیٹر پر حاصل کیے گئے 3D سائزمک ڈیٹا کی 3D سائزمک فریکچر ریزروائر کی خصوصیت جانچنے کی تحقیق جاری ہے۔
- 350 مربع کلومیٹر 3D سائزمک ڈیٹا کی عملے کے ذریعے پی ایس ٹی ایم/پی ایس ڈی ایم ری پروسیسنگ مکمل ہو چکی ہے جب کہ تشریح اور نقشہ سازی کی جا رہی ہے۔
- موصل امکان کے لئے 3D سائزمک ڈیٹا پر اسٹرکچرل ماڈلنگ کی تحقیق مکمل ہو گئی ہے۔

حصال

- عملے کے ذریعے پی ایس ڈی ایم ری پروسیسنگ اور 160 مربع کلومیٹر 3D سائزمک ڈیٹا کی تشریح مکمل ہو چکی ہے۔
- عملے کے ذریعے فریکچر کی خصوصیت کی تحقیق مکمل ہو گئی ہے۔
- مصریال کے ممکنہ ذخائر پر 230 مربع کلومیٹر 3D سائزمک ڈیٹا کا حصول جاری ہے۔

کرسال

- 280 پی ایس ڈی ایم لائن کلومیٹر 2D ڈیٹا کی ری پروسیسنگ جاری ہے۔
- بلاک کے بقیہ امکانات کا تجزیہ کیا جا رہا ہے۔

پنجاب

- 7,787 لائن کلومیٹر کشش ثقل اور مقناطیسی سروے کا حصول، پروسیسنگ اور تشریح مکمل کی گئی۔
- عملے کے ذریعے پی ایس ٹی ایم 1,240 لائن کلومیٹر 2D سائزمک ڈیٹا کی ری پروسیسنگ مکمل کی گئی، جب کہ 400 لائن کلومیٹر ڈیٹا پر پی ایس ڈی ایم پروسیسنگ جاری ہے۔
- عملے کے ذریعے بیسن ماڈلنگ کی تحقیق مکمل کی گئی۔
- 350 لائن کلومیٹر 2D سائزمک ڈیٹا کے حصول کے لئے بولیاں منگوانے کا عمل جاری ہے۔

پارٹنر آپریٹڈ بلاکس

ان بلاکس کے حوالے سے دریافتی سرگرمیوں کا خلاصہ ذیل میں کیا گیا ہے۔

ڈگری

آپریٹر: یو ای پی ایل

- بلاک کے بقیہ امکانات کا تجزیہ کیا جا رہا ہے۔

لطیف

آپریٹر: یو ای پی بیٹا

- لطیف بلاک میں گیس کی دریافت کے طور پر دریافتی کنوئیں جگن-1 اور موہر-1 کو کامیابی سے مکمل کیا گیا ہے۔
- دریافتی کنوئیں متھرو-1 کو غیر حتمی جانچ کے نتائج کے بعد مزید جانچ کے لیے بند کر دیا گیا تھا۔

جھرک

آپریٹر: این ایچ ای پی ایل

- آگے بڑھنے کا فیصلہ کرنے کے لیے ٹیکنو کمرشل جانچ کو حتمی شکل دی جا رہی ہے۔

خضدار نارتھ

آپریٹر: او جی ڈی سی ایل

- حاصل کردہ 472 لائن کلومیٹر ڈیٹا کی پروسیسنگ اور تشریح مکمل کی گئی۔
- جیولوجیکل فیلڈ ورک کے بعد تحقیق جاری ہیں۔
- 2D سائزمک ڈیٹا کی ری پروسیسنگ جاری ہے۔

کوٹری نارتھ

آپریٹر: یو ای پی ایل

- چوتھے دریافتی کنوئیں خانوٹ-1 کی کھدائی اور جانچ مکمل ہو گئی ہے۔ جانچ کے حوصلہ شکن نتائج کی وجہ سے، کنوئیں کو مزید جانچنے کے لیے معطل کر دیا گیا تھا۔
- کنوئیں کی کھدائی کے بعد کا تجزیہ اور بلاک کے بقیہ امکانات کی جانچ جاری ہے۔

کوہان

آپریٹر: یو ای پی ایل

- ری پروسیس شدہ 2D سائزمک پر تشریح اور نقشہ سازی مکمل ہو گئی۔
- کشش ثقل اور مقناطیسی اور 2D سائزمک ڈیٹا کے حصول کے ساتھ ساتھ جیولوجیکل فیلڈ ورک کے لیے تیاریاں جاری ہیں۔
- ارضی اور ارضی طبعیاتی تجزیہ جاری ہے۔

قلات

- پندرانی X-1 کی کھدائی مکمل کر لی گئی۔ تاہم حوصلہ شکن نتائج کی وجہ سے کنوئیں کو بند کر کے ترک کر دیا گیا۔ کنوئیں کی کھدائی کے بعد میں ہونے والا تجزیہ جاری ہے۔
- 2022-23 میں تیسرے دریافتی کنوائیں مراد X-1 کھودنے کی تیاریاں جاری ہیں۔
- 2D سائزمک ڈیٹا کے حصول کے لیے بولیاں منگوانے کا عمل جاری ہے۔

خاران اور خاران ایسٹ

- 3,872 لائن کلومیٹر کشش ثقل اور مقناطیسی سروے کا حصول، پروسیسنگ اور تشریح مکمل ہو چکی ہے۔
- 750 مربع کلومیٹر 3D سائزمک ڈیٹا کا حصول مکمل ہو گیا جب کہ اس کی پروسیسنگ جاری ہے۔
- خاران ایسٹ بلاک میں 200~ لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول جاری ہے۔

خضدار

- 100 لائن کلومیٹر 2D سائزمک ڈیٹا کے حصول کا منصوبہ بنایا گیا ہے تاکہ بلاک کے بقیہ امکانات کو ممکنہ کھدائی کے لیے حتمی بنایا جا سکے، جو سیکیورٹی کلیئرنس سے مشروط ہے۔
- سائزمک کے حصول کے لیے وزارتِ دفاع سے این او سی حاصل کرنے کی کوششیں جاری ہیں۔

مرگند

- اسکلولیڈ پر 2D سائزمک ڈیٹا کے حصول کے لیے بولیاں منگوانے کا عمل جاری ہے۔
- عملے کے ذریعے مربوط ارضی اور ارضی طبعیاتی تحقیق جاری ہے۔

موسیٰ خیل

- حاصل شدہ 3,244 لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا کی پروسیسنگ اور تشریح مکمل ہو گئی ہے۔
- 622~ لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول جاری ہے۔

نوشیروانی

- 1,454 لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا کا حصول، پروسیسنگ اور تشریح مکمل کی گئی۔
- خاران ایسٹ میں 2D سائزمک ڈیٹا کے حصول کے مکمل ہونے کے بعد نوشیروانی میں 100 لائن کلومیٹر 2D سائزمک ڈیٹا حاصل کیا جائے گا۔

ایسٹرن آف شور انڈس -C

- 9 جون 2021 سے کمپنی نے ای این آئی پاکستان سے 60 فیصد شراکت کی دلچسپی کے ساتھ آپریٹر شپ حاصل کی ہے۔
- 402 مربع کلومیٹر 3D اور 630 لائن کلومیٹر 2D دستیاب سائزمک کی ری پروسیسنگ جاری ہے۔
- عملے کے ذریعے مربوط ارضی اور ارضی طبعیاتی تحقیق جاری ہے۔

سیرانی

- خصوصی پی ایس ڈی ایم پروسیسنگ اور 160 مربع کلومیٹر 3D سائزمک ڈیٹا کی تشریح اور نقشہ سازی مکمل کی گئی۔
- مرغوب علاقے میں واقع ڈولفن X-1 کے منصوبہ شدہ دریافتی کنوئیں کے لیے تعمیراتی کی تیاریاں جاری ہیں۔
- عملے کے ذریعے 3D بیسن ماڈلنگ اور دیگر ارضی اور ارضی طبعیاتی تحقیق جاری ہے۔

شاہ بندر

- نئے حاصل شدہ 130 مربع کلومیٹر 3D کی پی ایس ڈی ایم پروسیسنگ اور 425 مربع کلومیٹر 3D سائزمک ڈیٹا کی دوبارہ پروسیسنگ مکمل ہو چکی ہے۔
- 3D پروسیسڈ شدہ اور ری پروسیسڈ شدہ ڈیٹا کی تشریح اور نقشہ سازی مکمل ہو چکی ہے جس کے نتیجے میں جھم ایسٹ بلاک میں دوسرے دریافتی کنوئیں کے طور پر کھدائی کے لیے متعین کر دیا گیا ہے۔

پی پی ایل آپریٹڈ سرحدی احاطے کے بلاکس

ان بلاکس میں دریافتی سرگرمیوں کا خلاصہ ذیل میں دیا گیا ہے

بارکھان

- سرفیس لیڈز کی رسائی کی تشخیص کے لیے تحقیقی سروے، جیولوجیکل فیلڈ ورک کے ساتھ جیولوجیکل فیلڈ ورک اور اس کے بعد کی تحقیق مکمل ہو گئی ہیں۔
- عملے کے ذریعے 3D بیسن ماڈلنگ کی تحقیق جاری ہے۔
- 3D سائزمک سروے کے ڈیزائن کی تحقیق کے لیے بولیاں منگوانے کا عمل جاری ہے۔

بنگہ

- زین ہوا آئل کی 33.5 فیصد شراکت کے ساتھ آپریٹر شپ مئی 2022 میں پی پی ایل کو منتقل کر دی گئی تھی۔
- 2022-23 میں پہلے دریافتی کنوئیں ڈورگ X-1 کھودنے کی تیاریاں جاری ہیں۔
- عملے کے ذریعے مربوط ارضی اور ارضی طبعیاتی تحقیق جاری ہے۔

بیلا ویسٹ

- بیلا ویسٹ X-1 کے بعد کنوئیں کی جیولوجیکل اسٹڈیز بشمول بایو اسٹریٹی گرافی، جیو کیمیکل اور سیڈی مینٹولوجیکل تجزیہ مکمل کیا گیا۔
- 370~ لائن کلومیٹر 2D سائزمک ڈیٹا کی پری-ایس ڈی ایم پروسیسنگ مکمل ہو گئی، جب کہ اس کی عملے کے ذریعے تشریح اور نقشہ سازی جاری ہے۔
- سیکوینس اسٹریٹی گرافی تحقیق جاری ہے۔
- بلاک کے بقیہ امکانات کا جائزہ لینے کے لیے عملے کے ذریعے مربوط ارضی اور ارضی طبعیاتی تحقیق جاری ہے۔

حب

- بلاک کے بقیہ امکانات کا جائزہ مکمل ہو گیا تھا۔
- 150~ مربع کلومیٹر کے حب X-1 کے دریافتی علاقے کو برقرار رکھنے اور بلاک کے بقیہ علاقے سے دست بردار ہونے کی درخواست ڈی جی پی سی کو جمع کرائی گئی۔

دریافتی پروگرام

اہم جھلکیاں

- پی پی ایل، پی پی ایل یورپ کے ساتھ مل کر آپریٹڈ ہالہ بلاک میں ایک دریافتی کنواں باذل X-1 اور پارٹنر آپریٹڈ بلاکس میں 3 کنوئیں کھودے گئے ہیں: لطیف بلاک میں موہر-1 اور متھر او-1 اور زیارت بلاک میں بولان ساؤتھ-1
- پارٹنر آپریٹڈ لطیف بلاک میں 2 دریافتوں جگن-1 اور موہر-1 کا اعلان کیا گیا۔
- پی پی ایل آپریٹڈ بلاکس میں کُل 754 مربع کلومیٹر 3D سائزمک ڈیٹا، 14,731 لائن کلومیٹر کشش ثقل اور 14,620 لائن کلومیٹر مقناطیسی ڈیٹا حاصل کیا گیا۔
- 2,693 لائن کلومیٹر 2D اور 1,315 مربع کلومیٹر 3D سائزمک ڈیٹا کی عملے کے ذریعے پروسیسنگ کی گئی
- پی پی ایل کی کور لیبارٹری کو تجزیے کے آلات کے ساتھ اپ گریڈ کیا گیا ہے۔
- پی پی ایل نے پاکستان بولی راؤنڈ 2022 میں شرکت کی اور ایم پی سی ایل اور یوای پی ایل کے ساتھ مشترکہ بولی جمع کروائی اور 2 بلاکس بطور آپریٹر اور 2 ایم پی سی ایل اور یوای پی ایل کے ساتھ شراکت میں حاصل کیے۔
- کیرتھر بلاک میں، 45 لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول کامیابی کے ساتھ مکمل کیا گیا۔

مزید تفصیلات متعلقہ اثاثوں کے تحت درج ہیں:

دریافت کا پورٹ فولیو

پی پی ایل، اپنی ذیلی اور شریک کمپنیوں کے ساتھ مل کر 41 دریافتی بلاکس کا پورٹ فولیو رکھتی ہے جس میں 25 آپریٹڈ اور 16 پارٹنر آپریٹڈ دریافتی بلاکس شامل ہیں۔ آپریٹڈ بلاکس میں 23 آن شور بلاکس ہیں جن میں ایک آف شور بلاک پاکستان میں اور ایک بین الاقوامی آف شور بلاک-5 ابوظہبی میں ہے۔ پارٹنر آپریٹڈ دریافتی اثاثوں میں یمن میں بلاک-3 شامل ہے۔ مزید برآں، 4 نئے بلاکس، 2 آپریٹڈ اور 2 پارٹنر آپریٹڈ علاقوں میں، حالیہ بولی کے نتیجے میں، عارضی طور پر دیے گئے ہیں۔ فی الحال ان بلاکس کی مستقل منتقلی کے لئے پٹرولیم رعایتی معاہدے پر عمل درآمد جاری ہے۔

کمپنی کے پاس حکمت عملی کے طور پر ایک متنوع دریافتی پورٹ فولیو ہے جس میں زیادہ پرخطر، درمیانے درجے سے زیادہ دریافتی امکانات اور کم خطر، نچلے/درمیانے دریافتی امکانات والے اثاثوں کا امتزاج ہے۔ کمپنی ممکنہ طور پر بڑی دریافتوں کے لیے زیادہ پرخطر اور زیادہ لاگت والے علاقوں میں سرمایہ کاری جاری رکھے ہوئے ہے کیوں کہ تیل اور گیس کی پختہ راہداریوں میں فی دریافت وسائل کا حجم کم ہوتا جا رہا ہے۔

سال کے دوران فراہم کیے گئے دریافتی ورک پروگرام کی بلاک وار تفصیل کا خلاصہ ذیل میں دیا گیا ہے:

پی پی ایل آپریٹڈ ساؤتھ اثاثہ بلاکس

گمبٹ ساؤتھ

- دریافتی کنوئیں قصر X-1 کو ہدف کی گہرائی تک کھودا گیا۔ تاہم، حوصلہ شکن نتائج کی وجہ سے، کنوئیں کو بند کر کے ترک کر دیا گیا ہے۔
- دریافتی کنوئیں شاہ پور چاکر نارتھ X-1 کی کھدائی کا آغاز جولائی 2022 میں کیا گیا اور کنوئیں کو ہدف کی گہرائی تک کھود دیا گیا تھا۔ جانچ کے لیے تیاریاں جاری ہیں۔
- نئے پروسیس شدہ 650 مربع کلومیٹر 3D سائزمک ڈیٹا کی تشریح اور نقشہ سازی مکمل کر لی گئی۔
- بادی X-1A ٹائٹ گیس کی دریافت کے لیے راک-فزکس ماڈلنگ اینڈ اے وی او اور ٹوزن فزیبلٹی تحقیق مکمل ہو چکی ہے۔ تاہم تیسرے فریق کے ذریعے مکمل فیلڈ کی مکمل تحقیق کو انجام دینے کی تیاریاں جاری ہیں۔

ہالہ

- دریافتی کنوئیں باذل X-1 کو ہدف کی گہرائی تک کھودا گیا۔ تاہم، جانچ کے حوصلہ شکن نتائج کی وجہ سے، کنوئیں کو بند کر کے ترک کر دیا گیا۔
- لوئیر گورو اپر سینڈ کے امکانات کی تقویم کا عمل مکمل کر لیا گیا ہے اور ایک دریافتی کنوئیں کی کھدائی کے لیے اسے متعین کیا گیا ہے۔
- عملے کے ذریعے ارضی اور ارضی طبعیاتی تحقیق بشمول لوئیر گورو کی تقویم اور میسو سینڈ (گہری) کے امکانات پر کام ہو رہا ہے۔

جنگ شاہی

- لائسنس سے دست برداری کے لیے ڈی جی پی سی کو درخواست دی گئی جو 31 دسمبر 2021 سے نافذ العمل ہے۔

کھیر وایسٹ

- کھیر وایسٹ X-1 کے دریافتی کنوئیں کو ہدف کی گہرائی تک کھود دیا گیا۔ تاہم، حوصلہ شکن نتائج کی وجہ سے کنوئیں کو بند کر کے ترک کر دیا گیا ہے۔
- کھیر وایسٹ X-1 کنوئیں کی جانچ پڑتال اور بلاک میں بقیہ امکانات کی تلاش کا کام جاری ہے۔

کوٹری

- بلاک کے لیے مربوط ڈیسکوپس اسٹریٹی گرافی تحقیق مکمل ہو گئی تھی۔
- اپر سینڈ کے امکانات کا جائزہ لینے کے لیے لوئر گورو سینڈ کے سائزمک ذخائر کی خصوصیات اور انورژن تحقیق جاری ہے۔
- بلاک کے بقیہ امکانات کا جائزہ عملے کے ذریعے جاری ہے۔
- لیر X-1 کی دریافت کی توسیعی جانچ (EWT) جاری ہے۔

نوشہرو فیروز

- بلاک کے بقیہ امکانات کا جائزہ جاری ہے۔

صورہ

- 860 مربع کلومیٹر 3D اور 250 لائن کلومیٹر 2D سائزمک ڈیٹا کے حصول کا ٹھیکہ دے دیا گیا۔ آج کل، ایک 3D سائزمک ڈیٹا کے حصول کا سروے جاری ہے۔
- دستیاب پرانے سائزمک اور کنوئیں کے ڈیٹا پر عملے کے ذریعے ارضی اور ارضی طبعیاتی تحقیق مکمل ہو گئی۔

- اگلے مالی سال میں آدھی میں 2 مزید کنوئیں اور ایک کنواں پانی کے بندوبست کے لیے کھودنے کا منصوبہ ہے۔
- ڈھوک سلطان کی آئل ہینڈلنگ فیسیلیٹی (OHF) اپریل 2022 میں شروع کی گئی تھی۔ جس سے 1,800 بی بی ایل یومیہ تیل، 3 ایم ایم ایس سی ایف یومیہ گیس اور 20 میٹرک ٹن یومیہ ایل پی جی کی پیداوار ریکارڈ کی جارہی ہے۔ گیس کو قریبی پاکستان آئل فیلڈ لمیٹڈ کی میال پروڈکشن سہولیات سے پروسس کیا جا رہا ہے۔

ہالہ، گمبٹ ساؤتھ، مزرانی اور بناری کے اثاثے

- کبیر X-1 کنوئیں سے پیداوار فروری 2022 میں دوبارہ شروع کی گئی تھی جس سے یومیہ 1~ ایم ایم ایس سی ایف گیس اور 80~ بی بی ایل کنڈنسیٹ پیداوار ہو رہی ہے۔
- حکومت پاکستان نے مزرانی ڈی اینڈ پی ایل کی اگست 2025 تک تجدید کی ہے اور گیس کی قیمتوں میں اضافے کو 3.75 امریکی ڈالر فی ایم ایم بی ٹی یو کرنے کی منظوری دے دی ہے۔
- کمپنی، غاز فرجی پی ایف منصوبے کے حوالے سے قانونی مسائل کو حل کرنے اور سائٹ کی تعمیر کا کام جلد از جلد شروع کرنے کی کوشش کر رہی ہے۔
- آدم ڈی اینڈ پی ایل (ہالہ) میں ایک اضافی پیداواری کنوئیں کی منصوبہ بندی کی جارہی ہے۔
- بشر فیلڈ کے ڈی اینڈ پی ایل کو ریگولیٹر نے منظور کیا تھا۔ جس پر 7 کلومیٹر فیڈ ر لائن کی تعمیر کے بعد مارچ 2022 میں ہالہ پلانٹ سے گیس کی پروسیسنگ کا کام شروع کیا گیا۔
- یسر X-1 دریافت (کوٹری بلاک) سے ابتدائی پیداوار مئی 2022 میں شروع کی گئی، جس سے اوسطاً 130 بی بی ایل یومیہ کنڈنسیٹ کی فروخت کی گئی۔

پی پی ایل کا مائننگ اثاثہ - بولان مائننگ انٹرپرائزز (بی ایم ای)

- بی ایم ای نے اپنی 45 سال سے زیادہ کی تاریخ میں مالی سال 22-2021 کے دوران اب تک کی سب سے زیادہ 240,090 میٹرک ٹن کی فروخت کامیابی سے حاصل کی ہے۔ پیداوار 237,009 میٹرک ٹن بیرائٹ رہی جو گزشتہ سال کے مقابلے میں 87 فیصد زیادہ ہے۔
- بی ایم ای نے 21,600 میٹرک ٹن لوہے کی پیداوار کی جو گزشتہ سال کی پیداوار کے مقابلے میں تقریباً 3 گنا زیادہ ہے۔
- گنگا، خضدار کی کان کے مقام پر مائنز کی تیاری اور دھات کی سطح پر موجود غیر ضروری مٹی اور پتھر کو ہٹانے کا کام جاری ہے جو قابل فروخت گریڈ بیرائٹ نکالنے کے لئے معاون ہوگا۔
- خام لوہے کے سطحی ذخائر (شیلو بیئرنگ آئرن اور ہوراہزنز اسٹینڈز) کی تصدیق / جیوٹیکنیکل تحقیق کے لیے 2000 میٹر کی کھدائی مکمل ہوگئی۔
- خام لوہے کو نکالنے کے ساتھ ساتھ پچینکوہ (نوکنڈی) میں اوپن پٹ بلک اسکیل بچ مائننگ / ڈیویلپمنٹ اور سطح پر موجود غیر ضروری مٹی اور پتھر کو ہٹانے کے کام جاری ہیں۔
- پچینکوہ میں خام لوہے کے کرشنگ (پیائی کے) پلانٹ کی تنصیب کا کام کامیابی سے مکمل کر لیا گیا۔
- خضدار میں جگنگ (jigging) پلانٹ کی تنصیب اور اس کا آغاز کرنے کے لیے تعمیراتی کام جاری ہے جس سے فروخت کے لیے اعلیٰ درجے کے بیرائٹ کی دستیابی میں مدد ملے گی۔
- بیرائٹ لیڈ زنک (BLZ) کے منصوبے پر عمل درآمد ہو رہا ہے۔

پارٹنر آپریٹڈ اثاثے

کارکردگی کے جائزے کے ساتھ پارٹنر آپریٹڈ علاقوں کی اہم سرگرمیاں درج ذیل ہیں:

کیرتھر

- کمپریشن کی تنصیب سے متعلق تحقیق مکمل ہو چکی ہے اور اس کے بعد کمپریسرز کی خریداری کی جارہی ہے جسے 23-2022 میں مکمل کرنے کا ہدف ہے۔
- رزق ڈی اینڈ پی ایل میں پیداواری کنواں رزق-4 گیس پیداکنندہ کے طور پر کامیابی کے ساتھ مکمل ہو چکا ہے۔
- رحمٰن ڈی اینڈ پی ایل میں، پیداواری کنوئیں رحمٰن-8 (ST-2) کو آپریشنل رکاوٹوں کی وجہ بند کر کے معطل کر دیا گیا تھا۔

ناشپا

- پیداواری کنوئیں میلہ-8 اور ناشپا-11 کی کھدائی جاری ہے۔

قادر پور

- پیداواری کنواں QP-63 مکمل ہو چکا ہے جب کہ اس کا بنیادی تجزیہ اور فریک ماڈلنگ تحقیق جاری ہے۔
- فرنٹ اینڈ کمپریسرز کی تجدید کی گئی اور یونٹ-C اور یونٹ-B سے پیداوار کا آغاز کیا گیا اور وہ بالترتیب جنوری 2022 اور اپریل 2022 سے تسلی بخش کام کر رہے ہیں۔
- اسٹینڈ بائی یونٹ-A کو میکانیکی طور پر مکمل کر لیا گیا ہے اور اس سے پیداوار کا آغاز مالی سال کے اختتام تک متوقع ہے۔

میانو

- پیداواری کنوئیں میانو-26 کو مزید جانچ کے لیے عارضی طور پر بند کر دیا گیا ہے۔

ٹل

- تولنج ویسٹ ڈی اینڈ پی ایل میں پیداواری کنوئیں تولنج ویسٹ-2 کو نظر ثانی شدہ گہرے ہدف کی گہرائی تک کھود دیا گیا۔ لاگ کے حوصلہ افزا نتائج کی بنیاد پر کنوئیں کو جانچا گیا اور ہائیڈروکاربن کی دریافت کا اعلان کیا گیا۔ یہ اعلان مالی سال کے اختتام کے بعد کیا گیا۔ آج کل کنوئیں کی تکمیل کا عمل جاری ہے۔
- مرمزئی کمپریسرز سے پیداوار کا آغاز ہو چکا ہے جو تسلی بخش طریقے سے چل رہے تھے۔ جس سے یومیہ 10 ایم ایم ایس سی ایف فوری اضافی گیس حاصل کی گئی۔
- منزلائی کے ثانوی کمپریسرز کی خریداری ہو رہی ہے اور یہ منصوبہ 23-2022 تک مکمل ہونے کی توقع ہے۔

ساون

- فرنٹ اینڈ کمپریشن کی تبدیلی کے منصوبے کی تکمیل کے بعد اس سے پیداوار کا آغاز کر دیا گیا ہے۔

لطیف

- نئی دریافتوں جگن اور موہر سے پیداوار کا کامیابی کے ساتھ آغاز کر دیا گیا ہے۔
- 2015 میں کی گئی ایک معمولی دریافت، لطیف ساؤتھ، سے پیداوار کا آغاز جگن دریافت کے ساتھ مل کر کامیابی سے کر دیا گیا ہے۔
- تکمیل کی سالمیت کو بحال کرنے کے لیے لطیف-10 ورک اوور کو کامیابی سے مکمل کیا گیا۔

پیداوار

مجموعی طور پر گزشتہ سال کے مقابلے میں مساوی یونٹس کے اعتبار سے کمپنی کی پیداوار میں تقریباً 5 فیصد کمی واقع ہوئی ہے۔ پیداوار کے لحاظ سے تجزیہ ظاہر کرتا ہے کہ گیس کی پیداوار میں 5 فیصد کمی اور مائع میں 11 فیصد کی کمی آئی ہے جب کہ ایل پی جی کی پیداوار میں پچھلے سال کے مقابلے میں 1 فیصد کا تھوڑا سا اضافہ ہوا ہے۔ گیس اور کنڈنسیٹ / این جی ایل / تیل کی پیداوار میں کمی کی بنیادی وجہ کندھ کوٹ گیس فیلڈ سے گیس کی کم خریداری اور پختہ فیلڈز (آدھی، ناشپا اور ٹل بلاکس) میں قدرتی تنزل ہے۔

گزشتہ سال کے مقابلے میں موجودہ سال کی پیداوار (پی پی ایل کی خالص) کا موازنہ ذیل میں دیا گیا ہے:

	2021-22	2020-21
Natural Gas (MMscf)	263,481	276,309
Crude Oil / NGL / Condensate (Thousand Barrels)	4,560	5,132
LPG (Metric Tonnes)	116,498	115,835

سال کے دوران ہائیڈروکاربن کی پیداوار بشمول مشترکہ آپریشنز سے کمپنی کی گیس کا حصہ اوسطاً تقریباً یومیہ 722 ایم ایم ایس سی ایف، تیل / این جی ایل / کنڈنسیٹ 12,493 بیرل یومیہ اور ایل پی جی یومیہ 319 میٹرک ٹن رہا ہے۔

کمپنی کے اہم صارفین میں سوئی سدرن گیس کمپنی لمیٹڈ، سوئی ناردرن گیس پائپ لائنز لمیٹڈ، سینٹرل پاور جنریشن کمپنی لمیٹڈ اور اٹک ریفائنری لمیٹڈ شامل ہیں۔

پیداواری کنوئیں

کمپنی نے سال کے دوران 8 پیداواری کنوئیں کھودے۔ آدھی میں 2، جب کہ کیر تھر، ٹل، ناشپا میانو اور قادر پور کے پارٹنر آپریٹڈ علاقوں میں 6 کنوئیں کھودے گئے۔

ان ترقیاتی سرگرمیوں نے پیداواری شعبوں سے پیداوار کو بہتر بنانے میں مدد دی۔

پیداواری فیلڈز - اہم جھلکیاں

- سوئی فیلڈ، ایک پختہ فیلڈ ہونے کی وجہ سے پیداوار میں کمی کی طرف مائل ہے، تنزل کے اس عمل کو سست کرنے کے لئے مختلف اقدامات کئے جا رہے ہیں جس میں ورک اوور اور پیداوار میں اضافے کے اقدامات شامل ہیں۔
- کندھ کوٹ سے پیداوار میں کمی GENCO-II کی جانب سے کم خریداری کی وجہ سے ہوئی۔ تاہم، مالی سال کے اختتام تک پیداوار میں بہتری دیکھی گئی، جس کی وجہ سے سال بہ سال کی کمی میں جزوی طور پر تخفیف کی گئی۔
- ڈھوک سلطان آئل ہینڈلنگ کی سہولت اپریل 2022 میں شروع کی گئی تھی۔
- گمبٹ ساؤتھ سے پیداوار میں اضافہ ہوا جس کی بنیادی وجہ جی پی ایف IV فیز-2 سے پیداوار کا آغاز ہے جس نے پورے سال کے آپریشن پر اثر ڈالا۔
- آدھی فیلڈ سے سال کے دوران پانی کی پیداوار، متعین کردہ حجم سے زیادہ ہوئی جس کے نتیجے میں ہائیڈروکاربن کی پیداوار میں کمی واقع ہوئی۔
- گزشتہ سال کی چوتھی سہ ماہی کے دوران بیناری کنوئیں سے پیداوار کا آغاز ہوا۔ کنوئیں نے تقریباً 8 ایم ایم ایس سی ایف ڈی (مجموعی) کی پورے سال کی اوسط پیداوار کے ساتھ اپنے ابتدائی تخمینوں سے بہتر کارکردگی کا مظاہرہ کیا ہے۔
- پارٹنر آپریٹڈ فیلڈز نے پی پی ایل کے مجموعی پیداواری حجم میں یومیہ تقریباً 218 ایم ایم ایس سی ایف (پی پی ایل کا حصہ) کی شراکت کی ہے۔ زیادہ تر فیلڈز پختگی کے مرحلے میں ہونے کے باعث قدرتی تنزل کا شکار ہیں، سوائے لطیف کے، جہاں دو نئے کنوؤں کے شروع ہونے سے اس کمی کو پورا کرنے میں مدد ملی ہے۔

پی پی ایل آپریٹڈ پیداواری اثاثے

کمپنی آپریٹڈ پیداواری اثاثوں کی تفصیلات ذیل میں بیان کی گئی ہیں۔

سوئی اور کندھ کوٹ اثاثہ

- سوئی اور کندھ کوٹ کی فیلڈز سے اوسط یومیہ پیداوار 334 ایم ایم ایس سی ایف اور 102 ایم ایم ایس سی ایف رہی، جو بالترتیب 7 فیصد اور 12.5 فیصد کی کمی کو ظاہر کرتی ہے۔ اس کی وجہ سوئی میں قدرتی تنزل اور کندھ کوٹ میں Genco-II کی جانب سے کم مقدار میں گیس کی خریداری ہے۔
- سوئی میں پب کے کنوؤں سے مائع نکالنے کے لیے پب لیکوئیڈ ہینڈلنگ کی سہولت کو کامیابی کے ساتھ نصب کیا گیا اور اس کا آغاز کر دیا گیا۔
- فیلڈ کی صلاحیت کا جائزہ لینے اور عملے کے ذریعے مربوط اثاثہ ماڈل کا استعمال کرتے ہوئے مستقبل کی پیش کارکردگی سے متعلق سرگرمیوں کی منصوبہ بندی کرنے کے لیے سال کے دوران کنوؤں کی جانچ، پروڈکشن لاگنگ اور باٹم ہول پریشر کے سروے بھی کیے گئے۔
- سال کے دوران سوئی پیوریفکیشن پلانٹ میں کولنگ ٹاور کی مرمت، ایس ایف جی سی ایس میں ٹربو جنریٹرز کی اپ گریڈیشن، سوئی کے کنوؤں پر فیڈر لائن کے کٹاؤ کو روکنے کے لیے دہری سطح کی فٹنگ، کنڈنسیٹ اسٹوریج ٹینکوں کا تیسرے فریق کے ذریعے معائنہ اور کندھ کوٹ میں فائر واٹر نیٹ ورک سمیت کئی دیگر تجدیدی سرگرمیاں شامل تھیں۔
- کندھ کوٹ گیس فیلڈ کے قریب واقع 30 سال پرانے بیلا ڈھورو پُل کی بحالی کا کام ایک سال کے دوران مکمل ہوا۔ یہ پُل مقامی لوگوں کے لیے گزرگاہ ہونے کے علاوہ کندھ کوٹ کے کنوؤں تک رسائی کے لیے بڑی اہمیت کا حامل ہے۔

آدھی / ڈھوک سلطان اثاثہ

- سال کے دوران آدھی ساؤتھ-7 کی کھدائی کامیابی کے ساتھ مکمل کی گئی۔ اس سے 664 بی ایل یومیہ تیل اور 2.2 ایم ایم ایس سی ایف یومیہ گیس کا اضافہ متوقع ہے۔
- غیر متوقع طور پر پانی کی پیداوار اور آدھی ساؤتھ کے کنوؤں میں توقع سے زیادہ کمی کی وجہ سے آدھی کی پیداوار میں 18 فیصد کمی واقع ہوئی۔
- جون 2022 کے دوران آدھی ساؤتھ-5 کنوئیں کی کھدائی کا آغاز ہوا۔ اب اس کی کھدائی مکمل ہو گئی ہے اور جانچ جاری ہے۔
- آدھی-30 میں پانی کی زیادہ پیداوار اور کنواں بھرنے کی بناء پر پانی بند کرنے کا کام کیا گیا۔ کنوئیں کی تجدید کے بعد اس سے یومیہ 3 ایم ایم ایس سی ایف گیس اور 40 بی پی ایل پیداوار حاصل کی گئی۔
- پیداوار کو برقرار رکھنے کے لیے آدھی-9 اور آدھی-28 پر گیس لفٹ نصب کی گئی۔ جس کی بناء پر ان کنوؤں سے ابتدائی اضافہ 200~ بی پی ایل یومیہ ہوا۔

آپریٹنگ ماحول

گزشتہ چند برسوں سے پاکستان میں تیل اور گیس کی تلاش میں مشکلات کا سامنا ہے جو بنیادی طور پر پختہ بیسن کی وجہ سے ہے، جس کی وجہ سے بڑے پیمانے پر دریافتوں کے امکانات کم ہوتے ہیں جب کہ نئے بیسن میں دریافتی سرگرمیوں کے لئے زیادہ خطرات کے ساتھ ساتھ زیادہ لاگت بھی درکار ہوتی ہے۔ اگرچہ مقامی E&P کمپنیاں تیزی سے ختم ہونے والے ذخائر کو تقویت دینے اور کچھ دریافتیں کرنے کے لیے اپنی کھدائی اور تلاش کی سرگرمیاں جاری رکھے ہوئے ہیں، تاہم نئی دریافتیں کم ہائیڈرو کاربن مواد کے ساتھ سائز میں چھوٹی ہیں۔ دریافت کا اوسط سائز 380 Bcfe (سال 2000 سے قبل کھودے گئے کنوؤں) سے کم ہو کر صرف 12 Bcfe (2016-2021 کے دوران کھودے گئے کنوؤں) رہ گیا ہے۔ ذخائر کی عدم تجدید کے نتیجے میں ملک کی مقامی پیداوار میں Bcfd 4~ سے 3.5 Bcfd~ تک گیس میں اور 100,000~ سے 75,000 bbl/d~ تک تیل میں کمی واقع ہوئی ہے۔ یہ بات قابلِ ذکر ہے کہ E&P سیکٹر میں براہِ راست غیر ملکی سرمایہ کاری (FDI) گزشتہ برسوں میں کم ہو رہی ہے۔ تیل اور گیس کی پیداوار میں کمی کو روکنے کے لیے حکومت کو خاص طور پر سیکیورٹی کے اعتبار سے حساس علاقوں میں نئی کوششیں کرنے اور سہولت فراہم کرنے کے لیے جارحانہ اقدام کرنے کی ضرورت ہے۔ مزید برآں، ساحلی علاقے خاص طور پر کم گہرے ساحل میں تلاش کی سرگرمیوں کو بحال کرنے پر توجہ دینے کی ضرورت ہے۔ سرحدی بیسن اور دیگر غیر روایتی ہائیڈرو کاربن علاقوں میں E&P کی سرگرمیوں میں اضافہ مہنگے درآمدی ایندھن پر انحصار کم کرنے اور ملک میں مجموعی اقتصادی سرگرمیوں کو بڑھانے میں معاون ثابت ہوگا۔

پی پی ایل پاکستان کی سب سے بڑی E&P کمپنیوں میں سے ایک ہے، جس کا مقامی گیس کی پیداوار میں تقریباً 20 فی صد حصہ ہے۔ ملک کی بڑی گیس فیلڈز میں اس کی حصہ داری ہے جس میں خاص طور پر سرحدی اور ساحلی علاقوں میں دریافتی بلاکس کا امتزاج ہے۔ کمپنی، بین الاقوامی میدان میں پٹرولیم کے بڑے اداروں کے ساتھ مل کر ان امکانات کا جائزہ لے رہی ہے اور انہیں پختہ کر رہی ہے، جو اس کے بنیادی کاروبار کو ہم آہنگ کرتے ہوئے مستحکم آمدنی کے حصول کو ہدف بنا کر مجموعی طور پر ممکنہ خطرات کو کم کرنے/ان کا سامنا کرنے کی حکمت عملی وضع کرنے کے ساتھ ساتھ قومی سطح پر ماحول کی بہتری میں حصہ ڈال سکیں۔ پی پی ایل دو امتیازی شعبوں یعنی معدنیات/کان کنی اور توانائی کے شعبے میں غیر E&P مواقع میں تنوع کی کوششوں پر بھی توجہ دے رہا ہے، جس کا مقصد کمپنی کی مجموعی قدر اور منافع میں مزید اضافہ کرنا ہے۔

بیرونی عوامل

مندرجہ ذیل عوامل ملک میں تیل اور گیس کے شعبے کے آپریٹنگ ماحول میں کلیدی کردار ادا کرتے ہیں۔

خام تیل کی قیمتیں

بنیادی طور پر عوامل کے امتزاج کی وجہ سے سال 22-201 میں تیل کی قیمتوں میں زبردست اضافہ دیکھا گیا، ان عوامل میں تیل پیدا کرنے والے ممالک کی جانب سے پیداوار میں کٹوتیوں کے درمیان COVID-19 کے بعد دنیا کی معیشت میں توقع سے زیادہ تیزی کے ساتھ بحالی شامل ہے۔ مزید برآں، یوکرین کی جنگ نے تیل کی منڈیوں میں غیر یقینی صورتِ حال کو آگے بڑھنے میں اپنا کردار ادا کیا۔ جولائی 2021 کا مالی سال USD 76/BBL کے اضافے سے شروع ہوا، طلب کی وجہ سے ریکوری نے دوسری سہ ماہی میں بڑھتے ہوئے رجحان کو برقرار رکھا جس کی بناء پر اکتوبر 2021 میں تیل کی قیمت میں USD 84/BBL کا مشاہدہ کیا گیا۔ مالی سال کی تیسری اور چوتھی سہ ماہی میں 2014 کے بعد پہلی بار تیل کی قیمتوں میں تین ہندسوں پر مشتمل نشان دیکھا گیا جس کی وجہ روس اور یوکرین کا تنازعہ ہے جو فروری 2022 میں شروع ہوا اور اب تک جاری ہے۔ کمپنی کی آمدنی اور حکمتِ عملی پر تیل کی قیمتوں کا براہِ راست اثر پڑتا ہے، اس لیے ان کی کڑی نگرانی کی جا رہی ہے۔ تاہم، قیمت کے اتار چڑھاؤ کا اثر اس کی آمدنی پر کم ہو جاتا ہے کیوں کہ کمپنی کے پروڈکٹ مکس میں گیس غالب ہے اور اس کی قیمت تیل کی قیمتوں کے بدلتے ہوئے پیمانے پر کم ہوتی ہے۔

غیر ملکی کرنسی میں اتار چڑھاؤ

سال 22-2021 کے دوران PKR/USD کے تبادلے میں زبردست کمی دیکھنے میں آئی، جس کی بنیادی وجہ غیر ملکی ذخائر میں نمایاں کمی، خام تیل اور دیگر اشیا کی قیمتوں میں اضافہ اور سیاسی عدم استحکام کی وجہ سے کرنٹ اکاؤنٹ کا بڑا خسارہ ہے۔ جولائی 2021 میں مالی سال 162 روپے/USD سے شروع ہوا۔ رفتہ رفتہ، پاکستانی روپے میں اعلیٰ سطح کی غیر یقینی صورتِ حال کے ساتھ مسلسل کمی دیکھی گئی۔ بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں کی جانب سے پاکستان کی ریٹنگ میں کمی اور آئی ایم ایف کے فنڈنگ پروگرام میں تاخیر کی وجہ سے یہ کمی مزید بڑھ گئی۔ پاکستانی روپے نے مالی سال کے اختتام کے بعد +240 روپے کی بلند ترین سطح پر تجارت کی۔

تجارتی قابلِ وصول

covid-19 کے بعد توانائی کی طلب میں اضافے کے نتیجے میں تیل اور ایل این جی کی بڑھتی ہوئی بین الاقوامی قیمتوں کی وجہ سے رواں سال کے دوران گردشی قرضہ تیزی سے جمع ہوا جو روس اور یوکرین کے درمیان جاری جنگ کی وجہ سے مزید بڑھ گیا۔ خاص طور پر گیس کے شعبے کے گردشی قرضے میں اضافے نے پاور سیکٹر کے گردشی قرضے میں اضافے کو نمایاں طور پر پیچھے چھوڑ دیا ہے کیوں کہ صارفین کی گیس کی قیمتیں پورے سال جمود کا شکار رہیں۔ اس کے علاوہ روپے کی قدر میں کمی کے نتیجے میں گیس کی تقسیم کار کمپنیوں کے لیے گیس کی لاگت میں اضافہ ہوا جس کے نتیجے میں صارفین کے لیے گیس کی لاگت اور اس کی فروخت کی قیمت کے درمیان مسلسل بڑھتی ہوئی عدم مطابقت پیدا ہوئی۔ مزید برآں، سردیوں کے مہینوں میں گھریلو صارفین کو مہنگی ایل این جی کی فراہمی مقامی E&P کمپنیوں کے کیش فلو کو کم کرتی ہیں کیوں کہ گیس کی تقسیم کار کمپنیوں کی جانب سے ادائیگیوں کو RLNG درآمد کنندگان کی طرف موڑ دیا جاتا ہے۔

چنانچہ، گردشی قرضے کی وجہ سے سال کے دوران کمپنی کی وصولیوں میں نمایاں اضافہ ہوا جس نے گزشتہ سال کے دوران وصولیوں میں ہونے والے اضافے کے اثر کو تبدیل کر دیا۔ چوں کہ کمپنی کی آمدنی پر گیس کی فروخت کا غلبہ ہے اس لیے سال کے دوران صارفین سے وصولی مجموعی آمدنی کے 64 فی صد تک رہ گئی جو گزشتہ برس 89 فی صد تھی۔ دوسری طرف، کمپنی ایکروئل کی بنیاد پر ٹیکس، ڈیوٹی اور رائلٹی ادا کرتی ہے، جس سے کیش فلو پر مزید بوجھ پڑتا ہے۔

انتظامیہ، پٹرولیم ڈویژن کمپنیوں کے کنسورشیم کے ذریعے، گیس کے شعبے کے گردشی قرضے کے حل کے لیے توانائی اور خزانہ کی وزارتوں کے ساتھ اعلیٰ سطح پر مصروفِ عمل ہے جس کے لیے متعدد قابلِ عمل حلوں پر تبادلہ خیال کیا گیا ہے اور ان پر عمل درآمد کے لیے غور کیا جا رہا ہے۔ انتظامیہ گیس کی تقسیم کار کمپنیوں کے اعلیٰ انتظامیہ کے ساتھ ترجیحی ادائیگیوں کے لیے بھی مصروفِ عمل ہے تاکہ کمپنی پر بڑھتے ہوئے دباؤ کو کم کیا جا سکے۔ انتظامیہ اس مسئلے کے حل کے لیے اور کمپنی کے لیے بہت زیادہ ضروری نقدی وسائل لانے کے لیے ثابت قدم ہے جو ملک کی توانائی کو محفوظ بنانے کے لیے اس کی مستقبل کی دریافتی اور ترقیاتی سرگرمیوں اور معدنی تنوع کے منصوبوں کو سرمایہ دینے کے لیے ضروری ہے۔

