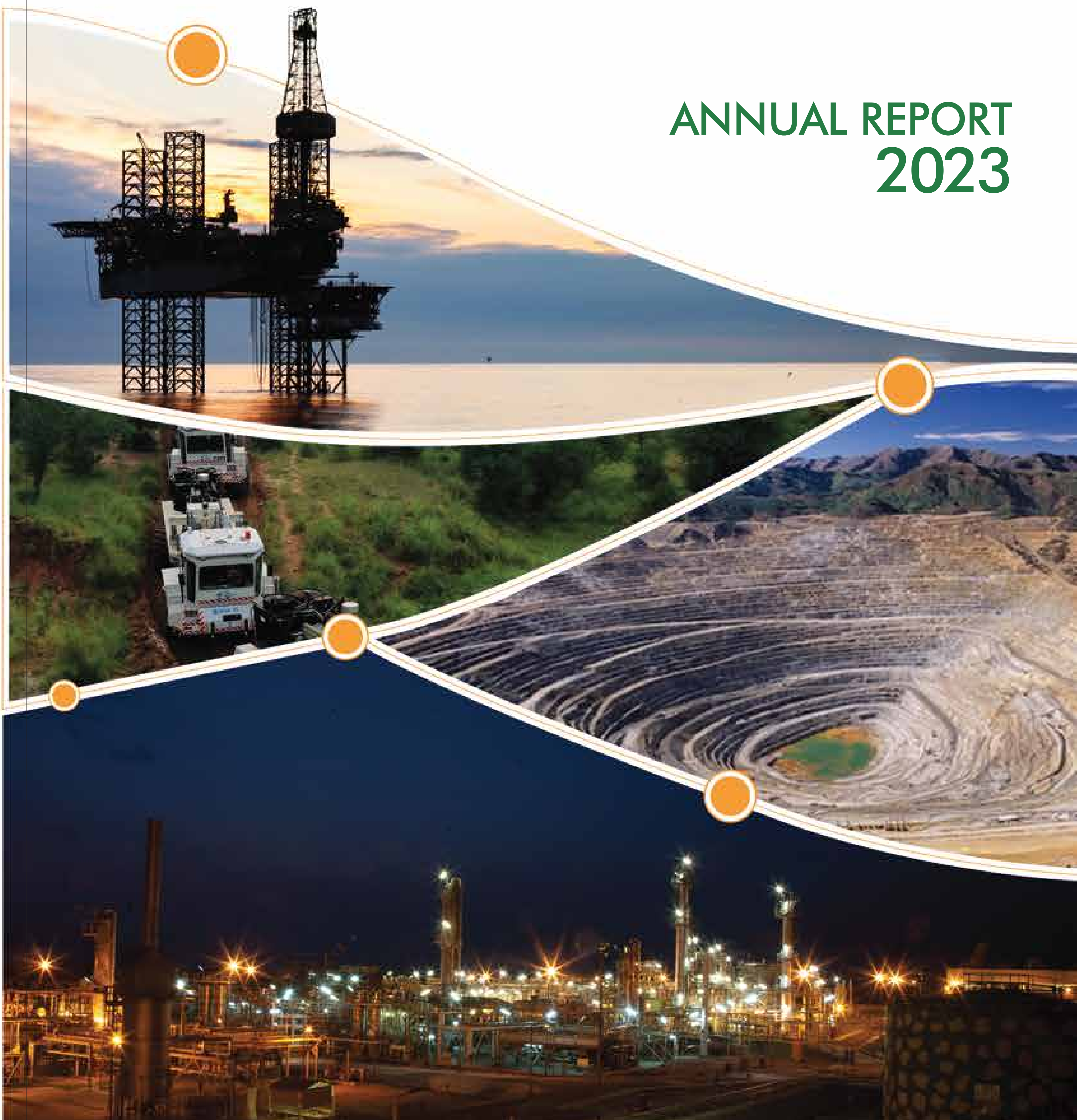
PPL

Beyond Boundaries

ANNUAL REPORT 2023



ANNUAL REPORT 2023

E&P is a risky business, full of uncertainties, yet possibilities of great gains and growth opportunities. For PPL, this was a given in the wake of a huge gas discovery at Sui, at a time when oil was the main currency. By **pushing the boundaries**, PPL created demand for a new, abundant energy resource to fuel the nascent-gas-based industries.The journey continued with gas discoveries in Kandhkot, Mazarani and Adhi in the times of low gas demand, for PPL to still hold a major share in the country's gas supplies.

As the producing basins mature and easy finds diminish, PPL again came forward to stretch the **geographical boundaries** to acquire partnership in the first international block in the 2000s. Later, the company became the first transnational operator with a block in Iraq and more recently an offshore Block 5 in Abu Dhabi, UAE. For testing the unconventional and high-risk-reward basins, PPL led the local industry to move out of the comfort **operational boundaries** into uncharted offshore basins with drilling Pasni X-1 in 2005. Meanwhile, PPL continued to expand **partnership boundaries** collaborating with international E&P companies for local ventures.

With mounting circular debt, PPL again rose up to stretch traditional **business boundaries** to diversify its revenue streams. Much before local E&P companies could try minerals, PPL had already extended its reach with Bolan Mining Enterprises in the1970s. Venturing into the promising Reko Diq project to extract one of the world's largest gold and copper mines shows PPL's resolve to extend its **learning boundaries** into mineralogical skills.

As PPL upholds its legacy of perseverance, integral to its DNA, the company will continue to push and extend its reach **'beyond boundaries'** to navigate through challenging business environment with new frontiers, new skills and novel learning curves.

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Compliance with International Integrated Reporting Framework

PPL's annual report 2023 has been prepared in compliance with International Integrated Reporting Framework. The report materially complies with and includes the fundamental concepts, content elements and guiding principles as set out in International Integrated Reporting Framework.

COMPANY INFORMATION

Board of Directors
Mr. Shahab Rizvi
Chairman
Independent, Non-Executive Director

Mr. Imran Abbasy
Chief Executive Officer /
Managing Director

Mr. Abid Sattar
Independent, Non-Executive Director

Mr. Aftab Ahmad
Independent, Non-Executive Director

Mr. Awais Manzur Sumra
Non-Executive Director

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

Ms. Khurshid Bhaimia
Independent, Non-Executive Director

Mian Imtiazuddin
Independent, Non-Executive Director

Mr. Momin Agha
Non-Executive Director

Mr. Shahbaz Tahir Nadeem
Non-Executive Director

Mr. Shakeel Qadir Khan
Non-Executive Director

Company Secretary
Mr. Ali Jaffar

Chief Financial Officer
Mr. Mohammad Khalid Abdul Rehman

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

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

Quetta Office
House No. 11/C, Model Town Extension
Near FC Headquarters,
Quetta, Balochistan
Tel: +92-81-2832122-197

Field Locations
Sui Field
Sui, Dera Bugti Agency, Balochistan

Kandhkot Field
District Kashmore, Sindh

Adhi Field
Tehsil Gujjar Khan, Rawalpindi, Punjab

Mazarani Field
Mazarani, Larkana, Sindh

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

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

Dhok Sultan Field
Tehsil Jhand, District Attock, Punjab

Registration Number
CUIN: 0000378

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

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

Legal Advisors
Surridge & Beecheno

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

Website
www.ppl.com.pk

VISION

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

MISSION

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

CORE VALUES

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

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

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

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

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

AT A GLANCE
2022-23

Operational Highlights

03	05	04	1,130	1,416
Exploration wells	Development wells	Discoveries	Sq km 3D Seismic acquired	Line km 2D Seismic acquired

Financial Highlights

286	98	18	2.4
Rs. in Billion Sales Revenue	Rs. in Billion Profit After Tax	Rs. in Billion Capital Expenditure	in USD - Operational cost Per BOE

Production Highlights | PPL Net Share

815	730	12,074	320	368
MMscfd equivalent	MMscfd of gas	Barrels of Oil / NGL / Condensate per day	Tonnes of LPG per day	Tonnes of baryte & iron ore per day

Above also includes Partner operated areas.

CALENDAR OF MAJOR EVENTS
2022-23

August 2022
- Discovery in Samanasuk-Shinwari formations in Tolanj West-2 well in Partner Operated Tal Block
- Provided financial support of PKR 70 million to flood affected communities

September 2022
- Mr. Imran Abbasy was appointed as Managing Director and Chief Executive Officer of the Company
- Discovery in Lockhart formation in Tolanj West-2 well in Partner Operated Tal Block
- Signed off Collective Bargaining Agreement 2020-2021 with workers' union
- PPL received 2nd position in Best Corporate Report Awards in "Fuel & Energy" category from ICAP & ICMAP

October 2022
- PPL and the Geological Survey of Pakistan (GSP) signed a Memorandum of Understanding (MoU) to pursue and expedite mineral exploration-related activities
- Announced discovery of gas and condensate from Shahpur Chakar North X-1 well in Gambat South block
- AGM approved 5% cash dividend
- Four blocks were provisionally awarded to PPL along-with joint venture partners

November 2022
- PCAs signed for Kalat West and Sui North blocks as operator and for Dadhar and Mach blocks as a non-operating partner

December 2022
- PPL together with OGDCL and GHPL signed definitive agreements with respect to the SOEs' participation in the reconstituted Reko Diq project
- SAFA awarded Joint Bronze in best presented Annual Report award to PPL's 2021 Report in "Public Sector Entities" category

February 2023
- Announced interim cash dividend of 10%

March 2023
- Received Corporate Philanthropy award for the eighteenth consecutive year from Pakistan Center for Philanthropy

April 2023
- Announced discovery of hydrocarbons from exploration well Rayyan-1 in Kirthar Block

June 2023
- Board approved distribution of ration bags to needy communities worth PKR 100 Million
- Signed off Collective Bargain Agreement for the years 2022-2023 with workers' union

CHAIRMAN'S REVIEW

Operational highlights

I am pleased to present the Annual Report detailing your Company's performance for the fiscal year 2022-23. Throughout this period, our unwavering dedication has propelled your Company to achieve remarkable success. We have attained some noteworthy milestones and accomplishments across all our business operations. Despite challenges posed by escalating geopolitical tensions and consequent financial fluctuations, the last fiscal year witnessed a substantial upswing in oil and commodity prices. This trend continued into 2022-23, with benchmark crude prices averaging an impressive US$ 87 per barrel. The volatility in prices was significant, peaking at US$ 110 per barrel in July 2022, and later stabilizing around US$ 75 per barrel by June 2023.

Allow me to emphasize our utmost commitment to upholding the highest standards of corporate governance, transparency, and accountability. These values remain at the core of our operations, ensuring protection of stakeholders' interests at every juncture.

I am glad to report that despite the implications of these challenging times and circumstances, PPL has achieved extraordinary financial outcomes in the current fiscal year, primarily attributed to the exceptional surge in crude oil prices. In response to the nation's increasing energy demands, PPL is diligently working towards harnessing recent discoveries and enhancing output from established natural resources. As evidence of our efforts, we successfully commissioned development wells in three partner-operated projects: Latif 21, Tolanj West-2 (Tal Block), and Rizq-4 (Kirthar Block). Additionally, we installed compression in Tal Block to sustain production from the Manzalai field.

Presently, our Company holds working interest in multiple operated and partner operated producing fields. Despite the natural decline observed in mature fields, the Company's average hydrocarbon production for 2022–23 stood at 815 MMscfd gas equivalent. A notable achievement was the increased gas production of approximately 159 MMscfd in the Kandhkot field during the same period. Throughout the year, we executed several development initiatives across our producing assets, including the drilling of five development wells – three in our operated fields and two in partner-operated fields. These activities not only bolstered production but also contributed to enhancing our reserves base.

In conjunction with our production assets, the Company and its subsidiaries possess an exploration portfolio consisting of 45 blocks as of the year end, comprising of 27 operated by PPL including Offshore Block-5 in Abu Dhabi and 18 under partnership operations, including Yemen Block-3. Furthermore, in line with our robust exploration strategy, PPL bid jointly with other national entities and secured four new exploration blocks in the competitive bidding round of 2022-23 – one as an operator and three as a joint venture partner.

During the fiscal year 2022-23, the Company successfully drilled three exploratory wells, with two located in partner-operated regions and one within our operational domain. We are elated to announce four discoveries in the Gambat South, Tal, and Kirthar Blocks. In the year 2022-23, Reserves Replenishment Ratio (RRR) stands at approximately 76 percent. Notably, the increase in reserves is primarily attributed to discoveries in the operated exploration well Shahpur Chakar North (Gambat South Block) and partner-operated appraisal/development well Jugan-2 (Latif Block), together with revisions in reserves in Kandhkot, Adhi, Sui, Tal and Latif blocks.

In line with our commitment to maintain sustainability and strategic growth, PPL is channeling its diversification efforts into two distinct areas: Minerals & Mining and other Non-E&P opportunities within the energy value chain. This strategic shift aims to fortify the Company by establishing steady and diversified revenue streams. In alignment with this strategy, PPL has formalized a definitive agreement pertaining to State Owned Enterprises participation in the Reconstituted Reko Diq Project – one of the largest undeveloped Copper and Gold deposits worldwide.

Sustainable practices play an important role in today's challenging environment of oil and gas sector. As the world is moving towards more sustainable and cleaner sources, the regulatory situation and stakeholders' expectations are also transitioning. Adopting sustainable practices is now all the more connected with long-term growth than being merely a matter of compliance, which makes it imperative to recognize that environmental and financial growth go hand-in-hand. Our investments in sustainability initiatives, have not only boosted our position as a responsible corporate citizen, but have also strengthened our bond with our direct and indirect stakeholders, mainly the local community in the vicinity of our operational areas. We are also taking calculated steps to reduce our carbon foot print and venture into green initiatives.

Governance / Board and its Committees

The Board of directors held sixteen meetings during the year. The Board has been diligent and has contributed effectively in guiding the Company in all its strategic affairs, during the year. The Board is aware of the challenges ahead, but our belief in Pakistan remains unshakeable as we focus our efforts towards sustainable growth in the oil and gas industry, which is one of the prime indicators of economic progress. The Board & Board Committees remained active and met frequently during the year.

The Board recognizes that well defined corporate governance processes are vital to enhancing accountability and is committed to ensure high standards of corporate governance to maintain stakeholder value.

During the year, four casual vacancies arose on the Board. The vacancies due to resignations of *ex officio* directors viz., Mr. Muhammad Zubair, Mr. Ali Raza Bhutta and Syed Zakria Ali Shah were duly filled during the year with the appointments of Mr. Abdul Aziz Uqaili, Capt. (Retd.) Muhammad Mahmood and Capt. (Retd.) Anwar-ul-Haq respectively, while Mr. Anwar-ul-Haq was also replaced by Mr. Shahbaz Tahir Nadeem.

Appreciation

The present Board is completing its three years' term in December 2023, hence the Board would like to thank all stakeholders in general and the employees of the Company in particular, for their support, loyalty, perseverance and commitment. Your faith in these challenging times has allowed us to perform and show positive results in a difficult business and economic environment. We continue to pray for the continued sustainable success and growth of the Company and the well-being of all its stakeholders.

Shahab Rizvi
Chairman, Board of Directors
20 September 2023

MANAGING DIRECTOR'S OUTLOOK

I am pleased to present the key highlights and accomplishments of the Company during this past year, which has strengthened PPL's position as the premier exploration and production (E&P) company in Pakistan. This is evident from our outstanding financial performance, as we achieved a post-tax profit of Rs 98 billion, the highest in our Company's history. Additionally, our investment in the Reko Diq mining project, which is one of the largest untapped copper and gold mines globally, has further reinforced our standing. I would like to emphasize our unwavering dedication to creating value for our shareholders, even in the face of a challenging business environment and diminishing size of discoveries domestically.

With respect to our exploration efforts, we have expanded our footprint well beyond the known plays in Pakistan by winning the rights for 4 additional blocks in the current year's bid round. This adds to the 4 blocks acquired last year. Out of our exploration portfolio, PPL has made four new hydrocarbon discoveries – one in operated area while three in partner operated areas. Furthermore, our efforts have resulted in the addition of 226 Bcfe in 1P reserves from both operated and partner-operated areas. This highlights an impressive reserve replacement effort.

To assess prospects for sizeable hydrocarbon discoveries, we have paced up exploration activity, amid escalating security costs, in high-risk, high-reward frontier areas. 2D seismic surveys have been initiated across frontier assets in Balochistan, including Margand, Musakhel, Kuhan and Suleiman blocks, along with 3D seismic in Pezu Block. As such, we have made significant progress during 2022-23 in seismic activity with the acquisition of 1,416 line km 2D and 1,130 sq. Km 3D data. We have also accelerated exploration and appraisal efforts in our international offshore venture (Block 5) in Abu Dhabi, UAE operated by PIOL. Following the completion of seismic analysis study, the consortium under PIOL aims to drill in the identified prospects during 2023-24. We recognize that multi-TCF volumes, which can potentially impact the reserves to production ratio of Pakistan, can only be discovered in high-risk frontier basins. However, we will also venture into lower-to-medium risk assets to balance our portfolio.

On the production front, we have improved our output from last year with net production of approximately 815 MMscfde, primarily due to increased offtakes from Kandhkot with an average daily production of 160 MMscfd. Majority of our fields are mature and facing natural decline in their production lifecycle. Therefore, we have increased our focus on production optimization efforts to enhance our contribution in the national grid. These include well optimization, upgrading facilities and use of latest techniques to maximize recovery rates from existing reservoirs. I would also like to emphasize that the optimal field development of Kandhkot requires gas price revision given the high capex involved in compression and associated development wells.

Talking about challenges, the Company is facing mounting circular debt in its gas business due to the widening gap between wellhead and consumer gas prices. This leads to delayed payments by gas utility companies to the upstream sector. To add to the challenge, the Company has to pay levies and taxes on accrual basis resulting in higher upfront cash outflows. For the first time in history, our receivables have surged past half a trillion rupees. The situation calls for immediate attention and is being escalated at the highest levels for possible solutions, the foremost of which is the increase in consumer gas pricing.

Against this backdrop, PPL is actively pursuing its diversification strategy, especially into the mining sector with active projects and possible expansion into downstream and renewables, to generate alternate revenue streams. The Company is also looking for partnership in international prosperous basins against the backdrop of depleting low-cost, low-risk local finds.

On the mining front, as highlighted above, PPL has entered into definitive agreements for Reko Diq project, with equal sharing of a 25 percent equity stake in the project with two other SOEs - OGDCL and GHPL. To this end, a new company Pakistan Minerals (Private) Limited has also been established. Currently, a detailed feasibility study of Reko Diq project is underway which is slated to be completed by the second half of 2024 with expected production in 2028. With respect to an interest expressed by a potential investor in the equity stake in Reko Diq, the discussions are in-progress, however nothing has been materialized to date. Furthermore, Bolan Mining Enterprises (BME), our operated mining arm, has earned the highest-ever net sales revenue of Rs. 1.8 billion. We are also pacing up efforts to kick off baryte, lead, and zinc (BLZ) project along-with looking for additional mineral prospects in Balochistan by partnering with other companies.

We remain significantly invested in health and safety of our employees, contractors and stakeholders as well as restricting the environmental impact of our operations. We also plan to strengthen our succession planning by building and nurturing human capital equipped to meet and adjust with shapeshifting business requirements in the energy sector.

As a responsible corporate citizen, we remain committed to improve the quality of life for deserving communities in operational as well as urban centres. With a CSR spent of Rs. 3 billion during 2022-23, one of the highest in our history, PPL focuses on community transformation through on ground, long-term and integrated projects in education, healthcare, livelihood generation and post-disaster relief and rehabilitation. During the devastating floods in 2022, the Company came forward to support government efforts through financial assistance to provincial disaster management authorities and distribution of relief goods.

Moving ahead, we remain committed to bridge the energy supply-demand gap through potentially large hydrocarbon discoveries in the high-risk high-reward frontier basins. With this, we will continue to seek investment in international ventures in an effort to broaden our portfolio. Optimizing production from existing mature fields with the use of latest technology shall be focused to improve efficiencies. Apart from our flagship E&P upstream business, PPL will keep enhancing its stakes in the mining sector and look for opportunities in energy value chain including green energy in order to expand our footprint as an integrated energy player.

Lastly, I extend my heartfelt gratitude to all our stakeholders, including Government of Pakistan and our valuable shareholders, who have been an integral part of this exciting journey and our staff whose commitment has enabled us to position PPL as a premier E&P company. Together, we will continue to strive for excellence, innovation and a sustainable future.

Pakistan Paindabad

Imran Abbasy
Managing Director
& Chief Executive Officer

CODE OF CONDUCT

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

Salient Features of the Code for Directors

1. **Conflict of Interest**

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

2. **Corporate Opportunities**

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

3. **Confidentiality**

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

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

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

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

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

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

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

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

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

8. **Compliance Procedures**

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

9. **Inside Information & Insider Trading**

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

SALIENT FEATURES OF THE CODE FOR EMPLOYEES

1. **Conflict of Interest**

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

2. **Confidentiality & Disclosure of Information**

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

3. **Inside Information & Insider Trading**

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

4. **Political Contribution**

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

5. **Bribes & Commercial Payments**

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

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

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

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

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

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

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

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

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

10. **Smoking Policy**

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

11. **Seat Belt / Helmet Policy**

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

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

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

13. **Unsolicited Gifts**

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

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

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

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

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

16. **Company & Personal Property**

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

17. **Alcohol & Drugs**

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

18. **Gambling**

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

19. **Rumour Mongering & Gossiping**

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

20. **Harassment**

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

21. **Grievance Handling**

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

22. **Whistle Blowing**

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

23. **General Discipline**

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

24. **Reporting Violations / Disciplinary Actions**

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

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

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

GLOBAL COMPACT

PPL has proudly completed more than a decade of its association with the United Nations Global Compact (UNGC). UNGC was developed in the year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With over 23,000 participants and other stakeholders, including business and civil society from over 160 countries, UNGC provides a leadership platform for participants to strengthen their commitment to sustainability and corporate citizenship. UNGC binds all participating organisations to share initiatives compliant with UNGC's ten principles, focusing on human rights, enabling working conditions for employees, environmental conservation and transparency.

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

HUMAN RIGHTS

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

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

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

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

LABOUR STANDARDS

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

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

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

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

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

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

ENVIRONMENT

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

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

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

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

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

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

ANTI-CORRUPTION

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

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

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

GOVERNANCE FRAMEWORK

Board

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

Managing Director & Chief Executive Officer

Executive Committee

Management Committees

- Investment Committee
- Manuals Committee
- Information Technology Steering Committee
- Budget Review Committee
- Procurement Committee
- Peer Review Coordination Committee
- Reserves Management Committee
- Executive Risk Management Committee
- Insurance Claims Committee
- Quality, Health, Safety & Environment Central Committee
- Business Continuity Management Steering Committee
- Executive Business Excellence Committee

PROFILE OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

Mr. Imran Abbasy
Managing Director & Chief Executive Officer

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

Mr. Abbasy is a director of the Company's wholly-owned subsidiaries PPL Asia E&P B.V. and PPL Europe E&P Limited. He is also the Chairman of Pakistan Minerals (Private) Limited and a director on the boards of Pakistan International Oil Limited, Reko Diq Mining Company (Private) Limited, Reko Diq Investments Limited and Reko Diq Holdings Limited.

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

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

He has been an active member of Society of Petroleum Engineers and authored several papers as well as participated in Applied Technology Workshops.

Abbasy earned a bachelor's degree in Mechanical Engineering in 1981 followed by a master's in Aerospace Engineering in 1983 both from The George Washington University, USA.

Mr. Abid Sattar
Independent, Non-Executive Director

Mr. Abid Sattar was re-elected as a member of the Board of Directors on December 23, 2020. He is the Chairman of the Board Nomination committee and a member of Board Human Resource and Strategy & Finance committees.

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

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

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

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

Mr. Aftab Ahmad
Independent, Non-Executive Director

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

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

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

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

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

Mr. Awais Manzur Sumra

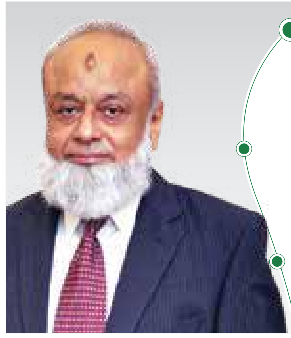
Non-Executive Director

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

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

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

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



Mr. Imtiaz Ahmed Husain Laliwala

Independent,
Non-Executive Director

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

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

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

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

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

Mian Imtiazuddin

Independent,
Non-Executive Director

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

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

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

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

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

Ms. Khurshid Bhaimia

Independent,
Non-Executive Director

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

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

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

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

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

Mr. Momin Agha
Non-Executive Director

Mr. Momin Agha joined Pakistan Petroleum Limited's Board of Directors on September 4, 2023. He is a member of Board Human Resource and Strategy & Finance committees.

An officer of Pakistan Administrative Services, Mr. Agha has rich professional experience, spanning over 27 years, including senior level administrative and managerial as well as leadership responsibilities. These include Commissioner Faisalabad Division and secretary of various provincial departments and Additional Chief Secretary. At the federal level, he has served at Ministry of Interior and Ministry of Industries and Production. Recently, he has been appointed as Additional Secretary (Incharge), Ministry of Energy (Petroleum Division).

Mr. Agha has obtained a master's degree in globalization & labour studies from University of Warwick, United Kingdom. He also did his bachelor's in business administration from University of Texas, United States of America.

He has the distinction of serving in various capacities and dealing with administration, establishment, litigation, budgetary and financial domains of key ministries / organizations as well as those of companies / corporations, authorities and autonomous institutions.

He also has been the chairman and member of the boards of various public sector companies, including Oil and Gas Development Company Limited, Mari Petroleum Company Limited, Government Holdings (Private) Limited and Pak Arab Refinery Limited.

Mr. Shahbaz Tahir Nadeem
Non-Executive Director

Mr. Shahbaz Tahir Nadeem joined Pakistan Petroleum Limited's Board of Directors on December 30, 2022. He is a member of the Board Procurement and Audit committees.

Mr. Shahbaz Tahir Nadeem is a member of Civil Service of Pakistan (Pakistan Administrative Service) and currently working as Joint Secretary (Investments/ JVs/ Development) in Petroleum Division, Ministry of Energy, Government of Pakistan. He leads the international cooperation segment of Petroleum Division.

His qualifications include Commonwealth Master's in Business Administration, LLB and BSc in Computer Sciences besides various professional trainings both inland and abroad.

He has vast experience in public sector management working at all the three tiers of government: federal, provincial and local. He has been Project Director Khyber Pakhtunkhwa (KP) Investment in Human Capital (World Bank). He has broad experience in social sector, development authorities (CDA and PDA) and discharged duties as Director General KP Revenue Authority (Finance Department).

Earlier, he performed general administrative functions as Deputy Commissioner in Gilgit, Diamer and Hunza districts. His corporate experience includes being a director on the boards of Pakistan Refinery Limited, Saindak Metals, Government Holdings (Private) Limited, Inter State Gas Systems (Private) Limited and PMDC.

He has also served as member of boards of various educational institutions and regulatory authorities in KP. He is committed to public service and has contributed to the fields of general administration, economic development and multitier governance.

Mr. Shakeel Qadir Khan
Non-Executive Director

Mr. Shakeel Qadir Khan joined Pakistan Petroleum Limited's Board of Directors on September 4, 2023. He is a member of the Board Procurement, Nomination and Enterprise Risk committees.

He joined Pakistan Administrative Service in 1998. During his initial service, Mr. Khan served in Shangla, Swat, Mohmand and Khyber Agency and later as Chief Economist, DCO Mansehra, Political Agent Bajaur and Director General Provincial Disaster Management Authority.

At the senior level, he served as Secretary for law and order and Planning and Development (P&D) FATA, P&D, Home and Tribal Affairs and Finance departments in Balochistan. Moreover, he also served as Chairman Balochistan Development Authority, Additional Chief Secretary Khyber Pakhtunkhwa, Chief Secretary Azad Jammu and Kashmir and Additional Secretary Power Division. He is currently serving as Chief Secretary Balochistan.

Mr. Khan has a bachelor's degree in electrical engineering and a postgraduate diploma in financial services from University of Surrey, UK. He is also an alumnus of Bucerius Law School, Hamburg. He is a graduate of National Institute of Management, Lahore and National Defense University. Besides, he has represented Pakistan at various fora in Europe, Middle East, USA, Southeast and South Asia.

He has attained diverse experience during his multifaceted career. Financial management, disaster management, institutional development, planning and development, social services delivery and security related domains remain his forte.

He is a member of the board of directors of Oil and Gas Development Company Limited and Sui Southern Gas Company Limited. He remained on the boards of National Transmission & Despatch Company (NTDC), Genco Holding Company Limited (GHCL), Power Information Technology Company (PITC) and Power Planning and Monitoring Company (PPMC). He was also Chairman Board of Director for Bank of Khyber (BoK).

BOARD COMMITTEES

The Board has formed the following Committees:

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

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

Board Audit Committee

Composition

The Board Audit Committee is comprised of:

• Mr. Aftab Ahmad	Chairman
• Mr. Awais Manzur Sumra	Member
• Mr. Imtiaz A.H. Laliwala	Member
• Ms. Khurshid Bhaimia	Member
• Mian Imtiazuddin	Member
• Mr. Shahbaz Tahir Nadeem	Member
• Head of Internal Audit	Secretary

Terms of Reference

The Terms of Reference of the Board Audit Committee include:

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

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

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

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

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

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

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

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

Board Human Resource Committee

Composition

The Board Human Resource Committee is comprised of:

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

Terms of Reference

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

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

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

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

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

Twelve meetings of the Board Human Resource Committee were held during the year.

Board Strategy and Finance Committee

Composition

The Board Strategy and Finance Committee is comprised of:

• Mian Imtiazuddin	Chairman
• Mr. Abid Sattar	Member
• Mr. Aftab Ahmad	Member
• Mr. Imran Abbasy	Member
• Mr. Momin Agha	Member
• Mr. Shahab Rizvi	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

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

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

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

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

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

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

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

(vi) Review of policies relating to financial matters.

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

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

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

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

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

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

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

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

Board Enterprise Risk Committee

Composition

The Board Enterprise Risk Committee is comprised of:

• Mian Imtiazuddin	Chairman
• Mr. Aftab Ahmad	Member
• Mr. Imtiaz A. H. Laliwala	Member
• Mr. Shahab Rizvi	Member
• Mr. Shakeel Qadir Khan	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

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

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

(i) Monitor organisation's risk profile;

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

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

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

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

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

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

Board Procurement Committee

Composition

The Board Procurement Committee is comprised of:

• Mr. Imtiaz A.H. Laliwala	Chairman
• Mian Imtiazuddin	Member
• Mr. Shahab Rizvi	Member
• Mr. Shahbaz Tahir Nadeem	Member
• Mr. Shakeel Qadir Khan	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

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

The Terms of Reference of the Board Procurement Committee include:

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

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

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

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

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

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

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

Board Nomination Committee

Composition

The Board Nomination Committee is comprised of:

- Mr. Abid Sattar — Chairman
- Mr. Awais Manzur Sumra — Member
- Mr. Imtiaz A.H. Laliwala — Member
- Ms. Khurshid Bhaimia — Member
- Mr. Shakeel Qadir Khan — Member
- Mr. Ali Jaffar — Secretary

Terms of Reference

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

The Terms of Reference of the Board Nomination Committee include:

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

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

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

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

Two meetings of the Board Nomination Committee were held during the year.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

Financial Year 2022-23

	Board of Directors			Board Human Resource Committee			Board Strategy & Finance Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	✓	16	15	✓	12	12	✓	4	4
Mr. Abdul Aziz Uqaili	✓	16	16	-	-	-	-	-	-
Mr. Aftab Ahmad	✓	16	16	✓	12	12	✓	7	7
Mr. Ali Raza Bhutta	✓	5	5	✓	5	4	✓	2	2
Mr. Awais Manzur Sumra	✓	16	15	-	-	-	-	-	-
Mr. Imtiaz Ahmed Hussain Laliwala	✓	16	16	-	-	-	✓	1	1
Ms. Khurshid Bhaimia	✓	16	15	-	-	-	-	-	-
Mian Imtiazuddin	✓	16	15	-	-	-	✓	7	7
Capt. Retd. Muhammad Mahmood	✓	11	11	✓	6	5	✓	4	4
Capt. Retd. M. Anwar-ul-Haq	✓	1	1	-	-	-	-	-	-
Mr. Shahab Rizvi	✓	16	16	✓	12	12	✓	7	7
Mr. Shahbaz Tahir Nadeem	✓	8	8	-	-	-	-	-	-
Syed Zakria Ali Shah	✓	7	6	-	-	-	-	-	-
Mr. Imran Abbasy	✓	12	12	✓	8	8	✓	5	4
Mr. Moin Raza Khan	✓	1	-	✓	2	2	✓	1	1
Mr. Abid Ashfaque Malick	✓	1	1	✓	-	-	✓	1	1

	Board Procurement Committee			Board Enterprise Risk Committee			Board Audit Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	-	-	-	✓	1	1	-	-	-
Mr. Abdul Aziz Uqaili	✓	6	5	✓	2	2	-	-	-
Mr. Aftab Ahmad	-	-	-	✓	2	2	✓	11	11
Mr. Ali Raza Bhutta	-	-	-	✓	2	2	-	-	-
Mr. Awais Manzur Sumra	-	-	-	✓	1	1	✓	9	9
Mr. Imtiaz Ahmed Hussain Laliwala	✓	3	3	✓	2	2	✓	10	10
Ms. Khurshid Bhaimia	✓	3	-	✓	1	1	✓	5	4
Mian Imtiazuddin	✓	6	6	✓	2	1	✓	11	11
Capt. Retd. Muhammad Mahmood	-	-	-	-	-	-	-	-	-
Capt. Retd. M. Anwar-ul-Haq	-	-	-	-	-	-	-	-	-
Mr. Shahab Rizvi	✓	6	6	✓	3	3	-	-	-
Mr. Shahbaz Tahir Nadeem	✓	3	3	-	-	-	✓	6	6
Syed Zakria Ali Shah	✓	3	3	-	-	-	✓	5	5
Mr. Imran Abbasy	-	-	-	-	-	-	-	-	-
Mr. Moin Raza Khan	-	-	-	-	-	-	-	-	-
Mr. Abid Ashfaque Malick	-	-	-	-	-	-	-	-	-

	Board Nomination Committee			Fee Paid to the Directors (Rs.)
	Members	Meetings	Attendance	
Mr. Abid Sattar	✓	2	2	4,800,000
Mr. Abdul Aziz Uqaili	✓	2	2	3,675,000
Mr. Aftab Ahmad	-	-	-	6,850,000
Mr. Ali Raza Bhutta	-	-	-	1,625,000
Mr. Awais Manzur Sumra	✓	2	2	3,700,000
Mr. Imtiaz Ahmed Hussain Laliwala	✓	2	2	5,050,000
Ms. Khurshid Bhaimia	✓	2	2	3,275,000
Mian Imtiazuddin	-	-	-	5,900,000
Capt. Retd. Muhammad Mahmood	-	-	-	2,900,000
Capt. Retd. M. Anwar-ul-Haq	-	-	-	250,000
Mr. Shahab Rizvi	-	-	-	6,400,000
Mr. Shahbaz Tahir Nadeem	-	-	-	2,550,000
Syed Zakria Ali Shah	-	-	-	1,875,000
Mr. Imran Abbasy	-	-	-	-
Mr. Moin Raza Khan	-	-	-	-
Mr. Abid Ashfaque Malick	-	-	-	-

Notes:
1. Meetings indicate those which were held during the period when the concerned director was on the Board.
2. Mr. Imran Abbasy, Mr. Moin Raza Khan and Mr. Abid Ashfaque Malick did not receive directors' fee from the Company, being its MD/CEO.

ORGANOGRAM

MD & CEO

- **Chief Operating Officer**
  - General Manager Production / Asset Operations
  - General Manager Development
  - Senior Manager Projects & Construction
  - Senior Manager QHSE
- **General Manager Exploration & Core Business Development**
  - Senior Manager Exploration (Overseas and Core BD)
  - Senior Manager Exploration (Domestic)
  - Senior Manager Exploration (Frontier)
  - Senior Manager Exploration (Sub Surface Technologies and Support Services)
  - Senior Manager Exploration (Mineral Resource)
- **Chief Financial Officer**
  - Senior Manager Finance (Treasury & Shared Services)
  - Manager Finance (Asset Operations)
  - Manager Corporate Finance
- **General Manager Shared Services**
  - Senior Manager Procurement
  - Senior Manager Information Technology
  - Manager Administration
  - Manager Corporate Communications
  - Manager Land & Licences
  - Manager Security Affairs
- **General Manager Strategy & Business Excellence**
  - Senior Manager Corporate Planning & Business Development
  - Senior Manager Business Excellence & Continuity
  - Manager Enterprise Risk Management
- **General Manager Human Resources**
  - Senior Manager HR (Talent Management)
  - Manager HR (Compliance)
  - Manager Industrial Relations
  - Manager Medical Services
- **Senior Manager Legal & Commercial**
  - Manager Legal Affairs
  - Manager Commercial
  - Manager Compliance Monitoring
  - Manager Government & Regulatory Affairs
- *** Company Secretary**
- ****Head of Internal Audit**

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

EXECUTIVE COMMITTEE

Sitting (left to right)

Arshad Hussain Palekar
General Manager Exploration and Core Business Development

Mohammad Khalid Abdul Rehman
Chief Financial Officer

Imran Abbasy
Managing Director & Chief Executive Officer

Syed Mahmood ul Hassan
General Manager Shared Services

Shanza Baig
Head of Legal & Commercial

Standing (left to right)

Syed Shariq Ali Hashmi
Head of Development

Adeel Rahmani
Head of Human Resources

Muhammad Saleemullah
Co-ordinating General Manager Production/ Asset Operations

BUSINESS MODEL & VALUE CHAIN

CAPITAL INPUTS

FINANCIAL CAPITAL
Rs 541 billion
share capital & reserves

HUMAN CAPITAL
2,594
number of employees

NATURAL CAPITAL
45+22+4
exploration + producing oil & gas + mineral assets

MANUFACTURED CAPITAL
Rs 136 billion
property, plant & equipment

INTELLECTUAL CAPITAL
72 years
experience in oil & gas

GEOGRAPHIC PRESENCE
3
countries of operation

VALUE CHAIN

PPL is involved in upstream oil & gas sector as well as gas processing business. The Company also holds mineral rights in Balochistan for extraction and processing of barytes & iron ore. The Company also holds an interest in Reko Diq project for extraction of copper and gold.

