



# PAKISTAN OILFIELDS LIMITED

Ref: POL/FIN-CORP/PSX/24-25/014

September 25, 2024

The General Manager  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**SUBJECT: TRANSMISSION OF ANNUAL REPORT FOR THE YEAR ENDED  
JUNE 30, 2024**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended June 30, 2024 has been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

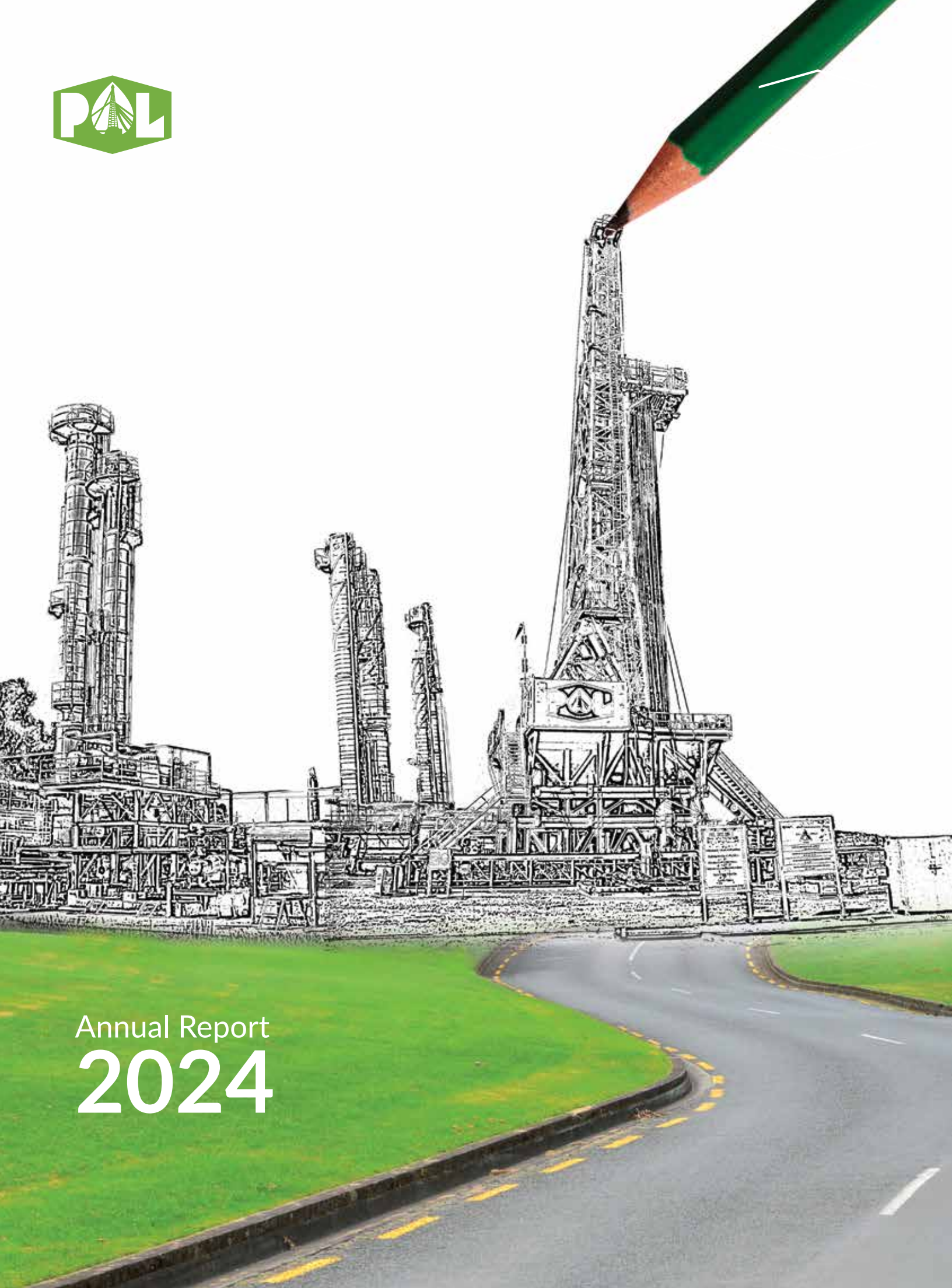
Yours Sincerely,  
For PAKISTAN OILFIELDS LIMITED

  
(Khalid Nafees)  
Company Secretary

Cc:

- Director Enforcement & Monitoring Department - for information  
Enforcement & Monitoring Division  
Securities & Exchange Commission of Pakistan  
7<sup>th</sup> Floor, NIC Building, Jinnah Avenue,  
Blue Area, Islamabad.

Director / HOD  
Surveillance, Supervision and Enforcement Department - for information  
Securities & Exchange Commission of Pakistan,  
NIC Building, 63-Jinnah Avenue,  
Blue Area, Islamabad.



Annual Report  
**2024**

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# Chairman's Review

I am delighted to present the annual report showcasing our company's remarkable achievements during the fiscal year ending June 30, 2024. We are thrilled to report a profit after tax of Rs 39.15 billion, marking an increase of 7.4% compared to the previous year. This achievement stands as a testament to our resilience, strategic acumen, and unyielding dedication to excellence.

The primary drivers of this substantial profit growth are manifold. The increase in profit is mainly attributable to positive impact of Rupee/US\$ parity in oil and gas prices, coupled with enhanced income from bank deposits due to favorable interest rates/higher deposits, reduced exploration costs, the reversal of prior year tax provisions as detailed in note 36.2 of the financial statements and decreased finance costs. These gains were partially offset by exchange losses on financial assets against exchange gain in the previous year and lower sales volumes of crude oil and gas compared to last year.

Throughout the year, we remained focused on our core activities of exploration and development. During this period, we successfully drilled three development wells, two exploratory wells, and one water well. Notably, Jhandial-3 yielded highly encouraging results and, thanks to the tireless efforts of our team, was connected to the production line in record time.

Equally promising are the outcomes from the Razgir-1 well in the Joint Venture, where three exploratory formations were commercially tested. This success not only benefits the Joint Venture but also has significant implications for the region, as new plays have been identified.

Further details on the results of these wells can be found in the Directors' Report. While these ventures were not without their challenges, they exemplify our steadfast commitment to driving innovation and advancing our operations.

Our investments in seismic data acquisition, processing, and interpretation have yielded substantial progress. Recently the acquisition of 2D Seismic data at Nareli Block has been completed, coupled with ongoing data processing at Hisal Block, signifies our dedication to harnessing cutting-edge technology for strategic decision-making. Further seismic acquisition to extend efforts to Langrial, North Dhurnal, Pariwali, Ikhlas & Turkwal blocks for enhanced prospects generation.

As we look ahead to the fiscal year 2024-25, we remain steadfast in our pursuit of excellence. Plans are

in place to drill development and exploratory wells, with a significant investment to expand our reserve base. We embrace these challenges with optimism, buoyed by our strong balance sheet, cash generation, and, above all, the commitment of our devoted employees.

Our Board of Directors, comprising of seven individuals, including two independent directors, three non-executive directors, and two executive directors, brings a wealth of diverse experience from fields such as petroleum, finance, corporate sectors, and regulations. Their collective expertise has been instrumental in guiding our strategic direction, fulfilling fiduciary responsibilities, and ensuring compliance with legal and regulatory requirements.

Our Board remained actively engaged with the management, aiding in confronting unforeseen challenges. Throughout the year, five Board of Directors' meetings were convened, during which the Board played an instrumental role in reviewing financial statements and internal controls. The Audit and Human Resource & Remuneration Committees further contributed invaluable insights, reflecting our commitment to best practices in corporate governance.

Our commitment to professionalism and ethical conduct remains unwavering, as demonstrated by our annual performance evaluation mechanism. This mechanism, encompassing the Board, its members, and its committees, reflects the effectiveness of our governance practices and paves the way for continuous improvement.

I extend heartfelt gratitude to our dedicated management and non-management staff, regulatory authorities, and Government officials for their unwavering support, without which our achievements would not be possible. To our shareholders, your continued faith and support fuel our drive for success.

May the momentum of our growth persist in the years to come.



**Laith G. Pharaon**  
Chairman Attock Group of Companies

Rawalpindi  
September 02, 2024

# DIRECTORS' REPORT

In the name of ALLAH, The Most Gracious, The Most Merciful

## Assalam-u-Alaikum!

The Board takes pleasure in presenting a brief review of the operations and financial results of the Company for the year ended June 30, 2024.

## Financial Results

During this period, the Company achieved a profit after tax of Rs. 39,152 million, which is higher by 7.40% compared to last year when it was Rs. 36,453 million. Basic and diluted earnings per share stood at Rs. 137.93, up from Rs. 128.42 reported on June 30, 2024.

This profit can be attributed to several factors including increased sales value due to a rise in the rupee-dollar exchange rate, increased oil & gas prices, higher interest income from increased deposits and interest rates, reduced exploration costs, the reversal of prior year tax provisions as detailed in note 36.2 of the financial statements, and decreased finance costs.

However, these gains were partially offset by exchange losses on financial assets of Rs. 1,811 million (June 30, 2023: Exchange gain of Rs. 14,780 million) and lower sales volumes of crude oil and gas compared to last year. Crude oil and gas production volumes decreased by 5.49% and 5% respectively compared to the corresponding period last year.

Additionally, the Company achieved a consolidated profit after tax of Rs. 37,651 million, up from Rs. 37,300 million reported on June 30, 2023. This translates into consolidated earnings per share of Rs. 132.46, compared to Rs. 131.29 on June 30, 2023.

## Production

The following is a comparison of production from the Company's own fields, including proportionate share from all operated and non-operated joint ventures:

		Twelve months period ended	
		June 30, 2024	June 30, 2023
Crude Oil	US Barrels	1,730,118	1,829,336
Gas	Million Cubic Feet	22,548	23,726
LPG	Metric Tonnes	50,280	53,177
Sulphur	Metric Tonnes	614	609
Solvent Oil	US Barrels	18,647	18,334

The Company's share in production, including that from joint ventures, for the period under review averaged 4,728 barrels per day (bpd) of crude, 61.60 million standard cubic feet per day (mmscfd) of gas, 137.38 metric tonnes per day (MTD) of LPG, 1.68 MTD of sulphur and 51 bpd of solvent oil.

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## EXPLORATION AND DEVELOPMENT ACTIVITIES

### Producing Fields

At Ikhlas block (operated by POL with 80% share), drilling of Jhandial-03 well was commenced on October 12, 2023 and the well was drilled till the depth of 17,778 feet in base Lockhart Formation. Jhandial-03 well was drilled with the objective to appraise the already discovered hydrocarbons in Sakesar formation (Eocene) and to explore the potential of deeper Lockhart and Patala formations (Paleocene). The well has currently been completed in Sakesar formation and following are the details of flow rates at different Choke sizes;

Choke Size	Well head Flowing Pressure (WHFP) PSI	OIL Barrels per day (BOPD)	Gas Million Cubic Feet per day (MMSCFD)
28/64"	3,170	714	10.2
24/64"	4,134	701	9.6
20/64"	5,412	677	8.4
16/64"	6,718	767	7.4

Balkassar Deep-1A well was spudded on April 26, 2023, after encountering different problems well target depth was declared, tested. Based on unsuccessful result the well has been plugged and rig has been released in July 2024.

At Pindori Lease (operated by POL with a 35% share), 3D seismic acquisition project of 60 square kilometers has been completed and data processing is in progress to evaluate the prospectivity of Chorgali formation and to evaluate the possibility to produce un-drained oil.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), Makori Deep -3 well has been approved and well site preparation is in progress.

At Adhi Lease (operated by PPL, where POL has 11% share), Adhi Water Disposal Well was spud-in on 03 Dec 2023 and completed as water disposal well. Rig was released on 23rd February 2024. Produced Water Treatment and Injection Facility has been commissioned in May, 2024 under interim arrangement for Sub-Surface disposal of produced water.

Adhi South-05 well, jet pump has been retrieved and the well has been put on gas lift and this well is producing around 200 barrels of oil per day.

Ahdi South-6 drilled down to the target depth successfully test and producing 550 barrels of oil per day.

Adhi South-8 well was spudded on March 22, 2024 and drilled till target depth of 11,353 ft. Drilling operations were completed and rig was release on May 17, 2024. The well has been successfully put on production on July 08, 2024 with the production of 475 barrels of Oil per day with 0.45 Million Cubic Feet of Gas per day at the Flowing Wellhead Pressure of 210 psi.

Adhi South- 9 well has achieved the target depth and well testing is in progress.

At Ratana Development and Production Lease (operated by Orient Petroleum Inc., where POL has 4.54% share), Ratana - 5A has been approved by the Joint Venture Partners.



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# Exploration Blocks

At DG Khan block (operated by POL with a 70% share), gravity survey will be carried out to evaluate remaining leads.

North Dhurnal block (operated by POL with 60% share) design study has been completed to acquire 285.3 square kilometers 3D seismic data. Bidding process for data acquisition is under evaluation.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), an exploratory well Razgir-1 which was spudded on January 09, 2024, drilled down to the target, tested and produced 20 million cubic feet of gas per day and 250 barrels of condensate per day at 40/64" fixed choke size at the flowing wellhead pressure of 2,348 psi.

After testing of Kawagarh formation of Razgir-1 well the well flowed around 22.46 million cubic feet of gas per day and 220 barrels per day of condensate at flowing wellhead pressure of 2,507 psi at 40/64' Fixed choke size. Testing operations are in progress to ascertain the true potential of the well. One more formation will be tested and preparation are under to lay the pipeline to connect it to the production facility.

After testing of Lockhart formation of Razgir-1 well the well flowed around 17.9 million cubic feet of gas per day and 153 barrels per day of condensate at flowing wellhead pressure of 2,017 psi at

40/64' Fixed choke size. Planning is underway to complete this well with the objective to get optimal production. Preparation is under to lay the pipeline to connect it to the production facility.

3D seismic data interpretation of Makori, Makori Deep, Billitang, Kot South, has been completed while seismic interpretation on Kahi North, Sarozai, Sarozai Deep, Manzalai South, Manzalai Deep leads is in progress.

At Hisal block (operated by PPL where POL has 25% share), 3D seismic acquisition of 235 square kilometers has been completed. Data processing to carry out the fracture identification study is in progress.



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At Gurgalot block (operated by OGDCL where POL has 20% share), 3D seismic data interpretation has been completed and subsurface location of Gurgalot X-1 has been finalized, well planning is in progress.

At Taung block (operated by Mari Petroleum where POL has 40% share), 340.94 square kilometers 3D Seismic acquisition and interpretation has been completed for the identification of leads.

At Nareli Block (operated by Mari Petroleum where POL has 32% share), 2D seismic acquisition of 520-line kilometers has been completed and data processing is in process.

Chah Bali exploration license was awarded to OGDC as an operator with 70% share and to POL with 30% share.

Agreements of Multanai & Saruna Blocks with 100% & 40% share respectively have been signed with the Government.

## CASH FLOWS

Cash provided from operating activities Rs 32,443 million (June 30, 2023 : Rs 29,167 million) Cash from investing activities increased by Rs 3,332 million due to income on bank deposits and Dividend paid increased by Rs 33,569 million due pending payment of non-resident shareholders dividends.

## CONTRIBUTION TOWARDS THE ECONOMY

The Company continues to play a vital role in the oil and gas sector of the Country. During the year, the Company saved foreign exchange in excess of US\$ 423 million (2023: US\$ 419 million) for the country. The contribution to the national exchequer, in the shape of royalty and other government levies, was Rs 30,931 million (2023: Rs 29,227 million).

## DIVIDEND

The Directors have recommended a final cash dividend @ 700% (Rs 70.00 per share). This is in addition to the interim cash dividend @ 250 % (Rs 25.00 per share) already declared and paid to the shareholders thereby making it a total cash dividend of Rs 95 per share for the year 2023-24 (2022-23: Total cash dividend of Rs 80.00 per share).

## SUBSIDIARY - CAPGAS (Private) Limited (CAPGAS)

CAPGAS earned a profit after tax of Rs 103.0 million (2023: Rs 65.4 million). It has declared a total dividend of 2,068% for the year 2024 (2023: 955%). During the year, CAPGAS received an average of 21 MTD LPG.

## CRUDE OIL TRANSPORTATION

Khaur Crude Oil Decanting Facility (KCDF) & other pipelines of POL continued to operate satisfactorily. During the year, a total of 9.0 million barrels (2023: 8.9 million barrels) of crude oil from Nashpa, TAL and others were pumped to Attock Refinery Limited through these facilities and pipelines.





# Risks and Opportunities

The Board remains committed to the philosophy of effective business risk management as a core managerial competency. The Board has established a structured approach to risk management through the formulation of a risk management policy and system. The Company is in a continuous process to implement, monitor and improve its risk management policy. Risks are identified, prioritized and incorporated into a risk management response to effectively address risks.

Following are some material risks being faced by the Company along with mitigation measures:

- 1. Oil price volatility:** The pricing for the Company's oil and gas production is benchmarked with international prices of crude oil and related products. Any unfavorable variance in the international prices adversely affects the Company's profitability.
- 2. Exploration risk:** Exploration activity is prone to the risk of not finding commercial quantities of hydrocarbons due to a number of factors such as incorrect selection of exploration acreage, poor quality of seismic data, error in processing or interpretation of seismic data, incorrect selection of drilling site. The Company is mitigating exploration risks by using latest technologies and hiring experienced professionals. The Company is in continuous process to explore new opportunities and increasing the chances of success by joining hands with other E&P companies by way of farm-in and farm-out agreements.
- 3. Drilling risk:** Oil and gas drilling by its very nature is a high-risk activity. The Company is exposed to a number of hazards during drilling of wells including well blow out, fishing, fire hazards and personal injury. In addition, the risk of not discovering oil and/or gas as expected, would have an adverse effect on earnings. The Company is mitigating these risks by selecting efficient and professional teams and also by having strict criterion for selecting rig and other allied services/equipment.



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Further, the Company also obtains well insurance cover for all drilling wells.

**4. Underperformance of major oil and gas fields:** The Company's future earnings and profitability is dependent upon the production and reserves of its oil and gas fields. The actual production from fields may differ materially from estimates due to possible under performance of the oil and gas reservoirs or other production related factors.

**5. Procurement planning related risk:** Vulnerability to the procurement process is a possible threat to the Company's profitability.

The vulnerability can give rise to the following risks

- Commercial risks
- Operational risk– not having materials
- Contractual risk– exposure to liquidated damages

The Company is mitigating these risks by preparing detailed well prognosis before the spud date and timely placement of procurement orders for long lead items.

**6. Reservoir engineering and process:** The over estimation of reserves and production can lead to investment of significant

capital in the form of plant design by the engineering function. As far as practical, the Company obtains third party reserve certification to mitigate this risk.

**7. Laws & Environmental regulations:** The oil and gas industry is regulated by a number of government regulations which are required to be strictly followed. Default in this regard can have serious consequences. E&P Companies must take extra precaution to ensure they are complying with all mandatory regulations when proceeding on a project. The risks of non-compliance can include cost overruns, fines, prosecution, work stoppage and physical security threats. The Company is cautious about where they are drilling and be well informed and aware of the applicable laws.

**8. Increased competition:** With increased competition in the oil and gas exploration and production sector, particularly in relation to the application and award of exploration concessions, the Company may be faced with increased competition. The Company is in a continuous process to explore new opportunities by joining hands with other E & P companies by way of farm-in and farm-out agreements. The Company's LPG marketing business may also be adversely affected due to



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increased competition, decline in margins or disruption to LPG supply sources. In LPG marketing business, the Company has established a good storage capacity for continuous supply to keep margins intact and it continues to explore sustainable cost-effective sources of further supplies.

9. **Information technology failures:** The Company's operations may be adversely affected due to information technology failures especially in today's environment of reliance on IT systems, regulation and reporting deadlines. The company has a separate IT wing to control and monitor all related functions especially in relation to back up policy for continuous functioning.
10. **Economic and political risks:** Uncertain economic and financial market conditions resulting from economic or political instability.
11. **Joint Venture Partners:** Joint-venture operations are becoming increasingly common across E&P companies as these improve their business by leveraging the expertise and resources of other participants. In particular, when some fields/blocks are new and too challenging to be handled exclusively and the operational costs are high, then companies opt to have another partner in order to
- have their expertise and to share the costs involved. POL is also operating in a joint venture environment and many of our projects are operated by other partners. Our ability to influence partners is sometimes limited, due to our small share in non-operated ventures. Non-alignment on various strategic decisions in joint ventures may result in operational and production inefficiencies or delay. We mitigate this risk by continuous and regular engagement with joint venture partners in operated and non-operated projects and by providing them necessary resources/information/approvals required for flow of work.
12. **Terrorist attacks:** A terrorist attack could have a material and adverse effect on the Company's business. The Company has taken a terrorist insurance cover of all its material installations to mitigate this risk.
13. **Third party liability:** A third party liability could have a material and adverse effect on the business. In order to mitigate the risk, the Company is continuously evaluating the areas where insurance cover is required and it has also taken a third-party liability insurance which covers its drilling areas, pipelines and material installations.



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**14. Human Resource Risks:** Lack of succession planning may lead to hierarchical breakdown. The Company has prepared department wise organogram and jobs descriptions. Requisitions for new positions and replacements are promptly processed and advertised accordingly.

**15. Lost in hole/damage beyond repair:** During drilling, costly equipment is run in the hole for several jobs at different depths. In order to mitigate the risk, the Company maintains strong control and has also taken insurance coverage.

**16. Increase in fuel cost:** The Company is trying to switch to cheaper alternatives from diesel to gas in order to keep the operating cost low and keep the fields economically viable.

**17. Increase in the SNGPL line pressure:** Due to ever increasing SNGPL line pressure, it has become difficult to inject gas into the SNGPL network. In order to avoid flaring of produced gas the Company is continuously monitoring the SNGPL line pressures and has initiated the process of increasing its delivery pressures.

**18. Overdue receivables:** The Company issues the invoices at the earliest possible time and is continuously monitoring the receivables position with the help of reports generated through Business Intelligence module. Where required, the Company adopts a strong follow up with refineries and SNGPL for swift payment of its invoices.

**Key Sustainability Risks and its mitigation factors:**

**1. Environmental Impact:**

- Risk: Pollution of air, water, and soil due to seismic, drilling activities, spills, and waste disposal.
- Mitigation: Implement strict environmental management systems

(EMS), use advanced technology for cleaner operations, and conduct regular Environmental Impact Assessments (EIA) and Initial Environmental Examination (IEE).

**2. Regulatory Compliance:**

- Risk: Non-compliance with local and international regulations can lead to legal penalties and operational shutdowns.
- Mitigation: Stay updated with regulatory changes, maintain compliance programs, and conduct internal audits.

**3. Community Impact:**

- Risk: Negative impact on local communities, including displacement and health issues.
- Mitigation: Engage with local communities, provide fair compensation and development programs, and ensure health and safety standards.

**4. Operational Risks:**

- Risk: Accidents, equipment failure, and spills can cause significant environmental and financial damage.
- Mitigation: Implement robust safety protocols, conduct regular maintenance, and invest in emergency response training.

**5. Water Usage:**

- Risk: Excessive water use in operations can lead to scarcity and affect local water sources.
- Mitigation: Use water recycling technologies, adopt water-efficient practices, and monitor water usage.

By addressing these sustainability risks with effective mitigation strategies, the Company will ensure a more sustainable and resilient operation, aligning with environmental, social, and economic goals.

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# Business Process Reengineering (BPR) / Development Activities

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The Company believes that quality and an unyielding commitment to continuous improvement are indispensable ingredients to achieve success. All processes are subject to continuous evaluation and improvement. Being an Oil and Gas Exploration and Production company, research is an essential activity.

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## SDG 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

Seismic data acquisition, processing and interpretation during geophysical activities involve selection of optimum data acquisition parameters through careful experimental investigation in the field. The Company undertakes comprehensive analysis to calculate the volume of sub-surface hydrocarbon's trap of any area, also uses latest sub-surface imaging technology, before drilling any prospect.

Research is also conducted by in-house and outsourced G&G and reservoir studies. Research is also conducted to enhance and/or maintain recovery from the fields.

Apart from drilling of development wells already mentioned earlier by geographical location, major business development projects under taken during the year are as follows:

## POL IT UP-GRADATION

### Human Resource Management System

- Integration of HRMS with AHL Hospital Management System. This will streamline AHL Billing, Employee & Dependents Record Keeping and Employee Medical History. Reports will be available online.

### Hospital Management System

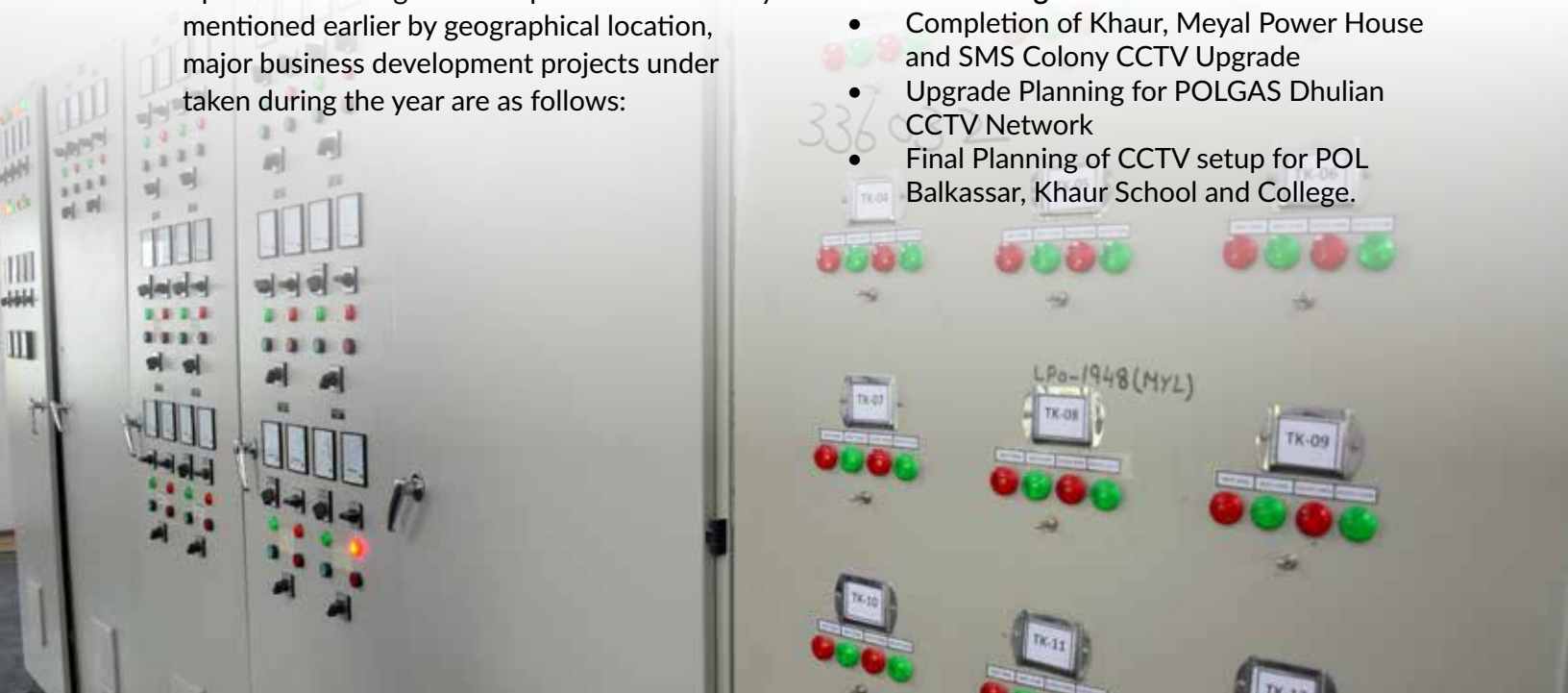
- Meyal and Pindori Dispensaries have been integrated with POL Hospital Management System.

### POL Process Historian

- Integration of POL Pipe Line Pressures Data with historian server.
- Planning for Power House Data Integration.

### CCTV Monitoring and Control

- Completion of Khaur, Meyal Power House and SMS Colony CCTV Upgrade
- Upgrade Planning for POLGAS Dhulian CCTV Network
- Final Planning of CCTV setup for POL Balkassar, Khaur School and College.



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

**Strong commitment of the Company to Corporate Social Responsibility (CSR) is reflected by a comprehensive program introduced by it with particular focus on the socio-economic uplifting and development of the regions in which the Company is operating. Our CSR vision is aimed at:**

- Protecting our environment.
- Operating in a socially responsible manner.
- Developing the communities in which we operate.
- Maintaining standards of excellence in our work and advocating healthy lifestyles.
- Acting with integrity and adhering to the highest ethical standards.
- Promoting diversity in our work force and partnering with diverse suppliers.
- Ensuring a safe, healthy workplace.