جاری کارکردگی

پیداواری آپریشنز

آپ کی کمپنی فی الحال 9 پیداواری فیلڈز: سوئی، کندھ کوٹ، آدھی، گمبٹ ساؤتھ، ہالہ، مزارانی، چاچڑ، ڈھوک سلطان اور شاہ بندر، کو آپریٹ کر رہی ہے۔ اس کے علاوہ، کمپنی، پی پی ایل ای کے ساتھ، 13 پارٹنر آپریٹڈ پیداواری اثاثوں میں کاروباری شراکت رکھتی ہے۔ کمپنی جدید ٹیکنالوجی کا استعمال کرتے ہوئے پیداوار بڑھانے پر توجہ دے کر ملک کی توانائی کی ضروریات کو پورا کرنے میں اپنا کردار ادا کر رہی ہے۔ مزید برآں، کمپنی بولان مائننگ انٹرپرائز (BME) میں 50 فیصد کاروباری شراکت کے ساتھ آپریٹر ہے، یہ کمپنی اور حکومت بلوچستان کے درمیان ایک شراکتی منصوبہ ہے جو بیرائیٹ اور خام لوہے کی پیداوار کر رہا ہے

پاکستان پٹرولیم لمیٹڈ
ڈائریکٹرز رپورٹ
2021-22

ہم 30 جون 2022 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی ڈائریکٹرز رپورٹ اور آڈٹ شدہ مالی گوشوارے مع آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ سال کا کاروباری جائزہ مندرجہ ذیل پیراگراف میں اہم جھلکیوں کے ساتھ پیش کیا گیا ہے۔

تعارف

پاکستان پٹرولیم لمیٹڈ (پی پی ایل) ملک میں قدرتی گیس کی صنعت میں ایک بنیادی رہنما کی حیثیت رکھتی ہے اور 1950 کی ابتدا سے تیل اور قدرتی گیس کے ذخائر کی دریافت، ترقی اور پیداوار میں کلیدی کردار ادا کر رہی ہے۔ کمپنی کے موجودہ دریافتی اور پیداواری پروگرام کا دائرہ کار بین الاقوامی سطح پر متحدہ عرب امارات (یو اے ای) اور یمن میں موجودگی کے ساتھ پورے پاکستان میں پھیلا ہوا ہے۔ اس کے علاوہ، پی پی ایل بولان مائننگ انٹرپرائز (بی ایم ای) کے ذریعے، جو حکومت بلوچستان کے ساتھ 50 فیصد کی شراکت داری میں ہے، بلوچستان میں معدنی/کان کنی کے حقوق محفوظ رکھتی ہے۔

گروپ کی ساخت

کمپنی کے پاس تین ماتحت ادارے مکمل طور پر ملکیت میں ہیں: پی پی ایل یورپ ای اینڈ پی لمیٹڈ (PPLE)، پی پی ایل ایشیا ای اینڈ پی بی وی (PPLA) اور پاکستان پٹرولیم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ (PPPFTC)۔ یہ کمپنیاں اجتماعی طور پر 'گروپ' کہلاتی ہیں۔ مالی سال کے دوران کمپنی نے نئی تشکیل شدہ پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) ابوظہبی، یو اے ای (ایک متعلقہ کمپنی) میں 25 فیصد شیئرز حاصل کیے ہیں۔ PPPFTC کے علاوہ، مذکورہ بالا کمپنیاں بنیادی طور پر تیل اور قدرتی گیس کے وسائل کی دریافت، امکانات اور پیداوار میں مصروف عمل ہیں۔

کمپنی کی کاروباری حکمت عملی

آپ کی کمپنی اپنے تیل اور گیس کے ذخائر میں اضافے کیلئے دریافت پر مبنی ترقی کی اپنی حکمت عملی پر کاربند ہے۔ ساتھ ہی وہ اپنے پورٹ فولیو کو متنوع بنانے کے لیے کوشاں ہے تاکہ تمام شراکت داروں کے لئے منافع بخش کو یقینی بنایا جا سکے۔ کمپنی کی حکمت عملی کا خاکہ ذیل میں پیش کیا گیا ہے:

قدر کا تحفظ

- موجودہ فیلڈز سے پیداوار اور ذخائر کی ممکنہ حصولی میں بہتری
- دریافتوں سے ممکنہ طور پر کم سے کم وقت میں پیداوار کا حصول
- اہم پیشہ ورانسانی وسائل کی استعداد میں اضافہ اور انھیں کمپنی سے منسلک رکھنا

- اس بات کو یقینی بنانا کہ تمام سرگرمیاں معیار، صحت، تحفظ اور ماحول (QHSE) کے اعلیٰ معیار پر پورا اترتی ہیں
- مقامی آبادیوں میں ایک اچھے کاروباری شہری کی حیثیت سے پہچانا جانا
- عالمی سطح پر دستیاب ٹیکنالوجیز کے ذریعے پاکستان میں شیل (shale) گیس/تیل کے امکانات اور تجزیے کے لیے تحقیق اور تشخیص کرنا

کاروباری تنوع

- کان کنی/مائننگ کی صنعت میں آپریشنز کو وسعت دینا
- توانائی کے شعبے میں مواقع کا جائزہ لینا

سال کے دوران اہم کامیابیاں

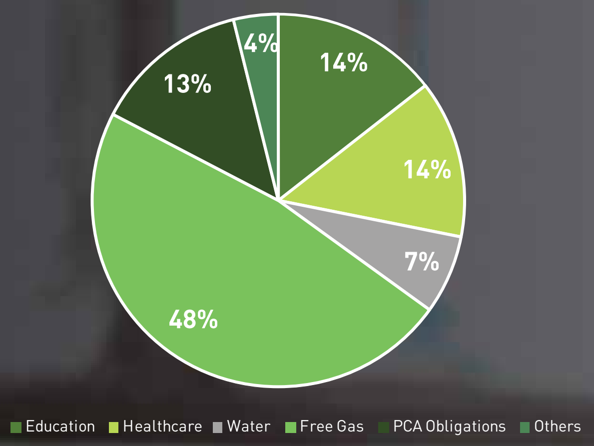
- اگست 2021 میں یو اے ای، ابوظہبی میں آف شور بلاک-5 کو پی پی ایل کی زیر قیادت چار کمپنیوں PPL، OGDCL، MPCL اور GHPL جس میں ہر ایک کمپنی کا شیئر 25 فی صد ہے، کے کنسورشیئم نے کامیابی کے ساتھ حاصل کیا۔ بلاک میں دریافتی سرگرمیوں کا آغاز ہو چکا ہے۔
- کمپنی نے تانبے اور سونے کے ذخائر کی پیداوار کیلئے ریکوڈک منصوبے میں حصہ لینے کے لیے ایک غیر پابند فریم ورک معاہدہ کیا ہے۔ فریقین معاہدے کو مکمل کرنے سے پہلے ان شرائط کو پورا کرنے کے عمل میں ہیں جس میں قطعی معاہدوں کو حتمی شکل دینا، کارپوریٹ منظوری اور قانونی وعدالتی توثیق شامل ہے۔
- پی پی ایل نے آپریٹڈ اور پارٹنر آپریٹڈ علاقوں میں 4 دریافتی اور 8 پیداواری کنوؤں کی کھدائی کی۔
- 2021-22 کے دوران پیداوار 808 MMScfde پر برقرار رہی باوجودیکہ GENCO کی جانب سے کندھکوٹ سے گیس کی کم خریداری کے علاوہ پختہ فیلڈز سے پیداوار کے انحطاط کی مشکلات بھی درپیش رہیں۔
- پی پی ایل نے مالی سال 22-2021 میں پارٹنر آپریٹڈ لطیف بلاک میں دو دریافتوں جگن-1 اور موہر-1 کا اعلان کیا۔ جگن-1 سے پیداوار اکتوبر 2021 اور موہر-1 سے جون 2022 میں شروع ہوئی جس کی شرح رفتہ رفتہ بالترتیب 25MMscfd~ اور 32MMscfd~ تک بڑھ گئی۔
- پی پی ایل نے اپریل 2022 میں مقامی بولی راؤنڈ کے نتیجے میں 4 بلاکس حاصل کیے تھے۔ قلات ویسٹ اور سوئی نارتھ کو پی پی ایل نے بطور آپریٹر حاصل کیا، جب کہ مچھ اور داوہر کو شراکت میں حاصل کیا گیا تھا۔
- اپریل 2022 میں ڈھوک سلطان سے ابتدائی پیداوار کے حصول کے لئے آئل ہینڈلنگ کی سہولت (جو کہ کرائے پر لی گئی ہے) کی تنصیب کے بعد پیداوار کا آغاز کر دیا گیا ہے جبکہ ڈھوک سلطان سے حاصل ہونے والی گیس کو پاکستان آئل فیلڈز لمیٹڈ کے میال پلانٹ کے ذریعے پروسیس کیا جا رہا ہے۔
- پارٹنر آپریٹڈ لطیف ساؤتھ-1 کی دریافت سے تجارتی پیداوار کا آغاز ہو گیا ہے۔
- کیبر X-1 (گمبٹ ساؤتھ) سے فروری 2022 میں دوبارہ پیداوار شروع کی گئی۔
- 2021-22 کے دوران 2,693 کلومیٹر لائن 2D اور 1,315 مربع کلومیٹر 3D سائزمک ڈیٹا کی ان ہاؤس پراسیسنگ مکمل کی گئی۔
- پی پی ایل آپریٹڈ خاران اور خاران ایسٹ بلاکس میں 750 مربع کلومیٹر 3D سائزمک ڈیٹا حاصل کیا گیا اور پارٹنر آپریٹڈ کیرتھر بلاک میں 45 لائن کلومیٹر 2D سائزمک ڈیٹا حاصل کیا گیا۔
- پی پی ایل آپریٹڈ خاران اور پنجاب بلاکس میں 14,731 لائن کلومیٹر کشش ثقل اور 14,620 مقناطیسی ڈیٹا کا حصول مکمل کیا گیا۔
- پی پی ایل کی 2020 سالانہ رپورٹ کو معتبر ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) ایوارڈ حاصل کیا اور اسے رکن ممالک کے پبلک سیکٹر میں پہلے انعام سے نوازا گیا۔
- پی پی ایل کو پاکستان سینٹر برائے فلانتھراپی نے مسلسل 16th سال عطیات کے حجم کے اعتبار سے سب سے بڑا کارپوریٹ ادارہ قرار دیا ہے۔

CORPORATE SOCIAL RESPONSIBILITY

PPL stands committed to principles of sustaining good governance practices through socio-economic development of underprivileged communities, environmental conservation, health and safety and human resource development in its areas of operations.

The Company has been vigorously playing its role as responsible corporate citizen and continues to contribute in development of human capital and infrastructure schemes at its producing and exploration areas. The areas include the healthcare, infrastructure development, utilities, education, skills enhancements etc. with the aim to directly impact the multiple layers of society.

CSR Breakup



Company's CSR Policy

The Company believes that the implementation of CSR is an effective tool to achieve mutual growth through socio-economic prosperity of the society at large. The purpose behind this comprehensive, all-encompassing policy is to provide a framework enabling the Company to meet its strategic objective of achieving the standing of a 'good corporate citizen' through sustainable development. PPL believes that a strong relationship with society in general and the surrounding communities in which it operates stimulates support for company's business operation, therefore, is imperative for national development and integration and for long term relationship necessary for sustainable business growth and company's repute as good corporate citizen.

Company's CSR Initiatives, Performance and Progress during the year

Free Gas Supply

PPL continued to supply free of cost gas to Sui town, thus indirectly subsidising locals' household expenditures and providing direct relief to all households of Sui.

Water Supply

Free water to the Sui town enabled the local population to meet their basic living needs. PPL also continued to supply potable water to locals at Ghaibi Dero through water bowzer at Kambar and operated water filtration plant at Sunjer Khan Junejo, near Adam field, District Sanghar.
During the year, the Company completed 11 water supply schemes, mostly solar based, to reduce additional cost of power for water supply and environmental improvement by reducing dependency on fossil fuels at village Wanda Mir Wali Surband, District Lakki Marwat, village Wanda Zar Khan Surband, District Lakki Marwat, village Wanda Kotriyan at District Dera Ismail Khan, village Abdul Rahman Chachar, District Kashmore, village Sardaro Khoso, District Kashmore, village Thariri & Madho Malik, District Kashmore, village Ghulam Hussain Chutta Veera, District Lasbella, village Siddique Mouza Gulrah, District Lasbella, village Murad, Wali Muhammad, District Lasbella, village Qadir Bux, and village Karuzai Dureji, District Lasbella and village Fazal Palari UC Dhamach, District Jamshoro.

Besides, PPL has completed installation of eight RO plants at village Bhiria road at District Naushahro Feroz, Allah Dino Khaskheli, Maqsooda Rind, Moa Chora, Baqir Nizamani and Lundo town at District Sanghar, Jam Sahib town and at village Ghanwer Chandio at district Shaheed Benazirabad.

Education

Formal Education

PPL has invested substantially to develop school infrastructure and provided facilities to improve and upgrade government schools at its producing and exploration areas. The Company:

- Continued to operate Sui Model School & Girls College, Dera Bugti, Balochistan with over 3,000 local students including around 100 female students at Girls College.
- Provided transport to local students of FC School & College, FG Public High School and Taleem Foundation School at Sui town.
- Financially supported operation & management of computer centre and library at Sui. PPL also installed a 20 KW solar system.
- Financially supported operations of three PPL-TCF primary and one secondary schools at Kandhkot, benefitting more than 600 students.
- Installed solar systems at PPL – TCF schools to ensure continuity of quality education.
- Provided school bags to 800 students of 18 Government schools near Dhok Sultan's Production Facility at Dakhnair, District Attock and 1,000 students at Government schools near Adhi Field at tehsil Gujjar Khan.

During the year, 36 educational infrastructure schemes were completed, including construction of academic blocks, science lab, classroom, sanitary facility and boundary wall etc. The infrastructure constructed by the Company at the schools will benefit over 5,000 students.

Scholarships

PPL is currently operating five scholarship schemes for deserving students from its production areas.

- Scholarships were provided to over 150 students to pursue higher professional education in the areas of education, medicine, business administration, IT and engineering. These students belong to District Dera Bugti, Kashmore, Sanghar, Matiari, Rawalpindi, Chakwal and Attock.
- Students belonging to District Dera Bugti and rest of Balochistan were awarded scholarships under four-year education plan to pursue higher secondary education.
- 100 scholarships were awarded to local students of Sui town to pursue their education at FC Public School and College, Sui, District Dera Bugti.
- 2 female alumni of Sui Model School & Girls College were awarded further assistance to study medicine.
- 21 physically impaired children of District Sanghar and Matiari were awarded scholarships to pursue primary and secondary level education at the Deaf Reach School at Rashidabad, District Tando Allahyar operated by the Family Education Services Foundation (FESF).

Skill Development

Due to local dynamics, a large segment of youth at the Company's producing areas lacks education and are unemployed. The Company feels that this segment of the society can be made useful members by imparting vocational skills to enhance livelihood opportunities.

For this purpose:

- PPL supported 19 students of District Sanghar & Matiari to pursue technical diploma in electronics trade at The Hunar Foundation, HAKTI Campus, Rashidabad at District Tando Allahyar.
- The Company financially supported Industrial Unit established at Mastala which provides opportunity to over 2,000 females to generate income for their livelihood.
- Over 70 students received basic computer literacy courses at Computer Training Centre, Sui enabling them to earn their livelihood.
- Youth (122 male and 117 female) of Sui Town were empowered to generate income for their livelihood by providing training of dress making, embroidery, school bag making, mobile repairing and electrician courses.

Healthcare

During the year, following medical services were provided in and around PPL's producing areas:

- Operations of PPL Public Welfare Hospital, Sui were financially supported which benefitted over 214,000 patients during the year.
- Patients of Sui town were provided free of cost consultation, treatment and medicine at PPL Sui Field Hospital.
- Over 115,000 patients were benefitted from mobile dispensaries at Mazarani, Kandhkot, Gambat South and Dhok Sultan coupled with public dispensary at Mastala, District Rawalpindi.
- More than 22,000 people benefitted from 13 surgical eye camps that were organized for the population residing in the surrounding areas of Sui, Kandhkot, Adhi, Dera Bugti, Kambar (Mazarani), Shahdadpur and Dakhnir & Chhab, district Attock.
- PPL financially supported Dr. Ruth Pfau Health Centre, Kandhkot which benefitted over 12,000 patients suffering from skin diseases including leprosy and various eye ailments.
- During the year, 9 health schemes were completed i.e. construction of dispensaries, staff quarters, provision of equipment and ambulances.

Infrastructure Development

PPL's contribution in infrastructure development caters for construction of roads and streets with drains. During the year, four infra-structure schemes were completed at District Kashmore, Sanghar, Rawalpindi and Attock.

CSR Plans

The Company plans to continue to develop the communities in which it operates by adequately investing through mandatory as well as voluntary contributions in the healthcare, education, skills development and civic amenities for the upliftment of the society.

CSR Recognition and International Standards Adopted

The Company's CSR contributions have been recognized by the Pakistan Centre for Philanthropy (PCP), an organization working to promote and record philanthropy and corporate giving in Pakistan through its annual philanthropic research surveys. To acknowledge the Company's multi-sectoral CSR program, PPL was ranked as the largest corporate giver by volume of donations for 16 consecutive years by Pakistan Centre for Philanthropy.

PPL's various projects in education, healthcare, livelihood generation and provision of water and sanitation facilities are in conformity with the United Nation's10 Sustainable Development Goals (SDGs). PPL also regularly submits communication in its monthly Progress magazine on UNGC's 10 principles which are linked to SDGs.

The renovated Bela Dhoro bridge in Kandhkot, District Kashmore

QUALITY, HEALTH, SAFETY & ENVIRONMENT

Your Company is committed to maintaining and continually improving Quality, Health, Safety and Environment (QHSE) standards in all spheres of business activities. We firmly believe that implementation of QHSE management system augment continual improvement in all business processes and add value to all stakeholders.

QHSE Policy

Functions, assets and department heads are accountable to ensure compliance with QHSE in their respective areas of responsibility and demonstrate pivotal leadership role in promoting QHSE culture within the organization. All employees and contractor's staff are responsible to implement QHSE requirements in their own benefit as well as of colleagues, contractors, visitors and community. The Company ensures implementation of the policy by:

- Defining SMART QHSE objectives and aligning targets with organizational goals and monitoring performance for continual development.
- Conducting risk assessment, incident reporting & investigations and occupational health surveillance to identify preventive measures and capture improvement opportunities.
- Fulfilling its QHSE and other compliance obligations.
- Rewarding and recognizing proactive efforts and initiatives of individuals.
- Protecting environment and ensuring minimum environmental footprint of its business activities.
- Ensuring that seat belt is fastened on all seats of vehicle by employees, contractors and visitors.
- Permitting smoking in designated areas only at PPL fields and locations.
- Continually improving QHSE standards by adopting new techniques, approaches and best industry practices addressing various business processes.

Environment related obligations applicable on the Company

The Company adheres to all the Federal and Provincial environmental regulations including climate change policy of the Federal Government. NOCs are obtained before the commencement of oil and gas exploration and production activities from the relevant regulatory authorities and regular compliance is ensured. Compliance reports for the adherence of applicable regulations are also timely submitted, as and when required by the regulatory authorities. The Company complies with the National Environmental Quality Standards.

Company's performance and progress towards initiatives during the year

COVID-19 Pandemic

- The fourth and fifth waves of COVID-19 surfaced during the reporting period across the globe including Pakistan.
- PPL's management steered the organization for minimizing exposure risk to its employees and operations by undertaking necessary precautions in line with Federal and Provincial government's notifications / guidelines. Meetings of Incident Management Team (IMT) were regularly held for reviewing emerging situation and making decisions accordingly.
- Focus remained on getting the employees fully vaccinated.
- Eligible dependents of PPL's employees were also facilitated to get vaccinated through awareness campaigns and vaccination arrangement at PPL's locations.
- As part of social responsibility, mobile vaccination units were activated to support government's vaccination drive.
- By demonstrating agility and resilience, the Company ensured smooth operations vis a vis safety of its employees and assets throughout the pandemic.

QHSE Automation

- PPL utilizes Velocity EHS software platform for gradual automation of QHSE processes. Since the inception of the implementation, a number of modules have been introduced e.g. Risk Assessment, Incident Investigation and Audits etc. During the reporting period, modules on Management of Change (MoC) and Sustainability Reporting (SR) were introduced followed by initiating series of hands on trainings for users.

Environmental Compliance Management

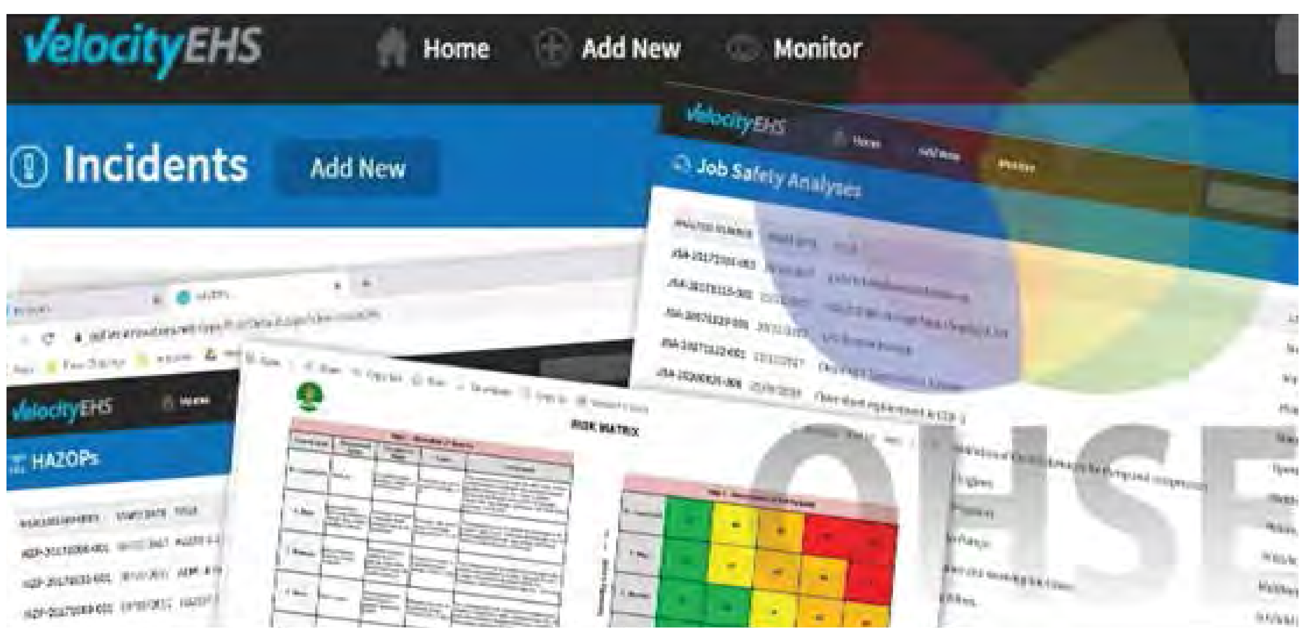
- Environmental NOC approvals are acquired from respective provincial EPAs in pursuance of environmental laws by undertaking Initial Environment Examination (IEE) / Environment Impact Assessment (EIA) studies for seismic and drilling projects.
- Independent Monitoring Consultant (IMC) was deputed at drilling, seismic & project sites on need basis to verify the compliance status against Environmental Management Plans (EMPs) of respective IEE / EIA Reports.
- Environmental Audits were carried as per plan of operating fields utilizing in-house resources in order to establish environmental risk profile associated with operational footprint.

Occupational Health Assessment

- Gap assessments were undertaken as per plan utilizing in-house resources in accordance with Occupational Health (OH) Manual during the reporting period. Key elements include fitness to task, OH risk assessment, OH surveillance, diseases analysis record, blood borne pathogens, kitchen and food hygiene, first aid, ergonomics, drug abuse and fumigations.

Mechanical Integrity / Technical Inspections

- To facilitate the field's management for implementation of inspection plans, call out agreements were placed for inspections of above ground & buried pipelines and pressure vessels.
- Inspection and certification of lifting gears including cranes also remained a core feature of integrity management to ensure safe ground operations. Testing of well safety system holds priority at PPL and is also carried out regularly at defined intervals to ensure proper functioning and reliability assurance.
- Cyclic HAZOPs (Hazard & Operability Study) of PPL Fields were facilitated as per plan with assistance of third party to assess risks associated with operations of plant and uplifting Process Safety Management (PSM) standards within the Company.



QHSE Trainings

- Various QHSE training and awareness sessions were held on managing QHSE at workplace, managing workplace stress and safe work practices. In addition, sessions for asset integrity management for selected staff were also conducted.

Company's Responsibility towards Staff, Health & Safety

The Company is committed towards its aim of ensuring zero accidents at workplace through adequate health and safety related communications with staff members. Management takes timely action on the observations, near-miss and actual health and safety related incidents reported by the employees to ensure its prevention. Enabling environment is provided to the employees for timely reporting through Velocity EHS which is a web-based portal accessible to all the employees. QHSE is ingrained in the overall corporate culture of the Company as it is a vital part of the corporate balance scorecard on which the Company's performance evaluation is done each year.

QHSE Plans

The Company continually ensures proactive acceptance of its responsibility and accountability for environmental imperatives. The Company continues to achieve operational excellence by embedding QHSE decisions in business decision making process. The Company remains committed to raising health, safety and environment related awareness among staff, suppliers and contractors to ensure better working environment for all the stakeholders.

Certifications Acquired and International Standards Adopted Related to QHSE

The Company has developed and implemented a QHSE Management System (QHSE MS) to satisfy the needs of its customers, employees, shareholders and the community at large to continuously improve performance of the Company in the areas of QHSE. The QHSE MS is consistent with the requirements of the following recognized international standards:

- ISO 9001
- ISO 14001
- ISO 45001
- ISO 50001

This enables the Company's management to implement formal systems for performance improvement in achieving the service quality, health and safety of its employees and other personnel as well as protection of the environment within and around the Company's premises and areas of operation.

The Company also adheres with the United Nation's Global Compact (UNGC) principles 7, 8 and 9 on environment that requires the Company to take precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility and deployment of environment friendly technologies.

RISKS AND OPPORTUNITIES REPORT

Key Risks Faced by PPL

Given below is a brief account of key risks faced by the Company, along with an assessment of the likelihood that the risk will materialize, the possible magnitude of the risks, mitigations during 2021-22, strategy to contain their impact within the Company's risk appetite and the capital impacted if the risk materializes.

CAPITALS - Legend

Financial	Intellectual	Natural	Human	Manufactured	Social & Relationship

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
Strategic Risks	INTERNAL • Inadequate or unsuccessful exploration activities	• Failure in maintaining the target Reserves Replacement Ratio	• Exploration acreage expansion through participation in domestic bid rounds while sharing costs and risks with reputable partners. Four blocks won in domestic Bid Round 2022 (two as operator and two as JV partner). • Timely execution of exploration work program.	
	• Delay in commercialization and development of discoveries	• Impaired economic value due to time loss and cost escalations	• Internal operations are being optimized to ensure earliest commercialization of discoveries. Dhok Sultan Oil Handling facility commissioned this year to produce from DS X-1 well. Litigation is still ongoing regarding Zafir GPF project.	
	EXTERNAL • Limited domestic exploration potential and lack of quality blocks in bidding rounds	• Failure in maintaining the target Reserves Replacement Ratio	• International opportunities, such as participation in bid rounds and farm-ins are under screening/evaluation for geographical portfolio balancing.	
	• Emerging new technologies and trends that may gradually replace the use of fossil fuels	• Reduced demand of fossil fuels in long run leading to low prices for oil and natural gas. These risks have moderate to high likelihood.	• Diversification opportunities, particularly in the Minerals Sector, are being pursued with the aim to increase revenue percentage of diversified income streams. BLZ project is in progress for Gunga deposits development. PPL entered into a non-binding framework agreement for development of copper and gold mine in Reko Diq.	
Financial & Commercial Risks	EXTERNAL • Delays in settlement of Company's dues by its customers, due to circular debt issues.	• Deteriorating circular debt is persisting since long and affects the Company's ability to add desirable economic value for the shareholders.	• Intensive cash collection efforts continued through high-level engagement with all stakeholders.	
	• Crude oil price volatility affecting profitability and cash flows of Company. • Exchange Rate volatility risk	• Crude oil price volatility affects profitability and budgeted cash flows of Company. • Gains in the Company's revenues from the exchange rate fluctuations are typically greater than the expenses.	• Crude oil prices remained high during the year due to better than expected recovery in world's oil demand and the Russia-Ukraine war. The impact on PPL's revenue is not proportional to the change in crude oil price as Gas dominates the product mix of PPL. Although, crude oil price and PKR devaluation has a net positive effect on the Company's profits, however, the impact on net cash flows may not be immediately positive as the collections are not increased timely viz-a-viz the increase in taxes. • Stress testing is carried out periodically for PPL work program against fluctuating crude oil price, and strategic adjustments are made, wherever required.	

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
	• Amendment in Petroleum Policy 2012 resulting in retrospective imposition of Windfall Levy on Oil (WLO) in Tal Block.	• Potential cashflow exposure of additional WLO is mentioned in notes to the unconsolidated financial statements These risks have a high likelihood except the potential WLO.	• Imposition of WLO is being challenged in the Court of law, and management is confident of a favorable outcome.	
Operational Risks	INTERNAL • Production decline from old mature fields due to natural depletion.	• Failure in achieving production targets and project value erosion	• Sui Compression Revamp Project is in progress to help arrest field production decline and optimize reserve recovery. Development drilling continued in producing wells to optimize production. 2 development wells were drilled in Adhi and 6 wells were drilled in Partner Operated areas resulting in production enhancement.	
	• Delays in projects for production enhancement from producing fields. • High operating costs of depleting fields.	• High economic cutoff, thereby reducing ultimate recoveries from mature fields • Delayed revenues and high OPEX per BOE • Lost production of remaining hydrocarbon potential of the fields.	• Costs are being optimized at mature fields, wherever possible. • Customer offtakes from Kandhkot field have significantly improved since April 2022.	
	EXTERNAL • Low customer offtakes from Kandhkot field.	• Accelerated depletion of PPL fields and loss of economic value.	• Sui ML extension awarded for one year up to May 2023 whereas Government is engaged and being followed up for grant / renewal of D&PL leases for Sui and Kandhkot.	
	• Expiry of producing fields' leases prior to economic cut off. • Reserves migration in producing fields across lease boundaries.	• Sub-optimal return on investment in partner operated areas. • Possible loss of hydrocarbons. These risks have moderate to high likelihood.	• Reserves migration studies are underway and engagement of stakeholders for settlement of issues and optimizing production strategies.	
Regulatory & Compliance Risks	INTERNAL • Non-compliance with applicable laws, rules, regulations, procedures, and policies.	• Penalties leading to suspension of licenses or regulatory approvals in extreme cases. • Reputational damage.	• All departments are required to ensure compliance with applicable laws and procedures. Review mechanisms are in place to identify instances of non-compliance, if any.	
	EXTERNAL • Delay in requisite approvals from the Government for allocation of oil and gas from new discoveries.	• Opportunity and time losses for the Company These risks have low to moderate likelihood.	• Regulatory authorities are being engaged and regularly followed up for grant of NOCs required for carrying out work program.	

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
Environment, Safety & Security Risks	INTERNAL • Major accidents due to human error or system failure.	• Injuries, fatalities, disruption of operations and associated losses	• QHSE is a core value at PPL. No fatalities occurred due to accidents during the year. • One Process Safety Event (PSE) occurred at Adhi field. Incident investigation has been completed, and mitigation strategy is under implementation. One LTI occurred at Beach Hut, Karachi.	
	• Spills or release of toxic waste into environment	• Damage to the environment leading to punitive actions by regulatory authorities and reputation damage	• No major environmental incidents occurred during the year.	
	EXTERNAL • Security incidents at locations	• Disruption in exploration and production operations	• No major security incident occurred during the year. However, security challenges are being faced in certain parts of the country regarding timely execution of the Work Program. Continuous efforts are being made to mitigate security risks, which include liaison with law enforcement & intelligence agencies and improved security infrastructure at well sites.	
	• Bio-security threats, such as COVID-19 pandemic	• Fatalities These risks have low to moderate likelihood.	• No fatality occurred due to COVID-19 or any other pandemic during this year. Compliance with biosecurity protocols is being observed.	
Technology Risks	EXTERNAL • Cybersecurity breach of digital IT & Operational Technology (OT) systems.	• Loss or misuse of data or sensitive information, business / production disruption These risks have low likelihood.	• No IT or OT Cybersecurity breach occurred during the year. IT vulnerability assessment and penetration testing is performed on annual basis. Assessments and safeguard enhancements for OT cybersecurity are being carried out.	
Reputation Risks	EXTERNAL • Negative Publicity / media coverage resulting in damage to the Company's reputation.	• Loss of confidence of stakeholders These risks have low to moderate likelihood.	• The Company proactively engages with all stakeholders and makes every effort to avoid any incident which can put its image in a negative perspective.	

KEY OPPORTUNITIES

All business development opportunities are screened and evaluated through investment value assurance processes for potential value creation. Diversification is also a part of growth strategy of the Company for balancing risks & rewards and creating additional revenue streams. Following is a brief account of some of the business expansion opportunities.

CORE BUSINESS

- In international operations, Company may leverage its presence in other countries in the region, such as UAE, to seek further business opportunities.
- Domestic offshore exploration is under focus for shallow marine offshore prospects and may offer opportunities that are within the Company's risk appetite. With acquisition of operatorship in the Offshore Indus C block, the Company is actively working to evaluate strategic potential of this segment.
- New domestic bidding rounds offer an opportunity to further expand the prospect inventory for future growth in its core business. Additionally, Company may exploit opportunities offered through international bidding rounds as and when announced.

DIVERSIFICATION

- PPL has the opportunity to diversify into minerals segment as it already has presence through BME. In the current year, PPL has also entered into a non-binding framework agreement to venture into the reconstituted Reko Diq copper and gold mining project.
- Investment opportunities in energy industry segments incentivized by the Government, such as power generation from renewable sources, could be explored.

STAKEHOLDERS' ENGAGEMENT

The Company ensures timely, open and transparent communication with all of its stakeholders through interactions at multiple levels. The Company regularly monitors its relationship with stakeholders which include all entities having direct or indirect relationship with the Company's business. The Company's major stakeholders and their engagement process is depicted below:

Shareholders

- Annual General Meeting including Q&A session to address shareholders' queries
- Extraordinary General Meetings for special resolution approvals from shareholders of the Company
- Investors' section on the Company's website contains financial reports, financial highlights, financial calendar, PSX notices, proxy forms etc

Regulators

- Engagement with Ministry of Energy (Petroleum Division) for approvals and interventions
- Engagement with OGRA for price notifications
- Regular notices on PSX website
- Compliance with SECP requirements
- Engagement with regulatory bodies at Provincial level
- Engagement with tax regulators

Employees

- Team building sessions to improve communication
- Regular Training & Development of staff through physical and online courses
- Employee engagement activities including annual dinner and family picnic
- Communication to employees through Corporate Intranet

Local Communities

- Infrastructure development in the communities we operate in, including roads, schools, health care facilities etc.
- Free supply of Gas and Water to the locals
- Job creation for the local communities
- Skills development for the unemployed youth in partnership with local NGOs including scholarships
- Vocational training institutes

Financial Institutions

- Company maintains relationship with the bankers to facilitate financial transactions, payments and receipts
- Other financial institutions are also engaged for investment of funds

Customers/ Suppliers

- Regular meetings with customers i.e. gas and LPG distributers, refineries etc.
- Various Pre-and Post-bid meetings are held with the suppliers to clarify bid requirements
- Transparent bidding process and query resolution through online portal
- Grievance committee reviews supplier grievances

Analysts/Media

- Analyst briefing is held to share details regarding results of the Company, its upcoming plans and to address the queries of analysts
- Media engagement is managed through Corporate Communication department
- Various interviews and news paper articles are posted through media outlets

Joint Venture Partners

- Active engagement through Operational Committee / Technical Committee meetings
- Peer reviews of major investment and work program decisions
- JV audits

Needs and Interests of Key Stakeholders

The Company strives to adequately address the needs and interests of its key stakeholders:

- Shareholders' requirement of return on their investment is met through steady stream of dividends, although the payout has been low amid the aggravating circular debt.
- Shareholders are given adequate opportunity to be heard and get their queries resolved.
- Healthy relationships are maintained with the regulators by timely meeting the regulatory requirements.
- Local communities are given the opportunity to identify their needs which are fulfilled through best-in-class CSR program.
- Employee needs are fulfilled by giving them adequate return for their performance.
- Information requirements of analysts/media is fulfilled by holding analyst briefing session.
- The Company also regularly interacts with its JV partners for deciding on key decisions in the operating blocks.

FUTURE OUTLOOK

Forward Looking Statement

PPL's growth strategy strives to play an anchor role in enhancing energy security of Pakistan while maximizing stakeholder value creation. The Company's strategic blueprint provides a detailed strategic way forward for consolidating key upstream stakes (national and international), exploration of new basins in Joint Ventures, growth into value-adding areas in the energy value chain and diversification into minerals for steady revenue and cashflows.

The Company is striving to discover hydrocarbons in high-risk frontier basins where chances of bigger discoveries are higher as compared to the mature basins of Pakistan. PPL has planned extensive 2D seismic campaign in Kharan East, Margand, Musakhel, Nausherwani and Punjab blocks. Additionally, plan for 3D Seismic data acquisition has been chalked out in Sorah and Hisal blocks. These surveys will enable the Company to evaluate potential and prospectivity of the areas. Moreover, drilling plan of new exploration wells in Gambat South, Kalat, Shah Bandar and Hala Blocks has been finalized. Discoveries in these wells will add value to the Company's reserves base.

On the international front, the PPL led consortium of major Exploration and Production (E&P) companies in Pakistan including OGDCL, GHPL and MPCL were awarded offshore Block 5 in Abu Dhabi by ADNOC. Pakistan International Oil Limited (PIOL) has been incorporated by the consortium in Abu Dhabi Global Market to undertake the exploration and appraisal activities in this block. During the current fiscal year, PIOL has already initiated its exploration and appraisal program and it is expected that company will drill the 1st well in the block in the next calendar year.

In pursuit of diversifying its revenue base and circular debt-stricken cashflows, the Company along with consortium partners of State Owned Enterprises (SOEs) including OGDCL and GHPL, entered into a non-binding framework agreement leading to participation in one of the world's largest undeveloped copper-gold mining projects at Reko Diq. The agreement has been entered into with the Government of Pakistan, Government of Balochistan and Barrick Gold Corporation of Canada. The project, once materialized, has the potential to give a new lease of life to PPL with steady cashflows. The project will also bring much needed foreign exchange reserves in the Country. The joint venture partners are currently in the process of fulfilling conditions precedent as laid out in the framework agreement that are expected to be completed shortly. The project initiation is subject to corporate, judicial and legislative approvals. The Company is also undertaking Baryte Lead Zinc (BLZ) project, where full scale development activities will commence in near future. Reko Diq and BLZ have a significant potential to grow and provide steady returns in future.

Sustainable production from producing fields is an integral part of the Company's strategy. The Company is making its utmost efforts to maximize the production from its aging fields. In this regard, several well intervention jobs and workovers are planned in the next fiscal year. Additionally, development wells are also planned in Sui, Adhi and Hala fields to arrest natural decline in production from these mature fields. The Company has recently commissioned oil handling facility in Dhok Sultan field whereas, GPF-IV compression project in Gambat South will be completed next year. In addition, Phase-I of SML compression project is also planned in Sui to boost production from the country's oldest gas producing field.

Effect of External Environment on Company's Business

Currently, Pakistan is facing high interest rates, rising inflation, oil prices and rapidly devaluing currency, all of which have a direct impact on aggravating current account deficit of the Country. The rising inflationary pressure in the international market on the back of Russia-Ukraine war may adversely impact the achievement of Country's economic targets for the next fiscal year. It is also worth mentioning that the Company's revenues and majority of the costs are USD denominated, therefore, rising oil prices and devaluing currency has a net positive impact on the Company's bottom-line. However, the impact on cash flows is not proportional due to circular debt and levies which are paid on accrual basis. Political stability to maintain conducive economic environment in the country is essential and will enable the continuity of economics policies and strategic direction, especially the resolution of circular debt. On the social front, being a responsible corporate citizen, the Company will continue its efforts for underprivileged section of communities, bridging developmental gaps in the key areas of healthcare, education, skill development etc. We are also determined to protect the environment in which we operate through strict compliance and monitoring of environmental regulations. Company is also making efforts to have presence in Low-Carbon opportunities including renewables.

Performance of the Company as against forward looking disclosures made last year

On the exploration front, 2D/3D seismic acquisition was done in Kirthar, Kharan and Kharan East blocks to examine the prospectivity of these blocks. Seismic acquisition that was planned in Kalat, Sorah, Musakhel and Nausherwani has been moved to FY 2022-23.

Furthermore, Pandrani X-1 and Khipro East X-1, high-risk exploratory wells that were spud in during last year were completed during the current year and were declared as dry and abandoned. As disclosed above, the Company plans to acquire seismic data in FY 2022-23 to further tap higher prospective frontier basins to target bigger discoveries.

To ensure increase in production plateau from the producing fields and arrest natural decline, the Company drilled two development wells in Adhi field in addition to various workovers and well intervention jobs done at Adhi and Sui fields. The Company successfully commissioned Dhok Sultan oil handling facility during the last quarter of FY 2021-22 thereby commencing production of oil and gas deposits. Furthermore, GPF-IV compression and Phase-1 of SML compression projects are underway and are expected to be completed in 2023.

Sources of Information and Assumptions used for projections / forecasts

The Company uses various internal and external sources to derive assumptions for projections and forecasts to formulate its business plan and work program. These include field life profiles, Pakistan Petroleum Information Service (PPIS) reports, local and international analyst reports, publications of International Energy Agency and economic survey of Pakistan.

Responding to challenges and uncertainties

The Company has robust operational processes and thorough risk management procedures to handle uncertainties. Detailed contingency planning at the fields is ensured to minimize the impact of disruptions. The Company's fields have also obtained various ISO certifications to improve the operating standards. Strict compliance of Quality, Health, Safety and Environmental procedures is also ensured. The Company also demonstrated its robust processes during COVID-19 pandemic where the Company quickly adapted to the new ways of doing business ensuring zero down time in its production.

Matters included in the Integrated Report

As per the Integrated Reporting framework, the Company includes all significant and material matters while deciding on matters to incorporate in its Annual Report. The Company endeavours to present all material information in a balanced way.

Legislative and Regulatory environment affecting the Company

The Company being in oil & gas exploration and production business is working under a strict legislative and regulatory environment with oversight by multiple regulatory bodies over the Company's business. The Company abides by the regulations applicable on it including fulfilling the environmental, social, health and safety requirements.

Political environment affecting the Company

The Company's major business is in Pakistan and political stability is critical for the Company as majority of the policies affecting the Company's business including its customer recoveries require political consensus. The Company also operates in UAE and Yemen. Politically, UAE is an investor friendly jurisdiction, whereas there is a force majeure in Yemen due to political instability and security reasons due to which the exploration activities are currently suspended.

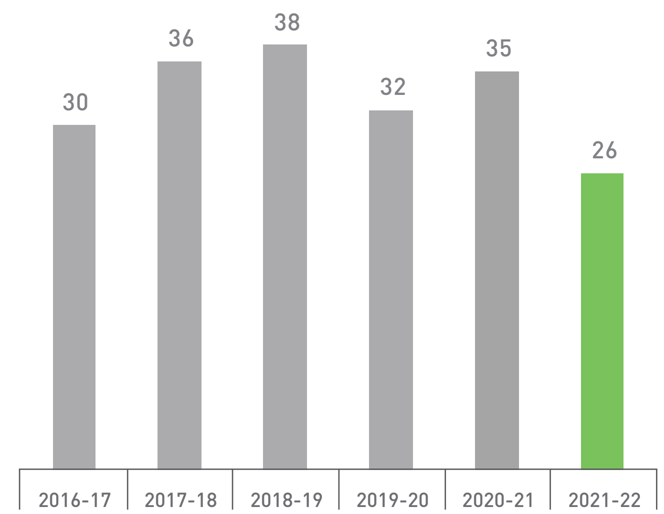
Significant changes in environment affecting the Company from prior years

The Russia-Ukraine war has inflicted a global energy crisis driving the costs upwards. Pakistan being net importer in the energy value chain has been significantly affected due to the rising costs of oil and LNG that has resulted in a significant dent to its balance of payments resulting in devaluation of PKR against major international currencies. PKR devaluation, coupled with rising oil prices had a significant, net-positive impact on the Company's revenues from last year. The impact on cash is not proportionate due to the circular debt issue coupled with payment of levies and taxes on incurred basis. Furthermore, the application of super tax through Finance Act 2022 had a significant impact on the bottom line of the Company.