Change in Business Model
The company has increased its focus towards diversification and international ventures to secure circular debt free stream of cashflows which are essential for its long-term sustainability. This strategic shift has resulted in a greater emphasis on the mining business and exploring farm-in opportunities in high potential international oil & gas blocks. The company's recent investments in Abu Dhabi's offshore block 5 and the Reko Diq copper-gold mining project is a testament to this.

MIDSTREAM & DOWNSTREAM

upstream oil & gas — Gas/LPG → processing → distribution → households & industry
upstream oil & gas — Oil → refining → transportation → retail, industry & petrochemicals
minerals (diversification) — Copper & Gold, Barytes & Iron Ore → mining → export & local consumption

PPL's presence in the value chain

BUSINESS ACTIVITIES

Identify — mature prospects through seismic & other G&G studies

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

Develop — build facilities and drill development wells to monetize hydrocarbons

Produce — management of reservoir & production operations

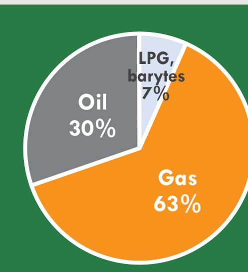
Key Elements of Business Model (as defined in section 4C of IR Framework)
Capital inputs are a fundamental element of the business as they drive the exploration & production and diversification activities of the Company. These business activities drive product portfolio of the Company including Oil,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

BUSINESS OUTPUTS

product portfolio

- Gas
- Oil
- LPG
- Barytes & Iron ore

revenue mix



Market share in indigenous production (PPL Net)

Gas: 21%
Oil: 16%
LPG: 15%

PPL is one of the largest companies of Pakistan in terms of production of oil & gas based on PPL's net share.

CAPITAL OUTCOMES

FINANCIAL CAPITAL
Rs 35.99
earnings per share
Rs 2.50
dividend per share

PRODUCTION
815 MMscfde

REVENUE EQUIVALENT
1,015 MMscfdre

FISCAL CONTRIBUTION
Rs 129 billion
contribution to national exchequer

COMMUNITIES
Rs 3 billion
CSR contribution

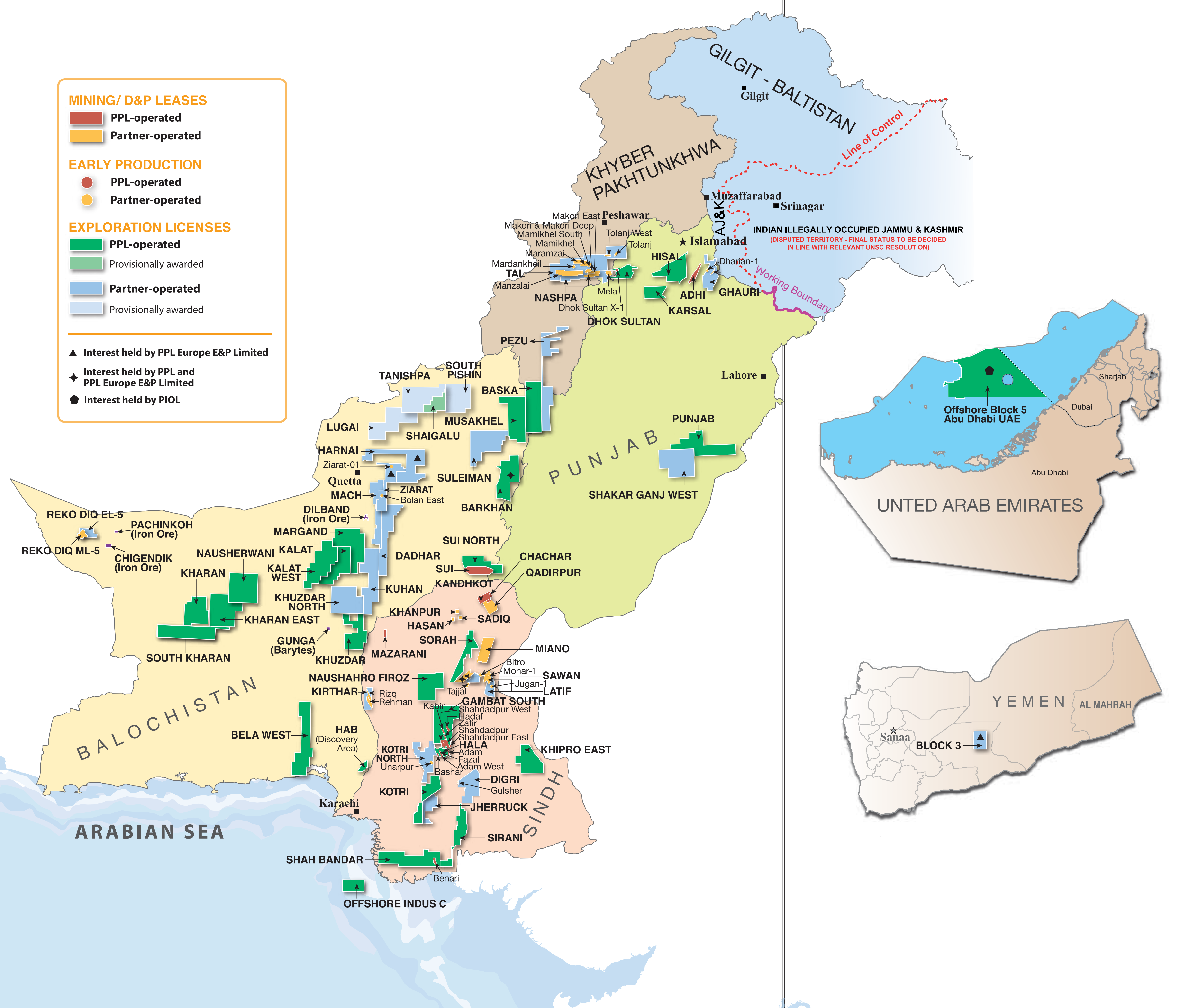
RESERVES
2,560 BCF equivalent
2P reserves

OUR PRESENCE

Group's Exploration, Production and Mining Assets

Name of Fields / Blocks		Operator	Other Partners	Group's Working Interest % as at June 30, 2023
Producing Fields				
1	Adhi	PPL	OGDCL,POL	39.00
2	Dhok Sultan (EWT Phase)	PPL	GHPL	75.00
3	Gambat South	PPL	GHPL,AROL	65.00
4	Hala	PPL	MPCL	65.00
5	Kandhkot	PPL	-	100.00
6	Kandhkot East (Chachar)	PPL	GHPL	75.00
7	Mazarani	PPL	GHPL	87.50
8	Shah Bandar (EWT)	PPL	MPCL,GHPL,SEHCL	63.00
9	Sui	PPL	-	100.00
10	Block 22	PEL	PPL,GHPL, Pyramid	35.53
11	Digri	UEPL	PPL	25.00
12	Gambat	UEP-BETA	PPL, PIOGCL, GHPL	23.68
13	Ghauri (Dharian EWT Phase)	MPCL	PPL	35.00
14	Kirthar	POGC	PPL	30.00
15	Kotri North (Unarpur EWT Phase)	UEPL	PPL,AROL	40.00
16	Latif	UEP-BETA	PPL, PIOGCL	33.30
17	Miano	UEP-BETA	PPL, PIOGCL, OGDCL	15.16
18	Nashpa	OGDCL	PPL, GHPL	28.55
19	Qadirpur	OGDCL	PPL, KUFPEC, Al-Haj	7.00
20	Sawan	UEP-BETA	PPL, PIOGCL, GHPL, PPL-E	34.07
21	Tal	MOL	PPL,OGDCL, GHPL, POL	27.76
22	Ziarat (Bolan East EWT Phase)	MPCL	PPLE	40.00
Exploration Blocks				
1	Barkhan	PPL	PPL-E, UEPL	35.00
2	Baska	PPL	ZhenHua	82.50
3	Bela West	PPL	MPCL, GHPL	58.50
4	Dhok Sultan	PPL	GHPL	75.00
5	Gambat South	PPL	GHPL, AROL	65.00
6	Hala	PPL	MPCL	65.00
7	Hisal	PPL	POL, AOC, GHPL	62.50
8	Kalat	PPL	-	100.00
9	Kalat West	PPL	MPCL	50.00
10	Karsal	PPL	-	100.00
11	Kharan	PPL	-	100.00
12	Kharan East	PPL	-	100.00
13	Khipro East	PPL	SEHCL	97.50
14	Khuzdar	PPL	-	100.00
15	Kotri	PPL	-	100.00
16	Margand	PPL	-	100.00
17	Musakhel	PPL	OGDCL, POGC, GHPL	37.20
18	Naushahro Firoz	PPL	-	100.00
19	Nausherwani	PPL	GHPL	97.50
20	Punjab	PPL	OGDCL, GHPL	47.50
21	Shah Bandar	PPL	MPCL, SEHCL, GHPL	63.00
22	Sirani	PPL	GHPL	75.00
23	Sorah	PPL	-	100.00
24	South Kharan	PPL	OGDCL	51.00
25	Sui North	PPL	MPCL	50.00
26	Tal	MOL	PPL, OGDCL, POL, GHPL	30.00
27	Dadhar	MPCL	PPL, UEPL	30.00
28	Ghauri	MPCL	PPL	35.00
29	Mach	MPCL	PPL, UEPL	30.00
30	Jherruck	NHEPL	PPL, KEC	30.00
31	Khuzdar North	OGDCL	PPL, GHPL	25.00
32	Nashpa	OGDCL	PPL, GHPL	30.00
33	Pezu	OGDCL	PPL	30.00
34	Shakar Ganj West	OGDCL	PPL	50.00
35	Suleiman	OGDCL	PPL	50.00
36	Kirthar	POGC	PPL	30.00
37	Digri	UEPL	PPL	25.00
38	Kotri North	UEPL	PPL, AROL	40.00
39	Kuhan	UEPL	PPL	50.00
40	Latif	UEPL	PPL, PIOGCL	33.30
41	Harnai	MPCL	PPL-E	40.00
42	Ziarat	MPCL	PPL-E	40.00
Offshore Blocks				
43	Eastern Offshore Indus C	PPL	-	100.00
Exploration Blocks (Outside Pakistan)				
44	Offshore Block 5 (Abu Dhabi)	PIOL	PPL, OGDCL, GHPL, MPCL	25.00
45	Block 3 (Yemen)	TOTAL	PPL-E, OMV, YOGC	20.00
Mineral Assets				
1	Reko Diq (Copper and Gold)	Barrick	PPL, OGDCL, GHPL, BMRL, GoB	8.33
2	Khuzdar (Barite, Lead & Zinc)	BME	PPL, GoB	50.00
3	Dilband (Iron Ore)	BME	PPL, GoB	50.00
4	Nokkundi (Pachinkoh & Chigendik)	BME	PPL, GoB	50.00

Note: The above table excludes the blocks for which relinquishment has been applied or are provisionally awarded.



STRATEGY AND RESOURCE ALLOCATION

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

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

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

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

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

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

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

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

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

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

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

Key Performance Indicators (KPIs)

The Company monitors its performance through the following Key Performance Indicators.

Financial

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

Non-financial

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

Resource allocation plans

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

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

Effect of external environmental changes on the business strategy

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

Environmental Component	Effect on Business Strategy
Technology	Technology is at the heart of PPL's business operations and technological improvements are quickly adopted to ensure smooth operations. The setting up of in-house seismic processing center and core lab are a testament to the Company's belief in investment in technology. The Company also plans to explore technological advancements for the exploitation of unconventional reserves.
Society	Societal issues are also considered as it is the community and not the Company alone which can deliver successful projects. The Company considers the challenges posed by the societal changes on the achievement of business strategy and plays its part by actively participating in community development activities to alleviate the social problems of the community at large including health, education, skills development, and adequate employment opportunities for the locals.
Environment	Environmental challenges has a potential to affect the achievement of business objectives and the Company plays its part in mitigating such challenges, abiding by environmental regulations applicable on it. The Company ensures environmental conservation by complying with National Environmental Quality Standards. The Company aims to leave a better environment for the future generations to come.

Key resources and capabilities providing sustainable competitive advantage

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

Value created by the business

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

Value Created for	Governments	Shareholders	Employees	Suppliers	Communities
Value Created through	• Fiscal contributions and dividends • Forex savings due to import subsidization	• Dividends, bonus shares and capital gain	• Remuneration & Benefits • Training and development	• Adequate business opportunities	• Indigenous energy production saving foreign exchange • CSR contributions

Process for strategic decision making

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

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

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

Significant changes in objectives and strategies from prior years

There is no significant change in objectives and strategies over the past year.

As part of its diversification strategy, the Company has invested in the copper-gold mining project at Reko Diq and signed MOU for setting up a greenfield refinery project. Details are given in the Directors' Report.

MONITORING OF KEY PERFORMANCE INDICATORS

		Unit	2021-22	2022-23	Commentary
financial	Earnings per share	Rs per share	19.68	**35.99**	There is a significant increase due to highest ever profit after tax on the back of positive revenues, primarily due to exchange gain.
	Return on Equity . (ROE)	%	12	**18**	ROE has improved due to substantial profits in the current year.
	Free Cashflows	Rs billion	(15)	**1**	Free cashflows turned positive compared with last year as the Company made long-term investments in PIOL, PPL Asia and Reko-Diq last year. This was further augmented by increase in finance income by Rs 4 billion. The positive effect was partially offset through higher payments of levies/taxes by Rs 40 billion on account of higher profits.
	Dividend declared per share	Rs per share	2.0	**2.5**	Increase in dividend payout from the last year.
	Opex per BOE	$/BOE	2.8	**2.4**	The opex per boe has decreased in $ terms as the PKR devaluation impact has not translated into proportionate increase in costs in PKR terms.
	Revenue contribution from Non-E&P business	Rs billion	1.2	**1.7**	The revenue has increased due to higher exports of barytes in the current year.
	CSR contribution	Rs billion	2.0	**3.0**	CSR contribution has increased significantly.
	Payment to Govt. exchequer	Rs billion	95	**129**	Higher payments on account of increase in revenues and profits due to devaluation of PKR against US$.
	Debtor Days	Days	571	**576**	Debtor days have increased due to accumulation of circular debt in parallel with the gross sales.
non-financial	LTIF	Ratio	0.04	**0.06**	An unfortunate contractor's fatality occurred at West Wharf, Karachi whereby a security guard lost his life when slipped from metallic ladder of a security check post. In another incident, a contractor's cable pickup crew member tripped and fell on ground while carrying the seismic survey equipment at site. He was provided medical aid and advised rest before joining.
	Production	MMscfde	808	**815**	The volumes have increased due to higher offtakes by GENCO II in Kandhkot partially offset by natural decline in Sui and higher water production in Adhi wells.
	Number of wells drilled	Number	12	**8**	5 development and 3 exploratory wells were drilled during the year including 4 wells being drilled in operated areas (3 Development and 1 exploration).
	Reserves replacement ratio (1P)	%	37	**76**	Higher RRR is primarily due to reserves revision in Kandhkot after the award of Kandhkot's main D&PL till Jan 2037.
	Employee Engagement Index (EEI)	%	67	**53**	The comparative results are of FY 2020-21

Reko Diq site

COMPETITIVE LANDSCAPE OF E&Ps IN PAKISTAN

OUR COMPETITIVE ADVANTAGE

Our Legacy

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

PPL has explored, discovered, developed and produced oil and gas in a variety of locations throughout Pakistan with 72 years of experience as an operator in all stages of the oil and gas life cycle.

Our Portfolio

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

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

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

Our Presence

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

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

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

DIRECTORS' REPORT 2022-23

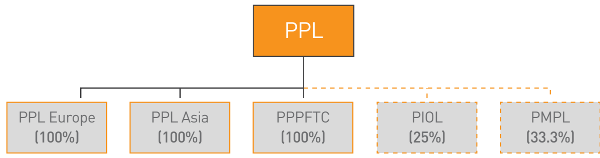
We are pleased to present the Directors' report and audited financial statements of your Company for the year ended June 30, 2023, together with the auditor's report thereon. The business review for the year along with key highlights are presented in the following paragraphs.

Introduction

Pakistan Petroleum Limited (PPL) is a pioneer in the natural gas industry in Pakistan and has been a frontline player in the exploration, development and production of oil and natural gas resources since the early 1950s. The Company's current exploration and production portfolio is spread across Pakistan with international presence in UAE and Yemen. PPL also holds mineral rights in Balochistan through Bolan Mining Enterprises (BME), a 50:50 joint operation between PPL and Government of Balochistan, besides being a partner in Pakistan Minerals (Private) Limited, which holds an indirect non-operating share in Reko Diq mining project, Balochistan.

Group Structure

The Company has three wholly owned subsidiaries by the names of PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). These companies (including PPL) are collectively referred to as 'The Group'. The Company also owns 25% interest in Pakistan International Oil Limited (PIOL) formed in Abu Dhabi, UAE (an associated company). The above-mentioned companies, except PPPFTC, are principally engaged in conducting exploration, prospecting, development and production of oil, natural gas and mineral resources. During the year, the Company also subscribed to 33.33% interest in newly formed Pakistan Minerals (Private) Limited, an entity holding an indirect 25% non-operating share in Reko Diq project for mining of copper and gold.



Company's Business Strategy

Your Company is diversifying its footprint beyond domestic oil and gas exploration and production through international E&P ventures while aiming for strategic partnerships in the mining sector to ensure healthy returns for all stakeholders. An outline of the Company's strategy is presented below:

Value Preservation

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

Value Creation

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

Diversification

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

Key Highlights

- PPL recorded an increase in production at 815 MMscfde despite majority of the production coming from matured assets. The natural decline was minimized through production optimization efforts, augmented by increase in offtakes from Kandhkot.
- During the year, PPL announced four discoveries. The first in PPL operated Shahpur Chakar North X-1 (Gambat South) and the other three in partner-operated areas: Shinawari-Samanasuk & Lockhart Formations in Tolanj West-2 (Tal) and Rayyan-1 (Kirthar).
- The transaction to enter into the Reko Diq project was closed in December 2022 whereby PPL acquired an indirect interest of 8.33% in Reko Diq project through PMPL which is a consortium of public sector E&P companies, i.e., PPL, OGDCL and GHPL.
- Highest ever profits were recorded in the Company's history.
- PPL won four exploration blocks in the bidding round. One block was awarded as an operator while the other three were acquired as a partner.
- BME recorded highest ever sales revenue of Rs 1.8 billion (PPL's net share).
- PPL drilled 3 exploration wells and 5 development wells in operated and partner-operated areas.
- 170 BCF were added in 1P reserves of the Kandhkot Gas field while 114 BCF were added in 2P reserves after the award of Kandhkot Main D&PL till January 2037.
- A significant volume of 1,090 sq. km 3D seismic data and 1,164 line km 2D seismic data was acquired in PPL-operated blocks. In addition, 252 line km 2D seismic data was acquired in partner-operated Suleiman block.
- In-house processing of 1,200 line km 2D and 1,464 sq. km 3D seismic data was completed resulting in cost savings.
- Acquisition of 651 line km gravity and magnetic data in partner-operated blocks was completed.
- Two CBA agreements (for 2020-21 & 2022-23) were concluded during the year - a significant and an unprecedented achievement.
- PPL was awarded first position by ICAP during Digital Technology Award Ceremony for its in-house developed 'Advanced Robotic Process Automation' (RPA) project on automated cost allocation and reporting to joint venture partners.
- PPL bagged the second position in the Fuel and Energy category at the Best Corporate Report Awards by ICAP & ICMAP, for its 2021 annual report.
- PPL was awarded the Joint Bronze Award in the category of Public Sector Entities by the South Asian Federation of Accountants' (SAFA) for its annual report for the year 2021.
- PPL was adjudged as one of the largest corporate givers by volume of donations for the 18th consecutive year by the Pakistan Centre for Philanthropy.

Operating Environment

The oil and gas sector world-wide is witnessing a unique situation today whereby a multitude of factors including post Covid recovery, under-investment in upstream sector and geo-politics had driven the energy markets to new highs. The disruption of energy trade between Europe and Russia has also added uncertainty to global energy markets. To add to this, the supply cuts enforced by OPEC+ acted as a barrier against any downward trajectory of energy prices. This scenario places the energy importing nations like Pakistan in a challenging position deteriorating its balance of payments. Thereby, both the ongoing as well as new exploration and development efforts are being impacted by the challenging economic and foreign exchange situation in the country coupled with the growing circular debt burden.

At present, Pakistan relies on imports to meet roughly 85% of its oil and 25% of its gas requirements, contributing significantly to its overall import expenditure. Despite gas being the primary indigenous energy source, the past decade has witnessed only a handful of sizable discoveries, primarily due to the maturity of known basins. Consequently, domestic gas production has declined to less than 3.5 billion cubic feet per day (Bcfd), from 4.0 Bcfd that had been relatively stable for several years. In response, PPL is continuing to explore in high-risk, high-reward frontier basins in pursuit of potentially substantial discoveries.

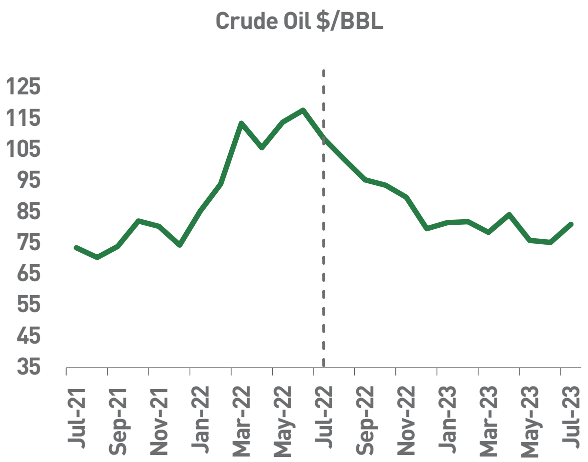
Furthermore, PPL is strategically diversifying in two distinctive domains: minerals, and non-E&P opportunities within the broader energy sector. The evolving landscape, characterized by an increasing interest in Pakistan's mineral sector, offers opportunities to both the nation and the Company to progress collaboratively, leveraging the advancements in this sector for mutual growth.

External Factors

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

Crude Oil Prices

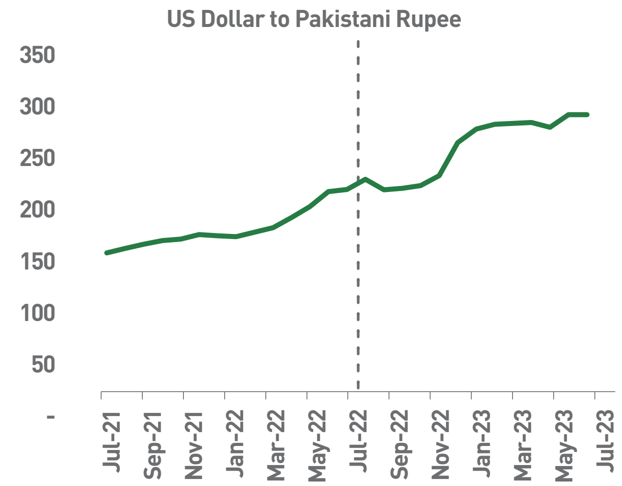
In the initial half of the fiscal year, a decline in oil prices was observed from the previous year's high of $100+/bbl. It was attributed to the global economic deceleration. However, the latter half of the fiscal year exhibited price stability, with oil prices maintaining a range of $75-85 per barrel. This stability was primarily underpinned by the concerted supply reduction efforts implemented by OPEC+. These market dynamics played a pivotal role in shaping our operational strategies and financial planning, ensuring resilience in the face of fluctuating energy markets.



Fluctuation in Foreign Currency

The PKR/USD exchange rate witnessed a significant decline throughout the year due to the decrease in foreign exchange reserves, weak balance of payments and the delay in revival of IMF program. The fiscal year started with parity of Rs 204/ US$ in July 2022. It remained under pressure throughout the year and closed at Rs 287/US$ in June 2023. The restriction on imports and low availability of foreign exchange further amplified the cost escalation beyond the effects of the exchange rate depreciation. Maintaining a stable exchange rate and facilitating the repatriation of funds are crucial factors for ensuring seamless operations and attracting foreign investment in the E&P sector.

The decline in the exchange rate positively affects the Company's post-tax profits. However, in the absence of a corresponding rise in collections from gas customers, this depreciation has an adverse impact on the cash flows due to elevated tax payments on the higher revenues and profits.



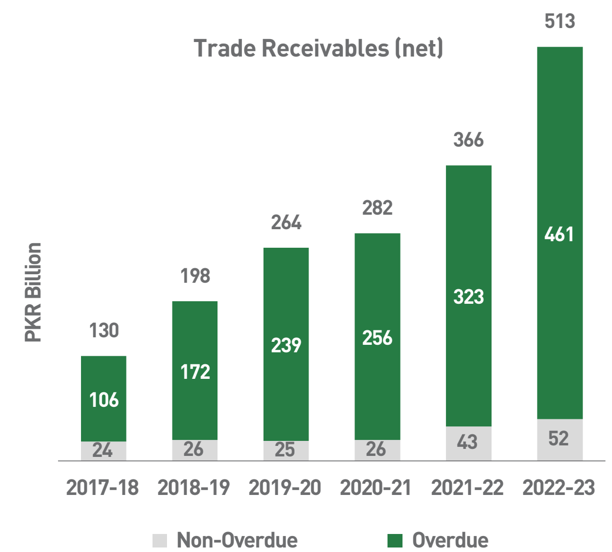
Trade Receivables

The rate of circular debt accumulation in the gas sector increased rapidly during the current year on the back of the sharp devaluation of PKR against the greenback. This devaluation resulted in higher gas wellhead prices in PKR terms that could not keep up pace with consumer gas prices even after a much-awaited increase effective 1st January 2023. Thereby, rising circular debt remained the single biggest threat to the sustainability of the Company as it was only able to recover 53% of its gross revenues as opposed to 64% last year. The overdue receivables accumulated at a rate of Rs 11.5 billion/month during the current year as against Rs 5.6 billion/month last year.

At one end, the higher oil prices and devaluation of PKR significantly improved profitability of the Company, however, on the other end it had a negative effect on the cashflow from operations as collections from gas customers could not keep up pace with the rising overdue balances, whereas corresponding Government levies and taxes are being paid on accrual basis. For the time being this shortfall in cash collection from gas stream is being met through oil / LPG stream of cash flows, however, this precarious situation is not viable as the Company is not only constrained in declaring cash dividends to its shareholders but also could not pursue other potential growth opportunities in line with its vision/mission.

To instill sustainability in the gas sector value chain, it is essential that regular monthly adjustments in consumer gas prices are implemented, similar to the practices in the electricity and petrol sectors. This proactive approach is crucial in preventing the continued accumulation of circular debt. In addition, firm measures are required for the settlement of past accumulated circular debt to enable the E&P companies to invest in the development of this sector and to diversify within the energy value chain.

The Company, through the consortium of other petroleum division companies, remains engaged with the highest level within the ministries of Energy and Finance for the resolution of gas sector circular debt for which several workable solutions are being discussed and considered for implementation. The management is also engaged with the higher-ups in the gas distribution companies for preferential and equitable payments to ease-up the rising liquidity pressure on the Company.



Security Situation

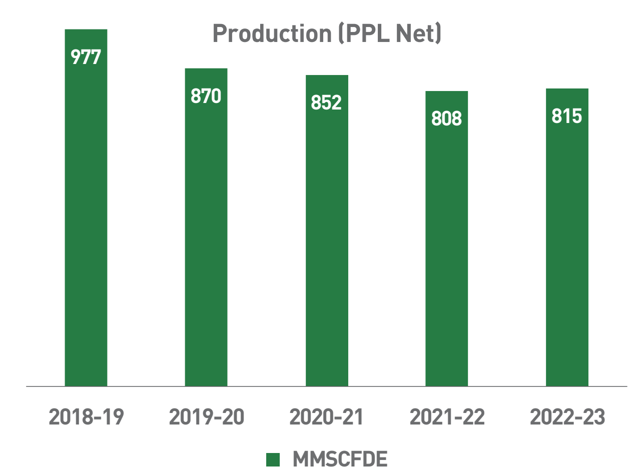
Oil and gas companies are currently operating in many conflict zones around the world due to the presence of natural resources in these areas. However, doing business in conflict zones can be challenging and risky. In high-risk areas oil companies rely on government security forces for the protection of personnel and facilities. Security situation in Pakistan is highly volatile especially in the border regions of Khyber Pakhtunkhwa (KP) and Balochistan. There has been a gradual increase in terrorists attacks. The Company manages the security risk by only initiating the seismic and well operations after clearance of the area from the security forces.

Our Performance

Production Operations

Your Company currently operates eight producing assets at Sui, Kandhkot, Adhi, Gambat South, Dhok Sultan, Mazarani, Chachar and Hala. In addition, the Company has working interests in thirteen partner-operated producing fields. The Company is striving to fulfilling the nation's energy needs by emphasizing production enhancement through advanced technology and effective management strategies. Additionally, the Company holds an operational stake in Bolan Mining Enterprises (BME), a joint venture between the Company and the Government of Balochistan.

The Company's overall production increased by ~1% from the comparative year in terms of equivalent units. Commodity wise analysis indicates gas production has increased by ~1%, and Condensate/NGL/Oil declined by ~2% while LPG production has increased by ~0.3% as compared to the previous year.



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

	2022-23	2021-22
Natural Gas (MMscf)	266,566	263,481
Crude Oil / NGL / Condensate (Thousand Barrels)	4,407	4,560
LPG (Metric Tonnes)	116,881	116,498

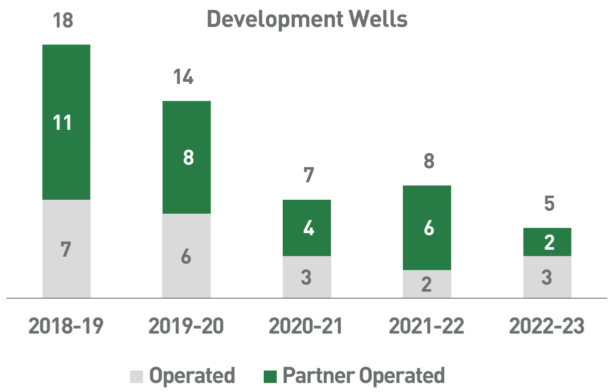
Production of hydrocarbons during the year including the Company's share from joint operations averaged at about ~730 MMscfd of gas, 12,074 bbl per day of Oil / NGL / Condensate and ~320 metric tonnes of LPG per day.

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

Development Wells

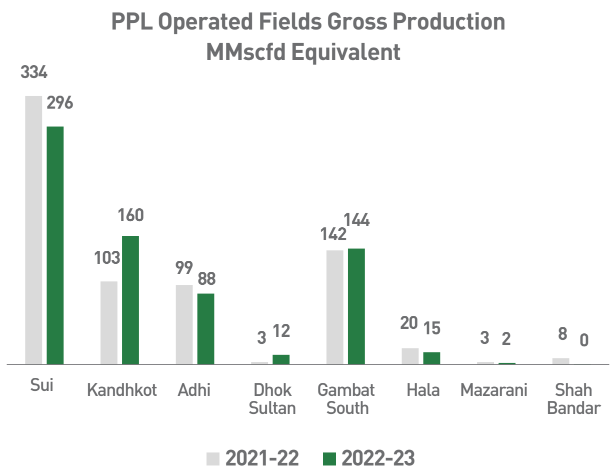
The Company drilled five development wells during the year. Three wells were drilled in operated areas in Adhi (A-35 & AS-6) and Sui (Sui-115), while two wells were drilled in partner-operated areas in Kirthar (Rahman-8) and Latif (Latif-21).

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

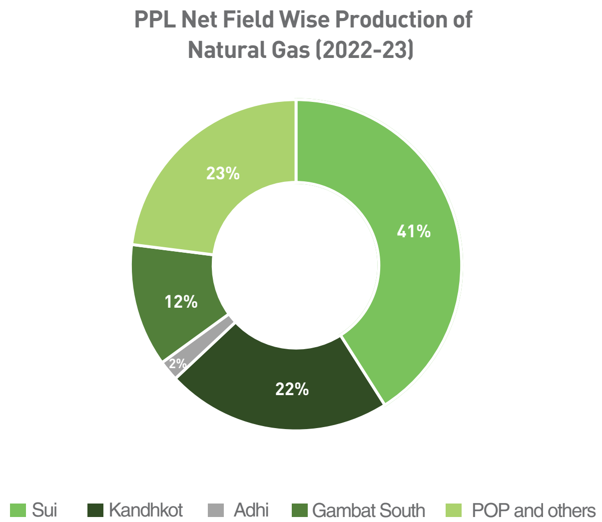


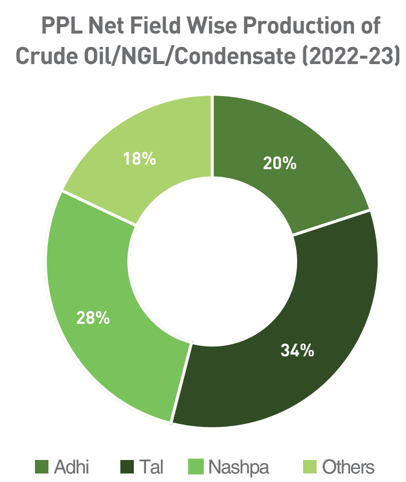
Key Highlights – Producing Fields

- Sui, being among the most mature fields in the country is facing natural decline which is being arrested by various production optimization actions at wells including perforation & acidization jobs.
- Kandhkot field has witnessed increased production this year amid revival of offtakes by GENCO-II.
- Production from Dhok Sultan field peaked and flowed for full year.
- Production from Adhi field observed a considerable decline this year attributed to field's natural decline and water production from wells. Moreover, delay in the drilling of disposal well prevented high water cut production. Well intervention and optimization only partially offset this decline.
- Gambat South field showed slight improvement from last year.
- Benari well in Shah Bandar field was shut-in due to higher than anticipated water production.
- Contribution from Partner-operated fields remained around 211 MMscfde (PPL Share). Being at different maturity stages, most fields observed decline in production. However, Latif field has been an exception whose production has enhanced due to commissioning of new wells and production optimization jobs at Latif wells.



Further details are mentioned under the respective assets.





PPL Operated Producing Assets

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

Sui & Kandhkot Asset

- The average production from Sui and Kandhkot fields remained at 296 MMscfd and 160 MMscfd, showing a fall of 11% and a rise of 54%, respectively.
- Lower volumes in Sui are attributed mainly to natural decline of field and lower gas offtakes by SNGPL due to prioritization of LNG at limited intervals.
- Kandhkot's production has significantly ascended during the year due to increased offtakes by Genco-II.
- Production optimization jobs were carried out on Sui wells, including four additional perforations and seven acidization jobs, which enhanced gas production by ~6 MMscfd.
- Integration of SML and SUL surface networks at two points led to a net gain of upto 5 MMscfd depending on the line pressure and ambient conditions. This strategy resulted in additional fuel savings and improved SML compressor performance.
- Development well Sui-115 was drilled and completed, contributing around 3 MMscfd to the Sui field production.
- Compressor modification project for improvement in suction pressures of the compressor station is expected to be completed during the upcoming year. Two out of five trains were commissioned in the current year.
- Plant maintenance and efficiency improvement projects were also carried out to ensure smooth and uninterrupted production from Sui and Kandhkot fields.
- 8.5 BCF were also added to Sui's 1P reserves due to the better performance of the HRL reservoir.
- 170 BCF were added in 1P reserves of the Kandhkot Gas field while 114 BCF were added in 2P reserves after the award of Kandhkot Main D&PL till January 2037 on the basis of in-house integrated reservoir simulation study.
- The application for grant of Sui D&PL is duly submitted and issuance is awaited. The Government of Pakistan, through periodic notifications, allowed the Company to continue production from Sui gas field, the most recent of which allowed the Company to continue production till 31 May 2023.

Adhi / Dhok Sultan Asset

- Adhi South-5 and Adhi-35 were successfully completed during the year with open hole multistage frac completion.
- Adhi South-6 well was spud-in during June 2023 and its drilling is underway.
- Well-site construction of Water Disposal Well has been completed. This well is expected to be spud-in during 2nd Quarter of 2023-24 after procurement process of the equipment package is complete.
- Adhi South-3 was fracked and fill cleanout was carried out at Adhi-19 & 21 to sustain production from Adhi Field.
- Dhok Sultan field is producing at a rate of ~1,370 bbl / day of oil, ~2.4 MMscfd of gas and ~12 MT/ day of LPG (rates during Q4 2022-23).