The Company has discharged its mandatory social welfare obligations by depositing the social welfare obligations into joint bank accounts maintained with respective deputy commissioners, where applicable.

The Company has taken a leadership role in contributing to society through a structured social investment program. Investing in the communities in which we operate is not just a demand that must be met; it is philosophy that we buy into. As part of its core values, the Company places tremendous importance towards contributing to the wellbeing of the communities in which it operates.

Our CSR initiative covers a wide spectrum of activities from the construction of roads and bridges to building schools, colleges and healthcare centers, conducting sports events and support to humanitarian and social work organizations. We are proud of our progress, but there is still much that we plan to do.



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It is a social responsibility to be committed to improve the lives of the people in the communities.

POL's CSR program is comprehensive and covers a wide range of activities, including:

- **Education:** POL builds and supports schools, colleges, and universities in the communities where it operates. It also provides scholarships to students from disadvantaged backgrounds.
- **Healthcare:** POL builds and supports hospitals, clinics, and other healthcare facilities. It also provides free medical checkups and treatment to people in need.
- **Infrastructure development:** POL builds and repairs roads, bridges, and other infrastructure in the communities where it operates.
- **Sports:** POL sponsors sports events and teams, and it also provides training and equipment to young athletes.
- **Humanitarian and social work:** POL supports humanitarian and social work organizations that are working to improve the lives of the people in Pakistan. POL's CSR program has made a significant impact on the lives of people in the communities where it operates. In addition to the above, POL has also taken a leading role in contributing to society during times of crisis.

Companies are increasingly required to embrace sustainable development goals on a global scale. POL has adopted several of these goals, including:



## EDUCATION

### SDG 4. QUALITY EDUCATION

Education is a leading instrument of nation building and economic growth of people. Here, at POL, our key focus is on education, which we are keenly supporting in a number of ways. POL focuses on education at the basic, primary, secondary and higher secondary levels. Since inception POL has spent approx. Rs 121 million to improve the infrastructure of government educational institutions through up gradation of schools & colleges of the vicinity by constructing class rooms, toilets, providing computers and science laboratory apparatuses and also providing furniture and fixtures that serve more than 50,000 students. POL is not only spending on social welfare activities of its areas of operation but we are also running our own Technical Institute, Higher Secondary Schools and Degree College Khaur with well-equipped lab facilities, modern library, highly qualified teaching staff and facilities for extracurricular activities.

Brief summary of educational activities is mentioned below;

- **Dr. Rashad Institute of Technical Education**  
The college introduced its technical section in the Year 2015 affiliated with PBTE and registered with TEVTA. It started offering DAE in Petroleum, Electrical and Electronics. At present, the College is offering DAE in petroleum and Electrical. Observing the dire need for DAE in drilling, and with no detailed course offered in Pakistan the Instituted developed a three-year course in drilling and got it approved from TEVTA.

**SUSTAINABLE DEVELOPMENT GOALS**

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- **Dr. Rashad Degree College**

The College started as an Intermediate College in 2007 and was upgraded to a degree College in the year 2010 with the objective of providing quality education to the next generation of Khaur and its surroundings. The College is providing best educational facilities in Khaur and its surrounding area. It is producing good results at Inter and Graduation level. The College offers Pure Sciences (Double Maths/Physics, Double Maths/ Computer, Botany, Zoology and Chemistry) at Degree level. After the Higher Education Commission declared the two-year B.Sc. degree as the Associate Degree, the College managed to get affiliation with Punjab University for a four-year BS in Computer Science (BSCS-Hons.) program in the year 2018. Since Education is a total personality development process therefore stress is laid on co-curricular activities as well. Different contests both in-house and outside are organized regularly. The college has two sections i.e., male and female. Students are given proper grooming besides educational lessons so that they become good citizens of Pakistan. Different kinds of activities are planned for both the sections. The college intends to produce future teachers for Khaur, now about 30% of teachers in the school and college are the ex-students of "Dr. Rashad Degree College"

- **POL Model Secondary School**

POL Model Secondary School Khaur was started and registered with Punjab Education Department w.e.f. 1st January, 1994 to impart quality education to the children of POL employees. Later this facility was extended to local community as well. It has now grown with student strength of 853 both girls and boys. The school not only focuses on academic education but also training for social, moral and physical growth of its students. Some of our students have achieved distinction in SSC examination. Result of the School has been 100%, This Year 44 students appeared in the Matric Exams, out of which 25 A +, 11 A, 7 B 1 C. One of our students, namely, Dua Fatima D/O Tahir Iqbal got highest marks 1150/1200 in school & secured 3rd Position in Tehsil in matric Exams 2024. Annual Competitions of English and Urdu speeches are held for students to build confidence and proficiencies of good and effective speakers. School has developed proper extracurricular activities calendar separately for Montessori & Secondary School sections. Its Montessori Section has proper Montessori trained teachers to handle the students of tender age. School arranges Parents & Teachers' Association Meetings which are held after the monthly exams to ensure involvement of Parents for the success & progress of their wards as a permanent feature. School





is putting in consistent efforts to achieve still higher goals. The school curriculum has been changed to make it a dynamic process to cater the changes in the society. School has framed its first ever rules & regulations book. POL School not only facilitated parents by providing fee concession and gave discount to lessen the financial burden on parents. Our School has always played a vital role not only in educating students but creating awareness among students and teaching staff to educate their families & community on different environmental issues. POL School is teaching Holy Quran Grades I-V and Translation of the Holy Quran for Grades VI-X as a separate compulsory subject. Various scholarships are awarded on merit in addition to the financial aid to its deserving students. POL School has been running evening classes for last 3 years to cater the increasing educational needs of the community which no other school is offering.

- **POL Vocational Training Centre**

POL has established a vocational training center for women in 2004. The aim was to develop skills for entrepreneurship and self-employment among women of the local community. Up till now, more than 1000 women & girls have been trained over the period. In July 2016, POL established Safety Coveralls stitching unit at VTC Khaur. Stitching unit is conceived to ensure its

viability being cost effective and also make VTC staff members and students proficient in stitching skills.

From Higher Secondary School to Undergraduate College

1. **Growth and Development:**

- Our institution started as a higher secondary school, focused on providing quality education to young minds. Over the years, through dedicated efforts, strategic planning, and unwavering commitment to academic excellence, we have expanded our horizons. Today, we proudly offer undergraduate programs and have an enrollment of over 400 students.

2. **Academic Excellence:**

- Our college has consistently maintained high academic standards. Our undergraduate programs are designed to provide comprehensive education and foster critical thinking, creativity, and professional skills. The curriculum is regularly updated to keep pace with the evolving educational landscape and industry requirements.

### Impact on the Local Community

1. **Alumni Success:**

- Our alumni are our pride. Many of them have established successful careers in various fields, significantly contributing to the local community. Here are some highlights:



- **Doctors and Dentists:** Many of our former students have pursued medical and dental degrees and are now practicing professionals. They provide essential healthcare services, improving the health and well-being of the community.
- **Nurses:** Several alumni have become skilled nurses, playing a crucial role in healthcare settings. Their dedication and compassion have made a significant difference in patient care.
- **Teachers:** A number of our graduates have chosen the noble profession of teaching. They are now educators in local schools, nurturing the next generation and ensuring the continuity of knowledge and values.
- **Other Professionals:** Our alumni network also includes individuals working in various other professions, each contributing uniquely to the community's growth and development.

- **Technical Graduates:** Our technical programs have produced a number of skilled individuals who are now working in various industries around the area. They are contributing to the economic growth and technological advancement of the region.

## 2. Community Support:

- The skills and expertise gained by our technical college graduates have not only benefited local businesses and industries but also enhanced the overall quality of life in the community. From electricians to mechanics, their services are indispensable.

## Looking Ahead

Our journey from a higher secondary school to a comprehensive undergraduate college and technical training center has been remarkable. The continuous support of our faculty, staff, students, and community has been pivotal in this transformation. As we look to the future, we remain committed to our mission of providing quality education and fostering community development.

We aspire to continue this legacy, further expanding our programs and facilities, and contributing even more significantly to the educational and economic landscape of our area. Together, we will keep striving towards excellence and making a positive impact on society.

## Contributions of the Technical College

### 1. Skilled Workforce:

- Our technical college has been instrumental in producing a skilled workforce. The hands-on training and practical knowledge imparted in various technical fields have equipped our students with the skills needed to excel in their chosen careers.



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# HEALTHCARE AND HOSPITAL



## SDG 3. GOOD HEALTH AND WELL-BEING

- **Khaur Hospital**

The Company is maintaining an end-to-end smart hospital with state-of-the-art medical technologies at Khaur, providing quality patient care. The hospital provides quality medical care, vital health services and free emergency assistance round the clock. Presently the hospital is manned by specialists in the field of Medicine, Surgery, Dental, Gynecology and Obstetrics, Pediatrics, Anesthesiology, Family Medicine supported by visiting specialists in the fields of ENT, Eye, Gastroenterology, Skin and Ultrasonography. The primary care structure comprises of four medical residents giving round the clock medical coverage to outdoor and indoor patients.

Khaur hospital provides residents access to medical expertise and clinical services that are not generally available in rural areas. The hospital is equipped with state-of-the-art operation theatre, fixed and mobile X-ray machines (upgraded from conventional to digital unit), sophisticated medical laboratory and latest facilities. The hospital has indoor facilities for 40 beds and air-conditioned wards. It also provides services of consultants and specialist doctors. Modern emergency services are provided free of cost to road accident injured persons. It is the only hospital in the area providing such high-quality facilities with qualified and experienced specialists & staff to the general public and charging comparatively low, very reasonable and fair rates keeping in view socioeconomic condition of local population. A state-of-the-art dental unit has been added recently which started functioning on April 27, 2019. Qualified dental surgeon and technician are providing all type of dental treatment to POL employees and local population. POL Hospital has also been initiated Physiotherapy services in hospital employees and local residents. POL Hospital has been accredited by Punjab Health Commission because of its standardized functional activities & facilities. POL Hospital is managing to dispose-off hospital waste safely through NCPC at Rawalpindi accomplishing its social responsibility.



POL Hospital also providing free health services to community under Sehat Sahulat Program of Government.

- Other Healthcare Facilities

Other healthcare facilities provided by the Company at fields are:

- Regular free dispensaries have been organized for the local community of Meyal, Pindori and Balkassar area.
- POL is running a Poor Patient Fund (Contributed by Chairman and employees) catering for about 250 plus registered persons of Khaur and vicinity providing day to day free medical care.
- 03 persons have been provided special support for their surgeries costing approx. Rs 550,000.

Rhinoplasty Congenital Deformity	Total Operation Cost	300,000/-
Stapedectomy	Total Operation Cost	140,000/-
C-Section	Total Operation Cost	108,967/-

- Field Dispensaries for POL Employees at Meyal, Balkassar & Pindori.

- **Community Health Program**

In addition to facilitating the general public through POL Hospital, medical camps in different areas were also arranged where besides medical checkup, medicines were distributed free of cost.

a.	Total Poor patients treated at POL hospital during the year:	2,094
b.	Total patients treated during the year at Free dispensary Pindori:	1,602
c.	Total patients treated during the year at Free dispensary Balkassar:	636
d.	Total patients treated during the year at Free dispensary Meyal:	1,511

- **Free Eye Camps**

Two Eye Camp held in October 2023 & April 2024

Total Patients            240+172 = 412

Total Eye Surgeries    18+11 = 29



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# INFRASTRUCTURE DEVELOPMENT

In order to upgrade living standards of the local community in the areas of operation, POL has not only spent on construction of road network, but we have also extended this facility to their door step through concrete pavement of their streets and construction of cause ways / culverts and drainage systems.



SDG 11.

## SUSTAINABLE CITIES AND COMMUNITIES

In order to upgrade living standards of the local community in the areas of operation, POL has not only spent on construction of road network, but we have also extended this facility to their door step through concrete pavement of their streets and construction of cause ways / culverts and drainage systems. In Soan Pindori & Turkwal Block, 9 Schemes were completed last year i.e., Purchases of IT equipment, plant & machinery, furniture and fixture etc. for Government Special Education Center Daultala, Tehsil Gujar Khan, District Rawalpindi. Construction of road / streets & drain and allied work in village Pindori, Chak Beli Khan & Bains Village UC Chak Beli Khan District Rawalpindi and Construction of road / streets & drain and allied work in village Turkwal, Barvelay Kalan, Barvelay Khurd & Tanveen UC Punjgran Tehsil Gujar Khan, District Rawalpindi are completed. In Minwal Block, Scheme Construction of PCC Streets/ Drain/ Sullage Carrier in Village Koday & Joyamair Tehsil & District Chakwal is completed. In DG Khan Block, Provision of Solarized

Submersible water pumps in Basti Mahmood Mujawar and Basti Haji Allah Wasaya Mujawar Mouza Jedi U/C 97 Tuman Lehagri Zareen District DG Khan is in progress.

### Sports, Cultural & Religious Activities

At Khaur, the Company is providing facilities for sports and cultural activities for the local community. For sports, facilities for cricket, hockey and football grounds as well as for badminton and volley ball courts have been provided. Independence Day (14th August) is also celebrated with great enthusiasm at Khaur Corporate Social Responsibility (CSR) Workers Club. People from all walks of life including the Company employees and local community participate in the events conducted on the occasion.



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# SUPPORTING DRINKING WATER SCHEMES

**Pakistan Oilfields Limited (POL) has played a proactive role in supporting communities inhabited in the vicinity of its operating fields. Our mission is to develop & enhance “Basic Infrastructure” for social uplift.**



**SDG 6.**

## **CLEAN WATER AND SANITATION**

Several projects have been undertaken in this regard. Being the Operator of DG Khan Block, POL took it upon itself to help the locals overcome this crisis by supplying clean drinking water for the surrounding communities of the area, and on a priority basis, POL installed Two (02) Solarized Submersible Water Pumps in Basti Mehmood Mujawar & Basti Haji Allah Wasaya Mujawar Mouza Gidi, UC 97 Tumman Leghari Zareen, District Dera Ghazi Khan at a total cost of Rs.4.3 million. Drinking water is a scarce resource in the Potohar region of Punjab. Locals are dependent on open water ponds or rain water to fulfill their water needs. Operative in the area, POL took upon itself to help the locals overcome this crisis by supplying clean drinking water for the surrounding communities of its Pariwali and Soan (Pindori) D&P lease areas. Drinking water is a key issue in majority of the areas of Pakistan. The success of our water supply schemes gives POL the satisfaction of having contributed towards bringing an improvement in the lives of the local people.

## **HEALTH, SAFETY AND ENVIRONMENT OCCUPATIONAL HEALTH AND SAFETY (OH&S)**

POL Management is highly committed to ensure and promote the highest degree of safe and healthy working environment in entire organization.

Our primary objectives are to ensure the safety of our people in occupational and operational environments and to ensure safe and knowledgeable use of hazardous materials during operations.

HSE Department monitors Health, Safety and Environment of the organization under International ISO 45001:2018 and ISO 14001:2015 certifications. With the team spirit HSE department ensures effectiveness of OH & S systems, policies and programs to reduce workplace risks and promote safe and healthy working environments.

In addition to regulatory requirements and international standards occupational HSE activities at POL are also guided by internal policies. Department heads and managers all have the responsibility to ensure occupational health, safety and environmental protection.

Third party ISO 45001:2018 (OH &S) and ISO 14001:2015 (EMS) audits are conducted to ensure the integrity of management systems in true spirit.

The Company has instituted a safety management system built on comprehensive and structured programs to reduce accidents and eliminate injuries at all our locations. The structure of Emergency Response Teams is well defined and the required contingency plans have been established which regulate emergency organization, responsibilities, list of key personnel, important telephone numbers, communication plans and sequence of activities to mitigate the situation.

Comparison of workplace incidents, during last three years is given below:

Incident	2024	2023	2022
Fatal	0	0	0
Fire	0	2	2
Reportable Incident (Serious Injury)	1	0	0
Reportable Incident (Minor Injury)	0	0	0
Property loss	0	0	1
Major Environment	0	0	0
First Aid Cases	0	4	3
Near Misses/ dangerous occurrence	5	1	4

Procedures and processes are regularly reviewed to ensure that the standards set are linked to industry best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance with the Company's standards. In this respect, in-house training for fire safety, first aid, safe driving and occupational health and safety is imparted regularly.

The Company ensures that employees and where applicable, contractors are aware of potential hazards and the Company's requirements for healthy, safe and environment friendly working practices. POL issues a Monthly Safety Bulletin for all employees. These initiatives have helped in reduction of workplace injuries.

Emergency drills for different scenarios are carried out regularly to ensure that the state of preparedness is well maintained. Safety planning is carried out for each concession area of the Company separately. Tool box talks and on-field training sessions are conducted by HSE Department in each field on regular basis.

Following are details of trainings given by HSE Department during last three years:

Year 2024		Year 2023		Year 2022	
No. of Trainings	No. of Participants	No. of Trainings	No. of Participants	No. of Trainings	No. of Participants
2,924	35,554	2,286	33,808	2,375	34,731

# HELPING OUR ENVIRONMENT

We are committed to minimize and manage environmental impact of our operational activities on our employees, contractors, surrounding neighborhood and earth's resources without affecting ecosystem. In view of our continual environment friendly activities, POL has achieved ISO 14001:2015 certification for LPG plant site at Meyal.



## SDG 7.

### AFFORDABLE AND CLEAN ENERGY

The mitigation measures taken to neutralize environmental impact include technology, up gradation of systems, increased monitoring level of environmental parameters, preparation of EIA reports for new projects, IMC reports for ongoing projects as per EPA applicable rules regulations, good industrial environment practices and waste management.

#### ● PROJECTS COMPLETED

- Recertification of ISO 45001:2018 for Khaur, Meyal, Balkassar and SCR Rig.
- Recertification of ISO 14001:2015 for LPG plant Meyal.
- POL ensured effective contribution in safe rig movement & assembling activities of CCDC Rig-32 at Jhandial-3 through continuous monitoring, risk assessments & gap analysis of rig movement & assembling activities. Any gaps and shortcomings were timely addressed and mitigated by taking effective control measures. As a team effort, the whole activity was completed safely without any minor incident or accident.
- Quarterly Environmental monitoring of all POL fields and SCR rig.
- POL won Environment Excellence award 2023 arranged by National Forum for Environmental & Health (NFEH).
- POL won Fire and Safety Awards 2023 arranged by National Forum for Environmental & Health (NFEH) and Fire Protection Industry of Pakistan (FPIP)
- Environment monitoring (IMC) reports for Balkassar Deep-1A well and Jhandial-3.
- Ensured in time calibration / inspection of fixed and portable LEL and H2S gas detection, flame detection systems, Automatic foam suppression system at fields and SCR Rig through third party.
- Calibration/ inspection of Addressable smoke detection system at POL House Morgah and POL solar panel projects.
- NIFT training sessions attended by POL Employees.
- POL conducted in house first aid training sessions at all fields/SCR Rig.
- POL conducted Process Safety Management training





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- through third party.
  - NOCs obtained from EPA for wells Jhandial-3, Balkassar Deep-1A
  - NOC obtained from EPA for 3D Seismic survey Dhurnal
  - Extension of Fire Water Network at Khaur Offices area Balkassar and Installation of sprinkling system at Balkassar Bowser filling shed
  - **ONGOING/NEW TARGETS**
    - Surveillance audit of ISO 45001:2018 for Khaur, Meyal, Balkassar and SCR Rig.
    - Surveillance audit of ISO 14001:2015 for LPG plant Meyal.
    - POL will participate in Fire and Safety Awards 2024 arranged by National Forum for Environmental & Health (NFEH) and Fire Protection Industry of Pakistan (FPIP)
    - POL will participate in Environment Excellence award 2024 arranged by National Forum for Environmental & Health (NFEH)
    - EIA preparation for well Noor-3D and Pariwali 3D seismic surveys
    - PSM gap analysis study of PPF plant through third party
    - Quarterly Environmental monitoring of all POL fields and SCR rig
    - Environment monitoring (IMC) reports for all upcoming projects as per EPA guidelines
    - External Trainings NEBOSH (IGC) and H2S Level-II
    - To conduct in house first aid training at all fields/SCR Rig.
    - Assessment of HSE performance for field's staff for annual award in all POL fields/SCR Rig
    - Emergency escape stair case POL House Morgah
    - 3rd party hydro testing of CO2 dumping system cylinders of Meyal, Pindori, Balkassar to be carried out.
    - Extensive awareness sessions of JOs staff POL (Technical and Non-technical)
    - Emergency response and Emergency handing awareness sessions at POL House Morgah
    - Fire safety analysis of POL stores by third party



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# HUMAN RESOURCE

**POL believes that adoption of effective Human Resource (HR) management and development policies are vital for achieving organizational goals and objectives as HR policies have a measurable impact on the growth of the organization.**



## **SDG 1. NO POVERTY**

POL considers its employees the most valuable asset. The selection procedures and employment policies are geared to attract and retain capable and qualified employees who are willing to contribute their best efforts to accomplish the objectives of the Company. Employees are trained on soft and technical skills to narrow the gap between actual and required performance.

We provide an all-inclusive work environment and ensures that all employees receive equal opportunities, respect and recognition regardless of gender, race, ethnicity, ability, or age.

Anti-Harassment Policy also assures the right to employment in the place of work that is free from harassment and intimidation in accordance with the spirit and theme of "Protection against Harassment of Women at workplace Act, 2010 and the respective provincial laws."



# CORPORATE GOVERNANCE



## SDG 8.

### DECENT WORK AND ECONOMIC GROWTH

a) **The financial statements, prepared by management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.**

- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
- d) Accounting & Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Significant deviations from last year's operating results have been disclosed as appropriate in the Directors' Report / Chairman's review and in the notes to the financial statements, annexed to annual report.
- i) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.
- j) Key operating and financial data of the last six years in summarized form is annexed to annual report.
- k) All major Government levies in the normal course of business, payable as at June 30, 2024, have been cleared subsequent to year-end.
- l) The values of investments in employee retirement funds based on financial statements of June 30, 2024 are as follows:

Management Staff Pension Fund	Rs 1,658 million
Gratuity Fund	Rs 999 million
Staff Provident Fund	Rs 865 million
General Staff Provident Fund	Rs 63 million

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## DIRECTORS AND BOARD MEETINGS

Total number of directors is seven as per the following:

- a. Male: 7
- b. Female: None

The composition of Board is as follows:

Category	Names
Independent Directors *	Mr. Shamim Ahmad Khan Mr. Agha Sher Shah
Non-executive directors	Mr. Laith G. Pharaon ** Mr. Wael G. Pharaon*** Mr. Abdus Sattar
Executive Directors	Mr. Shuaib A. Malik Mr. Sajid Nawaz

\* Independent Directors qualify criteria of independence under regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

\*\* Alternate Director - Mr. Shuaib A. Malik, Chairman and Chief Executive of the Company

\*\*\* Alternate Director - Mr. Babar Bashir Nawaz

The board has formed committees comprising of members given below:

a) Audit Committee

Name	Role
Mr. Shamim Ahmad Khan	Chairman
Mr. Abdus Sattar	Member
Mr. Babar Bashir Nawaz	Member
Mr. Agha Sher Shah	Member

b) HR and Remuneration Committee

Name	Role
Mr. Babar Bashir Nawaz	Chairman
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member

During the year, the Board of Directors met five times. The number of meetings attended by each director during the year is as follows:

Sr. No.	Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & R Committee Meetings
1	Mr. Laith G. Pharaon	5*		
2	Mr. Wael G. Pharaon	5*	4*	1*
3	Mr. Shuaib A. Malik	5		1
4	Mr. Abdus Sattar	5	4	1
5	Mr. Sajid Nawaz	5		
6	Mr. Shamim Ahmad Khan	4	4	
7	Mr. Agha Sher Shah	3	3	
* Overseas directors attended the meetings either in person or through alternate directors.				

#### BOARD MEETINGS HELD OUTSIDE PAKISTAN

All Board meetings were held in Pakistan except 535th Board meeting dated February 05, 2024 held in Dubai, UAE.

#### DIRECTORS' REMUNERATION

The Board of Directors is authorized to determine, review and amend from time to time the fee structure for attending the meetings of the Board or any committee of Directors. A Director may also be paid for travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Directors or any committee of Directors or General Meetings of the Company.

The aggregate amount charged in these financial statements in respect of fee to 7 directors (2023: 7) was Rs 13,585 thousand (2023: Rs 11,859 thousand). This includes Rs 7,637 thousand (2023: Rs 7,702 thousand) paid to 4 non-executive directors (2023: 4) of the Company.

#### SECURITY CLEARANCE OF FOREIGN DIRECTORS

Foreign Directors elected on the Board of Pakistan Oilfields Limited requires security clearance from Ministry of Interior through SECP. All legal formalities and requirements have been met and fulfilled in this regard.

#### TRADING IN SHARES BY DIRECTORS AND EXECUTIVES

All direct or indirect trading and holdings of the Company's shares by Directors, Chief Executive, substantial shareholders, executives or their spouses notify in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which are notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings.

#### CONFLICT OF INTEREST AMONG BOARD MEMBERS

A formal code of conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of code of conduct, every director is required to disclose his interest in any contract, agreement or appointment etc. These disclosures are circulated to the Board and it is ensured that the interested director does not participate in decision making and voting on the subject. These facts are recorded in minutes of meeting. Any such conflict of interest is recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.



### **ROLE OF CHAIRMAN & CHIEF EXECUTIVE**

The Chairman heads the Board meetings and ensures effective functioning of the Board. The Chairman acts as a liaison between management and the Board. He has power to set agenda, deliver instructions and signs the minutes of the board meeting. The Chairman ensures that the Directors are properly informed and that sufficient information is provided to enable them to form appropriate judgments. The Chairman evaluates annually the effectiveness of the Board as a whole.

The Chief Executive is the executive director who also acts as the head of the company's management. He is responsible for leading the development and execution of the Company's long-term strategy with a view to enhance value for shareholder. He is responsible for day-to-day management decisions and for implementing the Company's long- and short-term plans. The Chief Executive also communicates on behalf of the Company to the shareholders, employees, Government authorities and other stakeholders.

### **PERFORMANCE EVALUATION OF THE BOARD**

The Board of Directors acts as governing trustees of the Company on behalf of the shareholders, while carrying out the Company's mission and goals.

Under requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.

The Board of Directors sets the following evaluation criteria to judge its performance.

- a. Review of the strategic plans and business risks, monitor the Company's performance against the planned objectives and advise the management on strategic initiatives.
- b. Working as a team, the Board has the right blend of skills, expertise and the appropriate degree of diversity. The Board focuses on significant matters such as strategy and policy.

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- c. Establishing adequate internal control system in the Company and its regular assessment through self-assessment mechanism and internal audit activities.
  - d. Relations with key Stakeholders like Regulators, Employees, Shareholders and CBA are maintained through regular and open communication.
  - e. Building interaction with the Management to seek and obtain sufficient input from management to support effective Board decision-making.
  - f. Ensuring that the Directors have full & common understanding of their role and responsibilities in the light of Memorandum and Articles of Association of the Company and as per prevailing laws.
  - g. Monitoring and evaluating the management's performance.

### **PERFORMANCE EVALUATION OF THE CHIEF EXECUTIVE**

The Chief Executive, being part of the Board, is present in every meeting of the Board. He provides an overview of the Company's performance to the Board and addresses any specific questions by the Board members. The performance of the Chief Executive is assessed through the evaluation system set by the Company. The main factors of evaluation include financial performance, business processes, compliance, business excellence and people management.

### **FORMAL ORIENTATION AT INDUCTION**

When a new member is taken on board, it is ensured that he is provided with a detailed orientation of the Company. Orientation is mainly focused on the Company's vision, strategies, core competencies, organizational structure, related parties, major risks (both external and internal) including legal and regulatory risks and role and responsibility of the directors as per laws applicable in Pakistan along with an overview of the strategies, plans, marketing analysis, forecasts, budget and business plan.

### **DIRECTORS TRAINING PROGRAM**

The Company ensures that it meets requirements of Securities & Exchange Commission of Pakistan relating to Directors' Training Program (DTP). Five directors meet the exemption requirement of the DTP. The remaining two directors have obtained certification under DTP.

### **INTERNAL FINANCIAL CONTROLS**

The system of internal control is sound in design and has been effectively implemented and monitored. Appropriate accounting policies have been consistently applied in preparation of the financial statements. We have developed effective policies and procedures over period of time in all areas of our activities. These controls/policies have been put in place to ensure efficient and smooth running of the business, safeguarding the Company's assets, prevention and detection of fraud and errors, accuracy and completeness of books of account and timely preparation of reliable financial information. Internal financial controls are periodically reviewed to ensure that these remain effective and are updated with changing laws, regulations and/or accounting standards.