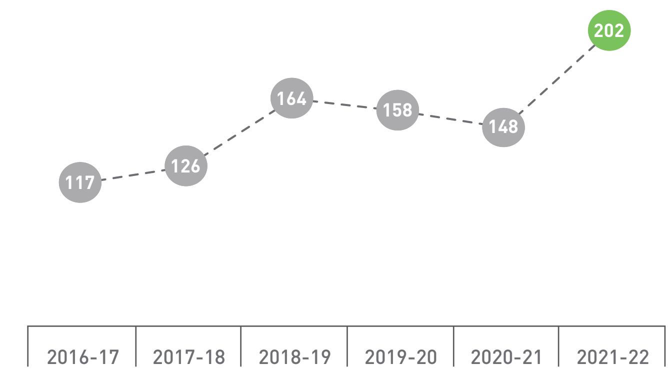
SIX YEARS' SUMMARY

		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Financial Performance							
Profitability							
EBITDA Margin to sales [1]	%	58	63	62	60	59	59
Operating Leverage	%	169	399	88	294	45	118
Pre tax Margin	%	41	50	49	45	46	49
Net profit to sales	%	30	36	38	32	35	26
Gross Profit ratio	%	55	59	61	58	58	65
Return on Equity	%	17	19	21	15	13	12
Return on Capital Employed	%	18	21	22	17	15	20
Operating Performance / Liquidity							
Total assets turnover [9]	times	0.41	0.38	0.42	0.34	0.29	0.35
Fixed assets turnover	times	0.87	0.86	1.04	0.99	0.97	1.42
Debtor turnover [9]	times	1.56	1.12	0.95	0.69	0.61	0.64
Debtor turnover [9]	days	234	326	385	529	601	571
Current ratio [8&9]	ratio	3.43	3.16	3.99	4.03	4.42	3.57
Quick ratio [8&9]	ratio	3.33	3.09	3.95	3.98	4.36	3.52
Cash to Current Liabilities [9]	times	1.02	0.43	0.39	0.24	0.81	0.26
Cash flow from Operations to Sales	times	0.36	0.31	0.26	0.19	0.36	0.20
Creditors turnover [2]	times	-	-	-	-	-	-
Creditors turnover [2]	days	-	-	-	-	-	-
Inventory turnover [2]	times	-	-	-	-	-	-
Operating Cycle [2]	days	-	-	-	-	-	--
Capital Market / Capital Structure Analysis							
Market value per share as at June 30	Rs	148.14	214.90	144.43	86.78	86.83	67.51
- Low during the year	Rs	137.80	143.00	143.00	68.65	76.85	64.22
- High during the year	Rs	194.87	224.50	220.15	154.49	106.05	90.00
Breakup value per share	Rs	109.58	121.92	131.69	126.65	143.53	159.82
Basic and Diluted EPS [3&6]	Rs	18.10	23.17	27.18	18.47	19.27	19.68
Basic and Diluted EPS - Restated [3&6]	Rs	13.12	16.79	22.65	18.47	19.27	19.68
Price earning ratio [7]	ratio	8.18	9.27	5.31	4.70	4.51	3.43
Cash Dividend Yield	%	6.08	2.56	1.38	1.15	4.03	2.96
Cash Dividend Cover Ratio	times	2.01	4.21	13.59	18.47	5.51	9.84
Price to Book Ratio	times	1.35	1.76	1.10	0.69	0.60	0.42
Debt Equity Ratio [4]	ratio	-	-	-	-	-	-
Weighted average cost of debt [4]	%	-	-	-	-	-	-
Interest Cover Ratio [4]	ratio	-	-	-	-	-	-
Financial Leverage Ratio [4]	ratio	-	-	-	-	-	-
Employee Productivity Ratios							
Production per employee	MMscfde	0.35	0.35	0.35	0.32	0.32	0.31
Revenue per employee	Rs million	40.8	44.7	58.8	57.7	55.9	77.4
Staff turnover ratio	%	0.9	0.6	1.3	1.2	0.5	0.8
Summary of Statement of Profit or loss		----------------------------Rs Million------------------------------					
Sales - Gross (including Govt. levies)		137,121	145,723	189,010	183,850	172,507	235,240
Sales - Net (excluding Govt. levies)		116,986	126,210	163,890	157,593	148,429	202,199
Profit before Tax		48,129	63,436	79,931	70,485	68,582	98,131
Profit after Tax		35,679	45,688	61,632	50,256	52,431	53,546
EBITDA 1		68,228	80,094	101,487	95,047	87,847	120,223

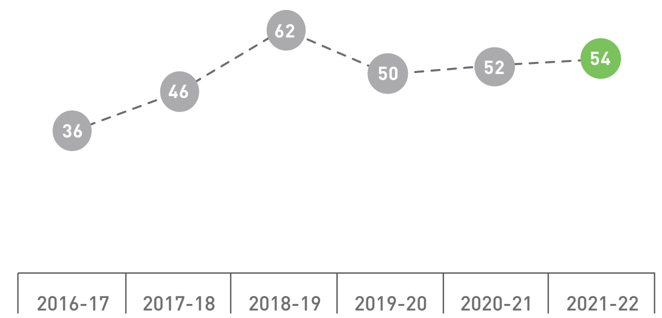
Net Profit to Sales (%)



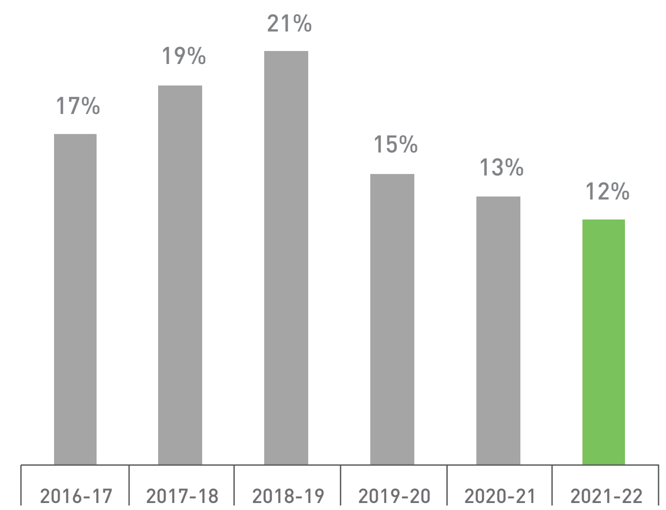
Net Sales (Rs Billion)



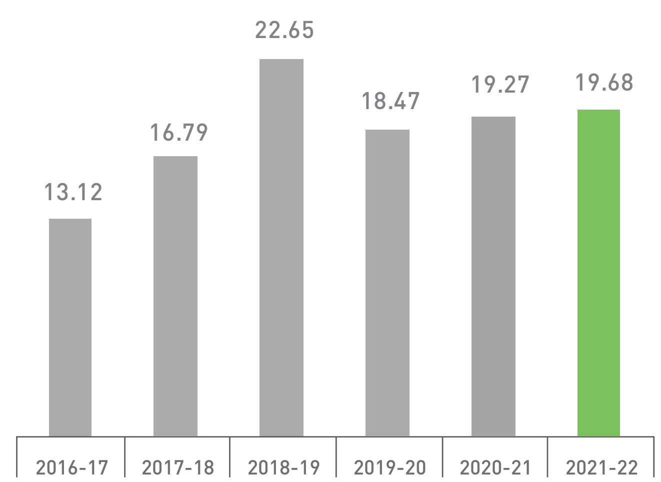
Profit after Tax (Rs Billion)



Return on Equity (%)



EPS (Rs Per share)



Analysis

The profit after tax graph presented above shows a slight improvement as against last year. This is despite imposition of super tax at 10% given the Company recorded highest ever profit before tax of Rs 98 billion. This is mainly owing to substantial increase in sales revenue and other income of PKR 54 billion & PKR 10 billion, respectively. Rise in sales revenue is largely attributable to favorable prices which went up by around 31% on average over the year. This impact was further augmented by positive exchange rate variance. Other income went up given the rise in exchange rate as well as interest rates during the year.

As explained above, despite the increase in revenue, Net Profit to Sales margin has witnessed a decline to 26% mainly due to higher tax charge as a result of imposition of super tax in current year. This was coupled with higher exploration expenses, royalties and other charges. Exploration expenditure went up due to higher cost of exploratory wells charged during the year, while increase in royalties was in line with rise in sales. Other charges included windfall levy and impairment loss on capital stores. However, ROE dropped due to accumulation of equity as the company is not able to declare higher dividends on account of circular debt issue.

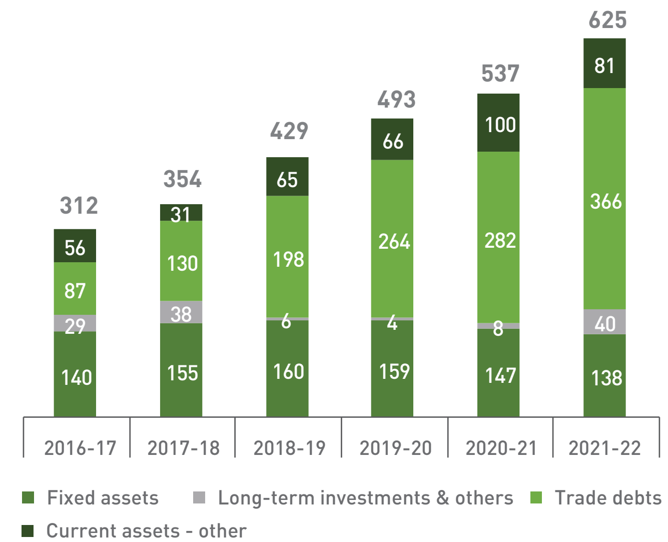
SIX YEARS' SUMMARY

		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Corporate Distribution							
Dividend - Interim	Rs million	5,915	7,887	-	-	4,081	4,081
- Final	Rs million	11,830	2,958	4,535	2,721	5,442	1,360
Cash Dividend per share [5]	(Rs)	9.00	5.50	2.00	1.00	3.50	2.00
Cash Dividend Payout Ratio [5 & 7]	(%)	49.72	23.74	7.36	5.41	18.16	10.16
Bonus [5]	Rs million	-	2,958	4,535	-	-	-
Bonus Issue [5 & 8]	(%)	-	15	20	-	-	-
Summary of Statement of Financial Position		--------------------------Rs Million------------------------------					
Share Capital		19,717	19,717	22,675	27,210	27,210	27,210
Reserves		196,352	220,675	275,934	317,388	363,318	407,665
Shareholders' funds		216,069	240,392	298,609	344,598	390,528	434,875
Non - Current Liabilities		54,433	62,835	64,744	67,011	59,841	64,759
Current Assets [8 & 9]		143,443	161,356	262,544	330,790	382,035	446,840
Current Liabilities [9]		41,774	51,042	65,732	82,068	86,515	125,312
Property, Plant & Equipment		139,295	154,703	159,842	158,659	146,584	137,840
Fixed Assets		139,700	155,123	160,323	158,997	146,795	137,953
Long-Term Investments [8]		27,661	37,691	6,093	3,798	7,992	5,976
Stores and Spares		4,337	3,528	3,147	4,061	4,568	5,496
Trade Debts [9]		87,276	129,584	198,177	263,927	282,285	365,792
Short-term investments [8]		36,493	14,073	47,435	51,411	85,012	66,407
Cash and bank balances		6,081	7,715	8,022	5,160	4,243	3,723
Summary of Statement of Cashflows [8]							
Cash and Cash equivalents at the beginning of the year		22,286	42,574	35,258	25,719	19,726	69,910
Net Cash generated from operating activities		42,222	39,569	42,082	30,322	53,546	41,242
Net Cash generated from/(used in) investing activities		(9,105)	(40,496)	(48,558)	(31,729)	3,238	(69,124)
Net Cash used in financing activities		(12,829)	(19,860)	(3,063)	(4,586)	(6,600)	(9,098)
Net change in cash and cash equivalents		20,288	(20,787)	(9,539)	(5,993)	50,184	(36,980)
Cash and Cash equivalents at the end of the year		42,574	21,787	25,719	19,726	69,910	32,930
Free Cash Flows		9,398	3,386	(1,444)	2,218	39,694	(20,681)
Others							
Payments to Government Exchequer	Rs million	45,527	67,751	64,838	60,297	72,975	94,569
Market Capitalisation	Rs million	292,090	423,722	327,492	236,126	236,262	183,693
Spares Inventory as a % of Net Book Value of PPE	%	3.11	2.28	1.97	2.56	3.12	3.99
Realized price	$/boe	19.5	20.2	21.5	20.1	19.4	25.4

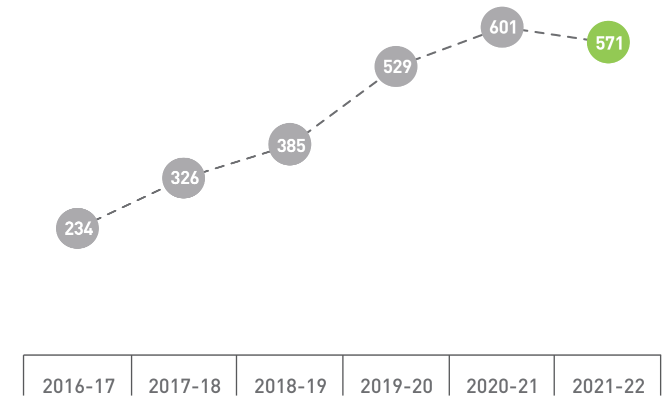
Notes:

1. EBITDA stands for Earnings before interest, taxes, depreciation, impairment and amortisation.
2. Not applicable in view of the nature of Company's business.
3. The earnings per share for prior years have been restated to take into account the issue of bonus shares declared in 2017-18 and 2018-19.
4. Not applicable as the Company does not have debt besides lease liability of oil handling facility for Dhok Sultan which forms a negligible part of its capital structure.
5. Includes declaration of final cash dividend and issue of bonus shares subsequent to year end.
6. Convertible Preference Shares are of insignificant value in the Company's total share capital therefore it has negligible dilution effect on EPS.
7. Price earnings ratio and cash dividend payout ratio have been calculated on basic EPS.
8. Effect of reclassification of long term investments into short term investments has been incorporated for the years 2018-19 and onwards.
9. In accordance with the guidance issued by ICAP, effect of GIDC / GDS has been excluded from these line items.

Assets (Rs in Billion)

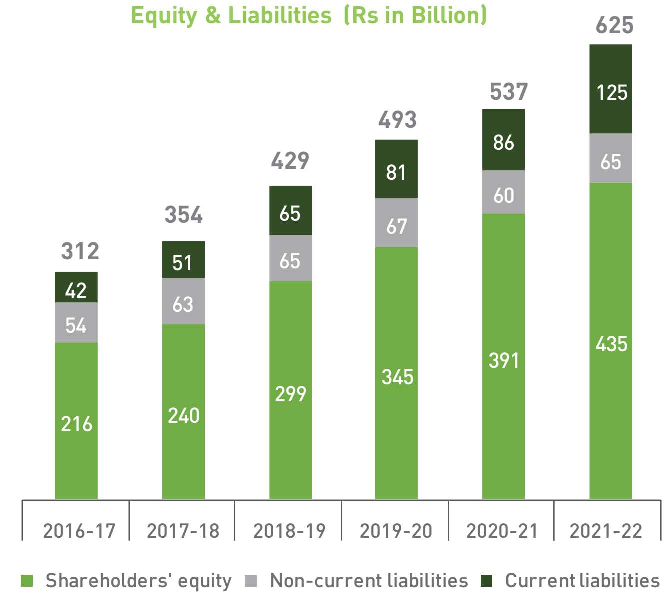


Debtor Days

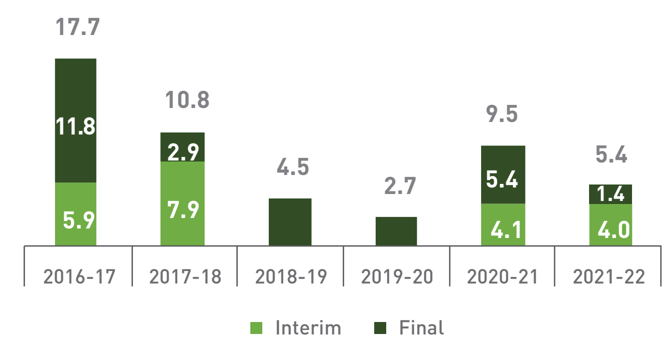


The trade debts have continued to increase due to the growing circular debt. However, the debtor days witnessed a decline due to increase in revenue base. Long-term investments have increased significantly because of the deposit submitted into an escrow account for Reko Diq project on the directions of GoP. This deposit was funded by foreign currency deposits resulting in reduced other current assets. Fixed assets have declined due to increase in depreciation / amortization coupled with dry wells charged during the year.

Equity & Liabilities (Rs in Billion)



Dividends Declared (Rs in Billion)



Shareholders' equity has increased by over 11% representing the Company's robust profitability combined with its inability to declare healthy dividends due to ongoing circular debt issue. The current liabilities are also increasing mainly due to accrual of Sui's lease extension bonus which is payable after the signing of D&PL and provision pertaining to Tal's windfall levy which is under litigation. Increased non-current liabilities are due to revision in decommissioning liability owing to increase in exchange rate, decrease in real $ discount rate and unwinding of the liability.

No default has occurred on the payment of debt as PPL does not have any outstanding debt.

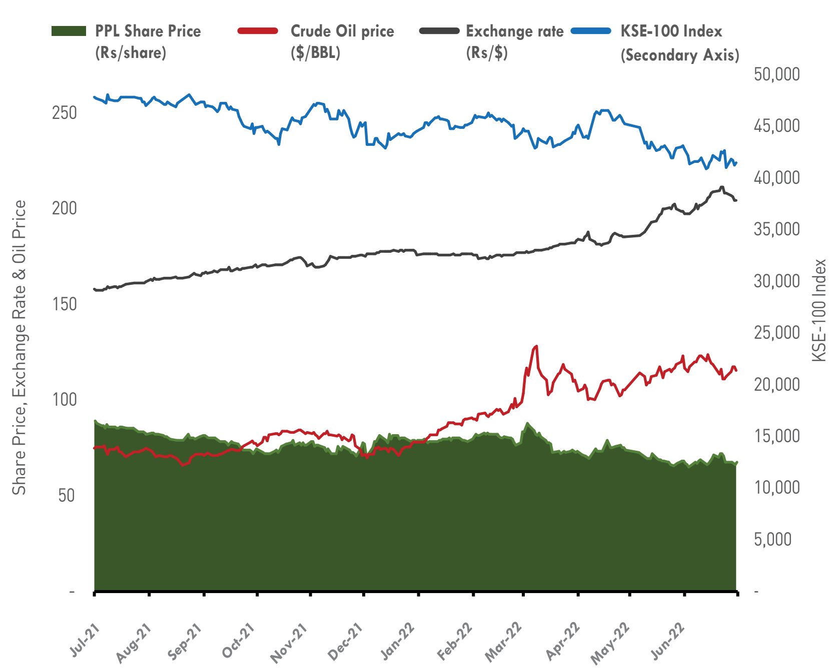
Even though trade debts are on a rising trend and liquidity position is under stress, the Company is continuing its legacy of declaring dividends. The Company has engaged the authorities at the highest level on the circular debt issue, the resolution of which will enhance its dividend paying capacity.

DUPONT ANALYSIS

	2020-21	2021-22
Equity Multiplier	1.3	1.3
Total Assets Turnover	29%	35%
Net Profit Margin	35%	26%
Return on Equity	13%	12%

Increase in asset turnover is due to sharp increase in sales revenue mainly attributable to positive price variance partially offset by increased average assets. Net profit margin has decreased mainly due to higher exploration cost, other charges and taxation, including super tax. The combined effect has resulted in a slight decline of ROE during the year.

SENSITIVITY ANALYSIS



The Company's share price is sensitive to several factors including exchange rate fluctuations, oil price and stock market movements, i.e. KSE-100 index. Although the Company's revenues are dependent on the applicable crude oil price, its impact is lower in the case of PPL as majority of its revenue is derived from gas sales. The gas prices are based on sliding scales and therefore do not move proportionately with oil price movements. In the current year, the share price did not move up in line with the oil price and exchange rate possibly due to the low dividend payouts owing to mounting circular debt. Receivables of the Company are primarily represented by gas customers. Therefore, the Company is making efforts to highlight the resolution of the root causes of the gas sector circular debt for improving collections.

Composition of local versus imported material

The Company's business being inherently technology driven, is heavily dependent on imported materials as Pakistan is not self-sufficient in the production of plant & machinery that is required by the E&P producers. The Company strives to deploy locally produced material as much as possible, however, dependence on imported material is still very high. Therefore, exchange rate sensitivity plays a key role in driving the Company's cost of business. Recent devaluation of PKR will drive the costs up, however, since the Company's revenues are also USD pegged, the increase in revenue covers the rising costs.

QUARTERLY ANALYSIS

	First Quarter ended September 30, 2021	Second Quarter ended December 31, 2021	Third Quarter ended March 31, 2022	Fourth Quarter ended June 30, 2022	Total year ended June 30, 2022
	-----(Rupees Million)-----				
Revenue-net	43,154	46,374	50,905	61,766	202,199
Profit after Tax	16,991	14,719	20,619	1,217	53,546
Sales volume					
- Gas (MMscf)	54,600	54,662	53,979	59,892	223,133
- Crude Oil/NGL /Condensate (thousand bbls)	1,202	1,112	1,060	1,107	4,481
- LPG (tonnes)	29,282	28,462	29,034	29,305	116,083

Analysis
Revenues have increased consistently each quarter on account of rising oil prices and PKR devaluation against USD. Significant increase in revenues was observed in the last quarter mainly on account of sharp increase in crude oil prices on the back of Russia-Ukraine war fueling instability in the national economy resulting in a sharp devaluation of PKR. This increase was also augmented by higher offtakes at Kandhkot by Genco-II due to acute energy shortage in the country and production startup at Dhok Sultan during last quarter. Profit after tax decreased in the last quarter on account of the cumulative effect of the additional 10% super tax imposed by GoP coupled with the charging of Khipro East X-1 and Pandrani X-1 as dry wells.

Segmental review of business performance
For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. The mining business is carried out through Bolan Mining Enterprises (BME) in 50% partnership with the Government of Balochistan. During the year, the non-E&P business contributed around 0.6% of the Company's revenues against 0.4% last year.

Methods and assumptions in compiling indicators
Data for calculating performance indicators including ratios have been gathered from internal sources including financial statements, production reports and other management reports. External data, where applicable, has been gathered from market sources including PPIS, PSX, and analyst reports.

Outstanding Fiscal Payments
The following is the list of major taxes and duties which are outstanding and further explained in the financial statements.

- Lease extension bonus in respect of Sui. It is pending as the D&PL has not yet been signed.
- Provision of windfall levy on Tal's oil/condensate, which is under litigation.
- Income taxes on the taxable income of the Company.
- Royalty and windfall levy which are based on different number of days for each development & production lease.
- Sales tax & Federal Excise Duty for the month of June 2022.
- GDS and GIDC which are payable upon collection from GENCO-II.
- Other miscellaneous obligations under the PCA.

Explanation of negative change in performance against prior year
Negative change in performance has been adequately explained in respective sections including commentary on six year's performance, vertical and horizontal analysis, monitoring of KPIs and quarterly analysis.

Any significant change in accounting policies
There is no material change in accounting policies, judgement, estimates or assumptions. A new policy on accounting of associates has been inculded in the financial statements.

VERTICAL ANALYSIS

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	-----------	-----------	----------- % age	-----------	-----------	-----------
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	44.6	43.7	37.3	32.1	27.3	22.1
Intangible assets	0.1	0.1	0.1	0.1	-	-
Long-term investments	8.9	10.6	1.4	0.8	1.5	1.0
Deposit with GoP for equity stake in Reko Diq	-	-	-	-	-	5.5
Long-term loans	0.4	-	-	-	-	-
Long-term receivables	0.1	-	-	-	-	-
Stores and spares	1.4	1.0	0.7	0.8	0.9	0.9
Trade debts	28.0	36.6	46.2	53.5	52.6	58.6
Loans and advances	1.3	0.4	0.3	0.1	0.1	0.1
Trade deposits and short-term prepayments	0.1	0.1	0.1	0.1	0.1	-
Interest accrued	0.1	0.1	0.2	0.1	0.1	-
Current maturity of long-term investments	0.2	-	-	-	-	-
Current maturity of long-term loans	-	0.4	-	-	-	-
Current maturity of long-term deposits	0.3	0.3	0.2	0.2	0.2	0.2
Other receivables	0.9	0.5	0.6	0.7	0.6	0.4
Short-term investments	11.6	4.0	11.1	10.4	15.8	10.6
Cash and bank balances	2.0	2.2	1.8	1.1	0.8	0.6
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	6.3	5.6	5.3	5.5	5.1	4.4
Reserves	63.0	62.4	64.4	64.3	67.7	65.2
Provision for decommissioning obligations	6.5	6.4	5.8	5.6	5.0	5.2
Deferred liabilities	0.8	0.8	0.6	0.6	0.6	0.5
Deferred taxation - net	10.2	10.5	8.6	7.4	5.6	4.6
Trade and other payables	11.5	13.6	13.7	13.5	12.2	14.0
Unclaimed dividends	0.1	0.1	0.1	0.1	0.1	0.2
Current maturity of lease liabilities	-	-	-	-	-	0.2
Taxation	1.6	0.6	1.5	3.0	3.7	5.7
Total Shareholders' Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
STATEMENT OF PROFIT OR LOSS						
Sales - Net (excluding Govt. levies)	100.0	100.0	100.0	100.0	100.0	100.0
Expenditures & other income - net	58.9	49.7	51.2	55.3	53.8	51.4
Taxation	10.6	14.1	11.2	12.8	10.9	22.1
Profit after Tax	30.5	36.2	37.6	31.9	35.3	26.5

Statement of Financial Position

Trade debts, due to the circular debt issue have now summed up to 59% of the total assets versus 28% in the base year. This massive increase has also impacted the share of Property, Plant and Equipment to fall to 22% from 45% as a percentage of total assets in 2016-17. Short term investments has also declined as compared to last year from 16% to 11% due to the amount deposited for the Reko Diq Project.

Equity, combined with reserves, has shown slight decline in its share of balance sheet total from 73% to 70%. Moreover, trade & other payables have also increased owing to pile-up of lease extension bonus and Tal's windfall levy on oil/condensate.

Statement of Profit or Loss

Profit after tax of the Company as a percentage of net sales has shown falloff to 27% as against 35% a year earlier. This decline represents higher tax charge post implication of super tax, further augmented by higher exploration expenditure.

HORIZONTAL ANALYSIS

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	-----------	-----------	----------- % age	-----------	-----------	-----------
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	100	111	115	114	105	99
Intangible assets	100	104	119	84	52	28
Long-term investments	100	136	22	14	29	22
Deposit with GoP for equity stake in Reko Diq	-	-	-	-	-	100
Long-term loans	100	1	3	3	4	5
Long-term deposits	100	100	100	100	100	100
Long-term receivables	100	29	32	16	-	-
Stores and spares	100	81	73	94	105	127
Trade debts	100	148	227	302	323	419
Loans and advances	100	38	27	17	18	14
Trade deposits and short-term prepayments	100	52	106	121	58	65
Interest accrued	100	117	181	108	122	63
Current maturity of long-term investments	100	-	-	-	-	-
Current maturity of long-term loans	-	100	1	1	2	2
Current maturity of long-term deposits	100	116	116	149	153	191
Current maturity of long-term receivables	100	57	141	172	156	137
Other receivables	100	64	82	109	105	90
Short-term investments	100	39	130	141	233	182
Cash and bank balances	100	127	132	85	70	61
Total Assets	100	113	137	158	172	200
Share capital	100	100	115	138	138	138
Reserves	100	112	141	162	185	208
Provision for decommissioning obligations	100	112	124	138	134	162
Lease liabilities	100	48	8	-	-	-
Deferred liabilities	100	112	117	120	130	141
Deferred taxation - net	100	118	117	115	94	90
Trade and other payables	100	134	163	185	182	240
Unclaimed dividends	100	92	83	83	144	276
Current maturity of lease liabilities	100	66	50	17	0	1,274
Taxation	100	42	128	289	395	708
Total Shareholders' Equity and Liabilities	100	113	137	158	172	200
STATEMENT OF PROFIT OR LOSS						
Sales - net (excluding Govt. levies)	100	108	140	135	127	173
Expenditures & other income - net	100	91	122	127	116	151
Taxation	100	143	147	162	130	358
Profit after Tax	100	128	173	141	147	150

Statement of Financial Position

Trade debts have overwhelmingly increased to 4.2 times over last six years due to the circular debt issue. Furthermore, short-term investments have jumped by 1.8 times of the base year mainly due to reclassification of USD funds from long-term investments partly offset by amount deposited for Reko Diq. Current maturity of lease liabilities has jumped by 13 times due to recording of rentals payable against Dhok Sultan Oil Handling Facility. Share capital & reserves have also increased mainly due to lower payouts on account of higher funds being tied up in trade debts. Additionally, trade & other payables have also increased by 2.4 times due to accumulation of Sui's lease extension bonus, windfall levy and taxation payable.

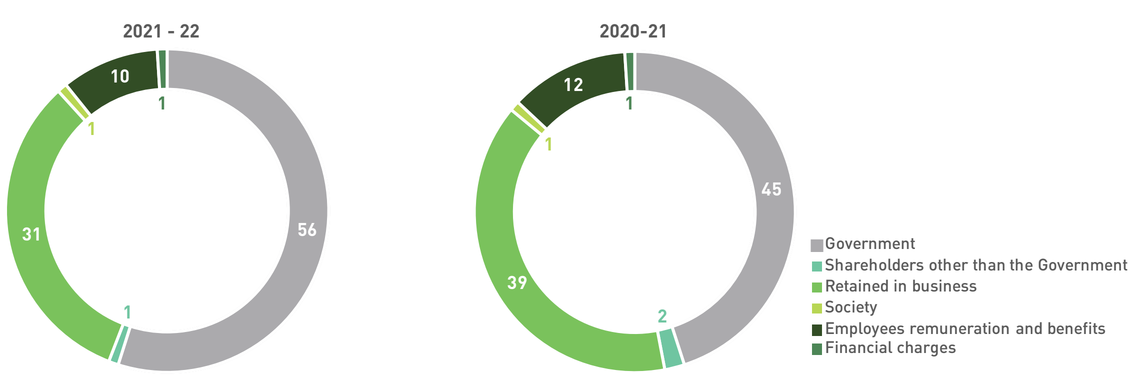
Statement of Profit or Loss

Company's healthy profitability streak is evident by the increase in profit after tax by 1.5 times over last six years despite being adversely impacted by hefty rise in tax charge by 3.6 times of the base year, while sales revenue in current year improved by 1.7 times. Furthermore, the rate of growth in expenditures (net of other income) is lower than the growth in revenue, contributing to improved bottom-line.

STATEMENT OF VALUE ADDITION

	2021-22 Rs million	2021-22 %	2020-21 Rs million	2020-21 %
Gross Revenue (Excise Duty, Sales Tax and Petroleum Levy)	235,240	114	172,507	109
Less: Operating, Exploration and Admin Expenses	(29,854)	(14)	(16,274)	(10)
	205,386	100	156,233	99
Add: Other Income	14,144	7	4,056	3
Less: Other Expenses	(13,495)	(7)	(3,268)	(2)
Total Value Added	206,035	100	157,021	100
DISTRIBUTED AS FOLLOWS				
Employees Remuneration and Benefits	20,160	10	18,647	12
Federal / Provincial Government as:				
Company Taxation	44,585	21	16,150	10
Levies (including Excise Duty, Sales Tax & Petroleum Levy)	33,042	16	24,079	15
Royalties and Other Levies (including Lease Extension Bonus, Windfall Levy & Export Development Charges)	30,500	15	22,057	14
Workers' Profit Participation Fund	4,540	2	3,425	2
Dividend **	3,674	2	6,429	4
	116,341	56	72,140	45
To Shareholders other than the Government as:				
Dividend **	1,768	1	3,094	2
To Society ***				
Donations and Sponsorships	114	*	88	*
Social Welfare / Community Development	326	*	498	*
Free Gas Supply to Sui villages	921	*	717	*
	1,361	1	1,303	1
Retained in Business:				
Depreciation and Amortisation	17,052	8	17,822	11
Net Earnings	48,104	23	42,908	28
	65,156	31	60,730	39
Financial Charges	1,249	1	1,107	1
	206,035	100	157,021	100

* Negligible
** Includes final cash dividend recommended by the Board of Directors subsequent to the year end. Furthermore, GoP's share is taken as 67.51% for this calculation. The share will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer note 2.5 of the unconsolidated financial statements).
*** Represents PPL Net Share for all fields.



SWOT ANALYSIS

Strengths

- Second largest E&P Company in Pakistan contributing to nation's energy needs since 1950s
- Experience of operating in security sensitive areas
- Preferred partner of choice for mining business. Entered into non-binding framework agreement for Reko Diq
- Consistent strong profitability
- Prominent E&P presence across Pakistan in diverse basins including frontier
- Joint Ventures with reputable local and international companies
- Presence in three countries
- Presence in mining sector in Balochistan
- Strong community connections – one of the country's highest CSR spending
- Natural hedge against foreign currency risk

Weaknesses

- Declining inventory of exploration leads in portfolio
- Natural decline in key producing fields
- Limited financial flexibility due to high receivables / circular debt
- Uncertain off-takes by GENCO-II from Kandhkot
- Low prices of oil & gas in Adhi, Kandhkot and Sui fields
- High dependence on local hydrocarbon reserves for growth
- Challenges in field development
- High proportion of fixed costs in Sui's field opex

Opportunities

- Prospects for portfolio optimization through local bidding rounds and farm-in / farm-out
- Acquiring international acreage to broaden activity base
- Production enhancement in producing fields
- Fast track execution of ongoing and future projects for production enhancement
- Acquisition of reserves and prospective resources
- Diversification – exploring further opportunities in mining industry, renewables and energy value chain
- Shallow offshore exploration potential in Pakistan
- Unconventional hydrocarbons potential
- Demand for indigenous oil and gas is ample as the country imports to meet the gap in demand vs supply

Threats

- Intensifying circular debt issue without addressing its root-cause
- Renewables and other emerging technologies may reduce the demand for oil & gas faster than anticipated
- Oil price volatility – although impact on PPL is comparatively low due to high proportion of gas in its portfolio
- Security issues & high costs in frontier areas
- Known oil and gas corridors in Pakistan heavily explored
- Unavailability of service providers / technologies for unconventional hydrocarbon exploration
- Infrequent bid rounds for new exploration blocks
- Reducing interest of international E&P companies in Pakistan

MOVEMENT OF ESTIMATED RESERVES

	Natural Gas (MMSCF)	Oil/NGL (thousand bbls)	LPG (Tonnes)
Original proven recoverable reserves			
At July 1, 2021	16,590,975	78,030	1,449,394
Change during the year			
- Addition	10,359 [2]	3 [3]	-
- Revision	54,540 [4]	7,625 [5]	4,581 [6]
At June 30, 2022	16,655,874	85,658	1,453,975
Production			
Accumulated on July 1, 2021	14,765,507	66,255	944,229
Production during the year	263,481	4,560	116,498
Accumulated upto June 30, 2022	15,028,988	70,815	1,060,727
Net Reserves June 30, 2022	**1,626,886**	**14,843**	**393,248**
Province Wise Net Proved Reserves at June 30, 2022 [7]			
Balochistan	759,946	-	-
Sindh	658,700	3,228	40,517
KPK	143,205	9,045	147,207
Punjab	65,035	2,570	205,524
	1,626,886	**14,843**	**393,248**
Net Reserves June 30, 2021	1,825,468	11,775	505,165
Daily Average Production	722	12	319

Notes:

1. Accumulated Production and Net Reserves numbers as at 30 June 2021 have been updated to account for actual production for the month of June 2021.
2. Additional gas reserves due to Bashar (Hala), Latif South (Latif), Jugan (Latif) and Mohar(Latif) discoveries
3. Additional Oil/NGL/Condensate reserves due to Jugan (Latif) discovery.
4. Revision in field recoverable gas reserves estimates of Adam (Hala), Fazl (Hala), Mazarani, Benari (Shah Bandar), Mamikhel (Tal), Manzalai (Tal), Tolanj (Tal), Makori East (Tal), Mardankhel (Tal), Bitro (Latif), Block-22,Unarpur(Kotri North), Tajjal (Gambat), Miano and Sawan fields.
5. Revision in field recoverable Oil / NGL reserves estimates of Adhi, Adam (Hala), Adam West (Hala), Fazl (Hala), Mazarani, Benari (Shah Bandar), Makori Deep (Tal), Makori East (Tal), Mardankhel (Tal), Qadirpur, Gulsher (Digri), Nashpa and Miano.
6. Revision in field recoverable LPG reserves estimates of Mardankhel (Tal) field.
7. Net reserves as at 30 June 2022 in gas equivalent units exist ~44% in Balochistan, ~39% in Sindh, 12% in KPK and 5% in Punjab.

Definition of Proved Reserves

The Company has adopted the definition of proved reserves as set by the Society of Petroleum Engineers (SPE) in the Petroleum Resources Management System (PRMS) Guidelines 2018. Proved reserves as reported by the Company are those quantities of hydrocarbons that, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. Proved reserves are also termed as 1P reserves and for probabilistic method, there should be at least a 90% probability that the quantities recovered will equal or exceed the estimates.

a) Proved developed reserves: As per the SPE PRMS Guidelines 2018, the Company defines proved developed reserves as those that are expected to be recovered from completion intervals that are open and producing at the time of the estimates.

b) Proved undeveloped reserves: As per the SPE PRMS Guidelines 2018, the Company defines proved undeveloped reserves as those quantities that are expected to be recovered through future significant investments. A significant investment is defined as a relatively large expenditure when compared to the cost of drilling and completing a new well.

Movement of Net Proved Undeveloped Reserves

Currently, no proved undeveloped reserves exist. PPL's booked proved reserves estimates are based on currently producing wells/facilities only.

Net Proved Developed Reserves

Same as disclosed in movement of net proved reserves as no undeveloped reserves exist.

Company's progress in converting undeveloped reserves into proved developed reserves

Currently, there are no undeveloped reserves with the Company. In line with best industry practices, PPL's proved reserves are estimated quantities to be recoverable at a given point in time pertaining to wells/facilities, shut-in/behind-pipe volumes with minor costs to access and planned wells/ projects which will require less than five years to complete. A minor cost would be a lower expenditure when compared to the cost of drilling and completing a new well. The concept of Developed and Undeveloped Reserves status is based on the funding and operational status of wells and producing facilities within the development project. Generally, proved undeveloped reserves estimates are those quantities which require beyond a reasonable timeframe to develop. As per SPE-PRMS guidelines, a reasonable timeframe to commence the project is generally considered to be less than five years from the initial classification date.

Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Pakistan Petroleum Limited
Year Ended: June 30, 2022

The Company has complied with the requirements of the Regulations in the following manner:

1 The total number of directors are eleven as per the following:

a. Male: Ten (10)
b. Female: One (01)

2. The Composition of the Board is as follows:

i. Independent directors: Six (06)
ii. Non-executive directors: Four (04)
iii. Executive director: One (01)
iv. Female director: One (01), included in independent directors above.

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval and/or updating are maintained by the Company;

6. All the powers thereof of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. No remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board and Board Committees. The Annual Report of the Company contains the details of the directors' fee paid to individual directors.

9. During the year, a Directors' Training Program was arranged for Mr. Aftab Ahmad who is an independent director of the Company.

10. During the period, no new appointment of the Chief Financial Officer, Company Secretary or the Head of Internal Audit was done.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed the following committees / comprising of members given below:

a) Audit Committee

Mr. Imtiaz A.H. Laliwala	Chairman
Mr. Aftab Ahmad	Member
Mian Imtiazuddin	Member
Syed Zakria Ali Shah	Member

b) Nomination Committee

Ms. Khurshid Bhaimia	Chairperson
Mr. Abid Sattar	Member
Mian Imtiazuddin	Member
Mr. Muhammad Zubair *	Member
Mr. Awais Manzur Sumra	Member

c) Human Resource Committee

Mr. Abid Sattar	Chairman
Mr. Aftab Ahmad	Member
Mr. Ali Raza Bhutta	Member
Mr. Moin Raza Khan*	Member
Mr. Shahab Rizvi	Member

d) Enterprise Risk Committee

Mr. Awais Manzur Sumra	Chairman
Mr. Abid Sattar	Member
Mr. Ali Raza Bhutta	Member
Mr. Imtiaz A.H. Laliwala	Member
Ms. Khurshid Bhaimia	Member

** Mr. Muhammad Zubair and Mr. Moin Raza Khan left the Board of Directors subsequent to the year-end.*

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as follows:

a) Audit Committee	Quarterly
b) Human Resource Committee	Quarterly
c) Nomination Committee	Once during the year
d) Enterprise Risk Committee	Twice during the year

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

SHAHAB RIZVI
Chairman, Board of Directors

Karachi: 20 September 2022

Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

Name of Company: Pakistan Petroleum Limited
Name of Line Ministry: Ministry of Energy (Petroleum Division)
For the year ended: June 30, 2022

This statement is being presented to comply with the Public Sector Companies(Corporate Governance) Rules, 2013 (the "Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

The Company has complied with the Provisions of the Rules in the following manner:

1. The independent directors meet the criteria of independence, as defined under the Rules.

2. The Board has at least one-third of its total members as independent directors. As at 30 June, 20222 the Board includes:

Category	Names	Date of Appointment
Independent Directors	i. Mr. Shahab Rizvi ii. Mr. Abid Sattar iii. Mr. Aftab Ahmad iv. Mr. Imtiaz A. H. Laliwala v. Ms. Khurshid Bhaimia vi. Mian Imtiazuddin	23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020
Non-Executive Director	i. Mr. Ali Raza Bhutta ii. Syed Zakria Ali Shah iii. Mr. Awais Manzur Sumra iv. Mr. Muhammad Zubair *	7th January 2022 26th August 2021 28th December 2021 15th April 2022
Executive Director	i. Mr. Moin Raza Khan	7th January 2019

** Mr. Muhammad Zubair and Mr. Moin Raza Khan left the Board of Directors subsequent to the year-end.*

3. The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.

4. The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.

5. The Chairman of the Board is working separately from the Chief Executive Officer of the Company.

6. The Chairman has been elected by the Board of directors.

7. No new appointment of the Chief Executive Officer of the Company was made during the year. The incumbent Chief Executive Officer of the Company continued in his position, subsequent to his superannuation on 22nd August, 2021 through two separate six-monthly contracts.

8. (a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.

   (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the company's website www.ppl.com.pk

   (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.

9. The Board has established a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with stakeholders in the manner prescribed in the Rules.

10. The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.

11. The Board has developed and implemented a policy on anti-corruption, as part of the Code of Conduct, to minimize actual or perceived corruption in the Company.

12. The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.

13. The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.

14. The Board has developed a vision and mission statement and corporate strategy of the Company.

15. The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained by the Company.

16. The Company has not delivered any services or sold any goods as a public service obligation and no requests for compensation were submitted to the Federal Government for consideration.

17. The Board has ensured compliance with policy directions requirements received from the Government.

18. (a) The Board has met at least four times during the year.

(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for the six Board meetings conducted on 8th July 2021, 28th September 2021, 12th October 2021, 17th January 2022, 18th March 2022 and 15th April 2022, which were held at short notice as expressly desired by the Board due to various exigencies that are evident from the agendas and minutes of the respective meetings.

(c) The minutes of the meetings were appropriately recorded and circulated.

19. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.

20. The Board has reviewed and approved related party transactions placed before it after recommendation of the Board Audit Committee. A party-wise record of the transactions entered into with the related parties during the year has been maintained by the Company.

21. (a) The Board has approved the statement of profit or loss (formerly profit and loss account) and the statement of financial position (formerly balance sheet) as at the end of the first, second and third quarters of the year as well as the financial year end.

(b) The Board has prepared half yearly accounts and undertaken limited scope review by the external auditors.

(c) The Board has placed the annual financial statements on the Company's website.

22. All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.

23. (a) The Board has formed the requisite committees, as specified in the Rules.

(b) The committees were provided with written term of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the Board members.

(d) The committees were chaired by the following non-executive directors:

Committee	Number of Members	Name of Chair
Audit Committee	Four	Mr. Imtiaz A.H. Laliwala
Enterprise Risk Committee	Five	Mr. Awais Manzur Sumra
Human Resource Committee	Five	Mr. Abid Sattar
Procurement Committee	Five	Syed Zakria Ali Shah
Nomination Committee	Five	Ms. Khurshid Bhaimia

24. No new appointment of the Chief Financial Officer, the Chief Internal Auditor or the Company Secretary was done during the year.

25. The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.

26. The Company has adopted the International Financial Reporting Standards notified by the Commission in terms of Sub-section (1) of Section 225 of the Act.

27. The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.

28. The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.

29. (a) No remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board, Board Committees and general meetings.

(b) The Annual Report of the Company contains the details of the directors' fee paid to individual directors.