Hala / Gambat South / Mazarani / Benari Asset

- A new discovery was made in well Shahpur Chakar North X-1 (Gambat South block) with an expected flow of 5 MMSCFD gas and 75 BPD of condensate. Its tie-in with existing facilities is planned in Q2 2023-24.
- Well-site construction for drilling of an additional development well in Adam D&PL (Hala) is in progress. This new well is expected to add 5 MMscfd gas and 50 BPD condensate in the overall field production.
- Site construction activities for GPF-IV compression project are in progress and commissioning is planned in 2023-24.
- Mazarani field is producing at the rate of 2 MMSCFD after its D&PL re-grant and upward gas price revision in previous fiscal year.
- Benari X-1 well in Shah Bandar Block is currently shut-in after depletion and its way forward will be decided based on results of exploratory well Jhim East X-1, planned to be drilled in 2023-24.
- The Company is pursuing to resolve the legal issues and commence site construction work at the earliest with respect to Zafir GPF Project.

PPL Mining Asset - Bolan Mining Enterprise (BME)

- BME successfully achieved highest-ever sale revenues of Rs. 3.6 billion during 2022-23 as compared to Rs 2.5 billion in the comparative year. This was realized through an increase in export volumes of Barite in 2022-23 coupled with PKR devaluation.
- The mining of barite was adversely affected during first quarter of 2022-23 due to unprecedented monsoon rains and floods coupled with infrastructure damage hampering ore transportation to Karachi port. Due to this reason, the overall sales volumes were recorded at 221 thousand tons as compared to 240 thousand tons from last year.
- Sales of iron ore was recorded at 12.9 thousand tons up from 1.9 thousand tons from previous year.
- Installation and commissioning activities of jigging plant at mine site Gunga, Khuzdar are in progress.
- 6,000 meters confirmatory/geotechnical drilling for finalization of feasibility study of Pachinkoh, Nokkundi iron ore is in progress.
- The Barite Lead Zinc (BLZ) project execution will be initiated after regulatory approvals from Government of Balochistan.

Production Excellence

As a responsible corporate citizen and a major stakeholder in Pakistan's energy outlook, PPL is aggressively striving to secure energy future by exploiting available resources at its disposal to maximize hydrocarbon production. Since most of PPL's fields are maturing and are on their natural decline, it becomes imperative that their decline is arrested by realization of enhancement opportunities through existing wells. As per the best industry practices, a dedicated team of professionals was formulated during the year to undertake production enhancement activities by identifying short-term and long-term production enhancement targets in PPL-operated brownfields. The team has carried out well-by-well review for the identification of any production constraints and subsequently recommend candidates for interventions ensuring the wells are producing at optimal potential. The team has successfully managed to add (~6MMscfd) in Sui field through additional perforations & acid stimulation.

The team will continue to identify more targets to add hydrocarbons in the national grid with least expenditures for maximizing the recoveries from the mature fields.

Partner Operated Producing Assets

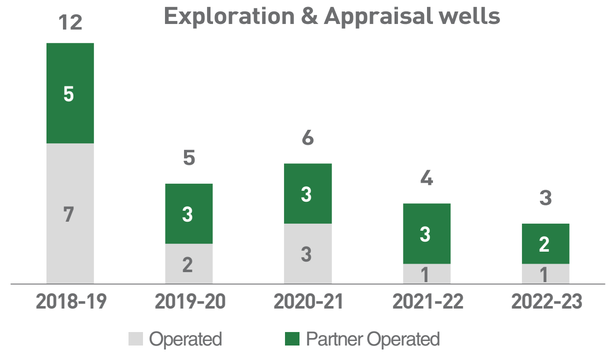
Details of activities carried out during 2022-23 along-with performance overview is presented below:

Kirthar	• Development well Rehman-8 (ST-3) has been successfully completed as gas producer and commissioning is expected during next fiscal year. • Development well Rizq-4 was successfully commissioned in December 2022 at ~7 MMscfd. • Front end compression project is in progress and is expected to be completed in Q3 2023-24.
Qadirpur	• Development well QP-63 has been commissioned after successful hydraulic frac job at 1.5 MMscfd. • Two workovers at water disposal wells were carried out to ensure the well integrity.
Latif	• Development well Latif-21 & appraisal well Jugan-2 (ST-2) have been successfully completed and commissioned at ~10 MMscfd. • Production optimization job at Latif-10 resulted in incremental production of ~7 MMscfd. • Mohar-1 Production optimization resulted in incremental production of ~15 MMscfd.
Nashpa	• Development wells Mela-8 and Nashpa-11 have been completed as gas condensate producers.
Tal	• Development well Tolanj West-2 successfully completed and commissioned in November 2022 at ~15 MMscfd. • Production optimization jobs at Makori East 3 & 4 resulted in incremental production of ~12 MMscfd Gas and 500 bpd Condensate. • Manzalai secondary compressors were installed and commissioned in March 2023. • Evaluation of Makori East secondary compression project is in progress to arrest decline in production. • Mamikhel South well has been commissioned subsequent to year end. • During the year, a fire incident occurred at Tal warehouse primarily damaging the inventory for which write-off has been taken in the financial statements. An insurance claim has also been lodged.
Miano	• Development well Miano-26 was successfully commissioned in November 2022 at ~ 1 MMscfd.

Exploration

Key Highlights

- Drilled one exploratory well in operated Gambat South Block (Shahpur Chakar North) and two exploratory wells in partner-operated Kirthar (Rayyan-I) and Latif (Jugan-II) blocks.
- One discovery was announced in operated Gambat South Block and three discoveries were announced in partner-operated Kirthar and Tal blocks.
- In operated areas, a total of 1,090 sq. km 3D seismic data was acquired in Sorah and Hisal blocks while 1,164 line km 2D seismic data were acquired mainly in Musakhel, Punjab & Kharan East blocks.
- Acquired 40 sq. km 3D seismic data, 252 line km of 2D seismic data and 651 line km gravity & magnetic data in partner-operated Ziarat, Suleiman and Kuhan blocks respectively.
- In-house processing of 1,200 line km 2D and 1,464 sq. km 3D seismic data was carried out.
- Further upgradation of analytical facilities of PPL's Core Lab is in progress after which organic geochemical analysis would be performed in addition to core analysis.
- PPL participated in Pakistan Bid Round held in July 2022 and submitted joint bids for four blocks along with OGDCL and MPCL. The Company won one block as Operator with MPCL and OGDCL and three blocks as partner-operated, where OGDCL is the Operator in two blocks and MPCL in one block.



Discoveries in 2022-23

Block	Discovery	Area
Gambat South	Shahpur Chakar North X-1	Operated
Tal	Tolanj West-2 (Shinwari & Samanasuk Formation)	Partner-Operated
Tal	Tolanj West-2 (Lockhart Formation)	Partner-Operated
Kirthar	Rayyan-1	Partner-Operated

Exploration Portfolio

PPL, together with its subsidiaries and associate, has a portfolio of 45 exploration blocks including 27 operated blocks and 18 partner-operated blocks. The operated blocks consist of 25 onshore blocks, one offshore block in Pakistan and an international offshore Block-5 in Abu Dhabi. The partner-operated blocks include one international block in Yemen i.e., Block-3. Furthermore, 4 new blocks have been provisionally granted; one in operated and three in partner-operated areas. Subsequent to the year end, the petroleum concession agreements of these four blocks were executed.

The Company strategically holds a diversified exploratory portfolio with a mix of High-Risk, High-Reward and Low-Risk, Low/Medium-Reward assets. In recent decades, discovery sizes have diminished as a result of maturing basins. PPL remains committed to exploring frontier regions where the potential for substantial discoveries is higher, although accompanied by higher risks.

Concurrently, PPL maintains its drilling activities in mature basins as a strategic measure to mitigate portfolio risks and capitalize on the proximity of existing infrastructure facilities. Additionally, the Company is looking to increase its footprint in the shallow offshore regions in Pakistan through the upcoming bid rounds. The Company also aims to leverage appraisal and development activities in Block 5 Abu Dhabi to further expand its international presence.

Consequent to restructuring within the Company in December 2022, Exploration Asset has been reconstituted as Exploration & Core Business Development and divided into (i) Exploration Domestic (ii) Exploration Frontier (iii) Overseas and Core Business Development (iv) Mineral Resources and (v) Subsurface Technologies & Support Services.

The Asset-wise major exploration work activities carried out in different blocks during the year in PPL-operated, and partner-operated blocks are summarized below:

PPL Operated Domestic Asset Exploration Blocks

Exploration activities in these blocks are summarized below:

Gambat South	• Exploration well Shahpur Chakar North X-1 was drilled down to target depth. During testing, well flowed 15.2 MMscfd of gas and 321 bbl/d condensate. • Sedimentological analysis on ditch cutting samples of exploration well Shahpur Chakar North X-1 was completed. • Preparations are underway for merged reprocessing of approximately 2,800 sq. km Gambat South and vintage 3D seismic data. • In-house G&G evaluation continued to firm up additional prospects for exploratory drilling.
Hala	• Preparations are underway to drill exploration well Maarab X-1 in the second quarter of 2023-24. • Post well sedimentological analysis on core & ditch cutting samples of exploration well Bazil X-1 was completed. • In-house re-processing of 71 line km vintage 2D seismic data was completed.
Kotri	• Seismic reservoir characterization & inversion study of Lower Goru Sands was completed. • In-house integrated G&G study is underway to evaluate the remaining prospectivity of the block. • Discovered well Yasar X-1 produced for a period of 45 days through Extended Well Testing (EWT).
Sorah	• 3D seismic data acquisition of 857 sq. km and 2D seismic data of 64 line km were completed. • Bidding for processing of the newly acquired 3D & 2D seismic data is in progress. • In house G&G evaluation on newly acquired 3D & 2D seismic data is in progress.
Sirani	• Preparations are underway to invite the bids for civil work and logistics for the planned exploration well Dolphin X-1 located in the marshy area. • In-house PSDM processing of 160 sq. km covering the Dolphin Prospect was completed. • In-house basin modeling study pertaining to the northern part of the block was completed.
Naushahro Firoz	• Application was submitted to DGPC to retain ~266 sq. km area of Naushahro Firoz X-1 discovery and relinquish the remaining part of the block.
Shah Bandar	• Civil works for the drilling of the second exploration well Jhim East X-1 is in progress. • In-house G&G evaluation of the block is in progress.
Khipro East	• Post-well evaluation of the first exploration well Khipro East X-1 has been completed. • Due to the remaining low prospectivity of the block, the Company has applied for relinquishment of the block after the expiry of the license in August 2023.

Baska	• Civil works for the drilling of the first exploration well Durug X-1 are in progress. • Reprocessing of ~404 line km vintage seismic data was completed. • In-house Integrated G&G evaluation is in progress.
Dhok Sultan	• Reprocessing of 350 sq. km 3D seismic data along with fracture reservoir characterization study to identify the natural fractures in the reservoir were completed. • Interpretation and mapping of reprocessed 3D seismic data were completed. • In-house Integrated G&G evaluation is in progress to firm up the location of new exploration and appraisal wells.
Karsal	• PSDM reprocessing and interpretation & mapping of 280 line km 2D seismic data were completed. • In-house PSDM reprocessing of 3D seismic data is in progress.
Hisal	• Acquisition of 233 sq. km 3D seismic data over Misrial and Mahota leads was completed. • Process is underway for finalization of contractor for processing & fracture reservoir characterization study of newly acquired 3D seismic data.
Punjab	• Acquisition of 286 line km 2D seismic data was completed. • In-house PSDM reprocessing of 3D seismic data is in progress. • In-house processing of newly acquired data along with the reprocessing of vintage 2D data is in progress. • Source and reservoir characterization study is in progress. • In-house integrated G&G evaluation is in progress.

PPL Operated Frontier Asset Exploration Blocks

Exploration activities in these blocks are summarized below:

Barkhan	• In-house 3D basin modeling study was completed. • 3D seismic design study was completed for the acquisition of planned seismic data. • In-house integrated G&G evaluation in progress.
Bela West	• In-house interpretation & mapping of PSDM processed data (~370 line km) was completed. • Sequence stratigraphy and 3D basin modeling studies based on geochemical analysis were completed. • Technical specification study for the selection of LLIs for planned testing of exploration well Bela West X-1 is in progress. • In-house integrated G&G evaluation for remaining block productivity is underway.
Hub	• Application was submitted to DGPC to retain ~150 sq. km area of Hub X-1 discovery and relinquish the remaining part of the block.
Kalat	• Post-well evaluation of exploration well Pandrani X-1 was completed. • Third exploration well Murad X-1 was spud-in during August 2023. Drilling is in progress. • Modelling of vintage Gravity-Magnetic data was completed. • The bidding for the acquisition of 2D seismic data and Magnetotelluric (MT) data is in progress.

Kharan & Kharan East	• Processing of newly acquired 750 sq. km 3D seismic data was completed at PPL's processing facility, while its in-house interpretation and mapping are in progress. • Acquisition of 200 line km 2D seismic data in Kharan East Block was completed. • Processing of the acquired 2D seismic data and reprocessing of vintage 2D seismic data were completed at PPL's Processing Facility, while its in-house interpretation and mapping is in progress. • 3D seismic based fracture characterization study is in progress.
Khuzdar	• Acquisition of 100 line km 2D seismic data is planned to mature remaining leads into drillable prospects, subject to availability of security. • NOC for exploration activities was obtained from the Ministry of Defence (MoD). Modalities for the planned survey are being finalized with MoD. • Reprocessing of vintage 167 line km 2D seismic data and Gravity & Magnetic data are in progress.
Margand	• Acquisition of 200 line km 2D seismic data over Iskalku Lead is in progress. • Processing and reprocessing of newly acquired & vintage 2D seismic data is in progress. • The bidding for the acquisition of Magnetotelluric (MT) data is in progress.
Musakhel	• Acquisition of ~622 line km 2D seismic data is in progress. • Processing of new seismic data and reprocessing of vintage 2D seismic data are in progress. • Geological fieldwork was completed, and post-field work studies are in progress.
Nausherwani	• Acquisition of 100 line km 2D seismic data was completed. • Processing of the acquired 2D seismic data and reprocessing of vintage 2D seismic data were completed at PPL's Processing Facility. • In-house interpretation & mapping of seismic data is in progress.
South Kharan	• In-house integration of gravity & magnetic data with 2D seismic and other G&G data was completed. • In-house 1D Basin modeling study was completed. Based on the modeling results, additional geochemical analyses were conducted.
Eastern Offshore Indus-C	• Seismic data test processing was completed, whereas preparations are underway for reprocessing of entire 3D and 2D seismic data. • In-house 1D Basin modeling study was completed. • Integrated G&G evaluation is in progress.
Sui North	• Exploration License was granted to PPL as operator in November 2022. • Initial Environmental Examination (IEE) study for seismic survey was completed and NOC was acquired. • Environmental Impact Assessment (EIA) study for the acquisition of 2D seismic data for the area falling in Punjab province is in progress.
Kalat West	• Exploration License was granted to PPL as Operator in November 2022. • Review of vintage G&G data is in progress. • The bidding for the acquisition of 2D seismic and Magnetotelluric (MT) data is in progress.

Partner Operated Blocks

Exploration activities in these blocks are summarized below:

Kirthar Operator: POGC	• Exploratory well Rayyan-1 was successfully completed as a gas discovery based on results of pre and post frac testing. This is 3rd discovery in the Kirthar Block.
Latif Operator: UEP-BETA	• G&G evaluation for identification of new prospects is in progress. Based on evaluation, Mohar-2 has been matured for drilling. • The exploratory well Mithrau-1 has been declared as P&A in view of discouraging testing results.
Nashpa Operator: OGDCL	• Advanced reprocessing of Mela 3D seismic data has been completed and interpretation is in progress. • Integrated structural and petroleum system modelling study to de-risk/mature the exploration prospects was completed.
Tal Operator: MOL	• Seismic interpretation/mapping and related G&G evaluation is in progress to mature the prospects for future drilling.
Ghauri Operator: MPCL	• G&G studies (Geochemical, Frac Modelling, Frac Feasibility and Core analysis) have been completed and evaluation/Integration are in progress to firm up the future exploration well.
Sawan Operator: UEP-BETA	• Sawan North Deep prospect has been matured for drilling based on newly reprocessed 3D seismic data.
Digri Operator: UEPL	• Evaluation of remaining block prospectivity is in progress.
Jherruck Operator: NHEPL	• Way forward is being decided.
Kotri North Operator: UEPL	• Post-well analysis and evaluation of remaining block prospectivity are in progress.
Kuhan Operator: UEP-BETA	• Acquisition of gravity magnetic for 2,500 line km data in progress. • Phase-I of geological fieldwork was completed. • Seismic crew mobilization is in progress to acquire 2D seismic data.
Khuzdar North Operator: OGDCL	• Post geological fieldwork studies were completed. • Reprocessing of 472 line km 2D seismic data was completed. • Interpretation and mapping of reprocessed 2D seismic data is in progress.
Dadhar & Mach Operator: MPCL	• Exploration Licenses were granted in November 2022. • Purchase of vintage G&G data and recent satellite imagery is in progress. • Award of contract for reprocessing of 1,400 line km vintage 2D seismic data is in progress. • Geochemical & Biostratigraphic studies on the samples of exploration well Tangna Pusht X-1 are in progress. • Bidding process to acquire Gravity & Magnetic data is in progress.
Pezu Operator: OGDCL	• Security NOC is awaited for 2D & 3D seismic data acquisition over Pezu sub-thrust lead. • In-house G&G evaluation is in progress.
Shakar Ganj West Operator: OGDCL	• PSDM processing of 600 line km is in progress. • In-house G&G evaluation is in progress.
Suleiman Block Operator: OGDCL	• Acquisition of 457 line km 2D seismic data is in progress. • 2D seismic data reprocessing of 119 line km was completed. • In-house G&G evaluation is in progress.

PPL's Subsidiaries / Associate

PPL Asia E&P B.V.

Block-8, Iraq	• The Midland Oil Company, Iraq (MdOC) has intimated termination/expiry of the Exploration, Development and Production Service Contract (EDPSC) and advised to settle all outstanding liabilities and receivables and commence close-out proceedings. During the year, the Company has commenced appropriate actions to complete the close-out proceedings.

PPL Europe E&P Limited

Block 3 – Yemen Operator: TotalEnergies EP Yemen	• Block is still under Force Majeure since April 2015 due to the adverse security situation in Yemen.
Ziarat Operator: MPCL	• EWT production from discovery well Bolan East-1, continued from Chiltan formation. • 3D seismic data acquisition was completed with a cumulative coverage of ~228 sq. km. • Evaluation of Bolan West prospect is in progress to mature drilling of exploratory well.
Harnai Operator: MPCL	• The award of contract for Gravity and Magnetic data acquisition is being delayed due to the security situation in the survey area. • In-house G&G evaluation is in progress.

Pakistan International Oil Limited (Associate)

Offshore Block 5, Abu Dhabi Operator: PIOL	• Consequent to award of the Block in August 2021, ADNOC has approved the appraisal plan for five undeveloped existing discoveries in September 2022. Various G&G studies related to appraisal and exploration campaigns are in process to reduce risks and assess the block's potential. • Preparations are underway to commence drilling of appraisal/exploration wells in 2023-24, including delivery of long-lead items, contracting with associated drilling services and hiring of a jack-up rig.

New Blocks, Farm-in and Farm-out Activities

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

International Activities

Middle East, Africa, and Central Asia regions	• The Overseas & Core Business Development team is continuously and proactively scouting for and assessing new international opportunities.

Domestic Activities

PPL actively participated in the bid round in 2022 in joint ventures and acquired four exploration blocks. The blocks were provisionally awarded to PPL in October 2022. Subsequent to year-end, PCAs for these blocks have been executed. The details are summarized below:

Shaigalu	• Block awarded to PPL as an Operator with 40% Working Interest (WI). OGDCL and MPCL are joint venture partners, each with 30% WI.
South Pishin	• Block awarded to PPL with 35% WI. MPCL is the Operator with 37% WI and OGDCL is the joint venture partner with 28% WI.
Tanishpa	• Block awarded to PPL with 35% WI. OGDCL is the Operator with 37% WI and MPCL is the joint venture partner with 28% WI.
Lugai	• Block awarded to PPL with 30% WI. OGDCL is the Operator with 40% WI and MPCL is the joint venture partner with 30% WI.

Diversification

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

Reconstituted Reko Diq Project	The Company together with Oil & Gas Development Company Limited and Government Holdings (Private) Limited (together as the SOEs) signed the definitive agreements for the reconstitution of the Reko Diq project on December 15, 2022, with Barrick Gold Corporation (operator), Balochistan Mineral Resources Limited and Government of Balochistan. Prior to the reconstitution, the new deal was given clearance by the Supreme Court of Pakistan, Federal Parliament, and respective Provincial Parliaments. The Company with the other SOEs, participated in the project through a newly formed company, jointly and equally owned by the SOEs, namely Pakistan Minerals (Private) Limited which acts as the holding company for the SOEs' 25% equity stake in the project. Reko Diq project is progressing with ongoing detailed feasibility study with other studies including water, pipelines, port etc. The project is targeting first production from 2028. Furthermore, discussions are currently in progress in respect of the interest expressed by a potential investor in the equity stake of PMPL in the Reko Diq project. However, nothing has been materialized yet.
Other Minerals	As part of its business diversification strategy, PPL is actively looking forward to expand its presence in the mineral sector. The Company has established a dedicated mineral department within the exploration directorate. Additionally, PPL has signed an MoU with the Geological Survey of Pakistan (GSP) to collaborate on mineral exploration-related activities. Presently, PPL is evaluating a potential mineral opportunity in Balochistan, with comprehensive G&G studies to assess geological prospects and commercial viability. Moving forward, PPL intends to maintain a focus on capacity building and further development of its mineral portfolio. By bolstering its capabilities and expertise in this sector, the Company aims to diversify its business activities and contribute to sustainable economic development.

Business rationale of major capital expenditure

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

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

Significant plans and expansion

During the year, the Company along with the consortium partners entered into definitive agreements to diversify into copper and gold mining project at Reko Diq. This involved a long legalization process including approval by the Supreme Court of Pakistan, Federal and respective Provincial assemblies. Barrick Gold Corporation, the operator of the project, is currently undertaking a feasibility study with first production targeted in 2028.

In addition, the Company has recently entered into a Memorandum of Understanding with Pakistan State Oil for cooperation, collaboration and a joint investment strategy for setting up a greenfield refinery project under a consortium agreement. The Company is also exploring other diversification projects including farming-in in international fields, expansion of its mineral operations by acquiring high prospect mineral zones in the country and other ventures in energy value chain.

Subsurface Technologies and Support Services

PPL's core laboratory is currently in upgradation process, with plans to incorporate rock pyrolysis equipment for evaluating hydrocarbon source rocks potential along-with petrographic studies. The inclusion of these advanced instruments will significantly improve PPL's in-house analytical capabilities, leading to potential cost savings by reducing the need for outsourced laboratories.

Reservoir Modelling Group

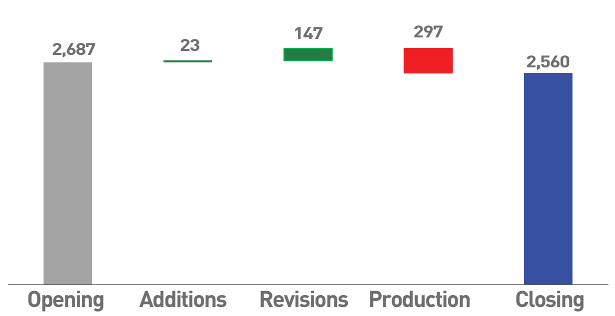
Reservoir Modelling is a specialist technical group working under the umbrella of the development function to create value through the integrated subsurface studies with the primary focus on 3D reservoir simulation.

The in-house 3D reservoir simulation studies were completed for the Massive-sand reservoir of the Fazl field, the Pab reservoir of the Sui field and the Lower Ranikot reservoir of the Savi Ragha-1 discovery. The reservoir studies are providing better understanding of the reservoir performance and identification of any production optimization and reserves enhancement opportunities.

Reserves Management

Based on hydrocarbon reserves revisions, additions and production for the year, the Company's Reserves Replenishment Ratio (RRR) based on 2P reserves stand at ~57%, indicating that ~57% of total production during the year has been replaced in the Company's reserves base. The additions were recorded due to discovery in operated well Shahpur Chakar North X-1 and partner-operated well Jugan-2. Furthermore, the revisions in reserves have primarily materialized from Kandhkot, Makori East, Rizq, Sawan and Latif blocks further fortifying the company's strategic reserve portfolio.

Movement in PPL Net Proved (2P) Reserves in BCFe during 2022-23



In addition to reserves base, it is pertinent to note the Company's substantial net contingent resources, which stand at ~651 BCFe (2C). PPL is diligently pursuing to convert these resources into reserves.

Quality, Health, Safety and Environment (QHSE)

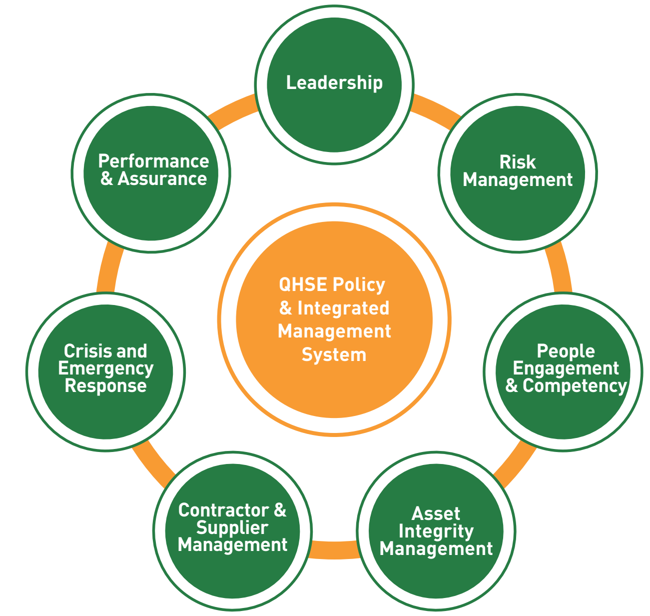
QHSE is amongst one of the management's top priorities and an integral part of PPL's business planning, strategic decision making and target setting process. All possible measures are taken to identify the risks associated with operational activities and accordingly mitigation measures are ensured for safe production of hydrocarbons. Engagement of staff and relevant stakeholders is ensured for fostering safety culture across the organization.

QHSE Policy & Governance Framework

PPL's integrated management system (IMS), derived from Quality, Health, Safety & Environment (QHSE) Policy, provides a framework for implementation of QHSE standards across the Company with well-defined roles & responsibilities of staff, contractors & other stakeholders. This framework also encompasses international standards, industry best practices & learning from incidents. Governance system in the form of various committees / forums is enforced at various levels within the organization for timely decision-making, continually reviewing QHSE performance in operational activities.

In order to keep abreast with emerging QHSE practices and international standards, QHSE Policy is periodically reviewed and updated for implementation in order to maintain journey of continual improvement. Substantial review, revision and approval of Corporate IMS was carried out in the reporting period. 27 Corporate QHSE Procedures were updated to streamline with technological advancements, changes in regulatory framework, advancement in ISO / industry standards and international guidelines.

The accountability for ensuring QHSE and related legal compliance within their respective areas of responsibility rests with the Asset and Department Heads. They also play a pivotal leadership role in fostering a QHSE culture within the organization. Concurrently, all employees and staff of contractors are responsible for adhering to compliance standards.

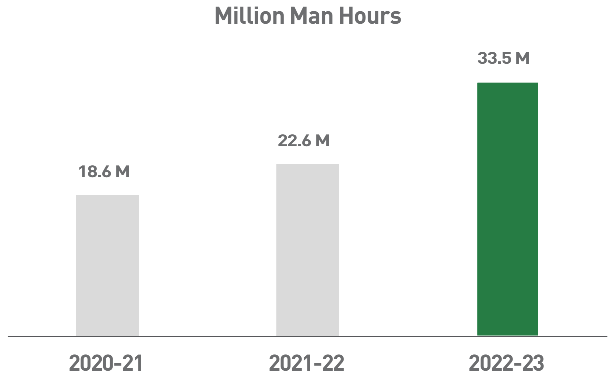


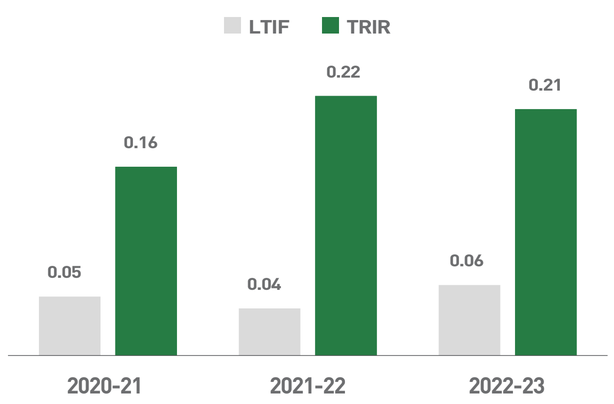
Key Performance Indicators / Incidents

The following graphs show the trends of QHSE indicators in terms of Lost Time Injury Frequency (LTIF) and Total Recordable Injury Rate (TRIR). Million-man hours worked by PPL Staff & Contractors during the reporting period are also reflected separately.

PPL achieved 24.4 million Safe Man hours without Lost Time Injury including PPL staff and contractors by end of FY 2022-23. An unfortunate contractor's fatality occurred at West Wharf, Karachi whereby a security guard lost his life when slipped from metallic ladder of a security check post. The incident was investigated by a multidisciplinary team and lessons learned from this incident were incorporated in the fresh contract with the security service contractor.

In another incident, a contractor's cable pickup crew member tripped and fell on ground while carrying the seismic survey equipment at site. He was provided medical aid and advised rest before joining back on duty.





Besides recording lagging QHSE indicators, the company initiated to record "Leading QHSE Indicators" to monitor the effectiveness of QHSE policies, programs & engagement of concerned stakeholders. QHSE leading indicators for the year 2022-23 are covered in QHSE section.

Financial Overview

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

	2022-23 Rs. Million	2021-22 Rs. Million
Profit before Taxation	165,601.034	98,130.751
Taxation	(67,663.928)	(44,584.587)
Profit after Taxation	97,937.106	53,546.164
Unappropriated profit as at July 1, 2022 / 2021	346,660.761	302,937.471
Dividend Equalisation Reserve as at July 1, 2022 / 2021	2,535.354	2,535.354
	447,133.221	359,018.989
Appropriations during the year		
Final dividend for the year 2021-22 on ordinary and preference shares @ 5% (2020-21: ordinary @ 20% and preference shares @ 15%)	(1,360.492)	(5,441.962)
Interim dividend for the year 2022-23 on ordinary and preference shares @10% (2021-22: 15%)	(2,720.983)	(4,081.475)
Other Comprehensive Income / (Loss)	(2,970.931)	(299.437)
Balance as at June 30, 2023/2022	440,080.815	349,196.115
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 20, 2023, proposed the following:		
Final dividend on ordinary shares @ 15% (2021-22: 5%)	4,081.460	1,360.487
Final dividend on preference shares @ 15% (2021-22: 5%)	0.016	0.005
	4,081.476	1,360.492

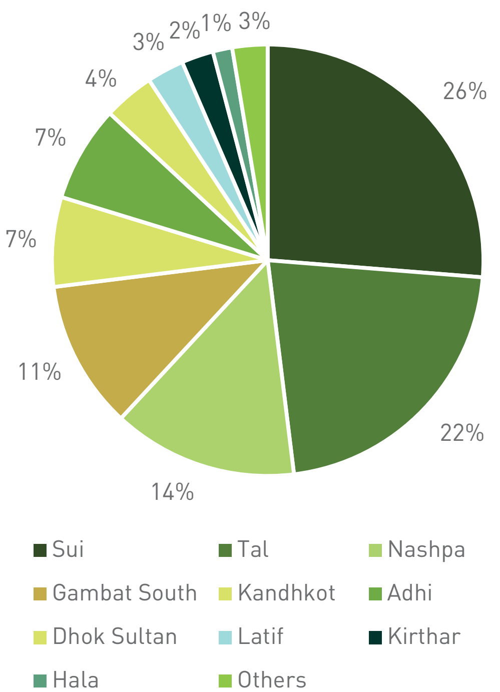
Sales Revenue

Sales revenue increased by Rs 84,281 million during the current year as compared to the corresponding year. The increase is due to positive price variance (including change in exchange rate) amounting to Rs 87,264 million, partially offset by negative volume variance of Rs 2,983 million.

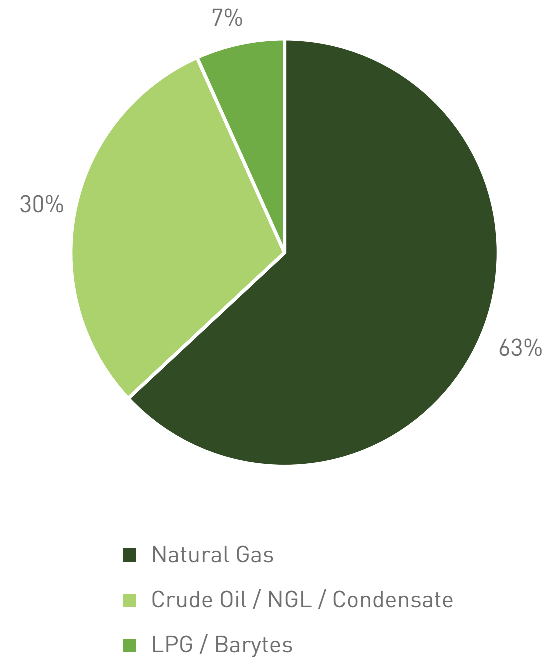
Positive price variance is mainly attributable to devaluation of Pak rupee against US dollar (average exchange rate for the current year was PKR 248 as compared to PKR 178 during the corresponding year).
Negative volume variance is mainly attributable to Sui, Tal, Nashpa, Adhi, Shah Bandar and Hala fields, partially offset by higher production from Kandhkot, Dhok Sultan and Latif fields.

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

Field Wise Sales Revenue (2022-23)



Product Wise Sales Revenue (2022-23)



Sales Volumes	Unit	Year ended June 30, 2023	Year ended June 30, 2022
Natural Gas	MMscf	226,898	223,133
Crude Oil / NGL / Condensate	BBL	4,360,600	4,480,926
LPG	Metric Tonnes	116,545	116,083
Barytes *	Metric Tonnes	106,793	112,464

* Total gross volume of baryte powder, baryte ore and iron ore, sold by BME aggregated to 221,325 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 106,793 metric tonnes.

Profitability

Earnings per Share (EPS) of the Company for the year stood at Rs 35.99 against Rs 19.68 for 2021-22, registering an increase of around 83%. The core reasons for higher profitability are significant increase in sales revenue and other income coupled with decrease in exploration expenses and share of loss of associate (PIOL), partially offset by higher royalties & levies, operating expenses and taxation.

Other income primarily increased on account of higher interest rates during the current year, while exploration expenses declined due to decrease in cost of dry wells charged to profit or loss.

Further, operating expenses increased mainly on account of higher amortisation charge and well-intervention activities, while royalties & other levies and taxation increased in line with higher sales and profitability, respectively, during the current year.

Contribution to National Economy

Your Company is a significant contributor to the national economy. The Company's share of natural gas, oil and LPG sold from operated and partner-operated fields for the financial year 2022-23 in terms of energy was equivalent to around 124,000 barrels of oil per day, resulting in annual foreign exchange savings of around US$ 4 billion by way of import substitution assuming an average crude oil price of US$ 87 / bbl.

The Company contributed nearly Rs 129 billion to the national exchequer on account of income tax, royalties, regrant payments, excise duty, sales tax, windfall levy, petroleum levy, GDS, GIDC, WPPF, and dividends.

Group Performance

Financial statements of the Group reflected increase in consolidated profitability by over nearly 79%. The group sales revenue was recorded at Rs 288,053 million while profit-after-tax stands at Rs 97,222 million in 2022-23, compared to Rs 203,811 million and Rs 54,353 million, respectively, in 2021-22. During the year, PPLE contributed around Rs 1,573 million to the Group's revenue.

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

Compliance with International Financial Reporting Standards and Local Laws

The Company's 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:

i) International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
ii) Provisions of and directives issued under the Companies Act, 2017.

Furthermore, the financial statements and notes for the year ended June 30, 2023 comply with the requirements of the State-owned enterprises (SOE Governance and Operations) Act, 2023 (SOE Act). Subsequent to the year end, the Pakistan Sovereign Wealth Fund Act, 2023 was introduced which has exempted the Company from the applicability of the SOE Act.