### **IT GOVERNANCE POLICY**

With the increasing volumes of digital exchange, information technology governance is regarded as a core part of POL overall governance program. Keeping in view the shareholders interest, the company investment in IT is aligned to support its strategic objectives. In POL we are unequivocally dedicated to incorporate best and most recent IT advancements and framework to empower productive and convenient basic decision-making process.

IT governance policy consists of following:

- Promoting governance, transparency, accountability and dialogue about technology that facilitates effective strategy adoption.
- Ensuring compatibility, integration and avoiding redundancy.
- Securing the company's data.
- Keeping the IT function proactive from an innovation perspective providing ideas to the business.
- Maximizing return on technology investment with controlled spending,



while providing POL with a coherent and integrated IT architecture and management structure.

- To create a culture of paperless environment within the company.

### SAFEGUARDING COMPANY'S RECORD

POL effectively ensures the safety of records. All records are retained as long as they are required to meet legal, administrative, operational and other requirements of the Company.

Furthermore, the Company keeps systematic backup of the record on daily basis for protection of data and its recovery in case of any catastrophe.

### RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed by the Audit Committee and recommended to the Board for approval on quarterly basis fulfilling the requirements of section 208 of the Companies Act, 2017.

### OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment.

Revenue from external customers for products of the company is disclosed in note 37 of the financial statements.

Revenue from two major customers of the Company constitutes 76% of the total revenue during the year ended June 30, 2024 (June 30, 2023: 79%).

### ISSUES RAISED AT LAST AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 72nd Annual General Meeting held on October 09, 2023 no other issue was raised.

### STAKEHOLDERS' ENGAGEMENT

Stakeholders' commitment is a key component of corporate social responsibility (CSR) and accomplishing the triple main concern. Organizations draw in their partners in exchange to discover what social and financial issues matter most to them about their execution, so as to enhance basic leadership and responsibility in order to improve decision-making and accountability. At POL, a vigorous engagement take place between all stakeholders to



understand and respond to every stakeholder's legitimate concern either social, environmental or company financial related issues. Our key stakeholders are:

- Shareholders
- Customers (POLGAS distributors)
- Suppliers
- Banks
- Employees
- General public
- Government and regulatory authorities

The frequency of engagement is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

### ADDRESSING INVESTORS GRIEVANCES

The interest of small investors and minority shareholders is of prime importance to the Company. In order to keep a vigilant eye and to provide a platform to the investors for voicing their concerns, a team under corporate section has been designated to ensure that grievances/ complaints of the investors are heard and redressed, in a quick and efficient manner.

Mechanism of lodging any complaint/issues is detailed on the website of the Company. Designated contact numbers and email address of the Company / Regulator is disseminated

among investor through company broadcasts.

In order to promote investor relations and facilitate access to the Company for grievance, an 'Investors' Relations' section is also maintained on POL's website [www.pakoil.com.pk](http://www.pakoil.com.pk)

### ACCESS OF SHAREHOLDERS TO COMPANY'S WEBSITE

All our shareholders and general public can visit the Company's website "[www.pakoil.com.pk](http://www.pakoil.com.pk)" which has dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance on shareholders' related information.

### SHARE PRICE SENSITIVITY

The Company disseminates all material and price sensitive information to Pakistan Stock Exchange (PSX) through Pakistan Unified Corporate Action Reporting System (PUCARS).

### AUDITORS

The auditors, Messer A.F. Ferguson & Co., Chartered Accountants, retire and being eligible offers themselves for reappointment.



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## PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2024 is also annexed to the Annual Report.

## HOLDING COMPANY

The Attock Oil Company Limited, incorporated in England, is the holding company of Pakistan Oilfields Limited.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary are annexed to the Annual Report.

## FUTURE OUTLOOK

Over the past year, we have diligently focused on our core activities of exploration and development. We successfully drilled three development wells, two exploratory wells, and one water well. Among these, the Jhandial-3 well yielded particularly promising results, and thanks to our around-the-clock efforts, it was swiftly connected to the production line. Additionally, the Razgir-1 well in our Joint Venture has commercially tested two exploratory formations, marking a significant discovery for both the Joint Venture and the region as a whole. Detailed results are available in the Directors' report. Despite the challenges, these achievements underscore our commitment to innovation and progress.

On behalf of the Board



**Shuaib A. Malik**

Chief Executive

Rawalpindi.

September 02, 2024

Our investments in seismic data acquisition, processing, and interpretation have driven substantial advancements. We have recently completed the acquisition of 2D seismic data at the Nareli Block and are actively processing data at the Hisal Block. We also plan to extend our seismic acquisition efforts to the Langrial, North Dhurnal, Pariwali, Ikhlas, and Turkwal blocks to enhance our prospect generation. This reflects our dedication to leveraging state-of-the-art technology for informed decision-making.

Looking ahead to fiscal year 2024-25, we are resolute in our pursuit of excellence. We have plans to drill both development and exploratory wells, with a significant investment aimed at expanding our reserve base.

## ACKNOWLEDGEMENT

The results for the year could not have been made possible without the loyalty, devotion, hard work and commitment of all employees. The Board of Directors acknowledges and deeply appreciates their contribution towards achievement of the Company's goals.



**Abdus Sattar**

Director



**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE) GOVERNANCE REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Oilfields Limited, (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Regulations.

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.

The Regulations require the Company to place before, the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight content of paragraph 1 of the statement where the matter of representation of female director on the Board of Directors of the Company has been explained.

Chartered Accountants

Islamabad

Date: September 3, 2024

Engagement partner: Aftab Ahmed

UDIN: CR202410610Xb7p0DsdG

# PAKISTAN OILFIELDS LIMITED

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2024

The company has complied with the requirements of the Regulations in the following manners:

1. The total number of directors are seven as per the following, -
  - a. Male: 7
  - b. Female: None

The regulation related to representation of female director on the Board is not yet applicable as the manner and terms and conditions are not specified by the Securities and Exchange Commission of Pakistan at the time of election of Directors of the Company.

2. The composition of the Board is as follows:

Category	Names
i. Independent Directors ***	Mr. Shamim Ahmad Khan Mr. Agha Sher Shah
ii. Non-Executive Directors	Mr. Laith G. Pharaon * Mr. Wael G. Pharaon** Mr. Abdus Sattar
iii. Executive Directors	Mr. Shuaib A. Malik Mr. Sajid Nawaz

\* Alternate Director Mr. Shuaib A. Malik, Chairman & Chief Executive Pakistan Oilfields Limited

\*\* Alternate Director Mr. Babar Bashir Nawaz

\*\*\* Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on 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 significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers 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 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 meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of seven directors, five directors meet the exemption requirement of the Directors' Training Program and two directors have obtained the Directors' Training Program certification in prior years;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Company Secretary and Chief Financial Officer is the same person, however, duties of both positions are distinct and clearly spelled out. Since long both these positions are handled by one person who has in-depth knowledge required by both positions and the Company is very much satisfied. Further, it has less financial burden on the Company.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Name	Role
Mr. Shamim Ahmad Khan	Chairman
Mr. Abdus Sattar	Member
Mr. Babar Bashir Nawaz	Member
Mr. Agha Sher Shah	Member

b) HR and Remuneration Committee

Name	Role
Mr. Babar Bashir Nawaz	Chairman *
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member

\*Chairman of HR & Remuneration Committee is a non-executive director having vast experience of management and the Board considers him the most suitable for this position who has the required knowledge and experience.

A constitutional petition filed by the Company is currently pending in the Sindh High Court challenging compliance with below mentioned requirements and to declare that the impugned provisions, namely Section 166, proviso to Section 154 of the Companies Act 2017; Regulations 6,7,9,16,28 and 29 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 [which are now replaced by Regulation 6, 7, 9, 27, 28 (Regulation 16 of 2017 Regulations deleted) of the Listed Companies (Code of Corporate

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Governance) Regulations, 2019]; S.R.O 556(i)/2018; and S.R.O 73(i)/2018 relating to appointment of independent directors on the Board of Directors, appointment of independent director as Chairman of the Audit Committee and HR & Remuneration Committee, appointment of female director on the Board and appointment of separate persons as Chairman of the Board and Chief Executive of the Company are illegal and unconstitutional and to strike them down; and to further declare that shareholders are lawfully entitled to elect Directors and to elect a Chairman of the Board of Directors without reference to the impugned provisions. The law officer of Securities and Exchange Commission of Pakistan has undertaken that no action contrary to the law would be taken against the Company.

The Chairman and Chief Executive is the same person. The duties of both positions are distinct and clearly spelled out. These positions are handled by one person since long who is managing the affairs of the Company successfully. He has exhaustive knowledge and experience of the Company's business and the Board is very much satisfied and considers him the most suitable person for these positions.

The Board itself has constituted Audit Committee and HR & Remuneration Committee and also feels that there is no need to have separate Nomination Committee.

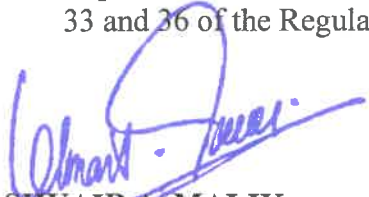
The Board itself and through its Audit Committee continuously reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and implementation of related systemic and internal controls exists. Major risks and mitigating factors are also published in annual report of the Company. The Board feels that there is no need to have separate Risk Management Committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Committee	Frequency
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function.
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. Also refer paragraph 1 of the Statement.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been given in paragraph 10 & 12.



**SHUAIB A. MALIK**

Chairman & Chief Executive

Rawalpindi: September 02, 2024



**Director**

**PAKISTAN OILFIELDS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR**

**ENDED JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Oilfields Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Pakistan Oilfields Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 (XIX of 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, 2024 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 Auditor's Responsibilities for the Audit of the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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:

**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

**(i) Investment in associate**

*(Refer note 4.9 and 18 to the financial statements)*

The Company has investment in its associate National Refinery Limited (NRL). As at June 30, 2024, the carrying amount of investment in above referred associate amounted to Rs 8,047 million which carrying value is higher by Rs 2,740 million in relation to the quoted market value of such shares. The Company carries out impairment assessment, at each reporting period end, of the value of investment where there are indicators of impairment.

The Company has assessed the recoverable amount of the investment in associate based on the higher of the Value-In-Use ("VIU") and fair value (quoted market price as at June 30, 2024). VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.

In view of significant management judgement involved in the estimation of VIU, we consider this as a key audit matter.

Our audit procedures in relation to assessment of carrying value of investment in associate, amongst others, included the following:

- Assessed the appropriateness of management's accounting for investment in associate;
- Understood management's process for identifying the existence of impairment indicators in respect of investment in associate;
- Evaluated the independent external investment advisor's competence, capabilities and objectivity;
- Made inquiries of the independent external investment advisor and assessed the valuation methodology used;
- Checked, on sample basis the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence;
- Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information;

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**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

- Checked mathematical accuracy of cash flows projection;
- Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions;
- Checked quoted price of investment in NRL as of June 30, 2024 with publicly available stock exchange data; and
- Assessed the appropriateness of the Company's disclosures in the financial statements in this respect.

**(ii) Recognition of Revenue**

*(Refer note 4.17 and 27 to the financial statements)*

The Company is engaged in the production and sale of oil and gas resources.

The Company recognised net sales during the year from the sale of crude oil, gas and POLGAS – Refill of cylinders amounting to Rs 35,822 million, Rs 17,617 million and Rs 11,264 million respectively.

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring good / services. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by Government of Pakistan.

Our audit procedures in relation to the matter, amongst others, included the following:

- Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products;
- Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers;
- Checked on sample basis, notifications of OGRA for gas and POLGAS prices. For POLGAS, also checked on sample basis Company's mechanism for the calculation of price based on OGRA's notification. Performed, on

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**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

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.

a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of Economic Coordination Committee of the Cabinet;

- Where pricing is provisional / sales agreement not finalised, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Company; (b) inspected term sheets etc; and (c) checked price recorded is in line with applicable petroleum policy / agreed with the customers;
- Assessed sales transactions on either side of the statement of financial position date to assess whether they are recorded in relevant accounting period;
- Performed analytical procedures to analyse variation in the price and quantity sold during the year;
- Tested journal entries related to revenue recognized during the year based on identified risk criteria; and
- Assessed the appropriateness of disclosures made in the financial statements.

**(iii) Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012**

*(Refer note 27.1 to the financial statements)*

The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which required that the

Our audit procedures in relation to the matter, amongst others, included the following:



**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification was issued after the approval of Council of Common Interest (CCI) dated November 24, 2017.

The Company challenged the said notification in the Islamabad High Court and the matter is pending before the Islamabad High Court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Islamabad High Court has restrained the Government for any action under the impugned notification and to maintain status quo. Company's contention is duly supported by the legal advice on the matter.

The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounted to taking away the vested rights already accrued in favour of the Company. As per the legal opinion, Government has no authority to give any law or policy a retrospective effect.

The Company has not recognised the revenue (net of sales tax) to the extent of Rs 30,862 million since inception to June 30, 2024 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

- Inspected Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan;
- Checked SRO issued by the Ministry of Energy;
- Checked relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO;
- Discussed the matter with directors, management and internal legal department of the Company;
- Obtained confirmation from the Company's external legal advisor and checked legal opinion obtained by the Company and the order issued by the Islamabad High Court;
- Evaluated technical ability of the internal and external legal advisors used by the Company;
- Assessed the matter under applicable accounting frame work; and

Assessed the appropriateness of disclosures made in the financial statements in respect of this matter.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is 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 Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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;

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- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Aftab Ahmed.

A handwritten signature in blue ink, appearing to read "Aftab Ahmed" followed by "A.F.FERGUSON &amp; Co." in a stylized, cursive script.

Chartered Accountants  
Islamabad  
Date: September 3, 2024

UDIN: AR202410610yRNi25Fuv



**PAKISTAN OILFIELDS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024 Rupees ('000)	2023 Rupees ('000)		Note	2024 Rupees ('000)	2023 Rupees ('000)
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON CURRENT ASSETS</b>			
Authorized capital	7	<u>5,000,000</u>	<u>5,000,000</u>	Property, plant and equipment	15	5,833,669	5,902,792
Issued, subscribed and paid up capital	7	2,838,551	2,838,551	Development and decommissioning costs	16	9,135,914	7,825,449
Revenue reserves	8	80,013,423	64,848,658	Exploration and evaluation assets	17	8,613,099	1,760,799
		<u>82,851,974</u>	<u>67,687,209</u>			<u>23,582,682</u>	<u>15,489,040</u>
<b>NON CURRENT LIABILITIES</b>				<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATES</b>			
Long term deposits	9	1,028,884	924,820		18	9,615,603	9,615,603
Deferred tax liability	10	9,505,111	4,667,144	<b>LONG TERM LOANS AND ADVANCES</b>			
Provisions	11	26,656,704	26,093,605		19	39,522	35,987
		<u>37,190,699</u>	<u>31,685,569</u>	<b>CURRENT ASSETS</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>				Stores and spares	20	7,278,324	6,004,002
Trade and other payables	12	46,129,775	37,912,225	Stock in trade	21	576,418	577,479
Unpaid dividend - awaiting remittance by the authorized bank	13	-	9,433,214	Trade debts	22	19,601,317	12,733,069
Unclaimed dividend		309,120	317,153	Advances, deposits, prepayments and other receivables	23	8,500,515	8,320,383
Provision for income tax		9,407,068	12,003,268	Other financial assets	24	37,832,533	1,112,163
		<u>55,845,963</u>	<u>59,665,860</u>	Short term investments	25	-	34,855,131
<b>CONTINGENCIES AND COMMITMENTS</b>				Cash and bank balances	26	68,861,722	70,295,781
	14					<u>142,650,829</u>	<u>133,898,008</u>
		<u>175,888,636</u>	<u>159,038,638</u>			<u>175,888,636</u>	<u>159,038,638</u>

The annexed notes 1 to 49 form an integral part of these financial statements.

*AKK*

  
Chief Financial Officer

  
Chief Executive

  
Director

PAKISTAN OILFIELDS LIMITED

STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees ('000)	2023 Rupees ('000)
<b>SALES</b>		70,884,309	65,983,520
Sales tax		(5,382,370)	(4,807,064)
Excise duty		(211,507)	(224,174)
<b>NET SALES</b>	27	65,290,432	60,952,282
Operating costs	28	(12,126,692)	(11,159,973)
Royalty		(7,374,212)	(6,880,170)
Amortization of development and decommissioning costs	29	(395,758)	(1,175,285)
		(19,896,662)	(19,215,428)
<b>GROSS PROFIT</b>		45,393,770	41,736,854
Exploration costs	30	(1,606,429)	(6,719,577)
		43,787,341	35,017,277
Administration expenses	31	(329,671)	(312,111)
Finance costs - net	32	(3,346,894)	(9,619,432)
Other charges	33	(3,445,034)	(2,489,048)
		(7,121,599)	(12,420,591)
		36,665,742	22,596,686
Other income - net	34	16,573,528	27,061,973
<b>PROFIT BEFORE INCOME TAX AND FINAL TAXES</b>		53,239,270	49,658,659
Final taxes - levies	35	(329,662)	(2,515)
<b>PROFIT BEFORE INCOME TAX</b>		52,909,608	49,656,144
Provision for taxation	36	(13,758,097)	(13,203,562)
<b>PROFIT FOR THE YEAR</b>		39,151,511	36,452,582
Earnings per share - Basic and diluted (Rupees)	43	137.93	128.42

The annexed notes 1 to 49 form an integral part of these financial statements.

*AKK*

  
Chief Financial Officer

  
Chief Executive

  
Director

# PAKISTAN OILFIELDS LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees ('000)	
<b>Profit for the year</b>	39,151,511	36,452,582
<b>Other comprehensive income for the year</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement gain on staff retirement benefit plans	231,046	64,099
Tax charge relating to remeasurement gain on staff retirement benefit plans	(90,108)	(23,076)
<b>Other comprehensive income for the year, net of tax</b>	140,938	41,023
<b>Total comprehensive income for the year</b>	<u>39,292,449</u>	<u>36,493,605</u>

The annexed notes 1 to 49 form an integral part of these financial statements.

APK

  
Chief Financial Officer

  
Chief Executive

  
Director

**PAKISTAN OILFIELDS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2024**

	Share capital	Revenue reserves		Total	
		Insurance reserve	Investment reserve		Unappropriated profit
-----Rupees ('000)-----					
<b>Balance at June 30, 2022</b>	2,838,551	200,000	1,557,794	46,467,116	51,063,461
Total comprehensive income for the year:					
Profit for the year	-	-	-	36,452,582	36,452,582
Other comprehensive income	-	-	-	41,023	41,023
	-	-	-	36,493,605	36,493,605
Transactions with owners:					
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	(14,192,755)	(14,192,755)
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	(5,677,102)	(5,677,102)
Total transactions with owners	-	-	-	(19,869,857)	(19,869,857)
<b>Balance at June 30, 2023</b>	2,838,551	200,000	1,557,794	63,090,864	67,687,209
Total comprehensive income for the year:					
Profit for the year	-	-	-	39,151,511	39,151,511
Other comprehensive income	-	-	-	140,938	140,938
	-	-	-	39,292,449	39,292,449
Transactions with owners:					
Final dividend @ Rs 60 per share - Year ended June 30, 2023	-	-	-	(17,031,306)	(17,031,306)
Interim dividend @ Rs 25 per share - Year ended June 30, 2024	-	-	-	(7,096,378)	(7,096,378)
Total transactions with owners	-	-	-	(24,127,684)	(24,127,684)
<b>Balance at June 30, 2024</b>	<u>2,838,551</u>	<u>200,000</u>	<u>1,557,794</u>	<u>78,255,629</u>	<u>82,851,974</u>

The annexed notes 1 to 49 form an integral part of these financial statements.

*AKK*

  
Chief Financial Officer

  
Chief Executive

  
Director

**PAKISTAN OILFIELDS LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees ('000)	2023 Rupees ('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		61,039,320	59,175,763
Operating and exploration costs paid		(9,547,826)	(11,010,698)
Royalty paid		(7,441,957)	(6,804,726)
Taxes paid		(11,606,438)	(12,193,296)
Cash provided by operating activities	38	32,443,099	29,167,043
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(12,686,420)	(5,781,362)
Proceeds from disposal of property, plant and equipment		49,992	7,288
Income on bank deposits and investments at amortised cost		13,489,745	10,102,103
Dividend income received		2,478,984	660,102
Cash generated from investing activities		3,332,301	4,988,131
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(33,568,931)	(10,395,192)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>			
		(1,775,289)	14,780,417
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		431,180	38,540,399
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>			
		106,263,075	67,722,676
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>			
	42	106,694,255	106,263,075

The annexed notes 1 to 49 form an integral part of these financial statements.

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Chief Financial Officer

  
Chief Executive

  
Director

## PAKISTAN OILFIELDS LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas in Pakistan. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Coral Holding Limited.

Geographical location and addresses of all other business units of the Company have been disclosed in note 47.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

These are separate financial statements of the Company. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- 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.

##### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

##### 2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

#### 3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

##### 3.1 Standards, amendments and interpretations to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2023 are considered not to be relevant for the company's financial statements and hence have not been detailed here except for the amendments of IAS 1 which have been disclosed in note 4.



**3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:**

	<u>Effective date (annual reporting periods beginning)</u>
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21 The effects of changes in foreign exchange rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 9 Financial instruments (Amendments)	January 1, 2026
IFRS 16 Leases (Amendments)	January 1, 2024

**3.3 The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures**

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or have been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)
- IFRIC 12 (Service concession arrangements)

**3.4 SECP through S.R.O. 67 (I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 985(1)/2019 and S.R.O 1177 (I)/2021 dated September 2, 2019 and September 13, 2021 respectively, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable on such financial assets for financial years ending on or before December 31, 2024, 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. The Company has assessed that the above does not have any significant impact on its financial statements.**

**3.5 Accounting guidance issued by ICAP on accounting for minimum taxes and final taxes**

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS - 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS - 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/ IFRIC 21.

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The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been reclassified, which has not affected current period or prior years' net turnover, profit for the period, equity and cash flows. Impact as of July 1, 2023 is not material to these financial statements. The effects of the amounts reclassified are as follows:

#### **Statement of profit or loss**

In the statement of profit or loss, the final taxes previously presented as income taxes have now been reclassified as "final taxes - levies" under IAS 37/ IFRIC 21, amounting to Rs 2,515 thousand for the year ended June 30, 2023.

Accordingly, reclassification have also been made in the statement of cash flows to conform to the current year's presentation.

#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### **4.1 Taxation**

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 39% (2023: 36%) after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **4.2 Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

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#### 4.3 Provision for decommissioning costs

Provision for decommissioning costs is recognized in full for development wells and production facilities. The amount recognized is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 3.40% (2023: 2.15%) per annum.

#### 4.4 Staff retirement benefits

The Company operates the following staff retirement benefits plans:

- (i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2024.

Actuarial gain and losses arising from experience adjustments and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 41.

- (ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the Company and the employee at the rate of 10% of basic salary. Charge included in these financial statements is Rs 46,606 thousand (2023: Rs 38,900 thousand).

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#### **4.5 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### **4.6 Contingent liabilities**

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.

#### **4.7 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost less accumulated impairment losses (if any).

Depreciation is provided on straight line method at rates specified in note 15.1 to the financial statements. Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

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, and are recognized net within "other income" in the statement of profit or loss.

#### **4.8 Exploration assets / costs and development costs**

4.8.1 Exploration and development costs are accounted for using the "Successful Efforts Method" of accounting.

4.8.2 Exploration costs

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred. Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs after impairment loss, if proved reserves are found.

All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

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#### 4.8.3 Development costs

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

#### 4.9 Investments in subsidiary and associates

These are carried at cost less impairment losses. The profits and losses of the subsidiary and associates are carried forward in the financial statements of the subsidiary and associates and not dealt within or for the purpose of these financial statements except to the extent of dividend declared by the subsidiary and associates. Gain and loss on disposal of investment is included in income currently.

#### 4.10 Stores and spares

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

#### 4.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

#### 4.12 Trade debts and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

Other receivables are recognised at cost, which is the fair value of the consideration given.

Refer note 4.15 for a description of the Company's impairment policies.

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#### **4.13 Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

#### **4.14 Financial assets**

##### **Classification**

The Company classifies its financial assets in the following measurement categories:

- (i) Amortised cost where the effective interest rate method will apply;
- (ii) Fair Value Through Profit or Loss (FVTPL); and
- (iii) Fair Value Through Other Comprehensive Income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

##### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:

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**a) Amortised cost**

Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

**b) Fair Value Through Other Comprehensive Income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

**c) Fair Value Through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in statement of profit or loss.

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#### 4.15 Impairment of financial assets

The Company assesses on a historical as well as on a forward looking basis the Expected Credit Losses (ECL) as associated with its trade debts, deposits and other receivables, cash and bank balances and short term investments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a lifetime expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Deposits and other receivables
- Cash and bank balances
- Short term investments

##### (i) Simplified approach for trade debts

The Company recognises lifetime ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure that constituents of each group continue to share similar credit risk characteristics.

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### **Recognition of loss allowance**

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Write-off**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

### **(ii) General approach for short term investments, deposits and other receivables and cash and bank balances**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

### **Significant increase in credit risk**

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

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The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

#### **Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when the debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### **Credit - impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### **4.16 Financial Liabilities**

#### **Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

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The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

#### **4.17 Revenue recognition**

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- a) crude oil, upon delivery to customer;
- b) natural gas, upon delivery to the customer; and
- c) Liquefied Petroleum Gas (LPG), upon delivery to distributors at LPG plant facility.

Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring goods/services. Prices of crude oil and gas are calculated in accordance with Petroleum Concession Agreements / Petroleum Policy / or as notified by the Government Authorities. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Billings are generally raised in the following month which are payable within 30 to 45 days in accordance with the contractual arrangement with customers.

#### **4.18 Other Income**

Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

Dividend income is recognized when the right to receive dividend is established.

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#### **4.19 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period up to the statement of financial position date.

#### **4.20 Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

#### **4.21 Foreign currency transactions and translation**

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

### **5 SUMMARY OF OTHER ACCOUNTING POLICIES**

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

#### **5.1 Operating segments**

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.

#### **5.2 Employee compensated absences**

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company.

#### **5.3 Stock in trade**

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realizable value. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

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#### 5.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### 5.5 Dividend distribution

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

#### 5.6 Leases

##### 5.6.1 Right of use asset

The Company assesses whether a contract is or contains a lease at inception of the contract. If the Company assesses that a contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

##### 5.6.2 Lease liability

If applicable, 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. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.



The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a 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.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company has opted not to recognize right-of use assets for short-term leases i.e. leases with a term of twelve(12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

**5.6.3** During the year Rs 568,925 thousand (2023: Rs 505,492 thousand) have been capitalised in Development & Decommissioning costs and Exploration & Evaluation assets in respect of short-term leases.

## **6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 4.8 and 16
- ii) Estimated useful life of property, plant and equipment - note 4.7 and 15.1
- iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 4.3 and 11.1
- iv) Estimate of recoverable amount of investment in associates - note 4.9 and 18
- v) Estimated value of staff retirement benefits obligations - note 4.4 and 41
- vi) Provision for taxation - note 4.1 and 36
- vi) Price adjustment related to crude oil sales - note 4.17 and 27
- vii) Impairment of financial assets - note 4.15



	2024	2023
	Rupees ('000)	
<b>7. SHARE CAPITAL</b>		
<b>Authorized capital</b>		
500,000,000 (2023: 500,000,000) ordinary shares of Rs 10 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
Shares issued for cash		
20,200,000 (2023: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares		
263,655,104 (2023: 263,655,104) ordinary shares	2,636,551	2,636,551
283,855,104 (2023: 283,855,104) ordinary shares of Rs 10 each	<u>2,838,551</u>	<u>2,838,551</u>

7.1 The Company is a subsidiary of The Attock Oil Company Limited which held 149,794,518 (2023: 149,794,518) ordinary shares at the year end.

	2024	2023
	Rupees ('000)	
<b>8. REVENUE RESERVES</b>		
Insurance reserve - note 8.1	200,000	200,000
Investment reserve - note 8.2	1,557,794	1,557,794
Unappropriated profit	<u>78,255,629</u>	<u>63,090,864</u>
	<u>80,013,423</u>	<u>64,848,658</u>

8.1 The Company has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

8.2 The Company has set aside gain on sale of investments as investment reserve to meet any future losses/ impairment on investments.