30. The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the Board Audit Committee and the Board.

31. The Board has formed an audit committee, with defined and written terms of reference, and having the following members:

Name of Member	Category	Professional Background
Mr. Imtiaz A.H. Laliwala	Independent Director	A fellow member of ICAP as well as a member of Chartered Professional Accountants, Ontario, Canada, and has over four decades of rich experience with leading chartered accountancy firms at home and abroad. He remained associated with A.F. Ferguson & Co. Chartered Accountants for almost 28 years. He was also a member in Audit Oversight Board (AOB).
Mr. Aftab Ahmad	Independent Director	He has over 30 years of experience in finance and accounts, strategic business planning, project management and budgeting and management reporting for Oil and Gas sector and Aviation industry. He is a Chartered Accountant and also holds a master's degree in Management Sciences along-with bachelor's degree in Mathematics and Economics. He is currently associated with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants in Islamabad as a Partner.
Mian Imtiazuddin	Independent Director	He has nearly 50 years of experience in the Oil and Gas industry and is currently working as Managing Director, at Redhill Associates providing consultancy and advisory services in Pakistan. He holds a B.E degree from Peshawar University.
Syed Zakria Ali Shah	Non- Executive Director	A Civil Engineer by profession, he has over 27 years of working experience in the private and public sectors and is currently serving as Joint Secretary, Ministry of Energy (Petroleum Division). He joined Pakistan Civil Services in 1998 and has served in President's Secretariat as Director General, Establishment Division as Joint Secretary (Discipline & Litigation), Economic Affairs Division as Deputy Secretary (United Nations), Embassy of Pakistan in Morocco as Commercial Counselor, Federally Administered Tribal Areas (FATA) Development Authority as General Manager Planning and Development and United States Agency for International Development as Team Leader (Infrastructure) for USD 150 million FATA Livelihood Development Program. He also served as the first CEO of China Pakistan Economic Corridor Authority (CPEC-A) and District Administrator Afghan Refugees at Dir, Khyber Pakhtunkhwa.

The Chief Executive and the Chairman of the Board are not members of the Audit Committee.

32. (a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.

(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.

(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.

33. (a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.

(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.

(c) The internal audit reports have been provided to the external auditors for their review.

34. The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.

35. The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.

ABID ASHFAQUE MALICK
CHIEF EXECUTIVE OFFICER

SHAHAB RIZVI
CHAIRMAN
BOARD OF DIRECTORS

Karachi: 20 September 2022

Explanation for the Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that material requirements of the Rules have been fully complied with except the following matter:

Sr. No	Rule No	Reason for Non-Compliance	Future Course of Action
01	3(A)	Three casual vacancies occurred on the Board on 14th April 2021, 23rd April 2021 and 30th Dec 2021 due to resignation by Mr. Iftikhar Amjad, Mr. Abdul Saboor Kakar and Mr. Saleh Muhammad Baloch respectively, were filled on 28th December 2021, 3rd August 2021 and 15th April 2022 respectively. Above mentioned casual vacancies were required to be filled within ninety days as per Rule3 (A) of the Rules.	The casual vacancies could not be filled in within the prescribed period of 90 days due to non-receipt of nomination from the Majority shareholder. The Company vigorously follows up with the GoP for timely receipt of nominations and shall continue to do so in future.

ABID ASHFAQUE MALICK
CHIEF EXECUTIVE OFFICER

SHAHAB RIZVI
CHAIRMAN
BOARD OF DIRECTORS

Karachi: 20 September 2022

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Petroleum Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statements of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein after referred to as 'Codes') prepared by the Board of Directors of Pakistan Petroleum Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 and rule 24 of Listed Companies (Codes of Corporate Governance) Regulations, 2019 (the Regulations) and provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review whether the Statements of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

We highlight below instances of non-compliance with the requirements of the Codes as reflected in the Paragraph / Section reference where these are stated in Statements of Compliance:

Paragraph/Section

Sr. No	Reference	Description
01	Paragraph 1 of the last section to the statement of compliance with the Rules, under the heading 'Explanation for the non-compliance with the Public Sector Companies (Corporate Governance) Rules, 2013.	Three casual vacancies occurred on the Board on April 14, 2021, April 23, 2021 and December 30, 2021 due to resignations by Mr. Iftikhar Amjad, Mr. Abdul Saboor Kakar and Mr. Saleh Muhammad Baloch respectively, were filled on December 28, 2021, August 03 2021 and April 15, 2022 respectively. Above mentioned casual vacancies were required to be filled within ninety days as per Rule 3(A) of the Rules.

KPMG

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Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Codes as applicable to the Company for the year ended June 30, 2022.

Islamabad

Date: October 03, 2022
UDIN: CR202210202HWj3LkJ2P

KPMG Taseer Hadi & Co
Chartered Accountants

REPORT OF THE BOARD AUDIT COMMITTEE

Dear Shareholders,

We are pleased to present the annual Audit Committee Report to provide insight into the activities of the Board Audit Committee (BAC) conducted during the Financial Year ended 2022. The BAC assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of risk management, effectiveness of internal controls system and related governance and compliance matters. The BAC is also responsible for making recommendation to the Board on appointment of the External Auditors.

During the year under review, the BAC placed its focus on further improving the financial reporting of the Company by conducting a comprehensive review of the Accounting Policies of the Company. The BAC further established Internal Controls over reporting of Related Party Transactions and review of Impairment of Assets. The BAC continued to engage concerned management in resolving outstanding Internal Audit observations and ensuring that necessary actions are initiated by Management there against on timely basis.

Key Responsibilities and Activities

Key responsibilities of the BAC include providing assistance to the Board in fulfilling its oversight responsibilities over financial reporting, the effectiveness of risk management and control environment, overseeing the Whistle Blowing program and monitoring the qualifications, expertise, resources and independence of both the internal and external auditors. The performance of internal audit is assessed on a continuous basis while that of external auditors is assessed at least on an annual basis.

During the Financial Year ended 2022 (FY22), BAC discharged its responsibilities and carried out its duties as set out in the Terms of Reference (ToR) duly approved by the Board. Key activities undertaken by the BAC include the following:

1. Reviewed the interim and annual financial statements prior to the approval by the Board.
2. Reviewed related party transactions entered into by the Company on quarterly basis including a comprehensive questionnaire (introduced last year by BAC) which is completed by the Management in support thereof confirming that such transactions are in compliance with the applicable laws.
3. Reviewed and approved annual internal audit plan.
4. Reviewed the Management Representation letter and Internal Control Report issued by the External Auditors in connection with the audit of financial statements and management responses thereto for ensuring that necessary steps have been taken to address the issues.
5. Reviewed the complaints received under Whistle Blowing Policy for taking necessary actions and to suggest corrective measures. During the year, BAC also made certain changes to the Policy to make it more robust.
6. Obtained Letters of Representation (LoR) from the Management. The objective of this exercise was to improve and strengthen the overall control environment, fill the gaps identified and to align with industry best practices.
7. The BAC critically reviewed the policy and process followed by management in testing Company's assets for impairment in the light of various assumptions/factors considered in the application thereof. Further, the BAC, through Internal Audit Department, ensured that the Company is in compliance of IFRS and industry practices relating to testing of assets for impairment.
8. In this regard, the BAC monitored very closely the progress of an exercise carried out by Management to review the entire Company's Drilling and Completion Inventory and ensured that any impairment indicators related thereto have been duly addressed and appropriately accounted for and reported in the Financial Statements of the Company. BAC also reviewed drilling work programs and related plans of the Management to utilize existing inventory.
9. During the year, BAC also reviewed donation cases proposed by Management prior to its approval by the Board and also reviewed Company's donation policy for further improvement/ enhancing transparency.
10. The BAC on the advice of the Board also carried out certain special assignments.

Composition and Meetings

During the Financial Year ended 30 June 2022, the BAC met seven times. The composition and the attendance record of BAC members is as follows:

Sr.No.	Name of Directors	Status	No. of Meetings Attended
1	Mr. Imtiaz A.H. Laliwala	Chairman	7
2	Mr. Aftab Ahmad	Member	7
3	Mian Imtiazuddin	Member	7
4	Syed Zakria Ali Shah*	Member	5
5	Mr. Awais Manzur Sumra**	Member	-

*Appointed on PPL Board on 26 August 2021 and inducted as member of BAC on 17 September 2021
**Appointed on PPL Board on 29 December 2021 and inducted as member of BAC on 10 August 2022

INTERNAL AUDIT

The Company has an Internal Audit Department which is an independent and objective assurance function aimed at improving the Company's overall internal control framework. The Internal Audit function assists in the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of the Company's risk management, control and governance processes.

The Company's Internal Audit Function comprises of staff with skill sets having professional qualification including Chartered Accountants, Cost and Management Accountants, Certified Internal Auditors, Certified Information System Auditors and other similar professional qualifications. The expertise within Internal Audit Function at the end of FY22 comprises of Audit, Finance and I.T. related professionals with extensive experience of E&P industry. In addition to this, specialized independent technical resources from within the organization are also utilized on a need basis.

BAC took keen interest in the scope and extent of Internal Audit function and provided complete support to this function for enabling it to achieve its objectives in an effective manner. The BAC monitored the work of Internal Audit Department and also reviewed how effectively the management is implementing the recommendations of Internal Audit.

In this regard, following key steps were performed:

1. Coordination between the External and Internal Auditors was ensured and Internal Audit Reports were provided for the review of both Commercial and External Auditors. BAC also discussed with the External Auditors the reliance placed by them on the work of Internal Auditors and how best it can facilitate to minimize External Auditors work, where possible.
2. Deliberated on the Internal Audit observations and recommendations having business and internal control implications. BAC reviewed significant Audit Observations highlighted by Internal Audit and ensured that actions pending on part of management are timely taken up. BAC involved the highest level of management in the implementation process and assigned firm deadlines for all pending actions.
3. In compliance with the BAC's directives, Internal Audit also carried out special audits during the year and submitted its recommendations to the Management for implementation / necessary actions.

4. After thorough discussion and on the recommendation of BAC, changes in text of certain Accounting Policies of the Company to bring these more in line with IFRS, as suggested by Internal Audit based on its comprehensive review, have been duly incorporated in the Company's Financial Statements for the year ended 30 June 2022.

EXTERNAL AUDITORS

1. BAC recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, BAC evaluates the performance and independence of the Company's External Auditor.

2. During the Financial Year ended 30 June 2022, the Company reappointed External Auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, being their second year as External Auditors of the Company. As per PPL's Internally developed and approved Policy, the Auditors will be mandatorily rotated on completion of five terms with the objective that the Company's financial statements are reviewed from a fresh perspective and ensuring that independence of Auditors is maintained at the highest level. The BAC regularly met with the External Auditors throughout their engagement for the audit of PPL's financial statements.

3. The Auditors have completed their Audit of the "Company's Financial Statements", the "Consolidated Financial Statements", the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" and the "Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013" for the Financial Year ended 30 June 2022.

4. The External Auditors have been allowed direct access to the BAC and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors have also attended the General Meetings of the Company during the year.

5. A separate Policy governing additional services from External Auditors is in place, which is approved by the Board, and is designed to safeguard External Auditors objectivity and independence and includes rules relating to the hiring of additional services, and stipulates which services require prior approval of the BAC. The Committee reviewed the scope of work and fee of all services obtained by Management from the External Auditors of the Company in addition to the audit of its Financial Statements.

6. The BAC met two times with the External Auditors during the year to discuss matters relating to the statutory audit of PPL for obtaining their views on overall business environment including going concern assumptions and overall effectiveness of internal controls over financial reporting.

7. The BAC also ensured that External Auditors have access to all the Company's records and personnel which they require to conduct their work in an independent and efficient manner.

Looking ahead to 2023, BAC's key priorities will include maintaining oversight of the PPL's risk management and internal control processes, sustaining a strong culture of risk management across the Company, continuing to monitor the impact of various decision such as investment in new ventures both locally and internationally and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes which may be required from internal control and reporting perspective.

We trust you will find this report useful in understanding key activities of BAC during the year and would welcome any comments from our shareholders in this regard.

IMTIAZ A. H. LALIWALA
CHAIRPERSON - BOARD AUDIT COMMITTEE

KARACHI
19 SEPTEMBER 2022

UNCONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Pakistan Petroleum Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current

period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 3.11, 3.13 and 12 to the unconsolidated financial statements) As at June 30, 2022, trade debts include overdue amount of Rs. 323,177 million, (net of GDS and GIDC), on account of inter-corporate circular debt. These are receivable from oil refineries, gas and power companies out of which following are overdue from related parties; i.e. Central Power Generation Company Limited (GENCO-II) Rs. 1,577 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 171,515 million, Sui Southern Gas Company Limited (SSGCL) of Rs.146,708 million, Oil & Gas Development Company (OGDCL) Rs. 51 million, ENAR Petroleum Refining Facility (ENAR) Rs. 34 million, Pak-Arab Refinery Limited (PARCO) Rs. 50 million and Pakistan Refinery Limited (PRL) Rs. 85 million. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. The Company considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.	Our audit procedures in respect of receivables, amongst others, included the following: • Checked, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained direct confirmations from customers and tested reconciliations where differences were identified. In case of no replies from customers, performed alternate procedures; • Tested post year end cash receipts from customers relating to year end balances, with the underlying documentation; • Inspected correspondence with the customers and relevant government authorities and held discussions with the Company and Board Audit Committee to assess recoverability of overdue trade debts; • Discussed with the Company, events during the year and steps taken by management for settlement of these trade debts and inspected minutes of meetings of the Board of Directors and Board Audit Committee;

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Key audit matters	How the matter was addressed in our audit
The Company has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Company recognizes interest, if any, on delayed payments from customers, when the interest on delayed payments is received by the Company. We considered the matter as key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.	• Assessed reasonableness of management's judgment relating to recoverability of interest on delayed payments from customers; and • Assessed the adequacy of relevant disclosure in the unconsolidated financial statements.
(ii) Impairment assessment of development and production assets and other property, plant and equipment	
(Refer notes 2.6, 3.1, 3.3 and 4 to the unconsolidated financial statements) As at June 30, 2022, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 47,839 million and Rs. 70,897 million respectively. The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where indications of impairment are identified, an impairment test is performed by the Company based on the estimate of the recoverable value of that asset and/or Cash Generating Unit (CGU). The calculation of value-in-use of development and production assets and other property, plant and equipment requires management to	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design and implementation of the relevant key internal controls implemented by the management over impairment assessment of development and production assets and related property, plant and equipment; • Assessed the appropriateness of the Company's identification of Cash Generating Units (CGUs); • Assessed the reasonableness of Company's assumptions used in the calculation of recoverable value of asset and/ or CGUs, relating to oil and gas recoverable reserves, future oil and gas prices, costs and discount rate based on our knowledge of the business and industry and by comparing the assumptions to historical results/ underlying records and published market

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Key audit matters	How the matter was addressed in our audit
make significant estimates and judgments, such as estimation of the volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate. We considered the matter as key audit matter due to the significance of judgments / estimates used by the Company in determining the value-in-use of development and production assets and other property, plant and equipment.	data and checked the mathematical accuracy of cash flow model; • Tested management's sensitivity analysis that considered the impact of changes in key assumptions on the outcome of the impairment assessments; and • Assessed the appropriateness of the relevant disclosure in the unconsolidated financial statements.
(iii) Recognition of Revenue	
(Refer notes 3.22 and 27 to the unconsolidated financial statements) The Company is engaged in the production and sale of oil and gas resources. The Company recognized gross revenue during the year from the sales of crude oil / condensate / natural gas liquid, natural gas, liquefied petroleum gas (LPG) and barytes amounting to Rs 235,240 million. Transaction prices of crude oil / condensate / natural gas liquid and natural gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Company. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design and implementation of the relevant key internal controls over revenue recognition from the sale of products; • Inspected the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and International Financial Reporting Standard (IFRS 15 - "Revenue from Contracts with Customers"); • Performed test of details on a sample of sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as appropriate; • Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Company for prices of LPG. Performed, on a sample

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Key audit matters	How the matter was addressed in our audit
finalized with the customers and / or approved by GoP. We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company and significant judgment relating to recoverability of interest on delayed payments from customers.	basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet/Petroleum Concession Agreements; • Where pricing is provisional / sales agreement not finalized, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Company; (b) inspected term sheets signed with the customers; (c) checked price being charged is in line with the applicable petroleum policy / agreed with customers/ Petroleum Concession Agreements; and (d) obtained direct balance confirmation from customers; • Checked sales transactions on either side of the unconsolidated statement of financial position date to assess whether they are recorded in the correct accounting period; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of relevant disclosures made in the unconsolidated financial statements.

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Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended June 30, 2022 but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 a 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 Board of Directors for the Unconsolidated Financial Statements

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

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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 unconsolidated 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 unconsolidated 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Inam Ullah Kakra.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Date: October 03, 2022
UDIN: AR202210202Z6Jdpfk35

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at june 30, 2022

	Note	June 30 2022	June 30 2021
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	137,840,377	146,583,654
Intangible assets	5	113,116	211,183
		137,953,493	146,794,837
Long-term investments	6	5,975,953	7,992,419
Deposit with GoP for equity stake in Reko Diq	7	34,106,250	-
Long-term loans	8	61,689	53,159
Long-term deposits	9	7,676	7,676
		178,105,061	154,848,091
CURRENT ASSETS			
Stores and spares	11	5,495,842	4,568,484
Trade debts	12	365,791,716	282,284,931
Loans and advances	13	558,389	698,991
Trade deposits and short-term prepayments	14	287,196	258,088
Interest accrued	15	264,349	514,133
Current maturity of long-term loans	8	27,929	22,714
Current maturity of long-term deposits	9	1,505,250	1,206,357
Current maturity of long-term receivables	10	122,051	138,560
Other receivables	16	2,656,717	3,089,298
Short-term investments	17	66,407,345	85,012,018
Cash and bank balances	18	3,723,282	4,242,527
		446,840,066	382,035,201
TOTAL ASSETS		624,945,127	536,883,292
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	27,209,836	27,209,836
Reserves	20	407,664,863	363,317,888
		434,874,699	390,527,724
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	21	32,650,443	26,928,206
Deferred liabilities	23	3,328,024	3,082,550
Deferred taxation - net	24	28,780,165	29,830,059
		64,758,632	59,840,815
CURRENT LIABILITIES			
Trade and other payables	25	87,026,658	65,962,634
Unclaimed dividends		1,001,150	521,910
Current maturity of lease liabilities	22	1,434,170	433
Taxation - net		35,849,818	20,029,776
		125,311,796	86,514,753
TOTAL LIABILITIES		190,070,428	146,355,568
TOTAL EQUITY AND LIABILITIES		624,945,127	536,883,292
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended june 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
Revenue from contracts with customers	27	202,199,183	148,428,824
Operating expenses	28	(40,090,655)	(40,077,127)
Royalties and other levies	29	(30,500,334)	(22,057,220)
		(70,590,989)	(62,134,347)
Gross profit		131,608,194	86,294,477
Exploration expenses	30	(23,734,886)	(10,227,085)
Administrative expenses	31	(4,600,662)	(3,741,451)
Finance costs	33	(1,248,823)	(1,107,072)
Reversal of provision for doubtful debts - net	12	41,929	691,835
Share of loss of associate	6.4	(2,607,077)	-
Other charges	34	(15,471,835)	(7,384,799)
		83,986,840	64,525,905
Other income	35	14,143,911	4,055,713
Profit before taxation		98,130,751	68,581,618
Taxation	36	(44,584,587)	(16,150,218)
Profit after taxation		53,546,164	52,431,400
Basic and diluted earnings per share (Rs)	42	19.68	19.27

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

UNCONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended june 30, 2022

	2022	2021
	(Rupees in thousand)	
Profit after taxation	**53,546,164**	52,431,400
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement (loss) / gain on defined benefit plans - net	(299,437)	300,864
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign associate	623,685	-
Other comprehensive income	**324,248**	300,864
Total comprehensive income for the year	**53,870,412**	52,732,264

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

UNCONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended june 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		153,527,157	160,761,862
Receipts of other income		6,084,381	245,256
Payment to suppliers / service providers and employees - net		(27,895,670)	(36,515,992)
Payment of indirect taxes and Government levies including royalties		(60,485,350)	(53,310,893)
Income tax paid		(29,814,439)	(17,459,889)
Payment of decommissioning obligation		(121,079)	(159,251)
Finance costs paid		(39,338)	(957)
Long-term loans - net		(13,745)	(14,233)
Net cash generated from operating activities		41,241,917	53,545,903
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(22,062,642)	(13,514,628)
Proceeds from sale of property, plant and equipment		82,223	33,865
Investments - net		(13,033,925)	13,305,561
Capital contribution in PIOL		(4,161,250)	-
Capital contribution in PPLA		(1,593,138)	(336,819)
Deposit with GoP for equity stake in Reko Diq		(34,106,250)	-
Long-term deposits		(299,893)	(30,107)
Long-term receivables		16,509	56,186
Finance income received		6,034,422	3,723,689
Net cash (used in) / generated from investing activities		(69,123,944)	3,237,747
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(53,552)	(19,342)
Dividends paid		(9,044,197)	(6,580,461)
Net cash used in financing activities		(9,097,749)	(6,599,803)
Net (decrease) / increase in cash and cash equivalents		(36,979,776)	50,183,847
Cash and cash equivalents at the beginning of the year		69,909,652	19,725,805
Cash and cash equivalents at the end of the year	40	**32,929,876**	69,909,652

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended june 30, 2022

	Subscribed and paid-up share capital		Capital reserve (Note -20)	Revenue reserves (Note -20)	
	Ordinary	Convertible preference			Total
	Rupees in thousand				
Balance as at June 30, 2020	27,209,718	118	1,428	317,386,655	344,597,919
Total comprehensive income for the year					
Profit after taxation	-	-	-	52,431,400	52,431,400
Other comprehensive income for the year ended June 30, 2021, net of tax	-	-	-	300,864	300,864
Total comprehensive income for the year ended June 30, 2021	-	-	-	52,732,264	52,732,264
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 at 10%		-	-	(2,720,972)	(2,720,972)
Interim dividend for the year ended June 30, 2021 at 15%		-	-	(4,081,458)	(4,081,458)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 at 10%		-	-	(12)	(12)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(17)	(17)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**363,316,460**	**390,527,724**
Total comprehensive income for the year					
Profit after taxation	-	-	-	53,546,164	53,546,164
Other comprehensive income for the year ended June 30, 2022, net of tax	-	-	-	324,248	324,248
Total comprehensive income for the year ended June 30, 2022	-	-	-	53,870,412	53,870,412
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2021 at 20%		-		(5,441,946)	(5,441,946)
Interim dividend for the year ended June 30, 2022 at 15%		-	-	(4,081,459)	(4,081,459)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2021 at 15%		-	-	(16)	(16)
Interim dividend for the year ended June 30, 2022 at 15%		-	-	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-
Balance as at June 30, 2022	**27,209,730**	**106**	**1,428**	**407,663,435**	**434,874,699**

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2022

1. LEGAL STATUS AND OPERATIONS

1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 These unconsolidated financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of the date of statement of financial position, the Company has the following wholly owned subsidiaries:

a) PPL Europe E&P Limited (PPLE)
b) PPL Asia E&P B.V. (PPLA)
c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)

1.3 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Company to continue producing from the Sui gas field, the most recent being dated May 30, 2022, whereby allowing the Company to continue producing from Sui gas field for a further period of one year with effect from June 01, 2022.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP on December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These unconsolidated 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these unconsolidated financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 12.5 and 12.6 to these unconsolidated financial statements).

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

a) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, have been measured at fair value.

b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

2.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company's financial positions and are therefore not stated in these unconsolidated financial statements.

2.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2022 and these amendments are not likely to have a significant effect on these unconsolidated financial statements.

- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37).

The following improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an effect on these unconsolidated financial statements.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of accounting estimates (Amendments to IAS 8);
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12); and
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

2.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2021: Rs 18,879 million).

During the period, the detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court. The Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.

2.6 Significant accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these unconsolidated financial statements.

a) Property, plant and equipment and intangibles

The Company reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant & equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant & equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of commercial reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Company is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geologic, reservoir or production data, (2) new geologic, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the unconsolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Company's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Company revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	4,375
Property, plant and equipment would have been lower by	3,517
Amortisation charge would have been lower by	858
Profit after tax would have been higher by	468

f) Joint arrangements

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these unconsolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Company after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Company.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

j) **Impairment of financial assets**

- Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Company uses default rates based on credit rating of customers from which receivable are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly/ultimately from Government of Pakistan (GoP) till June, 30 2022. Accordingly, the Company reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Company's receivables is slower than the contractual terms primarily because circular debt is a macro economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Company's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

k) **Stores and spares**

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

a) **Owned assets**

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Company conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's 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.

(b) Lease liability and Right-of-use asset (ROUA)

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value, are recognised as an expense in the statement of profit or loss when incurred.

3.2 Exploration and evaluation assets

The Company applies the "Successful efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

3.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 3.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.4 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and that the cost of such assets can also be measured reliably.

Generally, costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures which enhance or extend the performance of computer software beyond their original specification and useful life are recognised as capital improvement and added to the original cost of the software.

3.5 Depreciation and amortisation

a) Property, plant and equipment

Depreciation on all field based immoveable assets is charged on unit-of-production basis. Whereas, all moveable assets i.e. furniture fittings & equipment, computers & allied equipment and rolling stock are depreciated on straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

b) Intangible assets

Amortisation on intangible assets is charged over their useful economic life on straight-line basis at the rates stated in note 5.1 to these unconsolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

3.6 Business combinations and goodwill

The Company uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in profit or loss.

Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss. Impairment losses are not reversed in future years.

3.7 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company has control over any entity if all conditions below are satisfied:

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- it has power over the investee entity;
- it has exposure, rights to variable returns from its involvement in investee entity; and
- it has ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on subsidiary is recognised as it arises provided the increased carrying value does not exceed cost.

The profits and losses of the subsidiaries are carried forward in the financial statements of the subsidiaries and not dealt within or for the purpose of these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries.

Gain or loss on sale of investments in the subsidiaries is included in profit or loss for the period.

3.8 Investment in associated company

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these unconsolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Company's interest in that associate are recognised only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 3.9 below.

3.9 Impairment of non-financial assets, goodwill and investment in subsidiaries & associated company

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that its carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.10 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

3.11 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Company.

Impairment of financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 2.1.2 to these unconsolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2022.

The Company assesses the recoverability of its financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- **Financial assets covered under IFRS 9**

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- **Financial assets covered under IAS 39**

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O, the disclosure of the impacts of ECL was not required. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021 extended the exemption period till June 30, 2022. Earlier to the aforesaid S.R.O. dated September 2, 2019, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised in respect of financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the unconsolidated financial statements based on the clarification received from SECP. The Company expects same exemption for another one year from SECP.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss . An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised. For financial asset carried at cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at current market rate of return for a similar financial assets. Such impairment loss will not be reversed in subsequent periods. For financial asset carried at amortised cost, the amount of impairment loss recognised is difference between carrying amount and present value of estimated cash flow, discounted at effective interest rate.

b) Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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3.12 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

3.13 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

3.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash & cheques in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.15 Decommissioning obligation and its provision

The activities of the Company normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Company has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-four years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

3.16 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Company maintains / operates the following benefit plans:

i. **Approved pension and gratuity schemes**

The Company operates approved funded pension and gratuity schemes, separately, for its executive and non-executive permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. **Post retirement medical benefits**

The Company provides post-retirement medical benefits to its executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. **Leave preparatory to retirement**

The Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2022 based on the 'Projected Unit Credit Actuarial Cost Method'.

b) **Defined contribution plan**

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates recognised provident fund schemes, separately, for its executive and non-executive permanent staff as per rules of service. Equal monthly contributions are made by the Company and the employees to the respective funds at the rate of 4.35% (executive staff) and 8% (non-executive staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Company also operates defined contribution pension fund schemes (conventional and Shariah) for its executive staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of executive staff to the relevant funds.

3.17 Compensated absences

The Company provides for compensated absences in respect of executive and non-executive staff, in accordance with the rules of the Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2022.

3.18 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

3.19 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

a) **Current taxation**

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

3.21 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.22 Revenue recognition

Revenue from sale of petroleum products & barytes (the Products) is recognised when the Company satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Company has an interest with other joint operations partners is recognised in accordance with the Company's working interest and the terms of the relevant agreements.

3.23 Other income and finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Other income on loans is recognised on time proportion basis with reference to the principal outstanding and the applicable rate of return.

Income on investments at amortised cost and saving accounts with banks is recognised on time proportion basis taking into account the effective yield of such investments.

The Company recognises interest, if any, on delayed payments from customers on receipt basis.

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

3.24 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Company classifies a joint arrangement as a joint venture when the Company has rights to the net assets of the arrangement.

The Company has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

3.25 Foreign currency transactions, translation and operations

a) Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

b) Foreign operations

The transactions of foreign operation are translated at rate of exchange prevailing on the date of transactions. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pakistani Rupees at exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognised in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

3.26 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

3.27 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these unconsolidated financial statements.

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3.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Operating assets - note 4.1	**89,295,802**	92,959,042
Capital work-in-progress - note 4.4	**48,544,575**	53,624,612
	137,840,377	146,583,654

4.1 Operating assets

	Owned assets												ROUA			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (Note - 4.6)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment***	Rolling stock*	Development and production assets	Decommissioning assets	Sub total	Rolling stock*	Plant & Machinery	Sub total	Total
	(Rupees in thousand)															
As at July 01, 2020																
Cost	108,404	1,406,082	2,875,477	5,085	83,747,525	1,125,269	12,103,948	1,424,267	762,635	107,613,856	21,530,734	232,703,282	93,601		93,601	232,796,883
Accumulated depreciation / amortisation	-	-	(1,756,058)	(3,741)	(53,701,632)	(694,112)	(7,948,589)	(1,182,531)	(675,487)	(59,156,309)	(13,051,114)	(138,169,573)	(79,190)		(79,190)	(138,248,763)
Net Book Value (NBV)	**108,404**	**1,406,082**	**1,119,419**	**1,344**	**30,045,893**	**431,157**	**4,155,359**	**241,736**	**87,148**	**48,457,547**	**8,479,620**	**94,533,709**	**14,411**	**-**	**14,411**	**94,548,120**
Year ended June 30, 2021																
Additions (at cost)			108,808	-	6,403,888	147,398	2,501,651	138,449	38,547	8,531,156	525,503	18,395,430	-		-	18,395,430
Adjustments / reclassifications	(5,768)	(69,174)	(1,726)	-	11,223	(732)	-	(448)	55	63,720	(2,303,219)	(2,305,471)	(53)		(53)	(2,305,524)
Disposals (at NBV)			(167)	-	(59)	(1,528)	-	(464)	-	-	-	(2,218)	(4,416)		(4,416)	(6,634)
Depreciation / amortisation charge	-	-	(176,515)	(134)	(5,795,917)	(75,132)	(1,168,497)	(137,648)	(31,936)	(9,272,313)	(1,003,469)	(17,662,561)	(9,789)	-	(9,789)	(17,672,350)
NBV	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**30,663,978**	**501,163**	**5,488,513**	**241,625**	**95,812**	**47,780,110**	**5,698,435**	**92,958,889**	**153**	**-**	**153**	**92,959,042**
As at July 01, 2021																
Cost	102,636	1,336,908	2,982,742	5,085	90,150,405	1,252,618	14,605,599	1,425,098	793,931	116,208,731	19,753,018	248,616,771	11,529		11,529	248,628,300
Accumulated depreciation / amortisation	-	-	(1,932,243)	(3,875)	(59,486,427)	(751,455)	(9,117,086)	(1,183,473)	(700,119)	(68,428,621)	(14,054,583)	(155,657,882)	(11,376)	-	(11,376)	(155,669,258)
NBV	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**30,663,978**	**501,163**	**5,488,513**	**241,625**	**95,812**	**47,780,110**	**5,698,435**	**92,958,889**	**153**	**-**	**153**	**92,959,042**
Year ended June 30, 2022																
Additions (at cost)	8,502		86,723	-	2,346,884	51,821	1,034,232	53,831	39,377	3,345,019	439,494	7,407,943	-	1,487,289	1,487,289	8,895,232
Adjustments / reclassifications	-	-	-		-	-		-	-		4,374,775	4,374,775	-		-	4,374,775
Disposals (at NBV)			-	-	(307)	(1,826)	-	(491)	(72)		-	(2,646)				(2,646)
Depreciation / amortisation charge	-	-	(144,985)	(133)	(4,939,571)	(82,881)	(1,203,186)	(133,386)	(34,337)	(8,593,679)	(1,674,778)	(16,806,936)	(153)	(123,512)	(123,665)	(16,930,601)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,072,984**	**468,277**	**5,319,619**	**161,579**	**98,830**	**42,531,450**	**8,837,926**	**87,932,025**	**-**	**1,363,777**	**1,363,777**	**89,295,802**
As at June 30, 2022																
Cost	111,138	1,336,908	3,069,443	5,085	92,487,305	1,281,600	15,613,676	1,450,225	815,493	119,553,751	24,567,287	260,291,911	-	1,487,289	1,487,289	261,779,200
Accumulated depreciation / amortisation	-	-	(2,077,206)	(4,008)	(64,414,321)	(813,323)	(10,294,057)	(1,288,646)	(716,663)	(77,022,301)	(15,729,361)	(172,359,886)	-	(123,512)	(123,512)	(172,483,398)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,072,984**	**468,277**	**5,319,619**	**161,579**	**98,830**	**42,531,450**	**8,837,926**	**87,932,025**	**-**	**1,363,777**	**1,363,777**	**89,295,802**
Rate of depreciation / amortisation (%)			5	5	**	10	**	30	20	**	**		20	**		

* Represents light and heavy vehicles

** Amortisation on unit of production basis except for assets located at Head Office (HO) & Bolan Mining Enterprises (BME)

*** Computers and allied equipment previously classified as ROUA have been transferred to owned assets having nil net book value

4.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2022 Cost	June 30, 2022 NBV	June 30, 2021 Cost	June 30, 2021 NBV
	------(Rupees in thousand)------			
Head Office				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	1,248,034	2,891,688	1,448,394
Adhi Field				
LPG / NGL Plant III	4,649,726	2,064,966	4,649,726	2,425,366
Kandhkot Field				
Gas Compression Station	10,345,025	2,294,310	10,345,765	2,615,076
Hala Field				
Gas Processing Facility (GPF)	1,252,858	31,728	1,252,858	53,939
Gambat South Field				
Gas Processing Facility (GPF - II)	10,831,283	6,280,685	10,831,726	6,944,402
GPF IV (Phase I & II)	4,295,109	3,531,351	4,130,554	3,738,640
Dhok Sultan Field				
Oil Handling Facility (ROUA)	1,487,289	1,363,777	-	-
Sawan Field				
Front End Compression	2,889,383	112,162	2,889,383	213,533
Other Plant and Machinery	1,811,767	-	1,811,767	-
Tal Field				
Makori Central Processing Facility	6,353,105	832,551	6,353,105	1,162,176
CPF Manzalai	3,155,195	92,421	3,155,195	129,012
Nashpa Field				
Nashpa LPG Plant	4,731,035	2,189,316	4,731,035	2,660,181
Wellhead Compression Project	1,279,411	853,906	1,203,441	961,590
Latif Field				
Reception / Tie-in Facility	1,165,465	47,409	1,165,465	67,462
Kotri North Field				
Kotri North Field Development	1,051,059	-	1,057,415	30,006

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for the year ended june 30, 2022

4.3 Cost and accumulated depreciation include:

	June 30, 2022 Cost	June 30, 2021 Cost	June 30, 2022 Accumulated depreciation	June 30, 2021 Accumulated depreciation
	------(Rupees in thousand)------			
Share in Company operated joint operations	32,845,034	30,001,623	14,911,747	12,442,102
Share in partner operated joint operations	43,225,713	41,027,535	33,817,294	31,082,801
	76,070,747	71,029,158	48,729,041	43,524,903

4.3.1 The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Company.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
4.4 Capital work-in-progress		
Plant, machinery, fittings and pipelines	11,370,642	8,711,906
Exploration and evaluation (E&E) assets	19,103,985	24,245,767
Development and production (D&P) assets	5,307,617	5,014,297
Lands, buildings and civil constructions	69,397	76,955
Capital stores for drilling and development	14,984,156	15,575,687
Less: Impairment loss of capital stores - note 4.5.1	(2,198,810)	-
Less: written-off capital stores	(92,412)	-
	12,692,934	15,575,687
	48,544,575	53,624,612

4.5 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	------(Rupees in thousand)------					
Balance as at July 1, 2020	10,993,478	28,665,719	8,066,401	157,847	16,227,113	64,110,555
Capital expenditure incurred / advances made during the year (net) - note 4.5.1	6,855,180	4,575,584	2,918,946	27,799	(651,426)	13,726,083
Cost of dry wells during the year	-	(6,224,497)	-	-	-	(6,224,497)
Adjustments / reclassifications	(21,147)	508,209	(507,314)	(929)	-	(21,181)
Transferred to operating assets	(9,115,605)	(3,279,248)	(5,463,736)	(107,762)		(17,966,348)
Balance as at June 30, 2021	8,711,906	24,245,767	5,014,297	76,955	15,575,687	53,624,612
Capital expenditure incurred / advances made during the year (net) - note 4.5.1	7,919,567	11,820,382	4,548,932	87,668	(591,531)	23,785,018
Impairment / write-off of capital stores - note 4.5.1	-	-	-	-	(2,291,222)	(2,291,222)
Cost of dry wells during the year	-	(17,679,362)	-	-	-	(17,679,362)
Adjustments / reclassifications	-	2,725,979	(2,725,979)	-	-	-
Transferred to operating assets	(5,260,831)	(2,008,781)	(1,529,633)	(95,226)	-	(8,894,471)
Balance as at June 30, 2022	11,370,642	19,103,985	5,307,617	69,397	12,692,934	48,544,575

4.5.1 Amounts under capital stores for drilling and development are net of consumption, impairment loss and write-off of inventory items identified as surplus / unusable / scrap during the year. Identification of surplus / unusable / scrap items relating to the Company's operated fields is based on internal assessment conducted during the year. This is an ongoing exercise and subsequent to the year end, the Company plans to undertake a third party study to assess the recoverable value of such items. Accordingly, based on the management's current best estimate and as a matter of abundant caution, an impairment loss of Rs 1,170 million has been recognised against surplus / unusable / scrap items identified during the year. Further, an amount of Rs 1,029 million written-off during the period ended December 31, 2021 has been reclassified to an impairment loss and will be reassessed after completion of third party assessment.

4.6 Plant and machinery includes major spare parts and standby equipment having cost of Rs 152.830 million (2021: Rs 398.168 million).

4.7 None of the assets disposed off during the year has a book value of more than Rs 0.5 million.

4.8 Particulars of immoveable property (lands and buildings) in the name of the Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land & Building	
Sui Field	**2,488.71**
Kandhkot Field	**161.90**
Mazarani Field	**172.30**
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	**14.84**
Leasehold Land & Building	
Plot No.3, CL-9, Civil Lines Quarters. Dr. Ziauddin Ahmed Road, Karachi	**1.44**
Kandhkot Field	**822.75**
Adhi Field	**148.13**
KPS	**196.11**

4.9 **Particulars of the Company's business units, including plants, are as follows:**

S.No	Business Unit	Address	Geographical location (Province / Emirate)	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2.	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3.	PIOL Office	24th Floor, al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
4.	Sui Gas Field	Sui Dera Bugti, Balochistan	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
5.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
6.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
7.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility - II 3) Gas Processing Facility - IV
8.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
9.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
10.	Hala Field	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
11.	Benari Field (Shah Bandar)	District, Sujawal	Sindh	Third Party Processing Facility
12.	Dhok Sultan	District, Attock	Punjab	ROUA Oil Handling Facility
13.	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

5. INTANGIBLE ASSETS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Computer software including ERP system - note 5.1	**100,712**	192,277
Intangible assets under development	**12,404**	18,906
	113,116	211,183

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for the year ended june 30, 2022

5.1 Computer software including ERP system

	ERP System	Computer software	Total
		(Rupees in thousand)	
As at July 01, 2020			
Cost	442,164	1,623,113	2,065,277
Accumulated amortisation	(381,762)	(1,391,254)	(1,773,016)
NBV	**60,402**	**231,859**	**292,261**
Year ended June 30, 2021			
Additions (at cost)	775	48,845	49,620
Adjustment / reclassification	-	(144)	(144)
Amortisation charge - note 31	(21,171)	(128,289)	(149,460)
NBV	**40,006**	**152,271**	**192,277**
As at July 01, 2021			
Cost	442,939	1,671,801	2,114,740
Accumulated amortisation	(402,933)	(1,519,530)	(1,922,463)
NBV	**40,006**	**152,271**	**192,277**
Year ended June 30, 2022			
Additions (at cost)	11,721	17,984	29,705
Amortisation charge - note 31	(17,926)	(103,344)	(121,270)
NBV	**33,801**	**66,911**	**100,712**
As at June 30, 2022			
Cost	450,870	1,675,126	2,125,996
Accumulated amortisation	(417,069)	(1,608,215)	(2,025,284)
NBV	**33,801**	**66,911**	**100,712**
Rate of amortisation (%)	20	33	

6. LONG-TERM INVESTMENTS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 6.1	**1**	1
PPLE (net of impairment) - note 6.2	**3,798,094**	3,798,094
PPLA (net of impairment) - note 6.3	**-**	-
	3,798,095	3,798,095
- Associate		
Unquoted company		
- Pakistan International Oil Limited (PIOL) - note 6.4 Equity held: 25% No. of shares: 2,500,000 of USD 10/- each	**2,177,858**	-
Other investments		
- At amortised cost		
Foreign currency term deposits with banks	**-**	4,194,324
	5,975,953	7,992,419

6.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2022. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

6.2 PPL Europe E&P Limited

6.2.1 The Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited (MND), a company incorporated in England and Wales. Subsequent to the acquisition, the name of MND was changed to PPL Europe E&P Limited (PPLE). The Company holds 38,793,216 ordinary shares of £1 each, representing 100% of the share capital as of the date of statement of financial position. The investment amounts to USD 18.482 million as at June 30, 2022.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. Brief details are as follows:

Blocks / Fields	Working Interest
Sawan	7.89%
Barkhan	50%
Ziarat	40%
Hamai	40%
Yemen - Block 3	21.28%

6.2.2 This investment is stated net of accumulated impairment losses of Rs 11,866 million (2021: Rs 11,866 million).

6.3 PPL Asia E&P B.V.

6.3.1 On July 22, 2013, the Company established a subsidiary, PPL Asia E&P B.V. (PPLA), a company incorporated in Amsterdam, Kingdom of Netherlands, with issued share capital of 1,000,000 ordinary shares of USD 100 each which are allotted, called up and paid by USD 85.3 per ordinary share. The Company holds 100% of the share capital as of the date of statement of financial position.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). Subsequent to the year end, MdOC vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Company will take appropriate actions in due course of time.

6.3.2 As disclosed in note 6.3.2 to the unconsolidated financial statements for the year ended June 30, 2021, further approval of USD 7.7 million was received and accordingly the amount was paid to PPLA.

Further, in line with the reasons mentioned in note 6.3.2 to the unconsolidated financial statements for the year ended June 30, 2017, the Company continues to impair the excess of the carrying amount of investment in PPLA over its recoverable amount. Impairment loss for the current year is Rs 1,593 million (2021: Rs 337 million), which was remitted by the Company to PPLA in order to discharge liabilities. The corresponding charge in the statement of profit or loss is included in other charges.

The accumulated impairment loss on the investment amounts to Rs 9,801 million (2021: Rs 8,208 million).

6.4 Pakistan International Oil Limited (PIOL)

During the year, a Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. To this end, the consortium companies have established an independent company PIOL, incorporated in Emirate of Abu Dhabi on July 15, 2021, with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The investment represents USD 25 million (Rs 4,161.250 million) invested by the Company in PIOL, net of share of loss for the year amounting to Rs 2,607.077 million charged to profit or loss and exchange gain on translation of foreign associate amounting to Rs 623.685 million recorded through other comprehensive income to translation reserve. The loss for the year mainly pertains to exploration expenditure incurred by the associate on acquisition of 3D seismic data and its processing. The share of loss of PIOL is based on the audited financial statements of the associate for the period from inception to 31 December 2021, adjusted for transactions and events upto June 30, 2022 based on management accounts. As at June 30, 2022, net assets and total comprehensive loss of PIOL is Rs 8,711 million and Rs 10,428 million, respectively. Net assets of PIOL comprise of non-current assets, current assets and current liabilities amounting to Rs 6,345 million, Rs 2,984 million and Rs 618 million, respectively.

Subsequent to the year end, the Company has made an equity investment in PIOL amounting to USD 10 million. Consequently, total equity investment of the Company has increased to USD 35 million.

7. DEPOSIT WITH GOP FOR EQUITY STAKE IN REKO DIQ

- Reconstitution of Reko Diq Project

On March 17, 2022 the Government of Pakistan (GoP), through the Federal Cabinet, ratified the decision of the Economic Coordination Committee (the Decision) which approved, inter alia, issuance of directions to the Company, Oil & Gas Development Company Limited (OGDCL) and Government Holdings (Private) Limited (GHPL) (collectively the SOEs) to participate in reconstitution of a joint mining project at Reko Diq (the Project). As part of the settlement arrangement, Barrick Gold Corporation (Barrick) will be retaining 50% shareholding in Tethyan Copper Company Pakistan (Pvt.) Limited (TCCP) along with operatorship, whereas the other shareholder, Antofagasta PLC will exit TCCP upon receipt of USD 900 million and subject to other conditions precedent. Pursuant to the Decision and subsequent correspondence with the Finance Division, each SOE was also directed to pay into an escrow account an amount of USD 187.5 million (collectively USD 562.5 million) as entry fee which would be utilized towards acquisition of 8.33% interest by each SOE in TCCP. The entry fee attributable to the Government of Balochistan (GoB) would be funded by the GoP amounting to USD 337.5 million.