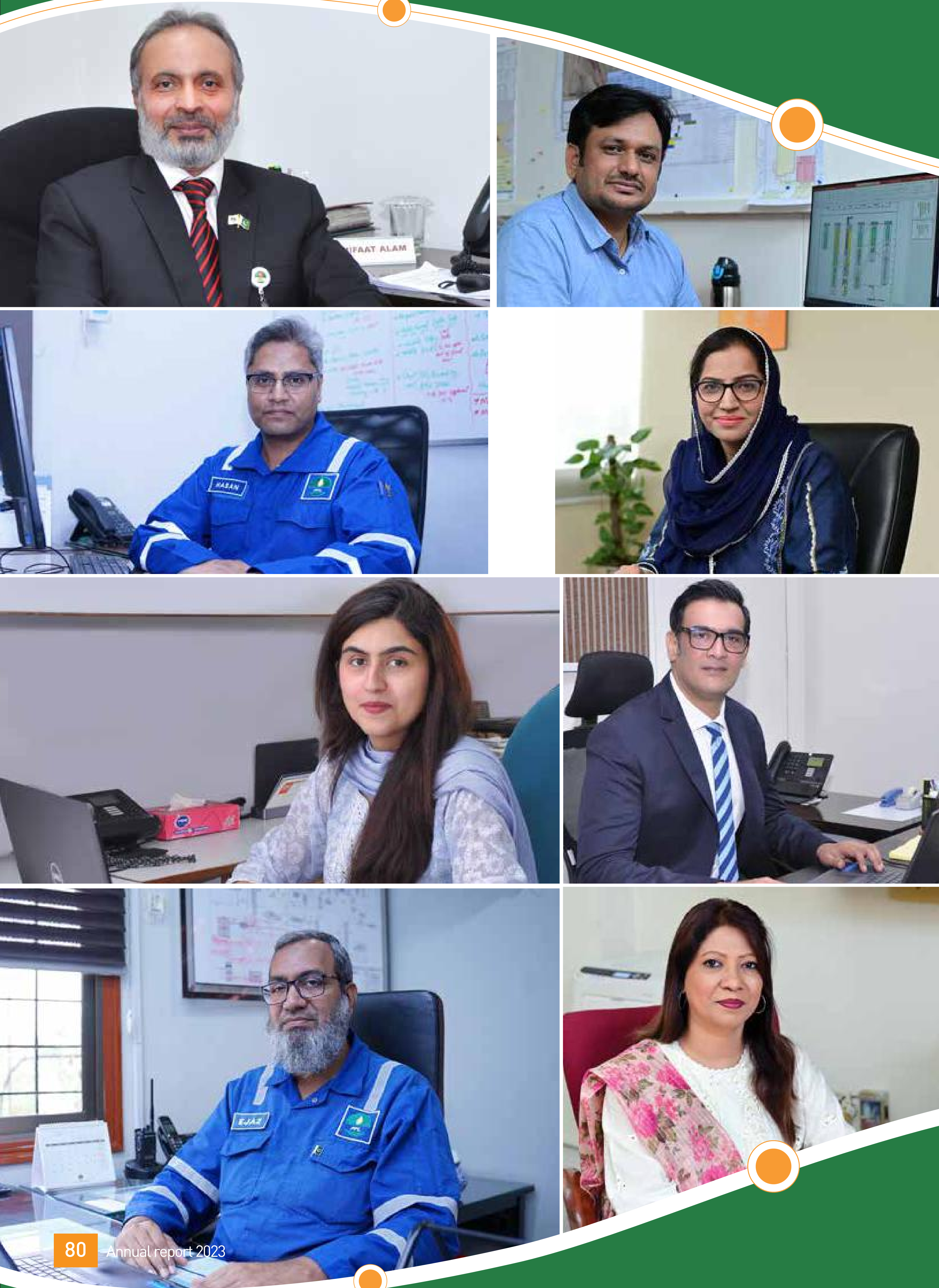
Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Financial Strategy

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

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

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



OUR PEOPLE

HUMAN RESOURCES

The Company's human resource function centers around attracting talented individuals and cultivating a highly engaged and high-performing workforce. The HR goals are achieved through offering various learning, development, and growth opportunities to employees. Emphasis is placed on executing succession plans, building a strong leadership pipeline, and enhancing learning and organizational development initiatives.

Succession planning

Through the successful implementation of the succession plan, based on the philosophy of right person for the right job, most of manpower requirements were managed internally. By utilizing in-house resources to fill the vacancies, the Company not only saved significant recruitment cost but also developed its staff for working in a challenging and diversified environment, aligned with its strategic objectives.

Talent Acquisition

Workforce planning remained one of the core principles where operational requirements were fulfilled internally through job rotations. By working closely with hiring managers, hiring was limited to critical positions keeping the emphasis on diversity and inclusion to attract candidates from diverse backgrounds, thus creating and building a skilled and diverse workforce that aligns with Company's goals and core values.

Success Factor Recruitment Module

The Company through in-house resources implemented the Success Factor's recruitment module to find the best talent and optimize the talent acquisition efforts. Besides improving the talent acquisition process, this implementation will reduce the time spent on hiring resulting into lowering overall recruitment costs.

Training and Development

To foster a learning environment, the Company continued to increase its focus on in-house trainings. These include professional and soft skills trainings conducted by local as well as internationally recognized renowned facilitators. Various leadership development programs such as Leadership retreats etc. were organized to provide experiential learning opportunities for staff to strengthen leadership abilities and establish lasting peer connections contributing to employee growth, job satisfaction, and organizational success.

To emphasize the importance of teamwork and building professional relationships, team building away days were also organized for all the departments. On job training and internship programs are also crucial facet of the Company's contribution towards capacity building of youth.

Employee Engagement Survey

In order to continuously improve its processes, policies and procedures, the Company's management launched an Employee Engagement Survey (EES) for its MPT staff to identify areas of improvement, build a strong workplace culture, and drive meaningful changes for increased employee satisfaction and morale. This EES assisted the management by involving employees in the decision-making process and demonstrating that their opinions and voices are valued resulting in improved overall Company's performance.

Medical Services

A comprehensive health screening program for all employees was implemented to support the objective of building a healthy workforce. The Company also organized regular awareness programs on a range of health-related topics to develop a health-conscious and well-informed PPL family.

Industrial Relations

The management upheld a strong connection with Union representatives, leading to the maintenance of a harmonious working environment at the Company's head office and all locations. The negotiations regarding the charter of demands for the CBA agreement 2020-2021 and 2022-2023 were resolved amicably.

To drive continuous improvement, various initiatives were implemented including the automation of overtime processes for head office staff, integration with the time & attendance system, introduction of an overtime dashboard and the streamlining of activities related to discharge procedure and the full and final settlement of non-MPT staff.

CORPORATE SOCIAL RESPONSIBILITY

Community engagement has evolved into a critical and strategic aspect of business, serving as a fundamental element for an organization's well-being. Businesses are now incorporating community engagement plans as integral components of their overarching strategies.

PPL holds the belief that caring for local communities is equivalent to serving the nation itself. This commitment to Corporate Social Responsibility (CSR) is embedded in our mission statement and deeply ingrained in PPL's culture, with origins tracing back to the 1950s when the Sui Model School was established in Sui to cater to the children of workers and the local population. The foundation of PPL's CSR Program is rooted in our unwavering dedication to making substantial contributions toward the betterment of local communities and the advancement of the regions where we operate.

CSR Policy and Procedures

PPL follows a comprehensive CSR Policy approved by the Board which acknowledges that successful and sustainable CSR Program is dependent on effective policies and procedures. Additionally, there exists a Board-approved corporate donation policy aimed at endorsing deserving social initiatives. To ensure seamless functioning and oversight, PPL has rolled out procedure manuals for both the community development program and the PPL Welfare Trust, which are tasked with administering and overseeing CSR activities within the company. Furthermore, the Board of Directors has set a minimum benchmark of spending 1.5% of its pre-tax profit for the PPL CSR Program.

The CSR Program is a vital and continual business function, with careful evaluation of project proposals, their merits and outcomes. These aspects are integrated into the decision-making process, encouraging innovation, and bolstering local institutions for enduring, sustainable development within both our operational regions and the broader society. To PPL, the CSR Program represents a strategic, long-term undertaking in which development plans are enacted to enhance societal well-being.

CSR Focus Areas and Outlook

The focus of our CSR Programme has always been our production and exploration areas benefitting local host communities. Currently, our operational activities are concentrated in Sindh and Balochistan where the majority of CSR activities are carried out as well. PPL makes mandatory as well as voluntary CSR contributions for the social development and uplift of its operational areas.

For voluntary CSR schemes, the Company engages all stakeholders, such as, local communities, area notables, public representatives, joint venture partners, government officials and civil society organizations, etc. to plan and implement schemes in line with local needs, ensuring transparency and reach through on-ground consultation and evaluation process. For sustainability and deliverability, the Company carries out regular assessments and monitoring to improve the performance of the schemes.

For mandatory social welfare schemes, the Company follows the prevalent guidelines issued by the concerned regulator. The Company also strives to safeguard the interests of its local communities at relevant forums and make necessary internal arrangements for swift and effective utilization of funds on schemes implemented under obligatory CSR.

Details of PPL's CSR activities are presented in "Corporate Social Responsibility" section of this annual report.

INFORMATION TECHNOLOGY GOVERNANCE

Technology remains at the heart of PPL's mission. Using a digital-first approach, the Company is leveraging technology to enable business growth and diversification. The management remains committed and plays an active role in all aspects of technology adoption while ensuring compliance to Company policies.

INNOVATIONS AT A GLANCE

CyberSecurity Assessment
Achieved highest maturity level in CyberSecurity Capability Maturity Model

SAP eRecruitment
Automated recruitment process using SAP SuccessFactors

Chatbot Enabled Services
Say Hello to the new chatbot experience using MS Teams Smart Assistant

Mineral Exploration Solutions
Commencement of MES inline with Company's diversification drive

SAP at Your Fingertips
Transformation from NWBC Portal to modern SAP Fiori Apps Interface

Increased Agility
Workflow-based process automation to achieve paper-less environment

Pensioner's Portal
Online medical claims and pension acknowledgements for PPL retirees

PIOL Digitization Drive
Implemented ERP, Sourcing Platform and E&P Data Management Solutions

Enterprise Resource Planning (ERP)

The Company relies on a state-of-the-art SAP S/4HANA ERP system integrating all business operations across Finance, Human Capital Management, Plant Maintenance, Procurement, and Inventory Management. The ERP system was further strengthened this year through several business process improvements and the enhancement of systematic controls. All system changes are approved by management and are mandated by business-area specific subject matter experts.

Key deliverables during the year include the launch of SAP Fiori User Experience (UX) comprising of carefully selected and designed mobile-friendly applications enabling faster and more intuitive interaction. The Company also launched an eRecruitment portal further streamlining the HR processes and contributing towards "Green Office" practices.

The IT department, provides regular training for new and existing users throughout the year to enhance system usage, besides managing change requests, product updates and security patches. Regular internal and external audits are performed to ensure system security, risk mitigations and compliance to internal controls and segregation of duties.
The information assets are protected through a Board-approved 'Information Security' policy. No data integrity compromises were reported during the year.

Governance and Cybersecurity

As a leading oil and gas company, we are dedicated to safeguarding our critical information assets, and related infrastructure from evolving cyber threats. This cybersecurity disclosure statement aims to provide shareholders, stakeholders, and regulatory bodies with an overview of our cybersecurity practices, potential risks, and the measures we have in place to mitigate those risks.

The oil and gas sector is not immune to cybersecurity risks, and any successful attempt through phishing, social engineering or ransomware attack may lead to operational disruption, data breaches leading to significant financial losses or reputational damage. To protect against cyber threats, we have made substantial investments in our cybersecurity infrastructure, technologies, and human resources. We have implemented an industry leading Security Incident and Event Management (SIEM) Solution along with Vulnerability Management application for proactive round-the-clock monitoring of security events to identify and mitigate potential threats that might affect our digital landscape.

Cyber Security Policies and Procedures

Our comprehensive cybersecurity policies and procedures encompass:

- Implementation of industry best practices and standards
- Encryption and access controls for critical systems and data
- Continuous monitoring and threat intelligence analysis
- Regular employee awareness programs
- Periodic security assessments and audits

Cybersecurity Performance Metrics

We assess effectiveness of our cyber security program through key performance indicators (KPIs), such as response time to cyber incidents, system uptime, and successful mitigation of identified vulnerabilities. These KPIs serve as an 'early warning' system to proactively pre-empt, take corrective measures and report to the Board, as deemed necessary.

Cybersecurity Assessment and Audits

The Company successfully performed a Cybersecurity Assessment using 'Cybersecurity Capability Maturity Model (C2M2)' through 3rd party auditors to prevent and mitigate potential Information Security threats. We diligently evaluate and monitor the cybersecurity practices of our third-party vendors and contractors to ensure the adherence to industry-leading security standards.

Cybersecurity Awareness

Our comprehensive cybersecurity procedures encompass regular employee awareness, unplanned phishing drills and self-assessments. The implementation of industry best practices has helped us achieve 'Zero' cybersecurity incidents during the reporting period.

Management Oversight on Cybersecurity

We ensure compliance with all relevant cybersecurity laws and regulations in the jurisdictions where we operate. We actively collaborate with industry peers and regulatory bodies to enhance sector-specific cybersecurity practices.

The Board of Directors oversees the information security policy and the IT Steering Committee reviews and advises on cybersecurity matters ensuring resilience of our operations in a rapidly evolving digital landscape.

Digital Transformation

The Company is in the process of transforming the organization's operations, making them more agile, data-driven, and efficient in line with the concept of 'digital oil field'. Through the use of Artificial Intelligence (AI), Business Intelligence (BI) and Robotic Process Automation (RPA) capabilities, the Company is making headway in terms of exploiting existing investments in technology to deliver more value both at the corporate and field levels.

PPL launched its first internal AI-enabled Chatbot service - 'Smart Assistant', providing users with an alternate channel for self-service options making it easier to request for information, address queries related to company policies and obtaining product support through easy-to-use chat interface. This initiative has provided the Company with a platform to innovate, simplify work processes and make information availability more accessible while ensuring requisite controls and information security.

Infrastructure Excellence

To take full advantage of modern infrastructure, PPL is adopting public cloud at fast pace. All business applications have already been migrated to cloud for cost optimization, business continuity and providing agile platform for business transformation. Virtualization of core technical applications have been tested in controlled environment for ensuring cloud readiness.

The Company now boasts an always-on remote working environment through leading Cloud and on-premises solutions. Disaster recovery drills are conducted bi-annually for all critical IT services to ensure resilience, mitigate possible risk exposures, and comply with management guidelines for sustainable operations.

Disaster Recovery and Business Continuity

To ensure high availability, the Network and Security Operations Center are actively engaged in proactive monitoring of primary data center and Disaster Recovery (DR) site for cyberthreats. DR drill is conducted twice every year to ensure resilience and assess recovery efforts to deal with potential IT systems failure in case of a cyber breach.

BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)

PPL undertakes that Business Continuity is an important element of management responsibility and is committed to safeguarding interest of all its stakeholders by maintaining a robust Business Continuity Management System (BCMS). BCMS covers infrastructure, technology, employee, operational and communication risks with aim to provide organizational resilience to continue critical business operations in case of disruptive event. To keep BCMS up to date and incorporate the learnings from Good Practice Guidelines of Business Continuity Institute UK, a Business Continuity Framework is under finalization to improve organizational resilience thus managing organizational exposure to new challenges and risks.

BUSINESS EXCELLENCE (BE)

PPL ardently directs its attention towards developing and strengthening the management systems and processes for improving performance and creating value for stakeholders. The approach is to elevate performance benchmarks and achieve excellence across every facet of PPL's endeavors, which includes leadership, strategy, planning, capital management, people and processes, to be able to deliver superior business results. In steadfast pursuit of this objective, a dedicated Business Excellence function within the company has been established in January 2023.

Business Performance Metrics

A Gas-Revenue Equivalent Unit (MMscfdre) concept has been introduced and adopted to measure the Company's total revenues into a single metric for its management reporting. The idea behind introducing Gas-Revenue Equivalent Unit is to express the total gross revenue from all streams (oil, gas and minerals) in terms of equivalent volume of natural gas that will allow all the stakeholders to (i) have an indicative metric showing growth, sustainability or declining trend for the overall revenues and (ii) observe contribution from non-hydrocarbon resources relative to the contribution from Oil & Gas reserves. The new metric is included in the Six Years summary in this Annual Report.

Value Assurance Process

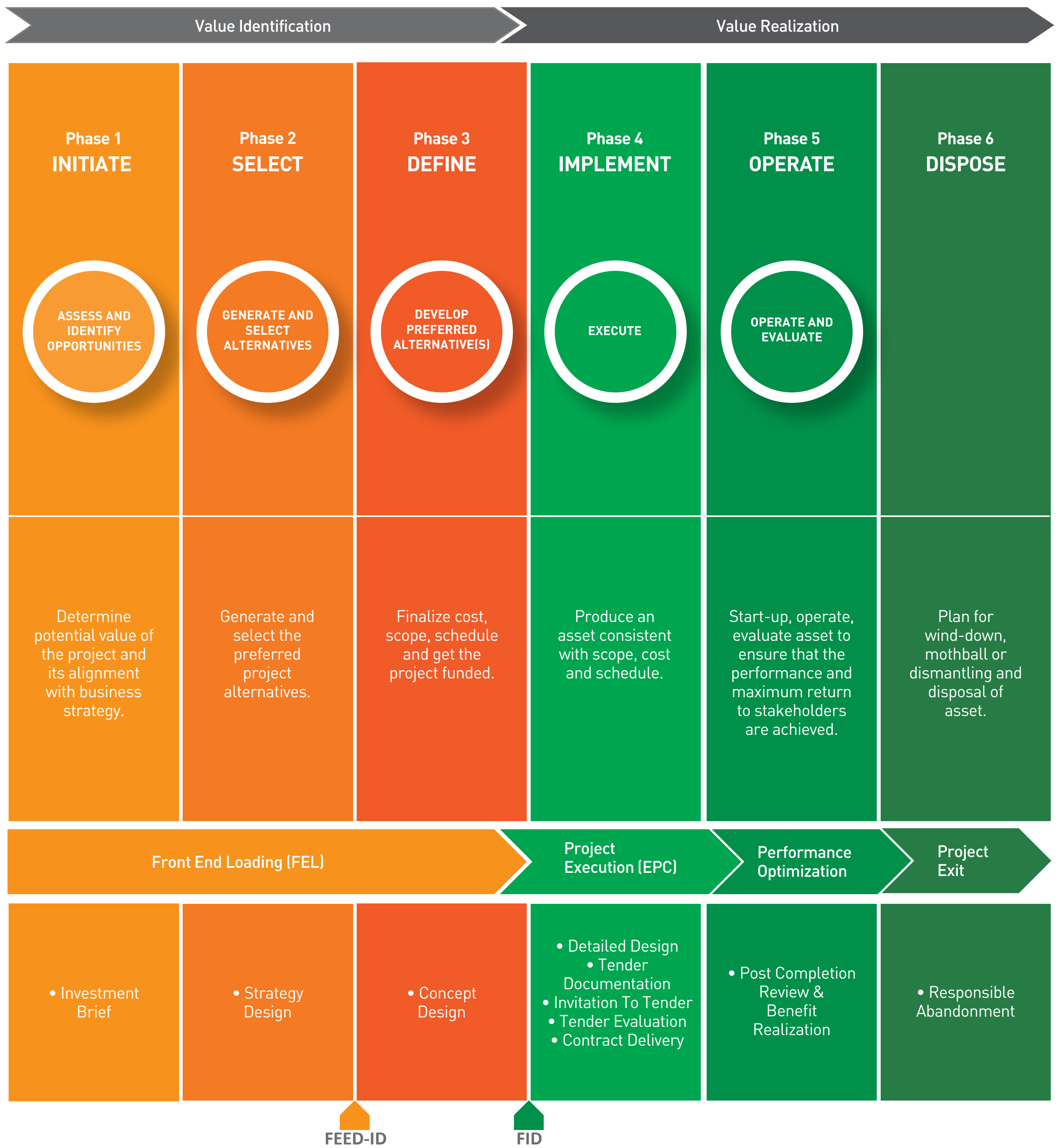
A key focus has been on maturing the investments & divestitures authorization process to align it with industry's best practices and global standards. The project authorization process currently in place has been reviewed for addressing the shortcomings identified since the rollout of Project Evaluation and Approval Process (PEAP) at PPL in 2015. This has been done to ensure that investments are aligned with strategic goals, possess viable business cases, and are managed effectively to maximize returns and mitigate risks.

To this end, design of the existing process (PEAP) was reviewed to identify the areas of improvement. This, along with review of value assuring practices of international oil and gas majors, resulted in building the Value Assurance Framework (VAF) for PPL. The restructured process is based on stage-gate review principle that, along with the other process improvements, would contribute to reasonably assuring that:

I. Project authorization process is linked with portfolio management, thereby adding most advantageous projects to Company's portfolio,
II. Improved decision quality for projects is achieved through decision support packages and decision quality measurements,
III. Projects are executed as per plan to avoid any dilutions, to the extent possible, in the project value conceived at the time of Final Investment Decision, and
IV. Project risks are identified, and adequate controls are put in place for risk treatment.

These objectives will be achieved through implementation of project decision gates and execution progress reviews pertaining to full project lifecycle i.e., Front-End Loading (FEL), project execution, asset operation and abandonment. Rollout of the revamped process is planned during fiscal year 2023-24 after its approval.

To strengthen value assurance process, a parameter pertaining to investment value assurance has also been added to PPL's Risk Appetite and approved by Board of Directors.



CORPORATE GOVERNANCE

Functioning of the Board

The corporate governance framework provides for separate and distinct role of the board of directors vis-à-vis the management. The Board is not directly involved in the day-to-day operations of the Company and its role is to provide strategic leadership, oversight and planning on an enterprise level. In each decision of the Board, consideration is duly given to its impact on the employees, customers, suppliers, communities, shareholders and other stakeholders of the Company.

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

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

The Board has delegated certain powers to the CEO and the management, to perform day-to-day operations of the Company, and has approved the limits of authority for the CEO and the management.

Composition of the Board

The names and status of the directors are set out in the 'Company Information' section of the Annual Report. The names of directors during the financial year are disclosed in the "Attendance of Board and Committee Meetings" section of this Annual Report.

The independent directors have declared their independence as required under sub-regulation (3) of regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Diversity on the Board

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

Casual Vacancy on the Board

During the year, four casual vacancies arose on the Board. The vacancies due to resignations of Mr. Muhammad Zubair, Mr. Ali Raza Bhutta and Syed Zakria Ali Shah were duly filled during the year with the appointments of Mr. Abdul Aziz Uqaili, Capt. (Retd.) Muhammad Mahmood and Capt. (Retd.) Anwar-ul-Haq respectively. Subsequently, Capt. (Retd.) Anwar-ul-Haq was replaced by Mr. Shahbaz Tahir Nadeem.

Profiles of Directors

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

Roles of the Chairman and the Chief Executive Officer

The office of the Chairman of the Company is separate, and the responsibilities of the Chairman are entirely distinct from those of the CEO. The Chairman ensures that the Board performs in a seamless manner and all matters relevant to the governance of the Company are addressed by the Board. The Chairman sets the agenda of the meetings, ensures that board meetings run smoothly and achieves a consensus on decisions and encourages the directors to fully participate in the deliberations and decisions of the Board. The Chairman leads the Board and ensures its effective functioning and continuous development of the members. The Chairman holds votes on key strategic policies proposed by the CEO and the management and monitors the overall profitability, sustainability, and growth of the Company.

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

Board Committees

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

Annual Performance Evaluation

Pursuant to the Public Sector Companies (Corporate Governance) Rules, 2013 the evaluation of the performance of the Board shall be undertaken by the Federal Government. In accordance with the directives of the Federal Government, the Pakistan Institute of Corporate Governance (PICG) was engaged to evaluate the performance of the Board and its members for the financial year 2021-22. Subsequent to the year ended June 30, 2023, Board Performance Evaluation exercise for the year 2022-23 has also been initiated.

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

Orientation Programme for the Directors

The directors elected and appointed during the year were given a briefing on the business, operations and environment of the Company as well as the duties of directors. The Memorandum and Articles of Association of the Company and the Quarterly and Annual Reports of the Company were included in the welcome packs for the directors. A formal comprehensive orientation programme for the directors was scheduled during the year, however the same was not conducted due to paucity of time.

Directors' Training Programme

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

Remuneration to Non-Executive Directors

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

Additional Directorships held by the Executive Director

The CEO of the Company is also the director on the boards of the Company's wholly-owned subsidiaries, PPL Asia E&P B.V. and PPL Europe E&P Limited and an associated company, Pakistan International Oil Limited. He is also the chairman of an associated company namely Pakistan Minerals (Private) Limited and director of Reko Diq Mining Company (Private) Limited, Reko Diq Investments Limited and Reko Diq Holdings Limited.

Security Clearance of Foreign Directors

No foreigner is appointed on the Board of the Company.

Board Meetings held outside Pakistan

No meeting of PPL's Board was held outside Pakistan.

Conflict of Interest relating to the Board of Directors

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

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

Transactions with Related Parties

Related party transactions are carried out on commercial terms and the details thereof are placed periodically before the Board Audit Committee for review and recommendation to the Board for approval. Any interest in related party transactions by the members of the Board is disclosed by them to the Company. The details of related party transactions are disclosed in the notes to the Company's financial statements for the year ended June 30, 2023.

SOE Act

During the year, the Government of Pakistan notified the 'State Owned Enterprises (Governance & Operations) Act, 2023' (SOE Act). Subsequent to the year end, the Pakistan Sovereign Wealth Fund Act, 2023 was introduced which has exempted the Company from the applicability of the SOE Act.

Internal Audit

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

Significant Policies

The significant policies of the Company include:

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

Shareholders' Grievance

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

Engagement with Stakeholders

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

The issues raised at the last AGM and the decisions taken in respect thereof were recorded in the minutes of the meeting. The minutes were submitted to the Pakistan Stock Exchange and copies of the minutes are available for the shareholders free of charge at the AGM.

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

Minority Shareholders

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

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

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

The Directors are pleased to state that:

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment amounts as per latest audited accounts as at June 30, 2022

	Rs Million
Senior Provident Fund	3,969
Junior Provident Fund	1,616
Executive Staff Gratuity Fund	1,032
Non-Executive Staff Gratuity Fund	1,311
Executive Staff Pension Fund	9,524
Non-Executive Staff Pension Fund	3,499
Executive Staff Pension Fund Defined Contribution (Shariah)	2,362
Executive Staff Pension Fund Defined Contribution (Conventional)	836

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

xv. Directors only receive directors' fees for attending meetings of the Board, Board Committees and general meetings. The Company also incurs travelling, lodging and other expenses in connection with attending the Board and Committee meetings. The details of fees paid to each director are included in the Annual Report in the section entitled 'Attendance of Board and Committee Meetings'.

xvi. The pattern of shareholding in the Company as at June 30, 2023 is included in the 'Pattern of Shareholding' section of the Annual Report 2023.

RISK MANAGEMENT FRAMEWORK

The continuous devaluation of Pakistani rupee and increasing inflation rate have created a challenging business environment for all the companies in Pakistan. PPL is exposed to increasing business risks as it is majorly dependent on the production of hydrocarbons, which indigenously are not as easy to discover and monetize as before in the wake of the increasing exploration & developmental costs in frontier geological basins and maturation of the other local basins. The Company, however, remains committed to maintaining its position as one of the largest national energy suppliers as well as endeavouring to grow its footprint domestically and regionally in the E&P and the increasingly significant mineral sectors. To this end, the Company continues to put in efforts in identification, assessment and treatment of the enterprise level risks with a view to reasonably ensuring that organization's strategic targets are achieved in timely and efficient manner.

A reasonably mature ERM framework is in place that focuses on identification, thorough assessment and effective mitigation of risks in the context of the Company's risk appetite.

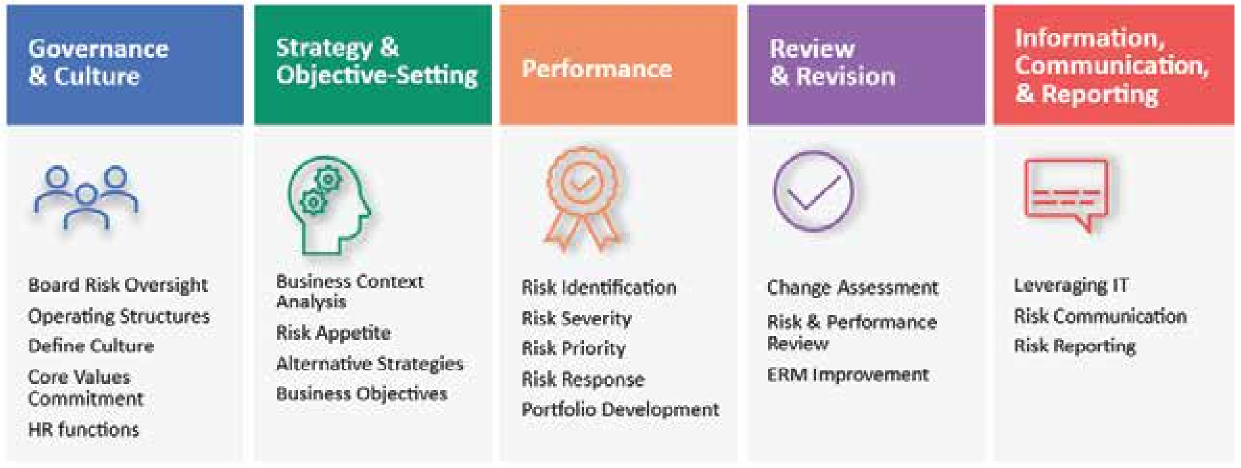


FIGURE - Enterprise Risk Management Principles (adopted from COSO's ERM Integrated Framework – 2017 update)

RISK GOVERNANCE STRUCTURE

Board of Directors and Board Enterprise Risk Committee (BERC)

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

Executive Risk Management Committee (ERMC)

At the management level, the Executive Risk Management Committee (ERMC) is the most senior risk-related entity and comprises directorates/business unit heads and Functional Heads. The Committee acts as an advisory function for the Executive Committee / Managing Director. Its role is to review the significant risks for the year, review the Company's risk methodologies, and build organization-wide risk awareness and alignment.

Enterprise Risk Management (ERM) Function

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

Annual Risk Management Review 2022 and Corporate Risk Register 2022-23

Focused sessions were conducted with all stakeholders to identify major and emerging risks and their mitigation plans. Risks were assessed for their impact and probability and were reviewed in detail with senior management in the annual risk review. During risk focus sessions, subsiding risks were also identified that were downgraded from the Corporate Risk Register.

Environmental, Social and Governance (ESG) Related Risks

As a responsible corporate citizen, PPL identifies, assesses, monitors, and mitigates Environmental, Social and Governance (ESG) risks that can adversely impact the entity in the broader perspective of sustainability. The corporate risk register included the view of ESG risks based on COSO's ERM guidelines, and these risks were integrated into the overall risk management process.

Risk Response Plan Monitoring

Progress against completion of response action items was reported regularly through the circulation of monthly ERM dashboards to the top management and at the Board level through the Board Enterprise Risk Committee (BERC). This reporting covered corporate compliance levels for the completion of risk response plans for the given year.

Corporate Risk Appetite Testing

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

Revisions in Corporate Risk Appetite Statement

In light of the changes in the external environment and economical challenges, the corporate risk appetite was revised with a view to proactively monitor any breach events and being able to make course corrections, where needed.

Revisions were made in the areas of exploration portfolio management, reserves replenishment, capital preservation, and capital creation while new risk appetites were added in the areas of exploration portfolio management, exploration (frontier basins), offshore exploration (domestic - shallow waters), diversification, time to first oil/gas, capital creation, data security, current ratio and Debtor Turnover.

Corporate ERM Framework Revisions

As part of continuous process improvement, the corporate ERM framework underwent a major revision to incorporate all the process learnings since its initial rollout and improvement in some key processes as identified from the relevant ERM standards.

Key Risks

Details of the key risks faced by PPL are presented in the "Key Risks" section of this annual report.

BUSINESS OUTLOOK

In the evolving energy landscape, the Company is striving to expand its operations into the minerals and energy sector all the while maintaining a strong momentum in its core exploration and production activities.

With respect to exploration efforts, PPL aims to maintain a well-balanced approach between frontier and mature basins. The average discovery size in Pakistan in recent years has reduced to just over 10 BCFe, which effectively adds only some 4 days of production to the national grid. This poses a major challenge in terms of replenishing depleting indigenous reserves, which can only be achieved through multi-TCF discoveries. Such discoveries are only possible in the high-risk, high-cost frontier areas and in the offshore basins. Additionally, security remains a challenge in frontier areas, the cost of which has seen a significant increase recently. Meanwhile, the lower-to-medium risk portfolio enables the Company to make smaller discoveries supporting its production levels through nearby facilities. The Company's exploration commitment is evident through its implementation of new 2D seismic surveys across regions such as Margand, Musakhel, Kuhan, and Suleiman, complemented by ambitious 3D seismic plans in Pezu. These initiatives assure PPL's commitment to sizable hydrocarbon resource development.

PPL's operational scope extends beyond national borders, as demonstrated by its acquisition of offshore Block 5 in Abu Dhabi's promising zone. Through collaboration with other major national companies, PPL has embarked on an exploration mission to uncover valuable resources, showcasing its progressive approach in international energy ventures.

Enhancing the value of its productive assets and increasing net production are top priorities for PPL. To achieve this, a series of development projects are in the pipeline, including compression upgrade at the Sui, Gambat South, Kirthar, and Tal blocks. This multifaceted strategy covers both assets operated by PPL and those operated in partnership, with the aim of boosting efficiency and output to enhance overall performance.

The revival of the Kandhkot field to full operational capacity amid national power demand is a demonstration of PPL's resilience. The field's consistent high throughput underscores its pivotal role in meeting energy requirements, although the gas price revision is required in order to optimally develop the field to its full potential.

The Company's core indigenous gas business is facing the growing issue of circular debt, with cash collections lagging behind rising levies and taxes on higher revenues. The receivables have crossed Rs 500 billion and the opportunity cost alone amounts to over Rs 100 billion per annum. The situation is not sustainable and is being escalated at the highest levels. At the same time, PPL is actively pursuing diversification into alternate revenue streams, including mining and international ventures.

Of particular note, PPL has entered into a strategic partnership equally sharing a 25% equity stake along with OGDCL and GHPL in the copper and gold Project within Balochistan's Reko Diq region. PPL's stake in the overall project is 8.33%. The project is currently undergoing a detailed feasibility study, projected to be completed by 2024, with production expected to commence in 2028.

Concurrently, PPL has intensified its focus on the Baryte, Lead, and Zinc (BLZ) mining project. This endeavour is supplemented by an exploration drive aimed at discovering additional mineral prospects in Balochistan. Demonstrating its proactive approach, the Company has also submitted a new exploration license application, indicating its intention to assess the potential of local mineral resources.

The Company remains dedicated to driving exploration, production, and value creation in the hydrocarbon sector. With its progressive strategies, partnerships, and diversification initiatives, PPL is positioned as a significant contributor to Pakistan's energy landscape, while striving for a prosperous future for all stakeholders.

POST BALANCE SHEET EVENTS

Directors

Subsequent to the year end, Capt. (Retd.) Muhammad Mahmood, former Additional Secretary (Incharge), Ministry of Energy (Petroleum Division) and Mr. Abdul Aziz Uqaili, former Chief Secretary, Government of Balochistan resigned from the Board of Directors and Mr. Momin Agha, Additional Secretary (Incharge) Ministry of Energy (Petroleum Division) and Mr. Shakeel Qadir Khan, Chief Secretary, Government of Balochistan were appointed respectively as directors on PPL's Board to fill the casual vacancies occurred due to the aforesaid resignations.

Dividend

The Board of Directors in its meeting held on September 20, 2023 has recommended cash dividend @ 15% amounting to Rs 4,081.460 million (2022: @ 5% amounting to Rs 1,360.487 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.016 million (2022: @ 5% amounting to Rs 0.005 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 25, 2023.

Auditors

The Company's auditors KPMG Taseer Hadi & Co., who retire at the forthcoming Annual General Meeting are eligible for reappointment for the year 2023-24 and have been recommended by the Board of Directors for reappointment.