	2024	2023
	Rupees ('000)	
<b>9. LONG TERM DEPOSITS</b>		
Security deposits from distributors for cylinders / equipment	921,129	875,639
Security deposits from distributors and others	<u>107,755</u>	<u>49,181</u>
	<u>1,028,884</u>	<u>924,820</u>

9.1 Amount received as security deposit is kept in a separate bank account and utilized/utilizable by the Company in accordance with the related agreements with customers.

	2024	2023
	Rupees ('000)	
<b>10. Deferred tax liability</b>	9,505,111	4,667,144
10.1 Deferred tax liability represents:		
Temporary differences between accounting and tax depreciation/ amortization	9,899,783	5,096,340
Provision for stores and spares	(316,967)	(274,292)
Provision for doubtful receivable	(121)	(112)
Deferred tax on remeasurement (loss) on staff retirement benefit plans	<u>(77,584)</u>	<u>(154,792)</u>
	<u>9,505,111</u>	<u>4,667,144</u>

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	2024	2023
	Rupees ('000)	
<b>11. PROVISIONS</b>		
- Provision for decommissioning costs - note 11.1	26,654,198	26,090,656
- Provision for staff compensated absences	2,506	2,949
	<u>26,656,704</u>	<u>26,093,605</u>
<b>11.1 Provision for decommissioning costs</b>		
Balance brought forward	26,090,656	19,123,431
Revision due to change in estimates - note 11.1.1	(3,053,930)	(2,542,530)
Provision made during the year	278,230	132,309
Unwinding of discount - note 32	4,056,149	2,601,429
Exchange (gain) / loss - note 32	(716,907)	7,010,980
Decommissioning cost incurred during the year	-	(234,963)
	<u>26,654,198</u>	<u>26,090,656</u>
<b>11.1.1 Revision due to change in estimates</b>		
(Credited) to related asset - note 16	(334,214)	(1,155,473)
Revision in excess of related asset credited to statement of profit or loss - note 29	(2,719,716)	(1,387,057)
	<u>(3,053,930)</u>	<u>(2,542,530)</u>
<b>12. TRADE AND OTHER PAYABLES</b>		
Creditors	486,197	253,400
Due to related parties		
Attock Hospital (Private) Limited	3,419	1,800
Attock Petroleum Limited	62,691	67,015
Attock Sahara Foundation	24	-
Attock Refinery Limited	22,392	22,696
National Refinery limited	626	8,058
Management Staff Pension Fund - note 41	-	134,557
General Staff Provident Fund	265	-
Workers' Profit Participation Fund - note 12.1	2,794,539	1,820,773
Due to joint operating partners		
The Attock Oil Company Limited	28,017	18,777
Others	3,200,564	2,580,128
Accrued liabilities	5,662,588	3,481,967
Contract liabilities - advances from customers	332,804	81,750
Royalty payable to Government of Pakistan	908,998	976,743
Excise duty payable	28,483	31,851
Petroleum levy payable	27,251	14,163
Workers' Welfare Fund payable	1,404,198	1,381,299
Liability for staff compensated absences	19,332	16,911
Other liabilities - note 12.2	31,147,387	27,020,337
	<u>46,129,775</u>	<u>37,912,225</u>

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	2024	2023
	Rupees ('000)	
<b>12.1 Workers' Profit Participation Fund</b>		
Payable at beginning of the year	1,820,773	1,544,079
Amount allocated during the year	2,794,539	1,835,242
Amount paid to the Fund's trustees	(1,820,773)	(1,558,548)
Payable at end of the year	<u>2,794,539</u>	<u>1,820,773</u>
<b>12.2</b>	This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 27.1.	
<b>13. UNPAID DIVIDEND - AWAITING REMITTANCE BY THE AUTHORIZED BANK</b>		
	This represented dividend payable to parent company which has been paid during the year.	
<b>14. CONTINGENCIES AND COMMITMENTS</b>		
<b>14.1 Contingencies:</b>		
	There were no material contingencies which warrant disclosure as at June 30, 2024 (2023: Rs nil).	
<b>14.2 Commitments:</b>	2024	2023
	Rupees ('000)	
Share in joint operations	16,498,572	15,026,127
Own fields	118,738	4,586,947
Letter of credit issued by banks on behalf of the Company	283,632	818,030
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 15.1	4,761,031	5,417,443
Capital work in progress - note 15.5	<u>1,072,638</u>	<u>485,349</u>
	<u>5,833,669</u>	<u>5,902,792</u>

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15.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery		Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs					
-----Rupees ('000)-----										
As at July 1, 2022										
Cost	20,742	551,718	2,600,070	17,636,720	830,360	846,069	651,721	199,876	623,994	23,961,270
Accumulated depreciation	-	(313,650)	(1,920,637)	(12,876,284)	(661,282)	(701,895)	(568,443)	(159,468)	(539,840)	(17,741,499)
Net book value	<u>20,742</u>	<u>238,068</u>	<u>679,433</u>	<u>4,760,436</u>	<u>169,078</u>	<u>144,174</u>	<u>83,278</u>	<u>40,408</u>	<u>84,154</u>	<u>6,219,771</u>
Year ended June 30, 2023										
Opening net book value	20,742	238,068	679,433	4,760,436	169,078	144,174	83,278	40,408	84,154	6,219,771
Additions	-	14,028	56,581	574,798	-	11,826	130,328	13,045	30,018	830,624
Disposals										
Cost	-	-	(2,699)	(92,099)	(6,423)	(6,488)	(30,537)	(2,055)	(4,059)	(144,360)
Accumulated depreciation	-	-	2,699	84,265	6,423	6,488	30,537	2,035	4,059	136,506
	-	-	-	(7,834)	-	-	-	(20)	-	(7,854)
Transfers to stores and spares	-	-	-	-	-	(19,248)	-	-	-	(19,248)
Depreciation charge	-	(21,421)	(170,771)	(1,209,560)	(36,003)	(63,343)	(48,686)	(10,302)	(45,764)	(1,605,850)
Closing net book value	<u>20,742</u>	<u>230,675</u>	<u>565,243</u>	<u>4,117,840</u>	<u>133,075</u>	<u>73,409</u>	<u>164,920</u>	<u>43,131</u>	<u>68,408</u>	<u>5,417,443</u>
As at June 30, 2023										
Cost	20,742	565,746	2,653,952	18,119,419	823,937	832,159	751,512	210,866	649,953	24,628,286
Accumulated depreciation	-	(335,071)	(2,088,709)	(14,001,579)	(690,862)	(758,750)	(586,592)	(167,735)	(581,545)	(19,210,843)
Net book value	<u>20,742</u>	<u>230,675</u>	<u>565,243</u>	<u>4,117,840</u>	<u>133,075</u>	<u>73,409</u>	<u>164,920</u>	<u>43,131</u>	<u>68,408</u>	<u>5,417,443</u>
Year ended June 30, 2024										
Opening net book value	20,742	230,675	565,243	4,117,840	133,075	73,409	164,920	43,131	68,408	5,417,443
Additions / (adjustment)	(1,697)	24,882	32,703	477,705	-	20,653	123,888	25,177	41,535	744,846
Disposals										
Cost	-	(245)	(2,225)	(11,681)	-	(5,350)	(27,856)	(579)	(4,014)	(51,950)
Accumulated depreciation	-	245	2,225	11,276	-	5,350	27,856	570	4,014	51,536
	-	-	-	(405)	-	-	-	(9)	-	(414)
Depreciation charge	-	(21,870)	(151,292)	(1,043,376)	(23,090)	(40,341)	(65,408)	(12,056)	(43,411)	(1,400,844)
Closing net book value	<u>19,045</u>	<u>233,687</u>	<u>446,654</u>	<u>3,551,764</u>	<u>109,985</u>	<u>53,721</u>	<u>223,400</u>	<u>56,243</u>	<u>66,532</u>	<u>4,761,031</u>
As at June 30, 2024										
Cost	19,045	590,383	2,684,430	18,585,443	823,937	847,462	847,544	235,464	687,474	25,321,182
Accumulated depreciation	-	(356,696)	(2,237,776)	(15,033,679)	(713,952)	(793,741)	(624,144)	(179,221)	(620,942)	(20,560,151)
Net book value	<u>19,045</u>	<u>233,687</u>	<u>446,654</u>	<u>3,551,764</u>	<u>109,985</u>	<u>53,721</u>	<u>223,400</u>	<u>56,243</u>	<u>66,532</u>	<u>4,761,031</u>
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5	25	

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**15.2 Cost and accumulated depreciation include:**

	Cost		Accumulated depreciation	
	2024	2023	2024	2023
	-----Rupees ('000)-----		-----Rupees ('000)-----	
Share in joint operations operated by the Company	1,589,364	1,575,514	1,420,912	1,393,432
Assets not in possession of the Company				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	12,732,667	12,527,472	10,684,181	9,999,069
Ocean Pakistan Limited	76,754	76,679	67,057	65,146
Oil and Gas Development Company Limited	77,353	74,324	67,507	62,480
Pakistan Petroleum Limited	2,378,833	2,325,458	1,807,830	1,607,319
	15,265,607	15,003,933	12,626,575	11,734,014
Gas cylinders - in possession of distributors*	804,519	786,771	764,954	730,729
	<u>17,659,490</u>	<u>17,366,218</u>	<u>14,812,441</u>	<u>13,858,175</u>

\*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

**15.3 The depreciation charge has been allocated as follows:**

	2024	2023
	Rupees ('000)	
Operating cost - Note 28	<u>1,400,844</u>	<u>1,605,850</u>

**15.4 Particulars of Company's immovable property including location and area of land are as follows:**

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Rawalpindi - (Khaur- Rawalpindi pipe line)	63.35

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### 15.5 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
----- Rupees ('000) -----				
Balance as at July 1, 2022	4,918	477,822	-	482,740
Additions during the year	8,745	366,679	5,080	380,504
Transfers during the year	(12,210)	(360,762)	(4,923)	(377,895)
Balance as at June 30, 2023	<u>1,453</u>	<u>483,739</u>	<u>157</u>	<u>485,349</u>
Balance as at July 1, 2023	1,453	483,739	157	485,349
Additions during the year	4,329	608,785	14,251	627,365
Transfers during the year	(5,782)	(20,429)	(13,865)	(40,076)
Balance as at June 30, 2024	<u>-</u>	<u>1,072,095</u>	<u>543</u>	<u>1,072,638</u>

### 15.6 Break up of capital work in progress at June 30 is as follows:

	2024	2023
Rupees ('000)		
Own fields	104,658	37,676
POLGAS plant	1,452	-
Share in joint operations operated by the Company		
- Ikhlas	12,057	-
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V. - TAL Block	47,201	956
- Margala Block	269	269
Oil and Gas Development Company Limited - Jhal Magsi D&P Lease	907,001	446,448
	<u>1,072,638</u>	<u>485,349</u>

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**16. DEVELOPMENT AND DECOMMISSIONING COSTS**

	Development Cost	Decommissioning Cost	Total
	-----Rupees ('000)-----		
<b>As at July 1, 2022</b>			
Cost	49,184,461	3,080,920	52,265,381
Accumulated amortization	(39,383,054)	(2,673,201)	(42,056,255)
Net book value	<u>9,801,407</u>	<u>407,719</u>	<u>10,209,126</u>
<b>Year ended June 30, 2023</b>			
Opening net book value	9,801,407	407,719	10,209,126
Additions	1,201,829	132,309	1,334,138
Disposals			
Cost	-	(59,827)	(59,827)
Accumulated amortization	-	59,827	59,827
Revision due to change in estimates - note 11.1.1	(969,945)	(185,528)	(1,155,473)
Amortization for the year - note 29	(2,474,109)	(88,233)	(2,562,342)
Closing net book value	<u>7,559,182</u>	<u>266,267</u>	<u>7,825,449</u>
<b>As at July 1, 2023</b>			
Cost	49,416,345	2,967,874	52,384,219
Accumulated amortization	(41,857,163)	(2,701,607)	(44,558,770)
Net book value	<u>7,559,182</u>	<u>266,267</u>	<u>7,825,449</u>
<b>Year ended June 30, 2024</b>			
Opening net book value	7,559,182	266,267	7,825,449
Additions	4,481,923	278,230	4,760,153
Revision due to change in estimates - note 11.1.1	(1,584,839)	1,250,625	(334,214)
Amortization for the year - note 29	(2,387,666)	(727,808)	(3,115,474)
Closing net book value	<u>8,068,600</u>	<u>1,067,314</u>	<u>9,135,914</u>
<b>As at June 30, 2024</b>			
Cost	52,313,429	4,496,729	56,810,158
Accumulated amortization	(44,244,829)	(3,429,415)	(47,674,244)
Net book value	<u>8,068,600</u>	<u>1,067,314</u>	<u>9,135,914</u>

**16.1 Net book value at year end represents:**

	2024	2023
	-----Rupees ('000)-----	
Wholly owned fields	137,463	1,537,127
Joint operations	8,998,451	6,288,322
	<u>9,135,914</u>	<u>7,825,449</u>

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	2024	2023
	Rupees ('000)	
<b>17. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	1,760,799	3,019,833
Additions during the year	<u>6,872,362</u>	<u>3,765,548</u>
	8,633,161	6,785,381
Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 30	(20,062)	(5,024,582)
	<u><u>8,613,099</u></u>	<u><u>1,760,799</u></u>

**17.1 Break up of exploration and evaluation assets at June 30 is as follows:**

		2024	2023
		Rupees ('000)	
Own fields	- Balkassar	7,489,708	1,740,737
Share in joint operations operated by the Company			
	- Bandhak	-	20,062
Share in joint operations operated by others			
Oil and Gas Development Company Limited	- Gurgalot	22,243	-
MOL Pakistan Oil and Gas Company B.V.	- Razgir	1,101,148	-
		<u><u>8,613,099</u></u>	<u><u>1,760,799</u></u>

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	2024		2023	
	Percentage holding	Amount Rs ('000)	Percentage holding	Amount Rs ('000)
<b>18. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATES - AT COST</b>				
<b>Subsidiary company</b>				
Unquoted				
Capgas (Private) Limited				
344,250 (2023: 344,250) fully paid ordinary shares including 191,250 (2023: 191,250) bonus shares of Rs 10 each	51	1,530	51	1,530
<b>Associates</b>				
Quoted				
National Refinery Limited				
19,991,640 (2023: 19,991,640) fully paid ordinary shares including 3,331,940 (2023: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2024: Rs 5,307,381 thousand (2023: Rs 2,998,746 thousand)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL)				
8,730,892 (2023: 8,730,892) fully paid ordinary shares including 5,362,492 (2023: 5,362,492) bonus shares of Rs 10 each Quoted market value as at June 30, 2024: Rs 3,372,220 thousand (2023: Rs 2,621,450 thousand)	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Pvt) Limited (AITSL)				
450,000 (2023: 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		<u>9,615,603</u>		<u>9,615,603</u>

**18.1** Subsidiary and associates are incorporated in Pakistan. Although the Company has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Company has representation on their Board of Directors.

**18.2** The Company has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hierarchy - quoted market price as at June 30, 2024). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the Company. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.29% (2023: 5.52%), a terminal growth rate of 4.0% (2023: 4.0%) and weighted average cost of capital of 15.25% (2023: 24.04%).

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	2024	2023
	Rupees ('000)	
<b>19. LONG TERM LOANS AND ADVANCES - CONSIDERED GOOD</b>		
Long term loans and advances to employees	68,027	62,127
Less: Amount due within twelve months, shown under current loans and advances - note 23	<u>28,505</u>	<u>26,140</u>
	<u>39,522</u>	<u>35,987</u>
<b>19.1</b>	Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.	
	2024	2023
	Rupees ('000)	
<b>20. STORES AND SPARES</b>		
Stores and spares - note 20.1, 20.2 and 20.3	8,091,060	6,765,924
Less: Provision for slow moving items - note 20.4	<u>812,736</u>	<u>761,922</u>
	<u>7,278,324</u>	<u>6,004,002</u>
<b>20.1 Stores and spares include:</b>		
Share in joint operations operated by the Company	707,423	777,909
Share in joint operations operated by others (assets not in possession of the Company)	<u>2,696,189</u>	<u>1,663,332</u>
	<u>3,403,612</u>	<u>2,441,241</u>
<b>20.2</b>	Stores and spares include stores and spares in transit of Rs 748,586 thousand (2023: Rs 298,998 thousand).	
<b>20.3</b>	Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.	
	2024	2023
	Rupees ('000)	
<b>20.4 Provision for slow moving items</b>		
Balance brought forward	761,922	667,913
Provision for the year - charged to profit or loss	<u>50,814</u>	<u>94,009</u>
	<u>812,736</u>	<u>761,922</u>
<b>21. STOCK IN TRADE</b>		
Crude oil and other products - note 21.1	<u>576,418</u>	<u>577,479</u>
<b>21.1</b>	These include Rs 221,767 thousand (2023: Rs 226,845 thousand) being the Company's share in non-operated joint operations.	

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22. TRADE DEBTS - CONSIDERED GOOD	2024	2023
	Rupees ('000)	
Due from related parties - note 22.1	5,364,659	5,405,172
Others	14,236,658	7,327,897
	<u>19,601,317</u>	<u>12,733,069</u>

**22.1 Due from related parties**

Associated companies		
Attock Refinery Limited	5,337,958	5,375,353
National Refinery Limited	280	280
Attock Petroleum Limited	26,421	29,539
	<u>5,364,659</u>	<u>5,405,172</u>

**22.2** Ageing analysis of trade debts receivable from related parties is given in note 40.3.1 to the financial statements.

**22.3** The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 7,314,770 thousand (2023: Rs 6,469,809 thousand).

23. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	2024	2023
	Rupees ('000)	
Loans and advances - considered good		
Employees - note 19	28,505	26,140
Suppliers	285,002	375,853
	<u>313,507</u>	<u>401,993</u>
Trade deposits and short term prepayments		
Deposits	62,098	65,520
Short-term prepayments	204,266	175,641
	266,364	241,161
Interest income accrued	885,985	817,493
Other receivables		
Joint operating partners	171,372	450,493
Due from related parties		
Parent company		
The Attock Oil Company Limited	147,234	144,436
Subsidiary company		
Capgas (Private) Limited	6,179	2,879
Gratuity Fund - note 41	520,360	334,177
Staff Provident Fund	4,878	1,336
General staff Provident Fund	-	5,743
Management staff pension Fund	12,766	-
Sales tax refundable	6,083,601	5,385,787
Others (net of loss allowance of Rs 310 thousand (2023: Rs 310 thousand))	88,269	534,885
	<u>7,034,659</u>	<u>6,859,736</u>
	<u>8,500,515</u>	<u>8,320,383</u>

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23.1 The maximum aggregate amount due from related parties at the end of any month during the year was Rs 796,642 thousand (2023: Rs 492,976 thousand) respectively.

	2024	2023
	Rupees ('000)	
23.2 The ageing analysis of receivable from related parties is as follows:		
Upto 3 months	691,417	488,571
3 to 6 months	-	-
More than 6 months	-	-
	<u>691,417</u>	<u>488,571</u>

#### 24. OTHER FINANCIAL ASSETS

Investments in mutual funds classified as fair value through profit or loss - note 24.1

	<u>37,832,533</u>	<u>1,112,163</u>
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24.1 Investments in mutual funds classified as fair value through profit or loss at June 30 include the following:	2024			2023		
	Number of units	Cost	Fair value	Number of units	Cost	Fair value
		-----Rupees ('000)-----			-----Rupees ('000)-----	
<b>Listed securities:</b>						
Money Market Funds	473,180	237,350	241,600	43,388,352	906,312	909,230
Income Funds	2,760,225,762	37,312,374	37,351,285	-	-	-
Shariah Compliant Money Market Fund	4,792,957	239,648	239,648	4,058,657	202,933	202,933
		<u>37,789,372</u>	<u>37,832,533</u>		<u>1,109,245</u>	<u>1,112,163</u>

24.2 Gain/loss realized or unrealized, from this investment is earned from arrangements permissible under shariah.

24.3 The fair value of listed securities is based on quoted market prices at the statement of financial position date. The quoted market price used is the current bid price.

**25. Short term investments**

This represented Treasury Bills carried at amortised cost with maturity of less than three months at yield ranging from 21.98% to 21.99% per annum.

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26. CASH AND BANK BALANCES	2024	2023
	Rupees ('000)	
Bank balance on		
Short term deposits	59,222,281	62,969,880
Interest/mark-up bearing saving accounts	9,575,618	7,279,702
Current accounts	56,940	42,198
	<u>68,854,839</u>	<u>70,291,780</u>
Cash in hand	6,883	4,001
	<u>68,861,722</u>	<u>70,295,781</u>

26.1 Balance with banks include foreign currency balances of US \$ 225,886 thousand (2023: US \$ 201,024 thousand). The balances in saving accounts and short term deposits earned interest / mark-up ranging from 4% to 23% (2023: 2.69% to 21.75%).

27. NET SALES	2024	2023
	Rupees ('000)	
Crude oil	35,822,218	33,563,998
Gas - note 27.1	20,834,507	18,851,106
Less: Shrinkages / own use	3,217,783	3,010,217
	17,616,724	15,840,889
POLGAS - Refill of cylinders	11,263,646	11,028,760
Solvent oil	545,368	489,546
Sulphur	42,476	29,089
	<u>65,290,432</u>	<u>60,952,282</u>

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**27.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of the following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreements cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil / Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. During the course of proceedings, Federal Board of Revenue has also been made party to this case. The case in Honourable Islamabad High Court is adjourned till September 30, 2024.



On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2024 amounting to Rs 30,862,001 thousand will be accounted for upon resolution of this matter (including Rs 25,265,875 thousand related to period since inception to June 30, 2023). Additional revenue on account of enhanced gas price incentive of Rs 25,974,558 thousand and sales tax of Rs 5,172,829 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 5,172,829 thousand (June 30, 2023: Rs 3,928,026 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within "sales tax refundable" in "advances, deposits, prepayments and other receivables".

	2024	2023
	Rupees ('000)	
<b>28. OPERATING COSTS</b>		
Operating cost - Own fields	1,640,516	1,559,576
- Share in joint operations	5,531,482	4,991,302
Well workover	602,297	76,699
POLGAS - Cost of LPG, carriage etc.	2,558,415	2,677,382
Head office and insurance charges	270,670	335,991
Pumping and transportation cost	121,407	106,003
Depreciation	1,400,844	1,605,850
	<u>12,125,631</u>	<u>11,352,803</u>
Opening stock of crude oil and other products	577,479	384,649
Closing stock of crude oil and other products	(576,418)	(577,479)
	<u><u>12,126,692</u></u>	<u><u>11,159,973</u></u>
<b>29. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
Amortization charge for the year - note 16	3,115,474	2,562,342
Revision in estimates of provision for decommissioning costs in excess of related assets credited to profit or loss - note 11.1.1	(2,719,716)	(1,387,057)
	<u><u>395,758</u></u>	<u><u>1,175,285</u></u>

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		2024	2023
		Rupees ('000)	
<b>30. EXPLORATION COSTS</b>			
Geological and geophysical cost			
Own fields		202	289
Share in joint operations operated by the Company			
	- DG Khan	20,083	2,208
	- Ikhlas	43,936	61,448
	- Pindori	-	183,817
	- North Dhurnal	29,662	32,617
	- Kirthar South	53,401	79,240
	- Multanai	10,700	-
	- Saruna West	5,912	-
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	3,424	(68)
	- Margala Block	(4,246)	350,147
	- Margala North Block	102	(3,897)
Oil and Gas Development Company Limited	- Kotra	996	8,410
	- Gurgalot	30,618	18,045
	- Chah Bali	13,370	11,176
Pakistan Petroleum Limited	- Hisal	19,569	477,138
Mari Petroleum Company Limited	- Taung	36,950	66,372
	- Nareli	1,321,688	408,053
		<u>1,586,367</u>	<u>1,694,995</u>
Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 17			
Share in Joint operations operated by the Company			
	- Kirthar South	20,062	-
	- DG Khan	-	4,353,065
Share in Joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- Margala Block	-	671,517
		20,062	5,024,582
		<u>1,606,429</u>	<u>6,719,577</u>

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	2024	2023
	Rupees ('000)	
<b>31. ADMINISTRATION EXPENSES</b>		
Establishment charges	468,625	437,768
Telephone and telex	1,342	1,297
Medical expenses	18,554	16,615
Printing, stationery and publications	9,791	8,546
Insurance	8,517	9,438
Travelling expenses	11,800	6,215
Motor vehicle running expenses	26,029	22,710
Rent, repairs and maintenance	152,544	115,131
Auditor's remuneration - note 31.1	8,867	17,866
Legal and professional charges	13,303	15,636
Stock exchange and CDC fee	5,598	5,999
Computer support and maintenance charges	55,923	50,830
Donations	-	30,000
Other expenses	10,669	7,378
	<u>791,562</u>	<u>745,429</u>
Less: Amount allocated to field expenses	461,891	433,318
	<u><u>329,671</u></u>	<u><u>312,111</u></u>
<b>31.1 Auditor's remuneration</b>		
Statutory audit	2,923	2,542
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	3,120	4,530
Tax services	1,856	10,158
Out of pocket expenses	968	636
	<u>8,867</u>	<u>17,866</u>

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	2024	2023
	Rupees ('000)	
<b>32. FINANCE COSTS - NET</b>		
Provision for decommissioning costs - note 11.1		
- Unwinding of discount	4,056,149	2,601,429
- Exchange (gain) / loss	(716,907)	7,010,980
Banks' commission and charges	7,652	7,023
	<u>3,346,894</u>	<u>9,619,432</u>
<b>33. OTHER CHARGES</b>		
Workers' Profit Participation Fund	2,794,539	1,835,242
Workers' Welfare Fund	650,495	653,806
	<u>3,445,034</u>	<u>2,489,048</u>
<b>34. OTHER INCOME - NET</b>		
Income from financial assets - bank balances, short term deposits and treasury bills	13,558,237	10,670,619
Exchange (loss) / gain on financial assets - net	(1,775,289)	14,780,417
Dividend on investments classified as fair value through profit or loss - note 34.1	2,197,748	16,764
Dividend from subsidiary and associates - note 34.2	281,236	643,338
Rental income	629,628	303,625
Crude oil transportation income	472,979	447,302
Gas processing fee	80,170	81,973
Gain / (loss) on sale of property, plant and equipment	49,578	(566)
Gain on sale of stores and scrap	12,683	111,470
Fair value adjustment on investments classified as fair value through profit or loss	40,243	2,918
Insurance claim received - 34.3	944,224	-
Others	82,091	4,113
	<u>16,573,528</u>	<u>27,061,973</u>
<b>34.1 Dividend on Investments classified as fair value through profit or loss</b>		
Money Market Funds	125,948	13,314
Income Funds	2,028,606	-
Shariah Compliant Money Market Fund	43,194	3,450
	<u>2,197,748</u>	<u>16,764</u>

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	2024	2023
	Rupees ('000)	
<b>34.2 Dividend from subsidiary and associates</b>		
Subsidiary company		
Caggas (Private) Limited	62,964	24,786
Associates		
National Refinery Limited	-	299,875
Attock Petroleum Limited	218,272	318,677
	<u>281,236</u>	<u>643,338</u>

**34.3** This represents partial insurance claim received in respect of stores and spares written off in prior year due to fire incident at Gas Processing Facility (GPF) store at TAL Block.

**35. Final taxes**

This represents final taxes paid under section 150 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

**35.1** Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

	2024	2023
	Rupees ('000)	
Current tax liability for the year as per applicable tax laws - note 35.2	9,339,900	14,406,442
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(9,010,238)	(14,403,927)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<u>(329,662)</u>	<u>(2,515)</u>
	<u>-</u>	<u>-</u>

**35.2** The aggregate of final tax and income tax, amounting to Rs 9,339,900 thousand (Rs 14,406,442 represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

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36. PROVISION FOR TAXATION	2024	2023
	Rupees ('000)	
Current - for the year	12,961,238	14,403,927
- for the prior years - note 36.2	(3,951,000)	-
	<u>9,010,238</u>	<u>14,403,927</u>
Deferred - charge / (credit)	4,747,859	(1,200,365)
	<u><u>13,758,097</u></u>	<u><u>13,203,562</u></u>

**36.1 Reconciliation of tax charge for the year**

Accounting profit - before taxation	<u>52,909,608</u>	<u>49,656,144</u>
* Tax at applicable tax rate of 55.69% (2023: 51.93%)	29,465,361	25,786,436
Tax effect of:		
- Prior year	(3,951,000)	-
- Depletion allowance, royalty payments and amounts not taxable or taxed at lower rates	(11,660,550)	(13,700,737)
- Change in applicable rate in respect of deferred tax	388,929	730,554
- Others	(484,643)	387,309
Tax charge for the year	<u><u>13,758,097</u></u>	<u><u>13,203,562</u></u>

\* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

**36.2** The Honorable Supreme Court of Pakistan through its decision dated November 29, 2023 and written order issued on January 8, 2024, dismissed civil petition filed by the tax department and has decided the matter of depletion allowance in favor of the Company. Pursuant to the decision, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance, the royalty amount is not to be deducted while calculating depletion allowance. Accordingly, the Company has reversed the provision carried in this respect in the financial statements.