On the basis of the Decision, the Board of Directors of the Company resolved to enter into a non-binding framework agreement with the GoP, the GoB, OGDCL, GHPL and Barrick, which sets out, inter alia, the ownership / transaction structure, rights, obligations and common objectives of the parties towards facilitating the implementation of the Project (Framework Agreement). In terms of the Framework Agreement, several conditions are required to be satisfied before binding arrangements are effective including receipt of administrative and regulatory approvals, execution of definitive agreements, deposit of USD 900 million in a designated escrow account, stabilization of the fiscal regime and legislative and judicial validation amongst others. If the conditions are not satisfied by June 30, 2022, interest at the rate of US Prime plus 2% (Interest Amount) would be payable to Antofagasta. If the conditions are not satisfied latest by December 15, 2022, unless otherwise agreed by the parties, the terms of settlement/resolution will be cancelled and terminated and the entry fee along with the Interest Amount will be refunded to the respective SOEs / GoP. Only upon satisfaction of the stated conditions in the Framework Agreement, the entry fee along with the Interest Amount, if any, will be released to Antofagasta against acquisition of corresponding equity interest by the SOEs and GoB, thereby settling the historical disputes relating to Reko Diq project.

Subsequent to the Decision and based on written advice from the Finance Division dated March 29, 2022 and approval of the board of directors, the Company has deposited its corresponding share of the entry fee amounting to USD 187.5 million (Rs 34,106 million) in an escrow account maintained by HSBC Bank PLC, and jointly operated by the GoP and Antofagasta. The amount of USD 187.5 million represents a deposit with the GoP for the settlement of the Reko Diq dispute. This deposit will either be utilised by the Company as share consideration against acquisition of corresponding equity in TCCP or be returned to the Company as mentioned in the preceding paragraph.

In line with the Framework Agreement, various definitive agreements are being finalised and the legislative and judicial validation process is underway. Since the conditions set out in the Framework Agreement were unable to be satisfied by June 30, 2022, an interest equivalent to US Prime plus 2% is applicable on the Company's deposit of USD 187.5 million with the GoP, as mentioned above.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
8. LONG-TERM LOANS		
Unsecured and considered good		
Long-term loans - staff note 8.1		
- Executive staff - note 8.2	21,029	20,564
- Other employees	68,589	55,309
	89,618	75,873
Less: Current maturities:		
- Executive staff	(7,195)	(6,846)
- Other employees	(20,734)	(15,868)
	(27,929)	(22,714)
	61,689	53,159

8.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Company in accordance with the Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2021: 1% to 10%) per annum. Loans to employees have not been discounted as the amount involved is not significant.

8.2 Reconciliation of the carrying amount of long-term loans to executive staff

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance as at July 01	20,564	19,358
Disbursements	8,700	35,068
Repayments / adjustments	(8,235)	(33,862)
Balance as at June 30	21,029	20,564

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 22.170 million (2021: Rs 20.944 million).

	June 30, 2022	June 30, 2021
9. LONG-TERM DEPOSITS	(Rupees in thousand)	
Cash margin:		
- For guarantee to International Bank of Yemen - note 9.1	1,505,250	1,205,357
- Others	7,676	7,676
	1,512,926	1,213,033
Less: Current maturity of long-term deposits	(1,505,250)	(1,205,357)
	7,676	7,676

9.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there have been multiple correspondence among the Operator, The Ministry of Yemen and the Company. In the latest correspondence, the Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

Accordingly, the Company has taken up the matter with the bank to expedite the release of SBLC. Progress remains slow due to the turbulent political scenario in Yemen.

	June 30, 2022	June 30, 2021
10. LONG-TERM RECEIVABLES	(Rupees in thousand)	
Unsecured and considered good		
Government Holdings (Private) Limited (GHPL) - note 10.1	122,051	138,560
Less: Current maturity of long-term receivables from GHPL	(122,051)	(138,560)
	-	-

10.1 This represents share of carried cost borne by the Company, in respect of Tal and Gambat fields, which is recoverable from GHPL in accordance with the terms set out under the relevant Petroleum Concession Agreements (PCAs). The receivable amount is overdue and it has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
11. STORES AND SPARES		
Stores and spares	5,683,785	4,944,087
Stores and spares - in transit	83,859	51,745
	5,767,644	4,995,832
Less: Provision for obsolete / slow moving stores & spares - note 11.1	(271,802)	(427,348)
	5,495,842	4,568,484
11.1 Reconciliation of provision for obsolete / slow moving stores & spares:		
Balance as at July 01	427,348	445,589
Reversal for the year - note 34	(155,546)	(18,241)
Balance as at June 30	271,802	427,348

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
12. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 12.1)		
Central Power Generation Company Limited (GENCO-II) - note 12.4	4,523,630	6,305,294
Sui Northern Gas Pipelines Limited (SNGPL)	186,469,523	151,192,899
Sui Southern Gas Company Limited (SSGCL)	154,037,032	110,081,165
Pakistan Refinery Limited (PRL)	731,279	1,196,389
Pak-Arab Refinery Limited (PARCO)	837,009	2,416,363
ENAR Petroleum Refining Facility (EPRF)	307,977	-
Oil & Gas Development Company Limited (OGDCL)	51,344	439,174
	346,957,794	271,631,284
Non-related parties		
Attock Refinery Limited (ARL)	17,937,791	10,012,795
National Refinery Limited (NRL)	525,436	490,831
Others	370,695	150,021
	18,833,922	10,653,647
	365,791,716	282,284,931
Unsecured and considered doubtful		
Non-related party		
Cnergyico Pk Limited (CNERGY) formerly Byco Petroleum Pakistan Limited (Byco) - note 12.5	253,002	253,002
EGAS Pvt. Ltd. (EGAS) - note 12.6	169,454	211,383
Less: Provision for doubtful debts	(422,456)	(464,385)
	-	-
	365,791,716	282,284,931

12.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
GENCO-II	7,025,635	6,305,294
SNGPL	186,469,523	161,068,863
SSGCL	154,037,032	110,081,165
PARCO	2,864,333	2,416,363
PRL	1,449,718	1,196,389
EPRF	307,977	-
OGDCL	370,942	902,985
	352,525,160	281,971,059

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
12.2 The ageing of trade debts as at June 30 is as follows:		
Neither past due nor impaired	42,614,761	25,825,446
Past due but not impaired:		
Related parties		
- within 90 days	26,411,636	22,251,049
- 91 to 180 days	29,445,958	24,270,381
- over 180 days	264,163,060	205,948,975
	320,020,654	252,470,405
Non-related parties		
- within 90 days	2,176,815	2,240,066
- 91 to 180 days	780	3,030
- over 180 days	978,706	1,745,984
	3,156,301	3,989,080
	365,791,716	282,284,931

12.3 Trade debts include overdue amount of Rs 319,886 million (2021: Rs 251,229 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 3,291 million (2021: Rs 5,694 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.1.2 to these unconsolidated financial statements, SECP has deferred the applicability of ECL model till June 30, 2022 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CNERGY and EGAS as a result of disputes disclosed in notes 12.5 and 12.6.

Based on the measures being undertaken by the GoP including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these unconsolidated financial statements, except for provision against receivable from CNERGY and EGAS.

12.4 As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS and GIDC amounting to Rs 66,959 million (2021: Rs 52,949 million) and Rs 4,999 million (2021: Rs 7,399 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Company as at the date of statement of financial position.

12.5 The Company had filed a suit in the Sindh High Court (SHC) against CNERGY (formerly Byco) for recovery of overdue amount. The said suit is pending adjudication before the SHC. In addition, the Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Company, which was allowed by the Accountability Court on October 24, 2020. The Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Company has filed a constitutional petition against the NAB for recovery of the withheld amount. For late payment surcharge amount, the Company shall continue to pursue its above civil suit.

12.6 The Company has filed winding up petition against EGAS for recovery of overdue amount. The petition is pending adjudication before the Islamabad High Court. Accordingly, provision for doubtful amount has been recognised.

During the year, the Company has received an amount of Rs 75 million from EGAS. Accordingly, the provision for doubtful debts has been reversed to the extent of the Company's share of recovery amounting to Rs 41.929 million. Further, on April 06, 2022, the Company submitted a complaint to NAB for recovery of outstanding dues, including late payment surcharge, from EGAS.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
13. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**81,764**	61,748
Advances to suppliers and others	**154,634**	275,839
Advance payment of cash calls to joint operations - note 37	**321,991**	361,404
	558,389	698,991
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**79,634**	70,339
Prepayments	**207,562**	187,749
	287,196	258,088
15. INTEREST ACCRUED		
Interest receivable on:		
- long-term investments	**-**	2,283
- short-term investments	**171,611**	465,923
- bank deposits	**92,738**	45,927
	264,349	514,133
16. OTHER RECEIVABLES		
Receivable from:		
SNGPL for Sui field services	**24,822**	35,133
SSGCL for Sui field services	**6,879**	5,105
PPLA	**365,571**	204,935
PIOL	**115,274**	-
Staff retirement benefit plans - note 32.1.1 & 16.1	**430,045**	1,140,024
Current accounts with joint operations - note 37	**1,476,577**	1,416,827
Workers' Profit Participation Fund (WPPF) - note 16.2	**9,980**	75,069
Others - note 16.3	**227,569**	213,205
	2,656,717	3,089,298

16.1 It includes an amount of Rs 265.193 million on account of payment made by the Company on behalf of staff retirement benefit funds.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
16.2 WPPF		
Balance as at July 01	**75,069**	35,768
Allocation for the year - note 34	**(4,540,021)**	(3,424,931)
Interest on funds utilised in the Company's business - note 33	**(1,250)**	(93)
	(4,466,202)	(3,389,256)
Net amount paid during the year	**4,476,182**	3,464,325
Balance as at June 30	**9,980**	75,069

16.3 It includes receivable of Rs 9.56 million from OGDCL, MPCL and GHPL (Rs 2.45 million, Rs 3.68 million and Rs 3.43 million receivable, respectively) with respect to the payments made by the Company on their behalf for expenses related to PIOL. Further, it includes receivable of Rs 5.67 million each from OGDCL and GHPL on account of payments made by the Company on their behalf with respect to the Reko Diq project.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
17. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 17.1	**847,500**	32,142,500
- Foreign currency term deposits with banks - note 17.2	**13,132,888**	32,910,926
- Local currency treasury bills - note 17.3	**52,426,957**	2,349,399
	66,407,345	67,402,825
At fair value through profit or loss		
- Mutual Funds	**-**	17,609,193
	66,407,345	85,012,018

17.1 These carry profit ranging from 7.54% to 17.66% (2021: 7.65% to 8.00%) per annum and are due to mature latest by March 2023.

17.2 These represent foreign currency term deposits with banks amounting to USD 63.907 million (2021: USD 208.561 million) having effective interest rate ranging from 1.40% to 10.55% (2021: 0.35% to 2.01%) per annum and are due to mature latest by May 2023.

17.3 These carry profit ranging from 10.62% to 14.65% (2021: 7.25% to 7.56%) per annum and are due to mature latest by November 2022. These bills were issued by GoP and sold through State Bank of Pakistan. It also includes treasury bills amounting to Rs 1,715 million pledged as collateral to a financial institution for issuing bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court, as disclosed in note 26.1.6 (b).

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
18 CASH AND BANK BALANCES		
At banks		
- Saving accounts		
Local currency - note 18.1	**2,606,457**	3,475,182
Foreign currency - note 18.2	**110,871**	222,577
	2,717,328	3,697,759
- Current accounts (local currency)	**1,004,824**	531,155
- Cash and cheques in hand	**1,130**	13,713
	3,723,282	4,242,627

18.1 These carry profit at the rate ranging from 2.75% to 15.01% (2021: 2.75% to 7.21%) per annum. Further, it includes Rs 14.298 million (2021: Rs 6.331 million) placed under an arrangement permissible under Shariah.

18.2 These carry profit at the rate ranging from 0.01% to 0.30% (2021: 0.01% to 0.25%) per annum.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
19. SHARE CAPITAL		
Authorised		
3,500,000,000 (2021: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
26,510 (2021: 26,510) convertible preference shares of Rs 10 each	**265**	265
	35,000,265	35,000,265

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Issued		
2,721,162,488 (2021: 2,721,161,792) ordinary shares of Rs 10 each - note 19.2	**27,211,624**	27,211,617
10,587 (2021: 11,283) convertible preference shares of Rs 10 each - note 19.3	**106**	113
	27,211,730	27,211,730
Subscribed and paid-up		
683,078,130 (2021: 683,077,434) ordinary shares of Rs 10 each for cash - note 19.2	**6,830,781**	6,830,774
2,035,144,811 (2021: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2021: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	**27,500**	27,500
	27,209,730	27,209,723
9,513 (2021: 10,209) convertible preference shares of Rs 10 each for cash - note 19.3	**95**	102
1,074 (2021: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	**11**	11
	27,209,836	27,209,836

19.1 Movement in subscribed and paid-up share capital is as follows:

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10/- each		
2,720,972,245	2,720,971,712	At the beginning of the year	**27,209,723**	27,209,718
696	533	Conversion of preference shares	**7**	5
2,720,972,941	2,720,972,245		**27,209,730**	27,209,723

These fully paid ordinary shares carry one vote per share and right to dividend.

19.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2021: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e.102,875,500 ordinary shares) of the Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Company reduced to 67.51% of the paid-up ordinary share capital.

19.3 Convertible preference shares

In accordance with article 3(iv) of the Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Company Secretary by the holders of such convertible preference shares to that effect. During the year, 696 (2021: 533) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Company do not carry any fixed return.

20. RESERVES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Capital reserve - note 20.1	**1,428**	1,428
Revenue reserves		
- General and contingency reserve - note 20.2	**69,761**	69,761
- Insurance reserve - note 20.3	**34,021,894**	34,021,894
- Assets acquisition reserve - note 20.4	**23,751,980**	23,751,980
- Dividend equalisation reserve - note 20.5	**2,535,354**	2,535,354
- Foreign currency translation reserve - note 20.6	**623,685**	-
- Unappropriated profit	**346,660,761**	302,937,471
	407,663,435	363,316,460
	407,664,863	363,317,888

20.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

20.2 General and contingency reserve

The balance in general and contingency reserve account is constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon the coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Company only for the purpose specified in the 1982 GPA.

20.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Company has built-up an insurance reserve for self-insurance cover against these risks.

The Company has arranged terrorism cover from the international market upto the limit of liability of USD 100 million (Rs 20,600 million) for single occurrence, as well as, annual aggregate.

20.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

20.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Company established a dividend equalisation reserve to maintain dividend declarations.

20.6 Foreign currency translation reserve

This represents accumulated balance of effect of translation of a foreign operation into Pakistani Rupees as disclosed in note 3.25 (b).

21. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2022	June 30 2021
	(Rupees in thousand)	
Balance at beginning of the year	26,928,206	27,645,286
- Provision during the year	323,915	480,024
- Revision due to change in estimates	4,375,288	(2,204,468)
- Adjustment / payment during the year	(186,451)	(98,751)
- Unwinding of discount - note 33	1,209,485	1,106,115
Balance at end of the year	32,650,443	26,928,206

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Wells		
Share in operated assets	19,463,975	17,988,795
Share in partner operated assets	5,028,852	3,552,876
Production facilities		
Share in operated assets	5,708,068	3,456,709
Share in partner operated assets	2,449,548	1,929,826
	32,650,443	26,928,206

21.1 The provision has been discounted using a US Dollar based real discount rate of 3.55% (2021: 4.39%) per annum.

22. LEASE LIABILITIES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Present value of minimum lease payments - note 22.1	1,434,170	433
Less: current maturity	(1,434,170)	(433)
	-	-

22.1 During the year, the Company has entered into a rental agreement pertaining to Oil Handling Facility installed at Dhok Sultan field. The Company has recognised a Right of Use asset (ROUA) keeping in view the terms of the rental agreement and the Company has the option to purchase the asset upon expiry of the lease term. The lease liability assumes an incremental borrowing rate of 16.65% per annum.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Minimum lease payments		Financial charges		Present value of minimum lease payments	
	June 30, 2022	June 30 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30 2021
	(Rupees in thousand)					
Year ended June 30,						
2022	-	440	-	7	-	433
2023	1,603,125	-	168,955	-	1,434,170	-
Total	1,603,125	440	168,955	7	1,434,170	433

22.2 Lease rental payments including financial charges thereon for the year ended June 30, 2022, amount to Rs 91.639 million (2021: Rs 19.342 million).

23. DEFERRED LIABILITIES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Post-retirement medical benefits - note 32.2.1	2,458,013	2,297,102
Leave preparatory to retirement - note 32.3	870,011	785,448
	3,328,024	3,082,550

24. DEFERRED TAXATION - NET

	June 30, 2022	June 30, 2021
(Deductible) / taxable temporary differences on:		
Exploration expenditure	(1,770,532)	(2,026,191)
Provision for staff retirement and other benefits	(1,097,492)	(893,422)
Provision for windfall levy on oil / condensate	(9,856,954)	(5,377,542)
Provision for doubtful debts	(185,881)	(185,754)
Provision for obsolete / slow moving stores	(89,695)	(123,931)
Provision for decommissioning obligation	6,959,040	2,394,474
Accelerated tax depreciation allowances	3,459,565	3,492,302
Exploratory wells cost	11,289,011	12,636,541
Development and production expenditure	20,099,872	19,926,792
Others	(26,769)	(13,210)
	28,780,165	29,830,059

24.1 During the year, the entire change in deferred taxation has been recognised in profit or loss.

25. TRADE AND OTHER PAYABLES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Creditors	861,400	799,192
Accrued liabilities	10,711,643	7,305,903
Security deposits / advances from LPG distributors	525,326	224,614
Retention money	102,607	81,770
Sales tax - net	1,827,391	996,946
Royalties	10,924,354	6,474,661
Lease extension bonus	30,159,897	24,932,629
Current accounts with joint operations - note 37	12,691,458	11,191,581
Staff retirement benefit funds- note 32.1.2	1,206,915	1,310,903
Provision for windfall levy on oil/condensate - note 26.1.7	17,445,937	10,242,937
Federal excise duty	125,910	111,777
Others	443,820	289,321
	87,026,658	65,962,634

25.1 As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS and GIDC amounting to Rs 66,959 million (June 30, 2021: Rs 52,949 million) and Rs 4,999 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Corporate guarantees

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.	**5,807**	22,817

26.1.2 Sales tax

The Company has received various orders from the tax authorities raising demand of Rs 184 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Company is contesting the matter before different appellate forums.

26.1.3 Income tax

The tax authorities have amended the assessments of the Company for the tax years 2003 to 2021 raising an aggregate demand of Rs 40,143 million, which primarily relates to rate issue, depletion allowance, decommissioning cost and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001. The Company has paid / adjusted an amount of Rs 38,561 million out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2012	Sindh High Court
2013 to 2021	Appellate Tribunal Inland Revenue

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, depletion allowance, tax credits under sections 65A, 65B and 65E relating to agreement areas and other issues in the books of accounts. In case the appeals relating to the said issues are decided in favour of the Company, an amount of Rs 38,127 million will be credited to the profit or loss for that year.

During the year ended June 30, 2020, the Company's tax return was selected for audit proceedings in respect of tax year 2018. The Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both non-agreement and agreement areas. Based on the advice of the legal counsel, the Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020 has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

The Company, based on the advice of legal counsel, has filed a Constitutional Petition before the Honourable SHC challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impairs contracts cannot be given a retrospective application. The Honourable SHC vide an interim order dated December 24, 2020 has directed the tax authorities (a) for allowing the Company to claim the said tax credit in its return of income for the year 2020 either manually or by making adjustment on the FBR electronic portal and (b) not to take any adverse action against the Company in respect of the said matter. Accordingly, the Company has claimed Rs 518 million in its return of income for the year 2020.

For tax year 2021, the Honourable SHC has also granted interim stay through order dated January 25, 2022 regarding claim of tax credit under section 65B amounting to Rs 380 million and refrained the department from drawing any adverse inference.

Through Finance Act 2022, super tax under section 4C of the Ordinance has been levied on high earning persons for tax year 2022 and onwards. The Company, in principle, does not agree with the levy of super tax in respect of agreement areas, however as a matter of abundant caution, an amount of Rs 12,020 million has been provided for in these unconsolidated financial statements.

26.1.4 Sindh Workers' Welfare Fund

The Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Company. The financial impact, if any, cannot be reliably estimated at present. Further, the management of the Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Company, therefore, no provision has been made in these unconsolidated financial statements.

26.1.5 Sindh Workers' Profit Participation Fund

The Company had received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained interim stay. Further, in view of the potential exposure involved, the Company, on the advice of the legal counsel, has also obtained an interim stay from Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

26.1.6 Others

(a) The Honourable SHC vide its order dated August 3, 2017, wherein the Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Company, on the advice of its legal counsel, had challenged the said judgement in the Honourable Supreme Court of Pakistan (SCP). The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, SCP has made the same conditional to payment of at least 50 percent of the tax calculated in the Government treasury. Subsequently, being aggrieved of the said condition of payment of 50 percent, the Company, on the basis of its legal counsel's advice, has filed a review petition before the Honourable SCP. The said review petition is pending for adjudication.

(b) During the year, the tax authorities have issued a notice showing their intention to recover the alleged outstanding amount of Late payment surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. The said notice was issued in terms of powers granted to the Federal Board of Revenue (FBR) under section 40E of the Public Finance Management Act, 2019 for recovering non-tax revenue from any taxpayer on the instructions of the concerned Ministry. Based on the advice of the legal counsel, the Company filed a constitutional petition, challenging the impugned notice before the Honourable Sindh High Court (SHC). The Honourable SHC vide an interim order directed the Tax authorities not to initiate any recovery proceedings subject to the condition that 50% amount is deposited by the Company. Accordingly, the Company complied with the order of the SHC and submitted bank guarantee amounting to Rs 1,536 million.

26.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

i) Windfall Levy is applicable on exploration and production of natural gas only;
ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and
iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Petitioners have already advance arguments before the Court. The stay order already granted remains in effect. On June 30, 2022, the case was delisted and was adjourned to a date in office.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2022, on the completion of the process laid down in the law and in line with the Company's accounting policy following the revised prices notified from time to time.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 35,393 million for the period up to June 30, 2022. As mentioned above, the Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Company's legal contention and as a matter of abundant caution, the Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2022 amounts to Rs 17,446 million (2021: Rs 10,243 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 28,639 million and Rs 12,707 million respectively.

26.1.8 Contingencies of Investee Companies

In the context of PPLE, the tax authorities have amended the assessment for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

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Recently, the Honourable IHC through judgment dated March 31, 2022 (reporting ITRA No. 80 of 2007) for tax years 2004 to 2012 of PPLE's appeals has overruled the judgment of larger bench of Tribunal relating to admissibility of depletion allowance by holding that depletion allowance is allowable on wellhead value of sales before deduction of royalty. However, PPLE, as a matter of abundant caution, continues to provide for the tax liability pertaining to this issue in order to align its treatment with the Parent Company i.e. full provision, being an industry issue having significant financial impact on the books, till the matter attains finality.

Further, the tax authorities have also amended the assessment of PPLE for the tax years 2015 to 2020 raising an aggregate demand of Rs 667 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed); resultantly, the remaining demand is stayed till the decision of CIR (A). The appeals of the said tax years are pending at various appellate forums.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

26.1.9 Other contingencies

(a) The Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Company in which it has filed a number of claims against the Company. The Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

(b) The Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,542.345 million (2021: Rs 1,847.616 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Company and, accordingly, no provision has been made in these unconsolidated financial statements.

(c) The Company has guaranteed to the Midland Oil Company Iraq, the performance and fulfilment of obligations by PPLA under the EDPSC.

(d) The Company has provided parent company guarantee amounting to USD 5.3 million (Rs 1,092 million) {2021: USD 5.3 million (Rs 839 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

(e) The Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents.

26.2 Commitments

26.2.1 Total commitments for capital expenditure (net share) as at June 30, 2022 are Rs 1,084 million. Further, total amount outstanding under letters of credit (net share) as at June 30, 2022 is Rs 3,386 million.

26.2.2 With respect to PIOL (note 6.4), the Company has entered into a Shareholders' Agreement with the consortium partners, under which the Company has committed to invest up to USD 100 million in PIOL during the next five years, out of which USD 25 million have been invested till June 30, 2022. Subsequent to the year end, the Company has invested a further amount of USD 10 million.

	Year ended June 30, 2022	Year ended June 30 2021
	(Rupees in thousand)	
27. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales	234,343,813	171,813,646
Federal excise duty	(1,603,013)	(1,704,370)
Sales tax	(30,848,588)	(21,801,390)
Petroleum Levy	(541,989)	(539,742)
Discounts (barytes)	(47,411)	(32,978)
	(33,041,001)	(24,078,480)
Export sales - note 27.1	896,371	693,658
	202,199,183	148,428,824
Product wise break-up of sales is as follows:		
Natural gas	140,468,160	119,304,683
Federal excise duty	(1,571,173)	(1,672,921)
Sales tax	(22,636,489)	(20,152,627)
	(24,207,662)	(21,825,548)
	116,260,498	97,479,135
Gas supplied to Sui villages - note 28	920,528	716,902
Federal excise duty	(14,425)	(14,520)
Sales tax	(133,752)	(104,166)
	(148,177)	(118,686)
	772,351	598,217
Internal consumption of gas	485,018	353,067
Federal excise duty	(7,548)	(7,103)
Sales tax	(70,345)	(51,051)
	(77,893)	(58,154)
	407,125	294,913
Crude oil / Natural gas liquids / Condensate	74,048,563	41,395,058
Sales tax - note 27.2	(5,305,234)	-
	68,743,329	41,395,058
LPG	18,036,904	10,000,452
Federal excise duty	(9,867)	(9,826)
Sales tax	(2,622,371)	(1,456,842)
Petroleum Levy	(541,989)	(539,742)
	(3,174,227)	(2,006,410)
	14,862,677	7,994,042
Barytes	1,281,011	737,142
Sales tax	(80,397)	(36,705)
Discounts	(47,411)	(32,978)
	(127,808)	(69,683)
	1,153,203	667,459
	202,199,183	148,428,824

27.1 Break up of export sales is as follows:

Barytes	775,312	489,294
Crude oil / Condensate	121,059	204,364
	896,371	693,658

27.2 Through the Finance Act 2021, sales tax at the rate of 17% on crude oil was imposed from July 01, 2021 and subsequently withdrawn vide Finance (Supplementary) Bill 2021 with effect from January 15, 2022.

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	Year ended June 30, 2022	June 30, 2021
	(Rupees in thousand)	
28. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	10,011,419	9,388,218
Operator's personnel	2,647,619	2,406,112
Depreciation	6,303,121	7,224,218
Amortisation of decommissioning assets - note 4.1	1,674,778	1,003,469
Amortisation of D&P assets - note 4.1	8,593,679	9,272,313
Plant operations	3,660,264	3,700,744
Well interventions	1,228,514	1,033,988
Field services	2,349,447	2,144,829
Crude oil transportation	785,294	1,002,876
Travelling and conveyance	686,465	657,682
Training & development	42,231	70,382
PCA overheads	187,332	234,686
Insurance expenses	674,109	722,657
Free supply of gas to Sui villages - note 27	920,528	716,902
Social welfare / community development	325,855	498,051
	40,090,655	40,077,127
29. ROYALTIES AND OTHER LEVIES		
Royalties to GoP	22,910,464	17,211,894
Lease extension bonus	5,227,068	4,347,697
Windfall levy	2,362,824	497,146
Export development (reversal) / charges	(22)	483
	30,500,334	22,057,220
30. EXPLORATION EXPENSES		
Dry and abandoned wells	17,679,362	6,224,497
Other exploration expenditures	6,055,524	4,002,588
	23,734,886	10,227,085
31. ADMINISTRATIVE EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	6,642,799	6,040,222
Amortisation of intangible assets - note 5.1	121,270	149,460
Depreciation of leased and HO assets	359,024	172,350
Rent, rates and taxes	241,869	226,232
Utilities & communication	106,916	101,923
Travelling and conveyance	76,534	43,578
Training and development	52,925	40,714
Insurance expenses	44,917	25,788
Repairs, maintenance and supplies	707,446	762,363
Professional services	87,573	121,425
Auditors' remuneration - note 31.2	11,288	8,106
Donations and sponsorships - note 31.3 & 31.4	114,280	87,972
Contract services	91,827	96,342
Compliance and regulatory expenses	57,384	54,115
Advertisement, publicity and public relations	49,200	51,938
Other expenses	62,383	66,773
	8,827,635	8,048,401
Allocation to capital and operating expenditure	(4,226,973)	(4,306,950)
	4,600,662	3,741,451

31.1 This includes expenditure in respect of provident fund, pension fund, gratuity fund, leave preparatory to retirement and post-retirement medical benefits amounting to Rs 309.172 million, Rs 376.908 million, Rs 220.376 million, Rs 140.960 million and Rs 284.472 million, respectively (2021: Rs 336.471 million, Rs 362.331 million, Rs 176.891 million, Rs 109.376 million and Rs 238.195 million, respectively).

31.2 Auditors' remuneration

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Annual audit fee		
- unconsolidated	3,969	3,780
- consolidated	728	693
Limited review, special certifications and advisory services	5,293	2,396
Out of pocket expenses & others	1,298	1,237
	11,288	8,106

31.3 Party wise details of donations in excess of Rs 1 million are given below:

Name of Donees / Party	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
The Indus Hospital	12,000	-
Sindh Institute of Urology & Transplantation	10,310	-
Tehzibul Akhlaq Trust	9,700	4,100
Al-Shifa Trust Eye Hospital	7,000	-
Jaffriya Disaster Management Cell Welfare Organization	6,901	-
Akhuwat Foundation	6,000	-
The Layton Rehmatullah Benevolent Trust	5,500	4,333
Rural Health Centre	5,105	-
Water supply scheme for District Kohlu	3,532	-
HANDS Foundation	3,480	-
Parents Voice Association	2,000	-
Mosque of Pakistan Industrial Development Corporation	2,000	-
Pakistan Tennis Federation	1,200	-
Karachi Vocational Training Centre	1,000	-
University of Karachi	1,000	-
Pakistan Blind Cricket Council	1,000	-
Healthcare and Social Welfare Association	1,000	-
Karachi Institute Of Kidney Diseases	1,000	1,000
Mehran University of Engineering	-	16,134
Koohi Goth Hospital	-	8,500
National Institute of Child Hospital Trust	-	6,000
Friends Of Burns Centre	-	5,714
Bait-ul-Sukoon	-	4,000
Goth Seengar Foundation	-	3,000
NED University of Engineering & Technology (NED)	-	2,915
University of Engineering & Technology Lahore	-	2,432
Balochistan University of Information Technology, Engineering & Management Science	-	1,786
Establishment of PPL Chair (NED)	-	1,200
Sindh Radiant Organisation	-	1,000
	79,728	62,114

31.4 There are no donations in which the directors of the Company are interested.

32. STAFF RETIREMENT BENEFITS

32.1 Funded post retirement pension and gratuity schemes

As mentioned in note 3.16 to these unconsolidated financial statements, the Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Company appoints the trustees. All trustees are employees of the Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

32.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Present value of defined benefit obligations - note 32.1.8	10,477,554	1,488,472	3,366,158	1,395,468	16,727,652	16,246,946
Fair value of plan assets - note 32.1.5	(9,708,781)	(1,067,704)	(3,531,010)	(1,378,094)	(15,685,589)	(15,383,293)
Liability / (asset) recognised in the statement of financial position	768,773	420,768	(164,852)	17,374	1,042,063	863,653

32.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Balances as on July 01	(447,250)	519,883	468,714	322,300	863,653	619,511
Charge for the year - note 32.1.3	243,579	135,865	133,329	84,511	597,284	539,222
Refund / (Payments) during the year	365,440	(82,798)	(648,288)	(359,703)	(725,349)	31,895
Amount recognised in Other Comprehensive Income (OCI) for the year – note 32.1.4	607,004	(152,188)	(118,607)	(29,734)	306,475	(326,975)
Balances as on June 30	768,773	420,768	(164,852)	17,374	1,042,063	863,653

32.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Current service cost	286,223	86,295	87,466	52,078	512,062	488,669
Interest cost	932,842	158,165	351,808	149,675	1,592,490	1,229,454
Interest income on plan assets	(975,486)	(108,595)	(305,945)	(117,242)	(1,507,268)	(1,178,901)
Charge for the year recognised in profit or loss	243,579	135,865	133,329	84,511	597,284	539,222
Actual return on plan assets	676,646	69,910	249,100	91,552	1,087,208	2,307,057

32.1.4 Remeasurement recognised in other comprehensive income

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total June 30, 2022	Total June 30, 2021
	(Rupees in thousand)					
Actuarial loss / (gain) on obligation	308,164	(190,873)	(175,452)	(55,424)	**(113,585)**	801,181
Actuarial loss / (gain) on assets	298,840	38,685	56,845	25,690	**420,060**	(1,128,156)
Total remeasurements	**607,004**	**(152,188)**	**(118,607)**	**(29,734)**	**306,475**	(326,975)

32.1.5 Changes in fair value of plan assets

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total June 30, 2022	Total June 30, 2021
	(Rupees in thousand)					
Fair value of plan assets at beginning of the year *	9,940,046	1,105,314	3,118,967	1,218,966	**15,383,293**	14,010,735
Interest income on plan assets	975,486	108,595	305,945	117,242	**1,507,268**	1,176,901
Contributions / adjustments by the Company	(365,440)	82,798	648,288	359,703	**725,349**	(31,895)
Benefits paid	(542,471)	(190,318)	(485,345)	(292,127)	**(1,510,261)**	(902,604)
Amount recognised in OCI for the year	(298,840)	(38,685)	(56,845)	(25,690)	**(420,060)**	1,128,156
Fair value of plan assets at the end of the year	**9,708,781**	**1,067,704**	**3,531,010**	**1,378,094**	**15,685,589**	15,383,293

* *This represents unaudited fair value of plan assets.*

32.1.6 Changes in present value of pension and gratuity obligations

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total June 30, 2022	Total June 30, 2021
	(Rupees in thousand)					
Present value of obligations at beginning of the year	9,492,796	1,625,203	3,587,681	1,541,266	**16,246,946**	14,630,246
Current service cost	286,223	86,295	87,466	52,078	**512,062**	488,669
Interest cost	932,842	158,165	351,808	149,675	**1,592,490**	1,229,454
Benefits paid	(542,471)	(190,318)	(485,345)	(292,127)	**(1,510,261)**	(902,604)
Amount recognised in OCI for the year	308,164	(190,873)	(175,452)	(55,424)	**(113,585)**	801,181
Present value of obligations at the end of the year	**10,477,554**	**1,488,472**	**3,366,158**	**1,395,468**	**16,727,652**	16,246,946

32.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executives Rs '000 (June 30, 2022)	%	Non-Executives Rs '000 (June 30, 2022)	%	Executives Rs '000 (June 30, 2021)	%	Non-Executives Rs '000 (June 30, 2021)	%
Pension Fund									
Government securities	7.50 - 14.66	597,757	6	283,892	8	1,753,230	18	790,273	26
Shares	-	1,346,702	14	540,414	16	1,675,799	17	690,631	22
Sukuk	13.59 - 16.56	178,320	2	66,872	2	214,410	2	88,017	3
Term Finance Certificates	12.51 - 16.78	344,345	4	131,553	4	225,450	2	102,520	3
National Savings Certificates	12.96 - 13.01	2,450,000	25	613,500	18	3,750,000	38	613,500	20
Cash and bank deposits	6.25 - 17.00	4,791,657	49	1,894,779	52	2,321,157	23	834,026	26
Total		9,708,781	100	3,531,010	100	9,940,046	100	3,118,967	100
Gratuity Fund									
Government securities	9.00 - 16.65	62,111	6	78,706	6	283,348	26	245,781	20
Shares	-	167,180	16	219,095	16	207,854	19	276,636	23
Sukuk	13.59 - 16.56	25,827	2	25,003	2	27,577	2	28,548	2
Term Finance Certificates	12.51 - 16.78	58,137	5	81,545	6	48,138	4	67,187	5
National Savings Certificates	9.00 - 13.01	300,000	28	271,000	19	300,000	27	321,000	26
Cash and bank deposits	6.25 - 17.00	454,449	43	702,745	51	238,397	22	279,814	23
Total		1,067,704	100	1,378,094	100	1,105,314	100	1,218,966	100

32.1.8 Sensitivity analysis

	June 30, 2022 Executives 1% increase	June 30, 2022 Executives 1% decrease	June 30, 2022 Non-Executives 1% increase	June 30, 2022 Non-Executives 1% decrease	June 30, 2021 Executives 1% increase	June 30, 2021 Executives 1% decrease	June 30, 2021 Non-Executives 1% increase	June 30, 2021 Non-Executives 1% decrease
	(Rupees in thousand)							
Pension								
Salary rate sensitivity	381,176	(511,325)	109,412	(100,863)	441,805	(392,744)	121,059	(111,426)
Pension rate sensitivity	848,238	(720,163)	168,216	(147,259)	65,402	37,140	116,862	(98,631)
Discount rate sensitivity	(1,163,546)	1,210,771	(248,684)	277,967	(996,444)	1,203,105	(223,808)	284,279
Gratuity								
Salary rate sensitivity	23,023	(20,632)	47,453	(43,881)	24,506	(23,768)	52,498	(48,436)
Discount rate sensitivity	(83,220)	93,773	(48,384)	53,237	(101,650)	115,366	(58,114)	64,200

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

32.1.9 Maturity profile of the defined benefit obligations

	June 30, 2022 Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity
Weighted average duration (years)	11.11	8.08	7.39	4.39
	(Rupees in thousand)			
Distribution of timing of benefit payments (time in years)				
1	565,115	184,567	259,443	153,471
2	766,892	226,374	749,553	467,229
3	737,499	186,129	328,658	176,899
4	738,064	196,092	324,165	172,723
5	929,686	249,057	495,793	292,024
6-10	6,350,370	1,194,630	1,987,339	927,756

32.1.10 The Company expects to contribute Rs 637.352 million (2021: Rs 597.284 million) to the pension and gratuity funds in the next financial year.

32.2 Unfunded post-retirement medical benefits

32.2.1 The Company provides free medical facilities to its executive and non-executive retired employees, as mentioned in note 3.16 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2022, results of which are as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Present value of defined benefit obligations - notes 23 and 32.2.4	2,458,013	2,297,102

32.2.2 Movement in the liability recognised in the statement of financial position is as follows:

Balance as at July 01	2,297,102	2,134,229
Charge for the year - notes 31.1 & 32.2.3	284,472	238,195
Payments during the year	(116,523)	(101,433)
Amounts (credited) / charged to OCI	(7,038)	26,111
Balance as at June 30	2,458,013	2,297,102

32.2.3 Amounts recognised in profit or loss

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Current service cost	56,453	57,795
Interest cost	228,019	180,400
	284,472	238,195

32.2.4 Changes in present value of post-retirement medical obligations

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance as at July 01	2,297,102	2,134,229
Current service cost	56,453	57,795
Interest cost	228,019	180,400
Benefits paid	(116,523)	(101,433)
Amounts (credited) / charged to OCI	(7,038)	26,111
Balance as at June 30	2,458,013	2,297,102

32.2.5 Sensitivity analysis

	1% increase	1% decrease
	(Rupees in thousand)	
Medical cost trend rate sensitivity	276,988	(236,030)
Discount rate sensitivity	(285,849)	351,418

32.2.6 The Company expects to contribute Rs 382.702 million (2021: Rs 284.472 million) to the unfunded post-retirement medical benefits in the next financial year.

32.2.7 The weighted average duration of the defined benefit obligation works out to 11.54 years (2021: 11.89 years) in respect of executive and 11.76 years (2021: 12.20 years) in respect of non-executive retired employees.

32.3 Leave preparatory to retirement

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance as at July 01	785,448	706,623
Charge for the year - note 31.1	140,960	109,376
	926,408	815,999
Payments / adjustments during the year	(56,397)	(30,551)
Balance as at June 30 - note 23	870,011	785,448

32.4 Principal actuarial assumptions

	Per annum June 30, 2022	June 30, 2021
- discount rate	13.25%	10.00%
- expected rate of increase in salaries	13.25%	10.00%
- expected rate of increase in pension	8.25%	5.00%
- expected rate of escalation in medical cost	9.25%	6.00%
- death rate / mortality rate	SLIC (2001-05)	

32.5 Description of the risks to the Company

The defined benefit plans expose the Company to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

33. FINANCE COSTS

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Financial charges for lease liabilities	38,088	864
Unwinding of discount on decommissioning obligation - note 21	1,209,485	1,106,115
Interest on WPPF - note 16.2	1,250	93
	1,248,823	1,107,072

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	

34. OTHER CHARGES

	2022	2021
WPPF charge / adjustment- note 16.2	4,540,021	3,424,931
Impairment loss on investment in PPLA - note 6.3.2	1,593,138	336,819
Provision for windfall levy on oil / condensate - note 26.1.7	7,203,000	2,346,000
Exchange loss on foreign currency (net)	-	1,277,438
Reversal of provision for obsolete / slow moving stores & spares - note 11.1	(155,546)	(18,241)
Loss on disposal / write-off and impairment loss of stores and spares (net) - note 4.4	2,291,222	17,852
	15,471,835	7,384,799

35. OTHER INCOME

	2022	2021
Income from financial assets		
Income on loans and bank deposits - note 35.1	497,249	445,521
Income on local currency term deposits	816,735	986,197
Income on foreign currency term deposits	643,451	819,739
Income from investment in treasury bills	3,827,203	622,989
Exchange gain on foreign currency (net)	6,922,371	-
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss	916,500	908,780
	13,623,509	3,783,226
Income from assets other than financial assets		
Rental income on assets	5,014	5,081
Profit on sale of property, plant and equipment (net)	79,577	27,231
Insurance income	44,078	84,121
Profit on disposal of obsolete / slow moving stores and spares (net)	235,843	-
Others	155,890	156,054
	520,402	272,487
	14,143,911	4,055,713

35.1 This includes profit amounting to Rs 0.564 million (2021: Rs 0.440 million) under a Shariah compliant arrangement.

36. TAXATION

Provision for taxation for the year ended June 30, 2022 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The head office and BME income is taxed at 29%, except for income from T-bills which is taxed at 15% and 12.5%, being non-agreement areas. In addition, super tax at 10% has been provided on all income streams of the Company for the tax year 2022.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Current		
- for the year - note 36.1	45,477,524	23,873,731
- for prior years (net)	156,957	(1,028,800)
	45,634,481	22,844,931
Deferred - note 36.1	(1,049,894)	(6,694,713)
	44,584,587	16,150,218

36.1 Current tax includes provision for super tax imposed by the GoP at the rate of 10% amounting to Rs 9,571.041 million on the taxable income of the Company during the year, while the impact of said provision on deferred tax amounts to Rs 2,448.665 million at the rate of 4%.