CHAIRMAN
BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

Karachi: September 20, 2023

دریافت کی کوششوں کے سلسلے میں، پی پی ایل کا مقصد سرحدی اور پختہ بیسن کے مابین ایک متوازن اپروچ کو برقرار رکھنا ہے۔ حالیہ برسوں میں پاکستان میں دریافت کا اوسط حجم کم ہو کر صرف 10 بی سی ایف ای رہ گیا ہے، جس سے قومی گرڈ میں صرف 4 دن پیداوار کا اضافہ ہوتا ہے۔ یہ کم ہوتے ہوئے مقامی ذخائر کی تجدید کے معاملے میں ایک بڑا چیلنج ہے، جسے صرف ملٹی ٹی سی ایف دریافتوں کے ذریعے ہی حاصل کیا جاسکتا ہے۔ اس طرح کی دریافتیں صرف زیادہ خطرے والے، زیادہ لاگت والے سرحدی علاقوں اور آف شور بیسن میں ہی ممکن ہیں۔ مزید برآں، سرحدی علاقوں میں سیکیورٹی ایک چیلنج بنی ہوئی ہے، جس کی لاگت میں حال ہی میں نمایاں اضافہ دیکھا گیا ہے۔

دریں اثنا، کم سے درمیانے خطرات کا پورٹ فولیو کمپنی کو قریبی تنصیبات کے ذریعے اپنی پیداوار کی سطح کو سہارا دینے والی چھوٹی دریافتیں کرنے کے قابل بناتا ہے۔ مارگنڈ، موسیٰ خیل، کوہن اور سلیمان جیسے علاقوں میں نئے 2 ڈی سائزمک سروے کے نفاذ کے ذریعے کمپنی کے دریافت کے عزم کا اظہار ہوتا ہے۔ یہ اقدامات ہائیڈروکاربن وسائل کی ڈیولپمنٹ کے لیے پی پی ایل کے عزم کو یقینی بناتے ہیں۔

پی پی ایل کا آپریشنل دائرہ کار قومی سرحدوں سے باہر پھیلا ہوا ہے، جیسا کہ ابوظبی کے امید افزا زون میں آف شور بلاک 5 کے حصول سے ظاہر ہوتا ہے۔ دیگر بڑی قومی کمپنیوں کے ساتھ تعاون کے ذریعے، پی پی ایل نے قابل قدر وسائل کو دریافت کرنے کے لیے ایک ایکسپلوریشن مشن کا آغاز کیا ہے، جو توانائی کے بین الاقوامی منصوبوں میں کمپنی کے ترقی پسندانہ انداز نظر کو ظاہر کرتا ہے۔

اپنے پیداواری اثاثوں کی قدر میں اضافہ اور خالص پیداوار میں اضافہ پی پی ایل کی اولین ترجیحات ہیں۔ اس مقصد کے حصول کے لیے متعدد ترقیاتی منصوبے پائپ لائن میں ہیں جن میں سوئی، گمبٹ ساؤتھ، کیرتھر اور ٹل بلاکس میں کمپریشن اپ گریڈ شامل ہیں۔ یہ کثیر الجہتی حکمت عملی پی پی ایل کے ذریعے چلائے جانے والے اثاثوں اور شراکت داری میں چلائے جانے والے دونوں اثاثوں کا احاطہ کرتی ہے، جس کا مقصد مجموعی کارکردگی کو بڑھانے کے لیے فعالیت اور پیداوار کو بڑھانا ہے۔

بجلی کی قومی طلب کے پیش نظر کندھ کوٹ فیلڈ کی مکمل آپریشنل صلاحیت کی بحالی پی پی ایل کے عزم و ہمت کا مظہر ہے۔ فیلڈ سے مسلسل بڑے پیمانے پر ترسیل توانائی کی ضروریات کو پورا کرنے میں اس کے اہم کردار کو اجاگر کرتی ہے، اگرچہ فیلڈ کو اس کی پوری صلاحیت کے مطابق بہتر طور پر ڈیولپ کرنے کے لیے گیس کی قیمت پر نظرثانی کی ضرورت ہے۔

کمپنی کے بنیادی مقامی گیس کاروبار کو گردشی قرضوں کے بڑھتے ہوئے مسئلے کا سامنا ہے، جس میں نقد وصولی، بڑھتی ہوئی لیویز اور زیادہ آمدنی پر ٹیکسوں کے مقابلے میں پیچھے رہ گئی ہے۔ وصولیاں 500 ارب روپے سے تجاوز کر چکی ہیں۔ صورتحال پائیدار نہیں ہے اور اعلیٰ ترین سطح پر اس میں اضافہ کیا جارہا ہے۔ اس کے ساتھ ہی پی پی ایل کان کنی اور بین الاقوامی منصوبوں سمیت آمدنی کے متبادل ذرائع میں تنوع پیدا کرنے کے لیے سرگرمی سے کام کر رہی ہے۔

واضح رہے کہ پی پی ایل نے بلوچستان کے ریکوڈک ریجن میں تانبے اور سونے کے منصوبے میں او جی ڈی سی ایل اور جی ایچ پی ایل کے ساتھ 25 فیصد ایکویٹی حصص کے ساتھ اسٹریٹجک شراکت داری کی ہے۔ مجموعی منصوبے میں پی پی ایل کا حصہ 8.33 فیصد ہے۔ فی الحال یہ منصوبہ ایک تفصیلی فزیبلٹی اسٹڈی سے گزر رہا ہے، جس کے 2024 تک مکمل ہونے کا امکان ہے اور اس کی پیداوار 2028 میں شروع ہونے کی توقع ہے۔

اس کے ساتھ ساتھ پی پی ایل نے بیرائیٹ، لیڈ اور زنک (بی ایل زیڈ) کان کنی کے منصوبے پر اپنی توجہ تیز کردی ہے۔ اس کوشش کو بلوچستان میں معدنیات کے اضافی امکانات دریافت کرنے کے مقصد سے ایک ایکسپلوریشن مہم سے تقویت ملتی ہے۔ اپنے فعال طرز عمل کا مظاہرہ کرتے ہوئے کمپنی نے ایک نیے ایکسپلوریشن لائسنس کی درخواست بھی دی ہے جو مقامی معدنی وسائل کے امکانات کا اندازہ لگانے کے لیے کمپنی کے ارادے کی نشاندہی کرتی ہے۔

کمپنی ہائیڈروکاربن کے شعبے میں دریافت، پیداوار اور قدر کی تخلیق کو آگے بڑھانے کے لیے پرعزم ہے۔ اپنی ترقی پسندانہ حکمت عملیوں، شراکت داریوں اور تنوع کے اقدامات کے ساتھ پی پی ایل پاکستان کے توانائی کے منظرنامے میں ایک اہم شراکت دار کے طور پر موجود ہے اور اس کے ساتھ ساتھ تمام اسٹیک ہولڈرز کے خوشحال مستقبل کے لیے کوشاں ہے۔

واقعات بعد از بیلنس شیٹ

ڈائریکٹرز

سال کے اختتام کے بعد، کیپٹن (ر) محمد محمود، سابق ایڈیشنل سیکریٹری، (انچارج) وزارت توانائی (پٹرولیم ڈویژن) اور جناب عبدالعزیز عقیلی، سابق چیف سیکٹری، حکومتِ بلوچستان نے بورڈ آف ڈائریکٹرز سے استعفا دے دیا اور جناب مومن آغا، ایڈیشنل سیکریٹری، (انچارج) وزارت توانائی (پٹرولیم ڈویژن) اور جناب شکیل قادر خان، چیف سیکٹری، حکومتِ بلوچستان کو بالترتیب پی پی ایل کے بورڈ میں ڈائریکٹر کے طور پر مقرر کیا گیا تاکہ مذکورہ استعفوں کی وجہ سے خالی اسامیوں کو پر کیا جاسکے۔

منافع منقسمہ/ڈیویڈنڈ

20 ستمبر 2023 کو منعقد ہونے والے اجلاس میں بورڈ آف ڈائریکٹرز نے عام حصص کیپٹل کی ادا شدہ قیمت پر 15 فیصد کے حساب سے جس کی رقم 4,081.460 ملین روپے ہے (2022: 5 فیصد کے حساب سے 1,360.487 ملین روپے کی رقم) اور کنورٹیبل ترجیحی حصص کیپٹل کی ادا شدہ قیمت پر 15 فیصد کے حساب سے جس کی رقم 0.016 ملین روپے ہے (2022: 5 فیصد کے حساب سے 0.005 ملین روپے کی رقم)، کیش ڈیویڈنڈ یعنی نقد منافع منقسمہ کی سفارش کی ہے۔ یہ تخصیصات 25 اکتوبر 2023 کو منعقد ہونے والے سالانہ اجلاسِ عام میں شیئر ہولڈرز کی منظوری کے لیے پیش کی جائیں گی۔

آڈیٹرز

کمپنی کے آڈیٹرز کے پی ایم جی (KPMG) تاثیر ہادی اینڈ کمپنی جو سالانہ اجلاسِ عام میں سبکدوش ہو جائیں گے، سال 24-2023 کے لیے دوبارہ تقرری کے اہل ہیں اور بورڈ نے دوبارہ تقرری کے لیے ان کی سفارش کی ہے۔

چیئرمین

چیف ایگزیکٹو آفیسر/منیجنگ ڈائریکٹر

کمپنی میں ایک معقول رسک مینجمنٹ فریم ورک موجود ہے جو کمپنی کے خطرے کی شناخت، مکمل تشخیص اور ان کی مؤثر تخفیف پر مرکوز رکھتا ہے۔

رسک گورننس کا ڈھانچہ

بورڈ انٹرپرائز رسک کمیٹی (BERC)

کمپنی کے رسک گورننس کی مجموعی ذمے داری بورڈ آف ڈائریکٹرز پر عائد ہوتی ہے جو بورڈ انٹرپرائز رسک کمیٹی (بی ای آر سی) کے ذریعے بین الاقوامی سطح پر تسلیم شدہ رسک مینجمنٹ کے طریقوں کو برقرار رکھتا ہے۔ بورڈ انٹرپرائز رسک کمیٹی پی پی ایل میں رسک مینجمنٹ کا سب سے اعلیٰ ادارہ ہے جس کا بنیادی کام کمپنی کے رسک مینجمنٹ منصوبوں، سسٹمز اور طریقہ کار کی فعالیت کا جائزہ لینے اور گروپ بھر میں خطرے کی پالیسیوں، رہنما خطوط اور حدود کے ساتھ ساتھ خطرے کے امکانات اور ان کے تدارک کے منصوبوں کا جائزہ لینے میں بورڈ کی مدد کرنا ہے۔

انٹرپرائز رسک مینجمنٹ (ERMC) کمیٹی

انتظامیہ کی سطح پر ایگزیکٹو رسک مینجمنٹ کمیٹی (ای آر ایم سی) خطرات سے متعلق سب سے سینئر ادارہ ہے اور اس میں ڈائریکٹوریٹ/کاروباری یونٹ کے سربراہ اور فنکشنل ہیڈ شامل ہیں۔ یہ کمیٹی ایگزیکٹو کمیٹی/ منیجنگ ڈائریکٹر کے لیے ایک مشاورتی شعبے کے طور پر کام کرتی ہے۔ اس کا کردار سال کے لیے اہم خطرات کا تجزیہ کرنا، خطرات کے تدارک کے طریقوں کا جائزہ لینا اور پورے ادارے میں خطرے کے بارے میں آگاہی اور ہم آہنگی پیدا کرنا ہے۔

انٹرپرائز رسک مینجمنٹ (ERM) فنکشن

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

سالانہ رسک مینجمنٹ کا جائزہ 2022 اور کارپوریٹ رسک رجسٹر 2022-23

اہم اور ابھرتے ہوئے خطرات کی نشاندہی اور ان کے تخفیف کے منصوبوں کی نشاندہی کے لیے تمام اسٹیک ہولڈرز کے ساتھ فوکسڈ سیشن منعقد کیے گئے۔ خطرات کا ان کے اثرات اور امکانات کے لیے جائزہ لیا گیا اور سالانہ رسک ریو میں سینئر انتظامیہ کے ساتھ ان پر تفصیلی تبادلہ خیال کیا گیا۔ رسک فوکس سیشنز کے دوران کم ہونے والے خطرات کی بھی نشاندہی کی گئی جنھیں کارپوریٹ رسک رجسٹر سے ڈاؤن گریڈ کر دیا گیا۔

ماحولیات، سماجی اور گورننس (ESG) سے متعلق خطرات

بطور ایک ذمے دار کارپوریٹ شہری، پی پی ایل ماحولیاتی، سماجی اور گورننس (ESG) کے ان خطرات کی نشان دہی، تشخیص، نگرانی اور تخفیف کرتی ہے جو استحکام کے وسیع تر تناظر میں ادارے پر منفی اثر ڈال سکتے ہیں۔ کارپوریٹ رسک رجسٹر میں COSO کی ای آر ایم ہدایات پر مبنی ESG خطرات کا جائزہ شامل ہے اور ان خطرات کو مجموعی رسک مینجمنٹ کے عمل میں ضم کیا گیا۔

رسک ریسپانس پلان کی نگرانی

اعلیٰ انتظامیہ اور بورڈ کی سطح پر بورڈ انٹرپرائز رسک کمیٹی (بی ای آر سی) کے ذریعے ماہانہ ای آر ایم ڈیش بورڈز کی ترسیل کے ذریعے باقاعدگی سے جوابی ایکشن آئٹمز کی تکمیل میں پیش رفت کی اطلاع دی گئی۔ اس رپورٹنگ میں مالی سال کے لیے خطرات کے ردعمل کے منصوبوں کی تکمیل کے لیے کارپوریٹ کمپلائنس کی سطح کا بھی احاطہ کیا گیا۔

کارپوریٹ خطرے کی جانچ

کمپنی اور اس کے ماتحت اداروں اور مشترکہ منصوبوں کے لیے ششماہی بنیادوں پر خطرات کی جانچ کی گئی تھی۔ خلاف ورزی کے واقعات کی اطلاع بورڈ انٹرپرائز رسک کمیٹی (بی ای آر سی) کو دی گئی اور مستقبل میں خلاف ورزی کے واقعات کی تکرار سے بچنے کے لیے تخفیف کی حکمت عملی تیار کی گئی۔

کارپوریٹ خطرے کے بیان پر نظرثانی

بیرونی ماحول میں تبدیلیوں اور معاشی چیلنجوں کی روشنی میں، کارپوریٹ رسک اپیٹائٹ پر نظرثانی کی گئی تا کہ کسی بھی خلاف ورزی کے واقعات کی فعال طور پر نگرانی کی جاسکے اور جہاں ضرورت ہو وہاں اصلاح کی اہلیت حاصل ہو سکے۔

ایکسپلوریشن پورٹ فولیو مینجمنٹ، ذخائر کی بحالی، سرمائے کے تحفظ اور سرمائے کی تخلیق کے شعبوں میں ترامیم کی گئیں جبکہ ایکسپلوریشن پورٹ فولیو مینجمنٹ، ایکسپلوریشن (فرنٹیئر بیسن)، آف شور ایکسپلوریشن (مقامی— کم گہرے پانی)، تنوع، سرمائے کی تخلیق، ڈیٹا سیکیورٹی، کرنٹ تناسب اور قرض دہندہ ٹرن اوور کے شعبوں میں نئے خطرات شامل کیے گئے۔

کارپوریٹ ERM فریم ورک پر نظرثانی

تمام پراسیس کی مسلسل بہتری کے حصے کے طور پر کارپوریٹ ای آر ایم فریم ورک میں بڑی نظرثانی کی گئی تا کہ اس فریم ورک کے ابتدائی رول آؤٹ کے بعد سے تمام پروسیس لرننگ کو شامل کرنے اور متعلقہ ای آر ایم معیارات سے شناخت کردہ کچھ کلیدی پراسیس میں بہتری لائی جا سکے۔

اہم خطرات

پی پی ایل کو درپیش اہم خطرات کی تفصیلات اس سالانہ رپورٹ کے "کلیدی خطرات" سیکشن میں پیش کی گئی ہیں۔

کاروباری منظرنامہ

توانائی کے بدلتے ہوئے منظرنامے میں، کمپنی معدنیات اور توانائی کے شعبے میں اپنے آپریشنز کو وسعت دینے کی کوشش کر رہی ہے جبکہ اپنی بنیادی دریافت اور پیداوار کی سرگرمیوں میں خاطر خواہ رفتار برقرار رکھے ہوئے ہے۔

حصص یافتگان کی شکایات کا ازالہ

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

شراکت داروں کے ساتھ تعلقات

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

گزشتہ سالانہ اجلاس عام میں اٹھائے گئے مسائل اور اس سلسلے میں کیے گئے فیصلوں کو اجلاس کی کارروائی کے اہم نکات میں ریکارڈ کیا گیا اور انھیں پاکستان اسٹاک ایکسچینج میں جمع کروایا گیا۔ اس کی کاپیاں اے جی ایم میں حصص داروں کے لیے مفت دستیاب ہیں۔

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

اقلیتی حصص یافتگان

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

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

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

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

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

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

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

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

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

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

VII) گزشتہ برسوں کے آپریٹنگ نتائج سے اہم انحراف کی وجوہات کو ڈائریکٹرز کی رپورٹ کے متعلقہ حصوں میں بیان کیا گیا ہے۔

VIII) گزشتہ چھ برسوں کے اہم آپریٹنگ اور مالی اعداد و شمار سالانہ رپورٹ کے سیکشن '6 برسوں کا خلاصہ' میں دیا گیا ہے۔

IX) اکاؤنٹس کے نوٹس میں بقایا ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کے بارے میں معلومات بیلنس شیٹ میں دی گئی ہیں۔

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

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

XII) کمپنی کے سماجی مقاصد اور نتائج سے متعلق اہم اشاریے اس سالانہ رپورٹ کے "کارپوریٹ سماجی ذمے داری" سیکشن میں ظاہر کیے گئے ہیں۔

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

XIV) بورڈ اور بورڈ کمیٹیوں کے اجلاس اور عمومی اجلاس میں شرکت کے لیے ڈائریکٹرز، صرف ڈائریکٹرز فیس وصول کرتے ہیں۔ تاہم بورڈ کمیٹی میٹنگ کے سلسلے میں ارکان کے طعام، قیام اور سفری اخراجات بھی کمپنی ادا کرتی ہے۔ ہر ڈائریکٹر کو ادا کی جانے والی فیس کی تفصیلات، سالانہ رپورٹ کے سیکشن 'بورڈ اور کمیٹی اجلاسوں میں شرکت' میں شامل ہیں۔

XV) 30 جون 2023 کو کمپنی میں شیئرز کی ملکیت کی جزئیات، اس کے ساتھ ساتھ ڈائریکٹرز، ایگزیکٹیوز، ان کے شریک حیات اور نابالغ بچوں کی جانب سے سال کے دوران شیئرز کی خرید و فروخت کی تفصیلات سالانہ رپورٹ 2023 کے سیکشن 'پیٹرن آف شیئر ہولڈنگ' میں شامل ہے۔

رسک مینجمنٹ فریم ورک

پاکستانی روپے کی قدر میں مسلسل کمی اور افراط زر کی بڑھتی ہوئی شرح نے پاکستان میں تمام کمپنیوں کے لیے ایک چیلنجنگ کاروباری ماحول پیدا کر دیا ہے۔ پی پی ایل کو بڑھتے ہوئے کاروباری خطرات کا سامنا ہے کیونکہ اس کا بنیادی طور پر انحصار ہائیڈروکاربن کی پیداوار پر ہے۔ سرحدی ارضیاتی بیسن میں دریافت اور ڈیولپمنٹ کے بڑھتے ہوئے اخراجات اور دیگر مقامی بیسنوں میں ذخائر ختم ہونے کے تناظر میں ہائیڈروکاربن ذخائر کی دریافت اور ان سے نفع کمانا پہلے کی طرح آسان نہیں رہا۔ تاہم، کمپنی توانائی کے سب سے بڑے قومی سپلائرز میں سے ایک کے طور پر اپنی پوزیشن کو برقرار رکھنے کے ساتھ ساتھ ای اینڈ پی اور اہم معدنیات کے شعبوں میں مقامی اور علاقائی سطح پر تیزی سے اپنے قدم جمانے کی کوشش کر رہی ہے۔ اس مقصد کے لیے کمپنی انٹرپرائز سطح کے خطرات کی نشاندہی، تشخیص اور تدارک کے لیے کوششیں جاری رکھے ہوئے ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ تنظیم کے اسٹریٹجک اہداف بروقت اور مؤثر انداز میں حاصل کیے جائیں۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریقوں سے لین دین تجارتی شرائط پر کی جاتی ہیں اور ان کی تفصیلات وقتاً فوقتاً جائزہ لینے اور بورڈ کی منظوری کی سفارش کے لیے بورڈ آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں۔ بورڈ کے ممبران کی جانب سے، متعلق فریق کے لین دین میں کسی بھی دلچسپی کو اُن کے ذریعے کمپنی کو واضح کر دیا جاتا ہے۔ متعلقہ فریقین اور اُن کے ساتھ لین دین کی تفصیلات 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالی گوشواروں کے نوٹس میں ظاہر کی گئی ہیں۔

ایس او ای ایکٹ

سال کے دوران حکومت پاکستان نے اسٹیٹ اونڈ انٹرپرائزز (گورننس اینڈ آپریشنز) ایکٹ، 2023' (ایس او ای ایکٹ) کا نوٹیفکیشن جاری کیا۔ سال کے اختتام کے بعد پاکستان سوورن ویلتھ فنڈ ایکٹ 2023 متعارف کرایا گیا جس سے کمپنی کو ایس او ای ایکٹ کے اطلاق سے استثنا حاصل ہوا۔

اندرونی آڈٹ

کمپنی کا ایک آزاد اندرونی آڈٹ ڈپارٹمنٹ کام کرتا ہے جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ محکمے کے اندرونی آڈٹ ڈپارٹمنٹ کے عملے کو اپنے فرائض مؤثر انداز میں انجام دینے کے لیے تمام ریکارڈز اور معلومات تک بلا رکاوٹ رسائی حاصل ہے۔ اندرونی آڈٹ کے دائرہ کار کی تعریف، اندرونی آڈٹ چارٹر میں واضح طور پر بیان کی گئی ہے جسے بورڈ نے منظور کیا ہے۔

اہم پالیسیاں

کمپنی کی اہم پالیسیوں میں شامل ہیں:

- ضابطہ اخلاق
- کارپوریٹ عطیات کی پالیسی
- انٹرپرائز رسک مینجمنٹ پالیسی
- پائیدار ترقی کے لیے دریافت اور فارم ان/ فارم آؤٹ کی حکمت عملی
- افرادی قوت کی انتظام کاری کی پالیسی
- حادثے کی اطلاع کی پالیسی
- سرمایہ کاری کے انتظام کی پالیسی
- بیرونی آڈیٹرز کے تبادلے کی پالیسی
- بیرونی آڈیٹرز کے ذریعے اضافی خدمات کی فراہمی
- کیو ایچ ایس ای پالیسی
- جنسی ہراسانی کی پالیسی
- وسل بلوئنگ پالیسی (تفصیلات کمپنی کی ویب سائٹ پر ذکر کی گئی ہیں)

ڈائریکٹرز کے لیے آگاہی پروگرام

منتخب اور مقرر ڈائریکٹرز کو کمپنی کے کاروبار، آپریشنز اور ماحول کے ساتھ ساتھ ڈائریکٹرز کے فرائض منصبی کے متعلق بریفنگ دی گئی۔ رواں سال کے افتتاحی اجلاس میں ڈائریکٹرز کو فراہم کردہ دستاویزات میں کمپنی کا میمورنڈم، آرٹیکل آف ایسوسی ایشن اور کمپنی کی سہ ماہی اور سالانہ رپورٹس شامل تھیں۔ سال کے دوران ڈائریکٹرز کے لیے ایک باضابطہ جامع آگاہی پروگرام منعقد کیا جانا تھا لیکن وقت کی کمی کی وجہ سے اس کا انعقاد نہیں کیا جا سکا۔

ڈائریکٹرز کا تربیتی پروگرام

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

نان ایگزیکٹیو ڈائریکٹرز کا معاوضہ

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

ایگزیکٹیو ڈائریکٹرز کے زیرِ انتظام اضافی ڈائریکٹرشپ

کمپنی کے سی ای او کمپنی کے مکمل ملکیت والے ماتحت اداروں، پی پی ایل ایشیا ای اینڈ پی بی وی اور پی پی ایل یورپ ای اینڈ پی لمیٹڈ اور ایک متعلقہ کمپنی پاکستان انٹرنیشنل آئل لمیٹڈ کے بورڈز کے ڈائریکٹر بھی ہیں۔ وہ پاکستان منرلز (پرائیویٹ) لمیٹڈ کے چیئرمین اور ریکوڈک مائننگ کمپنی (پرائیویٹ) لمیٹڈ، ریکوڈک انویسٹمنٹ لمیٹڈ اور ریکوڈک ہولڈنگز لمیٹڈ کے ڈائریکٹر بھی ہیں۔

غیر ملکی ڈائریکٹرز کی سیکیورٹی کلیئرنس

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

پاکستان سے باہر ہونے والے بورڈ کے اجلاس

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

بورڈ آف ڈائریکٹرز سے متعلق مفادات کا تصادم

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

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

ویلیو ایشورنس کے عمل کو مضبوط بنانے کے لیے، پی پی ایل کی رسک اپیٹائٹ میں سرمایہ کاری کی قدر کی یقین دہانی سے متعلق ایک پیرامیٹر بھی شامل کیا گیا ہے اور بورڈ آف ڈائریکٹرز نے اس کی منظوری دے دی ہے۔

کارپوریٹ گورننس

بورڈ کے امور

کارپوریٹ گورننس فریم ورک مینجمنٹ کے مقابلے میں بورڈ آف ڈائریکٹرز کا علیحدہ اور الگ کردار متعین کرتا ہے۔ بورڈ کمپنی کے روزمرہ کے کاموں میں براہ راست ملوث نہیں ہوتا اور اس کا کردار ادارے کی سطح پر اسٹریٹجک قیادت، نگرانی اور منصوبہ بندی فراہم کرنا ہے۔ بورڈ کے ہر فیصلے میں، کمپنی کے ملازمین، صارفین، سپلائرز، کمیونٹیز، شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز پر اس کے اثرات پر مناسب طور پر غور کیا جاتا ہے۔

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

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

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

بورڈ کی تشکیل

ڈائریکٹرز کے نام اور اُن کی تفصیلات، سالانہ رپورٹ کے "کمپنی انفارمیشن" سیکشن میں بیان کی گئی ہے۔ مالی سال کے دوران ڈائریکٹرز کے ناموں کا انکشاف اس سالانہ رپورٹ کے "بورڈ اور کمیٹی کے اجلاسوں کی حاضری" سیکشن میں کیا گیا ہے۔

آزاد ڈائریکٹروں نے لسٹڈ کمپنیز ریگولیشنز 2019 (کارپوریٹ گورننس کے ضوابط) کی شق 6 کی ذیلی شق 3 کے مطابق اپنی آزاد حیثیت کا اعلان کیا ہے۔

بورڈ میں تنوع

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

بورڈ آف ڈائریکٹرز میں اسامیاں

اس سال کے دوران بورڈ میں 4 اسامیاں پیدا ہوئیں۔ محمد زبیر، علی رضا بھٹا اور سید زکریا علی شاہ کے استعفوں کی وجہ سے خالی ہونے والی آسامیوں کو بالترتیب عبدالعزیز عقیلی، کیپٹن (ر) محمد محمود اور کیپٹن (ر) انوار الحق کی تقرریوں کے ساتھ سال کے دوران مناسب طریقے سے پر کیا گیا۔ بعدازاں کیپٹن (ر) انوار الحق کی جگہ شہباز طاہر ندیم کو تعینات کیا گیا۔

ڈائریکٹرز کے پروفائل

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

چیئرمین اور چیف ایگزیکٹو کے کردار

کمپنی کے چیئرمین کا دفتر اور اس کی ذمے داریاں سی ای او کی ذمے داریوں سے مختلف ہیں۔ چیئرمین اس بات کو یقینی بناتا ہے کہ بورڈ ٹھیک سے کام کرے اور کمپنی کی گورننس سے متعلق تمام معاملات بورڈ کے فیصلوں کے تابع ہوں۔ چیئرمین اجلاس کا ایجنڈا طے کرتا ہے، سازگار اجلاسوں کا انعقاد کرتا ہے، فیصلوں میں اتفاق رائے یقینی بناتا ہے اور بورڈ کے مشاورتی عمل اور فیصلوں میں ڈائریکٹرز کو مکمل طور پر حصہ لینے کی ترغیب دیتا ہے۔ چیئرمین بورڈ کی سربراہی کرتا ہے اور ممبران کے مؤثر افعال اور ان کی کارکردگی میں اضافے کو یقینی بناتا ہے۔ چیئرمین سی ای او اور انتظامیہ کی طرف سے تجویز کردہ کلیدی اسٹریٹجک پالیسیوں پر ووٹ حاصل کرتا ہے اور کمپنی کے مجموعی منافع، استحکام اور ترقی کی نگرانی کرتا ہے۔

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

بورڈ کی کمیٹیاں

بورڈ کمیٹیوں کے ضوابطِ کار کی نمایاں خصوصیات، سالانہ رپورٹ کے سیکشن 'بورڈ کی کمیٹیاں' میں پیش کی گئی ہیں۔ مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 16 اور بورڈ کمیٹیوں کے 41 اجلاس منعقد ہوئے۔ بورڈ اور کمیٹیوں کے اجلاسوں اور ان میں ڈائریکٹرز کی شرکت کی تفصیلات، سالانہ رپورٹ کے سیکشن 'بورڈ اور کمیٹی اجلاسوں میں شرکت' میں دی گئی ہیں۔

کارکردگی کا سالانہ جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013 کے مطابق، بورڈ کی کارکردگی کا جائزہ وفاقی حکومت لے گی۔ وفاقی حکومت کی ہدایات کے مطابق پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کو مالی سال 22-2021 کے لیے بورڈ اور اس کے ممبران کی کارکردگی کا جائزہ لینے کے لیے تعینات کیا گیا تھا۔ 30 جون 2023 کو ختم ہونے والے سال کے بعد سال 23-2022 کے لیے بورڈ کی کارکردگی کا جائزہ لینے کی مشق بھی شروع کر دی گئی ہے۔

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

بزنس ایکسیلنس (BE)

پی پی ایل کارکردگی کو بہتر بنانے اور اسٹیک ہولڈرز کے لیے قدر پیدا کرنے کے لیے مینجمنٹ سسٹم اور پراسس کو تیار اور مضبوط بنانے کی طرف توجہ مرکوز کیے ہوئے ہے۔ اس اقدام کا مقصد کارکردگی کے معیار کو بلند کرنا اور پی پی ایل کے افعال کے ہر پہلو میں بہترین کارکردگی حاصل کرنا ہے، جن میں قیادت، حکمت عملی، منصوبہ بندی، کیپٹل مینجمنٹ، لوگ شامل ہیں تا کہ اعلیٰ کاروباری نتائج فراہم کیے جاسکیں۔

اس مقصد کے حصول کے لیے جنوری 2023ء میں کمپنی کے اندر ایک مخصوص بزنس ایکسیلینس فنکشن قائم کیا گیا ہے۔

بزنس پرفارمنس میٹرکس

ایک گیس ریونیو ایکویلنٹ یونٹ (MMscfdre) کا تصور متعارف کرایا گیا ہے اور اسے کمپنی کی مجموعی آمدنی کی انتظامی رپورٹنگ کے لیے بنیادی پیمانے میں ناپنے کے لیے اپنایا گیا ہے۔ گیس ریونیو ایکویلنٹ یونٹ کو متعارف کرانے کے پیچھے خیال یہ ہے کہ تمام ذرائع (تیل، گیس اور معدنیات) سے مجموعی آمدنی کو قدرتی گیس کے مساوی حجم کے لحاظ سے ظاہر کیا جائے جس سے تمام اسٹیک ہولڈرز کو (i) مجموعی آمدنی کے لیے نمو، پائیداری یا کمی کے رجحان کو ظاہر کرنے کا پیمانہ مل سکے گا اور (ii) تیل اور گیس کے ذخائر سے آمدن کے مقابلے میں غیر ہائیڈروکاربن وسائل سے آمدن کا مشاہدہ کرسکیں گے۔ نیا میٹرک اس سالانہ رپورٹ میں چھ سالہ خلاصے میں شامل ہے۔

قدر کو یقینی بنانے کا عمل

سرمایہ کاری اور تنوع کے عمل کو پختہ کرنے پر گہری توجہ مرکوز کی گئی ہے تا کہ اسے صنعت کے بہترین طریقوں اور عالمی معیارات کے ساتھ ہم آہنگ کیا جاسکے۔ 2015 میں پی پی ایل میں پروجیکٹ ایویلیویشن اینڈ اپرول پروسیس (PEAP) کے رول آؤٹ کے بعد سے نشاندہی کی گئی خامیوں کو دور کرنے کے لیے فی الحال موجودہ پروجیکٹس کی منظوری کے پراسس کا جائزہ لیا گیا ہے۔ یہ اس بات کو یقینی بنانے کے لیے کیا گیا کہ سرمایہ کاری اسٹریٹجک اہداف کے ساتھ ہم آہنگ ہو، قابل عمل کاروباری معاملات رکھتی ہو اور منافع کو زیادہ سے زیادہ کرنے اور خطرات کو کم کرنے کے لیے مؤثر طریقے سے منظم کی گئی ہو۔

اس مقصد کے لیے موجودہ نافذ العمل PEAP کے ڈیزائن کا جائزہ لیا گیا تا کہ بہتری کے شعبوں کی نشاندہی کی جاسکے۔ اس کے ساتھ ساتھ تیل اور گیس کی بین الاقوامی بڑی کمپنیوں کی قدر کو یقینی بنانے کے طریقوں کا جائزہ لینے کے نتیجے میں پی پی ایل کے لیے ویلیو ایشورنس فریم ورک (VAF) کی تشکیل ہوئی۔ از سر نو تشکیل شدہ پراسس اسٹیج گیٹ کے جائزے کے اصول پر مبنی ہے جو دیگر افعال کی بہتری کے ساتھ ساتھ معقول طور پر اس بات کی یقین دہانی میں معاون ثابت ہوگا کہ:

I۔ پراجیکٹ کی اجازت کا عمل پورٹ فولیو مینجمنٹ سے منسلک ہے، اس طرح کمپنی کے پورٹ فولیو میں سب سے زیادہ فائدہ مند منصوبوں کو شامل کیا جاتا ہے۔
II۔ پراجیکٹس کے لیے بہتر فیصلے کا معیار ڈیسیشن سپورٹ پیکجز اور فیصلے کے معیار کی پیمائش کے ذریعے حاصل کیا جاتا ہے،
III۔ پراجیکٹس کو منصوبہ بندی کے مطابق عمل میں لایا جاتا ہے تا کہ حتمی سرمایہ کاری کے فیصلے کے وقت منصوبے کی قدر میں ممکنہ حد تک کسی بھی قسم کی کمی سے بچا جاسکے، اور
IV۔ پروجیکٹ کے خطرات کی نشاندہی کی گئی ہے اور خطرے کے تدارک کے لیے مناسب کنٹرول رکھے جاتے ہیں۔

یہ مقاصد پراجیکٹ ڈیسیشن گیٹ پر عمل درآمد اور مکمل پراجیکٹ لائف سائیکل یعنی فرنٹ اینڈ لوڈنگ (FEL)، پراجیکٹ پر عمل درآمد، اثاثہ جات کے آپریشن اور ترک کرنے سے متعلق عملدرآمد کے پیش رفت کے جائزوں کے ذریعے حاصل کیے جائیں گے۔ اس کی منظوری کے بعد مالی سال 2023-24 کے دوران تجدید شدہ عمل کے رول آؤٹ کا منصوبہ بنایا گیا ہے۔

ڈیجیٹل تبدیلی

کمپنی ڈیجیٹل آئل فیلڈ کے تصور کے مطابق آپریشنز کو تبدیل کرنے، انھیں زیادہ فعال، ڈیٹا پر مبنی اور مؤثر بنانے کے لیے کوشاں ہے۔ مصنوعی ذہانت (AI)، بزنس انٹیلی جنس (BI) اور روبوٹک پروسیس آٹومیشن (RPA) کی صلاحیتوں کے استعمال کے ذریعے کمپنی ٹیکنالوجی میں موجودہ سرمایہ کاری سے فائدہ اٹھانے کے لیے پیش رفت کر رہی ہے تا کہ کارپوریٹ اور فیلڈ دونوں سطحوں پر زیادہ قدر پیدا کی جاسکے۔

پی پی ایل نے اپنی پہلی داخلی AI سے چلنے والی چیٹ بوٹ سروس- 'اسمارٹ اسسٹنٹ' کا آغاز کیا، جو صارفین کو سیلف سروس کے اختیارات کے لیے ایک متبادل چینل فراہم کرتی ہے جس سے معلومات کی درخواست کرنا، کمپنی کی پالیسیوں سے متعلق سوالات کے جواب حاصل کرنا اور استعمال میں آسان چیٹ انٹرفیس کے ذریعے مصنوعات کے متعلق مدد حاصل کرنا آسان ہوجاتا ہے۔ اس اقدام نے کمپنی کو جدت طرازی، کام کے عمل کو آسان بنانے اور معلومات کی دستیابی کو زیادہ قابل رسائی بنانے کے لیے ایک پلیٹ فارم فراہم کیا ہے جبکہ مطلوبہ کنٹرول اور معلومات کی حفاظت کو یقینی بنایا گیا ہے۔

انفرااسٹرکچر ایکسی لینس

جدید انفرااسٹرکچر سے بھرپور فائدہ اٹھانے کے لیے، پی پی ایل تیز رفتاری سے پبلک کلاؤڈ کو اپنا رہی ہے۔ لاگت میں بہتری، کاروبار کے تسلسل اور کاروباری تبدیلی کے لیے متحرک پلیٹ فارم فراہم کرنے کے لیے تمام کاروباری ایپلی کیشنز کو پہلے ہی کلاؤڈ پر منتقل کردیا گیا ہے۔ کلاؤڈ کی تیاری کو یقینی بنانے کے لیے بنیادی تکنیکی ایپلی کیشنز کی ورچولائزیشن کو کنٹرولڈ ماحول میں آزمایا گیا ہے۔

کمپنی اب معروف کلاؤڈ اور آن پریمیسس سولیوشنز کے ذریعے دائمی فعال ریموٹ ورکنگ ماحول کی اہلیت رکھتی ہے۔ قدرتی آفات سے نمٹنے کی مشقیں تمام اہم آئی ٹی سروسز کے لیے سالانہ دو بار منعقد کی جاتی ہیں تا کہ سسٹم کی مضبوطی کو یقینی بنایا جاسکے، ممکنہ خطرات کو کم کیا جاسکے اور پائیدار آپریشنز کے لیے انتظامی ہدایات کی تعمیل کی جاسکے۔

آفات سے بحالی اور کاروباری تسلسل

بروقت دستیابی کو یقینی بنانے کے لیے نیٹ ورک اور سیکیورٹی آپریشنز سینٹر سائبر خطرات کے لیے بنیادی ڈیٹا سینٹر اور ڈیزاسٹر ریکوری (ڈی آر) سائٹ کی فعال نگرانی میں تندہی سے مصروف رہتے ہیں۔ ڈی آر ڈرل ہر سال دو بار منعقد کی جاتی ہے تا کہ سسٹم کی مضبوطی کو یقینی بنایا جاسکے اور سائبر خلاف ورزی کی صورت میں ممکنہ آئی ٹی سسٹم کی ناکامی سے نمٹنے کے لیے بحالی کی کوششوں کا جائزہ لیا جاسکے۔