**37. OPERATING SEGMENTS**

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 27.

Revenue from two major customers of the Company constitutes 76% of the total revenue during the year ended June 30, 2024 (June 30, 2023: 79%).

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	2024	2023
	Rupees ('000)	
<b>38. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	52,909,608	49,656,144
Adjustments for:		
Depreciation	1,400,844	1,605,850
Dry and abandoned wells and irrecoverable cost	20,062	5,024,582
Amortization of development and decommissioning costs	395,758	1,175,285
Finance costs	3,339,242	9,612,409
Exchange loss / (gain) on financial assets	1,775,289	(14,780,417)
(Gain) / loss on sale of property, plant and equipment	(49,578)	566
Dividend from subsidiary and associates	(281,236)	(643,338)
Income from financial assets - bank balances short term deposits and treasury bills	(13,558,237)	(10,670,619)
Dividend on investments classified as fair value through profit or loss	(2,197,748)	(16,764)
Final taxes - levies	329,662	2,515
(Reversal) / Provision for staff compensated absences	(443)	409
Provision for slow moving stores and spares	50,814	94,009
Remeasurement gain on staff retirement benefit plans	231,046	64,099
Cash flows before working capital changes	44,365,083	41,124,730
Effect on cash flows due to working capital changes:		
(Increase) in stores and spares	(1,325,136)	(344,878)
Decrease / (increase) in stock in trade	1,061	(192,830)
(Increase) in trade debts	(6,868,248)	(2,765,917)
(Increase) in advances, deposits, prepayments and other receivables	(111,640)	(3,102,208)
Increase in trade and other payables	8,217,550	6,856,062
	(86,413)	450,229
Cash flows generated from operations	44,278,670	41,574,959
(Increase) in long term loans and advances	(3,535)	(6,397)
Increase in long term deposits	104,064	29,255
Final taxes - levies paid	(329,662)	(2,515)
Taxes paid	(11,606,438)	(12,193,296)
Actual decommissioning cost paid	-	(234,963)
Net cash generated from operating activities	32,443,099	29,167,043

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### 39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration, including benefits and perquisites to chief executive, directors and executives of the Company are given below:

	Chief Executive		Executives	
	2024	2023	2024	2023
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	18,786	9,514	192,545	185,504
Bonus	21,383	9,071	195,835	142,920
Housing, utility and conveyance	13,580	7,752	197,422	155,974
Company's contribution to pension, gratuity and provident funds	-	-	58,522	71,506
Leave passage	3,055	1,269	28,791	19,865
Other benefits	13,697	7,344	119,828	93,303
	<u>70,501</u>	<u>34,950</u>	<u>792,943</u>	<u>669,072</u>
No of persons, including those who worked part of the year	1	1	76	73

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Company's cars and residential telephone facilities. The Company also provides medical facilities to its staff. Remuneration of executives are net of charge to subsidiary and associates amounting to Rs 63,910 thousand (2023: Rs 56,473 thousand).

The aggregate amount charged in these financial statements in respect of fee to 7 directors (2023: 7) was Rs 13,585 thousand (2023: Rs 11,859 thousand). This includes Rs 7,637 thousand (2023: Rs 7,702 thousand) paid to 4 (2023: 4) non-executives of the Company.

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**40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**40.1 Financial assets and liabilities**

	Amortised cost	Investments classified as fair value through profit or loss	Total
	-----Rupees ('000)-----		
<b>June 30, 2024</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	19,601,317	-	19,601,317
Advances, deposits and other receivables	1,389,642	-	1,389,642
Other financial assets	-	37,832,533	37,832,533
Cash and bank balances	68,861,722	-	68,861,722
Maturity after one year			
Long term loans and advances	39,522	-	39,522
	<u>89,892,203</u>	<u>37,832,533</u>	<u>127,724,736</u>
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	39,473,588	-	39,473,588
Unclaimed dividend	309,120	-	309,120
Maturity after one year			
Long term deposits	1,028,884	-	1,028,884
	<u>40,811,592</u>	<u>-</u>	<u>40,811,592</u>
<b>June 30, 2023</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	12,733,069	-	12,733,069
Advances, deposits and other receivables	2,041,846	-	2,041,846
Other financial assets	-	1,112,163	1,112,163
Short term investments - at amortised cost	34,855,131	-	34,855,131
Cash and bank balances	70,295,781	-	70,295,781
Maturity after one year			
Long term loans and advances	35,987	-	35,987
	<u>119,961,814</u>	<u>1,112,163</u>	<u>121,073,977</u>
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	32,313,861	-	32,313,861
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	9,433,214
Unclaimed dividend	317,153	-	317,153
Maturity after one year			
Long term deposits	924,820	-	924,820
	<u>42,989,048</u>	<u>-</u>	<u>42,989,048</u>

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## 40.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counter parties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024	2023
		Rs ('000)	
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	5,616,499	5,414,966
	A1	13,846,183	7,064,767
	A2	2,345	173,262
Counterparties without external credit rating			
Existing customers with no default in the past		136,290	80,074
		<u>19,601,317</u>	<u>12,733,069</u>
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	885,985	1,318,183
Counterparties without external credit rating			
Existing customers / joint operating partners with no default in the past		321,739	550,208
Receivable from employees		28,505	26,140
Receivable from parent company		147,234	144,436
Others		6,179	2,879
		<u>1,389,642</u>	<u>2,041,846</u>
<b>Other financial assets</b>			
Counterparties with external credit rating	AM2+ / AA+(f)	241,600	203,099
	AM1 / AA(f)	15,972,049	200,979
	AM1 / AA+(f)	21,618,884	708,085
		<u>37,832,533</u>	<u>1,112,163</u>
<b>Short term investments</b>			
Counterparties without external credit rating			
Treasury Bills issued by the Government of Pakistan		-	34,855,131
		<u>-</u>	<u>34,855,131</u>
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	68,854,647	70,291,598
	A1	192	182
		<u>68,854,839</u>	<u>70,291,780</u>
<b>Long term loans and advances</b>			
Counterparties without external credit rating			
Receivable from employees		39,522	35,987
		<u>39,522</u>	<u>35,987</u>

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### 40.3 FINANCIAL RISK MANAGEMENT

#### 40.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

##### (a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

As of June 30, 2024, trade debts of Rs 15,355,496 thousand (2023: Rs 4,870,997 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2024	2023
	Rupees ('000)	
Related parties		
Up to 3 months	251	1,999
3 to 6 months	5	1,476
6 to 12 months	92,339	106,018
Above 12 months	280	-
	<u>92,875</u>	<u>109,493</u>
Others		
Up to 3 months	1,479,357	1,900,830
3 to 6 months	1,566,992	2,289,838
6 to 12 months	11,920,346	462,300
Above 12 months	295,926	108,536
	<u>15,262,621</u>	<u>4,761,504</u>
	<u>15,355,496</u>	<u>4,870,997</u>

##### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2024, the Company had financial assets of Rs 127,724,736 thousand (2023: Rs 121,073,977 thousand).

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The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.

	Less than 1 year	Between 1 to 5 years	Over 5 years
	----- Rupees ' 000 -----		
<b>At June 30, 2024</b>			
Long term deposits	-	1,028,884	-
Trade and other payables	39,473,588	-	-
Unclaimed dividend	309,120	-	-
<b>At June 30, 2023</b>			
Long term deposits	-	924,820	-
Trade and other payables	32,313,861	-	-
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	-
Unclaimed dividend	317,153	-	-

**(c) Market risk**

**(i) Currency risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from / payable to joint operating partners, payable to suppliers.

Financial assets include Rs 64,809,826 thousand (2023: Rs 59,591,245 thousand) and financial liabilities include Rs 3,706,800 thousand (2023: Rs 2,798,153 thousand) which are subject to currency risk.

The following significant exchange rates were applied during the year:

	2024	2023
<b>Rupees per USD</b>	<b>Rupees</b>	
Average rate	283.00	247.55
Reporting date rate	278.30	286.60

If exchange rates had been 10% lower / higher with all other variables held constant, profit after tax for the year would have been Rs 3,727,285 thousand (2023: Rs 3,975,516) lower / higher

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**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs 106,630,432 thousand (2023: Rs 106,216,876 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 649,185 thousand (2023: Rs 530,391 thousand) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

**(iii) Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as investments classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Company.

Financial assets include Rs 37,832,533 thousand (2023: Rs 1,112,163 thousand) which are subject to price risk.

If prices had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 230,779 thousand (2023: Rs 6,784 thousand) higher / lower, mainly as a result of exposure to fluctuation in prices of these financial assets.

**40.3.2 Capital risk management**

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The gearing ratio of the Company has always been low and the Company has mostly financed its projects and business expansions through equity financing. Further, the Company is not subject to externally imposed capital requirements.

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### 40.3.3 Fair value of financial assets and liabilities

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs as appropriate. The carrying values of other financial assets and liabilities of the Company not carried at fair value is a reasonable approximation of their fair values. The table below analyzes financial assets measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees ('000) -----			
<b>June 30, 2024</b>				
Other financial assets classified as fair value through profit or loss	<u>37,832,533</u>	<u>-</u>	<u>-</u>	<u>37,832,533</u>
<b>June 30, 2023</b>				
Other financial assets classified as fair value through profit or loss	<u>1,112,163</u>	<u>-</u>	<u>-</u>	<u>1,112,163</u>

### 41. STAFF RETIREMENT BENEFITS

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

41.1	The amounts recognized in the statement of financial position are as follows:	2024	2023
		Rupees ('000)	
	Present value of defined benefit obligations	2,122,163	1,959,276
	Fair value of plan assets	<u>(2,655,289)</u>	<u>(2,158,896)</u>
		<u>(533,126)</u>	<u>(199,620)</u>
	Amounts in the statement of financial position:		
	Gratuity Fund - (Asset) - note 23	(520,360)	(334,177)
	Management Staff Pension Fund - (Asset) / Liability - note 23	<u>(12,766)</u>	<u>134,557</u>
	Net (Assets)	<u>(533,126)</u>	<u>(199,620)</u>
41.2	The amounts recognized in the statement of profit or loss are as follows:		
	Current service cost	61,144	51,027
	Net interest income	<u>(39,876)</u>	<u>(14,859)</u>
		<u>21,268</u>	<u>36,168</u>

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	2024	2023		
	Rupees ('000)			
<b>41.3</b>	The amounts recognized in statement of profit or loss and other comprehensive income are as follows:			
	Remeasurement due to:			
Change in financial assumptions	(58,945)	(21,638)		
Experience adjustments	14,826	73,149		
Investment loss	(186,927)	(115,610)		
	<u>(231,046)</u>	<u>(64,099)</u>		
<b>41.4</b>	Changes in the present value of defined benefit obligation are as follows:			
Opening defined benefit obligation	1,959,276	1,769,240		
Current service cost	61,144	51,027		
Interest cost	287,956	221,304		
Remeasurement (gain) / loss	(44,119)	51,511		
Benefits paid	(142,094)	(133,806)		
Closing defined benefit obligation	<u>2,122,163</u>	<u>1,959,276</u>		
<b>41.5</b>	Changes in fair value of plan assets are as follows:			
Opening fair value of plan assets	2,158,896	1,826,152		
Interest income	327,832	236,163		
Remeasurement gain	186,927	115,610		
Contribution by employer	123,728	114,777		
Benefits paid	(142,094)	(133,806)		
Closing fair value of plan assets	<u>2,655,289</u>	<u>2,158,896</u>		
<b>41.6</b>	The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plan are as follows:			
	2024		2023	
	Rupees	%	Rupees	%
	('000)		('000)	
Unquoted:				
Government bonds / securities	2,640,663	99	2,146,677	99
Cash and cash equivalents	14,626	1	12,219	1
	<u>2,655,289</u>	<u>100</u>	<u>2,158,896</u>	<u>100</u>

The funds have no investment in the Company's own securities.

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**41.7 Principal actuarial assumptions**

The principal assumptions used in the actuarial valuation are as follows:

	<u>2024</u>	<u>2023</u>
	%	%
Discount rate	14	15.25
Expected rate of salary increase	11.75	13.75
Expected rate of pension increase	7.75	9

**41.8** Mortality was assumed to be 70% of the EFU (61-66) Table at valuations on both dates, June 30, 2023 and 2024.

**41.9** The pension and gratuity plans are defined benefits final salary plans and both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the pension and gratuity fund to reduce its future contributions or can apply to the Commissioner of Income Tax for a refund.

**41.10 Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(176,818)	207,702
Salary increase	71,474	(65,249)
Pension increase	136,570	(120,507)

If life expectancy increases by 1 year, the obligation increases by Rs 67,992 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

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41.11 The weighted average number of the defined benefit obligation is given below:

Plan Duration	Pension Years	Gratuity
June 30, 2024	11.4	7.6
June 30, 2023	11.7	7.9

41.12 The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension Rupees ('000)	Gratuity
Contributions FY 2025	28,542	-
Benefit payments:		
FY 2025	118,782	36,605
FY 2026	127,069	40,455
FY 2027	139,593	65,222
FY 2028	149,885	56,625
FY 2029	165,910	89,931
FY 2030-34	1,147,342	564,614

42. CASH AND CASH EQUIVALENTS	Note	2024 Rupees ('000)	2023 Rupees ('000)
Cash and bank balances	26	68,861,722	70,295,781
Short term investments	25	-	34,855,131
Other financial assets	24	37,832,533	1,112,163
		<u>106,694,255</u>	<u>106,263,075</u>

43. EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the year (in thousand rupees)	<u>39,151,511</u>	<u>36,452,582</u>
Weighted average number of ordinary shares in issue during the year (in thousand shares)	<u>283,855</u>	<u>283,855</u>
Basic and diluted earnings per share (Rupees)	<u>137.93</u>	<u>128.42</u>

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#### 44. TRANSACTIONS WITH RELATED PARTIES

44.1 Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment, were as follows:

	Basis of Relationship	2024 Rupees ('000)	2023 Rupees ('000)
<b>Parent company - The Attock Oil Company Limited</b>	<b>Holding company</b>		
Dividend paid		22,165,816	1,052,458
Rental expense		117,763	83,596
Purchase of LPG		88,495	126,216
Reimbursement of expenses incurred by AOC on behalf of POL		14,467	2,098
Reimbursement of expenses incurred by POL on behalf of AOC		99	376
<b>Subsidiary company - Capgas (Private) Limited</b>	<b>Subsidiary with 51% shareholding</b>		
Reimbursement of expenses incurred by POL on behalf of CAPGAS		15,715	14,761
Reimbursement of expenses incurred by CAPGAS on behalf of POL		51,153	14,041
Rental Income		1,404	1,404
Dividend received		62,963	24,786
<b>Associates / Associated companies</b>	<b>Common directorship</b>		
<b>Attock Refinery Limited (ARL)</b>			
Sale of crude oil and gas		34,693,547	32,990,224
Crude oil and gas transmission charges		1,999	4,798
Rental income		3,002	2,955
Rental expense		1,655	1,509
Reimbursement of expenses incurred by POL on behalf of ARL		899	1,120
Reimbursement of expenses incurred by ARL on behalf of POL		21,072	18,519
Purchase of fuel		32,355	34,507
Purchase of LPG		-	278,069
<b>National Refinery Limited (NRL)</b>	<b>25% share holding &amp; common directorship</b>		
Reimbursement of expenses incurred by POL on behalf of NRL		70	69
Reimbursement of expenses incurred by NRL on behalf of POL		371	284
Rental expense		4,292	3,891
Purchase of LPG		160,319	207,221
Dividend received		-	299,875

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	Basis of Relationship	2024 Rupees ('000)	2023 Rupees ('000)
<b>Attock Petroleum Limited (APL)</b>			
Purchase of fuel and lubricants	7.0175% share	2,110,053	1,247,821
Sale of solvent oil	holding & common	545,368	489,546
Rental income	directorship	1,400	1,239
Purchase of services		839	795
Purchase of goods		3,429	1,784
Reimbursement of expenses incurred by POL on behalf of APL		41,368	39,354
Dividend received		218,272	318,677
<b>Attock Information Technology (Private) Limited</b>			
Purchase of services	10% share holding & common directorship	81,987	71,822
<b>Attock Hospital (Private) Limited</b>			
Purchase of medical services	Common directorship	20,112	19,376
<b>Other associated entities</b>			
Dividend paid		18,290	15,062
<b>Other related parties</b>			
Remuneration of Chief Executive, Directors Honorarium & Key Management personnel including benefits & perquisites		217,239	156,728
Dividend paid to key management personnel		283,700	232,706
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		123,728	114,777
Approved Contributory Provident Funds		40,606	39,026
Contribution to Workers' Profit Participation Fund		2,794,539	1,835,242

**44.2 Details of associated Company incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:**

- |      |                                |                                |
|------|--------------------------------|--------------------------------|
| i)   | Name of undertaking            | The Attock Oil Company Limited |
| ii)  | Country of Incorporation       | United Kingdom                 |
| iii) | Basis of association           | Parent Company                 |
| iv)  | Aggregate %age of shareholding | 52.77%                         |

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**45. CONTRIBUTORY PROVIDENT FUND**

Investments out of 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.

**46. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX**

<b>Description</b>	<b>Explanation</b>		
i) Loans and advances	Non-interest bearing		
ii) Deposits	Non-interest bearing		
iii) Segment revenue	Disclosed in note 37		
		2024	2023
		Rupees ('000)	
<b>iv) Bank Balances</b>			
Placed under interest arrangements		68,364,984	61,893,386
Placed under Shariah permissible arrangements		432,915	8,356,196
		<u>68,797,899</u>	<u>70,249,582</u>
<b>v) Income on bank deposits</b>			
Placed under interest arrangements		13,108,660	9,349,480
Placed under Shariah permissible arrangements		449,577	1,321,139
		<u>13,558,237</u>	<u>10,670,619</u>
vi) Dividend income	Disclosed in note 34.1 & 34.2		
vii) All sources of other income	Disclosed in note 34		
viii) Exchange gain	Earned from actual currency		
ix) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Faysal Bank Limited 2. Meezan Bank Limited 3. Bank Islami Limited		

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**47. GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS INCLUDING INTEREST IN JOINT OPERATIONS**

Geographical location and addresses of all other business units of the Company including interest in joint operations are as follows:

<u>Exploration licenses / Leases</u>	<u>Location and address</u>		<u>Working interest</u>	
	District(s)	Province(s)	2024	2023
<b>Operated by the Company</b>				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	Barkhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
North Dhurnal (3372-27)	Attock	Punjab	60.00	60.00
Multanai (3168-3)	Zhob	Balochistan	100.00	100.00
Saruna West (2666-1)	Khuzdar, Lasbela	Balochistan	40.00	40.00
<b>Non-operated</b>				
<b>Operated by MOL Pakistan Oil and Gas Company B.V.</b>				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	*25.00
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Tolanj West D&P lease 234/PAK/2017	Kohat	KPK		
Tolanj D&P lease 233/PAK/2017	Kohat	KPK		
Mardankhel D&P lease 233/PAK/2017	Hangu	KPK		
Mamikhel South D & P lease 272/PAK/2021	Kohat	KPK		
<b>Operated by Oil and Gas Development Company Limited</b>				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Chah Bali Exploration License (2996-2)	Mach, Mastung and Kalat	Balochistan	30.00	30.00
<b>Operated by Ocean Pakistan Limited</b>				
Bhanganli D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhurnal Mining Lease (59/PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
<b>Operated by Pakistan Petroleum Limited</b>				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00
<b>Operated by Mari Petroleum Company Limited</b>				
Taung Petroleum Concession (2567-12)	Jamshoro	Sindh	40.00	40.00
Nareli (3068-9)	Loralai, Sibi, Harnai	Balochistan	32.00	32.00

\* Pre-commerciality interest



**48. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors in its meeting held on September 2, 2024 has proposed a final dividend for the year ended June 30, 2024 @ Rs 70 per share, amounting to Rs 19,869,857 thousand for approval of the members in the Annual General Meeting to be held on October 14, 2024.

**49. GENERAL**

**49.1 Capacity**

Following is production from the Company's fields including proportionate share from all operated and non-operated joint ventures:

Product	Unit	2024	2023
Crude Oil	US Barrels	1,730,118	1,829,336
Gas	Million Cubic Feet	22,548	23,726
LPG	Metric Tonnes	50,280	53,177
Sulphur	Metric Tonnes	614	609
Solvent Oil	US Barrels	18,647	18,334

Considering the nature of the Company's business, information regarding installed capacity has no relevance.

**49.2 Number of employees**

	2024	2023
Total number of employees as at June 30	661	669
Total number of employees at fields as at June 30	487	495
Average number of employees during the year	668	673
Average number of employees at fields during the year	492	494

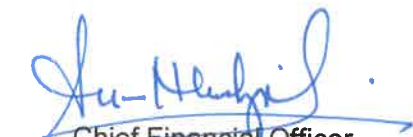
**49.3** Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

**49.4** Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with accounting and reporting standards as applicable in Pakistan.

**49.5 Date of authorization**

These financial statements were authorized for issue by the Board of Directors of the Company on September 2, 2024.

APC

  
Chief Financial Officer

  
Chief Executive

  
Director

**PAKISTAN OILFIELDS LIMITED**

**CONSOLIDATED FINANCIAL**

**STATEMENTS FOR THE YEAR**

**ENDED JUNE 30, 2024**



## INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Oilfields Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of Pakistan Oilfields Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the 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 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 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.

Following are the key audit matters:

**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

**(i) Investment in associates**

*(Refer note 4.1 and 20 to the consolidated financial statements)*

The Group has investment in its associates National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2024, the carrying amount of investment in above referred associates amounted to Rs 9,036 million (net of recognised impairment loss of Rs 2,139 million) and Rs 5,168 million respectively which carrying values are higher by Rs 3,729 million and Rs 1,796 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment at each reporting period end of the value of investment where there are indicators of impairment.

The Group has assessed the recoverable amount of the investment in associates based on the higher of the value-in-use ("VIU") and fair value (quoted market price as at June 30, 2024). VIU is based on valuation analysis carried out by an independent external investment advisor engaged by the Group for NRL and by the management's expert for APL. VIU is based on a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.

In view of significant management judgement involved in the determination of recoverable value i.e. higher of VIU and fair value, we considered this as a key audit matter.

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Our audit procedures in relation to assessment of carrying value of investment in associates, amongst others, included the following:

- Assessed the appropriateness of management's accounting for investment in associates;
- Understood management's process for identifying the existence of impairment indicators in respect of investment in associates;
- Evaluated the independent external investment advisor's and management expert's competence, capabilities and objectivity;
- Made inquiries of the independent external investment advisor/management expert and assessed the valuation methodology used;
- Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor and the management's expert, to supporting evidence;
- Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information;

**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

**(ii) Recognition of Revenue**

*(Refer note 4.17 and 29 to the consolidated financial statements)*

The Group is engaged in the production and sale of oil and gas resources.

The Group recognised net sales during the year from the sale of crude oil, gas and POLGAS/CAPGAS – Refill of cylinders amounting to Rs 35,822 million, Rs 17,617 million and Rs 12,715 million respectively.

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is measured at the fair value of the consideration to which the Group expects to be entitled in exchange for transferring good / services. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by Government of Pakistan.

We considered this as key audit matter due to the significance of the amounts

- Checked mathematical accuracy of cash flows projections;
- Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions;
- Checked quoted price of investment in NRL and APL as of June 30, 2024 with publicly available stock exchange data; and
- Assessed the adequacy of the Group's disclosures in the consolidated financial statements in this respect.

Our audit procedures in relation to the matter, amongst others, included the following:

- Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products;
- Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers;
- Checked on sample basis, notifications of OGRA for gas and POLGAS/CAPGAS prices. For POLGAS/CAPGAS, also checked on sample basis Group's mechanism for the calculation of price based on OGRA's notification. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with

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S.No. Key Audit Matters	How the matter was addressed in our audit
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.	<p>applicable petroleum policies / agreements / decision of Economic Coordination Committee of the Cabinet;</p> <ul style="list-style-type: none"><li>• Where pricing is provisional / sales agreement not finalised, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Group; (b) inspected term sheets etc; and (c) checked price recorded is in line with applicable petroleum policy / agreed with the customers;</li><li>• Assessed sales transactions on either side of the consolidated statement of financial position date to assess whether they are recorded in relevant accounting period;</li><li>• Performed analytical procedures to analyse variation in the price and quantity sold during the year;</li><li>• Tested journal entries related to revenue recognized during the year based on identified risk criteria; and</li><li>• Assessed the appropriateness of disclosures made in the consolidated financial statements.</li></ul>
<b>(iii) Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012</b>	Our audit procedures in relation to the matter, amongst others, included the following:
<i>(Refer note 29.1 to the consolidated financial statements)</i>	<ul style="list-style-type: none"><li>• Inspected Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan;</li><li>• Checked SRO issued by the Ministry of Energy;</li></ul>
The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which required that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended	

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**S.No. Key Audit Matters**

**How the matter was addressed in our audit**

(within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification was issued after the approval of Council of Common Interest (CCI) dated November 24, 2017.

The Group challenged the said notification in the Islamabad High Court and the matter is pending before the Islamabad High Court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Islamabad High Court has restrained the Government for any action under the impugned notification and to maintain status quo. Group's contention is duly supported by the legal advice on the matter.

The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounted to taking away the vested rights already accrued in favour of the Group. As per the legal opinion, Government has no authority to give any law or policy a retrospective effect.

The Group has not recognised the revenue (net of sales tax) to the extent of Rs 30,862 million since inception to June 30, 2024 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

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- Checked relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO;
- Discussed the matter with directors, management and internal legal department of the Group;
- Obtained confirmation from the Group's external legal advisor and checked legal opinion obtained by the Group and the order issued by the Islamabad High Court;
- Evaluated technical ability of the internal and external legal advisors used by the Group;
- Assessed the matter under applicable accounting frame work; and
- Assessed the appropriateness of disclosures made in the consolidated financial statements in respect of this matter.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's 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 the 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 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 is responsible for overseeing the Group's financial reporting process.

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

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- 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 auditor's 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 auditor's 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.

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 auditor's 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 auditor's report is Aftab Ahmed.

A handwritten signature in blue ink that reads "Aftab Ahmed" with a stylized flourish at the end.

Chartered Accountants  
Islamabad

Date: September 20, 2024

UDIN: AR2024106108J35qNy4u

**PAKISTAN OILFIELDS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024 Rupees ('000)	2023		Note	2024 Rupees ('000)	2023
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
Equity attributable to owners of POL				Property, plant and equipment	16	5,887,193	5,952,098
Authorized capital	7	<u>5,000,000</u>	<u>5,000,000</u>	Development and decommissioning costs	17	9,135,914	7,825,449
Issued, subscribed and paid up capital	7	2,838,551	2,838,551	Exploration and evaluation assets	18	8,613,099	1,760,799
Capital reserves	8	2,080,985	2,069,400	Intangible assets	19	103,631	146,785
Revenue reserves	9	81,814,076	68,110,002	Deferred tax asset		1,962	3,304
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		<u>3,706</u>	<u>3,639</u>			<u>23,741,799</u>	<u>15,688,435</u>
		<u>86,737,318</u>	<u>73,021,592</u>	<b>LONG TERM INVESTMENTS IN ASSOCIATES</b>	20	14,275,227	15,868,873
Non-Controlling Interest		<u>112,830</u>	<u>122,926</u>	<b>LONG TERM LOANS AND ADVANCES</b>	21	39,522	35,987
		<u>86,850,148</u>	<u>73,144,518</u>				
<b>NON CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long term deposits	10	<u>1,144,334</u>	<u>1,048,113</u>	Stores and spares	22	<u>7,281,531</u>	<u>6,008,241</u>
Deferred tax liability	11	10,396,826	5,713,972	Stock in trade	23	596,178	583,030
Provisions	12	<u>26,678,100</u>	<u>26,129,254</u>	Trade debts	24	19,601,334	12,733,338
		<u>38,219,260</u>	<u>32,891,339</u>	Advances, deposits, prepayments and other receivables	25	8,511,185	8,346,928
<b>CURRENT LIABILITIES AND PROVISIONS</b>				Other financial assets	26	37,832,533	1,112,163
Trade and other payables	13	<u>46,193,503</u>	<u>37,992,958</u>	Short term investments	27	151,493	35,055,731
Unpaid dividend - awaiting remittance by the authorized bank	14	-	9,433,214	Cash and bank balances	28	<u>68,959,261</u>	<u>70,365,447</u>
Unclaimed dividend		309,120	317,153			<u>142,933,515</u>	<u>134,204,878</u>
Provision for income tax		<u>9,418,032</u>	<u>12,018,991</u>				
		<u>55,920,655</u>	<u>59,762,316</u>				
<b>CONTINGENCIES AND COMMITMENTS</b>							
	15						
		<u>180,990,063</u>	<u>165,798,173</u>			<u>180,990,063</u>	<u>165,798,173</u>

The annexed notes 1 to 52 form an integral part of these consolidated financial statements.