36.2 Relationship between accounting profit and taxation

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Accounting profit for the year before taxation	98,130,751	68,581,618
Tax on accounting profit at applicable rate of 41.27% (2021: 43.86%)	40,496,344	30,079,896
Tax effect of:		
- Depletion allowance	(11,792,549)	(8,614,273)
- Royalty allowed for tax purposes	(4,124,478)	(3,066,285)
- Impairment loss	462,010	97,678
- Unwinding of discount on decommissioning obligation	563,850	513,673
- Tax income relating to prior years	156,957	(1,028,800)
- Decommissioning cost	4,932,211	(881,633)
- Dividend income / gain on remeasurement of investments	(265,785)	(263,546)
- Super Tax	12,019,706	-
- Tax credits & others	2,136,321	(686,494)
	44,584,587	16,150,218
Effective tax rate %	45.43	23.55

37. DETAILS OF EXPLORATION AND PRODUCTION AREAS / FIELDS

The areas in which the Company has working interest are as follows:

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021
	Producing Fields				
1	Adhi	PPL	39.00	(1,119,305)	(596,013)
2	Dhok Sultan (EWT Phase)	PPL	75.00	7,484	(462,820)
3	Gambat South	PPL	65.00	(1,441,208)	(1,750,362)
4	Hala	PPL	65.00	(389,005)	(8,336)
5	Kandhkot	PPL	100.00	-	-
6	Kandhkot East (Chachar)	PPL	75.00	6,025	(60,707)
7	Mazarani	PPL	87.50	98,844	132,440
8	Shah Bandar	PPL	63.00	(20,352)	(62,357)
9	Sui	PPL	100.00	-	-
10	Block 22	PEL	35.53	(46,733)	(38,942)
11	Digri (Gulsher EWT Phase)	UEPL	25.00	(33,615)	(28,851)
12	Gambat	UEP-BETA	23.68	58,979	31,160
13	Ghauri (Dharian EWT Phase)	MPCL	35.00	(33,875)	(37,956)
14	Kirthar	POGC	30.00	(634,503)	(512,792)
15	Kotri North (Unarpur EWT Phase)	UEPL	40.00	(41,921)	(430,749)
16	Latif	UEP-BETA	33.30	(1,286,938)	(379,409)
17	Miano	UEP-BETA	15.16	(392,558)	(130,602)
18	Nashpa	OGDCL	28.55	(1,428,599)	(1,803,698)
19	Qadirpur	OGDCL	7.00	(279,231)	(422,841)
20	Sawan	UEP-BETA	26.18	(196,637)	(75,946)
21	Tal	MOL	27.76	(1,247,277)	(619,725)

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	35.00	(591)	6,140
2	Block 2565-6 (Bela West) - note 37.1	PPL	58.50	267,086	165,552
3	Block 3371-15 (Dhok Sultan) - note 37.2	PPL	75.00	-	-
4	Block 2568-18 (Gambat South) - note 37.2	PPL	65.00	-	-
5	Block 2566-4 (Hab) - note 37.3	PPL	97.35	23,965	25,965
6	Block 2568-13 (Hala) - note 37.2	PPL	65.00	-	-
7	Block 3372-23 (Hisal)	PPL	62.50	(19,821)	21,743
8	Block 2467-12 (Jungshahi) - note 37.3	PPL	100.00	1,435	(1,328)
9	Block 2866-2 (Kalat)	PPL	100.00	(1,070,739)	(446,757)
10	Block 3272-18 (Karsal)	PPL	100.00	(10,683)	(6,082)
11	Block 2763-3 (Kharan)	PPL	100.00	(325,418)	6,058
12	Block 2764-4 (Kharan-East)	PPL	100.00	(259,607)	(2,160)
13	Block 2569-5 (Khipro East)	PPL	97.50	(566,821)	(530,150)
14	Block 2766-1 (Khuzdar)	PPL	100.00	(34,871)	(23,167)
15	Block 2468-12 (Kotri)	PPL	100.00	705	(30,111)
16	Block 2866-4 (Margand)	PPL	100.00	(14,661)	(8,229)
17	Block 3069-10 (Musakhel)	PPL	37.20	32,572	81,725
18	Block 2668-9 (Naushahro Firoz)	PPL	100.00	(14,613)	15,735
19	Block 2864-2 (Nausherwani)	PPL	97.50	11,954	831
20	Block 3073-5 (Punjab)	PPL	47.50	26,372	26,675
21	Block 2467-16 (Shah Bandar) - note 37.2	PPL	63.00	-	-
22	Block 2468-10 (Sirani)	PPL	75.00	16,746	(6,422)
23	Block 2768-13 (Sorah)	PPL	100.00	(181,829)	(861)
24	Block 2763-5 (South Kharan)	PPL	51.00	52,939	99,247
25	Block 3070-13 (Baska) - note 37.4	PPL	82.50	(7,922)	589
26	Block 2568-19 (Digri) note 37.2	UEPL	25.00	-	-
27	Block 3273-3 (Ghauri) - note 37.2	MPCL	35.00	-	-
28	Block 2468-9 (Jhenuck)	NHEPL	30.00	(59,317)	(59,317)
29	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(12,015)	(16,697)
30	Block 2667-7 (Kirthar) - note 37.2	POGC	30.00	-	-
31	Block 2568-21 (Kotri North) - note 37.2	UEPL	40.00	-	-
32	Block 2667-5 (Kuhan)	UEP-BETA	47.50	(114,849)	(59,786)
33	Block 2669-3 (Latif) note 37.2	UEP-BETA	33.30	-	-
34	Block 3370-10 (Nashpa) - note 37.2	OGDCL	30.00	-	-
35	Block 3070-16 (Pezu)	OGDCL	30.00	(124,225)	(5,638)
36	Block 3072-8 (Shakarganj West)	OGDCL	50.00	(16,501)	(1,404,809)
37	Block 2568-20 (Sukhpur) - note 37.5	ENI	30.00	9,213	(6,683)
38	Block 3069-9 (Suleiman)	OGDCL	50.00	(26,513)	-
39	Block 3370-3 (Tal) - note 37.2	MOL	30.00	-	-
	Offshore Blocks				
40	Block 2366-7 (Indus-C) - note 37.6	PPL	100.00	(12,842)	10,523
	Other areas - note 37.7			(41,814)	(10,526)

37.1 In Bela West block, KUFPEC surrendered its entire 35% working interest with effect from February 09, 2021 to the Company & MPCL on pro-rata basis. Deed of Assignment was signed on May 13, 2022.

37.2 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

37.3 Notices for relinquishment have been submitted to GoP for Hab and Jungshahi blocks on December 20, 2021.

37.4 Deed of Assignment was signed on May 13, 2022 to transfer 33.5% working interest from China Zhen Hua Oil Company Limited along with operatorship of the block to the Company.

37.5 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached GoP (in June 2021) for approval of further well testing. Matter is still under consideration of GoP.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2022

37.6 Deed of Assignment was signed on November 25, 2021 to transfer 60% working interest from Eni Pakistan along with operatorship of the block to the Company.

37.7 This mainly includes amounts receivable / (payable) under the various blocks against which the Company applied to GoP for relinquishment.

37.8 The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Company and transactions with the Joint Operations.

37.9 In 2022 bidding round, the Company has been provisionally awarded four blocks; two operated blocks Kalat West and Sui North with 50% working interest in each block and two partner operated blocks Dadhar and Mach with 30% working interest in each block. Finalisation of Exploration Licenses and Petroleum Concession Agreements is in progress.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Financial assets as per statement of financial position		
- At amortised cost		
Long-term investments	-	4,194,324
Long-term loans	61,689	53,159
Long-term deposits	7,676	7,676
Trade debts	365,791,716	282,284,931
Loans and advances	558,389	698,991
Trade deposits	79,634	70,339
Interest accrued	264,349	514,133
Current maturity of long-term deposits	1,505,250	1,205,357
Current maturity of long term loans	27,929	22,714
Current maturity of long-term receivables	122,051	138,560
Other receivables	2,216,692	1,874,205
Short-term investments	66,407,345	67,402,825
Cash and bank balances	3,723,282	4,242,627
	440,766,002	362,709,841
- At fair value through Profit or Loss - Mutual Funds	-	17,609,193
Non-financial assets	184,179,125	156,564,258
Total assets	624,945,127	536,883,292
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Trade and other payables	26,543,169	21,203,284
Unclaimed dividends	1,001,150	521,910
Non-financial liabilities	162,526,109	124,630,374
Total liabilities	190,070,428	146,355,568

38.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.6(j).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including the effect of market risks relating to interest rates, foreign currency exchange rate and commodity price, credit risk and liquidity risk associated with various financial assets and liabilities. The carrying values of financial assets and liabilities approximate to their fair values except for investments at amortised cost, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the years ended June 30, 2022.

Financial risks emanating from changing market conditions and Company's business decisions are identified and managed by the Company in accordance with appropriate policies, procedures, risk framework and risk appetite.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate, foreign currency exchange rate and price, which will affect the Company's income or the value of its holdings of financial instruments. Objective of the market risk management is to manage and / or control market risk exposures within acceptable parameters, wherever applicable, while optimising the return on financial instruments.

i) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by closely monitoring the duration of fixed rate investments and placements.

ii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's revenue, foreign procurement costs or the value of its financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimising the return on financial instruments. Positive impact of the exchange rate fluctuations on the Company's revenues and assets is greater than the adverse impact on the Company's liabilities, resulting in an overall positive net change.

Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

	June 30, 2022	June 30, 2021
	(US Dollars)	
Investments at amortised cost	63,906,998	235,141,001
Cash and bank balances	539,518	1,410,501
Current maturity of long-term deposits	7,500,000	7,500,000
Trade and other payables	(1,468,801)	(1,418,773)
	70,477,715	242,632,729

The following significant exchange rates have been applied during the year:

	Average Rate 2022	Average Rate 2021	Closing Rate 2022	Closing Rate 2021
	(Rupees)			
USD 1	178.21	160.47	206.00	158.30

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	71,947	(71,947)
Foreign currency financial liabilities	26,466	(26,466)

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Company is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Company.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Natural Gas (Mcf)	223,133	(223,133)
Crude Oil / Condensate / NGL (BBL)	4,481	(4,481)
LPG (M. Ton)	116	(116)
Barytes (M. Ton)	112	(112)

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk from its operating and certain investing activities and the Company's credit risk exposures are categorised under the following headings:

i) Counterparties

The Company conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Company's customers are made on the basis of agreements approved by GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Company subject to maximum price notified by OGRA.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from GoP till June 30, 2022 as per policy disclosed in note 3.11 to these unconsolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Company is actively pursuing for recovery of trade debts and the Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 2.1.2 is not material and accordingly has not been included in these unconsolidated financial statements.

Bank and investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Company currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Long-term investments	**-**	4,194,324
Long-term loans	**61,689**	53,159
Long-term deposits	**7,676**	7,676
Trade debts	**365,791,716**	282,284,931
Loans	**81,764**	61,748
Trade deposits	**79,634**	70,339
Interest accrued	**264,349**	514,133
Current maturity of long-term loans	**27,929**	22,714
Current maturity of long-term deposits	**1,505,250**	1,205,357
Current maturity of long-term receivables	**122,051**	138,560
Other receivables	**2,216,692**	1,874,205
Short-term investments	**66,407,345**	85,012,018
Bank balances	**3,722,152**	4,228,914
	440,288,247	379,668,078

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 3.11 to these unconsolidated financial statements. As at the reporting date, the Company envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Long-term investments		
AA	-	4,194,324
Trade debts		
Customers with defaults in past one year which have not yet been recovered	**42,614,761**	25,825,446
Short-term investments		
AAA	**54,907,706**	47,068,167
AA	**11,499,639**	37,943,851
	66,407,345	85,012,018
Cash at banks		
AAA	**2,798,276**	2,683,970
AA	**923,876**	1,544,944
	3,722,152	4,228,914

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 345,030 million of the trade debts as at June 30, 2022 (2021: Rs 267,579 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
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The aging of trade debts at the reporting date is provided in note 12.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Natural Gas	**345,030,185**	267,579,358
Crude oil / Natural gas liquids / Condensate	**20,339,492**	14,116,378
Other operating revenue	**422,039**	589,195
	365,791,716	282,284,931

c) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and avert significant capital losses, so that it can continue to create value for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. All potential capital losses exceeding risk appetite are considered significant, and undergo rigorous risk management to mitigate their impacts.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There were no changes in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
			(Rupees in thousand)			
Lease liabilities against ROUA		136,800	1,297,370	-	-	1,434,170
Trade and other payables	1,677,118	19,575,165	5,290,886	-	-	26,543,169
Unclaimed dividend	1,001,150	-	-	-	-	1,001,150
Year ended June 30, 2022	**2,678,268**	**19,711,965**	**6,588,256**	**-**	**-**	**28,978,489**
Lease liabilities	-	433	-	-	-	433
Trade and other payables	3,932,999	14,144,667	3,125,618			21,203,284
Unclaimed dividend	521,910	-	-	-	-	521,910
Year ended June 30, 2021	**4,454,909**	**14,145,100**	**3,125,618**	**-**	**-**	**21,725,627**

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.6(j).

40. CASH AND CASH EQUIVALENTS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Short-term highly liquid investments - note 40.1	**29,206,594**	65,667,025
Cash and bank balances - note 18	**3,723,282**	4,242,627
	32,929,876	69,909,652

40.1 Short-term investments as disclosed in note 17 amount to Rs 66,407 million (2021: Rs 65,012 million). However, certain investments which were not considered highly liquid comprising mutual funds amounting to 'Nil' (2021: Rs 17,609 million), foreign currency term deposits amounting to Rs 8,610 million (2021: Rs 1,736 million), local currency term deposits amounting to Rs 92 million (2021: 'Nil') and T-bills amounting to Rs 28,498 million (2021: 'Nil') and accordingly were not considered as cash and cash equivalents.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2022	Year ended June 30, 2021	**Year ended June 30, 2022**	Year ended June 30, 2021
	(Rupees in thousand)			
Managerial remuneration	**54,162**	48,646	**7,271,140**	8,577,521
Housing, conveyance and utilities	**81**	504	**211,828**	854,791
Retirement benefits	**905**	6,772	**933,862**	1,167,472
Bonus	**7,067**	7,870	**930,039**	1,407,495
Medical and leave passage	**1,425**	555	**692,914**	688,309
Leave encashment	**14,598**	-	**46,362**	145,572
	78,238	64,347	**10,086,145**	12,841,160
Number, including those who worked for part of the year	**1**	1	**1,229**	1,571

41.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to twelve non-executive directors was Rs 29.250 million (2021: Rs 27.625 million to fourteen non-executive directors).

42. EARNINGS PER SHARE

	Year ended June 30, 2022	Year ended June 30, 2021
42.1 Basic earnings per share		
Profit after taxation (Rs '000)	**53,546,164**	52,431,400
Dividend on convertible preference shares (Rs '000)	**(32)**	(34)
Profit attributable to ordinary shareholders (Rs '000)	**53,546,132**	52,431,366
Weighted average number of ordinary shares in issue	**2,720,972,798**	2,720,972,176
Basic earnings per share (Rs)	**19.68**	19.27
42.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**53,546,164**	52,431,400
Weighted average number of ordinary shares in issue	**2,720,972,798**	2,720,972,176
Adjustment for conversion of convertible preference shares	**10,730**	11,352
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**19.68**	19.27

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2022

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these unconsolidated financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Sales of gas / barytes / oil to state controlled entities (including Government Levies)		
GENCO-II	**11,773,426**	12,184,180
SSGCL	**57,399,936**	42,964,202
SNGPL	**71,294,798**	64,156,301
EPRF	**867,428**	-
OGDCL	**156,080**	1,758,118
	141,491,668	121,062,801
Long-term receivables, trade debts and other receivables from state controlled entities as at June 30	See notes 10, 12, 16 & 43.3	
Transactions and balances with subsidiaries		
Receivable from subsidiaries as at June 30	See note 16	
Interest paid on loan from PPLE	**60**	-
Payment of employees cost on secondment to PPLA	**84,121**	77,567
Capital contribution in cash paid to PPLA	**1,593,138**	336,819
Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen as at June 30	**1,505,250**	1,205,357
Transactions and balances with Associated Companies - note 43.3		
Sales of crude oil / condensate to PARCO	**10,132,725**	7,967,436
Sales of crude oil / condensate to PRL	**2,921,179**	2,035,522
Payment to Total PARCO Pakistan Limited (Total PARCO)	**32,379**	7,542
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	**4,994**	975
Purchase of medicines from Sanofi-Aventis Pakistan Limited (SAPL)	**3,207**	6,199
Equity investment in PIOL	**4,161,250**	-
Receivable from PIOL as at June 30	See note 16	
Service fee (G&A overheads) charged to PIOL	**71,367**	-
Payment of employees cost on secondment to PIOL	**166,793**	-
Annual supervision fee paid to Audit Oversight Board	**500**	-
Payment to MPCL against gas processing services received	**206,742**	-
Deposits with Askari Bank Limited (AKBL) as at June 30	**-**	1,401,392
Letters of credit placed with AKBL as at June 30	**-**	93,605
Transactions and balances with Joint Operations		
Payments of cash calls to joint operations	**33,902,746**	28,684,403
Expenditures incurred by the joint operations	**35,394,626**	23,683,006
Amounts receivable from / payable to joint operations partners as at June 30	See notes 13, 16 & 25	
Income from rental of assets to joint operations	**5,014**	5,081
Dividend income from BME	**250,000**	-
Purchase of goods from BME (net)	**201,672**	55,551
Reimbursement of employee cost on secondment to BME	**20,964**	23,909

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Other related parties		
Dividend to GoP	6,429,023	4,592,159
Dividend to Trust under BESOS	-	200,057
Unclaimed dividend pertaining to BESOS	700,200	210,060
Dividend to trusts under retirement benefit funds	5,301	2,272
Transactions with retirement benefit funds	See notes 31.1 & 32	
Remuneration to key management personnel	See note 41	
Payment to PPL Welfare Trust for CSR activities	21,000	20,000
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	166,828	150,583
Payment of rental to Karachi Port Trust (KPT)	8,031	8,419
Payment of insurance premium to National Insurance Company Limited (NICL)	967,482	1,036,365
Insurance claim received from NICL	44,078	84,121
Fuel purchased from Pakistan State Oil Company Limited (PSO)	642,072	58,813
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	107,462	86,988
Deposits with National Bank of Pakistan (NBP) as at June 30	969,388	263,831
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	39,093	43,485
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	738	95
Payment to SNGPL against services obtained	-	1,258
Stores and spares on loan to OGDCL	-	3,065

43.1 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Company pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

43.2 During the year, an inter-company loan of USD 100,000 was obtained by the Company from PPLE on July 12, 2021 which carried interest at the rate of 3% per annum. The loan was fully repaid by the Company to PPLE on August 24, 2021 along with interest.

43.3 Following are the related parties with whom the Company has entered into transactions during the year excluding GoP, wholly owned subsidiaries, associate, joint operations, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these unconsolidated financial statements.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2022

S.No.	Company Name	Basis of Relationship As at June 30, 2022
1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SNGPL	GOP is common shareholder / Common Directorship
5.	SSGCL	GOP is common shareholder
6.	PSO	GOP is common shareholder
7.	GENCO - II	GOP is common shareholder
8.	PIDC	GOP is common shareholder
9.	KPT	GOP is common shareholder
10.	NICL	GOP is common shareholder
11.	Total PARCO	GOP is common shareholder
12.	NBP	GOP is common shareholder
13.	PIACL	GOP is common shareholder
14.	PRL	GOP is common shareholder
15.	HDIP	GOP is common shareholder
16.	EPRF	GOP is common shareholder
17.	EPSL	GOP is common shareholder
18.	MPCL	Common Directorship
19.	PIP	Common Directorship
20.	SAPL	Common Directorship

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

The operating interests of the Company are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these unconsolidated financial statements relate to the Company's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall gross revenue.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
SSGCL	57,399,936	42,964,202
SNGPL	71,294,801	64,156,301
ARL	55,887,501	26,292,219
	184,582,238	133,412,722

45. GENERAL

45.1 Number of employees

	June 30, 2022	June 30, 2021
Total number of employees at the end of the year were as follows:		
- Regular	2,570	2,607
- Contractual	74	84
	2,644	2,691
Average number of employees during the year were as follows:		
- Regular	2,614	2,654
- Contractual	80	76
	2,694	2,730

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2022

45.2 Capacity and production

Product	Unit	Actual production for the year (PPL's share) June 30, 2022	Actual production for the year (PPL's share) June 30, 2021
Natural gas	MMCF	**263,481**	276,309
Crude oil / NGL / Condensate	Thousand Barrels	**4,560**	5,132
LPG	M. Ton	**116,498**	115,835
Barytes	M. Ton	**118,505**	64,206

Due to the nature of operations of the Company, installed capacity of the above products is not relevant.

45.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

46. SUBSEQUENT / NON-ADJUSTING EVENTS

46.1 The exemption from application of ECL under IFRS-9, as disclosed in notes 2.1.2, 2.6(j), 3.11(a)(iii) and 12.3 to these financial statements, has been extended for the Company by the SECP till June 30, 2023, through letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022.

46.2 The Board of Directors in its meeting held on September 20, 2022 has recommended cash dividend @ 5% amounting to Rs 1,360.487 million (2021: @ 20% amounting to Rs 5,441.946 million) on paid-up value of ordinary share capital and @ 5% amounting to Rs 0.005 million (2021: @ 15% amounting to Rs 0.016 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 26, 2022.

47. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 20, 2022 by the Board of Directors of the Company.

Chief Financial Officer | Chief Executive Officer | Chairman

CONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Petroleum Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 4.10, 4.12 and 13 to the consolidated financial statements) As at June 30, 2022, trade debts include overdue amount of Rs. 323,347 million, (net of GDS and GIDC), on account of inter-corporate circular debt. These are receivable from oil refineries, gas and power companies out of which following are overdue from related parties; i.e. Central Power Generation Company Limited (GENCO- II) Rs. 1,577 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 171,516 million, Sui Southern Gas Company Limited (SSGCL) of Rs. 146,708 million, Oil & Gas Development Company (OGDCL) Rs. 51 million, ENAR Petroleum Refining Facility (ENAR) Rs. 34 million, Pak-Arab Refinery Limited (PARCO) Rs. 50 million and Pakistan Refinery Limited (PRL) Rs. 85 million. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. The Group considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.	Our audit procedures in respect of receivables, amongst others, included the following: • Checked, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained direct confirmations from customers and tested reconciliations where differences were identified. In case of no replies from customers, performed alternate procedures; • Tested post year end cash receipts from customers relating to year end balances, with the underlying documentation; • Inspected correspondence with the customers and relevant government authorities and held discussions with the Group and Board Audit Committee to assess recoverability of overdue trade debts; • Discussed with the Group, events during the year and steps taken by management for settlement of these trade debts and inspected minutes of meetings of the Board of Directors and Board Audit Committee; • Assessed reasonableness of management's judgment relating to recoverability of interest on delayed payments from customers; and

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Key audit matters	How the matter was addressed in our audit
The Group has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Group recognizes interest, if any, on delayed payments from customers, when the interest on delayed payments is received by the Group. We considered the matter as key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.	• Assessed the adequacy of relevant disclosure in the consolidated financial statements.
(ii) Impairment assessment of development and production assets and other property, plant and equipment	
(Refer notes 3.6, 4.1, 4.3 and 5 to the consolidated financial statements) As at June 30, 2022, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 49,138 million and Rs. 72,542 million respectively. The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where indications of impairment are identified, an impairment test is performed by the Group based on the estimate of the recoverable value of that asset and/or Cash Generating Unit(CGU).	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design and implementation of the relevant key internal controls implemented by the management over impairment assessment of development and production assets and related property, plant and equipment; • Assessed the appropriateness of the Group's identification of Cash Generating Units (CGUs);

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Key audit matters	How the matter was addressed in our audit
The calculation of value-in-use of development and production assets and other property, plant and equipment requires management to make significant estimates and judgments, such as estimation of the volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate. We considered the matter as key audit matter due to the significance of judgments / estimates used by the Group in determining the value-in-use of development and production assets and other property, plant and equipment.	• Assessed the reasonableness of Group's assumptions used in the calculation of recoverable value of asset and/ or CGUs, relating to oil and gas recoverable reserves, future oil and gas prices, costs and discount rate based on our knowledge of the business and industry and by comparing the assumptions to historical results/ underlying records and published market data and checked the mathematical accuracy of cash flow model; • Tested management's sensitivity analysis that considered the impact of changes in key assumptions on the outcome of the impairment assessments; and • Assessed the appropriateness of the relevant disclosure in the consolidated financial statements.
(iii) Recognition of Revenue	
(Refer notes 4.21 and 28 to the consolidated financial statements) The Group is engaged in the production and sale of oil and gas resources. The Group recognized gross revenue during the year from the sales of crude oil / condensate / natural gas liquid, natural gas, liquefied petroleum gas (LPG) and barytes amounting to Rs 236,781 million.	Our audit procedures to assess the recognition, amongst others, include the following: • Assessed the design and implementation of the relevant key internal controls over revenue recognition from the sale of products; • Inspected the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and International Financial Reporting Standard (IFRS 15 - "Revenue from Contracts with Customers"); • Performed test of details on a sample of sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as appropriate;

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Key audit matters	How the matter was addressed in our audit
Transaction prices of crude oil / condensate / natural gas liquid and natural gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Group. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are finalized with the customers and / or approved by GoP. We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Group and significant judgment relating to recoverability of interest on delayed payments from customers.	• Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Group for prices of LPG. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet/Petroleum Concession Agreements; • Where pricing is provisional / sales agreement not finalized; (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Group; (b) inspected term sheets signed with the customers; (c) checked price being charged is in line with the applicable petroleum policy / agreed with customers/ Petroleum Concession Agreements; and (d) obtained direct balance confirmation from customers; • Checked sales transactions on either side of the consolidated statement of financial position date to assess whether they are recorded in the correct accounting period; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of relevant disclosures made in the consolidated financial statements.

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Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2022 but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 a 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 Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

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expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

KPMG Taseer Hadi & Co.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Inam Ullah Kakra.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Date: October 03, 2022
UDIN: AR202210202frgLTV6Xv

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at june 30, 2022

	Note	June 30 2022	June 30 2021
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	**139,578,251**	147,402,803
Intangible assets	6	**113,116**	211,183
		139,691,367	147,613,986
Long-term investments	7	**2,177,859**	4,194,325
Deposit with GoP for equity stake in Reko Diq	8	**34,106,250**	-
Long-term loans	9	**61,689**	53,159
Long-term deposits	10	**7,676**	7,676
		176,044,841	151,869,146
CURRENT ASSETS			
Stores and spares	12	**5,495,842**	4,568,484
Trade debts	13	**366,251,547**	282,671,085
Loans and advances	14	**558,389**	698,991
Trade deposits and short-term prepayments	15	**290,833**	261,039
Interest accrued	16	**282,262**	516,344
Current maturity of long-term loans	9	**27,929**	22,714
Current maturity of long-term deposits	10	**1,505,250**	1,205,357
Current maturity of long-term receivables	11	**122,051**	138,560
Other receivables	17	**3,038,181**	3,406,631
Short-term investments	18	**69,634,343**	87,395,982
Cash and bank balances	19	**5,427,273**	4,751,445
		452,633,900	385,638,632
TOTAL ASSETS		**628,678,741**	537,507,778
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	20	**27,209,836**	27,209,836
Reserves	21	**407,494,659**	361,721,989
		434,704,495	388,931,825
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	22	**33,196,343**	27,318,257
Deferred liabilities	24	**3,328,024**	3,082,550
Deferred taxation - net	25	**28,780,165**	29,830,059
		65,304,532	60,230,866
CURRENT LIABILITIES			
Trade and other payables	26	**89,664,907**	67,212,162
Unclaimed dividends		**1,001,150**	521,910
Current maturity of lease liabilities	23	**1,434,170**	433
Taxation - net		**36,569,487**	20,610,582
		128,669,714	88,345,087
TOTAL LIABILITIES		**193,974,246**	148,575,953
TOTAL EQUITY AND LIABILITIES		**628,678,741**	537,507,778
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer   Chief Executive Officer   Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended june 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
Revenue from contracts with customers	28	**203,810,768**	149,278,578
Operating expenses	29	**(40,755,673)**	(40,775,583)
Royalties and other levies	30	**(31,017,914)**	(22,227,755)
		(71,773,587)	(63,003,338)
Gross profit		**132,037,181**	86,275,240
Exploration expenses	31	**(24,823,651)**	(10,633,582)
Administrative expenses	32	**(4,675,290)**	(3,785,727)
Finance costs	34	**(1,297,469)**	(1,146,852)
Reversal of provision for doubtful debts - net	13	**41,929**	691,835
Share of loss of associate	7.2	**(2,607,077)**	-
Other charges	35	**(13,928,504)**	(7,043,059)
		84,747,119	64,357,855
Other income	36	**14,190,164**	4,080,091
Profit before taxation		**98,937,283**	68,437,946
Taxation	37	**(44,584,587)**	(16,154,752)
Profit after taxation		**54,352,696**	52,283,194
Basic and diluted earnings per share (Rs)	43	**19.98**	19.21

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer   Chief Executive Officer   Chairman

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended june 30, 2022

	2022	2021
	(Rupees in thousand)	
Profit after taxation	**54,352,696**	52,283,194
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement (loss) / gain on defined benefit plans - net	**(299,437)**	300,864
Items that may be reclassified to profit or loss		
Exchange differences on translation of subsidiaries & associate	**1,242,848**	(157,797)
Other comprehensive income	**943,411**	143,067
Total comprehensive income for the year	**55,296,107**	52,426,261

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended june 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**155,308,198**	161,551,019
Receipts of other income		**6,084,381**	245,256
Payment to suppliers / service providers and employees - net		**(28,537,761)**	(37,185,063)
Payment of indirect taxes and Government levies including royalties		**(61,075,387)**	(53,514,026)
Income tax paid		**(29,843,381)**	(17,481,105)
Payment of decommissioning obligation		**(121,079)**	(159,251)
Finance costs paid		**(39,278)**	(957)
Long-term loans - net		**(13,745)**	(14,233)
Net cash generated from operating activities		**41,761,948**	53,441,640
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(22,967,384)**	(14,191,235)
Proceeds from sale of property, plant and equipment		**82,223**	33,865
Investments - net		**(13,564,100)**	13,305,561
Capital contribution in PIOL		**(4,161,250)**	-
Deposit with GoP for equity stake in Reko Diq		**(34,106,250)**	-
Long-term deposits		**(299,893)**	(30,107)
Long-term receivables		**16,509**	56,186
Finance income received		**6,062,559**	3,763,919
Net cash (used in) / generated from investing activities		**(68,937,586)**	2,938,189
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(53,552)**	(19,342)
Dividends paid		**(9,044,197)**	(6,580,461)
Net cash used in financing activities		**(9,097,749)**	(6,599,803)
Net (decrease) / increase in cash and cash equivalents		**(36,273,387)**	49,780,026
Cash and cash equivalents at the beginning of the year		**72,802,434**	23,228,291
Net foreign exchange differences		**720,355**	(205,883)
Cash and cash equivalents at the end of the year	41	**37,249,402**	72,802,434

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended june 30, 2022

	Subscribed and paid-up share capital		Capital reserve (Note - 21)	Revenue reserves (Note - 21)	Total
	Ordinary	Convertible preference			
	(Rupees in thousand)				
Balance as at June 30, 2020	27,209,718	118	1,428	316,096,759	343,308,023
Total Comprehensive income for the year					
Profit after taxation	-	-	-	52,283,194	52,283,194
Other comprehensive income for the year ended June 30, 2021, net of tax	-	-	-	143,067	143,067
Total comprehensive income for the year ended June 30, 2021	-	-	-	52,426,261	52,426,261
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 at 10%	-	-	-	(2,720,972)	(2,720,972)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(4,081,458)	(4,081,458)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 at 10%			-	(12)	(12)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(17)	(17)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**361,720,561**	**388,931,825**
Total Comprehensive income for the year					
Profit after taxation	-	-	-	54,352,696	54,352,696
Other comprehensive income for the year ended June 30, 2022, net of tax	-	-	-	943,411	943,411
Total comprehensive income for the year ended June 30, 2022	-	-	-	55,296,107	55,296,107
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2021 at 20%	-		-	(5,441,946)	(5,441,946)
Interim dividend for the year ended June 30, 2022 at 15%				(4,081,459)	(4,081,459)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2021 at 15%	-			(16)	(16)
Interim dividend for the year ended June 30, 2022 at 15%			-	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-
Balance as at June 30, 2022	**27,209,730**	**106**	**1,428**	**407,493,231**	**434,704,495**

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2022

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.1.1 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Holding Company to continue producing from the Sui gas field, the most recent being dated May 30, 2022, whereby allowing the Holding Company to continue producing from Sui gas field for a further period of one year with effect from June 01, 2022.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Holding Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP on December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, EC2Y 5EB United Kingdom.

1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands with principal place of business at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). Subsequent to the year end, MdOC vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Holding Company will take appropriate actions in due course of time.

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administrating the trusts formed for the benefits of the employees of the Holding Company.

The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated PPPFTC in its consolidated financial statements for the year ended June 30, 2022.

2. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 1.4 to these consolidated financial statements, here-in-after referred to as "the Group".

Subsidiary is an entity over which the Holding Company has control. Control is achieved when the Holding Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company eliminated against the subsidiary companies shareholder's equity in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. Further, the accounting policies of subsidiaries are aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company, as well as, PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

3. BASIS OF PREPARATION

3.1 Statement of compliance

3.1.1 These consolidated 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Holding Company has not recorded impact of the aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these consolidated financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management of the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 13.5 and 13.6 to these consolidated financial statements).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2022

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

a) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, have been measured at fair value.

b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

3.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Group's financial positions and are therefore not stated in these consolidated financial statements.

3.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2022 and these amendments are not likely to have a significant effect on these consolidated financial statements.

- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37).

The following improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an affect on these consolidated financial statements.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16);
- Reference to the conceptual framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of accounting estimates (Amendments to IAS 8);
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12); and
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

3.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Holding Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2021: Rs 18,879 million).

During the period, the detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court. The Holding Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.

3.6 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these consolidated financial statements.

a) Property, plant and equipment and intangibles

The Group reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, an appropriate amount is charged to profit or loss.

d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of commercial reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Group is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geologic, reservoir or production data, (2) new geologic, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the consolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Group's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Group revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	4,394
Property, plant and equipment would have been lower by	3,527
Amortisation charge would have been lower by	867
Profit after tax would have been higher by	476

f) Joint arrangements

The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Holding Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these consolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Group after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Group.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Holding Company; or the Holding Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

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j) Impairment of financial assets

- **Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)**

The Group uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- **Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)**

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly/ ultimately from Government of Pakistan (GoP) till June, 30 2022. Accordingly, the Group reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Group has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Group's receivables is slower than the contractual terms primarily because circular debt is a macro economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Group's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

k) Stores and spares

The Group reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might effect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Group conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's 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.

b) Lease liability and Right-of-use asset (ROUA)

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

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Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit or loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognised as an expense in the statement of profit or loss when incurred.

4.2 Exploration and evaluation assets

The Group applies the "Successful efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Group has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

4.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 4.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.4 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Group and that the cost of such assets can also be measured reliably.

Generally, costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures which enhance or extend the performance of computer software beyond their original specification and useful life are recognised as capital improvement and added to the original cost of the software.

4.5 Depreciation and amortisation

a) Property, plant and equipment

Depreciation on all field based immoveable assets is charged on unit-of-production basis. Whereas, all moveable assets i.e. furniture, fittings & equipment, computers & allied equipment and rolling stock are depreciated on straight-line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

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b) Intangible assets

Amortisation on intangible assets is charged over their useful economic life on straight-line basis at the rates stated in note 6.1 to these consolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

4.6 Business combinations and goodwill

The Group uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in the profit or loss.

Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss. Impairment losses are not reversed in future years.

4.7 Investment in associated company

An associate is an entity over which the Holding Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Holding Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Holding Company's interest in that associate are recognised only to the extent that the Holding Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 4.8.

4.8 Impairment of non-financial assets, goodwill and investment in associated company

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that its carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.9 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

4.10 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

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Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Group.

Impairment of financial assets

The Group assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Group applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 3.1.2 to these consolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2022.

The Group assesses the recoverability of its financial assets if there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Financial assets covered under IFRS 9

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Group applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Financial assets covered under IAS 39

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O, the disclosure of the impacts of ECL was not required. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021 extended the exemption period till June 30, 2022. Earlier to the aforesaid S.R.O. dated September 2, 2019, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised in respect of financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the consolidated financial statements based on the clarification received from SECP. The Group expects same exemption for another one year from SECP.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss . An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised. For financial asset carried at cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at current market rate of return for a similar financial assets. Such impairment loss will not be reversed in subsequent periods. For financial asset carried at amortised cost, the amount of impairment loss recognised is difference between carrying amount and present value of estimated cash flow, discounted at effective interest rate.

b) Financial liabilities

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.11 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

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4.12 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

4.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash and cheques in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

4.14 Decommissioning obligation and its provision

The activities of the Group normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Group has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-four years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

4.15 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Holding Company maintains / operates the following benefit plans:

i. Approved pension and gratuity schemes

The Holding Company operates approved funded pension and gratuity schemes, separately, for its executive and non-executive permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Holding Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Holding Company provides post-retirement medical benefits to its executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Holding Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2022, based on the 'Projected Unit Credit Actuarial Cost Method'.

b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Holding Company operates recognised provident fund schemes, separately, for its executive and non-executive permanent staff as per rules of service. Equal monthly contributions are made by the Holding Company and the employees to the respective funds at the rate of 4.35% (executive staff) and 8% (non-executive staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Holding Company also operates defined contribution pension fund schemes (conventional and Shariah) for its executive staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of executive staff to the relevant funds.

4.16 Compensated absences

The Holding Company provides for compensated absences in respect of executive and non-executive staff, in accordance with the rules of the Holding Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2022.

4.17 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

4.18 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.19 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the consolidated profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of other comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.20 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.21 Revenue recognition

Revenue from sale of petroleum products & barytes (the Products) is recognised when the Group satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Group has an interest with other joint operations partners is recognised in accordance with the Group's working interest and the terms of the relevant agreements.

4.22 Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Other income on loans is recognised on time proportion basis with reference to the principal outstanding and the applicable rate of return.

Income on investments at amortised cost and saving accounts with banks is recognised on time proportion basis taking into account the effective yield of such investments.

The Group recognises interest, if any, on delayed payments from customers on receipt basis.

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

4.23 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Group classifies a joint arrangement as joint operations when the Group has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Group classifies a joint arrangement as a joint venture when the Group has rights to the net assets of the arrangement.

The Group has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

4.24 Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the date of statement of financial position and their income and expenses are translated at exchange rates approximating those prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognised in profit or loss.

4.25 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

4.26 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the consolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these consolidated financial statements.

4.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	**90,161,512**	93,750,767
Capital work-in-progress - note 5.4	**49,416,739**	53,652,036
	139,578,251	147,402,803

5.1 **Operating assets**

	Owned assets												Right-of-use assets			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (note - 5.6)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment***	Rolling stock*	Development and production assets	Decommissioning assets	Sub total	Rolling stock*	Plant & Machinery	Sub total	Total
	(Rupees in thousand)															
As at July 01, 2020																
Cost	108,404	1,406,082	2,875,477	5,085	84,842,092	1,125,269	12,101,948	1,406,996	763,989	111,561,981	21,589,122	237,608,445	93,601		93,601	237,702,046
Accumulated impairment loss		-								(875,961)	-	(875,961)				(875,961)
Accumulated depreciation / amortisation		-	(1,756,058)	(3,741)	(54,200,106)	(694,112)	(7,946,589)	(1,165,260)	(676,841)	(62,350,832)	(13,109,502)	(141,725,041)	(79,190)		(79,190)	(141,804,231)
NBV	108,404	1,406,082	1,119,419	1,344	30,641,986	431,157	4,155,359	241,736	87,148	48,335,188	8,479,620	95,007,443	14,411	-	14,411	95,021,854
Year ended June 30, 2021																
Additions (at cost)			110,888		6,537,624	147,398	2,501,651	138,449	38,547	8,176,087	525,503	19,174,147				19,174,147
Adjustments / reclassifications	(5,768)	(69,174)	(1,126)	-	(26,431)	(732)	-	(446)	53	65,542	(2,303,219)	(2,341,305)	(53)	-	(53)	(2,341,358)
Disposals (at NBV)			(167)		(58)	(1,528)		(464)	-	-		(2,218)	(4,416)		(4,416)	(6,634)
Depreciation / amortisation charge			(178,515)	(134)	(5,884,847)	(75,132)	(1,168,497)	(137,646)	(31,936)	(8,609,277)	(1,003,469)	(18,087,455)	(5,789)		(5,789)	(18,093,244)
NBV	102,636	1,336,908	1,050,499	1,210	31,268,273	501,163	5,488,513	241,625	93,812	47,967,540	5,698,435	93,750,614	153		153	93,750,767
As at July 01, 2021																
Cost	102,636	1,336,908	2,882,742	5,085	91,141,104	1,252,618	14,605,599	1,427,827	795,285	120,803,619	19,811,406	254,264,819	11,529		11,529	254,276,348
Accumulated impairment loss										(875,961)		(875,961)			-	(875,961)
Accumulated depreciation / amortisation			(1,832,243)	(3,875)	(59,872,831)	(751,455)	(9,117,086)	(1,186,202)	(701,473)	(71,960,118)	(14,112,971)	(159,638,244)	(11,376)		(11,376)	(159,649,620)
NBV	102,636	1,336,908	1,050,499	1,210	31,268,273	501,163	5,488,513	241,625	93,812	47,967,540	5,698,435	93,750,614	153	-	153	93,750,767
Year ended June 30, 2022																
Additions (at cost)	8,502		86,723		2,349,317	51,821	1,034,292	53,821	39,377	3,457,837	439,494	7,521,194	-	1,487,289	1,487,289	9,008,483
Adjustments / reclassifications		-			(175,276)					391,826	4,374,774	4,591,325				4,591,325
Disposals (at NBV)					(307)	(1,826)		(481)	(22)			(2,646)	-	-	-	(2,646)
Depreciation / amortisation charge		-	(144,985)	(133)	(4,982,857)	(82,881)	(1,203,186)	(133,386)	(34,337)	(8,806,209)	(1,674,778)	(17,082,752)	(153)	(123,512)	(123,665)	(17,206,417)
NBV	111,138	1,336,908	992,237	1,077	28,459,151	468,277	5,319,619	161,579	98,830	43,010,994	8,837,925	88,797,735	-	1,363,777	1,363,777	90,161,512
As at June 30, 2022																
Cost	111,138	1,336,908	3,069,443	5,085	93,303,162	1,281,600	15,613,676	1,452,954	816,847	124,653,273	24,625,675	266,269,761	-	1,487,289	1,487,289	267,757,050
Accumulated impairment loss										(875,961)	-	(875,961)				(875,961)
Accumulated depreciation / amortisation			(2,077,206)	(4,008)	(64,844,011)	(813,323)	(10,294,057)	(1,291,375)	(718,017)	(80,766,318)	(15,787,750)	(176,596,065)	-	(123,512)	(123,512)	(176,719,577)
NBV	111,138	1,336,908	992,237	1,077	28,459,151	468,277	5,319,619	161,579	98,830	43,010,994	8,837,925	88,797,735	-	1,363,777	1,363,777	90,161,512
Rate of depreciation / amortisation (%)			5	5	**	10	**	30	20	**	**		20	**		

* Represents light and heavy vehicles.

** Amortisation on unit of production basis except for assets located at Holding Company's Head Office (HO) & Bolan Mining Enterprises (BME)

*** Computers and allied equipment previously classified as ROUA have been transferred to owned assets having nil net book value

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2022

5.2 Summary of significant assets

The following assets have significant operational value to the Group:

Particulars	June 30, 2022 Cost	June 30, 2022 NBV	June 30, 2021 Cost	June 30, 2021 NBV
	(Rupees in thousand)			
Head Office				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	1,248,034	2,891,688	1,448,394
Adhi Field				
LPG / NGL Plant III	4,649,726	2,064,966	4,649,726	2,425,388
Kandhkot Field				
Gas Compression Station	10,345,025	2,294,310	10,345,765	2,615,076
Hala Field				
Gas Processing Facility (GPF)	1,252,658	31,728	1,252,658	53,939
Gambat South Field				
Gas Processing Facility (GPF) II	10,831,283	6,280,685	10,831,726	6,944,402
GPF IV (Phase I & II)	4,295,109	3,531,351	4,130,554	3,738,640
Dhok Sultan Field				
Oil Handling Facility (ROUA)	1,487,289	1,363,776	-	-
Sawan Field				
Front End Compression	3,760,723	145,986	3,760,723	277,927
Other Plant and Machinery	2,358,134	-	2,358,134	-
Tal Field				
Makori Central Processing Facility	6,353,105	832,551	6,353,105	1,162,178
CPF Manzalai	3,155,195	92,421	3,155,195	129,012
Nashpa Field				
Nashpa LPG Plant	4,731,035	2,189,316	4,731,035	2,660,161
Wellhead Compression Project	1,279,411	853,906	1,203,441	961,590
Latif Field				
Reception / Tie-in Facility	1,165,465	47,409	1,165,465	67,462
Kotri North Field				
Kotri North Field Development	1,051,059	-	1,057,415	30,008

5.3 Cost and accumulated depreciation include:

	Cost June 30, 2022	Cost June 30, 2021	Accumulated depreciation June 30, 2022	Accumulated depreciation June 30, 2021
	(Rupees in thousand)			
Share in Group operated joint operations	32,845,034	30,001,623	14,911,747	12,442,102
Share in partner operated joint operations	49,203,560	46,675,581	38,053,469	35,063,161
	82,048,594	76,677,204	52,965,216	47,505,263

5.3.1 The above figures represent assets under all areas excluding Sui and Kandhkot, since these are 100% owned areas of the Holding Company.

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
5.4	**Capital work-in-progress**		
	Plant, machinery, fittings and pipelines	11,370,642	8,711,906
	Exploration and Evaluation (E&E) assets	19,103,985	24,245,767
	Development and Production (D&P) assets	6,127,177	5,014,297
	Lands, buildings and civil constructions	69,397	76,955
	Capital stores for drilling and development	15,036,760	15,603,111
	Less: Impairment loss of capital stores - note 5.5.1	(2,198,810)	-
	Less: written-off capital stores	(92,412)	-
		12,745,538	15,603,111
		49,416,739	53,652,036

5.5 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil construction	Capital stores for drilling and development	Total
	(Rupees in thousand)					
Balance as at July 1, 2020	11,101,874	29,295,007	8,066,401	157,847	16,272,101	64,893,230
Capital expenditure incurred/ advances made during the year (net) - note 5.5.1	6,855,180	4,575,584	2,918,946	27,799	(667,449)	13,710,060
Cost of dry well during the year	-	(6,224,497)	-	-		(6,224,497)
Adjustments / reclassifications	(21,147)	469,996	(307,314)	(929)	(1,541)	(60,935)
Transferred to operating assets	(9,224,001)	(3,870,323)	(5,463,736)	(107,762)	-	(18,665,822)
Balance as at June 30, 2021	8,711,906	24,245,767	5,014,297	76,955	15,603,111	53,652,036
Capital expenditure incurred/ advances made during the year (net) - note 5.5.1	7,919,567	11,820,382	5,368,492	87,668	(575,584)	24,620,525
Impairment / write-off of capital stores - note 5.5.1	-	-	-	-	(2,291,222)	(2,291,222)
Cost of dry well during the year	-	(17,679,362)	-	-	-	(17,679,362)
Adjustments / reclassifications	-	2,725,979	(2,725,979)	-	9,233	9,233
Transferred to operating assets	(5,260,831)	(2,008,781)	(1,529,633)	(95,226)	-	(8,894,471)
Balance as at June 30, 2022	11,370,642	19,103,985	6,127,177	69,397	12,745,538	49,416,739

5.5.1 Amounts under capital stores for drilling and development are net of consumption, impairment loss and write-off of inventory items identified as surplus / unusable / scrap during the year. Identification of surplus / unusable / scrap items relating to the Holding Company's operated fields is based on internal assessment conducted during the year. This is an ongoing exercise and subsequent to the year end, the Holding Company plans to undertake a third party study to assess the recoverable value of such items. Accordingly, based on the management's current best estimate and as a matter of abundant caution, an impairment loss of Rs 1,170 million has been recognised against surplus / unusable / scrap items identified during the year. Further, an amount of Rs 1,029 million written-off during the period ended December 31, 2021 has been reclassified as an impairment loss and will be reassessed after completion of third party assessment.