کاروباری تسلسل کی انتظام کاری کا سسٹم (BCMS)

پی پی ایل یہ یقین رکھتی ہے کہ کاروباری تسلسل انتظامی ذمے داری کا ایک اہم عنصر ہے اور ایک مضبوط بزنس کنٹینیوٹی مینجمنٹ سسٹم (BCMS) کو برقرار رکھتے ہوئے اپنے تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے پرعزم ہے۔ بی سی ایم ایس بنیادی ڈھانچے، ٹیکنالوجی، ملازمین، آپریشنل اور مواصلاتی خطرات کا احاطہ کرتا ہے جس کا مقصد خلل ڈالنے والے واقعات کی صورت میں اہم کاروباری کارروائیوں کو جاری رکھنے کے لیے تنظیمی لچک فراہم کرنا ہے۔

BCMS کو اپ ٹو ڈیٹ رکھنے اور بزنس کنٹینیوٹی انسٹی ٹیوٹ برطانیہ کی بہترین پریکٹس گائیڈ لائنز سے سیکھنے کو شامل کرنے کے لیے ایک کاروباری تسلسل فریم ورک کو حتمی شکل دی جارہی ہے تا کہ تنظیمی لچک کو بہتر بنایا جاسکے اور اس طرح ادارے کو درپیش نئے چیلنجوں اور خطرات سے نمٹنے کا انتظام کیا جاسکے۔

انفارمیشن ٹیکنالوجی گورننس

ٹیکنالوجی پی پی ایل کے مشن کا مرکزی حصہ ہے۔ ڈیجیٹل فرسٹ اپروچ کا استعمال کرتے ہوئے کمپنی کاروباری ترقی اور توسیع کو ممکن بنانے کے لیے ٹیکنالوجی سے فائدہ اٹھا رہی ہے۔ انتظامیہ پر عزم ہے اور کمپنی کی پالیسیوں کی تعمیل کو یقینی بناتے ہوئے ٹیکنالوجی کو اپنانے کے تمام پہلوؤں میں فعال کردار ادا کرتی ہے۔

انٹر پرائز ریسورس پلاننگ (ERP)

کمپنی ایک جدید ترین SAP S/4HANA ERP سسٹم پر انحصار کرتی ہے جو فنانس، ہیومن کیپیٹل مینجمنٹ، پلانٹ مینٹیننس، پروکیورمنٹ اور انوینٹری مینجمنٹ کے تمام کاروباری آپریشنز کو مربوط کرتا ہے۔ ای آر پی سسٹم کو اس سال متعدد کاروباری افعال کی بہتری اور منظم کنٹرول میں اضافے کے ذریعے مزید مستحکم کیا گیا۔ سسٹم میں تمام تبدیلیاں انتظامیہ کی طرف سے منظور شدہ ہیں اور کاروباری علاقے کے مخصوص موضوع کے ماہرین کی طرف سے لازمی قرار دی گئی ہیں۔

سال کے دوران اہم ڈیلیوری ایبلز میں SAP Fiori User Experience (UX) کا آغاز شامل ہے جس میں احتیاط سے منتخب اور ڈیزائن کردہ موبائل فرینڈلی ایپلی کیشنز شامل ہیں جو تیز اور فطری تعامل کو قابل عمل بناتی ہیں۔ کمپنی نے HR کے عمل کو مزید ہموار کرنے اور "گرین آفس" کے طریقوں میں حصہ ڈالنے کے لیے ایک ای ریکروٹمنٹ پورٹل بھی لانچ کیا۔

آئی ٹی ڈیپارٹمنٹ تبدیلی کی درخواستوں، پروڈکٹ اپ ڈیٹس اور سیکیورٹی پیچز کا انتظام کرنے کے علاوہ سسٹم کے استعمال کو بڑھانے کے لیے نئے اور موجودہ صارفین کو سال بھر باقاعدگی سے تربیت فراہم کرتا ہے۔ سسٹم کی حفاظت، خطرات کو کم کرنے اور داخلی کنٹرول کی تعمیل اور فرائض کی علیحدگی کو یقینی بنانے کے لیے باقاعدگی سے اندرونی اور بیرونی آڈٹ کیے جاتے ہیں۔

انفارمیشن اثاثوں کو بورڈ کی منظور شدہ انفارمیشن سیکیورٹی پالیسی کے ذریعے محفوظ کیا جاتا ہے۔ سال کے دوران ڈیٹا کے تحفظ میں کوئی سمجھوتا رپورٹ نہیں کیا گیا۔

گورننس اور سائبر سیکیورٹی

ایک معروف تیل اور گیس کمپنی کی حیثیت سے ہم اپنے اہم معلوماتی اثاثوں اور متعلقہ بنیادی ڈھانچے کو ابھرتے ہوئے سائبر خطرات سے محفوظ رکھنے کے لیے پر عزم ہیں۔ سائبر سیکیورٹی کے اس انکشافی بیان کا مقصد شیئر ہولڈرز، اسٹیک ہولڈرز اور ریگولیٹری باڈیز کو ہمارے سائبر سیکیورٹی طریقوں، ممکنہ خطرات اور ان خطرات کو کم کرنے کے لیے ہمارے پاس موجود اقدامات کا جائزہ فراہم کرنا ہے۔

تیل اور گیس کا شعبہ سائبر سیکیورٹی کے خطرات سے محفوظ نہیں ہے اور جعل سازی، سوشل انجینئرنگ یا رینسم ویئر حملے کے ذریعے کسی بھی کامیاب کوشش سے آپریشنل خلل، ڈیٹا کی خلاف ورزیوں سے اہم مالی نقصان یا ساکھ کو نقصان پہنچ سکتا ہے۔

سائبر خطرات سے تحفظ کے لیے ہم نے اپنے سائبر سیکیورٹی انفراسٹرکچر، ٹیکنالوجیز اور انسانی وسائل میں خاطر خواہ سرمایہ کاری کی ہے۔ ہم نے سیکیورٹی واقعات کی چوبیس گھنٹے فعال نگرانی کے لیے ولنریبلٹی مینجمنٹ ایپلی کیشن کے ساتھ ساتھ انڈسٹری کا معروف سیکیورٹی انسیڈنٹ اینڈ ایونٹ مینجمنٹ (ایس آئی ای ایم) حل نافذ کیا ہے تاکہ ہمارے ڈیجیٹل لینڈ اسکیپ کو متاثر کرنے والے ممکنہ خطرات کی نشاندہی اور ان کو کم کیا جا سکے۔

سائبر سیکورٹی کی پالیسیاں اور طریقہ کار

ہماری جامع سائبر سیکورٹی پالیسیوں اور طریقہ کار میں شامل ہیں:

- صنعت کے بہترین طریقوں اور معیارات کا نفاذ
- اہم نظاموں اور ڈیٹا کے لیے اینکرپشن اور رسائی کا کنٹرول
- مسلسل نگرانی اور خطرات کا تجزیہ
- باقاعدگی سے ملازمین کی آگاہی کے پروگرام
- وقتاً فوقتاً سیکورٹی کے جائزے اور آڈٹ

سائبر سیکورٹی کارکردگی میٹرکس

ہم کلیدی کارکردگی کے اشاروں (KPIs) کے ذریعے اپنے سائبر سیکیورٹی پروگرام کی مؤثریت کا اندازہ لگاتے ہیں، جیسے سائبر واقعات پر ردعمل کا وقت، سسٹم اپ ٹائم اور شناخت شدہ کمزوریوں کو کامیابی سے کم کرنا۔ یہ کے پی آئیز ایک 'قبل از وقت انتباہ' کے نظام کے طور پر کام کرتے ہیں تاکہ فعال طور پر پیش قدمی کی جا سکے، اصلاحی اقدامات اٹھائے جا سکیں اور ضرورت پڑنے پر بورڈ کو رپورٹ کیا جا سکے۔

سائبر سیکورٹی جائزے اور آڈٹ

کمپنی نے ممکنہ انفارمیشن سیکیورٹی خطرات کو روکنے اور کم کرنے کے لیے تھرڈ پارٹی آڈیٹرز کے ذریعے سائبر سیکیورٹی صلاحیت میچورٹی ماڈل (سی 2 ایم 2)' کا استعمال کرتے ہوئے سائبر سیکیورٹی تشخیص کامیابی سے انجام دی۔ ہم صنعت کے معروف سیکیورٹی معیارات کی تعمیل کو یقینی بنانے کے لیے اپنے تھرڈ پارٹی وینڈرز اور ٹھیکیداروں کے سائبر سیکورٹی طریقوں کا تندہی سے جائزہ لیتے ہیں اور ان کی نگرانی کرتے ہیں۔

سائبر سیکورٹی سے آگاہی

ہمارے جامع سائبر سیکورٹی کے طریقہ کار میں باقاعدگی سے ملازمین کی آگاہی، بغیر منصوبہ بندی کے جعل سازی کی مشقیں اور خود تشخیصی شامل ہیں. صنعت کے بہترین طریقوں کے نفاذ نے ہمیں رپورٹنگ کی مدت کے دوران سائبر سیکورٹی کے 'زیرو' واقعات کا ہدف حاصل کرنے میں مدد کی ہے۔

سائبر سیکورٹی پر انتظامی نگرانی

ہم اپنے کام کے دائرہ اختیار میں تمام متعلقہ سائبر سیکورٹی قوانین اور ضوابط کی تعمیل کو یقینی بناتے ہیں۔ ہم سیکٹر کے مخصوص سائبر سیکیورٹی طریقوں کو بڑھانے کے لیے ہم پلہ صنعتوں اور ریگولیٹری اداروں کے ساتھ فعال طور پر تعاون کرتے ہیں۔

بورڈ آف ڈائریکٹرز انفارمیشن سیکیورٹی پالیسی کی نگرانی کرتا ہے اور آئی ٹی اسٹیئرنگ کمیٹی سائبر سیکیورٹی معاملات کا جائزہ لیتی ہے اور مشورے دیتی ہے تاکہ تیزی سے بدلتے ہوئے ڈیجیٹل منظر نامے میں ہمارے آپریشنز کا تحفظ یقینی بنایا جا سکے۔

تربیت اور ترقی

سیکھنے کے ماحول کو پروان چڑھانے کے لیے کمپنی نے اندرون خانہ تربیت پر توجہ مرکوز کرنا جاری رکھا۔ اس مقصد کے لیے مقامی اور بین الاقوامی سطح پر تسلیم شدہ معروف ماہرین کی جانب سے منعقد کی جانے والی پیشہ ورانہ اور سافٹ اسکلز کی تربیت بھی شامل ہے۔ قائدانہ صلاحیتوں کو مضبوط بنانے اور ملازمین کی ترقی، ملازمت کے اطمینان اور تنظیمی کامیابی میں کردار ادا کرنے والے پائیدار باہمی روابط قائم کرنے کے لیے عملے کو تجرباتی طور پر سیکھنے کے مواقع فراہم کرنے کے لیے مختلف لیڈرشپ ڈویلپمنٹ پروگراموں جیسے "لیڈرشپ ریٹریٹس" وغیرہ کا اہتمام کیا گیا۔

ٹیم ورک کی اہمیت پر زور دینے اور پیشہ ورانہ تعلقات استوار کرنے کے لیے تمام محکموں کے لیے "ٹیم بلڈنگ آؤٹ ڈے" بھی منعقد کیے گئے۔ ملازمت کی تربیت اور انٹرن شپ پروگرام بھی نوجوانوں کی استعداد کار میں اضافے کے لیے کمپنی کی کنٹری بیوشن کا ایک اہم پہلو ہیں۔

ملازمین کی انگیجمنٹ کا سروے (EES)

اپنے پراسیس، پالیسیوں اور طریقہ کار کو مسلسل بہتر بنانے کے لیے، کمپنی کی انتظامیہ نے اپنے ایم پی ٹی عملے کے لیے ایک ایمپلائز انگیجمنٹ سروے (ای ای ایس) کا آغاز کیا تاکہ بہتری کے شعبوں کی نشاندہی کی جا سکے، کام کی جگہ پر خوشگوار کلچر تشکیل دیا جا سکے اور ملازمین کے اطمینان اور حوصلے میں اضافے کے لیے بامعنی تبدیلیاں لائی جا سکیں۔ اس ای ای ایس سروے نے فیصلہ سازی کے عمل میں ملازمین کو شامل کر کے اور یہ ظاہر کر کے کہ ان کی رائے اور خیالات کی قدر کی جاتی ہے انتظامیہ کی مدد کی۔ اس کے نتیجے میں مجموعی طور پر کمپنی کی کارکردگی میں بہتری آئی۔

طبی خدمات

صحت مند افرادی قوت کے فروغ کے لیے تمام ملازمین کے لیے ایک جامع ہیلتھ اسکریننگ پروگرام نافذ کیا گیا۔ کمپنی نے صحت کے متعلق باشعور اور اچھی طرح باخبر پی پی ایل فیملی تیار کرنے کے لیے صحت سے متعلق متعدد موضوعات پر باقاعدہ آگاہی پروگرام بھی منعقد کیے۔

صنعتی تعلقات

انتظامیہ نے یونین کے نمائندوں کے ساتھ ایک مضبوط تعلق کو برقرار رکھا جس کے نتیجے میں کمپنی کے ہیڈ آفس اور تمام مقامات پر ایک ہم آہنگ کام کے ماحول کو برقرار رکھا گیا۔ سی بی اے معاہدے 2020-2021 اور 2022-2023 کے چارٹر آف ڈیمانڈز سے متعلق مذاکرات خوش اسلوبی سے طے ہو گئے۔

مسلسل بہتری لانے کے لیے مختلف اقدامات کیے گئے جن میں ہیڈ آفس اسٹاف کے لیے اوور ٹائم پروسیس کی آٹومیشن، ٹائم اینڈ اٹینڈنس سسٹم کے ساتھ انضمام، اوور ٹائم ڈیش بورڈ متعارف کروانا اور ڈسچارج کے طریقہ کار سے متعلق سرگرمیوں کو ہموار کرنا اور نان ایم پی ٹی اسٹاف کا مکمل اور حتمی تصفیہ شامل ہے۔

کارپوریٹ سماجی ذمے داری

پی پی ایل کا ماننا ہے کہ مقامی برادریوں کی دیکھ بھال خود قوم کی خدمت کرنے کے مترادف ہے۔ کارپوریٹ سماجی ذمے داری (سی ایس آر) سے یہ وابستگی ہمارے مشن اسٹیٹمنٹ میں شامل ہے اور پی پی ایل کے کلچر میں گہری جڑی ہوئی ہے، جس کی ابتدا 1950 کی دہائی سے ہوئی جب سوئی میں مزدوروں اور مقامی آبادی کے بچوں کی ضروریات کو پورا کرنے کے لیے سوئی ماڈل اسکول قائم کیا گیا تھا۔ پی پی ایل کے سی ایس آر پروگرام کی جڑیں ہمارے کام کے علاقوں میں مقامی برادریوں کی بہتری اور ان علاقوں کی ترقی کے لیے خاطر خواہ تعاون کرنے کے ہمارے غیر متزلزل عزم میں پیوستہ ہیں۔

CSR پالیسی اور طریقہ کار

پی پی ایل بورڈ کی طرف سے منظور کردہ ایک جامع سی ایس آر پالیسی کی پیروی کرتی ہے جو تسلیم کرتی ہے کہ کامیاب اور پائیدار سی ایس آر پروگرام مؤثر پالیسیوں اور طریقہ کار پر منحصر ہے۔ مزید برآں، بورڈ سے منظور شدہ کارپوریٹ عطیات کی پالیسی موجود ہے جس کا مقصد مستحق سماجی اقدامات کی توثیق کرنا ہے۔ بلا رکاوٹ کام اور نگرانی کو یقینی بنانے کے لیے پی پی ایل نے کمیونٹی ڈیولپمنٹ پروگرام اور پی پی ایل ویلفیئر ٹرسٹ دونوں کے لیے پروسیجر مینوئل جاری کیے ہیں، جو کمپنی کے اندر سی ایس آر سرگرمیوں کے انتظام اور نگرانی کے لیے کام کرتے ہیں۔ مزید برآں، بورڈ آف ڈائریکٹرز نے پی پی ایل سی ایس آر پروگرام کے لیے اپنے قبل از ٹیکس منافع کا 1.5 فیصد خرچ کرنے کا کم از کم معیار مقرر کیا ہے۔

سی ایس آر پروگرام ایک اہم اور مستقل کاروباری عمل ہے جس میں پروجیکٹ کی تجاویز اور ان کی خوبیوں اور نتائج کا محتاط جائزہ لیا جاتا ہے۔ ان پہلوؤں کو فیصلہ سازی کے عمل میں ضم کیا گیا ہے، جدت طرازی کی حوصلہ افزائی کی جاتی ہے اور ہمارے آپریشنل علاقوں اور وسیع تر معاشرے دونوں میں پائیدار، دیرپا ترقی کے لیے مقامی اداروں کو تقویت ملتی ہے۔ پی پی ایل کے لیے سی ایس آر پروگرام ایک اسٹریٹجک، طویل مدتی منصوبے کی نمائندگی کرتا ہے جس میں سماجی فلاح و بہبود کو بڑھانے کے لیے ترقیاتی منصوبے نافذ کیے جاتے ہیں۔

کارپوریٹ سماجی ذمے داری کی توجہ کا مرکز علاقے اور آؤٹ لک

ہمارے سی ایس آر پروگرام کی توجہ ہمیشہ ہماری پیداوار اور تلاش کے علاقوں پر رہی ہے جو مقامی برادریوں کو فائدہ پہنچاتے ہیں۔ اس وقت ہماری آپریشنل سرگرمیاں سندھ اور بلوچستان میں مرکوز ہیں اور زیادہ تر سی ایس آر سرگرمیاں بھی وہیں انجام دی جاتی ہیں۔ پی پی ایل اپنے آپریشنل علاقوں کی سماجی اور عمومی ترقی کے لیے لازمی اور رضا کارانہ سی ایس آر شراکت کرتا ہے۔

رضا کارانہ سی ایس آر اسکیموں کے لیے کمپنی تمام اسٹیک ہولڈرز جیسے مقامی برادریوں، علاقے کے نمایاں افراد، عوامی نمائندوں، جوائنٹ وینچر پارٹنرز، سرکاری عہدیداروں اور سول سوسائٹی کی تنظیموں وغیرہ کو مقامی ضروریات کے مطابق اسکیموں کی منصوبہ بندی اور نفاذ، شفافیت کو یقینی بنانے اور زمینی مشاورت اور تشخیص کے عمل کے ذریعے رسائی کو یقینی بنانے کے لیے شامل کرتی ہے۔ پائیداری اور ڈلیوریبلٹی کے لیے کمپنی اسکیموں کی کارکردگی کو بہتر بنانے کے لیے باقاعدہ تشخیص اور نگرانی کرتی ہے۔

لازمی سماجی بہبود کی اسکیموں کے لیے، کمپنی متعلقہ ریگولیٹر کی جانب سے جاری کردہ مروجہ رہنما خطوط پر عمل کرتی ہے۔ کمپنی متعلقہ فورمز پر اپنی مقامی برادریوں کے مفادات کا تحفظ کرنے اور لازمی سی ایس آر کے تحت نافذ کی جانے والی اسکیموں پر فنڈز کے فوری اور مؤثر استعمال کے لیے ضروری داخلی انتظامات کرنے کی بھی کوشش کرتی ہے۔

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

قومی معیشت میں شراکت

آپ کی کمپنی قومی معیشت میں اہم شراکت دار ہے۔ مالی سال 23-2022 کے لیے توانائی کے لحاظ سے آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کی گئی قدرتی گیس، تیل اور ایل پی جی میں کمپنی کا شیئر تقریباً 124,000 بیرل یومیہ تیل کے برابر تھا، جس کے نتیجے میں خام تیل کی اوسط قیمت 87 امریکی ڈالر فی بیرل فرض کرتے ہوئے درآمدی متبادل کے ذریعے تقریباً 4 ارب امریکی ڈالر سالانہ زرمبادلہ کی بچت ہوتی ہے۔

کمپنی نے انکم ٹیکس، رائلٹیز، دوبارہ منظور شدہ ادائیگیوں، ایکسائز ڈیوٹی، سیلز ٹیکس، ونڈ فال لیوی، پٹرولیم لیوی، ڈبلیو پی پی ایف (WPPF)، جی آئی ڈی سی (GIDC)، جی ڈی ایس (GDS) اور ڈیویڈنڈز یعنی منافع کی مد میں قومی خزانے میں تقریباً 129 ارب روپے کا حصہ ڈالا۔

گروپ کی کارکردگی

گروپ کے مالی گوشوارے تقریباً 79 فیصد سے زیادہ کے مجموعی منافع کی عکاسی کرتے ہیں۔ گروپ سیلز ریونیو 288,053 ملین روپے ریکارڈ کیا گیا جب کہ 22-2021 میں بالترتیب 203,811 ملین روپے اور 54,353 ملین روپے کے مقابلے میں 23-2022 میں بعد از ٹیکس منافع 97,222 ملین روپے رہا۔ سال کے دوران، پی پی ایل ای (PPLE) نے گروپ کی آمدنی میں تقریباً 1,573 ملین روپے کا حصہ ڈالا۔

ذیلی کمپنیز کے مختصر پروفائلز کا تذکرہ میں کمپنی کے مجموعی مالی گوشوارے میں کیا گیا ہے۔

بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور مقامی قوانین کی تعمیل

کمپنی کے مالی گوشوارے پاکستان میں نافذ العمل اکاؤنٹنگ اور رپورٹنگ کے معیار کے مطابق تیار کیے گئے ہیں۔ پاکستان میں نافذ اکاؤنٹنگ اور رپورٹنگ کے معیارات مندرجہ ذیل پر مشتمل ہیں:

i) انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کی جانب سے جاری کردہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسا کہ کمپنیز ایکٹ، 2017 کے تحت نوٹیفائی کیا گیا ہے۔

ii) کمپنیز ایکٹ 2017 کے تحت جاری کردہ ہدایات اور دفعات۔

مزید برآں، 30 جون، 2023 کو ختم ہونے والے سال کے لیے مالی گوشوارے کے اداروں (ایس او ای گورننس اینڈ آپریشنز) ایکٹ، 2023 (ایس او ای ایکٹ) کی ضروریات کی تعمیل کرتے ہیں۔ سال کے آخر میں پاکستان سوورن ویلتھ فنڈ ایکٹ 2023 متعارف کرایا گیا جس سے کمپنی کو ایس او ای ایکٹ کے اطلاق سے استثنا حاصل ہوا۔

جہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات آئی ایف آر ایس (IFRS) سے مختلف ہیں، وہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔

مالی حکمت عملی

پی پی ایل ایک دانشمندانہ مالیاتی حکمت عملی کے تحت کام کرتی ہے۔ کمپنی کو پاکستان کے گیس سیکٹر سپلائی چین میں گردشی قرضوں کے بڑھتے ہوئے مسئلے کی وجہ سے حکومت پاکستان کے نامزد گیس صارفین کی جانب سے کم وصولیوں کے باعث لیکویڈیٹی کے مستقل خطرے کا سامنا ہے جیسا کہ اوپر تجارتی وصولی کے سیکشن میں وضاحت کی گئی ہے۔

کمپنی اچھے مالی نظم وضبط کو برقرار رکھتی ہے اور سالانہ بنیادوں پر اپنے واجبات کی مسلسل نگرانی کرتے ہوئے اور اپنے کام کے منصوبوں اور طویل مدتی سرمایہ کاری کے لیے اپنی ذمے داریوں کا حساب لگا کر فعال ورکنگ کیپیٹل مینجمنٹ کے ذریعے اس لیکویڈیٹی رسک کا انتظام کرتی ہے۔ پی پی ایل آپریٹڈ آپریشنز کے لیے سرمایے کا انتظام، اندرونی فنڈز اور جوائنٹ وینچر پارٹنرز سے واجبات کی بروقت وصولی کے ذریعے کیا جاتا ہے۔ کمپنی گردشی قرض کا مسئلہ حل کرنے کے لیے وزارت توانائی کے ساتھ بھرپور انداز میں بھی کام کر رہی ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ کمپنی کے لیے ضروری کیش فلو برقرار رہ سکے تاکہ مجوزہ منصوبوں اور معاہدوں کے مطابق سرمایہ کاری پر عمل ہو سکے۔

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

انسانی وسائل

کمپنی کے انسانی وسائل شعبے کے بنیادی مقاصد کا محور اعلیٰ ٹیلنٹ والے افراد کو اپنی جانب راغب کرنا اور انتہائی فعال و ہمہ وقت مصروف عمل افرادی قوت تیار کرنا ہے۔ انسانی وسائل کے یہ اہداف ملازمین کو سیکھنے، صلاحیتوں میں اضافے اور ترقی کے مواقع فراہم کر کے حاصل کیے جاتے ہیں۔ اس مقصد کے لیے جانشینی کے منصوبوں پر عمل درآمد، متبادل قیادت کی تیاری، سیکھنے کو مضبوط بنانے اور ادارتی ترقی پر توجہ مرکوز کی گئی۔

جانشینی کی منصوبہ بندی

کمپنی میں افرادی قوت کی زیادہ تر ضروریات کا انتظام اندرونی طور پر جانشینی پلان کے کامیاب نفاذ سے کیا گیا جو کہ صحیح کام کے لیے صحیح شخص کے فلسفے پر مبنی ہے۔ اندرون خانہ وسائل سے خالی اسامیوں کو پر کرنے سے نہ صرف کمپنی کے اخراجات میں بڑی بچت ہوئی بلکہ ایک چیلنجنگ اور متنوع ماحول میں کام کرنے کے لیے بھی عملے کو تیار کیا گیا جو کمپنی کے اسٹریٹجک مقاصد کے ساتھ ہم آہنگ ہے۔

ٹیلنٹ کا حصول

آپریشنل ضروریات کے لیے اندرون خانہ وسائل سے خالی اسامیوں کو پر کرنے کے دوران ورک فورس پلاننگ بنیادی نکتہ رہا۔ ہائرنگ مینیجرز کے ساتھ مل کر کام کرتے ہوئے صرف انتہائی اہم عہدوں کے لیے بھرتیاں کی گئیں۔ اس میں بھی تنوع اور شمولیت پر توجہ مرکوز رکھی گئی تاکہ مختلف پس منظر رکھنے والے امیدواروں کو راغب کیا جا سکے اور اس طرح ایک ہنرمند اور متنوع افرادی قوت کی تشکیل کی جائے جو کمپنی کے اہداف اور بنیادی اقدار کے مطابق ہو۔

سکسیس فیکٹر ریکروٹمنٹ ماڈیول

کمپنی نے اندرون خانہ وسائل کے ذریعے بہترین ٹیلنٹ تلاش کرنے اور ٹیلنٹ کے حصول کی کوششوں کو بہتر بنانے کے لیے سکسیس فیکٹر ریکروٹمنٹ ماڈیول نافذ کیا۔ ٹیلنٹ کے حصول کے عمل کو بہتر بنانے کے علاوہ، اس عمل سے بھرتی پر خرچ ہونے والے وقت میں کمی آئے گی جس کے نتیجے میں بھرتی کے مجموعی اخراجات کم ہوں گے۔

سیلز ریونیو

رواں سال کے دوران گزشتہ سال کے مقابلے میں سیلز ریونیو میں 84,281 ملین روپے کا اضافہ ہوا۔ یہ اضافہ قیمت کے مثبت تغیر (بشمول شرح مبادلہ میں کمی) کی وجہ سے ہوا ہے۔

قیمتوں میں مثبت تغیر بنیادی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہے (اس سال کے دوران اوسط شرح مبادلہ 178 روپے کے مقابلے میں 248 روپے تھی)۔

منفی حجم کا فرق بنیادی طور پر سوئی گیس، ناشپا، آدھی، شاہ بندر اور ہالہ کی فیلڈز سے منسوب ہے، جو جزوی طور پر کندھ کوٹ، ڈھوک سلطان اور لطیف فیلڈز کی زیادہ پیداوار سے پورا ہوتا ہے۔

پیداوار اور فیلڈز کے اعتبار سے سیلز ریونیو کا تجزیہ ذیل میں کیا گیا ہے:

Sales Volumes	Unit	Year ended June 30, 2023	Year ended June 30, 2022
Natural Gas	MMscf	226,898	223,133
Crude Oil / NGL / Condensate	BBL	4,360,600	4,480,926
LPG	Metric Tonnes	116,545	116,083
Barytes *	Metric Tonnes	106,793	112,464

* Total gross volume of baryte powder, baryte ore and iron ore, sold by BME aggregated to 221,325 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 106,793 metric tonnes.

منافع

2021-22 کے 19.68 روپے کے مقابلے میں رواں سال میں کمپنی کی فی حصص آمدنی (EPS) 35.99 روپے رہی جو تقریباً 83 فیصد زیادہ ہے۔ زیادہ منافع کی بنیادی وجوہات سیلز ریونیو میں نمایاں اضافہ اور دیگر آمدنی کے ساتھ ساتھ دریافت کے اخراجات میں کمی اور ایسوسی ایٹ (PIOL) کے نقصان میں حصہ ہے، جو جزوی طور پر زیادہ رائلٹیز اور لیویز، آپریٹنگ اخراجات اور ٹیکسیشن سے پورا ہوتا ہے۔

رواں سال کے دوران دیگر آمدنی میں بنیادی طور پر اضافہ زیادہ شرح سود کی وجہ سے ہوا، جب کہ نفع یا نقصان پر چارج کیے جانے والے خشک کنوؤں کی لاگت میں کمی کی وجہ سے دریافت کے اخراجات میں کمی واقع ہوئی۔

مزید برآں، آپریٹنگ اخراجات میں اضافہ بنیادی طور پر ہائر امورٹائزیشن چارج اور کنوؤں کی مداخلتی سرگرمیوں کی وجہ سے ہوا، جب کہ رائلٹیز اور دیگر لیویز اور ٹیکسیشن میں بالترتیب، موجودہ سال کے دوران، زیادہ سیلز اور منافع کے مطابق ہوا۔

پی پی ایل نے مالی سال 23-2022 کے اختتام تک پی پی ایل کے عملے اور کنٹریکٹرز سمیت لاسٹ ٹائم انجری کے بغیر 24.4 ملین سیف مین آورز حاصل کیے۔ کراچی کے علاقے ویسٹ وہارف میں سیکیورٹی چیک پوسٹ کی دھاتی سیڑھی سے پھسل کر ایک سیکیورٹی گارڈ جاں بحق ہوگیا۔ اس واقعے کی تحقیقات ایک کثیر جہتی ٹیم نے کی اور اس واقعے سے حاصل ہونے والے اسباق کو سیکیورٹی سروس کنٹریکٹر کے ساتھ نئے معاہدے میں شامل کیا گیا۔

ایک اور واقعے میں ایک ٹھیکیدار کے عملے کا رکن سائٹ پر سائزمک سروے کا سامان اٹھانے کے دوران زمین پر گر گیا۔ اسے طبی امداد فراہم کی گئی اور ڈیوٹی پر واپس آنے سے پہلے آرام کا مشورہ دیا گیا۔

کیو ایچ ایس ای انڈیکیٹرز میں کمی کو ریکارڈ کرنے کے علاوہ کمپنی نے کیو ایچ ایس ای پالیسیوں، پروگراموں اور متعلقہ اسٹیک ہولڈرز کی شمولیت کے نتائج کی نگرانی کے لیے "لیڈنگ کیو ایچ ایس ای انڈیکیٹرز" کو ریکارڈ کرنا شروع کیا۔ سال 2022-23 کے لیے کیو ایچ ایس ای کے اہم اشاریے کیو ایچ ایس ای سیکشن میں شامل ہیں۔

Financial Overview

	2022-23 Rs. Million	2021-22 Rs. Million
Profit before Taxation	165,601.034	98,130.751
Taxation	(67,663.928)	(44,584.587)
Profit after Taxation	97,937.106	53,546.164
Unappropriated profit as at July 1, 2022 / 2021	346,660.761	302,937.471
Dividend Equalisation Reserve as at July 1, 2022 / 2021	2,535.354	2,535.354
	447,133.221	359,018.989
Appropriations during the year		
Final dividend for the year 2021-22 on ordinary and preference shares @ 5% (2020-21: ordinary @ 20% and preference shares @ 15%)	(1,360.492)	(5,441.962)
Interim dividend for the year 2022-23 on ordinary and preference shares @10% (2021-22: 15%)	(2,720.983)	(4,081.475)
Other Comprehensive Income / (Loss)	(2,970.931)	(299.437)
Balance as at June 30, 2023/2022	440,080.815	349,196.115
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 20, 2023, proposed the following:		
Final dividend on ordinary shares @ 15% (2021-22: 5%)	4,081.460	1,360.487
Final dividend on preference shares @ 15% (2021-22: 5%)	0.016	0.005
	4,081.476	1,360.492

سرمایہ کاری کے بڑے اخراجات کا کاروباری استدلال

سال کے بڑے منصوبوں سمیت تمام سرمایہ کاری کے اخراجات کی منظوری کمپنی کی حکمت عملی اور رسک مینجمنٹ فریم ورک کے مطابق دی گئی۔ ان منصوبوں میں ممکنہ وسائل کی تلاش، نئی دریافتوں سے پیداوار میں اضافہ، کنوؤں کی کھدائی اور خشک ہونے والے کنوؤں سے قدرتی تنزل کو روکنے کے لیے کمپریشن کی تنصیب اور کان کنی کے منصوبے شامل ہیں۔

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

اہم منصوبے اور توسیع

سال کے دوران، کمپنی نے کنسورشیم کے شراکت داروں کے ساتھ ریکوڈک میں تانبے اور سونے کی کان کنی کے منصوبے میں تنوع لانے کے لیے حتمی معاہدے کیے ہیں۔ اس میں قانون سازی کا ایک طویل عمل شامل تھا جس میں سپریم کورٹ آف پاکستان، وفاقی اور متعلقہ صوبائی اسمبلیوں کی منظوری بھی شامل تھی۔ بیرک گولڈ کارپوریشن جو اس منصوبے کا آپریٹر ہے فی الحال 2028 میں پہلی پیداوار کے ہدف کے ساتھ ایک فزیبلٹی اسٹڈی تیار کر رہا ہے۔

اس کے علاوہ کمپنی نے حال ہی میں پاکستان اسٹیٹ آئل کے ساتھ ایک کنسورشیم معاہدے کے تحت گرین فیلڈ ریفائنری پروجیکٹ کے قیام کے لیے تعاون اور مشترکہ سرمایہ کاری کی حکمت عملی کے لیے مفاہمت کی یادداشت پر دستخط کیے ہیں۔ کمپنی بین الاقوامی شعبوں میں فارم ان، ملک میں اعلیٰ امکانات رکھنے والی معدنی رقبے حاصل کر کے اپنے معدنی آپریشنز کی توسیع اور انرجی ویلیو چین میں دیگر پراجیکٹس سمیت تنوع کے دیگر منصوبوں کی بھی تلاش کر رہی ہے۔

زیریں سطحی ٹیکنالوجیز اور سپورٹ سروسز

پی پی ایل کی لیبارٹری اس وقت اپ گریڈیشن کے عمل میں ہے، جس میں پیٹروگرافک اسٹڈیز کے ساتھ ساتھ ہائیڈروکاربن کی ماخذ چٹانوں میں امکانات کا جائزہ لینے کے لیے راک پائرولیسس کے آلات کو شامل کرنے کا منصوبہ ہے۔ ان جدید آلات کی شمولیت سے پی پی ایل کی اندرون ملک تجزیاتی صلاحیتوں میں نمایاں بہتری آئے گی جس سے آؤٹ سورس لیبارٹریوں کی ضرورت کو کم کر کے ممکنہ اخراجات میں بچت ہوگی۔

ریزروائر ماڈلنگ گروپ

ریزروائر ماڈلنگ ایک مخصوص ٹیکنیکل گروپ ہے جو ڈیولپمنٹ فنکشن کے تحت کام کر رہا ہے تاکہ تھری ڈی ذخائر سمولیشن پر توجہ کے ساتھ مربوط ذیلی سطح کے مطالعے کے ذریعے قدر پیدا کی جا سکے۔

سوئی فیلڈ کے پب ریزروائر اور ساوی راگھا-1 دریافت کے لوئر رانی کوٹ ذخائر کے لیے اندرون خانہ تھری ڈی ریزروائر سمولیشن تحقیقات مکمل کی گئیں۔ یہ ریزروائر اسٹڈیز ذخائر کی کارکردگی کی بہتر تفہیم اور کسی بھی پیداواری اصلاح اور ذخائر میں اضافے کے مواقع کی نشاندہی کر رہی ہیں۔

ذخائر کا انتظام

ہائیڈروکاربن ذخائر پر نظر ثانی، اضافے اور سال کی پیداوار کی بنیاد پر کمپنی کے تصدیق شدہ ذخائر کی دوبارہ تجدید کا تناسب تقریباً 57 فیصد ہے، جو اس بات کی نشاندہی کرتا ہے کہ سال کے دوران کل پیداوار کا تقریباً 57 فیصد کمپنی کے ذخائر میں واپس شامل ہو چکا ہے۔ یہ اضافہ آپریٹڈ کنویں شاہ پور چاکر نارتھ X-1 اور پارٹنر کے ذریعے چلنے والے کنویں جوگن-2 میں دریافت کی وجہ سے ریکارڈ کیا گیا۔ مزید برآں، ذخائر میں نظر ثانی بنیادی طور پر کندھ کوٹ، کوٹڑی ایسٹ، رزق، ساون اور لطیف بلاکس سے عمل میں آئی ہے جس سے کمپنی کے اسٹریٹجک ریزرو پورٹ فولیو کو مزید تقویت ملی ہے۔