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*Ju Hanyil*  
 Chief Financial Officer

*Wahid Javed*  
 Chief Executive

*Shahid*  
 Director

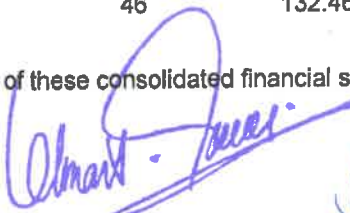
**PAKISTAN OILFIELDS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees ('000)	2023 Rupees ('000)
<b>SALES</b>		72,606,466	67,725,392
Sales tax		(5,653,487)	(5,066,406)
Excise duty		(211,507)	(224,174)
<b>NET SALES</b>	29	66,741,472	62,434,812
Operating costs	30	(13,464,097)	(12,515,195)
Royalty		(7,374,212)	(6,880,170)
Amortization of development and decommissioning costs	31	(395,758)	(1,175,285)
		(21,234,067)	(20,570,650)
<b>GROSS PROFIT</b>		45,507,405	41,864,162
Exploration costs	32	(1,606,429)	(6,719,577)
		43,900,976	35,144,585
Administration expenses	33	(373,083)	(348,609)
Finance costs - net	34	(3,354,213)	(9,631,770)
Other charges	35	(3,454,139)	(2,495,747)
		(7,181,435)	(12,476,126)
		36,719,541	22,668,459
Other income - net	36	16,371,937	26,440,550
		53,091,478	49,109,009
Share of (loss) of associates	20 & 37	(2,964,395)	(231,540)
Reversal of impairment / (impairment) on investment in associates	20	1,486,517	2,164,811
<b>PROFIT BEFORE INCOME TAX AND FINAL TAXES</b>		51,613,600	51,042,280
Final taxes - levies	38	(329,662)	(2,515)
<b>PROFIT BEFORE INCOME TAX</b>		51,283,938	51,039,765
Provision for taxation	39	(13,633,407)	(13,739,158)
<b>PROFIT FOR THE YEAR</b>		37,650,531	37,300,607
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		37,600,051	37,268,512
Non-Controlling Interest		50,480	32,095
		37,650,531	37,300,607
Earnings per share attributable to owners of POL - Basic and diluted (Rupees)	46	132.46	131.29

The annexed notes 1 to 52 form an integral part of these consolidated financial statements.

AKK

  
Chief Financial Officer

  
Chief Executive

  
Director

**PAKISTAN OILFIELDS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	Rupees ('000)	
<b>Profit for the year</b>	37,650,531	37,300,607
<b>Other comprehensive income for the year</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement gain on staff retirement benefit plans	230,816	63,155
Tax (charge) relating to remeasurement gain on staff retirement benefit plans	(90,041)	(22,802)
	140,775	40,353
Share of other comprehensive income of associates - net of tax	102,504	109,154
<b>Other comprehensive income for the year, net of tax</b>	243,279	149,507
<b>Total comprehensive income for the year</b>	<u>37,893,810</u>	<u>37,450,114</u>
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	37,843,410	37,418,347
Non-Controlling Interest	50,400	31,767
	<u>37,893,810</u>	<u>37,450,114</u>

The annexed notes 1 to 52 form an integral part of these consolidated financial statements.

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 Chief Financial Officer

  
 Chief Executive

  
 Director

**PAKISTAN OILFIELDS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Attributable to owners of Pakistan Oilfields Limited										Total	
	Share capital	Capital Reserves			Revenue reserves			Gain/(loss) on revaluation of investment at fair value through OCI	Total	Non-controlling interest		Total
		Bonus shares issued by subsidiary/ associates	Special reserve	Utilised special reserve	Insurance reserve	General reserve	Unappropriated profit					
	Rupees ('000)											
<b>Balance at June 30, 2022</b>	2,838,551	71,385	18,658	1,941,044	200,000	7,077,325	43,321,761	4,368	55,473,102	114,974	55,588,076	
Total comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	37,268,512	-	37,268,512	32,095	37,300,607	
Other comprehensive income/(loss)	-	-	-	-	-	-	150,564	(729)	149,835	(328)	149,507	
Transferred to special reserve by an associates	-	-	20,841	-	-	-	37,419,076	(729)	37,418,347	31,767	37,450,114	
Bonus shares issued by an associate - APL	-	17,462	-	-	-	-	(17,462)	-	-	-	-	
POL dividends:												
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	-	(14,192,755)	
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)	
Dividend to CAPGAS non - controlling interest holders:												
First Interim dividend @ Rs 22.5 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(7,443)	(7,443)	
Second Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(6,615)	(6,615)	
Third Interim dividend @ Rs 29.5 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(9,757)	(9,757)	
Total transactions with owners	-	-	-	-	-	-	(19,869,857)	-	(19,869,857)	(23,815)	(19,893,672)	
<b>Balance at June 30, 2023</b>	2,838,551	88,857	39,499	1,941,044	200,000	7,077,325	60,832,677	3,639	73,021,592	122,926	73,144,518	
Total comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	37,600,051	-	37,600,051	50,480	37,650,531	
Other comprehensive income/(loss)	-	-	-	-	-	-	243,292	67	243,359	(80)	243,279	
Transferred to special reserve by an associates	-	-	11,585	-	-	-	37,843,343	67	37,843,410	50,400	37,893,810	
POL dividends:												
Final dividend @ Rs 60 per share - Year ended June 30, 2023	-	-	-	-	-	-	(17,031,306)	-	(17,031,306)	-	(17,031,306)	
Interim dividend @ Rs 25 per share - Year ended June 30, 2024	-	-	-	-	-	-	(7,096,378)	-	(7,096,378)	-	(7,096,378)	
Dividend to CAPGAS non - controlling interest holders:												
Final dividend @ Rs 23.5 per share - Year ended June 30, 2024	-	-	-	-	-	-	-	-	-	(7,774)	(7,774)	
First Interim dividend @ Rs 22.5 per share - Year ended June 30, 2024	-	-	-	-	-	-	-	-	-	(11,709)	(11,709)	
Second Interim dividend @ Rs 20 per share - Year ended June 30, 2024	-	-	-	-	-	-	-	-	-	(8,765)	(8,765)	
Third Interim dividend @ Rs 29.5 per share - Year ended June 30, 2024	-	-	-	-	-	-	-	-	-	(32,248)	(32,248)	
Total transactions with owners	-	-	-	-	-	-	(24,127,684)	-	(24,127,684)	(60,496)	(24,188,180)	
<b>Balance at June 30, 2024</b>	2,838,551	88,857	51,084	1,941,044	200,000	7,077,325	74,536,751	3,706	86,737,318	112,830	86,850,148	

The annexed notes 1 to 52 form an integral part of these consolidated financial statements.

  
 Chief Financial Officer

  
 Chief Executive

  
 Director

**PAKISTAN OILFIELDS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees ('000)	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		62,499,294	60,647,178
Operating and exploration costs paid		(10,917,446)	(12,368,134)
Royalty paid		(7,441,957)	(6,804,726)
Taxes paid		(11,640,212)	(12,207,838)
Cash provided by operating activities	49	<u>32,499,679</u>	<u>29,266,480</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(12,699,622)	(5,786,746)
Proceeds from disposal of property, plant and equipment		50,130	7,288
Income on bank deposits and investments at amortised cost		13,548,455	10,139,273
Dividend income received		2,416,020	635,316
Cash generated from investing activities		<u>3,314,983</u>	<u>4,995,131</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(33,568,931)	(10,395,192)
Dividend paid to non-controlling interest holders		(60,496)	(23,815)
Cash used in financing activities		(33,629,427)	(10,419,007)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		<u>(1,775,289)</u>	<u>14,780,417</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>409,946</u>	<u>38,623,021</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<u>106,533,341</u>	<u>67,910,320</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	44	<u><u>106,943,287</u></u>	<u><u>106,533,341</u></u>

The annexed notes 1 to 52 form an integral part of these consolidated financial statements.

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 Chief Financial Officer

  
 Chief Executive

  
 Director

## PAKISTAN OILFIELDS LIMITED

### NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas in Pakistan. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Coral Holding Limited.

CAPGAS (Private) Limited (CAPGAS), the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Act, 2017 and is principally engaged in buying, filling, distribution and dealing in Liquefied Petroleum Gas (LPG).

For the purpose of these financial statements, POL and its consolidated subsidiary are referred as the Group.

Geographical location and addresses of all other business units of the Group have been disclosed in note 51.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

These are consolidated financial statements of the Group. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

##### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

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### 2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

### 3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

#### 3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2023 are considered not to be relevant for the Company's financial statements and hence have not been detailed here except for the amendments of IAS 1 which have been disclosed in note 4.

#### 3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21 The effects of changes in foreign exchange rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 9 Financial Instruments: (Amendments)	January 1, 2026
IFRS 16 Leases (Amendments)	January 1, 2024

#### 3.3 The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)
- IFRIC 12 (Service concession arrangements)

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3.4 SECP through S.R.O. 67 (I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 985(1)/2019 and S.R.O 1177 (I)/2021 dated September 2, 2019 and September 13, 2021 respectively, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable on such financial assets for financial years ending on or before December 31, 2024, 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. The Group has assessed that the above does not have any significant impact on its financial statements.

### 3.5 Accounting guidance issued by ICAP on accounting for minimum taxes and final taxes

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS - 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS - 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/ IFRIC 21.

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been reclassified, which has not affected current period or prior years' net turnover, profit for the period, equity and cash flows. Impact as of July 1, 2023 is not material to these financial statements. The effects of the amounts reclassified are as follows:

#### Statement of profit or loss

In the statement of profit or loss, the final taxes previously presented as income taxes have now been reclassified as "final taxes - levies" under IAS 37/ IFRIC 21, amounting to Rs 2,515 thousand for the year ended June 30, 2023.

Accordingly, reclassification have also been made in the statement of cash flows to conform to the current year's presentation.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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#### 4.1 Basis of consolidation

The consolidated financial statements include the financial statements of POL and its subsidiary CAPGAS with 51% holding (2023: 51%).

##### a) Subsidiary

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements.

##### b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting. Under this method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to statement of profit or loss where applicable.

The Group's share of post-acquisition profit is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in statement of profit or loss and other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence if the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to share of profit/ (loss) of associates in the statement of profit or loss.

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#### 4.2 Taxation

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 39% (2023: 36%) after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government whereas deferred tax asset / liability of CAPGAS has been calculated at applicable tax rate.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 4.3 Provisions

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### 4.4 Provision for decommissioning costs

Provision for decommissioning costs is recognized in full for development wells and production facilities. The amount recognized is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 3.40% (2023: 2.15%) per annum.



Accounted on

#### 4.5 Staff retirement benefits

The Company and its subsidiary operates the following staff retirement benefits plans:

##### **POL**

POL operates the following staff retirement benefits plans:

- (i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2024.

Actuarial gain and losses arising from experience adjustments and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 43.

- (ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the Company and the employee at the rate of 10% of basic salary. Charge included in these financial statements is Rs 46,606 thousand (2023: Rs 38,900 thousand).

##### **CAPGAS**

The subsidiary is operating a non funded gratuity plan for management and non-management employees. The liability for gratuity plan is provided on the basis of actuarial valuation conducted as at June 30, 2024 using the "Project Unit Credit Method".

#### 4.6 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### 4.7 Contingent liabilities

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 Group; or the Group 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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#### **4.8 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost less accumulated impairment losses (if any).

Depreciation is provided on straight line method at rates specified in note 16.1 to the financial statements. Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

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, and are recognized net within "other income" in the statement of profit or loss.

#### **4.9 Exploration assets / costs and development costs**

**4.9.1** Exploration and development costs are accounted for using the "Successful Efforts Method" of accounting.

##### **4.9.2 Exploration costs**

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred. Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs after impairment loss, if proved reserves are found.

All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

##### **4.9.3 Development costs**

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

#### **4.10 Stores and spares**

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

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#### 4.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

#### 4.12 Trade debts and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

Other receivables are recognised at cost, which is the fair value of the consideration given.

Refer note 4.15 for a description of the Group's impairment policies.

#### 4.13 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

#### 4.14 Financial assets

##### Classification

The Group classifies its financial assets in the following measurement categories:

(i) Amortised cost where the effective interest rate method will apply;

(ii) Fair Value Through Profit or Loss (FVTPL); and

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**(iii) Fair Value Through Other Comprehensive Income (FVTOCI)**

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value Through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group can classify its debt instruments:

**a) Amortised cost**

Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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#### **b) Fair Value Through Other Comprehensive Income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

#### **c) Fair Value Through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

#### **Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in statement of profit or loss.

#### **4.15 Impairment of financial assets**

The Group assesses on a historical as well as on a forward looking basis the Expected Credit Losses (ECL) as associated with its trade debts, deposits and other receivables, cash and bank balances and short term investments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Deposits and other receivables
- Cash and bank balances
- Short term investments

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**(i) Simplified approach for trade debts**

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

**Recognition of loss allowance**

The Group recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**Write-off**

The Group write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

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**(ii) General approach for short term investment, deposits and other receivables and cash and bank balances.**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

**Significant increase in credit risk**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

**Definition of default**

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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Irrespective of the above analysis, in case of trade debts, the Group considers that default has occurred when the debt is more than 365 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### **Credit - impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### **4.16 Financial liabilities**

##### **Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

##### **a) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

##### **b) Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

##### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.



#### 4.17 Revenue recognition

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- a) crude oil, upon delivery to customer;
- b) natural gas, upon delivery to the customer; and
- c) Liquefied Petroleum Gas (LPG), upon delivery to distributors at LPG plant facility

Revenue is measured at the fair value of the consideration to which the Group expects to be entitled in exchange for transferring goods/services. Prices of crude oil and gas are calculated in accordance with Petroleum Concession Agreements / Petroleum Policy / or as notified by the Government Authorities. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Billings are generally raised in the following month which are payable within 30 to 45 days in accordance with the contractual arrangement with customers.

#### 4.18 Other income

Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

Dividend income is recognized when the right to receive dividend is established.

#### 4.19 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period up to the statement of financial position date.

#### 4.20 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

#### 4.21 Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

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## **5. SUMMARY OF OTHER ACCOUNTING POLICIES**

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

### **5.1 Operating segments**

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.

### **5.2 Employee compensated absences**

The Group provides for compensated absences for all eligible employees in accordance with the rules of the Group.

### **5.3 Stock in trade**

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realizable value. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

### **5.4 Other intangible assets**

These are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 19. Costs associated with maintaining intangibles are recognized as expense as and when incurred. Amortization on additions is charged from the month in which an intangible asset is acquired or capitalized, while no amortization is charged for the month in which the intangible asset is disposed off.

### **5.5 Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to setoff the recognized amounts and the Group intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **5.6 Dividend distribution**

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

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## 5.7 Leases

### 5.7.1 Right of use asset

The Group assesses whether a contract is or contains a lease at inception of the contract. If the Group assesses that a contract contains a lease and meets requirements of IFRS 16, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### 5.7.2 Lease liability

If applicable, 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. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a 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.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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The Group has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve(12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

- 5.7.3 During the year Rs 568,925 thousand (2023: Rs 505,492 thousand) have been capitalised in Development & Decommissioning costs and Exploration & Evaluation assets in respect of short-term leases.

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 4.9 and 17
- ii) Estimated useful life of property, plant and equipment - note 4.8 and 16.1
- iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 4.4 and 12.1
- iv) Estimate of recoverable amount of investment in associates - note 4.1 and 20
- v) Estimated value of staff retirement benefits obligations - note 4.5 and 43
- vi) Provision for taxation - note 4.2 and 39
- vii) Price adjustment related to crude oil sales - note 4.17 and 29
- viii) Impairment of financial assets - note 4.15

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7. SHARE CAPITAL	2024	2023
	Rupees ('000)	
<b>Authorised capital</b>		
500,000,000 (2023: 500,000,000) ordinary shares of Rs 10 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
Shares issued for cash		
20,200,000 (2023: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares	2,636,551	2,636,551
263,655,104 (2023: 263,655,104) ordinary shares		
283,855,104 (2023: 283,855,104) ordinary shares of Rs 10 each	<u>2,838,551</u>	<u>2,838,551</u>

7.1 The Company is a subsidiary of The Attock Oil Company Limited which held 149,794,518 (2023: 149,794,518) ordinary shares at the year end.

8. CAPITAL RESERVE	2024	2023
	Rupees ('000)	
Bonus shares issued by subsidiary/associates	88,857	88,857
Special reserve - note 8.1	51,084	39,499
Utilised special reserve - note 8.2	<u>1,941,044</u>	<u>1,941,044</u>
	<u>2,080,985</u>	<u>2,069,400</u>

8.1 This represents the Group's share of post-acquisition profit set aside as a special reserve by associates on account of expansion and modernisation of refineries or to offset against any future loss of Rs 50,796 thousand (2023: Rs 39,217 thousand), as a result of the directive of the Government to divert net profit after tax above 50 percent of paid-up capital and maintenance reserve of Rs 288 thousand (2023: Rs 282 thousand) retained by Attock Gen Limited (an associate of Attock Petroleum Limited) to pay for major maintenance expenses in terms of Power Purchase Agreement. Special reserves are not available for distribution.

8.2 This represents the Group's share of amounts utilised by associates out of the Special Reserve for upgradation and expansion of the refineries.

9. REVENUE RESERVES	2024	2023
	Rupees ('000)	
Insurance reserve - note 9.1	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	<u>74,536,751</u>	<u>60,832,677</u>
	<u>81,814,076</u>	<u>68,110,002</u>

9.1 The Group has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

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	2024	2023
	Rupees ('000)	
<b>10. LONG TERM DEPOSITS</b>		
Security deposits from distributors against equipment	1,028,029	989,182
Security deposits from distributors against distributorship and others	116,305	58,931
	<u>1,144,334</u>	<u>1,048,113</u>
<b>10.1</b> Amount received as security deposit is utilized/utilizable by the Group in accordance with the related agreements with customers.		
	2024	2023
	Rupees ('000)	
<b>11. Deferred tax liability</b>	10,396,826	5,713,972
<b>11.1</b> Deferred tax liability represents:		
Temporary differences between accounting and tax base of non current assets	10,791,498	6,143,168
Provision for stores and spares	(316,967)	(274,292)
Provision for doubtful receivable	(121)	(112)
Deferred tax on remeasurement (loss) on staff retirement benefit plans	(77,584)	(154,792)
	<u>10,396,826</u>	<u>5,713,972</u>
<b>12. Provisions</b>		
- Provision for decommissioning costs - note 12.1	26,654,198	26,090,656
- Provision for staff compensated absences	2,506	2,949
- Provision for un-funded gratuity plan - CAPGAS	11,593	10,344
- Renewal fee	9,803	25,305
	<u>26,678,100</u>	<u>26,129,254</u>
<b>12.1 Provision for decommissioning costs</b>		
Balance brought forward	26,090,656	19,123,431
Revision due to change in estimates - note 12.1.1	(3,053,930)	(2,542,530)
Provision made during the year	278,230	132,309
Unwinding of discount - note 34	4,056,149	2,601,429
Exchange (gain) / loss - note 34	(716,907)	7,010,980
Decommissioning cost incurred during the year	-	(234,963)
	<u>26,654,198</u>	<u>26,090,656</u>

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	2024	2023
	Rupees ('000)	
<b>12.1.1 Revision due to change in estimates</b>		
(Credited) to related asset - note 17	(334,214)	(1,155,473)
Revision in excess of related asset credited to statement of profit or loss - note 31	(2,719,716)	(1,387,057)
	<u>(3,053,930)</u>	<u>(2,542,530)</u>
<b>13. TRADE AND OTHER PAYABLES</b>		
Creditors	486,197	253,400
Due to related parties		
Attock Hospital (Private) Limited	3,419	1,800
Attock Petroleum Limited	62,691	67,015
Attock Refinery Limited	22,392	22,696
National Refinery limited	626	8,058
Attock Sahara Foundation	24	-
Management Staff Pension Fund - note 43	-	134,557
General Staff Provident Fund	265	-
Workers' Profit Participation Fund - note 13.1	2,800,599	1,825,792
Due to joint operating partners		
The Attock Oil Company Limited	28,017	18,777
Others	3,200,564	2,580,128
Accrued liabilities	5,675,132	3,484,017
Contract Liabilities - Advances from customers	336,518	89,874
Royalty payable to Government of Pakistan	908,998	976,743
Excise duty payable	28,483	31,851
Petroleum levy payable	27,251	14,163
Workers' Welfare Fund payable	1,407,212	1,383,240
Liability for staff compensated absences	19,332	16,911
Current portion of deferred liabilities - renewal fee	22,798	51,150
Other liabilities - note 13.2	31,162,985	27,032,786
	<u>46,193,503</u>	<u>37,992,958</u>
<b>13.1 Workers' Profit Participation Fund</b>		
Payable at beginning of the year	1,825,792	1,546,307
Amount allocated during the year	2,800,599	1,840,261
Amount paid to the Fund's trustees	(1,825,792)	(1,561,548)
Amount under provided in previous years	-	772
Payable at end of the year	<u>2,800,599</u>	<u>1,825,792</u>

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**13.2** This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 29.1.

**14 UNPAID DIVIDEND - AWAITING REMITTANCE BY THE AUTHORIZED BANK**

This represented dividend payable to parent company which has been paid during the year.

**15 CONTINGENCIES AND COMMITMENTS**

**15.1 Contingencies**

**15.1.1 POL**

There were no material contingencies which warrant disclosure as at June 30, 2024 (2023: Rs nil).

**15.1.2 CAPGAS**

In 2018, the Islamabad High Court held that the use of cylinders for the supply of LPG by the Company did not attract the levy and charge of sales tax under sales tax Act, 1990 and consequently the Company was not entitled to claim and adjust input tax amounting to Rs 5,644 thousand. The Company has filed an appeal with the Supreme Court of Pakistan which is pending adjudication. The management and legal advisor of the Company are confident that the matter will be decided in favour of the Company. Accordingly, no provision has been made in the financial statements of CAPGAS.

**15.2 Group's share in contingencies of associates**

	2024	2023
	Rupees ('000)	
a) Claims not acknowledged as debt including claims in respect of delayed payment charges by crude oil suppliers and freight claims	1,340,000	1,340,000
b) Claims raised on certain Oil Marketing Companies (OMCs) in respect of delayed payment charges not acknowledged as debt by the OMCs	1,267,500	1,267,500
c) Corporate guarantees and indemnity bonds issued by associates	1,021,822	1,055,105
d) Guarantees issued by bank on behalf of associates	417,804	349,583
e) Other contingencies based on financial statements of associates	135,556	142,238

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- f) An associate has filed an Intra Court Appeal before Division Bench of Lahore High Court in respect of report of Inquiry Commission constituted to probe shortage of Petroleum Products in the Country. The Inquiry Commission held OGRA and OMCs responsible for Petroleum Products shortage crises in the month of June, 2020. The associate is confident that it will be able to defend its stance effectively in the Lahore High Court.

	2024	2023
	Rupees ('000)	
<b>15.3 Capital expenditure commitments outstanding</b>		
<b>POL</b>		
Share in joint operations	16,498,572	15,026,127
Own fields	118,738	4,586,947
Letter of credit issued by banks on behalf of POL	283,632	818,030
<b>NRL</b>		
Commitments outstanding for capital expenditure	360,660	231,518
<b>APL</b>		
Commitments outstanding for capital expenditure/ import of petroleum products against letter of credit facility	956,018	914,776
<b>16. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 16.1	4,802,805	5,466,582
Capital work in progress - note 16.5	1,084,388	485,516
	<u>5,887,193</u>	<u>5,952,098</u>

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16.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery		Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs					
	Rupees ('000)									
As at July 1, 2022										
Cost	30,248	565,413	2,600,070	17,731,718	830,322	1,012,698	672,822	200,564	604,050	24,247,905
Accumulated depreciation	-	(319,544)	(1,920,637)	(12,959,899)	(661,251)	(838,848)	(589,542)	(160,086)	(525,777)	(17,975,584)
Net book value	<u>30,248</u>	<u>245,869</u>	<u>679,433</u>	<u>4,771,819</u>	<u>169,071</u>	<u>173,850</u>	<u>83,280</u>	<u>40,478</u>	<u>78,273</u>	<u>6,272,321</u>
Year ended June 30, 2023										
Opening net book value	30,248	245,869	679,433	4,771,819	169,071	173,850	83,280	40,478	78,273	6,272,321
Additions	-	14,028	56,581	577,264	-	11,826	133,921	13,045	30,018	836,683
Disposals/deletions	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(2,699)	(92,099)	(6,423)	(6,760)	(30,537)	(2,055)	(4,059)	(144,632)
Depreciation	-	-	2,699	84,265	6,423	6,760	30,537	2,035	4,059	136,778
	-	-	-	(7,834)	-	-	-	(20)	-	(7,854)
Transfers to stores and spares	-	-	-	-	-	(19,248)	-	-	-	(19,248)
Depreciation charge	-	(21,899)	(170,771)	(1,213,335)	(36,003)	(68,403)	(48,805)	(10,338)	(45,766)	(1,615,320)
Closing net book value	<u>30,248</u>	<u>237,998</u>	<u>565,243</u>	<u>4,127,914</u>	<u>133,068</u>	<u>98,025</u>	<u>168,396</u>	<u>43,165</u>	<u>62,525</u>	<u>5,466,582</u>
As at July 1, 2023										
Cost	30,248	579,441	2,653,952	18,216,883	823,899	998,516	776,206	211,554	630,009	24,920,708
Accumulated depreciation	-	(341,443)	(2,088,709)	(14,088,969)	(690,831)	(900,491)	(607,810)	(168,389)	(567,484)	(19,454,126)
Net book value	<u>30,248</u>	<u>237,998</u>	<u>565,243</u>	<u>4,127,914</u>	<u>133,068</u>	<u>98,025</u>	<u>168,396</u>	<u>43,165</u>	<u>62,525</u>	<u>5,466,582</u>
Year ended June 30, 2024										
Opening net book value	30,248	237,998	565,243	4,127,914	133,068	98,025	168,396	43,165	62,525	5,466,582
Additions / (adjustment)	(1,697)	24,882	32,703	478,812	-	20,653	123,888	25,344	41,880	746,465
Disposals/deletions	-	-	-	-	-	-	-	-	-	-
Cost	-	(245)	(2,225)	(13,037)	-	(24,122)	(27,856)	(603)	(4,311)	(72,399)
Depreciation	-	245	2,225	12,504	-	24,112	27,856	594	4,311	71,847
	-	-	-	(533)	-	(10)	-	(9)	-	(552)
Depreciation charge	-	(22,348)	(151,292)	(1,046,491)	(23,090)	(44,754)	(66,127)	(12,120)	(43,468)	(1,409,690)
Closing net book value	<u>28,551</u>	<u>240,532</u>	<u>446,654</u>	<u>3,559,702</u>	<u>109,978</u>	<u>73,914</u>	<u>226,157</u>	<u>56,380</u>	<u>60,937</u>	<u>4,802,805</u>
As at June 30, 2024										
Cost	28,551	604,078	2,684,430	18,682,658	823,899	995,047	872,238	236,295	667,578	25,594,774
Accumulated depreciation	-	(363,546)	(2,237,776)	(15,122,956)	(713,921)	(921,133)	(646,081)	(179,915)	(606,641)	(20,791,969)
Net book value	<u>28,551</u>	<u>240,532</u>	<u>446,654</u>	<u>3,559,702</u>	<u>109,978</u>	<u>73,914</u>	<u>226,157</u>	<u>56,380</u>	<u>60,937</u>	<u>4,802,805</u>
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5-20	25	

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**16.2 Cost and accumulated depreciation include:**

	Cost		Accumulated depreciation	
	2024	2023	2024	2023
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Group	1,589,364	1,575,514	1,420,912	1,393,432
Assets not in possession of the Group				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	12,732,667	12,527,472	10,684,181	9,999,069
Ocean Pakistan Limited	76,754	76,679	67,057	65,146
Oil and Gas Development Company Limited	77,353	74,324	67,507	62,480
Pakistan Petroleum Limited	2,378,833	2,325,458	1,807,830	1,607,319
	15,265,607	15,003,933	12,626,575	11,734,014
*Gas cylinders - in possession of distributors	911,416	908,077	859,697	837,153
	<u>17,766,387</u>	<u>17,487,524</u>	<u>14,907,184</u>	<u>13,964,599</u>