5.6 Plant and machinery includes major spare parts and standby equipment having cost of Rs 152.830 million (2021: Rs 398.168 million).

5.7 None of the assets disposed off during the year has a book value of more than Rs 0.5 million.

5.8 Particulars of immoveable property (lands and buildings) in the name of the Holding Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land & Building	
Sui Field	2,488.71
Kandhkot Field	161.90
Mazarani Field	172.30
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	14.84
Leasehold Land & Building	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	822.75
Adhi Field	148.13
KPS	196.11

5.9 Particulars of the Holding Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942 Karachi-75530	Sindh	Not applicable
2.	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3.	PPLA Office	P.I.D.C. House Dr. Ziauddin Ahmed Road Karachi	Pakistan	Not applicable
4.	PPLE Office	6th Floor, One London Wall London, United Kingdom	United Kingdom	Not applicable
5.	PIOL Office	34th Floor, al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable

S.No	Business Unit	Address	Geographical location	Plants
6.	Sui Gas Field	Sui Dera Bugti, Balochistan	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
7.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
8.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
9.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility - II 3) Gas Processing Facility - IV
10.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
11.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
12.	Hala Field	Districts Sanghar and Matiari	Sindh	Gas Processing Facility
13.	Benari Field (Shah Bandar)	District, Sujawal	Sindh	Third Party Processing Facility
14.	Dhok Sultan	District, Attock	Punjab	ROUA Oil Handling Facility
15.	BME	Districts Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

6. INTANGIBLE ASSETS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Computer software including ERP system - note 6.1	100,712	192,277
Intangible assets under development	12,404	18,906
	113,116	211,183

6.1 Computer software including ERP system

	ERP system	Computer software	Total
	(Rupees in thousand)		
As at July 01, 2020			
Cost	442,164	1,623,113	2,065,277
Accumulated amortisation	(381,762)	(1,391,254)	(1,773,016)
NBV	60,402	231,859	292,261
Year ended June 30, 2021			
Additions (at cost)	775	48,845	49,620
Adjustments / reclassifications	-	(144)	(144)
Amortisation charge - note 32	(21,171)	(128,289)	(149,460)
NBV	40,006	152,271	192,277
As at July 01, 2021			
Cost	442,939	1,671,801	2,114,740
Accumulated amortisation	(402,933)	(1,519,530)	(1,922,463)
NBV	40,006	152,271	192,277

Year ended June 30, 2022			
Additions (at cost)	11,721	17,984	29,705
Amortisation charge - note 32	(17,926)	(103,344)	(121,270)
NBV	33,801	66,911	100,712
As at June 30, 2022			
Cost	450,870	1,675,126	2,125,996
Accumulated amortisation	(417,069)	(1,608,215)	(2,025,284)
NBV	33,801	66,911	100,712
Rate of amortisation (%)	20	33	

7. LONG-TERM INVESTMENTS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 7.1	1	1
- Associate		
Unquoted company		
- Pakistan International Oil Limited (PIOL) - note 7.2 Equity held: 25% No. of shares: 2,500,000 of USD 10/- each	2,177,858	-
Other investments		
- At amortised cost		
- Foreign currency term deposits with banks	-	4,194,324
	2,177,859	4,194,325

7.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Holding Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2022. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

7.2 Pakistan International Oil Limited (PIOL)

During the year, a Holding Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Holding Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. To this end, the consortium companies have established an independent company PIOL, incorporated in Emirate of Abu Dhabi on July 15, 2021, with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The investment represents USD 25 million (Rs 4,161.250 million) invested by the Holding Company in PIOL, net of share of loss for the year amounting to Rs 2,607.077 million charged to profit or loss and exchange gain on translation of foreign associate amounting to Rs 623.685 million recorded through other comprehensive income to translation reserve. The loss for the year mainly pertains to exploration expenditure incurred by the associate on acquisition of 3D seismic data and its processing. The share of loss of PIOL is based on the audited financial statements of the associate for the period from inception to 31 December 2021, adjusted for transactions and events upto June 30, 2022 based on management accounts. As at June 30, 2022, net assets and total comprehensive loss of PIOL is Rs 8,711 million and Rs 10,428 million, respectively. Net assets of PIOL comprise of non-current assets, current assets and current liabilities amounting to Rs 6,345 million, Rs 2,984 million and Rs 618 million, respectively.

Subsequent to the year end, the Holding Company has made an equity investment in PIOL amounting to USD 10 million. Consequently, total equity investment of the Holding Company has increased to USD 35 million.

8. DEPOSIT WITH GOP FOR EQUITY STAKE IN REKO DIQ

- Reconstitution of Reko Diq Project

On March 17, 2022 the Government of Pakistan (GoP), through the Federal Cabinet, ratified the decision of the Economic Coordination Committee (the Decision) which approved, inter alia, issuance of directions to the Holding Company, Oil & Gas Development Company Limited (OGDCL) and Government Holdings (Private) Limited (GHPL) (collectively the SOEs) to participate in reconstitution of a joint mining project at Reko Diq (the Project). As part of the settlement arrangement, Barrick Gold Corporation (Barrick) will be retaining 50% shareholding in Tethyan Copper Company Pakistan (Pvt.) Limited (TCCP) along with operatorship, whereas the other shareholder, Antofagasta PLC will exit TCCP upon receipt of USD 900 million and subject to other conditions precedent. Pursuant to the Decision and subsequent correspondence with the Finance Division, each SOE was also directed to pay into an escrow account an amount of USD 187.5 million (collectively USD 562.5 million) as entry fee which would be utilized towards acquisition of 8.33% interest by each SOE in TCCP. The entry fee attributable to the Government of Balochistan (GoB) would be funded by the GoP amounting to USD 337.5 million.

On the basis of the Decision, the Board of Directors of the Holding Company resolved to enter into a non-binding framework agreement with the GoP, the GoB, OGDCL, GHPL and Barrick, which sets out, inter alia, the ownership / transaction structure, rights, obligations and common objectives of the parties towards facilitating the implementation of the Project (Framework Agreement). In terms of the Framework Agreement, several conditions are required to be satisfied before binding arrangements are effective including receipt of administrative and regulatory approvals, execution of definitive agreements, deposit of USD 900 million in a designated escrow account, stabilization of the fiscal regime and legislative and judicial validation amongst others. If the conditions are not satisfied by June 30, 2022, interest at the rate of US Prime plus 2% (Interest Amount) would be payable to Antofagasta. If the conditions are not satisfied latest by December 15, 2022, unless otherwise agreed by the parties, the terms of settlement/resolution will be cancelled and terminated and the entry fee along with the Interest Amount will be refunded to the respective SOEs/GoP. Only upon satisfaction of the stated conditions in the Framework Agreement, the entry fee along with the Interest Amount, if any, will be released to Antofagasta against acquisition of corresponding equity interest by the SOEs and GoB, thereby settling the historical disputes relating to Reko Diq project.

Subsequent to the Decision and based on written advice from the Finance Division dated March 29, 2022 and approval of the board of directors, the Holding Company has deposited its corresponding share of the entry fee amounting to USD 187.5 million (Rs 34,106 million) in an escrow account maintained by HSBC Bank PLC, and jointly operated by the GoP and Antofagasta. The amount of USD 187.5 million represents a deposit with the GoP for the settlement of the Reko Diq dispute. This deposit will either be utilised by the Holding Company as share consideration against acquisition of corresponding equity in TCCP or be returned to the Holding Company as mentioned in the preceding paragraph.

In line with the Framework Agreement, various definitive agreements are being finalised and the legislative and judicial validation process is underway. Since the conditions set out in the Framework Agreement were unable to be satisfied by June 30, 2022, an interest equivalent to US Prime plus 2% is applicable on the Holding Company's deposit of USD 187.5 million with the GoP, as mentioned above.

9. LONG-TERM LOANS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Unsecured and considered good		
Long-term loans - staff - note 9.1		
- Executive staff - note 9.2	21,029	20,564
- Other employees	68,589	55,309
	89,618	75,873
Less: Current maturities		
- Executive staff	(7,195)	(6,846)
- Other employees	(20,734)	(15,868)
	(27,929)	(22,714)
	61,689	53,159

9.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Holding Company in accordance with the Holding Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2021: 1% to 10%) per annum. Loans to employees have not been discounted as the amount involved is not significant.

9.2 Reconciliation of the carrying amount of long-term loans to executive staff

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance as on July 01	20,564	19,358
Disbursements	8,700	35,068
Repayments / adjustments	(8,235)	(33,862)
Balance as on June 30	21,029	20,564

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 22.170 million (2021: Rs 20.944 million).

10. LONG-TERM DEPOSITS

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Cash margin:		
- For guarantee to International Bank of Yemen - note 10.1	1,505,250	1,205,357
- Others	7,676	7,676
	1,512,926	1,213,033
Less: Current maturity of long-term deposits	(1,505,250)	(1,205,357)
	7,676	7,676

10.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Holding Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Holding Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Holding Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e., September 19, 2016.

Since then, there have been multiple correspondence among the Operator, The Ministry of Yemen and the Holding Company. In the latest correspondence, the Ministry of Yemen vide letter dated 13 April 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

Accordingly, the Holding Company has taken up the matter with the bank to expedite the release of SBLC. Progress remains slow due to the turbulent political scenario in Yemen.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
11. LONG-TERM RECEIVABLES		
Unsecured and considered good		
Government Holdings (Private) Limited (GHPL) - note 11.1	122,051	138,560
Less: Current maturity of long-term receivables from GHPL	(122,051)	(138,560)
	-	-

11.1 This represents share of carried cost borne by the Holding Company, in respect of Tal and Gambat fields, which is recoverable from GHPL in accordance with the terms set out under the relevant Petroleum Concession Agreements (PCAs). The receivable amount is overdue and it has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
12. STORES AND SPARES		
Stores and spares	5,683,785	4,944,087
Stores and spares - in transit	83,859	51,745
	5,767,644	4,995,832
Less: Provision for obsolete / slow moving stores and spares - note 12.1	(271,802)	(427,348)
	5,495,842	4,568,484
12.1 Reconciliation of provision for obsolete / slow moving stores and spares:		
Balance as on July 01	427,348	445,589
Reversal for the year - note 35	(155,546)	(18,241)
Balance as on June 30	271,802	427,348

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
13. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 13.1)		
Central Power Generation Company Limited (GENCO-II) - Note 13.4	4,523,630	6,305,294
Sui Northern Gas Pipelines Limited (SNGPL)	186,517,610	151,225,754
Sui Southern Gas Company Limited (SSGCL)	154,160,444	110,126,963
Pakistan Refinery Limited (PRL)	731,279	1,196,389
Pak-Arab Refinery Limited (PARCO)	837,009	2,416,363
ENAR Petroleum Refining Facility (EPRF)	307,977	-
Oil & Gas Development Company Limited (OGDCL)	51,344	439,174
	347,129,293	271,709,937
Non-related parties		
Attock Refinery Limited (ARL)	18,113,087	10,247,211
National Refinery Limited (NRL)	525,436	490,831
Others	483,731	223,106
	19,122,254	10,961,148
	366,251,547	282,671,085
Unsecured and considered doubtful		
Non-related party		
Cnergyico Pk Limited (CNERGY) formerly Byco Petroleum Pakistan Limited (Byco) - note 13.5	253,002	253,002
EGAS Pvt. Ltd. (EGAS) - note 13.6	169,454	211,383
Less: Provision for doubtful debts	(422,456)	(464,385)
	-	-
	366,251,547	282,671,085

13.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
GENCO-II	7,025,635	6,305,294
SNGPL	186,517,610	161,101,718
SSGCL	154,160,444	110,126,963
PARCO	2,864,333	2,416,363
PRL	1,449,718	1,196,389
EPRF	307,977	-
OGDCL	370,942	902,985
	352,696,659	282,049,712

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
13.2 The ageing of trade debts as at June 30 is as follows:		
Neither past due nor impaired	**42,904,607**	25,966,802
Past due but not impaired:		
Related parties		
- within 90 days	**26,486,816**	22,300,682
- 91 to 180 days	**29,455,447**	24,270,381
- over 180 days	**264,176,265**	205,955,360
	320,118,528	252,526,423
Non-related parties		
- within 90 days	**2,176,815**	2,360,976
- 91 to 180 days	**780**	60,339
- over 180 days	**1,050,817**	1,756,545
	3,228,412	4,177,860
	366,251,547	282,671,085

13.3 Trade debts include overdue amount of Rs 319,984 million (2021: Rs 251,285 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 3,363 million (2021: Rs 5,883 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 3.1.2 to these consolidated financial statements, SECP has deferred the applicability of ECL model till June 30, 2022 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CNERGY and EGAS as a result of disputes disclosed in notes 13.5 and 13.6.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from CNERGY and EGAS.

13.4 As disclosed in note 3.6.2 of consolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS and GIDC amounting to Rs 66,959 million (2021: Rs 52,949 million) and Rs 4,999 million (2021: Rs 7,399 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Holding Company as at the date of statement of financial position.

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13.5 The Holding Company had filed a suit in the Sindh High Court (SHC) against CNERGY (formerly Byco) for recovery of overdue amount. The said suit is pending adjudication before the SHC. In addition, the Holding Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Holding Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Holding Company, which was allowed by the Accountability Court on October 24, 2020. The Holding Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Holding Company has filed a constitutional petition against the NAB for recovery of the withheld amount. For late payment surcharge amount, the Holding Company shall continue to pursue its above civil suit.

13.6 The Holding Company has filed winding up petition against EGAS for recovery of overdue amount. The petition is pending adjudication before the Islamabad High Court. Accordingly, provision for doubtful amount has been recognised.

During the year, the Holding Company has received an amount of Rs 75 million from EGAS. Accordingly, the provision for doubtful debts has been reversed to the extent of the Holding Company's share of recovery amounting to Rs 41.929 million. Further, on April 06, 2022, the Holding Company submitted a complaint to NAB for recovery of outstanding dues, including late payment surcharge, from EGAS.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
14. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**81,764**	61,748
Advances to suppliers and others	**154,634**	275,839
Advance payment of cash calls to joint operations – note 38	**321,991**	361,404
	558,389	698,991
15. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**79,634**	70,339
Prepayments	**211,199**	190,700
	290,833	261,039
16. INTEREST ACCRUED		
Interest receivable on:		
- long-term investments	**-**	2,283
- short-term investments	**189,524**	468,134
- bank deposits	**92,738**	45,927
	282,262	516,344

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
17.	**OTHER RECEIVABLES**		
	Receivable from:		
	SNGPL for Sui field services	**24,822**	35,133
	SSGCL for Sui field services	**6,879**	5,105
	PIOL	**115,274**	-
	Staff retirement benefit plans - note 33.1.1 and 17.1	**430,045**	1,140,024
	Current accounts with joint operations - note 38	**1,476,577**	1,415,827
	Indemnification asset	**623,817**	479,239
	Workers' Profits Participation Fund (WPPF) - note 17.2	**9,980**	75,069
	Others - note 17.3	**350,787**	258,234
		3,038,181	3,408,631

17.1 It includes an amount of Rs 265.193 million on account of payment made by the Holding Company on behalf of staff retirement benefit funds.

		June 30, 2022	June 30, 2021
17.2	**WPPF**	(Rupees in thousand)	
	Balance as at July 01	**75,069**	35,768
	Allocation for the year - note 35	**(4,540,021)**	(3,424,931)
	Interest on funds utilised in the Group's business - note 34	**(1,250)**	(93)
		(4,466,202)	(3,389,256)
	Net amount paid during the year	**4,476,182**	3,464,325
	Balance as at June 30	**9,980**	75,069

17.3 It includes receivable of Rs 9.56 million from OGDCL, MPCL and GHPL (Rs 2.45 million, Rs 3.68 million and Rs 3.43 million receivable, respectively) with respect to the payments made by the Holding Company on their behalf for expenses related to PIOL. Further, it includes receivable of Rs 5.67 million each from OGDCL and GHPL on account of payments made by the Holding Company on their behalf with respect to the Reko Diq project.

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
18.	**SHORT-TERM INVESTMENTS**		
	At amortised cost		
	- Local currency term deposits with banks - note 18.1	**847,500**	32,142,500
	- Foreign currency term deposits with banks - note 18.2	**16,359,886**	35,294,890
	- Local currency treasury bills - note 18.3	**52,426,957**	2,349,399
		69,634,343	69,786,789
	At fair value through profit or loss		
	- Mutual Funds	**-**	17,609,193
		69,634,343	87,395,982

18.1 These carry profit ranging from 7.54% to 17.66% (2021: 7.65% to 8.00%) per annum and are due to mature latest by March 2023.

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18.2 These represent foreign currency term deposits with banks amounting to USD 66.882 million (June 30, 2021: USD 223.669 million) having effective interest rate ranging from 1.40% to 10.55% (June 30, 2021: 0.35% to 2.01%) per annum and are due to mature latest by May 2023.

18.3 These carry profit ranging from 10.62% to 14.65% (2021: 7.25% to 7.56%) per annum and are due to mature latest by November 2022. These bills were issued by GoP and sold through State Bank of Pakistan. It also includes treasury bills amounting to Rs 1,715 million pledged as collateral to a financial institution for issuing bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court, as disclosed in note 27.1.6 (b).

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
19.	**CASH AND BANK BALANCES**		
	At banks		
	- Saving accounts		
	Local currency - note 19.1	**2,606,457**	3,475,182
	Foreign currency - note 19.2	**110,871**	543,420
		2,717,328	4,018,602
	- Current accounts		
	Local currency	**1,004,824**	532,460
	Foreign currency	**1,635,223**	179,037
		2,640,047	711,497
	Cash and cheques in hand	**69,898**	21,346
		5,427,273	4,751,445

19.1 These carry profit at the rate ranging from 2.75% to 15.01% (2021: 2.75% to 7.21%) per annum. Further, it includes Rs 14.298 million (2021: Rs 8.331 million) placed under an arrangement permissible under Shariah.

19.2 These carry profit at the rate ranging from 0.01% to 0.30% (2021: from 0.01% to 0.25%) per annum.

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
20.	**SHARE CAPITAL**		
	Authorised		
	3,500,000,000 (2021: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
	26,510 (2021: 26,510) convertible preference shares of Rs 10 each	**265**	265
		35,000,265	35,000,265
	Issued		
	2,721,162,488 (2021: 2,721,161,792) ordinary shares of Rs 10 each - note 20.2	**27,211,624**	27,211,617
	10,587 (2021: 11,283) convertible preference shares of Rs 10 each - note 20.3	**106**	113
		27,211,730	27,211,730

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Subscribed and paid-up		
683,078,130 (2021: 683,077,434) ordinary shares of Rs 10 each for cash - note 20.2	**6,830,781**	6,830,774
2,035,144,811 (2021: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2021: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	**27,500**	27,500
	27,209,730	27,209,723
9,513 (2021: 10,209) convertible preference shares of Rs 10 each for cash - note 20.3	**95**	102
1,074 (2021: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	**11**	11
	27,209,836	27,209,836

20.1 Movement in subscribed and paid-up share capital is as follows:

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
(Number of Shares)		Ordinary shares of Rs. 10/- each	(Rupees in thousand)	
2,720,972,245	2,720,971,712	At the beginning of the year	**27,209,723**	27,209,718
696	533	Conversion of preference shares	**7**	5
2,720,972,941	2,720,972,245		**27,209,730**	27,209,723

These fully paid ordinary shares carry one vote per share and right to dividend.

20.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2021: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e. 102,875,500 ordinary shares) of the Holding Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Holding Company reduced to 67.51% of the paid-up ordinary share capital.

20.3 Convertible preference shares

In accordance with article 3(iv) of the Holding Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Holding Company's Company Secretary by the holders of such convertible preference shares to that effect. During the year, 696 (2021: 533) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Holding Company do not carry any fixed return.

21. RESERVES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Capital reserve - note 21.1	**1,428**	1,428
Revenue reserves		
- General and contingency reserve - note 21.2	**69,761**	69,761
- Insurance reserve - note 21.3	**34,021,894**	34,021,894
- Assets acquisition reserve - note 21.4	**23,751,980**	23,751,980
- Dividend equalisation reserve - note 21.5	**2,535,354**	2,535,354
- Foreign Currency translation reserve - note 4.24	**5,121,742**	3,878,894
- Unappropriated Profit	**341,992,500**	297,462,678
	407,493,231	361,720,561
	407,494,659	361,721,989

21.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

21.2 General and contingency reserve

The balance in general and contingency reserve account is constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon the coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Holding Company only for the purpose specified in the 1982 GPA.

21.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of Holding Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Holding Company has built-up an insurance reserve for self-insurance cover against these risks.

The Holding Company has arranged terrorism cover from the international market upto the limit of liability of US$ 100 million (Rs 20,600 million) for single occurrence, as well as, annual aggregate.

21.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Holding Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

21.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Holding Company established a dividend equalisation reserve to maintain dividend declarations.

22. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance at beginning of the year	27,318,257	28,066,373
- Provision during the year	323,915	480,024
- Revision due to change in estimates	4,394,361	(2,246,399)
- Adjustment / payment during the year	(66,303)	(98,751)
- Unwinding of discount - note 34	1,226,113	1,117,010
Balance at end of the year	33,196,343	27,318,257

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Wells		
Share in operated assets	19,463,975	17,986,795
Share in partner operated assets	5,485,744	3,872,298
Production facilities		
Share in operated assets	5,708,068	3,458,709
Share in partner operated assets	2,538,556	2,000,455
	33,196,343	27,318,257

22.1 The provision has been discounted using a US Dollar based real discount rate of 3.55% (2021: 4.39%) per annum.

23. LEASE LIABILITIES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Present value of minimum lease payments - note 23.1	1,434,170	433
Less: current maturity	(1,434,170)	(433)
	-	-

23.1 During the year, the Holding Company has entered into a rental agreement pertaining to Oil Handling Facility installed at Dhok Sultan field. The Holding Company has recognised a Right of Use asset (ROUA) keeping in view the terms of the rental agreement and the Holding Company has the option to purchase the asset upon expiry of the lease term. The lease liability assumes an incremental borrowing rate of 16.65% per annum.

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The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Minimum lease payments		Financial charges		Present value of minimum lease	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in thousand)					
Year ended June 30,						
2022	-	440	-	7	-	433
2023	1,603,125	-	168,955	-	1,434,170	-
Total	1,603,125	440	168,955	7	1,434,170	433

23.2 Lease rental payments including financial charges thereon for the year ended June 30, 2022, amount to Rs 91.639 million (2021: Rs 19.342 million).

24. DEFERRED LIABILITIES

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Post-retirement medical benefits - note 33.2.1	2,458,013	2,297,102
Leave preparatory to retirement - note 33.3	870,011	785,448
	3,328,024	3,082,550

25. DEFERRED TAXATION - NET

	June 30, 2022	June 30, 2021
(Deductible) / taxable temporary differences on:		
Exploration expenditure	(1,770,532)	(2,026,191)
Provision for staff retirement and other benefits	(1,097,492)	(893,422)
Provision for obsolete / slow moving stores	(89,695)	(123,931)
Provision for doubtful debts	(185,881)	(185,754)
Provision for windfall levy on oil / condensate	(9,856,954)	(5,377,542)
Provision for decommissioning obligation	6,959,040	2,394,474
Accelerated tax depreciation allowances	3,459,565	3,492,302
Exploratory wells cost	11,289,011	12,636,541
Development and production expenditure	20,099,872	19,926,792
Others	(26,769)	(13,210)
	28,780,165	29,830,059

25.1 During the year, the entire change in deferred taxation has been recognised in profit or loss.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
26. TRADE AND OTHER PAYABLES		
Creditors	**861,400**	799,192
Accrued liabilities	**11,044,050**	7,528,834
Security deposits / advances from LPG distributors	**525,326**	224,614
Retention money	**102,607**	81,770
Federal excise duty (net)	**125,910**	111,777
Sales tax (net)	**1,833,074**	999,734
Royalties	**10,975,541**	8,499,301
Lease extension bonus	**30,159,897**	24,932,829
Current accounts with joint operations - note 38	**13,922,988**	11,497,300
Staff retirement benefit plans 33.1.2	**1,206,915**	1,310,902
Provision for windfall levy on oil / condensate - note 27.1.7	**17,495,473**	10,242,937
Contractual obligations for Iraq EDPSC - note 26.2	**967,540**	692,056
Others	**444,186**	290,916
	89,664,907	67,212,162

26.1 As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS and GIDC amounting to Rs 66,959 million (June 30, 2021: Rs 52,949 million) and Rs 4,999 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

26.2 These represent Infrastructure Fund amounting to Rs 192.588 million (2021: Rs 175.697 million) and Training, Technology & Scholarship Fund amounting to Rs 774.952 million (2021: Rs 516.360 million) payable under the EDPSC with MdOC.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
27. CONTINGENCIES AND COMMITMENTS		
27.1 Contingencies		
27.1.1 Corporate guarantees		
Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.	**5,807**	22,817

27.1.2 Sales tax

The Holding Company has received various orders from the tax authorities raising demand of Rs 184 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Holding Company is contesting the matter before different appellate forums.

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27.1.3 Income tax

The tax authorities have amended the assessments of the Holding Company for the tax years 2003 to 2021 raising an aggregate demand of Rs 40,143 million, which primarily relates to rate issue, depletion allowance, decommissioning cost and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001. The Holding Company has paid / adjusted an amount of Rs 38,561 million out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2012	Sindh High Court
2013 to 2021	Appellate Tribunal Inland Revenue

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Holding Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, depletion allowance, tax credits under sections 65A, 65B and 65E relating to agreement areas and other issues in the books of accounts. In case the appeals relating to the said issues are decided in favour of the Holding Company, an amount of Rs 38,127 million will be credited to the profit or loss for that year.

During the year ended June 30, 2020, the Holding Company's tax return was selected for audit proceedings in respect of tax year 2018. The Holding Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Holding Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both non-agreement and agreement areas. Based on the advice of the legal counsel, the Holding Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020 has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

The Holding Company, based on the advice of legal counsel, has filed a Constitutional Petition before the Honourable SHC challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impairs contracts cannot be given a retrospective application. The Honourable SHC vide an interim order dated December 24, 2020 has directed the tax authorities (a) for allowing the Holding Company to claim the said tax credit in its return of income for the year 2020 either manually or by making adjustment on the FBR electronic portal and (b) not to take any adverse action against the Holding Company in respect of the said matter. Accordingly, the Holding Company has claimed Rs 518 million in its return of income for the year 2020.

For tax year 2021, the Honourable SHC has also granted interim stay through order dated January 25, 2022 regarding claim of tax credit under section 65B amounting to Rs 380 million and refrained the department from drawing any adverse inference.

Through Finance Act 2022, super tax under section 4C of the Ordinance has been levied on high earning persons for tax year 2022 and onwards. The Holding Company, in principle, does not agree with the levy of super tax in respect of agreement areas, however as a matter of abundant caution, an amount of Rs 12,020 million has been provided for in these consolidated financial statements.

27.1.4 Sindh Workers' Welfare Fund

The Holding Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Holding Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Holding Company. The financial impact, if any, cannot be reliably estimated at present. Further, the management of the Holding Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Holding Company, therefore, no provision has been made in these consolidated financial statements.

27.1.5 Sindh Workers' Profit Participation Fund

The Holding Company had received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Holding Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained interim stay. Further, in view of the potential exposure involved, the Holding Company, on the advice of the legal counsel, has also obtained an interim stay from Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

27.1.6 Others

(a) The Honourable SHC vide its order dated August 3, 2017, wherein the Holding Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Holding Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Holding Company, on the advice of its legal counsel, had challenged the said judgement in the Honourable Supreme Court of Pakistan (SCP). The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, SCP has made the same conditional to payment of at least 50 per cent of the tax calculated in the Government treasury. Subsequently, being aggrieved of the said condition of payment of 50 percent, the Holding Company, on the basis of its legal counsel's advice, has filed a review petition before the Honourable SCP. The said review petition is pending for adjudication.

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(b) During the year, the tax authorities have issued a notice showing their intention to recover the alleged outstanding amount of Late payment surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. The said notice was issued in terms of powers granted to the Federal Board of Revenue (FBR) under section 40E of the Public Finance Management Act, 2019 for recovering non-tax revenue from any taxpayer on the instructions of the concerned ministry. Based on the advice of the legal counsel, the Holding Company filed a constitutional petition, challenging the impugned notice before the Honorable Sindh High Court (SHC). The Honourable SHC vide an interim order directed the Tax authorities not to initiate any recovery proceedings subject to the condition that 50% amount is deposited by the Holding Company. Accordingly, the Holding Company deposited a pay order worth Rs 1,536 million. Further on December 31, 2021, the Holding Company complied with the order of the SHC and submitted bank guarantee amounting to Rs 1,536 million.

27.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Holding Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Holding Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

i) Windfall Levy is applicable on exploration and production of natural gas only;

ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and

iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Holding Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Holding Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Holding Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Petitioners have already advance arguments before the Court. The stay order already granted remains in effect. On 30 June 2022, the case was delisted and was adjourned to a date in office.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2022, on the completion of the process laid down in the law and in line with the Holding Company's accounting policy following the revised prices notified from time to time.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 35,393 million for the period up to June 30, 2022. As mentioned above, the Holding Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Holding Company's legal contention and as a matter of abundant caution, the Holding Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2022 amounts to Rs 17,446 million (2021: Rs 10,243 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 28,839 million and Rs 12,707 million respectively.

27.1.8 Other contingencies

a) The Holding Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Holding Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Holding Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Holding Company in which it has filed a number of claims against the Holding Company. The Holding Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Holding Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Holding Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

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b) The Holding Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,542.345 million (2021: Rs 1,847.616 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Holding Company and, accordingly, no provision has been made in these consolidated financial statements.

c) In the context of PPLE, the tax authorities have amended the assessment for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

Recently, the Honourable IHC through judgment dated March 31, 2022 (reporting ITRA No. 80 of 2007) for tax years 2004 to 2012 of the PPLE's appeals has overruled the judgment of larger bench of Tribunal relating to admissibility of depletion allowance by holding that depletion allowance is allowable on wellhead value of sales before deduction of royalty. However, PPLE, as a matter of abundant caution, continues to provide for the tax liability pertaining to this issue in order to align its treatment with the Parent Company i.e. full provision, being an industry issue having significant financial impact on the books, till the matter attains finality.

Further, the tax authorities have amended the assessment of PPLE for the tax years 2015 and 2020 raising an aggregate demand of Rs 644 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest; resultantly, the remaining demand is stayed till the decision of CIR (A). The appeals of the said tax years are pending at various appellate forums.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

d) The Holding Company has guaranteed to the MdOC, the performance and fulfilment of obligations by PPLA under the EDPSC.

e) The Holding Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents.

27.2 Commitments

27.2.1 The Holding Company has provided parent company guarantee amounting to USD 5.3 million (Rs 1,092 million) (2021: USD 5.3 million (Rs 839 million)) to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

27.2.2 The Group's total commitments for capital expenditure (net share) as at June 30, 2022 are Rs 1,084 million. Further, total amount outstanding under letters of credit (net share) as at June 30, 2022 is Rs 3,386 million.

27.2.3 With respect to PIOL (note 7.2), the Holding Company has entered into a Shareholders' Agreement with the consortium partners, under which the Holding Company has committed to invest up to USD 100 million in PIOL during the next five years, out of which USD 25 million have been invested till June 30, 2022. Subsequent to the year end, the Holding Company has invested a further amount of USD 10 million.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
28. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales	236,087,521	172,715,643
Federal excise duty	(1,603,013)	(1,704,370)
Sales tax	(30,980,711)	(21,853,633)
Petroleum Levy	(541,989)	(539,742)
Discounts (barytes)	(47,411)	(32,978)
	(33,173,124)	(24,130,723)
Export sales - note 28.1	896,371	693,658
	203,810,768	149,278,578
Product wise break-up of sales is as follows:		
Natural gas	140,848,327	119,658,533
Federal excise duty	(1,571,173)	(1,672,921)
Sales tax	(22,692,498)	(20,204,870)
	(24,263,671)	(21,877,791)
	116,584,656	97,780,742
Gas supplied to Sui villages - note 29	920,528	716,902
Federal excise duty	(14,425)	(14,520)
Sales tax	(133,752)	(104,165)
	(148,177)	(118,685)
	772,351	598,217
Internal consumption of gas	485,018	353,067
Federal excise duty	(7,548)	(7,103)
Sales tax	(70,345)	(51,051)
	(77,893)	(58,154)
	407,125	294,913
Crude oil / Natural gas liquids / Condensate	75,412,104	41,943,205
Sales tax - note 28.2	(5,381,348)	-
	70,030,756	41,943,205
LPG	18,036,904	10,000,452
Federal excise duty	(9,867)	(9,826)
Sales tax	(2,622,371)	(1,456,842)
Petroleum levy	(541,989)	(539,742)
	(3,174,227)	(2,006,410)
	14,862,677	7,994,042
Barytes	1,281,011	737,142
Sales tax	(80,397)	(36,705)
Discounts	(47,411)	(32,978)
	(127,808)	(69,683)
	1,153,203	667,459
	203,810,768	149,278,578

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
28.1 Break up of export sales is as follows:		
Barytes	775,312	489,294
Crude oil / Condensate	121,059	204,364
	896,371	693,658

28.2 Through the Finance Act 2021, sales tax at the rate of 17% on crude oil was imposed from July 01, 2021 and subsequently withdrawn vide Finance (Supplementary) Bill 2021 with effect from January 15, 2022.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
29. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 32.1	10,011,419	9,388,218
Operator's personnel	2,774,320	2,481,530
Depreciation	6,346,407	7,312,148
Amortisation of decommissioning assets - note 5.1	1,674,778	1,003,469
Amortisation of D&P assets - note 5.1	8,806,209	9,609,277
Plant operations	3,680,066	3,707,236
Well interventions	1,232,267	1,046,595
Field services	2,512,668	2,260,288
Crude oil transportation	876,228	1,062,240
Travelling and conveyance	686,465	657,682
Training & development	42,231	70,382
PCA overheads	192,123	238,229
Insurance expenses	674,109	722,657
Free supply of gas to Sui villages - note 28	920,528	716,902
Social welfare / community development	325,855	498,730
	40,755,673	40,775,583
30. ROYALTIES AND OTHER LEVIES		
Royalties to GoP	23,351,860	17,306,245
Lease extension bonus	5,227,068	4,347,697
Windfall levy	2,439,008	573,330
Export development (reversal) / charges	(22)	483
	31,017,914	22,227,755
31. EXPLORATION EXPENSES		
Dry and abandoned wells	17,679,362	6,224,497
Other exploration expenditures	7,144,289	4,409,085
	24,823,651	10,633,582

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
32. ADMINISTRATIVE EXPENSES		
Salaries, wages, welfare and other benefits - note 32.1	6,642,799	6,040,222
Amortisation of intangible assets - note 6.1	121,270	149,460
Depreciation of leased & HO assets	359,024	172,350
Rent, rates and taxes	241,869	226,232
Utilities & communication	106,916	101,023
Travelling and conveyance	80,270	43,578
Training and development	52,925	40,714
Insurance expenses	44,917	26,021
Repairs, maintenance and supplies	707,446	762,363
Professional services	139,113	148,135
Auditors' remuneration - note 32.2	31,790	25,338
Donations and sponsorship - notes 32.3 & 32.4	114,280	87,972
Contract services	91,827	96,342
Compliance and regulatory expenses	58,130	54,582
Advertisement, publicity and public relations	49,200	51,938
Other expenses	60,487	66,407
	8,902,263	8,092,677
Allocation to capital and operating expenditure	(4,226,973)	(4,306,950)
	4,675,290	3,785,727

32.1 This includes expenditure in respect of provident fund, pension fund, gratuity fund, leave preparatory to retirement and post-retirement medical benefits amounting to Rs 309.172 million, Rs 376.908 million, Rs 220.376 million, Rs 140.96 million and Rs 284.472 million, respectively (2021: Rs 336.471 million, Rs 362.331 million, Rs 176.891 million, Rs 109.376 million and Rs 238.195 million, respectively).

32.2 Auditors' remuneration is as under:

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Annual audit fee		
- Holding Company	4,697	4,473
- Subsidiary Companies	20,502	17,232
Limited review, special certifications & advisory services	5,293	2,396
Out of pocket expenses & others	1,298	1,237
	31,790	25,338

32.3 Party wise details of donations in excess of Rs 1 million are given below:

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Name of Donees / Party		
The Indus Hospital	12,000	-
Sindh Institute of Urology & Transplantation	10,310	-
Tehzibul Akhlaq Trust	9,700	4,100
Al-Shifa Trust Eye Hospital	7,000	-
Jaffriya Disaster Management Cell Welfare Organization	6,901	-
Akhuwat Foundation	6,000	-
The Layton Rehmatullah Benevolent Trust	5,500	4,333
Rural Health Centre	5,105	-
Water Supply Scheme for District Kohlu	3,532	-
HANDS Foundation	3,480	-
Parents Voice Association	2,000	-
Mosque of Pakistan Industrial Development Corporation	2,000	-
Pakistan Tennis Federation	1,200	-
Karachi Vocational Training Centre	1,000	-
University of Karachi	1,000	-
Pakistan Blind Cricket Council	1,000	-
Healthcare and Social Welfare Association	1,000	-
Karachi Institute Of Kidney Diseases	1,000	1,000
Mehran University of Engineering	-	16,134
Koohi Goth Hospital	-	8,500
National Institute of Child Hospital Trust	-	6,000
Friends Of Burns Centre	-	5,714
Bait-ul-Sukoon	-	4,000
Goth Seengar Foundation	-	3,000
NED University of Engineering & Technology	-	2,915
University of Engineering & Technology Lahore	-	2,432
Balochistan University of Information Technology, Engineering & Management Science	-	1,786
Establishment of PPL Chair (NED)	-	1,200
Sindh Radiant Organisation	-	1,000
	79,728	62,114

32.4 There are no donations in which the directors of the Holding Company and subsidiary companies are interested.

33. STAFF RETIREMENT BENEFITS

33.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.15 to these consolidated financial statements, the Holding Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Holding Company appoints the trustees. All trustees are employees of the Holding Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

33.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Present value of defined benefit obligations - note 33.1.6	10,477,554	1,488,472	3,366,158	1,395,468	**16,727,652**	16,246,946
Fair value of plan assets - note 33.1.5	(9,708,781)	(1,067,704)	(3,531,010)	(1,378,094)	**(15,685,589)**	(15,383,293)
(Asset) / Liability recognised in the statement of financial position	**768,773**	**420,768**	**(164,852)**	**17,374**	**1,042,063**	863,653

33.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Balances as on July 01	(447,250)	519,889	468,714	322,300	**863,653**	619,511
Charge for the year - note 33.1.3	243,579	135,865	133,329	84,511	**597,284**	539,222
(Payments) / Refund during the year	365,440	(82,798)	(648,288)	(359,703)	**(725,349)**	31,895
Amount recognised in Other Comprehensive Income (OCI) for the year – note 33.1.4	607,004	(152,188)	(118,607)	(29,734)	**306,475**	(326,975)
Balances as on June 30	**768,773**	**420,768**	**(164,852)**	**17,374**	**1,042,063**	863,653

33.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Current service cost	286,223	86,295	87,466	52,078	**512,062**	486,669
Interest cost	932,842	158,165	351,808	149,675	**1,592,490**	1,229,454
Interest income on plan assets	(975,486)	(108,595)	(305,945)	(117,242)	**(1,507,268)**	(1,178,901)
Charge for the year recognised in profit or loss	**243,579**	**135,865**	**133,329**	**84,511**	**597,284**	539,222
Actual return on plan assets	**676,646**	**69,910**	**249,100**	**91,552**	**1,087,208**	2,307,057

33.1.4 Remeasurement recognised in other comprehensive income

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Actuarial (gain) / loss on obligation	308,164	(190,873)	(175,452)	(55,424)	**(113,585)**	801,181
Actuarial (gain) / loss on assets	298,840	38,685	56,845	25,690	**420,060**	(1,128,156)
Total remeasurements	**607,004**	**(152,188)**	**(118,607)**	**(29,734)**	**306,475**	(326,975)

33.1.5 Changes in fair value of plan assets

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Fair value of plan assets at beginning of the year*	9,940,046	1,105,314	3,118,967	1,218,966	**15,383,293**	14,010,735
Interest income on plan assets	975,486	108,595	305,945	117,242	**1,507,268**	1,178,901
Contributions / adjustments by the Holding Company	(365,440)	82,798	648,288	359,703	**725,349**	(31,895)
Benefits paid	(542,471)	(190,318)	(485,345)	(292,127)	**(1,510,261)**	(902,604)
Amount recognised in OCI for the year	(298,840)	(38,685)	(56,845)	(25,690)	**(420,060)**	1,128,156
Fair value of plan assets at the end of the year	**9,708,781**	**1,067,704**	**3,531,010**	**1,378,094**	**15,685,589**	15,383,293

* *This represents unaudited fair value of plan assets.*

33.1.6 Changes in present value of pension and gratuity obligations

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2022					June 30, 2021
	(Rupees in thousand)					
Present value of obligations at beginning of the year	9,492,796	1,625,203	3,587,681	1,541,266	**16,246,946**	14,630,246
Current service cost	286,223	86,295	87,466	52,078	**512,062**	488,669
Interest cost	932,842	158,165	351,808	149,675	**1,592,490**	1,229,454
Benefits paid	(542,471)	(190,318)	(485,345)	(292,127)	**(1,510,261)**	(902,604)
Amount recognised in OCI for the year	308,164	(190,873)	(175,452)	(55,424)	**(113,585)**	801,181
Present value of obligations at the end of the year	**10,477,554**	**1,488,472**	**3,366,158**	**1,395,468**	**16,727,652**	16,246,946

33.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executives Rs '000	%	Non-Executives Rs '000	%	Executives Rs '000	%	Non-Executives Rs '000	%
		June 30, 2022				June 30, 2021			
Pension Fund									
Government securities	7.60 - 14.66	597,757	6	283,892	8	1,753,230	18	790,273	26
Shares	-	1,346,702	14	540,414	15	1,675,798	17	690,631	22
SUKUK	13.59 - 16.56	178,320	2	66,872	2	214,410	2	88,017	3
Term Finance Certificates	12.51 - 16.78	344,345	4	131,553	4	225,450	2	102,520	3
National Saving Certificates	12.96 - 13.01	2,450,000	25	613,500	17	3,750,000	38	613,500	20
Cash and bank deposits	6.25 - 17.00	4,791,657	49	1,894,779	54	2,321,157	23	834,026	26
Total		9,708,781	100	3,531,010	100	9,940,046	100	3,118,967	100
Gratuity Fund									
Government securities	8.00 - 16.66	62,111	6	78,706	6	283,348	26	245,781	20
Shares		167,180	16	219,095	16	207,854	19	276,636	23
SUKUK	13.59 - 16.56	25,827	2	25,003	2	27,577	2	28,548	2
Term Finance Certificates	12.51 - 16.78	58,137	5	81,545	6	48,138	4	67,167	6
National Savings Certificates	8.00 - 13.01	300,000	28	271,000	20	300,000	27	321,000	26
Cash and bank deposits	6.25 - 17.00	454,449	43	702,745	50	238,397	22	279,814	23
Total		1,067,704	100	1,378,094	100	1,106,314	100	1,216,968	100

33.1.8 Sensitivity analysis

	June 30, 2022				June 30, 2021			
	Executives		Non-Executives		Executives		Non-Executives	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	(Rupees in thousand)							
Pension								
Salary rate sensitivity	381,176	(511,325)	109,412	(100,863)	441,805	(392,744)	121,059	(111,426)
Pension rate sensitivity	648,238	(720,163)	158,216	(147,288)	85,402	37,140	116,862	(98,631)
Discount rate sensitivity	(1,163,546)	1,210,771	(248,684)	277,967	(986,444)	1,203,105	(223,606)	264,279
Gratuity								
Salary rate sensitivity	23,023	(20,632)	47,453	(43,861)	24,506	(23,768)	52,498	(48,436)
Discount rate sensitivity	(83,220)	93,773	(48,384)	53,237	(101,860)	115,366	(58,114)	64,200

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

33.1.9 Maturity profile of the defined benefit obligations

	June 30, 2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	11.11	6.08	7.39	4.39
	(Rupees in thousand)			
Distribution of timing of benefit payments (time in years)				
1	565,115	184,567	259,443	153,471
2	766,892	228,374	749,553	467,229
3	737,499	186,129	328,658	176,899
4	738,064	196,092	324,165	172,723
5	929,686	249,057	495,793	292,024
6-10	6,360,370	1,194,830	1,987,339	927,756

33.1.10 The Holding Company expects to contribute Rs 637.352 million (2021: Rs 597.284 million) to the pension and gratuity funds in the next financial year.