ذخائر کے علاوہ کمپنی کے کافی اہم غیر یقینی وسائل کو نوٹ کرنا ضروری ہے، جو (2C) 651 BCFe ~ پر ایستادہ ہیں۔ پی پی ایل ان وسائل کو ذخائر میں تبدیل کرنے کے لیے تندہی سے کوشش کر رہا ہے۔

معیار، صحت، حفاظت اور ماحول (QHSE)

کیو ایچ ایس ای (QHSE)، پی پی ایل مینجمنٹ کی اولین ترجیحات میں سے ایک اور کاروباری منصوبہ بندی، حکمتِ عملی سے متعلق فیصلہ سازی اور اہداف کی نشاندہی کا لازمی جزو ہے۔ ہائیڈروکاربن کی محفوظ پیداوار کے لیے آپریشنل سرگرمیوں سے وابستہ خطرات کی نشاندہی کے لیے تمام ممکنہ اقدامات کیے جاتے ہیں اور ان خطرات کی تخفیف کے اقدامات کو یقینی بنایا جاتا ہے۔ پورے ادارے میں حفاظتی کلچر کو فروغ دینے کے لیے عملے اور متعلقہ اسٹیک ہولڈرز کی شمولیت یقینی بنایا جاتا ہے۔

QHSE پالیسی اور نفاذ کا فریم ورک

پی پی ایل کا انٹیگریٹڈ مینجمنٹ سسٹم (IMS) جو کوالٹی، ہیلتھ، سیفٹی اینڈ انوائرمنٹ (QHSE) پالیسی سے اخذ کیا گیا ہے، پوری کمپنی میں کیو ایچ ایس ای کے معیارات کے نفاذ کے لیے ایک فریم ورک فراہم کرتا ہے جس میں عملے، ٹھیکیداروں اور دیگر اسٹیک ہولڈرز کے کردار اور ذمہ داریاں اچھی طرح سے بیان کی گئی ہیں۔ اس فریم ورک میں بین الاقوامی معیارات، صنعت کے بہترین طریقوں اور واقعات سے سیکھنے کو بھی شامل کیا گیا ہے۔ تنظیم کے اندر مختلف سطحوں پر مختلف کمیٹیوں/فورمز کی شکل میں نظم و نسق کا نظام بروقت فیصلہ سازی کے لیے نافذ کیا جاتا ہے، آپریشنل سرگرمیوں میں QHSE کی کارکردگی کا مسلسل جائزہ لیا جاتا ہے۔

بدلتے ہوئے QHSE طریقوں اور بین الاقوامی معیارات سے ہم آہنگ رہنے کے لیے، QHSE پالیسی کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور اسے لاگو کرنے کے لیے اپ ڈیٹ کیا جاتا ہے تاکہ مسلسل بہتری کے سفر کو برقرار رکھا جا سکے۔ زیر نظر سال میں کارپوریٹ IMS کا ٹھوس جائزہ لیا گیا، اس پر نظر ثانی کی گئی اور اس کی منظوری دی گئی۔
کارپوریٹ QHSE طریقہ کار کو تکنیکی ترقیوں، ریگولیٹری فریم ورک میں تبدیلیوں، ISO / انڈسٹری کے معیارات اور بین الاقوامی رہنما اصولوں میں پیش رفت کے ساتھ ہم آہنگ کرنے کے لیے اپ ڈیٹ کیا گیا۔

اپنی متعلقہ ذمے داریوں کے شعبوں میں کیو ایچ ایس ای اور متعلقہ قانونی تعمیل کو یقینی بنانے کی ذمے داری اثاثہ جات اور محکمے کے سربراہوں پر منحصر ہے۔ وہ تنظیم کے اندر کیو ایچ ایس ای کلچر کو فروغ دینے میں بھی اہم قائدانہ کردار ادا کرتے ہیں۔ اس کے ساتھ ساتھ، ٹھیکیداروں کے تمام ملازمین اور عملہ تعمیل کے معیارات پر عمل کرنے کے پابند ہیں۔

کارکردگی کے اہم اشارے/حادثات:

ذیل میں دیے گئے گراف لوسٹ ٹائم انجری فریکوئنسی (حادثات کی بنا پر ضائع ہونے والے اوقات LTIF) اور ٹوٹل ریکارڈیبل انجری ریٹ (TRIR) کیو ایچ ایس ای اشاریوں کے رجحانات کی عکاسی کرتے ہیں۔ زیر نظر سال میں پی پی ایل کے اسٹاف اور ٹھیکیداروں کے ملین مین آورز (million manhours) علیحدہ گراف میں دکھائے گئے ہیں۔

• 2023-24 میں تجزیاتی / دریافتی کنوؤں کی کھدائی شروع کرنے کے لیے تیاریاں جاری ہیں، جس میں طویل لیڈ آئٹمز کی فراہمی، متعلقہ ڈرلنگ سروسز کے ساتھ معاہدہ کرنا اور جیک۔اپ رگ کی خدمات حاصل کرنا شامل ہیں۔

نئے بلاکس، فارم ان اور فارم آؤٹ سرگرمیاں

اپنی کاروباری حکمت عملی کے تحت کمپنی اپنے پورٹ فولیو کو مزید وسعت دینے اور بہتر بنانے کے لیے خطرات سے نمٹنے کی صلاحیت کے اندر رہتے ہوئے کمپنی مختلف بلاکس میں کام کے حقوق حاصل کرتی ہے یا تقسیم کرتی ہے۔
زیر نظر سال کے دوران متعدد سرگرمیاں کی گئیں جن کا خلاصہ ذیل میں دیا گیا ہے:

بین الاقوامی سرگرمیاں

• اوورسیز اینڈ کور بزنس ڈیولپمنٹ ٹیم نئے بین الاقوامی مواقع کی تلاش اور ان کا جائزہ لینے میں مستقل مصروف عمل رہتی ہے۔

مقامی سرگرمیاں

پی پی ایل نے 2022 میں مشترکہ منصوبوں میں بولی کے راؤنڈ میں فعال طور پر حصہ لیا اور چار دریافتی بلاک حاصل کیے۔ یہ بلاک عارضی طور پر اکتوبر 2022 میں پی پی ایل کو دیے گئے تھے۔ سال کے آخر تک ان بلاکس کے لیے پی سی اے کو عمل میں لایا گیا ہے۔ تفصیلات کا خلاصہ ذیل میں دیا گیا ہے:

شاہ نکالو

(نئے بلاک کا اجراء)

• 40 فیصد کاروباری شراکت (WI) کے ساتھ آپریٹر کے طور پر پی پی ایل کو بلاک دیا گیا۔ او جی ڈی سی ایل اور ایم پی سی ایل تیس تیس فیصد کاروباری شراکت کے ساتھ مشترکہ منصوبے کے شراکت دار ہیں۔

جنوبی پشین

(نیا بلاک ایوارڈ)

• پی پی ایل کو 35 فیصد کاروباری شراکت کے ساتھ بلاک کا اجراء کیا گیا۔ ایم پی سی ایل 37 فیصد کاروباری شراکت کے ساتھ آپریٹر ہے اور او جی ڈی سی ایل 28 فیصد کاروباری شراکت کے ساتھ جوائنٹ وینچر پارٹنر ہے۔

ناشپا

(نیا بلاک ایوارڈ)

• پی پی ایل کو 35 فیصد کاروباری شراکت کے ساتھ بلاک کا اجراء کیا گیا۔ او جی ڈی سی ایل 37 فیصد کاروباری شراکت کے ساتھ آپریٹر ہے او ایم پی سی ایل 28 فیصد کاروباری شراکت کے ساتھ جوائنٹ وینچر پارٹنر ہے۔

لوگی (نیا بلاک ایوارڈ)

• پی پی ایل کو 30 فیصد کاروباری شراکت کے ساتھ بلاک کا اجراء کیا گیا۔ او جی ڈی سی ایل 40 فیصد کاروباری شراکت کے ساتھ آپریٹر ہے اور او ایم پی سی ایل 30 فیصد کاروباری شراکت کے ساتھ جوائنٹ وینچر پارٹنر ہے۔

تنوع کی سرگرمیاں

پی پی ایل کے معدنیات اور کان کنی کے کاروبار کو وسعت دینے اور نئے مواقع کی نشاندہی کرنے کے لیے معدنیات کی تلاش کے لیے ایک وقف ٹیم تشکیل دی گئی ہے۔ متعلقہ سرگرمیوں کی تفصیلات درج ذیل ہیں:

ریکوڈیک پروجیکٹ کی تشکیل نو

کمپنی نے او جی ڈی سی ایل اور گورنمنٹ ہولڈنگز (پرائیویٹ) لمیٹڈ کے ساتھ مل کر (بطور SOEs) 15 دسمبر 2022 کو ریکوڈک پروجیکٹ کی تشکیل نو کے لیے بیرک گولڈ کارپوریشن (آپریٹر) بلوچستان منرل ریسورسز لمیٹڈ اور حکومت بلوچستان کے ساتھ حتمی معاہدوں پر دستخط کیے تھے۔ تنظیم نو سے قبل نئے معاہدے کو سپریم کورٹ آف پاکستان، وفاقی پارلیمنٹ اور متعلقہ صوبائی پارلیمانوں نے کلیئرنس دی تھی۔

کمپنی نے دیگر SOEs کے ساتھ، ایک نئی تشکیل شدہ کمپنی یعنی پاکستان منرلز (پرائیویٹ) لمیٹڈ کے ذریعے پروجیکٹ میں حصہ لیا جو مشترکہ طور پر اور یکساں طور پر SOEs کی ملکیت ہے۔ یہ کمپنی پروجیکٹ میں SOEs کے 25 فیصد ایکویٹی حصص کی ہولڈنگ کمپنی کے طور پر کام کرتی ہے۔

ریکوڈک پروجیکٹ پانی، پائپ لائنز، بندرگاہ وغیرہ سمیت دیگر مطالعات کے ساتھ جاری تفصیلی فزیبلٹی اسٹڈی کے ساتھ آگے بڑھ رہا ہے۔ پروجیکٹ کا ہدف 2028 سے پہلی پیداوار شروع کرنا ہے۔

مزید برآں، ریکوڈیک پروجیکٹ میں پی ایم پی ایل (PMPL) کے ایکویٹی حصص میں ممکنہ سرمایہ کاری کی طرف سے ظاہر کی گئی دلچسپی کے سلسلے میں فی الحال بات چیت جاری ہے۔

دیگر معدنیات

اپنی کاروباری تنوع کی حکمت عملی کے ایک حصے کے طور پر پی پی ایل معدنیات کے شعبے میں اپنی موجودگی کو بڑھانے کے لیے سرگرم عمل ہے۔ کمپنی نے ایکسپلوریشن ڈائریکٹوریٹ کے اندر معدنیات کا وقف شعبہ قائم کیا ہے۔ مزید برآں، پی پی ایل نے جیولوجیکل سروے آف پاکستان (جی ایس پی) کے ساتھ معدنیات کی تلاش سے متعلق سرگرمیوں میں تعاون کے لیے ایک مفاہمتی یادداشت پر دستخط کیے ہیں۔ فی الحال، پی پی ایل ارضیاتی امکانات اور تجارتی طور پر قابل عمل ہونے کا جائزہ لینے کے لیے جامع G&G مطالعات کے ساتھ بلوچستان میں معدنی امکانات کا جائزہ لے رہا ہے۔

آئندہ کے لیے پی پی ایل صلاحیت کے فروغ اور اپنے معدنی پورٹ فولیو کی مزید ترقی پر توجہ مرکوز رکھنے کا ارادہ رکھتی ہے۔ کمپنی کا مقصد اس شعبے میں اپنی صلاحیتوں اور مہارت کو بڑھا کر اپنی کاروباری سرگرمیوں کو متنوع بنانا اور پائیدار اقتصادی ترقی میں اپنا حصہ ڈالنا ہے۔

پی پی ایل کے ذیلی ادارے، ایسوسی ایٹس

پی پی ایل ایشیا ای اینڈ پی بی وی

بلاک 8، عراق

• مڈلینڈ آئل کمپنی، عراق (MdOC) نے ایکسپلوریشن، ڈیولپمنٹ اور پروڈکشن سروس کنٹریکٹ (EDPSC) کے خاتمے/ختم ہونے کی اطلاع دی ہے اور تمام بقایا واجبات اور وصولیوں کو حل کرنے اور اختتام کی کارروائی شروع کرنے کا مشورہ دیا ہے۔ سال کے دوران کمپنی نے کاروباری اختتام کی کارروائی مکمل کرنے کے لیے مناسب اقدامات کا آغاز کیا ہے۔

پی پی ایل یورپ ای اینڈ پی

بلاک تھری

یمن آپریٹر: ٹوٹل انرجیز ای پی یمن

• یمن میں سیکیورٹی کی خراب صورتحال کی وجہ سے اپریل 2015 سے اب تک اس بلاک پر کام نہیں ہو سکا ہے۔

زیارت

آپریٹر: ایم پی سی ایل

• دریافتی کنویں بولان ایسٹ-1 سے EWT کی پیداوار چلتن فارمیشن سے جاری ہے۔

• تقریباً 228 مربع کلومیٹر کی مجموعی کوریج کے ساتھ 3D سائزمک ڈیٹا کا حصول مکمل کیا گیا۔

• بولان ویسٹ پراسپیکٹ کی تشخیص کا عمل جاری ہے تاکہ دریافتی کنویں کی کھدائی کو حتمی بنایا جا سکے۔

ہرنائی

آپریٹر: ایم پی سی ایل

• سروے کے علاقے میں سیکیورٹی کی صورتحال کی وجہ سے کشش ثقل اور مقناطیسی ڈیٹا کے حصول کے معاہدے میں تاخیر ہو رہی ہے۔

• ان۔ہاؤس G&G تجزیہ جاری ہے۔

پاکستان انٹرنیشنل آئل لمیٹڈ (ایسوسی ایٹ)

آف شور بلاک 5، ابوظہبی

آپریٹر: پی آئی او ایل

• اگست 2021 میں بلاک کے اجراء کے نتیجے میں ADNOC نے ستمبر 2022 میں پانچ موجودہ غیر پیداواری دریافتوں کے لیے تجرباتی منصوبے کی منظوری دے دی ہے۔ خطرات کو کم کرنے اور بلاک کی صلاحیت کا اندازہ لگانے کے لیے تشخیص اور تلاش کی مہمات سے متعلق مختلف G&G مطالعات جاری ہیں۔

کوہان

آپریٹر: یو ای پی - بیٹا

• 2,500 لائن کلومیٹر کے لیے کشش ثقل و مقناطیسی ڈیٹا کا حصول جاری ہے۔

• ارضیاتی فیلڈ ورک کا پہلا مرحلہ مکمل ہو گیا۔

• 2D سائزمک ڈیٹا حاصل کرنے کے لیے سائزمک عملے کی موبلائزیشن جاری ہے۔

خضدار نارتھ

آپریٹر: او جی ڈی سی ایل

• جیولوجیکل فیلڈ ورک کے بعد کا مطالعہ مکمل کیا گیا۔

• 472 لائن کلومیٹر پر 2D سائزمک ڈیٹا کی ری پروسیسنگ مکمل کی گئی۔

• ری پروسیس شدہ 2D سائزمک ڈیٹا کی تشریح اور میپنگ جاری ہے۔

ڈھاڈر اور مچھ

آپریٹر: ایم پی سی ایل

• ایکسپلوریشن لائسنس نومبر 2022 میں دیے گئے تھے۔

• ونٹیج G&G ڈیٹا اور حالیہ سیٹلائٹ تصاویر کی خریداری جاری ہے۔

• 1,400 لائن کلومیٹر ونٹیج 2D سائزمک ڈیٹا کی ری پروسیسنگ کے لیے معاہدہ جاری ہے۔

• دریافتی کنویں ہنگنا پشت X-1 کے نمونوں پر جیوکیمیکل اور بائیو اسٹریٹیگرافک اسٹڈیز جاری ہیں۔

• کشش ثقل اور مقناطیسی ڈیٹا حاصل کرنے کے لیے بولی کا عمل جاری ہے۔

پیزو

آپریٹر: او جی ڈی سی ایل

• پیزو سب تھرسٹ لیڈ پر 2D اور 3D سائزمک ڈیٹا کے حصول کے لیے سیکیورٹی این او سی کا انتظار ہے۔

• ان۔ہاؤس G&G تجزیہ جاری ہے۔

شکر گنج ویسٹ

آپریٹر: او جی ڈی سی ایل

• 600 لائن کلومیٹر کی PSDM پروسیسنگ جاری ہے۔

• ان۔ہاؤس G&G تجزیہ جاری ہے۔

سلیمان بلاک

آپریٹر: او جی ڈی سی ایل

• 457 لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول جاری ہے۔

• 119 لائن کلومیٹر کی 2D سائزمک ڈیٹا ری پروسیسنگ مکمل کی گئی۔

• ان۔ہاؤس G&G تجزیہ جاری ہے۔

جنوبی خاران

- 2D سائزمک اور دیگر G&G ڈیٹا کے ساتھ کشش ثقل اور مقناطیسی ڈیٹا کا ان ۔ ہاؤس انضمام مکمل کیا گیا۔
- ان ۔ ہاؤس 1D بیسن ماڈلنگ کا مطالعہ مکمل کیا گیا۔ ماڈلنگ کے نتائج کی بنیاد پر اضافی جیوکیمیکل تجزیے کیے گئے۔

مشرقی آف شور انڈس - سی

- سائزمک ڈیٹا ٹیمیٹ پروسیسنگ مکمل کر لی گئی جبکہ پورے 3D اور 2D سائزمک ڈیٹا کی ری پروسیسنگ کے لیے تیاریاں جاری ہیں۔
- ان ۔ ہاؤس 1D بیسن ماڈلنگ کا مطالعہ مکمل کیا گیا۔

سوئی نارتھ

- پی پی ایل کو آپریٹر کے طور پر ایکسپلوریشن لائسنس نومبر 2022 میں دیا گیا۔
- سائزمک سروے کے لیے ابتدائی ماحولیاتی جانچ (IEE) کا مطالعہ مکمل کر لیا گیا اور این او سی حاصل کر لیا گیا۔
- صوبہ پنجاب میں پڑنے والے علاقے کے لیے 2D سائزمک ڈیٹا کے حصول کے لیے ماحولیاتی اثرات کی تشخیص (EIA) کا مطالعہ جاری ہے۔

قلات ویسٹ

- پی پی ایل کو آپریٹر کے طور پر ایکسپلوریشن لائسنس نومبر 2022 میں دیا گیا تھا۔
- ونٹیج G&G ڈیٹا کا جائزہ جاری ہے۔
- 2D سائزمک اور ارضی مقناطیسی (MT) ڈیٹا کے حصول کے لیے بولی جاری ہے۔

پارٹنر آپریٹڈ بلاکس

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

کیرتھر

آپریٹر: پی او جی سی

- دریافتی کنویں ریان-1 سے گیس کی دریافت میں کامیابی ملی جس کی بنیاد فریک سے پہلے اور بعد کی جانچ کے نتائج پر مبنی تھی۔ کیرتھر بلاک میں یہ تیسری دریافت ہے۔

لطیف

آپریٹر: یو ای پی-بیٹا

- نئے امکانات کی نشاندہی کے لیے G&G کا تجزیہ جاری ہے۔ تشخیص کی بنیاد پر موہر-2 کھدائی کے لیے تیار ہو چکا ہے۔
- دریافتی کنویں مقبرا وڈ-1 کو ٹیسٹنگ کے حوصلہ شکن نتائج کے پیش نظر P&A قرار دیا گیا ہے۔

ناشپا

آپریٹر: او جی ڈی سی ایل

- میلا 3D سائزمک ڈیٹا کی ایڈوانس ری پروسیسنگ مکمل ہو چکی ہے اور تشریح جاری ہے۔
- مربوط اسٹرکچرل اور پیٹرولیم سسٹم ماڈلنگ اسٹڈی کو مکمل کیا گیا۔

ٹل

آپریٹر: ایم او ایل

- سائزمک تشریح/نقشہ سازی اور متعلقہ G&G تجزیہ جاری ہے تاکہ مستقبل میں ڈرلنگ کے امکانات کو پختہ کیا جا سکے۔

غوری

آپریٹر: ایم پی سی ایل

- G&G مطالعہ (جیوکیمیکل، Frac ماڈلنگ، Frac فزیبلٹی اور بنیادی تجزیہ) مکمل ہو چکے ہیں اور مستقبل میں دریافتی کنویں کے امکانات مستحکم کرنے کے لیے تجزیہ/انضمام جاری ہے۔

ساون

آپریٹر: یو ای پی-بیٹا

- ساون نارتھ ڈیپ پراسپیکٹ کو نئے ری پروسیس شدہ 3D سائزمک ڈیٹا کی بنیاد پر کھدائی کے لئے موزوں قرار دیا گیا ہے۔

ڈگری

آپریٹر: یو ای پی ایل

- بقیہ بلاک کے امکانات کا جائزہ جاری ہے۔

جھرک

آپریٹر: این ایچ ای پی ایل

- آئندہ کا لائحہ عمل طے کیا جا رہا ہے۔

کوٹری نارتھ

آپریٹر: یو ای پی ایل

- کنووں کی کھدائی کے بعد کا تجزیہ اور بقیہ بلاک کے امکانات کا جائزہ جاری ہے۔

کرسال

- 280لائن کلومیٹر پر 2D ڈیٹا کی PSDM ری پروسیسنگ، تشریح اور نقشہ سازی مکمل کرلی گئی۔
- 3D سائزمک ڈیٹا کی ان۔ہاؤس PSDM ری پروسیسنگ جاری ہے۔

حصال

- مصریال اور موہٹا لیڈز پر 233 مربع کلومیٹر 3D سائزمک ڈیٹا کا حصول مکمل ہوا۔
- نئے حاصل کیے گئے 3D سائزمک ڈیٹا کی پروسیسنگ اور فریکچر ریزروائر کی خصوصیات کے مطالعے کے لیے ٹھیکیدار کے انتخاب کا حتمی مرحلہ جاری ہے۔

پنجاب

- 286لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول مکمل ہوا۔
- 3D سائزمک ڈیٹا کی ان ہاؤس PSDM ری پروسیسنگ جاری ہے۔
- ونٹیج 2D ڈیٹا کی ری پروسیسنگ کے ساتھ نئے حاصل کردہ ڈیٹا کی ان۔ہاؤس پروسیسنگ جاری ہے۔

پی پی ایل آپریٹڈ فرنٹیئر دریافتی اثاثے اور بلاکس

ان بلاکس میں دریافتی سرگرمیوں کا خلاصہ ذیل میں کیا گیا ہے:

بارکھان

- اندرون خانہ 3D بیسن ماڈلنگ کا مطالعہ مکمل کیا گیا۔
- پلانڈ سائزمک ڈیٹا کے حصول کے لیے 3D سائزمک ڈیزائن مطالعہ مکمل کیا گیا۔
- ان ہاؤس مربوط G&G تجزیہ جاری ہے۔

بیلاویسٹ

- PSDM پروسیسڈ ڈیٹا (تقریباً 370لائن کلومیٹر) کی ان۔ہاؤس تشریح اور نقشہ سازی مکمل کی گئی۔
- جیوکیمیکل تجزیے پر مبنی sequence stratigraphy (ترتیب وار طبقات شناسی) اور 3D بیسن ماڈلنگ مطالعہ مکمل کیا گیا۔
- دریافتی کنویں بیلاویسٹ X-1 کی منصوبہ بند جانچ کے لیے LLIs کے انتخاب کے لیے تکنیکی تفصیلات کا مطالعہ جاری ہے۔
- بقیہ بلاک کی پیداواری صلاحیت کے لیے ان۔ہاؤس مربوط G&G تجزیہ جاری ہے۔
- حب X-1 کی دریافت کے تقریباً 150 مربع کلومیٹر کے علاقے کو برقرار رکھنے اور بلاک کے بقیہ حصے سے دست برداری کے لیے ڈی جی پی سی کو درخواست جمع کرائی گئی۔

قلات

- پندرانی X-1 کی کھدائی کے بعد جانچ مکمل ہوگئی۔
- تیسرے دریافتی کنویں مراد X-1 پر اگست 2023 کے دوران تیاریاں مکمل کرلی گئیں تھیں، اب کھدائی جاری ہے۔
- کشش ثقل اور مقناطیسیت کے ونٹیج ڈیٹا کی ماڈلنگ مکمل ہوگئی۔
- 2D سائزمک اور ارضی مقناطیسی (MT) ڈیٹا کے حصول کے لیے بولی جاری ہے۔

خاران اور خاران ایسٹ

- نئے حاصل کردہ 750 مربع کلومیٹر پر 3D سائزمک ڈیٹا کی پروسیسنگ پی پی ایل کی پروسیسنگ فیسلیٹی پر مکمل کی گئی، جبکہ اس کی ان۔ہاؤس تشریح اور نقشہ سازی جاری ہے۔
- خاران ایسٹ بلاک میں 200لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول مکمل ہوگیا۔
- حاصل شدہ 2D سائزمک ڈیٹا کی پروسیسنگ اور ونٹیج 2D سائزمک ڈیٹا کی ری پروسیسنگ PPL کی پروسیسنگ فیسلیٹی پر مکمل کی گئی، جبکہ اس کی ان ہاؤس تشریح/نقشہ سازی جاری ہے۔
- دراڑوں کی خصوصیات کا 2D سائزمک ڈیٹا پر مبنی مطالعہ جاری ہے۔

خضدار

- 100لائن کلومیٹر پر 2D سائزمک ڈیٹا کے حصول کی منصوبہ بندی کی گئی ہے تاکہ بقیہ لیڈز کو کھدائی کے قابل امکانات میں ڈھالا جاسکے، تاہم یہ سیکورٹی کی دستیابی سے مشروط ہے۔
- دریافتی سرگرمیوں کے لیے وزارت دفاع سے این او سی حاصل کیا گیا تھا۔ منصوبہ بندی کے ساتھ سروے کے طریقوں کو وزارت دفاع کے ساتھ حتمی شکل دی جارہی ہے۔
- 167لائن کلومیٹر کے ونٹیج 2D سائزمک ڈیٹا اور کشش ثقل و مقناطیسیت ڈیٹا کی ری پروسیسنگ جاری ہے۔

مرگند

- اسکالکولیڈ پر 200لائن کلومیٹر 2 D سیسمک ڈیٹا کا حصول جاری ہے۔
- نئے حاصل کیے گئے اور ونٹیج 2D سائزمک ڈیٹا کی پروسیسنگ اور ری پروسیسنگ جاری ہے۔
- ارضی مقناطیسی (MT) ڈیٹا کے حصول کے لیے بولی کا عمل جاری ہے۔

موسیٰ خیل

- تقریباً 622لائن کلومیٹر پر 2D سائزمک ڈیٹا کا حصول جاری ہے۔
- نئے سائزمک ڈیٹا کی پروسیسنگ اور ونٹیج 2D سائزمک ڈیٹا کی ری پروسیسنگ جاری ہے۔
- ارضیاتی فیلڈ ورک مکمل ہوگیا اور فیلڈ ورک کے بعد کی اسٹڈیز جاری ہیں۔

نوشیروانی

- 100لائن کلومیٹر پر 2D سائزمک ڈیٹا کا حصول مکمل ہوگیا۔
- حاصل شدہ 2D سائزمک ڈیٹا کی پروسیسنگ اور ونٹیج 2D سائزمک ڈیٹا کی دوبارہ پروسیسنگ PPL کی پروسیسنگ فیسلیٹی میں مکمل کی گئی۔
- سیسمک ڈیٹا کی اندرون خانہ تشریح اور نقشہ سازی جاری ہے۔

کمپنی کے پاس حکمتِ عملی کے طور پر ایک متنوع دریافتی پورٹ فولیو ہے جس میں زیادہ پرخطر، درمیانے درجے سے زیادہ مفید اور کم خطر، نچلے اور میانے مفید اثاثوں کا امتزاج ہے۔ حالیہ دہائیوں میں بیسن پختہ ہونے کے نتیجے میں دریافت کے سائز میں کمی آئی ہے۔ پی پی ایل سرحدی علاقوں میں تلاش کے لیے پرعزم ہے جہاں اہم دریافتوں کا امکان زیادہ ہے، حالانکہ اس کے ساتھ خطرات بھی ہیں۔ اس کے ساتھ ساتھ، پی پی ایل پورٹ فولیو کے خطرات کو کم کرنے اور موجودہ بنیادی ڈھانچے کی سہولیات کی قربت سے فائدہ اٹھانے کے لیے حکمتِ عملی اقدام کے طور پر پختہ بیسن میں کنوؤں کی کھدائی کی سرگرمیوں کو برقرار رکھتا ہے۔ مزید برآں، کمپنی آئندہ بولی راؤنڈز کے ذریعے پاکستان کے shallow offshore علاقوں میں اپنی کاروباری سرگرمیوں کو بڑھانے کے لیے کوشاں ہے۔ کمپنی بین الاقوامی سطح پر اپنی موجودگی کو مزید وسعت دینے کے لیے بلاک 5 ابوظہبی میں تجزیاتی اور پیداواری سرگرمیوں سے بھی فائدہ اٹھانا چاہتی ہے۔

دسمبر 2022 میں کمپنی کے اندر تنظیمِ نو کے نتیجے میں، دریافتی اثاثے کو دریافت اور بنیادی کاروباری ترقی کے طور پر دوبارہ تشکیل دیا گیا ہے اور اسے (i) مقامی دریافت، (ii) سرحدی دریافت، (iii) بیرونِ ملک اور بنیادی کاروباری ترقی، (iv) معدنی وسائل اور (v) زیرِ سطحی ٹیکنالوجیز اور معاون خدمات میں تقسیم کیا گیا ہے۔

سال کے دوران پی پی ایل آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں اثاثوں کے اعتبار سے کی گئی مختلف دریافتی امور کی سرگرمیوں کا خلاصہ ذیل میں دیا گیا ہے:

پی پی ایل آپریٹڈ مقامی دریافتی بلاکس

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

گمبٹ ساؤتھ

- دریافتی کنویں شاہ پور چاکر نارتھ X-1 کو گہرائی کے ہدف تک کھودا گیا۔ جانچ کے دوران کنویں سے یومیہ 15.2 ایم ایم ایس سی ایف گیس اور 321 بیرل یومیہ کنڈینسیٹ حاصل ہوئے۔
- شاہ پور چاکر نارتھ X-1 کے دریافتی کنویں پر نمونوں پر سیڈیمنٹولوجیکل تجزیہ مکمل کرلیا گیا۔
- تقریباً 2,800 مربع کلومیٹر گمبٹ ساؤتھ اور وسیع تھری ڈی سائزمک ڈیٹا کی ضم شدہ ری پروسیسنگ کے لیے تیاریاں جاری ہیں۔
- ان۔ہاؤس ارضی وارضی طبعیاتی (G&G) تجزیے نے دریافتی کنوؤں کی کھدائی کے لیے اضافی امکانات کو مستحکم کرنا جاری رکھا۔

ہالا

- 2023-24 کی دوسری سہ ماہی میں مارب X-1 دریافتی کنویں کی کھدائی کے لیے تیاریاں جاری ہیں۔
- دریافتی کنویں ہازل X-1 پر بعد از تکمیل کور اور کھدائی کاٹنے کے نمونوں پر سیڈیمنٹولوجیکل تجزیہ مکمل کیا گیا۔
- 71 لائن کلومیٹر وسیع 2D سائزمک ڈیٹا کی ان۔ہاؤس ری پروسیسنگ مکمل کی گئی۔

کوٹری

- لوئر گورو میں سائزمک ریزروائر کریکٹرائزیشن اینڈ انورژن تحقیقات مکمل کی گئیں۔
- بلاک کے بقیہ امکانات کا جائزہ لینے کے لیے مربوط ان۔ہاؤس G&G مطالعہ جاری ہے۔
- دریافت شدہ کنویں لیسر X-1 سے ایکسٹینڈڈ ویل ٹیسٹنگ (EWT) کے ذریعے 45 دن تک مزید پیداوار کی گئی۔

صورہ

- 857 مربع کلومیٹر پر 3D سائزمک ڈیٹا اور 64 لائن کلومیٹر پر 2D سائزمک ڈیٹا مکمل کیا گیا۔
- نئے حاصل کیے گئے 3D اور 2D سائزمک ڈیٹا کی پروسیسنگ کے لیے بولی کا عمل جاری ہے۔
- نئے حاصل کردہ 3D اور 2D سائزمک ڈیٹا پر ان۔ہاؤس G&G تجزیہ جاری ہے۔

سیرانی

- دلدلی علاقے میں واقع ڈولفن X-1 پر منصوبہ بندی کے ساتھ دریافتی سرگرمیوں کے لیے سول ورک اور لاجسٹکس کے لیے بولیاں طلب کرنے کے لیے تیاریاں جاری ہیں۔
- ڈولفن پراسپیکٹ پر محیط 160 مربع کلومیٹر کی ان۔ہاؤس PSDM پروسیسنگ مکمل کی گئی۔
- بلاک کے شمالی حصے سے متعلق ان۔ہاؤس بیسن ماڈلنگ کا مطالعہ مکمل کیا گیا۔

نوشہرو فیروز

- نوشہرو فیروز X-1 کی دریافت کے تقریباً 266 مربع کلومیٹر رقبے کو برقرار رکھنے اور بلاک کے بقیہ حصے سے دست برداری کے لیے ڈی جی پی سی کو درخواست جمع کرائی گئی۔

شاہ بندر

- دوسرے ایکسپلوریشن کنویں جھم ایسٹ X-1 کی کھدائی کے لیے سول کام جاری ہے۔
- بلاک کا ان۔ہاؤس G&G تجزیہ جاری ہے۔

کُھپرو ایسٹ

- کُھپرو ایسٹ X-1 کے پہلے دریافتی کنویں کی تکمیل کے بعد کا جائزہ مکمل ہو چکا ہے۔
- بلاک کے بقیہ کم امکانات کی وجہ سے کمپنی نے اگست 2023 میں لائسنس کی میعاد ختم ہونے کے بعد بلاک سے دست برداری کے لیے درخواست دی ہے۔

بسکا

- پہلے دریافتی کنویں ذرگ-1 کی کھدائی کے لیے سول ورک جاری ہے۔
- تقریباً 404 لائن کلومیٹر وسیع سائزمک ڈیٹا کی دوبارہ پروسیسنگ مکمل کی گئی۔
- ان۔ہاؤس مربوط G&G تجزیہ جاری ہے۔

ڈھوک سلطان

- 350 مربع کلومیٹر پر 3D سائزمک ڈیٹا کی ری پروسیسنگ کے ساتھ ساتھ فریکچر ریزروائر کی خصوصیت کا مطالعہ مکمل کیا گیا تاکہ ذخائر میں قدرتی دراڑوں کی نشاندہی کی جا سکے۔
- ری پروسیس شدہ 3D سائزمک ڈیٹا کی تشریح اور نقشہ سازی مکمل کرلی گئی۔
- نئے دریافتی اور تشخیصی کنوؤں کے مقام کو مستحکم کرنے کے لیے ان۔ہاؤس مربوط G&G تجزیہ جاری ہے۔

- خام لوہے کی فروخت گزشتہ سال کے 1.9 ہزار ٹن سے بڑھ کر 12.9 ہزار ٹن ریکارڈ کی گئی۔
- گنگا، خضدار میں جگنگ (Jigging) پلانٹ کی تنصیب اور آغاز کرنے کی سرگرمیاں جاری ہیں۔
- پچینکوہ، نوکنڈی خام لوہے کی فزیبلٹی اسٹڈی کو حتمی شکل دینے کے لیے 6,000 میٹر تصدیقی/جیو ٹیکنیکل ڈرلنگ جاری ہے۔
- بیرائٹ لیڈ زنک (BLZ) کے منصوبے پر عمل درآمد حکومت بلوچستان سے ریگولیٹری منظوری کے بعد شروع کیا جائے گا۔

پارٹنر آپریٹڈ پیداواری اثاثے

2022-23 کے دوران کی گئی سرگرمیوں کی تفصیلات کے ساتھ کارکردگی کا جائزہ درج ذیل ہے:

کیرتھر بلاک :

- پیداواری کنواں رحمن-8(ST-3) گیس کی پیداوار کے طور پر کامیابی سے مکمل ہو چکا ہے، اور اگلے مالی سال کے دوران اس کی تکمیل متوقع ہے۔
- پیداواری کنواں رزق-4 کامیابی کے ساتھ دسمبر 2022 میں یومیہ 7 MMscf پر شروع کیا گیا۔
- فرنٹ اینڈ کمپریشن پروجیکٹ جاری ہے اور توقع ہے کہ Q3 2023-24 میں مکمل ہو جائے گا۔

قادر پور بلاک :

- پیداواری کنویں QP-63 کو یومیہ 1.5 MMscf پر کامیاب ہائیڈرولک جاب کے بعد شروع کیا گیا ہے۔
- کنویں کی سالمیت کو یقینی بنانے کے لیے پانی والے کنووں پر دو ورک اوورز سرانجام دیے گئے۔

لطیف بلاک :