\*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

**16.3 The depreciation charge has been allocated as follows:**

	2024	2023
	Rupees ('000)	
Operating costs	1,408,913	1,615,192
Administrative expenses	777	128
	<u>1,409,690</u>	<u>1,615,320</u>

**16.4 Particulars of Group's immovable property including location and area of land are as follows:**

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Rawalpindi - (Khaur- Rawalpindi pipe line)	63.35
	Rawalpindi - Adhi	4.77

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**16.5 Capital work in progress**

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2022	5,760	477,822	-	483,582
Additions during the year	8,745	366,846	5,080	380,671
Transfers during the year	(13,052)	(360,762)	(4,923)	(378,737)
Balance as at June 30, 2023	<u>1,453</u>	<u>483,906</u>	<u>157</u>	<u>485,516</u>
Balance as at July 1, 2023	1,453	483,906	157	485,516
Additions during the year	4,329	620,535	14,251	639,115
Transfers during the year	(5,782)	(20,596)	(13,865)	(40,243)
Balance as at June 30, 2024	<u>-</u>	<u>1,083,845</u>	<u>543</u>	<u>1,084,388</u>

2024      2023  
Rupees ('000)

**16.6 Break up of capital work in progress at June 30 is as follows:**

POL				
Own fields			104,658	37,676
POL Gas			1,452	-
Share in joint operations operated by the Company				
Ikhlas Joint Operation			12,057	-
Share in Joint Ventures operated by others				
MOL Pakistan Oil and Gas Company B.V.	- TAL Block		47,201	956
	- Margala Block		269	269
Oil and Gas Development Company Limited	- Jhal Magsi D&P Lease		907,001	446,448
CAPGAS			11,750	167
			<u>1,084,388</u>	<u>485,516</u>

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**17. DEVELOPMENT AND DECOMMISSIONING COSTS**

	Development Cost	Decommissioning Cost	Total
	-----Rupees ('000)-----		
<b>As at July 1, 2022</b>			
Cost	49,184,461	3,080,920	52,265,381
Accumulated amortization	(39,383,054)	(2,673,201)	(42,056,255)
<b>Net book value</b>	<u>9,801,407</u>	<u>407,719</u>	<u>10,209,126</u>
<b>Year ended June 30, 2023</b>			
Opening net book value	9,801,407	407,719	10,209,126
Additions	1,201,829	132,309	1,334,138
Disposals			
Cost	-	(59,827)	(59,827)
Accumulated amortization	-	59,827	59,827
	-	-	-
Revision due to change in estimates note 12.2.1	(969,945)	(185,528)	(1,155,473)
Amortization for the year - note 31	(2,474,109)	(88,233)	(2,562,342)
<b>Closing net book value</b>	<u>7,559,182</u>	<u>266,267</u>	<u>7,825,449</u>
<b>As at July 1, 2023</b>			
Cost	49,416,345	2,967,874	52,384,219
Accumulated amortization	(41,857,163)	(2,701,607)	(44,558,770)
<b>Net book value</b>	<u>7,559,182</u>	<u>266,267</u>	<u>7,825,449</u>
<b>Year ended June 30, 2024</b>			
Opening net book value	7,559,182	266,267	7,825,449
Additions	4,481,923	278,230	4,760,153
Revision due to change in estimates note 12.2.1	(1,584,839)	1,250,625	(334,214)
Amortization for the year - note 31	(2,387,666)	(727,808)	(3,115,474)
<b>Closing net book value</b>	<u>8,068,600</u>	<u>1,067,314</u>	<u>9,135,914</u>
<b>As at June 30, 2024</b>			
Cost	52,313,429	4,496,729	56,810,158
Accumulated amortization	(44,244,829)	(3,429,415)	(47,674,244)
<b>Net book value</b>	<u>8,068,600</u>	<u>1,067,314</u>	<u>9,135,914</u>

**17.1 Net book value at year end represents:**

	2024	2023
	-----Rupees ('000)-----	
Wholly owned fields	137,463	1,537,127
Joint operations	8,998,451	6,288,322
	<u>9,135,914</u>	<u>7,825,449</u>

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	2024	2023
	Rupees ('000)	
<b>18. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	1,760,799	3,019,833
Additions during the year	6,872,362	3,765,548
	<u>8,633,161</u>	<u>6,785,381</u>
Dry and abandoned wells and irrecoverable cost charged to the profit or loss - note 32	(20,062)	(5,024,582)
	<u>8,613,099</u>	<u>1,760,799</u>

**18.1 Break up of exploration and evaluation assets at June 30 is as follows:**

Own fields	- Balkassar	7,489,708	1,740,737
Share in joint operations operated by the POL	- Bhandak	-	20,062
Share in joint operations operated by others			
Oil and Gas Development Company Limited	- Gurgalot	22,243	-
MOL Pakistan Oil and Gas Company B.V.	- Razgir	1,101,148	-
		<u>8,613,099</u>	<u>1,760,799</u>

**19. OTHER INTANGIBLE ASSETS**

Written down value	146,785	189,939
Less: Amortization for the year	43,154	43,154
	<u>103,631</u>	<u>146,785</u>
Useful lives (years)	5	5

**19.1** Intangible assets represent amounts paid / present value of amount payable to LPG producing companies against renewal fees of LPG supplies of 5 M.Tons/day. Amount payable have been discounted at one year KIBOR rate.

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	2024	2023
	Rupees ('000)	
<b>20. LONG TERM INVESTMENTS IN ASSOCIATES - EQUITY BASIS</b>		
Beginning of the year	15,868,873	14,445,000
Share of (loss) of associates	(2,964,395)	(231,540)
Share of other comprehensive income of associates	102,504	109,154
Reversal of impairment against investment in National Refinery Limited	1,486,517	2,164,811
Dividend received during the year	(218,272)	(618,552)
	<u>14,275,227</u>	<u>15,868,873</u>

**20.1 The Group's interest in associates are as follows:**

Quoted

National Refinery Limited (NRL) - note 20.3 19,991,640 (2023: 19,991,640) fully paid ordinary shares including 3,331,940 (2023: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2024: Rs 5,307,381 thousand (2023: Rs 2,998,746 thousand)	9,036,221	11,395,235
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Attock Petroleum Limited (APL) - note 20.3 8,730,892 (2023: 8,730,892) fully paid ordinary shares including 5,362,492 (2023: 5,362,492) bonus shares of Rs 10 each Quoted market value as at June 30, 2024: Rs 3,372,220 thousand (2023: Rs 2,621,450 thousand)	5,168,432	4,416,290
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Unquoted

Attock Information Technology Services (Pvt) Limited (AITSL) - note 20.3 450,000 (2023: 450,000) fully paid ordinary shares of Rs 10 each	70,574	57,348
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<u>14,275,227</u>	<u>15,868,873</u>
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All associates are incorporated in Pakistan. All associates have share capital consisting solely of ordinary shares, which are held directly by the Group. Although the Group has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Group has representation on their Board of Directors.

20.2 No investment was made in subsidiary and associates during the year.

20.3 The tables below provide summarised financial information for associates. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associates, for the year ended June 30, 2024 (2023: June 30, 2023) and not the reporting entity's share of those amounts.

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2024 Rupees ('000)	2023 Rupees ('000)	2024 Rupees ('000)	2023 Rupees ('000)	2024 Rupees ('000)	2023 Rupees ('000)
<b>Summarised financial position</b>						
Current assets	67,858,679	78,788,494	79,677,835	87,219,524	657,111	529,425
Non- current assets	35,313,660	32,991,424	25,601,281	20,734,741	97,113	77,910
Current liabilities	83,264,156	76,445,155	38,844,406	54,099,015	40,976	24,447
Non- current liabilities	691,628	736,084	10,496,714	8,635,345	7,511	9,406
Net assets	<u>19,216,555</u>	<u>34,598,679</u>	<u>55,937,996</u>	<u>45,219,905</u>	<u>705,737</u>	<u>573,482</u>
<b>Reconciliation to carrying amounts:</b>						
Net assets as at July 1	34,599,083	39,819,762	45,219,905	37,319,155	573,481	475,504
(Loss) / profit for the year	(15,790,215)	(4,463,086)	13,821,630	12,460,790	132,256	97,977
Other comprehensive income / (loss)	408,091	441,906	6,861	(18,856)	-	-
Dividends paid	-	(1,199,499)	(3,110,400)	(4,541,184)	-	-
Net assets as at June 30	<u>19,216,959</u>	<u>34,599,083</u>	<u>55,937,996</u>	<u>45,219,905</u>	<u>705,737</u>	<u>573,481</u>
Group's percentage shareholding in the associate	25%	25%	7.0175%	7.0175%	10%	10%
Group's share in net assets	4,804,240	8,649,771	3,925,450	3,173,307	70,574	57,348
Excess of purchase consideration over carrying amount at the date of acquisition	6,371,355	6,371,355	1,242,982	1,242,982	-	-
Proportionate share in carrying value of net assets before impairment	11,175,595	15,021,126	5,168,432	4,416,290	70,574	57,348
Impairment	(2,139,374)	(3,625,891)	-	-	-	-
Carrying amount of investment	<u>9,036,221</u>	<u>11,395,235</u>	<u>5,168,432</u>	<u>4,416,290</u>	<u>70,574</u>	<u>57,348</u>

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	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2024	2023	2024	2023	2024	2023
	Rupees ('000)		Rupees ('000)		Rupees ('000)	
<b>Summarised statements of comprehensive income</b>						
Net revenue	308,841,828	298,805,449	526,316,756	473,938,329	208,036	184,189
(Loss) / profit for the year	(15,790,215)	(4,463,086)	13,821,630	12,460,790	132,256	97,977
Other comprehensive income / (loss)	408,091	441,906	6,861	(18,856)	-	-
Total comprehensive (loss) / income	(15,382,124)	(4,021,180)	13,828,491	12,441,934	132,256	97,977
Dividend received from associates	-	299,875	218,272	318,678	-	-

- 20.4 The carrying value of investment in National Refinery Limited at June 30, 2024 is net of impairment loss of Rs 2,39,374 thousand (2023: Rs 3,625,891 thousand). The Group has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hierarchy - quoted market price as at June 30, 2024). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the Group. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.29% (2023: 5.52%), a terminal growth rate of 4.0% (2023: 4.0%) and weighted average cost of capital of 15.25% (2023: 24.04%).
- 20.5 Based on a valuation analysis carried out by the management, the recoverable amount of investment in Attock Petroleum Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 3.96% (2023: 4.92%), a terminal growth rate of 4.0% (2023: 4.0%) and a capital asset pricing model based discount rate of 21.48% (2023: 23.10%).

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	2024	2023
	Rupees ('000)	
<b>21. LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD</b>		
Long term loans and advances to employees	68,027	62,127
Less: Amount due within twelve months, shown under current loans and advances - note 25	28,505	26,140
	<u>39,522</u>	<u>35,987</u>

**21.1** Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.

	2024	2023
	Rupees ('000)	
<b>22. STORES AND SPARES</b>		
Stores and spares - note 22.1 , 22.2 and 22.3	8,094,267	6,770,163
Less: Provision for slow moving items - note 22.4	812,736	761,922
	<u>7,281,531</u>	<u>6,008,241</u>

**22.1 Stores and spares include:**

Share in joint operations operated by the Group	707,423	777,909
Share in joint operations operated by others (assets not in possession of the Group)	2,696,189	1,663,332
	<u>3,403,612</u>	<u>2,441,241</u>

**22.2** Stores and spares include stores and spares in transit of Rs 748,586 thousand (2023: Rs 298,998 thousand).

**22.3** Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.

	2024	2023
	Rupees ('000)	
<b>22.4 Provision for slow moving items</b>		
Balance brought forward	761,922	667,913
Provision for the year - charged to profit or loss	50,814	94,009
	<u>812,736</u>	<u>761,922</u>

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2024                      2023  
Rupees ('000)

**23. STOCK IN TRADE**

Crude oil and other products - note 23.1

596,178                      583,030

**23.1** These include Rs 221,767 thousand (2023: Rs 226,845 thousand) being the Company's share in non-operated joint operations.

2024                      2023  
Rupees ('000)

**24. TRADE DEBTS - Considered good**

Due from related parties - note 24.1

5,364,659                      5,405,172

Others

14,236,675                      7,328,166

19,601,334                      12,733,338

**24.1 Due from related parties**

Associates

Attock Refinery Limited

5,337,958                      5,375,353

National Refinery Limited

280                              280

Attock Petroleum Limited

26,421                              29,539

5,364,659                      5,405,172

Ageing analysis of trade debts receivable from related parties is given in note 42.3.1 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 7,314,770 thousand (2023: Rs 6,469,809 thousand).

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	2024	2023
	Rupees ('000)	
<b>25. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans and advances - considered good		
Employees - note 21	30,195	27,537
Suppliers	297,990	402,631
	<u>328,185</u>	<u>430,168</u>
Trade deposits and short term prepayments		
Deposits	62,098	65,520
Short-term prepayments	204,266	175,641
	<u>266,364</u>	<u>241,161</u>
Interest income accrued	885,985	817,493
Other receivables		
Joint operating partners	171,372	450,493
Due from related parties		
Parent company		
The Attock Oil Company Limited	147,234	144,436
Gratuity Fund - note 43	520,360	334,177
General Staff Provident Fund	-	5,743
Staff Provident Fund	4,878	1,336
Management staff pension Fund - note 43	12,766	-
Sales tax refundable	6,085,772	5,387,036
Other (net of loss allowance of Rs 310 thousand (2023: Rs 310 thousand))	88,269	534,885
	<u>7,030,651</u>	<u>6,858,106</u>
	<u>8,511,185</u>	<u>8,346,928</u>

**25.1** The maximum aggregate amount due from related parties at the end of any month during the year was Rs 796,642 thousand (2023: Rs 492,976 thousand) respectively.

	2024	2023
	Rupees ('000)	
<b>25.2</b> The ageing analysis of receivable from related parties is as follows:		
Upto 3 months	691,417	488,571
3 to 6 months	-	-
More than 6 months	-	-
	<u>691,417</u>	<u>488,571</u>

**26. OTHER FINANCIAL ASSETS**

Investments in mutual funds classified as fair value through profit or loss - note 26.1	37,832,533	1,112,163
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	2024			2023		
	Number of units	Cost -----Rupees ('000)-----	Fair value	Number of units	Cost -----Rupees ('000)-----	Fair value
<b>26.1 Investments in mutual funds classified as fair value through profit or loss at June 30 include the following:</b>						
<b><u>Listed securities:</u></b>						
Money Market Funds	473,180	237,350	241,600	43,388,352	906,312	909,230
Income Funds	2,760,225,762	37,312,374	37,351,285	-	-	-
Shariah Compliant Money Market Fund	4,792,957	239,648	239,648	4,058,657	202,933	202,933
		<u>37,789,372</u>	<u>37,832,533</u>		<u>1,109,245</u>	<u>1,112,163</u>

**26.2** Gain/loss realized or unrealized, from this investment is earned from arrangements permissible under shariah.

**26.3** The fair value of listed securities is based on quoted market prices at the statement of financial position date. The quoted market price used is the current bid price.

**27. Short term investments**

This represents Treasury Bills carried at amortised cost with maturity of less than three months at yield ranging from 19.98% to 22.84% (2023: 15.80% to 21.99%) per annum.

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	2024	2023
	Rupees ('000)	
<b>28. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	59,222,281	62,969,880
Interest/mark-up bearing saving accounts	9,673,025	7,349,266
Current accounts	57,006	42,264
	<u>68,952,312</u>	<u>70,361,410</u>
Cash in hand	6,949	4,037
	<u>68,959,261</u>	<u>70,365,447</u>

Balance with banks include foreign currency balances of US \$ 225,886 thousand (2023: US \$ 201,024 thousand). The balances in saving accounts and short term deposits earned interest / mark-up ranging from 4% to 23% (2023: 2.69% to 21.75%).

	2024	2023
	Rupees ('000)	
<b>29. NET SALES</b>		
Crude oil	35,822,218	33,563,998
Gas - note 29.1	20,834,507	18,851,106
Less: Shrinkages/own use	3,217,783	3,010,217
	17,616,724	15,840,889
POLGAS/CAPGAS - Refill of cylinders	12,714,686	12,511,290
Solvent oil	545,368	489,546
Sulphur	42,476	29,089
	<u>66,741,472</u>	<u>62,434,812</u>

29.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

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On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of the following explanation of conversion package:

"the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training".

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil / Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. During the course of proceedings, Federal Board of Revenue has also been made party to this case. The case in Honourable Islamabad High Court is adjourned till September 30, 2024..

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2024 amounting to Rs 30,862,001 thousand will be accounted for upon resolution of this matter (including Rs 25,265,875 thousand related to period since inception to June 30, 2023). Additional revenue on account of enhanced gas price incentive of Rs 25,974,558 thousand and sales tax of Rs 5,172,829 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 5,172,829 thousand (June 30, 2023: Rs 3,928,026 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within "sales tax refundable" in "advances, deposits, prepayments and other receivables".

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	2024	2023
	Rupees ('000)	
<b>30. OPERATING COSTS</b>		
Operating cost - Own fields	1,695,932	1,605,754
- Share in joint operations	5,531,482	4,991,302
Well work over	602,297	76,699
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.	3,800,651	3,898,785
Head office and insurance charges	273,409	338,083
Pumping and transportation cost	121,407	106,003
Depreciation and amortization	1,452,067	1,658,346
	<u>13,477,245</u>	<u>12,674,972</u>
Opening stock of crude oil and other products	583,030	423,253
Closing stock of crude oil and other products	(596,178)	(583,030)
	<u>13,464,097</u>	<u>12,515,195</u>
<b>31. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
Amortization charge for the year - note 17	3,115,474	2,562,342
Revision in estimates of provision for decommissioning costs in excess of related decommissioning costs asset credited to statement of profit or loss - note 12.1.1	(2,719,716)	(1,387,057)
	<u>395,758</u>	<u>1,175,285</u>
<b>32. EXPLORATION COSTS</b>		
Geological and geophysical cost		
Own fields	202	289
Share in joint operations operated by the POL		
- DG Khan	20,083	2,208
- Ikhlas	43,936	61,448
- Pindori	-	183,817
- North Dhurnal	29,662	32,617
- Kirthar South	53,401	79,240
- Multanai	10,700	-
- Saruna West	5,912	-
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	3,424	(68)
- Margala Block	(4,246)	350,147
- Margala North Block	102	(3,897)
Oil and Gas Development Company Limited		
- Kotra	996	8,410
- Gurgalot	30,618	18,045
- Chah Bali	13,370	11,176
Pakistan Petroleum Limited		
- Hisai	19,569	477,138
Mari Petroleum Company Limited		
- Taung	36,950	66,372
- Nareli	1,321,688	408,053
	<u>1,586,367</u>	<u>1,694,995</u>
Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 17		
Share in Joint operations operated by the POL		
- Kirthar South	20,062	-
- DG Khan	-	4,353,065
Share in Joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- Margala Block	-	671,517
	<u>20,062</u>	<u>5,024,582</u>
	<u>1,606,429</u>	<u>6,719,577</u>

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	2024	2023
	Rupees ('000)	
<b>33. ADMINISTRATION EXPENSES</b>		
Establishment charges	504,068	467,999
Telephone and telex	1,456	1,412
Medical expenses	18,554	16,615
Printing, stationery and publications	9,987	8,686
Insurance	8,614	9,500
Travelling expenses	12,702	7,518
Motor vehicle running expenses	26,430	23,122
Rent, repairs and maintenance	152,544	115,131
Auditor's remuneration - note 33.1	9,700	18,511
Legal and professional charges	15,322	16,504
Stock exchange and CDC fee	5,598	5,999
Computer support and maintenance charges	55,923	50,830
Depreciation and Amortisation	777	128
Donations	-	30,000
Other expenses	13,299	9,972
	<u>834,974</u>	<u>781,927</u>
Less: Amount allocated to field expenses	461,891	433,318
	<u>373,083</u>	<u>348,609</u>
<b>33.1 Auditor's remuneration</b>		
Statutory audit - POL	2,923	2,542
- Caggas	618	475
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	3,120	4,530
Tax services	1,856	10,158
Out of pocket expenses	1,183	806
	<u>9,700</u>	<u>18,511</u>
<b>34. FINANCE COSTS - NET</b>		
Provision for decommissioning cost - note 12.1		
- Unwinding of discount	4,056,149	2,601,429
- Exchange (gain) / loss	(716,907)	7,010,980
Banks' commission and charges	7,675	7,066
Unwinding of renewal fee liability	7,296	12,295
	<u>3,354,213</u>	<u>9,631,770</u>
<b>35. OTHER CHARGES</b>		
Workers' Profit Participation Fund	2,800,599	1,840,261
Workers' Welfare Fund	653,540	655,486
	<u>3,454,139</u>	<u>2,495,747</u>

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<b>36. OTHER INCOME - NET</b>	<b>2024</b>	<b>2023</b>
	Rupees ('000)	
Income from financial assets - bank balances, short term deposits and treasury bills	13,616,947	10,707,789
Exchange (loss) / gain on financial assets - net	(1,775,289)	14,780,417
Dividend on investments classified as fair value through profit or loss- note 36.1	2,197,748	16,764
Fair value adjustment on investments classified as fair value through profit or loss	40,243	2,918
Security deposit adjusted against cylinders not returned by distributors	21,354	-
Rental income	628,224	302,221
Crude oil transportation income	472,979	432,963
Gas processing fee	80,170	81,973
Gain / (loss) on sale of property, plant and equipment	49,578	(566)
Gain on sale of stores and scrap	13,551	111,958
Insurance claim received - 36.2	944,224	-
Others	82,208	4,113
	<u>16,371,937</u>	<u>26,440,550</u>

**36.1 Dividend on Investments classified as fair value through profit or loss**

Money Market Funds	125,948	13,314
Income Funds	2,028,606	-
Shariah Compliant Money Market Fund	43,194	3,450
	<u>2,197,748</u>	<u>16,764</u>

**36.2** This represents partial insurance claim received in respect of stores and spares written off in prior year due to fire incident at Gas Processing Facility (GPF) store at TAL Block.

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### 37. SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates is net of taxation and based on the audited financial statements of the associates for the year ended June 30, 2024.

### 38. Final taxes

This represents final taxes paid under section 150 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

38.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

	2024	2023
	Rupees ('000)	
Current tax liability for the year as per applicable tax laws - note 38.2	9,368,915	14,426,482
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(9,039,253)	(14,423,967)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<u>(329,662)</u>	<u>(2,515)</u>
	<u>-</u>	<u>-</u>

38.2 The aggregate of final tax and income tax, amounting to Rs 9,368,915 thousand (Rs 14,426,482 represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

### 39. PROVISION FOR TAXATION

	2024	2023
	Rupees ('000)	
Current		
- for the year	12,998,915	14,422,459
- for prior year - note 39.2	<u>(3,959,662)</u>	<u>1,508</u>
	9,039,253	14,423,967
Deferred	4,594,154	(684,809)
	<u>13,633,407</u>	<u>13,739,158</u>

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	2024	2023
	Rupees ('000)	
<b>39.1 Reconciliation of tax charge for the year</b>		
Accounting profit - before taxation	<u>51,283,938</u>	<u>51,039,765</u>
* Tax at applicable tax rate of 56.70% (2023: 51.74% )	29,077,993	26,407,975
Tax effect of:		
- Prior year	(3,959,662)	1,508
- Depletion allowance, royalty payments and amounts not taxable or taxed at lower rates	(11,293,189)	(13,993,627)
- Change in applicable rate in respect of deferred tax	388,929	900,897
- Others	(580,664)	422,405
Tax charge for the year	<u>13,633,407</u>	<u>13,739,158</u>

\* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

**39.2** The Honorable Supreme Court of Pakistan through its decision dated November 29, 2023 and written order issued on January 8, 2024, dismissed civil petition filed by the tax department and has decided the matter of depletion allowance in favor of the Company. Pursuant to the decision, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance, the royalty amount is not to be deducted while calculating depletion allowance. Accordingly, the Company has reversed the provision of Rs 3,951,000 thousand (2023: nil) carried in this respect in the financial statements.

#### **40. OPERATING SEGMENTS**

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Group is disclosed in note 29.

Revenue from two major customers of the Group constitutes 74% of the total revenue during the year ended June 30, 2024 (June 30, 2023: 79%).

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#### 41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statement in respect of remuneration, including benefits and perquisites to the chief executive, directors and executives of the Group are given below:

	Chief Executive		Executives	
	2024	2023	2024	2023
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	18,786	9,514	195,745	188,500
Bonus	21,383	9,071	203,688	150,274
Housing, utility and conveyance	13,580	7,752	197,422	155,974
Group's contribution to pension, gratuity and provident funds	-	-	58,522	71,506
Leave passage	3,055	1,269	28,791	19,865
Other benefits	13,697	7,344	119,828	93,303
	<u>70,501</u>	<u>34,950</u>	<u>803,996</u>	<u>679,422</u>
No. of persons, including those who worked part of the year	1	1	77	74

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Group's cars and residential telephone facilities. The Group also provides medical facilities to its staff.

The aggregate amount charged in these consolidated financial statements in respect of fee to 7 directors (2023: 7) was Rs 13,585 thousand (2023: Rs 11,859 thousand). This includes Rs 7,637 thousand (2023: Rs 7,702 thousand) paid to 4 (2023: 4) non-executives of the Company.

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**42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**42.1 Financial assets and liabilities**

	Amortised cost	Investments classified as fair value through profit or loss	Total
	----- Rupees ('000) -----		
<b>June 30, 2024</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	19,601,334	-	19,601,334
Advances, deposits and other receivables	1,385,153	-	1,385,153
Other financial assets	-	37,832,533	37,832,533
Short term investments	151,493	-	151,493
Cash and bank balances	68,959,261	-	68,959,261
Maturity after one year			
Long term loans and advances	39,522	-	39,522
	<u>90,136,763</u>	<u>37,832,533</u>	<u>127,969,296</u>
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	39,501,706	-	39,501,706
Unclaimed dividend	309,120	-	309,120
Maturity after one year			
Long term deposits	1,144,334	-	1,144,334
	<u>40,955,160</u>	<u>-</u>	<u>40,955,160</u>
<b>June 30, 2023</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	12,733,338	-	12,733,338
Advances, deposits and other receivables	2,040,364	-	2,040,364
Other financial assets	-	1,112,163	1,112,163
Short term investments	35,055,731	-	35,055,731
Cash and bank balances	70,365,447	-	70,365,447
Maturity after one year			
Long term loans and advances	35,987	-	35,987
	<u>120,230,867</u>	<u>1,112,163</u>	<u>121,343,030</u>
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	32,328,360	-	32,328,360
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	9,433,214
Unclaimed dividend	317,153	-	317,153
Maturity after one year			
Long term deposits	1,048,113	-	1,048,113
	<u>43,126,840</u>	<u>-</u>	<u>43,126,840</u>

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## 42.2 Credit quality of financial assets

The credit quality of Group's financial assets have been assessed below by reference to external credit ratings of counter parties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024 Rs ('000)	2023 Rs ('000)
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	5,616,499	5,414,966
	A1	13,846,183	7,064,767
	A2	2,345	173,262
Counterparties without external credit rating			
Existing customers with no default in the past		<u>136,307</u>	<u>80,343</u>
		<u>19,601,334</u>	<u>12,733,338</u>
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	885,985	1,318,183
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		321,739	550,208
Receivable from employees		30,195	27,537
Receivable from parent company		147,234	144,436
		<u>1,385,153</u>	<u>2,040,364</u>
<b>Other financial assets</b>			
Counterparties with external credit rating	AM2+ / AA+(f)	241,600	-
	AM1 / AA(f)	15,972,049	15,972,049
	AM1 / AA+(f)	21,618,884	481,248
		<u>37,832,533</u>	<u>16,453,297</u>
<b>Short term investments</b>			
Counterparties without external credit rating			
Treasury Bills issued by the Government of Pakistan		<u>151,493</u>	<u>35,055,731</u>
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	68,952,120	70,361,228
	A1	192	182
		<u>68,952,312</u>	<u>70,361,410</u>
<b>Long term loans and advances</b>			
Counterparties without external credit rating			
Receivable from employees		<u>39,522</u>	<u>39,522</u>

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## 42.3 FINANCIAL RISK MANAGEMENT

### 42.3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

#### (a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As of June 30, 2024, trade debts of Rs 15,355,496 thousand (2023: Rs 4,870,997 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2024	2023
	Rupees ('000)	
<b>Due from related parties</b>		
Up to 3 months	251	1,999
3 to 6 months	5	1,476
6 to 12 months	92,339	106,018
Above 12 months	280	-
	<u>92,875</u>	<u>109,493</u>
<b>Due from others</b>		
Up to 3 months	1,479,357	1,900,830
3 to 6 months	1,566,992	2,289,838
6 to 12 months	11,920,346	462,300
Above 12 months	295,926	108,536
	<u>15,262,621</u>	<u>4,761,504</u>
	<u>15,355,496</u>	<u>4,870,997</u>

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2024, the Group had financial assets of Rs 127,969,296 thousand (2023: Rs 121,343,030 thousand).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.