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33.2 Unfunded post-retirement medical benefits

33.2.1 The Holding Company provides free medical facilities to its executive and non-executive retired employees, as mentioned in note 4.15 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2022, results of which are as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Present value of defined benefit obligations - notes 24 and 33.2.4	**2,458,013**	2,297,102

33.2.2 Movement in the liability recognised in the statement of financial position is as follows:

	June 30, 2022	June 30, 2021
Balance as at July 01	**2,297,102**	2,134,229
Charge for the year - notes 32.1 & 33.2.3	**284,472**	238,195
Payments during the year	**(116,523)**	(101,433)
Amounts (credited) / charged to OCI	**(7,038)**	26,111
Balance as at June 30	**2,458,013**	2,297,102

33.2.3 Amounts recognised in profit or loss

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Current service cost	**56,453**	57,795
Interest cost	**228,019**	180,400
	284,472	238,195

33.2.4 Changes in present value of post-retirement medical obligations

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Balance as at July 01	**2,297,102**	2,134,229
Current service cost	**56,453**	57,795
Interest cost	**228,019**	180,400
Benefits paid	**(116,523)**	(101,433)
Amounts (credited) / charged to OCI	**(7,038)**	26,111
Balance as at June 30	**2,458,013**	2,297,102

33.2.5 Sensitivity analysis

	1% increase	1% decrease
	(Rupees in thousand)	
Medical cost trend rate sensitivity	**276,988**	**(236,030)**
Discount rate sensitivity	**(285,849)**	**351,418**

33.2.6 The Holding Company expects to contribute Rs 382.702 million (2021: Rs 284.472 million) to the unfunded post-retirement medical benefits in the next financial year.

33.2.7 The weighted average duration of the defined benefit obligation works out to 11.54 years (2021: 11.89 years) in respect of executive and 11.76 years (2021: 12.20 years) in respect of non-executive retired employees.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
33.3 Leave preparatory to retirement		
Balance as at July 01	785,448	706,623
Charge for the year - note 32.1	140,960	109,376
	926,408	815,999
Payments / adjustments during the year	(56,397)	(30,551)
Balance as at June 30 - note 24	870,011	785,448

33.4 Principal actuarial assumptions

	Per annum	
	June 30, 2022	June 30, 2021
- discount rate	13.25%	10.00%
- expected rate of increase in salaries	13.25%	10.00%
- expected rate of increase in pension	8.25%	5.00%
- expected rate of escalation in medical cost	9.25%	6.00%
- death rate / mortality rate	SLIC (2001-05)	

33.5 Description of the risks to the Group

The defined benefit plans expose the Group to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
34. FINANCE COSTS		
Financial charges for lease liabilities	38,088	864
Unwinding of discount on decommissioning obligation - note 22	1,226,113	1,117,010
Interest on WPPF - note 17.2	1,250	93
Others	32,018	28,885
	1,297,469	1,146,852
35. OTHER CHARGES		
WPPF charge / adjustment - note 17.2	4,540,021	3,424,931
Provision for windfall levy on oil / condensate - note 27.1.7	7,203,000	2,346,000
Exchange loss on foreign currency (net)	49,807	1,272,517
Reversal for provision for obsolete / slow moving stores & spares - note 12.1	(155,546)	(18,241)
Loss on disposal / write-off and impairment of stores & spares (net) - note 5.4	2,291,222	17,852
	13,928,504	7,043,059
36. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 36.1	497,249	445,521
Income on local currency term deposits	816,735	986,197
Income on foreign currency term deposits	688,065	843,498
Income from investment in treasury bills	3,827,203	622,989
Exchange gain on foreign currency (net)	6,922,371	-
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss	916,500	908,780
	13,668,123	3,806,985
Income from assets other than financial assets		
Rental income on assets	5,014	5,081
Profit on sale of property, plant and equipment (net)	79,577	27,231
Insurance income	44,078	84,121
Profit on disposal of obsolete / slow moving stores and spares (net)	235,843	-
Others	157,529	156,673
	522,041	273,106
	14,190,164	4,080,091

36.1 This includes profit amounting to Rs 0.564 million (2021: Rs 0.440 million) under a Shariah compliant arrangement.

37. TAXATION

Provision for taxation for the year ended June 30, 2022 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The head office and BME income is taxed at 29%, except for income from T-bills which is taxed at 15% and 12.5%, being non-agreement areas. In addition, super tax 10% has been provided on all income streams of the Holding Company for the tax year 2022.

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Current		
- for the year - note 37.1	45,477,524	23,884,267
- for prior years (net)	156,957	(1,034,802)
	45,634,481	22,849,465
Deferred - note 37.1	(1,049,894)	(6,694,713)
	44,584,587	16,154,752

37.1 Current tax includes provision for super tax imposed by the GoP at the rate of 10% amounting to Rs 9,571.041 million on the taxable income of the Holding Company during the year, while the impact of said provision on deferred tax amounts to Rs 2,448.665 million at the rate of 4%.

37.2 Relationship between accounting profit and taxation

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Accounting profit for the year before taxation	98,937,283	68,437,946
Tax on accounting profit at applicable rate of 41.27% (2021: 43.86%)	40,829,201	30,016,883
Tax effect of:		
- Depletion allowance	(11,792,549)	(8,614,273)
- Royalty allowed for tax purposes	(4,124,478)	(3,066,285)
- Exploration expenses of PPLA	-	65,153
- Unwinding of discount on decommissioning obligation	563,850	513,673
- Tax income relating to prior years	156,957	(1,034,804)
- Decommissioning cost	4,932,211	(881,633)
- Dividend income / gain on remeasurement of investments	(265,785)	(263,546)
- Super tax	12,019,706	-
- Tax credits and others	2,265,474	(580,416)
	44,584,587	16,154,752
Effective tax rate %	45.06%	23.60%

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38. DETAILS OF EXPLORATION AND PRODUCTION AREAS / FIELDS

The areas in which the Group has working interest are as follows:

	Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021
	Producing Fields				
1	Adhi	PPL	39.00	(1,119,305)	(596,013)
2	Dhok Sultan (EWT Phase)	PPL	75.00	7,484	(462,820)
3	Gambat South	PPL	65.00	(1,441,208)	(1,750,362)
4	Hala	PPL	65.00	(389,005)	(8,338)
5	Kandhkot	PPL	100.00	-	-
6	Kandhkot East (Chachar)	PPL	75.00	6,025	(60,707)
7	Mazarani	PPL	87.50	98,844	132,440
8	Shah Bandar	PPL	63.00	(20,352)	(62,357)
9	Sui	PPL	100.00	-	-
10	Block 22	PEL	35.53	(46,733)	(38,942)
11	Digri (Gulsher EWT Phase)	UEPL	25.00	(33,615)	(28,851)
12	Gambat	UEP-BETA	23.68	58,979	31,160
13	Ghauri (Dharian EWT Phase)	MPCL	35.00	(33,875)	(37,856)
14	Kirthar	POGC	30.00	(634,503)	(512,792)
15	Kotri North (Unarpur EWT Phase)	UEPL	40.00	(41,921)	(430,749)
16	Latif	UEP-BETA	33.30	(1,286,938)	(379,409)
17	Miano	UEP-BETA	15.16	(392,558)	(130,602)
18	Nashpa	OGDCL	28.55	(1,428,599)	(1,803,698)
19	Qadirpur	OGDCL	7.00	(279,231)	(422,641)
20	Sawan	UEP-BETA	34.07	(237,266)	(103,683)
21	Tal	MOL	27.76	(1,247,277)	(619,725)
22	Ziarat (Bolan East EWT Phase)	MPCL	40.00	(1,041,583)	(178,459)
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	85.00	5,081	5,004
2	Block 2566-6 (Bela West) - note 38.1	PPL	58.50	287,086	166,652
3	Block 3371-15 (Dhok Sultan) - note 38.2	PPL	75.00	-	-
4	Block 2566-18 (Gambat South) - note 38.2	PPL	65.00	-	-
5	Block 2566-4 (Hab) - note 38.3	PPL	97.35	23,965	25,965
6	Block 2568-13 (Hala) - note 38.2	PPL	65.00	-	-
7	Block 3372-23 (Hisal)	PPL	62.50	(19,821)	21,743
8	Block 2467-12 (Jungshahi) - note 38.3	PPL	100.00	1,435	(1,328)
9	Block 2866-2 (Kalat)	PPL	100.00	(1,070,739)	(446,757)
10	Block 3272-18 (Karsal)	PPL	100.00	(10,683)	(6,082)
11	Block 2763-3 (Kharan)	PPL	100.00	(325,418)	6,066
12	Block 2764-4 (Kharan-East)	PPL	100.00	(259,607)	(2,160)

	Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2022	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021
13	Block 2569-5 (Khipro East)	PPL	97.50	(566,821)	(530,150)
14	Block 2766-1 (Khuzdar)	PPL	100.00	(34,871)	(23,167)
15	Block 2468-12 (Kotri)	PPL	100.00	705	(30,111)
16	Block 2866-4 (Margand)	PPL	100.00	(14,661)	(8,229)
17	Block 3069-10 (Musakhel)	PPL	37.20	32,572	81,725
18	Block 2668-9 (Naushahro Firoz)	PPL	100.00	(14,613)	15,735
19	Block 2864-2 (Nausherwani)	PPL	97.50	11,954	631
20	Block 3073-5 (Punjab)	PPL	47.50	26,372	26,675
21	Block 2467-16 (Shah Bandar) - note 38.2	PPL	63.00	-	-
22	Block 2468-10 (Sirani)	PPL	75.00	16,746	(6,422)
23	Block 2768-13 (Sorah)	PPL	100.00	(181,829)	(661)
24	Block 2763-5 (South Kharan)	PPL	51.00	52,939	99,247
25	Block 3070-13 (Baska) - note 38.4	PPL	82.50	(7,922)	589
26	Block 2568-19 (Digri) note 38.2	UEPL	25.00	-	-
27	Block 3273-3 (Ghauri) - note 38.2	MPCL	35.00	-	-
28	Block 2468-9 (Jherruck)	NHEPL	30.00	(59,317)	(59,317)
29	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(12,015)	(16,697)
30	Block 2667-7 (Kirthar) - note 38.2	POGC	30.00	-	-
31	Block 2568-21 (Kotri North) - note 38.2	UEPL	40.00	-	-
32	Block 2867-5 (Kuhan)	UEP-BETA	47.50	(114,849)	(59,786)
33	Block 2669-3 (Latif) note 38.2	UEP-BETA	33.30	-	-
34	Block 3370-10 (Nashpa) - note 38.2	OGDCL	30.00	-	-
35	Block 3070-16 (Pezu)	OGDCL	30.00	(124,225)	(5,636)
36	Block 3072-8 (Shakarganj West)	OGDCL	50.00	(16,501)	(1,404,809)
37	Block 2568-20 (Sukhpur) - note 38.5	ENI	30.00	9,213	(6,683)
38	Block 3069-9 (Suleiman)	OGDCL	50.00	(26,513)	-
39	Block 3370-3 (Tal) - note 38.2	MOL	30.00	-	-
40	Block 3067-3 (Harnai)	MPCL	40.00	(9,776)	(10,895)
	Offshore Blocks				
41	Block 2366-7 (Indus-C) - note 38.6	PPL	100.00	(12,842)	10,523
	Exploration Blocks (Outside Pakistan)				
1	Block-3 (Yemen)	TOTAL	20.00	(134,285)	(84,529)
2	Block-8 (Iraq) - note 38.7	PPLA	100.00	-	-
	Other areas - note 38.8			(41,614)	(10,526)

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38.1 In Bela West block, KUFPEC surrendered its entire 35% working interest as of February 09, 2021 to the Holding Company & MPCL on pro-rata basis. Deed of Assignment was made on May 13, 2022.

38.2 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

38.3 Notices for relinquishment have been submitted to GoP for Hab and Jungshahi blocks on December 20, 2021.

38.4 Deed of Assignment was signed on May 13, 2022 to transfer 33.5% working interest from China Zhen Hua Oil Company Limited along with operatorship of the block to the Holding Company.

38.5 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached GoP (in June 2021) for approval of further well testing. Matter is still under consideration of GoP.

38.6 Deed of Assignment signed on 25 November 2021 for transfer of 60% working interest from Eni Pakistan along with operatorship of the block to the Holding Company.

38.7 Subsequent to the year end, MdOC vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Holding Company will take appropriate actions in due course of time.

38.8 This mainly includes amounts receivable / (payable) under the various blocks against which the Holding Company applied to GoP for relinquishment.

38.9 The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Holding Company and transactions with the Joint Operations.

38.10 In 2022 bidding round, the Holding Company has been provisionally awarded four blocks; two operated blocks Kalat West and Sui North with 50% working interest in each block and two partner operated blocks Dadhar and Mach with 30% working interest in each block. Finalisation of Exploration License and Petroleum Concession Agreements is in progress.

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	June 30, 2022	June 30, 2021
Financial assets as per statement of financial position		
- At amortised cost		
Long-term investments	-	4,194,324
Long-term loans	61,689	53,159
Long-term deposits	7,676	7,676
Trade debts	366,251,547	282,671,085
Loans and advances	558,389	698,991
Trade deposits	79,634	70,339
Interest accrued	282,262	516,344
Current maturity of long-term deposits	1,505,250	1,205,357
Current maturity of long-term loans	27,929	22,714
Current maturity of long-term receivables	122,051	138,560
Other receivables	2,598,156	2,886,312
Short-term investments	69,634,343	69,786,789
Cash and bank balances	5,427,273	4,751,445
	446,556,199	367,003,095
- At fair value through profit or loss - Mutual Funds	-	17,609,193
Non-financial assets	182,122,542	152,895,490
Total assets	628,678,741	537,507,778
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Trade and other payables	29,075,012	22,425,583
Unclaimed dividends	1,001,150	521,910
Non-financial liabilities	163,898,084	125,628,460
Total liabilities	193,974,246	148,575,953

39.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.6(j).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including the effect of market risks relating to interest rates, foreign currency and commodity price, credit risk and liquidity risk associated with various financial assets and liabilities. The carrying values of financial assets and liabilities approximate to their fair values except for investments at amortised cost, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the year ended June 30, 2022.

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Financial risks emanating from changing market conditions and Holding Company's business decisions are identified and managed by the Holding Company in accordance with appropriate policies, procedures, risk framework and risk appetite.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate, foreign currency exchange rate and price, which will affect the Group's income or the value of its holdings of financial instruments. Objective of the market risk management is to manage and/or control market risk exposures within acceptable parameters, wherever applicable, while optimising the return on financial instruments.

i) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group manages its interest rates risk by closely monitoring the duration of fixed rate investments and placements.

ii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Group's revenue, foreign procurement costs or the value of its financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimising the return on financial instruments. Positive impact of the exchange rate fluctuations on the Group's revenues and assets is greater than the adverse impact on the Group's liabilities, resulting in an overall positive net change.

Exposure to foreign currency risk

The Group's exposure to currency risk mainly comprises:

	June 30, 2022	June 30, 2021
	(US Dollars)	
Investments at amortised cost	79,610,153	250,248,501
Cash and bank balances	8,496,806	4,578,306
Current maturity of long-term deposits	7,500,000	7,500,000
Trade and other payables	(13,754,051)	(9,130,387)
	81,852,908	253,196,420

The following significant exchange rates have been applied during the year:

	Average Rate 2022	Average Rate 2021	Closing Rate 2022	Closing Rate 2021
	(Rupees)			
USD 1	178.21	160.47	206.00	158.30

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	95,607	(95,607)
Foreign currency financial liabilities	38,751	(38,751)

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Group is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Group.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Natural Gas (Mcf)	223,649	(223,649)
Crude Oil / Condensate / NGL (BBL)	4,584	(4,584)
LPG (M.Ton)	116	(116)
Barytes (M.Ton)	112	(112)

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk from its operating and certain investing activities and the Group's credit risk exposures are categorised under the following headings:

i) Counterparties

The Group conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Holding Company's customers are made on the basis of agreements approved by GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquified petroleum gas are determined by the Holding Company subject to maximum price notified by OGRA.

The Holding Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from GoP till June 30, 2022 as per policy disclosed in note 4.10 to these consolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Holding Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Holding Company is actively pursuing for recovery of trade debts and the Holding Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 3.1.2 is not material and accordingly has not been included in these consolidated financial statements.

Bank and investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Group currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Long-term investments	-	4,194,324
Long-term loans	61,689	53,159
Long-term deposits	7,676	7,676
Trade debts	366,251,547	282,671,085
Loans	81,764	61,748
Trade deposits	79,634	70,339
Interest accrued	282,262	516,344
Current maturity of long-term loans	27,929	22,714
Current maturity of long-term deposits	1,505,250	1,205,357
Current maturity of long-term receivables	122,051	138,560
Other receivables	2,598,156	2,886,312
Short-term investments	69,634,343	87,395,982
Bank balances	5,357,375	4,730,099
	446,009,676	383,953,699

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 4.10 to these consolidated financial statements. As at the reporting date, the Group envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Long-term investments		
AA	-	4,194,324
Trade debts		
Customers with defaults in past one year which have not yet been recovered	42,904,607	25,966,802
Short-term investments		
AAA	58,134,704	49,452,131
AA	11,499,639	37,943,851
	69,634,343	87,395,982
Cash at banks		
AAA	4,433,499	3,185,155
AA	923,876	1,544,944
	5,357,375	4,730,099

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 345,202 million of the trade debts as at June 30, 2022 (2021: Rs 267,658 million).

The aging of trade debts at the reporting date is provided in note 13.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Natural Gas	345,201,684	267,658,011
Crude oil / Natural gas liquids / Condensate	20,514,788	14,350,794
Other operating revenue	535,075	662,280
	366,251,547	282,671,085

c) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and avert significant capital losses, so that it can continue to create value for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. All potential capital losses exceeding risk appetite are considered significant, and undergo rigorous risk management to mitigate their impacts.

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The Group manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and / or issue new shares. There were no changes in Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Group follows effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Lease liabilities against ROUA	-	136,300	1,297,370	-	-	1,434,170
Trade and other payables	2,644,658	21,138,453	5,290,902	-	-	29,074,013
Unclaimed Dividend	1,001,150	-	-	-	-	1,001,150
Year ended June 30, 2022	**3,645,808**	**21,275,253**	**6,588,272**	-	-	**31,509,333**
Lease liabilities	-	433	-	-	-	433
Trade and other payables	4,625,055	14,674,895	3,125,633	-	-	22,425,583
Unclaimed Dividend	521,910	-	-	-	-	521,910
Year ended June 30, 2021	**5,146,965**	**14,675,328**	**3,125,633**	-	-	**22,947,926**

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.6(j).

		June 30, 2022	June 30, 2021
		(Rupees in thousand)	
41.	**CASH AND CASH EQUIVALENTS**		
	Short-term highly liquid investments - note 41.1	31,822,129	68,050,989
	Cash and bank balances - note 19	5,427,273	4,751,445
		37,249,402	72,802,434

41.1 Short-term investments as disclosed in note 18 amount to Rs 69,634 million (2021: Rs 87,396 million). However, certain investments which were not considered highly liquid comprising mutual funds amounting to 'Nil' (2021: Rs 17,609 million), foreign currency term deposits amounting to Rs 9,222 million (2021: Rs 1,736 million), local currency term deposits amounting to Rs 92 million (2021: 'Nil') and T-bills amounting to Rs 28,498 million (2021: 'Nil') and accordingly were not considered as cash and cash equivalents.

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2022	Year ended June 30 2021	**Year ended June 30, 2022**	Year ended June 30, 2021
	(Rupees in thousand)			
Managerial remuneration	**54,162**	48,646	**7,271,140**	8,577,521
Housing, conveyance and utilities	**81**	504	**211,828**	654,791
Retirement benefits	**905**	6,772	**933,862**	1,167,472
Bonus	**7,067**	7,870	**930,039**	1,407,495
Medical and leave passage	**1,425**	555	**692,914**	688,309
Leave encashment	**14,598**	-	**46,362**	145,572
	78,238	64,347	**10,086,145**	12,641,160
Number, including those who worked for part of the year	**1**	1	**1,229**	1,571

42.1. Aggregate amount charged in these consolidated financial statements in respect of fees paid to twelve non-executive directors was Rs 29.250 million (2021: Rs 27.625 million to fourteen non-executive directors).

In addition to the above, Rs 0.625 million (2021: Rs 0.438 million) was paid to directors of PPLA and PPLE as director's fee.

	Year ended June 30, 2022	Year ended June 30, 2021
43. EARNINGS PER SHARE		
43.1 Basic earnings per share		
Profit after taxation (Rs '000)	**54,352,696**	52,283,194
Dividend on convertible preference shares (Rs '000)	**(32)**	(34)
Profit attributable to ordinary shareholders (Rs '000)	**54,352,664**	52,283,160
Weighted average number of ordinary shares in issue	**2,720,972,798**	2,720,972,176
Basic earnings per share (Rs)	**19.98**	19.21
43.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**54,352,696**	52,283,194
Weighted average number of ordinary shares in issue	**2,720,972,798**	2,720,972,176
Adjustment for conversion of convertible preference shares	**10,730**	11,352
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**19.98**	19.21

44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these consolidated financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Sales of gas / barytes to state controlled entities (including Government Levies)		
GENCO-II	**11,773,426**	12,184,181
SSGCL	**57,595,549**	43,121,091
SNGPL	**71,479,353**	64,353,264
EPRF	**867,428**	-
OGDCL	**156,080**	1,758,118
	141,871,836	121,416,654
Long-term receivables, trade debts and other receivables from state controlled entities as at June 30	See notes 11,13, 17 & 44.2	
Transactions with Associated Companies - note 44.2		
Sales of crude oil / condensate to PARCO	**10,132,725**	7,967,436
Sales of crude oil / condensate to PRL	**2,921,179**	2,035,522
Payment to Total PARCO Pakistan Limited (Total PARCO)	**32,379**	7,542
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	**4,994**	975
Purchase of medicines from Sanofi-Aventis Pakistan Limited (SAPL)	**3,207**	6,199
Equity investment in PIOL	**4,161,250**	-
Receivable from PIOL as at June 30	See note 17	
Service fee (G&A overheads) charged to PIOL	**71,367**	-
Payment of employees cost on secondment to PIOL	**166,793**	-
Annual supervision fee paid to Audit Oversight Board	**500**	-
Payment to MPCL against services obtained	**206,742**	-
Deposits with Askari Bank Limited (AKBL) as at June 30	**-**	1,401,392
Letters of credit placed with AKBL as at June 30	**-**	93,605

	Year ended June 30, 2022	Year ended June 30, 2021
	(Rupees in thousand)	
Transactions with Joint Operations		
Payments of cash calls to joint operations	**35,159,489**	29,346,827
Expenditures incurred by the joint operations	**37,376,418**	24,136,886
Amounts receivable from / payable to joint operations partners as at June 30	See notes 14, 17 & 26	
Income from rental of assets to joint operations	**5,014**	5,081
Dividend income from BME	**250,000**	
Purchase of goods from BME (net)	**201,672**	55,551
Reimbursement of employee cost on secondment to BME	**20,964**	23,909
Other related parties		
Dividends to GoP	**6,429,023**	4,592,159
Dividends to Trust under BESOS	-	200,057
Unclaimed dividend pertaining to BESOS	**700,200**	210,060
Dividend to trusts under retirement benefit funds	**5,301**	2,272
Transactions with retirement benefit funds	See notes 32.1 & 33	
Remuneration to key management personnel	See note 42	
Payment to PPL Welfare Trust for CSR activities	**21,000**	20,000
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	**166,828**	150,583
Payment of rental to Karachi Port Trust (KPT)	**8,031**	8,419
Payment of insurance premium to National Insurance Company Limited (NICL)	**967,482**	1,036,385
Insurance claim received from NICL	**44,078**	64,121
Fuel purchased from Pakistan State Oil Company Limited (PSO)	**642,072**	58,813
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	**107,462**	86,988
Deposits with National Bank of Pakistan (NBP) as at June 30	**969,388**	263,831
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	**39,093**	43,485
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	**738**	95
Payment to SNGPL against services obtained	-	1,258
Stores and spares on loan to OGDCL	-	3,065

44.1 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Group pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contribution to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

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44.2 Following are the related parties with whom the Group has entered into transactions during the year excluding GoP, joint operations, associates, staff retirement benefit funds, trusts and employees, details of which have already been disclosed in these consolidated financial statements.

S.No.	Company Name	Basis of Relationship As at June 30, 2022
1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SNGPL	GOP is common shareholder / Common Directorship
5.	SSGCL	GOP is common shareholder
6.	PSO	GOP is common shareholder
7.	GENCO - II	GOP is common shareholder
8.	PIDC	GOP is common shareholder
9.	KPT	GOP is common shareholder
10.	NICL	GOP is common shareholder
11.	Total PARCO	GOP is common shareholder
12.	NBP	GOP is common shareholder
13.	PIACL	GOP is common shareholder
14.	PRL	GOP is common shareholder
15.	HDIP	GOP is common shareholder
16.	EPRF	GOP is common shareholder
17.	EPSL	GOP is common shareholder
18.	MPCL	Common Directorship
19.	PIP	Common Directorship
20.	SAPL	Common Directorship

45. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Group operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these consolidated financial statements relate to the Group's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Group's overall gross revenue:

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
SSGCL	**57,595,549**	43,121,091
SNGPL	**71,479,356**	64,353,264
ARL	**56,830,220**	26,763,329
	185,905,125	134,237,684

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	June 30, 2022	June 30, 2021

46. GENERAL

46.1 Number of employees

	June 30, 2022	June 30, 2021
Total number of employees at the end of the year were as follows:		
Regular	2,570	2,607
Contractual	74	84
	2,644	2,691
Average number of employees during the year were as follows:		
Regular	2,614	2,654
Contractual	80	76
	2,694	2,730

46.2 Capacity and production

Product	Unit	Actual production for the year (Group's share) June 30, 2022	Actual production for the year (Group's share) June 30, 2021
Natural gas	MMCF	264,520	277,460
Crude oil / NGL / Condensate	Thousand Barrels	4,662	5,217
LPG	M. Ton	116,498	115,835
Barytes	M. Ton	118,505	64,206

Due to the nature of operations of the Group, installed capacity of the above products is not relevant.

46.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

47. SUBSEQUENT / NON -ADJUSTING EVENTS

47.1 The exemption from application of ECL under IFRS-9, as disclosed in notes 3.1.2, 3.6(j), 4.10(a)(iii) and 13.3 to these financial statements, has been extended for the Holding Company by the SECP till June 30, 2023, through letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022.

47.2 The Board of Directors the Holding Company in its meeting held on September 20, 2022 has recommended cash dividend @ 5% amounting to Rs 1,360.487 million (2021: @ 20% amounting to Rs 5,441.946 million) on paid-up value of ordinary share capital and @ 5% amounting to Rs 0.005 million (2021: @ 15% amounting to Rs 0.016 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 26, 2022.

48. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 20, 2022 by the Board of Directors of the Holding Company.

Chief Financial Officer | Chief Executive Officer | Chairman

LIST OF ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ATA	Annual Turn Around
AVO	Amplitude-Variation-with-Offset seismic inversion
BBL	Barrel
BCF	Billion Cubic Feet
BCFDE	Billion Cubic Feet Per Day Equivalent
BCFE	Billions Cubic Feet Equivalent
BLZ	Baryte Lead Zinc
BME	Bolan Mining Enterprises
BOPD or bbl/d	Barrels of Oil Per Day
CPPA-G	Central Power Purchasing Agency (Guarantee) Limited
CSR	Corporate Social Responsibility
D&PL	Development and Production Lease
DGPC	Director General Petroleum Concessions
E&P	Exploration and Production
EDPSC	Exploration, Development and Production Service Contract
Eni	Eni Pakistan Limited
EPCC	Engineering, Procurement, Construction and Commissioning
EPS	Earnings Per Share
EWT	Extended Well Testing
FC	Frontier Corps
FEED	Front End Engineering Design
G&G	Geological & Geophysical
GDP	Gross Domestic Product
GDS	Gas Development Surcharge
GENCO-II	Central Power Generation Company Limited
GHPL	Government Holdings (Pvt.) Limited
GIDC	Gas Infrastructure Development Cess
GoB	Government of Balochistan
GoP	Government of Pakistan
GPF	Gas Processing Facility
HESCO	Hyderabad Electric Supply Company
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT	Information Technology
KBOE	Thousands of Barrels of Oil Equivalent
KM/ LKm / Sq Km	Kilometer/ Line Kilometer/ Square Kilometer
KSE-100	KSE-100 Index
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LNG	Liquefied Natural Gas
LoA	Letter of Award
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
M	Meter
MdOC	Midland Oil Company, Iraq

ABBREVIATION	DESCRIPTION
MDRL	Mineral Deposit Retention License
MMSCF	Million Standard Cubic Feet
MMSCFD	Million Standard Cubic Feet Per Day
MoD	Ministry of Defense
MOL	MOL Pakistan Oil and Gas BV
MPCL	Mari Petroleum Company Limited
MT	Metric Tonnes
MW	Megawatts
NGL	Natural Gas Liquids
NHEPL	New Horizon Exploration and Production Limited
NOC	No Objection Certificate
NRU	Nitrogen Rejection Unit
NTDC	National Transmission & Despatch Company
O&M	Operations & Maintenance
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment System
OPEX	Operating Expenditure
P	Pab Reservoir
P&A	Plugged and Abandoned
P&S	Plugged and Suspended
PCA	Petroleum Concession Agreement
PIOL	Pakistan International Oil Company
POGC	Polish Oil & Gas Company
PPLA	PPL Asia E&P B.V.
PPLE	PPL Europe E&P Limited
PSA	Profit Sharing Agreement
PSDM	Pre-Stack Depth Migration
PSTM	Pre-Stack Time Migration
PSX	Pakistan Stock Exchange
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RRR	Reserves Replacement Ratio
SFGCS	Sui Field Gas Compressor Station
SHC	Sindh High Court
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SSGCL	Sui Southern Gas Company Limited
ST	Sidetrack
T / K / S	Tobra/ Khewra/ Sakesar
TCF	Trillion Cubic Feet
UEPL	United Energy Pakistan Limited
USD	United States Dollar
WPPF	Worker's Profit Participation Fund
ZHENHUA	China ZhenHua Oil Co. Ltd.

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	2,857	141,650
101	500	5,128	1,572,764
501	1,000	3,125	2,582,805
1,001	5,000	14,299	32,038,808
5,001	10,000	1,682	12,497,674
10,001	15,000	627	7,839,684
15,001	20,000	348	6,200,546
20,001	30,000	386	9,557,730
30,001	40,000	190	6,595,610
40,001	50,000	129	5,927,259
50,001	60,000	92	5,106,679
60,001	70,000	64	4,196,852
70,001	80,000	49	3,670,024
80,001	90,000	28	2,366,555
90,001	100,000	45	4,392,079
100,001	150,000	104	13,003,170
150,001	200,000	55	9,590,761
200,001	300,000	60	14,641,682
300,001	500,000	53	20,254,946
500,001	1,000,000	59	42,979,214
1,000,001	2,000,000	49	69,672,597
2,000,001	10,000,000	45	197,870,850
10,000,001	50,000,000	8	159,125,598
50,000,001	53,000,000	1	52,226,454
200,000,001	201,000,001	1	200,057,318
1,800,000,000	1,900,000,000	1	1,836,863,632
	TOTAL	29,485	2,720,972,941

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Ordinary shares			
Directors, CEO and their spouse and minor children	5	38,613	*
Associated companies, undertakings and related parties			
PPL Employees Empowerment Trust	1	200,057,318	7.35
PPL Employees Retirement Benefit Funds	12	1,514,614	0.06
NIT and ICP	1	2,297,713	0.08
Banks, Development Financial Institutions, Non-Banking Financial Institutions	29	79,700,632	2.93
Insurance Companies	29	46,509,404	1.71
Modarabas and Mutual Funds	105	112,205,299	4.12
Shareholders holding 10% or more			
Government of Pakistan	1	1,836,863,632	67.51
General Public			
Resident	28,653	188,242,212	6.93
Non-resident	208	376,947	0.01
Others			
Non-Resident Financial Institutions	63	81,205,513	2.98
Public Sector Companies and Corporations	6	103,351,120	3.80
Joint Stock Companies	229	36,773,555	1.35
Employee Trust / Foundations etc.	139	31,835,610	1.17
Nazir of High Court	4	759	*
	29,485	**2,720,972,941**	**100.00**
Convertible Preference Shares			
Individuals	73	10,136	95.74
Joint Stock Companies	1	407	3.84
Nazir of High Court	1	44	0.42
	75	**10,587**	**100.00**

* Negligible

Note:- The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.5 to the unconsolidated statements).

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

ADDITIONAL INFORMATION

Information on shareholding required under reporting framework of the Public Sector Companies (Corporate Governance) Rules, 2013 is as follows:

Shareholders' Category	No. of Shareholders	No. of Shares Held
Government of Pakistan	1	1,836,863,632
Associated Companies, undertakings and related parties		
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318
Trustee Pakistan Petroleum Senior Provident Fund	1	841,131
Trustee Pakistan Petroleum Senior Provident Fund	1	560,755
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	34,678
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	23,119
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	11,083
Trustee Pakistan Petroleum Junior Provident Fund	1	10,929
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	7,388
Trustee Pakistan Petroleum Junior Provident Fund	1	7,286
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	6,007
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	4,940
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	4,004
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	3,294
Mutual Funds	100	111,965,803
Directors and their spouses and minor children		
Mian Imtiazuddin	1	1,981
Mr. Aftab Ahmad	2	6,000
Ms. Khurshid Bhaimia	1	30,360
Syed Zakria Ali Shah	1	272
Executives	20	43,071
Public Sector Companies & Corporations	6	103,351,120
Banks, DFIs, NBFIs, Insurance Companies, Takaful & Modarabas Companies	63	126,449,532
Shareholders holding five percent or more voting rights		
Government of Pakistan	1	1,836,863,632
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318

Note:- The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.5 to the unconsolidated statements).

ADDITIONAL INFORMATION

Trade in the shares of the Company by Directors, Executives* and their spouses and minor children:

Name	Category	Date of Transaction	Nature of Transaction	Price Per Share (Rs)	No. of Shares
Mr. Aftab Ahmad	Director	13-Aug-21	Purchase	80.24	1,000
Mr. Aftab Ahmad	Director	7-Dec-21	Purchase	78.39	2,000
Mr. Salman Ali Khan	Executive	23-Feb-22	Sale	79.26	500
Syed Saqib Ali Shah	Executive	4-Apr-22	Gift Received	Nil	3,979
Mr. Salman Ali Khan	Executive	6-May-22	Purchase	72.99	500
Mr. Sagheer Hussain	Executive	19-May-22	Purchase	68.05	5,000
Mr. Sagheer Hussain	Executive	19-May-22	Purchase	68.18	5,000
Mr. Tariq Hussain	Executive	19-May-22	Purchase	68.78	2,000
Mr. Tariq Hussain	Executive	25-May-22	Purchase	65.50	2,000

* In accordance with rule 5.6.4 of the Rules of Pakistan Stock Exchange, the Board has set a threshold for categories of certain group of senior management employees as "Executives" which is reviewed annually.

NOTICE OF 71st ANNUAL GENERAL MEETING

Notice is hereby given that the 71st Annual General Meeting of the Company will be held on Wednesday, 26th October, 2022 at 11:00 A.M. via Zoom Cloud Meetings, for transacting the following business:

Ordinary Business

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30th June 2022, together with the auditor's report thereon.

2. To approve and declare a final cash dividend of Rs. 0.50 per share (5%) on Ordinary Shares and Rs. 0.50 per share (5%) on Convertible Preference Shares for the financial year ended 30th June 2022, recommended by the Board of Directors at its meeting held on 20th September 2022.

3. To appoint auditors of the Company for the financial year 2022-23 and to fix their remuneration.

By the Order of the Board

ALI JAFFAR
Company Secretary

5th October 2022

Karachi

NOTES

1. **Video Link Facility for Attending the Meeting**

The Company intends to convene the Annual General Meeting (AGM) virtually via video link facility managed from the Registered Office of the Company, located at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi for the safety and well-being of all its stakeholders. The virtual meeting is being held in line with Company's austerity cum safety measures in the wake of the current macroeconomic situation and devastating floods in the country and the outbreak of Dengue fever in Karachi. For the foregoing reasons, the Company plans to convene the AGM electronically which, without compromising the safety and well-being of its stakeholders, shall allow accommodation of a large number of members across the country. Needless to mention that Covid SOPs are largely irrelevant in the given circumstances and their observance cannot alleviate the above concerns of the Company.

The Members interested in attending the AGM are requested to register for participation in the AGM via video link, latest by close of business on Monday, 24th October 2022, by providing the following information at agm@ppl.com.pk. If the information is couriered, it should reach the Company's registered office latest by the close of business on Monday, 24th October 2022.

Full Name	CNIC Number	Folio / CDC Account Number	Email Address	Cell Number

The Company Secretary
Pakistan Petroleum Limited
4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi
Telephone: +(92 21) 111 568 568,
Fax: +(92 21) 35680005, 35682125
Email: agm@ppl.com.pk

The video link and login details for attending the Meeting will be emailed to the members who register for attending the Meeting and provide their email addresses for the purpose to the Company.

2. **Closure of Share Transfer Books**

The register of members and the share transfer books of the Company will remain closed as of 19th October 2022 until 26th October 2022 (both days inclusive). Only persons whose names appear in the register of members of the Company as at close of business on Tuesday, 18th October 2022 shall be entitled to attend and participate at the Meeting.

A member entitled to attend and vote at the Meeting may appoint another member as proxy to attend, participate in, and vote on his / her behalf at the Meeting. Proxies must be received at the registered office of the Company not later than 48 hours before the time for holding the Meeting. A form of proxy may be downloaded from the Company's website: www.ppl.com.pk

3. **Guidelines for CDC Account Holders**

CDC account holders should comply with the following guidelines of the Securities and Exchange Commission of Pakistan:

A For Attendance at AGM:

a) Individuals should be account or sub-account holder(s) and their registration details should be uploaded according to the CDC Regulations. They must establish their identity by providing a copy of their CNIC or passport.

b) Corporate entities must provide a certified copy of a resolution of their respective boards of directors, or a power of attorney for attending the Meeting, which should bear the attorney's specimen signature.

B For Appointing Proxies at AGM:

a) Individuals should be account or sub-account holder(s) whose registration details should be uploaded according to CDC Regulations and their forms of proxy must be lodged at the registered office of the Company not later than 48 hours before the time for holding the Meeting.

b) The form of proxy must be attested by two persons whose names, addresses and CNIC numbers should be given underneath their signatures.

c) Attested copies of CNIC or passport of the member and proxy must be submitted with the form of proxy.

4. Tax Implications on Dividends

Tax Rates

Withholding tax on dividend is as follows:

Pursuant to applicable law, 15% withholding tax for filers of income tax returns and 30% withholding tax for non-filers is applicable.

A 'filer' is defined by applicable law as a taxpayer whose name appears in the Active Taxpayers List (ATL) periodically issued by the FBR and a 'non-filer' is a person other than a filer.

The ATL may be viewed on the FBR's website: www.fbr.gov.pk. The Company will ascertain the tax status of members as at the first day of book closure and will deduct withholding tax accordingly.

Corporate members who hold CDC accounts should provide their National Tax Number (NTN). Members who hold share certificates should provide a copy of their NTN certificates together with the Company's name and the respective folio numbers to Messrs. FAMCO Associates (Private) Limited (Share Registrar) at 8-F, Adjacent to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

Tax on Joint Shareholding

Tax will be deducted in proportion to shareholding in joint names or joint accounts. Holders will be treated individually as filers or non-filers in accordance with their respective status.

The proportion of shareholding should be submitted by joint shareholders in the following form to the Share Registrar at the latest by 18th October 2022:

CDC Account Number	Name of Shareholders (Principal / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature

Unless the proportion of shareholding is submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

Tax Exemption Certificate

Pursuant to Section 150 of the Income Tax Ordinance, 2001 a valid tax exemption certificate is necessary for claiming exemption from the deduction of withholding tax. Members who would like to avail exemption from withholding tax should submit a copy of their valid tax exemption certificate to the Share Registrar before the date of book closure.

5. Dividend Bank Mandate

The following information should be provided to enable the electronic transfer of dividend to designated bank accounts:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (24 digit IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of Shareholder:	
Landline Number, if any, of Shareholder:	
CNIC or NTN Number (Copy to be attached):	
Signature of Member:	

Note: Signature must match specimen (signature) registered with the Company.

Members who hold shares in CDC accounts should provide their bank mandates to the concerned participants.

6. Intimation of Change of Address and Declaration for Non-Deduction of Zakat

Members who hold share certificates should submit any change in registered address as well as their declarations for the non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC and CDC sub-accounts should submit any change in address and their declarations for the non-deduction of zakat, if applicable, to the CDC or to the concerned participants.

7. CNIC

Dividend will be paid only to members who have submitted copies of their valid CNIC. The names of members who have not submitted copies of their CNIC may be viewed on the website of the Company: www.ppl.com.pk.

FORM OF PROXY

The Secretary
Pakistan Petroleum Limited
PIDC House
Dr. Ziauddin Ahmed Road
Karachi.

I/ We, ______________________________ of __________________, being a Member of Pakistan Petroleum Limited, holder of ___________ Ordinary Share(s) as per Register Folio No.________/ CDC Account No. ______________ hereby appoint Mr. __________________, Folio No. ________/ CDC Account No. ________ (if member) of ______________, as my/ our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on 26th October 2022 and at any adjournment thereof.

Signed under my / our hand this _____ day of October 2022.

____
Signature should tally with the specimen signature registered with the Company

Signed in the presence of:

______________________	______________________
Signature of Witness:	Signature of Witness:
Name: ________________	Name: ________________
CNIC No.: ______________	CNIC No.: ______________
Address: ______________	Address: ______________

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorized, or if the appointer is a corporation either under the common seal or under the hand of a duly authorized official or attorney. No person shall be appointed proxy who is not a member of the Company and qualified to vote except a corporation being a member may appoint a non-member.

2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of such power of authority shall be lodged with the share registrars of the Company, Messrs. FAMCO Associates (Private) Limited, 8-F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Karachi, not less than 48 hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and if it is not so lodged the instrument of a proxy shall not be deemed valid. CDC shareholders and their proxies are required to append an attested photocopy of their computerized national identity card (CNIC) or passport with the proxy form.

پراکسی فارم

سیکریٹری
پاکستان پیٹرولیم لمیٹڈ
پی آئی ڈی سی ہاؤس
ڈاکٹر ضیاالدین احمد روڈ
کراچی

میں/ہم ________________________ پاکستان پیٹرولیم لمیٹڈ کے ممبر کی حیثیت سے کمپنی کے________عمومی شیئر (ز) رجسٹرڈ کنندہ رجسٹر فولیو نمبر/CDC A/c No.

________________ جناب ____________________ فولیو نمبر/CDC A/c No.(اگر ممبر) ہے __________________ یا ان کے بجائے،

جناب______________________ فولیو نمبر/CDC A/c No.(اگر ممبر ہے)__________________ بذریعہ ہذا کو اپنا/ہمارا پراکسی مقرر کرتا ہوں تا کہ میری غیر موجودگی

میں کمپنی کے سالانہ اجلاس عام میں جو 26 اکتوبر 2022 کو منعقد ہو رہا ہے یا اس کے التوائی اجلاس میں میری/ہماری طرف سے شرکت کرسکے یا ووٹ دے سکے۔

دستخط منظور کنندہ،___اکتوبر 2022 ۔

____

دستخط، کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں

گواہ کے دستخط: ______________________	گواہ کے دستخط: ______________________
نام: ______________________	نام: ______________________
سی این آئی سی نمبر: ______________________	سی این آئی سی نمبر: ______________________
پتہ: ______________________	پتہ: ______________________

نوٹس:

1۔ پراکسی مقرر کرنے کا اختیار مجاز شخص یا اس کے اٹارنی کی طرف سے تحریری طور پر دینا ہوگا یا کارپوریشن / کمپنی ہونے کی صورت میں کامن سیل کے تحت یا با اختیار شخص یا اٹارنی کی طرف سے دینا ہوگا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہوسکتا ہو جو کمپنی کا ممبر نہ ہو ماسوائے کارپوریشن / کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کرسکتی ہے۔

2۔ پراکسی مقرر کرنے اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) جس کے ذریعے دستخط کئے جائیں یا تصدیق شد پاور آف اتھارٹی کی کاپی شیئر رجسٹرارز میسرز فیمکو ایسوسی ایٹس پرائیوٹ لمیٹڈ کے دفتر واقع F-8 ہوٹل فاران سے متصل، نرسری بلاک 6 پی ای سی ایچ ایس، کراچی میں جس کا نام ووٹ دینے کے لئے تجویز کیا گیا ہو، اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل جمع کرائی جائے۔ ناکامی کی صورت میں پراکسی کو ووٹ کا اختیار نہیں ہوگا۔ ہر پراکسی فارم کے ساتھ علیحدہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کی جائے۔