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	Less than 1 year	Between 1 to 5 years	Over 5 years
	Rupees ' 000		
<b>At June 30, 2024</b>			
Long term deposits	-	1,028,884	115,450
Trade and other payables	39,501,706	-	-
Unclaimed dividend	309,120		
<b>At June 30, 2023</b>			
Long term deposits	-	924,820	123,293
Trade and other payables	32,328,360	-	-
Unpaid dividend - awaiting remittance by authorized bank	9,433,214		
Unclaimed dividend	317,153		

**(c) Market risk**

**(i) Currency risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from/ payable to joint operating partners and payable to suppliers.

Financial assets include Rs 64,809,826 thousand (2023: Rs 59,591,245 thousand) and financial liabilities include Rs 3,706,800 thousand (2023: Rs 2,798,153 thousand) which are subject to currency risk.

The following significant exchange rates were applied during the year:

	2024	2023
<b>Rupees per USD</b>		Rupees
Average rate	283.00	247.55
Reporting date rate	278.30	286.60

If exchange rates had been 10% lower / higher with all other variables held constant, profit after tax for the year would have been Rs 3,727,285 thousand (2023: Rs 3,975,516) lower / higher.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs 106,879,332 thousand (2023: Rs 106,487,040 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 650,767 thousand (2023: Rs 557,657 thousand) higher / lower, mainly as a result of higher/lower interest income from these financial assets.

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**(iii) Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position as investments classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Group.

Financial assets include Rs 37,832,533 thousand (2023: Rs 1,112,163 thousand) which are subject to price risk.

If prices had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 230,779 thousand (2023: Rs 6,784 thousand) higher / lower, mainly as a result of exposure to fluctuation in prices of these financial assets.

**42.3.2 Capital risk management**

The Group's objectives when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Group may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio of the Group has always been low and the Group has mostly financed its projects and business expansions through equity financing. Further, the Group is not subject to externally imposed capital requirements.

**42.3.3 Fair value of financial assets and liabilities**

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs as appropriate. The carrying values of other financial assets and liabilities of the Group not carried at fair value is a reasonable approximation of their fair values. The table below analyzes financial assets are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Group held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees ('000) -----			
<b>June 30, 2024</b>				
Other financial assets classified as fair value through profit or loss	<u>37,832,533</u>	<u>-</u>	<u>-</u>	<u>37,832,533</u>
<b>June 30, 2023</b>				
Other financial assets classified as fair value through profit or loss	<u>1,112,163</u>	<u>-</u>	<u>-</u>	<u>1,112,163</u>

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**43. STAFF RETIREMENT BENEFITS**

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

**43.1 Funded gratuity and pension plan**

**POL - defined benefit funded plan**

**43.2 The amounts recognized in the statement of financial position are as follows:**

	2024	2023
	Rupees ('000)	
Present value of defined benefit obligations	2,122,163	1,959,276
Fair value of plan assets	<u>(2,655,289)</u>	<u>(2,158,896)</u>
	<u>(533,126)</u>	<u>(199,620)</u>
Amounts in the statement of financial position:		
Gratuity Fund - (Asset) - note 25	(520,360)	(334,177)
Management Staff Pension Fund - (Asset) / Liability - note 25	(12,766)	134,557
Net (Assets)	<u>(533,126)</u>	<u>(199,620)</u>

**43.3 The amounts recognized in the statement of profit or loss are as follows:**

Current service cost	61,144	51,027
Net interest cost	<u>(14,859)</u>	<u>(14,859)</u>
	<u>46,285</u>	<u>36,168</u>

**43.4 The amounts recognized in statement of profit or loss and other comprehensive income are as follows:**

Remeasurement due to:		
Change in financial assumptions	(58,945)	(21,638)
Experience adjustments	14,826	73,149
Investment loss	<u>(186,927)</u>	<u>(115,610)</u>
	<u>(231,046)</u>	<u>(64,099)</u>

**43.5 Changes in the present value of defined benefit obligation are as follows:**

Opening defined benefit obligation	1,959,276	1,769,240
Current service cost	61,144	51,027
Interest cost	287,956	221,304
Remeasurement (gain) / loss	(44,119)	51,511
Benefits paid	<u>(142,094)</u>	<u>(133,806)</u>
Closing defined benefit obligation	<u>2,122,163</u>	<u>1,959,276</u>

**43.6 Changes in fair value of plan assets are as follows:**

Opening fair value of plan assets	2,158,896	1,826,152
Interest income	327,832	236,163
Remeasurement gain	186,927	115,610
Contribution by employer	123,728	114,777
Benefits paid	<u>(142,094)</u>	<u>(133,806)</u>
Closing fair value of plan assets	<u>2,655,289</u>	<u>2,158,896</u>

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43.7 The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plans are as follows:

	2024		2023	
	Rupees ('000)	%age	Rupees ('000)	%age
Unquoted:				
Government bonds / securities	2,640,663	99	2,146,677	99
Cash and cash equivalents	14,626	1	12,219	1
	<u>2,655,289</u>	<u>100</u>	<u>2,158,896</u>	<u>100</u>

The funds have no investment in the Company's own securities.

43.8 Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2024	2023
	%	%
Discount rate	14	15.25
Expected rate of salary increase	11.75	13.75
Expected rate of pension increase	7.75	9

43.9 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2023 and 2024.

43.10 The pension and gratuity plans are defined benefits final salary plans and both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the pension and gratuity fund to reduce its future contributions or can apply to the Commissioner of Income Tax for a refund.

43.11 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(176,818)	207,702
Salary increase	71,474	(65,249)
Pension increase	136,570	(120,507)

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If life expectancy increases by 1 year, the obligation increases by Rs 67,992 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

43.12 The weighted average duration of the defined benefit obligation is given below:

Plan Duration	Pension	Gratuity
	Years	
June 30, 2024	11.4	7.6
June 30, 2023	11.7	7.9

43.13 The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2025	28,542	-
Benefit payments:		
FY 2025	118,782	36,605
FY 2026	127,069	40,455
FY 2027	139,593	65,222
FY 2028	149,885	56,625
FY 2029	165,910	89,931
FY 2030-34	1,147,342	564,614

**CAPGAS - unfunded defined benefit plan**

43.14 The amounts recognized in the statement of financial position are as follows:

	2024	2023
	Rupees ('000)	
Present value of defined benefit obligation	<u>11,593</u>	<u>10,344</u>

43.15 The amounts recognized in the statement of profit or loss are as follows:

Current service cost	645	541
Interest cost	<u>1,492</u>	<u>1,019</u>
	<u>2,137</u>	<u>1,560</u>

43.16 The amounts recognized in other comprehensive income are as follows:

Remeasurement loss on staff retirement benefit plan	<u>230</u>	<u>944</u>
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43.17 Changes in the present value of defined benefit obligation are as follows:

Opening defined benefit obligation	10,344	7,840
Current service cost	645	541
Interest cost	1,492	1,019
Benefits paid	(1,118)	-
Remeasurement	230	944
Closing defined benefit obligation	<u>11,593</u>	<u>10,344</u>

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**43.18 Principal actuarial assumptions**

The principal assumptions used in the actuarial valuation are as follows:

	2024	2023
	%	%
Discount rate	14.25	15.25
Expected rate of salary increase	14.25	15.25

**43.19** Mortality was assumed to be 70% of the EFU (61-66) Table at valuations on both dates, June 30, 2024 and 2023.

**43.20 Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(844)	954
Salary increase	945	(851)

The impact of changes in financial assumptions has been determined by revaluation of the obligation on different rates.

**43.21** The weighted average number of the defined benefit obligation is given below:

	Years
Plan Duration	
June 30, 2024	9.0
June 30, 2023	8.0

**43.22** Projected payments are as follows:

	Rupees ('000)
FY 2025	687
FY 2026	637
FY 2027	779
FY 2028	901
FY 2029	2,825
FY 2030-34	16,302

**44. CASH AND CASH EQUIVALENTS**

	Note	2024	2023
		Rupees ('000)	
Cash and bank balances	28	68,959,261	70,365,447
Short term investments	27	151,493	35,055,731
Other financial assets	26	37,832,533	1,112,163
		<u>106,943,287</u>	<u>106,533,341</u>

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**45. INTEREST IN SUBSIDIARY**

**45.1** CAPGAS is only subsidiary of POL as at June 30, 2024. CAPGAS has share capital consisting solely of ordinary shares that are held directly by POL, and the proportion of ownership interest held equals the voting right held by POL. POL holds 51% (2023: 51%) interest in CAPGAS. There are no significant restrictions on Company's ability to use assets, or settle liabilities of CAPGAS.

**45.2 Non-controlling interest**

Following is the summarised financial information of CAPGAS that has 49% (2023: 49%) ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

	2024	2023
	Rs (000)	
<b>Summarised financial position</b>		
Current assets	288,865	313,489
Non-current assets	159,117	199,395
Current liabilities	80,871	103,075
Non-current liabilities	136,846	158,942
Net assets	<u>230,265</u>	<u>250,867</u>
Accumulated NCI	<u>112,830</u>	<u>122,926</u>
<b>Summarised statement of comprehensive income</b>		
Net revenue	<u>1,502,131</u>	<u>1,482,530</u>
Profit for the year	103,020	65,498
Other comprehensive (loss)	(163)	(670)
Total comprehensive income for the year	<u>102,857</u>	<u>64,828</u>
Profit attributable to NCI	<u>50,480</u>	<u>32,094</u>
Total comprehensive income attributable to NCI	<u>50,400</u>	<u>31,766</u>
Dividend paid to NCI	<u>60,496</u>	<u>23,815</u>
<b>Summarised statement of cash flows</b>		
Cash flow from operating activities	56,717	99,436
Cash flow from investing activities	45,508	31,786
Cash flow from financing activities	(123,459)	(48,600)
Net (decrease) / increase in cash and cash equivalent	<u>(21,234)</u>	<u>82,622</u>

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**46. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF POL - BASIC AND DILUTED**

	2024	2023
Profit for the year attributable to owners of POL (in thousand rupees)	<u>37,600,051</u>	<u>37,268,512</u>
Weighted average number of ordinary shares in issue during the year (in thousand shares)	<u>283,855</u>	<u>283,855</u>
Basic and diluted earnings per share (Rupees)	<u>132.46</u>	<u>131.29</u>

**47. TRANSACTIONS WITH RELATED PARTIES**

**47.1** Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executive of the Group under their terms of employment, were as follows:

	Basis of Relationship	2024 Rupees ('000)	2023 Rupees ('000)
<b>Parent company - The Attock Oil Company Limited</b>	<b>Holding company</b>		
Dividend paid		22,165,816	1,052,458
Rental expense		117,763	83,596
Purchase of LPG		88,495	126,216
Reimbursement of expenses incurred by AOC on behalf of POL		14,467	2,098
Reimbursement of expenses incurred by POL on behalf of AOC		99	376
<b>Associates</b>	<b>Common directorship</b>		
<b>Attock Refinery Limited</b>			
Sale of crude oil and gas		34,693,547	32,990,224
Crude oil and gas transmission charges		1,999	4,798
Rental income		3,002	2,955
Rental expense		3,558	1,509
Reimbursement of expenses incurred by POL on behalf of ARL		899	1,120
Reimbursement of expenses incurred by ARL on behalf of POL		21,072	18,519
Purchase of fuel		32,355	34,507
Purchase of LPG		-	278,069
<b>National Refinery Limited</b>	<b>25% share holding &amp; common directorship</b>		
Reimbursement of expenses incurred by POL on behalf of NRL		70	69
Reimbursement of expenses incurred by NRL on behalf of POL		371	284
Rental expense		4,292	3,891
Purchase of LPG		160,319	207,221
Dividend received		-	299,875
<b>Attock Petroleum Limited</b>	<b>7.0175% share holding &amp; common directorship</b>		
Purchase of fuel and lubricants		2,110,053	1,247,821
Sale of solvent oil		545,368	489,546
Rental income		1,400	1,239
Purchase of services		4,455	795
Purchase of goods		3,429	1,784
Reimbursement of expenses incurred by POL on behalf of APL		41,368	39,354
Dividend received		218,272	318,677
<b>Attock Information Technology (Private) Limited</b>	<b>10% share holding &amp; Common directorship</b>		
Purchase of services		83,425	71,822

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	Basis of Relationship	2024 Rupees ('000)	2023
Attock Hospital (Private) Limited Purchase of medical services	Common directorship	20,715	19,376
Attock Energy Limited	Common directorship	11,750	-
Attock Sahara Foundation	Common directorship	78	-
Other associated entities Dividend paid		18,290	15,062
<b>Other related parties</b>			
Remuneration of Chief Executive, Directors Honorarium & Key Management personnel including benefits & perquisites		217,239	156,728
Dividend paid to key management personnel		283,700	232,706
Contribution to staff retirement benefits plans Management Staff Pension Fund and Gratuity Fund		123,728	114,777
Approved Contributory Provident Funds		40,606	39,026
Contribution to Workers' Profit Participation Fund		2,800,599	1,840,261

**47.2 Associates incorporated outside Pakistan with whom the Group had entered into transaction or had agreements are as follows:**

i) Name of undertaking	The Attock Oil Company Limited
ii) Country of Incorporation	United Kingdom
iii) Basis of association	Parent Company
iv) Aggregate %age of shareholding	52.77%

**48. CONTRIBUTORY PROVIDENT FUND**

Investments out of 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.

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2024  
2023  
Rupees ('000)

**49. CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation	51,283,938	51,039,765
Adjustments for:		
Depreciation	1,409,690	1,615,320
Dry and abandoned wells and irrecoverable cost	20,062	5,024,582
Amortization of other intangible assets	43,154	43,154
Amortization of development and decommissioning costs	395,758	1,175,285
Finance costs	3,346,538	9,624,704
Exchange loss / (gain) on financial assets	1,775,289	(14,780,417)
(Gain) / loss on sale of property, plant and equipment	(49,578)	566
Share of loss of associates	2,964,395	231,540
(Reversal of impairment) in associate	(1,486,517)	(2,164,811)
Income from financial assets - bank balances		
short term deposits and treasury bills	(13,616,947)	(10,707,789)
Dividend on investments classified as fair value		
through profit or loss	(2,197,748)	(16,764)
Final taxes - levies	329,662	2,515
Provision for slow moving stores and spares	50,814	94,009
(Reversal) / Provision for staff compensated absences	(443)	409
Provision for un-funded gratuity plan - CAPGAS	1,249	2,504
Remeasurement gain on staff retirement benefit plans	230,816	63,155
Cash flows before working capital changes	<u>44,500,132</u>	<u>41,247,727</u>
Effect on cash flows due to working capital changes:		
(Increase) in stores and spares	(1,324,104)	(347,847)
(Increase) in stock in trade	(13,148)	(159,777)
(Increase) in trade debts	(6,867,996)	(2,765,427)
(Increase) in advances, deposits,		
prepayments and other receivables	(95,765)	(3,080,801)
Increase in trade and other payables	8,177,748	6,791,932
	<u>(123,265)</u>	<u>438,080</u>
Cash flows generated from operations	44,376,867	41,685,807
(Increase) in long term loans and advances	(3,535)	(6,397)
Increase in long term deposits	96,221	32,386
Final taxes - levies paid	(329,662)	(2,515)
Taxes paid	(11,640,212)	(12,207,838)
Actual decommissioning cost paid	-	(234,963)
Net cash generated from operating activities	<u><u>32,499,679</u></u>	<u><u>29,266,480</u></u>

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**50. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX**

<b>Description</b>	<b>Explanation</b>		
i) Loans and advances	Non-interest bearing		
ii) Deposits	Non-interest bearing		
iii) Segment revenue	Disclosed in note 40		
		2024	2023
		Rupees ('000)	
<b>iv) Bank Balances</b>			
Placed under interest arrangements		68,462,391	61,962,950
Placed under Shariah permissible arrangements		432,915	8,356,196
		<u>68,895,306</u>	<u>70,319,146</u>
<b>v) Income on bank deposits</b>			
Placed under interest arrangements		13,167,370	9,362,759
Placed under Shariah permissible arrangements		449,577	1,321,139
		<u>13,616,947</u>	<u>10,683,898</u>
vi) Dividend income	Disclosed in note 36.1		
vii) All sources of other income	Disclosed in note 36		
viii) Exchange gain	Earned from actual currency		
ix) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Faysal Bank Limited 2. Meezan Bank Limited 3. Bank Islami Limited		

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**51 GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS INCLUDING INTEREST IN JOINT OPERATIONS**

Geographical location and addresses of all other business units of the Company including interest in joint operations are as follows:

<u>Exploration licenses / Leases</u>	<u>Location and address</u>		<u>Working interest</u>	
			2024	2023
<b>Operated by the Company</b>				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	BarKhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
North Dhurnal (3372-27)	Attock	Punjab	60.00	60.00
Multanai (3168-3)	Zhob	Balochistan	100.00	100.00
Saruna West (2666-1)	Khuzdar, Lasbela	Balochistan	40.00	40.00
<b>Non-operated</b>				
<b>Operated by MOL Pakistan Oil and Gas Company B.V.</b>				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	*25.00
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Tolanj West D&P lease 234/PAK/2017	Kohat	KPK		
Tolanj D&P lease 233/PAK/2017	Kohat	KPK		
Mardankhel D&P lease 233/PAK/2017	Hangu	KPK		
Mamikhel South D& P lease 272/PAK/2021	Kohat	KPK		
<b>Operated by Oil and Gas Company Limited</b>				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Chah Bali Exploration License (2996-2)	Mach, Mastung and Kalat	Balochistan	30.00	-
<b>Operated by Ocean Pakistan Limited</b>				
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhurnal Mining Lease (69/PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
<b>Operated by Pakistan Petroleum Limited</b>				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00
<b>Operated by Mari Petroleum Company Limited</b>				
Taung Petroleum Concession (2567-12)	Jamshoro	Sindh	40.00	40.00
Nareli (3068-9)	Loralai, Sibi, Harnai	Balochistan	32.00	32.00

\*Pre-commerciality interest

*Agro*

**52. GENERAL**

**52.1 Non-adjusting event after the consolidated statement of financial position date**

The Board of Directors in its meeting held on September 2, 2024 has proposed a final dividend for the year ended June 30, 2024 @ Rs 70 per share, amounting to Rs 19,869,857 thousand for approval of the members in the Annual General Meeting to be held on October 14, 2024.

**52.2 Capacity**

**POL**

Following is production from the Company's fields including proportionate share from all operated and non-operated joint ventures:

<b>Product</b>	<b>Unit</b>	<b>2024</b>	<b>2023</b>
Crude oil	US Barrels	1,730,118	1,829,336
Gas	Million Cubic Feet	22,548	23,726
LPG	Metric Tonnes	50,280	53,177
Sulphur	Metric Tonnes	614	609
Solvent Oil	US Barrels	18,647	18,334

Considering the nature of the Company's business, information regarding installed capacity has no relevance.

**CAPGAS**

Considering the nature of the Company's business, information regarding capacity has no relevance.

<b>52.3 Number of employees</b>	<b>2024</b>	<b>2023</b>
Total number of employees as at June 30	679	687
Total number of employees at fields as at June 30	487	495
Average number of employees during the year	686	691
Average number of employees at fields during the year	492	494

*AH-Ca*



52.4 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

52.5 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with accounting and reporting standards as applicable in Pakistan.

**52.6 Date of authorization**

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on September 2, 2024.

APP-6.

  
Chief Financial Officer

  
Chief Executive

  
Director

# PAKISTAN OILFIELDS LIMITED

## PATTERN OF SHAREHOLDING

As at June 30, 2024

S.No.	No. of Shareholders	From	To	Total Shares Held
1	2570	1	100	96,982
2	2098	101	500	600,608
3	1101	501	1000	886,489
4	1981	1001	5000	4,824,375
5	528	5001	10000	3,951,049
6	213	10001	15000	2,674,206
7	128	15001	20000	2,290,149
8	79	20001	25000	1,803,824
9	56	25001	30000	1,565,274
10	38	30001	35000	1,253,160
11	32	35001	40000	1,209,627
12	22	40001	45000	928,501
13	24	45001	50000	1,163,397
14	16	50001	55000	842,460
15	17	55001	60000	990,981
16	16	60001	65000	996,045
17	7	65001	70000	471,168
18	6	70001	75000	438,604
19	12	75001	80000	934,353
20	4	80001	85000	334,358
21	6	85001	90000	528,480
22	4	90001	95000	371,696
23	15	95001	100000	1,485,739
24	6	100001	105000	618,431
25	3	105001	110000	322,579
26	4	110001	115000	447,473
27	7	115001	120000	828,112
28	4	120001	125000	500,000
29	3	125001	130000	388,800
30	2	130001	135000	266,340
31	4	135001	140000	554,400
32	1	140001	145000	145,000
33	4	145001	150000	588,962
34	2	160001	165000	326,900
35	2	165001	170000	336,517
36	2	170001	175000	341,360
37	4	175001	180000	715,255
38	2	185001	190000	376,360
39	8	195001	200000	1,593,298

S.No.	No. of Shareholders	From	To	Total Shares Held
40	3	200001	205000	605,804
41	2	205001	210000	418,500
42	3	210001	215000	637,165
43	1	215001	220000	216,000
44	1	220001	225000	223,976
45	1	230001	235000	233,500
46	2	235001	240000	476,600
47	1	245001	250000	246,230
48	1	250001	255000	252,816
49	2	255001	260000	516,614
50	2	260001	265000	525,063
51	1	275001	280000	275,694
52	1	280001	285000	281,496
53	1	285001	290000	289,213
54	2	290001	295000	585,981
55	4	295001	300000	1,196,800
56	2	300001	305000	600,588
57	1	310001	315000	310,280
58	1	315001	320000	318,216
59	1	325001	330000	327,666
60	1	340001	345000	343,200
61	1	350001	355000	350,305
62	3	390001	395000	1,181,699
63	2	395001	400000	800,000
64	1	405001	410000	409,509
65	2	430001	435000	865,688
66	2	445001	450000	895,143
67	2	450001	455000	905,282
68	1	475001	480000	477,390
69	1	485001	490000	485,812
70	2	495001	500000	1,000,000
71	1	500001	505000	503,600
72	1	505001	510000	508,586
73	1	540001	545000	541,426
74	5	595001	600000	3,000,000
75	2	610001	615000	1,224,787
76	1	620001	625000	623,180
77	1	665001	670000	667,385
78	1	690001	695000	691,940
79	1	700001	705000	702,000
80	1	710001	715000	714,500
81	2	720001	725000	1,450,000
82	1	745001	750000	747,868

<b>S.No.</b>	<b>No. of Shareholders</b>	<b>From</b>	<b>To</b>	<b>Total Shares Held</b>
83	1	760001	765000	764,454
84	1	825001	830000	829,560
85	1	840001	845000	845,000
86	1	850001	855000	854,455
87	2	950001	955000	1,907,928
88	1	1050001	1055000	1,052,796
89	2	1055001	1060000	2,110,197
90	1	1195001	1200000	1,200,000
91	1	1225001	1230000	1,230,000
92	1	1755001	1760000	1,760,000
93	1	1855001	1860000	1,858,965
94	1	1900001	1905000	1,903,475
95	1	1910001	1915000	1,913,137
96	1	1925001	1930000	1,929,461
97	1	2065001	2070000	2,065,191
98	1	2105001	2110000	2,110,000
99	1	2275001	2280000	2,280,000
100	1	3155001	3160000	3,155,810
101	1	5375001	5380000	5,378,300
102	1	6445001	6450000	6,447,093
103	1	25905001	25910000	25,907,710
104	1	149730001	149735000	149,732,758
<b>Total</b>	<b>9124</b>			<b>283,855,104</b>

# Notice of Annual General Meeting

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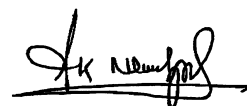
Notice is hereby given that Seventy Third (73rd) Annual General Meeting (being the 95th General Meeting) of the Company will be held on Thursday, October 17, 2024 at 10:00 hours at 4th Floor, Attock House, Morgah, Rawalpindi and video link (Zoom Application) facility will also be available to the interested shareholders, to transact the following business:

## ORDINARY BUSINESS

- i. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditors' Reports for the year ended June 30, 2024;
- ii. To approve final cash dividend of Rs. 70 per share i.e. 700% as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 25 per share i.e. 250% already paid to the shareholders, thus making a total cash dividend of Rs. 95 per share i.e. 950% for the year ended June 30, 2024;
- iii. To appoint auditors of the Company for the year ending June 30, 2025 and fix their remuneration. The present auditors Messer A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment;
- iv. To transact any other business with permission of the Chairman.

Registered Office:  
POL House,  
Morgah, Rawalpindi.  
September 26, 2024.

For & on behalf of the board



Khalid Nafees  
Company Secretary

## NOTES:

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 11, 2024 to October 17, 2024 (both days inclusive). Transfers of shares received in order at the Registered Office / Share Registrar (CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi) of the Company by the close of business on October 10, 2024 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders.

# Notice of Annual General Meeting

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## 2. PARTICIPATION IN THE ANNUAL GENERAL MEETING THROUGH VIDEO LINK:

The Company will be also conducting its AGM through video link (Zoom Application). The shareholders intending to participate in the meeting are hereby requested to share following information with the Company through email at [cs@pakoil.com.pk](mailto:cs@pakoil.com.pk) or whatsapp at 0333-5310332 at the earliest but not later than 48 hours before the time of the AGM.

Required information: Name of Shareholder/Proxy, CNIC Number, Folio/CDC Account No. of Member, Mobile Phone Number and Email address.

## 3. PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A member entitled to participate and vote at this meeting is also entitled to appoint another proxy to participate and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

For appointing proxies

- a. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- b. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the Company.

## 4. CONFIRMATION OF "FILER" STATUS FOR INCOME TAX WITHHOLDING ON CASH DIVIDEND:

For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:

a.	Rate of tax deduction for filer of income tax returns	15%
b.	Rate of tax deduction for non-filer of income tax returns	30%

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company / Share Registrar. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

# Notice of Annual General Meeting

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The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

## **5. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or as a documentary evidence for this purpose. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CDC account holders are requested to submit their declaration for non-deduction of zakat to the relevant member stock exchange or to CDC if maintaining CDC investor account.

## **6. PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:**

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) to receive their cash dividend directly in their bank accounts instead of dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account. In the absence of shareholder's valid bank account detail by October 11, 2024, the Company will be constrained to withhold dividend of such members.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

## **7. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2023-24:**

Pursuant to the directives of SECP, CNIC number of shareholders is MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company on its registered address / Share Registrar. In the absence of a member's valid CNIC, the Company will be constrained to withhold payment of cash dividend to such members.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange or to CDC if maintaining CDC investor account.

# Notice of Annual General Meeting

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## **8. UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:**

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

## **9. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:**

As per Section 72 of the Companies Act, 2017, every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide its letter dated March 26, 2021 has advised to comply with Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into book-entry form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in book-entry form allows for swift sale/purchase.

## **10. CIRCULATION OF THE ANNUAL BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS, AUDITOR'S REPORT AND DIRECTORS' REPORT, ETC. ("ANNUAL AUDITED FINANCIAL STATEMENTS") TO ITS MEMBERS THROUGH QR ENABLED CODE AND WEBLINK:**

In accordance with the approval of shareholders at the 72nd Annual General Meeting under Section 223(6) of the Companies Act 2017, and SECP Notification S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Audited Financial Statements may be downloaded from the following QR enabled code and weblink through your smart phones.



Weblink: <https://www.pakoil.com.pk/financial-reports.html>



# Notice of Annual General Meeting

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## 11. CONSENT FOR VIDEO CONFERENCE FACILITY:

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 7 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

Please submit the following form with the requisite information at the registered office of the Company.

<p><b><u>Consent for Video-link Facility</u></b></p> <p>I/we _____ of _____ being a member of Pakistan Oilfields Limited, holding _____ ordinary shares as per register Folio/ CDC Account No. hereby opt for video conference facility at _____</p> <p>Name and Signature: _____ Date: _____</p>
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Please also note that the Company is already arranging video link facility through Zoom application as per Note. 2 above.

## 12. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2024 have been made available on the Company's website [www.pakoil.com.pk](http://www.pakoil.com.pk) at least 21 days before the date of AGM.

## 13. CHANGE IN ADDRESS:

The members are requested to promptly notify any change in their addresses.