- ترقیاتی کنویں لطیف-21 اور تجزیاتی کنویں (ST-2) جگن-2 کو میابی کے ساتھ مکمل کیا گیا ہے اور یومیہ 10 MMscf پر شروع کیا گیا ہے۔
- لطیف-10 میں پیداواری اصلاح کے کام کے نتیجے میں یومیہ 7 MMscf کی بڑھتی ہوئی پیداوار ہوئی۔
- موہر-1 کی پیداواری اصلاح کے نتیجے میں یومیہ 15 MMscf کی بڑھتی ہوئی پیداوار ہوئی۔

ناشپا بلاک:

- پیداواری کنویں میلہ-8 اور ناشپا-11 گیس کنڈنسیٹ پروڈیوسرز کے طور پر مکمل ہو چکے ہیں۔

ٹل بلاک :

- پیداواری کنواں تولنج ویسٹ-2 میں کامیابی کے ساتھ مکمل ہوا اور اس کا آغاز نومبر 2022 میں یومیہ 15 MMscf پر ہوا۔
- ماکوری ایسٹ 3 اور 4 میں پیداواری اصلاح کے امور کے نتیجے میں یومیہ 12 MMscf گیس اور 500 bpd کنڈنسیٹ کی اضافی پیداوار ہوئی۔
- منزلئی سیکنڈری کمپریسرز مارچ 2023 میں نصب اور شروع کیے گئے تھے۔
- پیداوار میں کمی کو روکنے کے لیے ماکوری ایسٹ سیکنڈری کمپریشن پروجیکٹ کا جائزہ لیا جا رہا ہے۔

- سال کے دوران ٹل گودام میں آگ لگنے کا واقعہ پیش آیا جس نے بنیادی طور پر انوینٹری کو نقصان پہنچایا انشورنس کا دعویٰ درج کرایا گیا ہے۔

میانو بلاک:

- پیداواری کنویں میانو-26 کو نومبر 2022 میں یومیہ 1 MMscf پر کامیابی کے ساتھ شروع کیا گیا تھا۔

دریافت

اہم جھلکیاں

- آپریٹڈ گمبٹ ساؤتھ بلاک (شاہ پور چاکر نارتھ) میں ایک دریافتی کنواں اور پارٹنر آپریٹڈ لطیف میں دو دریافتی کنویں کھودے گئے۔
- ایک دریافت کا اعلان آپریٹڈ گمبٹ ساؤتھ بلاک میں کیا گیا اور تین دریافتوں کا اعلان پارٹنر آپریٹڈ کیرتھر اور ٹل بلاکس میں کیا گیا۔
- پی پی ایل آپریٹڈ علاقوں میں صورہ اور حسال بلاکس میں کل 1,090 مربع کلومیٹر پر 3D سیسمک ڈیٹا حاصل کیا گیا جب کہ 1,164 لائن کلومیٹر 2D سیسمک ڈیٹا خصوصی طور پر موسیٰ خیل، پنجاب اور خاران ایسٹ بلاکس میں حاصل کیا گیا۔
- پارٹنر آپریٹڈ زیارت، سلیمان اور کوہان بلاکس میں بالترتیب 40 مربع کلومیٹر 3D سائزمک ڈیٹا، 252 لائن کلومیٹر 2D سائزمک ڈیٹا اور 651 لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا حاصل کیا۔
- 1,200 لائن کلومیٹر 2D اور 1,464 مربع کلومیٹر 3D سائزمک ڈیٹا کی ان۔ہاؤس پروسیسنگ کی گئی۔
- پی پی ایل کی بنیادی لیبارٹری کی تجزیاتی سہولیات کی مزید اپ۔گریڈیشن جاری ہے جس کے بعد بنیادی تجزیے کے علاوہ نامیاتی جیوکیمیکل تجزیہ بھی کیا جائے گا۔
- پی پی ایل نے جولائی 2022 میں منعقد ہونے والے پاکستان بولی راؤنڈ میں شرکت کی اور او جی ڈی سی ایل (OGDCL) اور ایم پی سی ایل (MPCL) کے ساتھ چار بلاکس کے لیے مشترکہ بولی جمع کرائی۔ کمپنی نے ایم پی سی ایل (MPCL) اور او جی ڈی سی ایل (OGDCL) کے ساتھ بطور آپریٹر ایک بلاک اور پارٹنر کے ذریعے تین بلاکس حاصل کئے جس میں او جی ڈی سی ایل دو بلاکس اور ایم پی سی ایل ایک بلاک میں آپریٹر ہے۔

دریافت کا پورٹ فولیو

پی پی ایل، اپنی ذیلی اور شریک کمپنیوں کے ساتھ مل کر پینتالیس دریافتی بلاکس کا پورٹ فولیو رکھتی ہے جس میں ستائیس آپریٹڈ بلاکس اور اٹھارہ پارٹنر آپریٹڈ دریافتی بلاکس شامل ہیں۔ آپریٹڈ بلاکس پچیس آن شور بلاکس، ایک آف شور بلاک پاکستان میں اور ایک بین الاقوامی آف شور بلاک-5 ابوظہبی پر مشتمل ہے۔ پارٹنر آپریٹڈ بلاکس میں یمن میں ایک بین الاقوامی بلاک یعنی بلاک-3 شامل ہے۔ مزید برآں، چار نئے بلاکس عارضی طور پر دیے گئے ہیں۔ ایک آپریٹڈ اور تین پارٹنر آپریٹڈ علاقوں میں۔ سال کے اختتام کے بعد، ان چار بلاکس کے پٹرولیم رعایتی معاہدوں پر عمل درآمد کیا گیا۔

پی پی ایل آپریٹڈ پیداواری اثاثے

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

سوئی اور کندھ کوٹ اثاثہ

- سوئی اور کندھ کوٹ کی فیلڈز سے اوسط پیداوار 296 MMscfd اور 160 MMscfd رہی، جو بالترتیب 11 فیصد کی کمی اور 54 فیصد کا اضافہ ظاہر کرتی ہے۔
- سوئی میں کم حجم کی بنیادی وجہ فیلڈ میں قدرتی کمی اور ایس این جی پی ایل (SNGPL) کی جانب سے محدود وقفوں پر ایل این جی کو ترجیح دینے کی وجہ سے کم گیس کی فراہمی ہے۔
- سال کے دوران کندھ کوٹ کی پیداوار میں نمایاں طور پر اضافہ ہوا جس کی وجہ Genco-II کی طرف سے خریداری میں اضافہ ہوا ہے۔
- سوئی کے کنووں پر پیداواری بہتری کے امور سرانجام دیے گئے، جن میں چار اضافی سوراخ اور سات تیزاب کاری کے امور شامل ہیں، اس سے گیس کی پیداوار میں 6 MMscfd اضافہ ہوا۔
- دو مقامات پر ایس ایم ایل (SML) اور ایس یو ایل (SUL) سطحی نیٹ ورک کے انضمام سے لائن پریشر اور محیط حالات کے اعتبار سے 5 MMscfd تک کا خالص فائدہ ہوا۔ اس حکمت عملی کے نتیجے میں اضافی ایندھن کی بچت ہوئی اور ایس ایم ایل کمپریسر کی کارکردگی میں بہتری آئی۔
- پیداواری کنویں Sui-115 کو کھود کر مکمل کرلیا گیا، جو سوئی فیڈ کی پیداوار میں تقریباً 3 MMscfd کا حصہ ڈال رہا ہے۔
- کمپریسر اسٹیشن کے سکشن پریشر میں بہتری کے لیے کمپریسر میں ترمیم کا منصوبہ آئندہ سال کے دوران مکمل ہونے کی امید ہے۔ موجودہ سال میں پانچ میں سے دو ٹربین چلائی گئیں۔
- سوئی اور کندھ کوٹ کی فیلڈز سے ہموار اور بلاتعطل پیداوار کو یقینی بنانے کے لیے پلانٹ کی دیکھ بھال اور کارکردگی کے منصوبے بھی سرانجام دیے گئے۔
- ایچ آر ایل (HRL) ذخائر کی بہتر کارکردگی کی وجہ سے سوئی کے 1P ذخائر میں 8.5 BCF بھی شامل کیے گئے۔
- کندھ کوٹ گیس فیلڈ کے 1P ذخائر میں 170 BCF شامل کیے گئے جب کہ 2P ذخائر میں 114 BCF کو کندھ کوٹ میں ڈی اینڈ پی ایل (D&PL) کے ایوارڈ کے بعد جنوری 2037 تک اندرونِ ملک مربوط ذخائر سیمولیشن اسٹڈی کی بنیاد پر شامل کیا گیا۔
- سوئی ڈی اینڈ پی ایل (D&PL) گرانٹ کے لیے درخواست مناسب طریقے سے جمع کرائی گئی ہے اور اجرا کا انتظار ہے۔ حکومتِ پاکستان نے متواتر نوٹیفکیشن کے ذریعے کمپنی کو سوئی گیس فیلڈ سے پیداوار جاری رکھنے کی اجازت دی، جن میں سے تازہ ترین نے کمپنی کو 31 مئی 2023 تک پیداوار جاری رکھنے کی اجازت دی۔

آدھی/ڈھوک سلطان اثاثہ

- سال کے دوران آدھی ساؤتھ-5 اور آدھی-35 کو اوپن ہول ملٹی اسٹیج فریک کی تکمیل کے ساتھ کامیابی سے مکمل کیا گیا۔
- جون 2023 کے دوران آدھی ساؤتھ-6 کنویں کی کھدائی کا آغاز ہوا تھا جو ابھی جاری ہے۔
- پانی کے نکاسی کے لئے کنویں کی تعمیر مکمل ہو چکی ہے۔ ایکویپمنٹ پیکج کی خریداری کا عمل مکمل ہونے کے بعد اس کنویں کی کھدائی کا آغاز 24-2023 کی دوسری سہ ماہی میں ہونے کی توقع ہے۔
- آدھی ساؤتھ-3 کو فریک کیا گیا اور آدھی فیلڈ سے پیداوار کو برقرار رکھنے کے لیے آدھی-19 اور 21 کو بھرپور طریقے سے صاف کیا گیا تھا۔

- ڈھوک سلطان فیلڈ یومیہ 1,370 بیرل تیل، یومیہ 2.4 MMscf گیس اور یومیہ 12 MT ایل پی جی (23-2022 Q4 کے دوران قیمتیں) کی شرح سے پیدا کر رہی ہے۔

ہالا، گمبٹ ساؤتھ، مزرانی اور بناری کے اثاثے

- کنویں شاہ پور چاکر نارتھ X-1 (گمبٹ ساؤتھ بلاک) میں یومیہ 5 MMscf گیس اور 75 BPD کنڈنسیٹ کی متوقع پیداوار کے ساتھ ایک نئی دریافت ہوئی۔
- آدم ڈی اینڈ پی ایل (ہالہ) میں ایک اضافی پیداواری کنویں کی کھدائی کے لیے سائٹ کی تعمیر جاری ہے۔ اس نئے کنویں سے مجموعی طور پر فیلڈ کی پیداوار میں یومیہ 5 MMscf گیس اور 50 BPD کنڈنسیٹ شامل ہونے کی توقع ہے۔
- GPF-IV کمپریشن پروجیکٹ کے لیے سائٹ کی تعمیراتی سرگرمیاں جاری ہیں اور اسے 24-2023 میں شروع کرنے کا منصوبہ ہے۔
- گزشتہ مالی سال میں ڈی اینڈ پی ایل کی دوبارہ گرانٹ اور گیس کی قیمتوں میں اضافے کے بعد مزرانی فیلڈ یومیہ 2 MMscf کی شرح سے پیداوار کر رہی ہے۔
- شاہ بندر بلاک میں بناری X-1 کنواں فی الحال انحطاط کے بعد بند ہے اور اس کے مستقبل کا فیصلہ دریافتی کنویں جھم ایسٹ X-1 کو 24-2023 میں کھودنے کی منصوبہ بندی کے نتائج کی بنیاد پر طے کیا جائے گا۔
- کمپنی، جی پی ایف (GPF) پروجیکٹ کے حوالے سے قانونی مسائل کو حل کرنے اور سائٹ کی تعمیر کا کام جلد از جلد شروع کرنے کی کوشش کر رہی ہے۔

پیداواری برتری

ایک ذمہ دار کاروباری شہری اور پاکستان کے انرجی آؤٹ لک میں ایک اہم شراکت دار کے طور پر، پی پی ایل ہائیڈروکاربن کی پیداوار کو زیادہ سے زیادہ کرنے کے لیے دستیاب وسائل کو بروئے کار لاتے ہوئے توانائی کے مستقبل کو محفوظ بنانے کے لیے جارحانہ طور پر کوشاں ہے۔ کیوں کی پی پی ایل کی زیادہ تر فیلڈز پختہ یعنی میچور ہو رہی ہیں اور قدرتی زوال کی جانب گامزن ہیں، اس لیے یہ ضروری ہو جاتا ہے کہ ان کے تنزل کو موجودہ کنوؤں کے ذریعے وسعت دینے کے مواقع کا ادراک کر کے روکا جائے۔ صنعت کے بہترین طریقوں کے مطابق، سال کے دوران پیشہ ور افراد کی ایک وقف شدہ ٹیم تشکیل دی گئی تھی جو پی پی ایل آپریٹڈ براؤن فیلڈز میں قلیل مدتی اور طویل مدتی پیداوار بڑھانے کے اہداف کی نشان دہی کر کے پیداوار بڑھانے کی سرگرمیاں انجام دے گی۔ ٹیم نے کسی بھی پیداواری رکاوٹوں کی نشان دہی کے لیے اچھی طرح سے جائزہ لیا ہے اور اس کے بعد امیدواروں کو مداخلت کے لیے تجویز کیا ہے تاکہ یہ یقینی بنایا جا سکے کہ کنویں زیادہ سے زیادہ صلاحیت پر پیدا ہو رہے ہیں۔ ٹیم قومی گرڈ میں ہائیڈروکاربن شامل کرنے کے لیے مزید اہداف کی نشان دہی کرتی رہے گی جس کے لیے کم سے کم اخراجات کیے جائیں گے تاکہ پختہ یعنی میچور فیلڈز سے زیادہ سے زیادہ ریکوری ہو سکے۔

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

- گزشتہ سال کے مقابلے میں بی ایم ای کی 23-2022 میں کامیابی کے ساتھ اب تک کی سب سے زیادہ فروخت آمدن 3.6 ارب روپے رہی۔ اس امر کا احساس 23-2022 میں بیرائٹ کی برآمدات کے حجم میں اضافے کے ساتھ روپے کی قدر میں کمی سے ہوا۔
- بیرائٹ کی مائننگ، 23-2022 کی پہلی سہ ماہی کے دوران غیر معمولی مون سون بارشوں اور سیلاب کے ساتھ ساتھ انفرااسٹرکچر کو پہنچنے والے نقصان کی وجہ سے بری طرح متاثر ہوئی جس کی وجہ سے کراچی کی بندرگاہ تک نقل و حمل میں رکاوٹ پیدا ہوئی۔ اس وجہ سے مجموعی طور پر فروخت کا حجم 221 ہزار ٹن ریکارڈ کیا گیا۔ جو گزشتہ سال 240 ہزار ٹن تھا۔

ساتھ رفتار برقرار نہیں رکھ سکیں۔ اس طرح گیس سیکٹر کا بڑھتا ہوا گردشی قرضہ کمپنی کی پائیداری کے لیے واحد سب سے بڑا خطرہ رہا کیوں کہ کمپنی گزشتہ سال 64 فیصد کے مقابلے میں اپنی مجموعی گیس ریونیو کا صرف 53 فیصد وصول کرنے میں کامیاب رہی۔ رواں سال کے دوران واجب الادا وصولیاں 11.5 ارب روپے فی ماہ کی شرح سے جمع ہوئیں جو گزشتہ برس 5.6 ارب روپے فی ماہ تھیں۔

ایک جانب، تیل کی بلند قیمتوں اور روپے کی قدر میں کمی نے کمپنی کے منافع کو نمایاں طور پر بہتر کیا، تاہم، دوسری طرف اس نے آپریشنز سے کیش فلو پر منفی اثر ڈالا کیوں کہ گیس صارفین سے وصولی بڑھتے ہوئے واجب الادا بیلنس کے ساتھ رفتار برقرار نہیں رکھ سکی۔ جب کہ متعلقہ حکومتی محصولات اور ٹیکسز ایکائٹر (accrual) کی بنیاد پر ادا کیے جا رہے ہیں۔ فی الحال گیس کے بہاؤ سے کیش جمع کرنے میں اس کمی کو تیل / ایل پی جی کیش کے بہاؤ کے ذریعے پورا کیا جا رہا ہے، تاہم، یہ نازک صورت حال قابل عمل نہیں ہے کیوں کہ کمپنی نہ صرف اپنے شیئر ہولڈرز کے لئے نقد منافع کا اعلان کرنے پر مجبور ہے بلکہ اپنے وژن / مشن (Vision/Mission) کے مطابق ترقی کے دیگر ممکنہ مواقع سے فائدہ نہیں اٹھا سکتی۔

گیس کے شعبے کی ویلیو چین میں پائیداری قائم کرنے کے لیے، یہ ضروری ہے کہ صارفین کی گیس کی قیمتوں میں بجلی اور پیٹرول کے شعبوں کی طرح ماہانہ ایڈجسٹمنٹ کو لاگو کیا جائے۔ گردشی قرضوں کے مسلسل جمع ہونے کو روکنے کے لیے یہ فعال نقطہ نظر بہت اہم ہے۔ اس کے علاوہ، ماضی کے جمع شدہ گردشی قرضوں کے تصفیے کے لیے ٹھوس اقدامات کی ضرورت ہے تاکہ ای اینڈ پی (E&P) کمپنیز کو اس شعبے کی ترقی میں سرمایہ کاری کرنے اور توانائی کی ویلیو چین میں تنوع پیدا کرنے کے قابل بنایا جا سکے۔

کمپنی، پیٹرولیم ڈویژن کی دیگر کمپنیز کے کنسورشیم کے ذریعے توانائی اور خزانہ کی وزارتوں کے اندر گیس سیکٹر کے گردشی قرضوں کے حل کے لیے اعلیٰ سطح پر مصروف عمل ہے جس کے لیے کئی قابل عمل تدابیر پر تبادلہ خیال کیا جا رہا ہے اور ان پر عمل درآمد کے لیے بھی غور کیا جا رہا ہے۔ انتظامیہ گیس کی تقسیم کار کمپنیز کے اعلیٰ افسران کے ساتھ ترجیحی اور مساوی ادائیگیوں کے لیے کمپنی پر بڑھتے ہوئے لیکویڈیٹی دباؤ کو کم کرنے کے لیے بھی مصروف عمل ہے۔

سیکیورٹی کی صورت حال

قدرتی وسائل کی موجودگی کی وجہ سے تیل اور گیس کمپنیز اس وقت دنیا بھر میں کئی تنازعات والے علاقوں میں کام کر رہی ہیں۔ تاہم، تنازعات والے علاقوں میں کاروبار کرنا مشکل اور خطرناک ہو سکتا ہے۔ زیادہ خطرے والے علاقوں میں کمپنیز، اہل کاروں اور سہولیات کے تحفظ کے لیے سرکاری سیکیورٹی فورسز پر انحصار کرتی ہیں۔ پاکستان میں سیکیورٹی کی صورت حال خاص طور پر خیبر پختون خواہ (KPK) اور بلوچستان کے سرحدی علاقوں میں انتہائی غیر مستحکم ہے۔ دہشت گردوں کے حملوں میں بتدریج اضافہ ہوا ہے۔ کمپنی، سیکیورٹی فورسز سے علاقے کی کلیئرنس کے بعد ہی سائزمک اور کنویں کے آپریشنز کا آغاز کر کے سیکیورٹی رسک کا انتظام کرتی ہے۔

ہماری کارکردگی

پیداواری آپریشنز

آپ کی کمپنی اس وقت سوئی، کندھ کوٹ، آدہی، گمبٹ ساؤتھ، ڈھوک سلطان، مزارانی، چاچڑ اور ہالا میں آٹھ (8) پیداواری اثاثے آپریٹ کر رہی ہے۔ اس کے علاوہ، کمپنی کی 13 پارٹنر آپریٹڈ پیداواری فیلڈز میں کاروباری شراکت ہے۔ کمپنی جدید ٹیکنالوجی کا استعمال کرتے ہوئے پیداوار بڑھانے پر توجہ دے کر ملک کی توانائی کی ضروریات کو پورا کرنے کے لیے کوشاں ہے۔ مزید برآں، کمپنی بولان مائننگ انٹرپرائز (BME) میں آپریشنل اسٹیک رکھتی ہے، یہ کمپنی اور حکومت بلوچستان کے درمیان ایک مشترکہ منصوبہ ہے۔

مساوی اکائیوں کے اعتبار سے کمپنی کی مجموعی پیداوار میں گزشتہ سال کے مقابلے میں 1 فیصد کا اضافہ ہوا۔ تجزیہ بتاتا ہے کہ گیس کی پیداوار میں 1 فیصد کا اضافہ ہوا ہے اور کنڈنسیٹ / این جی ایل / تیل میں 2 فیصد کی کمی ہوئی ہے۔ جب کہ گزشتہ سال کے مقابلے میں ایل پی جی کی پیداوار میں 0.3 فیصد اضافہ ہوا ہے۔

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

	2022-23	2021-22
Natural Gas (MMscf)	288,566	283,481
Crude Oil / NGL / Condensate (Thousand Barrels)	4,407	4,560
LPG (Metric Tonnes)	116,881	116,498

سال کے دوران ہائیڈروکاربن کی پیداوار جس میں مشترکہ آپریشنز سے کمپنی کی گیس کا حصہ اوسطاً تقریباً یومیہ 730 MMscfd~ گیس، تیل / این جی ایل / کنڈنسیٹ 12,074 بیرل یومیہ اور ایل پی جی یومیہ 320 میٹرک ٹن ہے۔

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

ترقیاتی کنویں

کمپنی نے سال کے دوران پانچ (5) پیداواری کنویں کھودے۔ آدہی میں (A-35 اور AS-6) اور سوئی (Sui-115) میں آپریٹڈ علاقوں میں تین (3) کنویں کھودے گئے، جب کہ کیرتھر (رحمن-8) اور لطیف (لطیف-21) میں پارٹنر آپریٹڈ علاقوں میں دو (2) کنویں کھودے گئے۔

- سوئی فیلڈ، ملک کی سب سے زیادہ میچور فیلڈ ہونے کی وجہ سے اس کی پیداوار کو قدرتی کمی کا سامنا ہے، جس پر کنوؤں کی پیداوار کو بہتر بنانے کے مختلف اقدامات بشمول سوراخ کرنے (perforation) اور تیزاب کاری سے قابو پایا جا رہا ہے۔
- اس سال کندھ کوٹ فیلڈ میں GENCO-II کی جانب سے آف ٹیک کی بحالی کے درمیان پیداوار میں اضافہ دیکھا گیا۔
- ڈھوک سلطان فیلڈ سے پیداوار عروج پر رہی اور پورے سال پیداوار ہوتی رہی۔
- آدہی فیلڈ کی پیداوار میں اس سال کافی کمی دیکھی گئی جس کی وجہ فیلڈ کی قدرتی کمی اور کنوؤں سے پانی کی پیداوار ہے۔
- گزشتہ سال کے مقابلے میں گمبٹ ساؤتھ فیلڈ میں معمولی بہتری آئی۔
- شاہ بندر فیلڈ میں پیداواری کنواں متوقع پانی کی پیداوار سے زیادہ ہونے کی وجہ سے بند کر دیا گیا۔
- پارٹنر آپریٹڈ فیلڈز کی طرف سے تعاون تقریباً 211 MMscfd (پی پی ایل کا حصہ) رہا۔ پختگی یعنی میچورٹی کے مختلف مراحل میں ہونے کی وجہ سے، زیادہ تر فیلڈز کے اندر پیداوار میں کمی دیکھی گئی۔ تاہم لطیف فیلڈ اس سے مستثنیٰ ہے جس کی پیداوار میں نئے کنوؤں کے شروع ہونے اور لطیف کنوؤں پر پیداوار کی اصلاح کے امور کی وجہ سے اضافہ ہوا ہے۔

اس وقت پاکستان اپنی تیل کی تقریباً 85 فیصد اور گیس کی 25 فیصد ضروریات پوری کرنے کے لیے درآمدات پر انحصار کرتا ہے، جو اس کے مجموعی درآمدی اخراجات میں نمایاں حصہ ڈالتا ہے۔ گیس کا بنیادی مقامی توانائی کا ذریعہ ہونے کے باوجود، بنیادی طور پر معلوم بیسن کی پختگی کی وجہ سے، گزشتہ دہائی میں صرف مٹھی بھر بڑی دریافتیں ہوئی ہیں۔ نتیجتاً، گھریلو گیس کی پیداوار 4 Bcfd سے تقریباً 3.5 ارب مکعب فٹ یومیہ (Bcfd) تک گر گئی ہے جو کئی برسوں سے مستحکم تھی۔ اس کے رد عمل میں، پی پی ایل (PPL) ممکنہ طور پر کافی دریافتوں کی تلاش میں زیادہ خطرہ، زیادہ انعام والے فرنٹیئر زبیسن میں تلاش جاری رکھے ہوئے ہے۔

مزید برآں، پی پی ایل حکمتِ عملی کے اعتبار سے دو (2) مخصوص شعبوں: معدنیات اور توانائی کے وسیع شعبے میں تنوع پیدا کر رہا ہے۔ پاکستان کی معدنیات کے شعبے میں بڑھتی ہوئی دلچسپی کے ساتھ ابھرتا ہوا منظر نامہ ملک اور کمپنی دونوں کو باہمی ترقی کے لیے اس شعبے میں ہونے والی پیش رفت سے فائدہ اٹھاتے ہوئے باہمی تعاون کے ساتھ ترقی کرنے کے مواقع فراہم کرتا ہے۔

بیرونی عوامل

مندرجہ ذیل عوامل نے ملک میں تیل اور گیس کے اپ اسٹریم سیکٹر کے آپریٹنگ ماحول میں کلیدی کردار ادا کیا:

خام تیل کی قیمتیں

مالی سال کی ابتدائی ششماہی میں تیل کی قیمتوں میں گزشتہ سال کی بلند سطح $/bbls+100 سے کمی دیکھی گئی۔ اس کی وجہ عالمی معاشی تنزلی تھی۔ تاہم، مالی سال کے آخری نصف نے تیل کی قیمتیں 75-85 ڈالر فی بیرل کی حد کو برقرار رکھتے ہوئے قیمتوں میں استحکام کا مظاہرہ کیا۔ یہ استحکام بنیادی طور پر اوپی ای سی+ (+OPEC) کی طرف سے لاگو کی جانے والی سپلائی میں کمی کی مشترکہ کوششوں سے ہوا تھا۔ مارکیٹ کی ان حرکیات نے توانائی کی منڈیوں کے اتار چڑھاؤ کے مقابلے میں لچک کو یقینی بناتے ہوئے ہماری آپریشن کی حکمت عملیوں اور مالیاتی منصوبہ بندی کی تشکیل میں اہم کردار ادا کیا۔

غیر ملکی کرنسی میں اتار چڑھاؤ

زرمبادلہ کے ذخائر میں کمی، ادائیگیوں کے کمزور توازن اور آئی ایم ایف (IMF) پروگرام کی بحالی میں تاخیر کی وجہ سے PKR/USD کے شرح مبادلہ میں سال بھر میں نمایاں کمی دیکھی گئی۔ مالی سال جولائی 2022 میں 204 روپے فی امریکی ڈالر کی برابری کے ساتھ شروع ہوا۔ یہ سال بھر دباؤ میں رہا اور جون 2023 میں 287 روپے فی امریکی ڈالر پر بند ہوا۔ درآمدات پر پابندی اور غیر ملکی زرمبادلہ کی کم دستیابی نے شرح مبادلہ کی قدر میں کمی کے اثرات سے باہر لاگت میں اضافے کو مزید بڑھا دیا۔ ایک مستحکم شرح مبادلہ کو برقرار رکھنا اور رقوم کی واپسی میں سہولت فراہم کرنا بغیر کسی رکاوٹ کے آپریشنز کو یقینی بنانے اور ای اینڈ پی (E&P) سیکٹر میں غیر ملکی سرمایہ کاری کو راغب کرنے کے اہم عوامل ہیں۔

شرح مبادلہ میں کمی کمپنی کے بعد از ٹیکس منافع کو مثبت طور پر متاثر کرتی ہے۔ تاہم، گیس کے صارفین سے وصولیوں میں یکساں اضافے کی عدم موجودگی میں، اس قدر میں کمی کا کیش فلو پر منفی اثر پڑتا ہے جس کی وجہ سے زیادہ محصولات اور منافع پر ٹیکس کی ادائیگی ہوتی ہے۔

تجارتی قابل وصول

گرین بیک کے مقابلے میں روپے کی قدر میں تیزی سے کمی کی وجہ سے گیس سیکٹر میں گردشی قرضوں کے جمع ہونے کی شرح میں رواں سال کے دوران تیزی سے اضافہ ہوا۔ اس قدر میں کمی کے نتیجے میں روپے کے اعتبار سے گیس کی قیمتیں بلند ہوئیں جو یکم جنوری 2023 سے لاگو ہونے والے بہت زیادہ انتظار کے بعد بھی صارفین کی گیس کی قیمتوں کے

- کندھ کوٹ گیس فیلڈ کے 1P ذخائر میں 170 BCF شامل کیے گئے جب کہ جنوری 2037 تک کندھ کوٹ میں ڈی اینڈ پی ایل (D&PL) کے ایوارڈ کے بعد 2P ذخائر میں 114 BCF شامل کیے گئے۔
- پی پی ایل کے بلاکس میں 1,090 مربع 3D سیسمک ڈیٹا اور 1,164 لائن کلومیٹر 2D سیسمک ڈیٹا کا ایک قابل ذکر حجم حاصل کیا گیا تھا۔ اس کے علاوہ، پارٹنر آپریٹڈ سلیمان بلاک میں 252 لائن کلومیٹر 2D سیسمک ڈیٹا حاصل کیا گیا۔
- 1,200 لائن کلومیٹر 2D اور 1,464 مربع کلومیٹر 3D سیسمک ڈیٹا کی اندرون ملک پروسیسنگ مکمل کر لی گئی، نتیجتاً لاگت میں بچت ہوئی۔
- پارٹنر آپریٹڈ بلاکس میں 651 لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا کا حصول مکمل ہو گیا۔
- سال کے دوران دو (2) سی بی اے (CBA) معاہدے (برائے 2020-21 اور 2022-23) کیے گئے جو کہ ایک اہم اور بے مثال کامیابی ہے۔
- پی پی ایل کو آئی کیپ (ICAP) کی جانب سے ڈیجیٹل ٹیکنالوجی ایوارڈ کی تقریب میں اس کے اندرون ملک تیار کردہ "ایڈوانسڈ روبوٹک پروسس آٹومیشن" پروجیکٹ کے لیے پہلی پوزیشن سے نوازا گیا جو خودکار لاگت مختص کرنے اور شراکت داروں کو رپورٹ کرنے کے حوالے سے تھا۔
- پی پی ایل نے اپنی 2021 کی سالانہ رپورٹ کے لیے آئی کیپ (ICAP) اور آئی سی ایم اے پی (ICMAP) کے بہترین کارپوریٹ رپورٹ ایوارڈز میں ایندھن اور توانائی کے شعبے میں دوسری پوزیشن حاصل کی۔
- پی پی ایل کو ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) کی جانب سے 2021 کی سالانہ رپورٹ کے لیے پبلک سیکٹر اداروں کے شعبے میں مشترکہ کانسی کا ایوارڈ دیا گیا۔
- پی پی ایل کو پاکستان سینٹر فار فلانتھراپی کی طرف سے مسلسل اٹھارویں (18) سال عطیات دینے کے حوالے سے حجم کے اعتبار سے سب سے بڑے کارپوریٹ دینے والوں میں سے ایک قرار دیا گیا۔

آپریٹنگ ماحول

دنیا بھر میں تیل اور گیس کا شعبہ آج ایک منفرد صورت حال سے دوچار ہے جس کی وجہ سے کووڈ کے بعد بحالی سمیت متعدد عوامل جیسے کہ اپ اسٹریم سیکٹر میں کم سرمایہ کاری اور جیو-پولیٹکس نے توانائی کی منڈیوں کو نئی بلندیوں تک پہنچا دیا۔ یورپ اور روس کے درمیان توانائی کی تجارت میں خلل نے بھی توانائی کی عالمی منڈیوں میں غیر یقینی صورت حال کو بڑھا دیا ہے۔ اس میں اضافہ کرنے کے لیے، اوپی ای سی+ (+OPEC) کی جانب سے نافذ کردہ سپلائی میں کٹوتیوں نے توانائی کی قیمتوں کے کسی بھی نیچے جانے والے راستے کے خلاف رکاوٹ کا کام کیا۔ یہ منظر نامہ پاکستان جیسے توانائی درآمد کرنے والے ممالک کو ایک مشکل سے دوچار رکھتا ہے جس سے ادائیگیوں کا توازن بگڑ جاتا ہے۔ اس طرح، ملک میں معاشی اور غیر ملکی زرمبادلہ کی مشکل صورت حال کے ساتھ ساتھ گردشی قرضوں کے بڑھتے ہوئے بوجھ سے بھی نئی دریافتوں اور پیداوار کی جاری کوششیں متاثر ہو رہی ہیں۔

پاکستان پٹرولیم لمیٹڈ

ڈائریکٹرز رپورٹ

2022-23

ہم، 30 جون 2023 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی ڈائریکٹرز رپورٹ اور آڈٹ شدہ مالی گوشوارے مع آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ سال کا کاروباری جائزہ مندرجہ ذیل پیراگراف میں اہم جھلکیوں کے ساتھ پیش کیا گیا ہے۔

تعارف

پاکستان پٹرولیم لمیٹڈ (پی پی ایل)، ملک میں قدرتی گیس کی صنعت میں ایک بنیادی رہنما کی حیثیت رکھتا ہے اور 1950 کی ابتداء سے تیل اور قدرتی گیس کے ذخائر کی دریافت، ترقی اور پیداوار میں کلیدی کردار ادا کر رہا ہے۔ کمپنی کے موجودہ دریافتی اور پیداواری پروگرام کا دائرہ کار بین الاقوامی سطح پر عراق اور یمن میں موجودگی کے ساتھ پورے پاکستان میں پھیلا ہوا ہے۔ پی پی ایل بولان مائننگ انٹرپرائز (بی ایم ای) کے ذریعے، جو حکومتِ بلوچستان کے ساتھ 50 فیصد کی شراکت دار ہے، بلوچستان میں معدنی حقوق اپنے پاس محفوظ رکھتی ہے۔ اس کے علاوہ پاکستان منرلز (پرائیویٹ) لمیٹڈ میں بھی شراکت دار ہے، جس کا ریکوڈک مائننگ پروجیکٹ، بلوچستان میں بالواسطہ غیر آپریٹنگ حصہ ہے۔

گروپ کی ساخت

کمپنی کے پاس تین ماتحت ادارے مکمل طور پر ملکیت میں ہیں: پی پی ایل یورپ ای اینڈ پی لمیٹڈ (PPLE)، پی پی ایل ایشیا ای اینڈ پی بی وی (PPLA) اور پاکستان پٹرولیم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ (PPPFTC)۔ یہ کمپنیاں اجتماعی طور پر گروپ کہلاتی ہیں۔ کمپنی، ابوظہبی، متحدہ عرب امارات میں قائم شدہ پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) (ایک متعلقہ کمپنی) میں 25 فیصد شیئرز کی بھی مالک ہے۔ PPPFTC کے علاوہ، مذکورہ بالا کمپنیاں بنیادی طور پر تیل، قدرتی گیس اور معدنی وسائل کی دریافت، امکانات، ترقی اور پیداوار میں مصروفِ عمل ہیں۔ سال کے دوران، کمپنی نے نو تشکیل شدہ پاکستان منرلز (پرائیویٹ) لمیٹڈ میں 33.33 فیصد منافع حاصل کیا، یہ ادارہ تانبے اور سونے کی مائننگ کے لیے ریکوڈک پروجیکٹ میں بالواسطہ 25 فیصد غیر آپریٹنگ حصے کا حامل ہے۔

کمپنی کی کاروباری حکمتِ عملی

آپ کی کمپنی تمام اسٹیک ہولڈرز کے لیے صحت مند منافع کو یقینی بنانے کی خاطر مائننگ کے شعبے میں اسٹریٹجک شراکت داری کے لیے بین الاقوامی ای اینڈ پی (E&P) شراکت داروں کے ذریعے مقامی تیل اور گیس کی دریافت اور پیداوار سے بڑھ کر اپنے نقش قدم کو متنوع بنا رہی ہے۔ کمپنی کی حکمتِ عملی کا خاکہ ذیل میں پیش کیا گیا ہے:

قدر کا تحفظ

- موجودہ پیداواری اثاثوں سے پیداوار اور بازیابی کی بہتری
- دریافتوں سے ممکنہ طور پر کم سے کم وقت میں پیداوار کا حصول
- اہم پیشہ ور انسانی وسائل کی ترقی اور انہیں کمپنی سے منسلک رکھنا
- اس بات کو یقینی بنانا کہ تمام سرگرمیاں معیار، صحت، تحفظ اور ماحول (QHSE) کے اعلیٰ معیار پر پورا اترتی ہیں
- مقامی آبادیوں میں ایک اچھے کاروباری شہری کی حیثیت سے پہچانا جانا

قدر کی تخلیق

- پائیدار ذخائر کی تبدیلی کا تناسب حاصل کرنے کے لیے دریافتی سرگرمیوں کو برقرار رکھنا
- بڑی دریافتوں کے بہتر امکانات کے حامل سرحدی علاقوں میں دریافتی سرگرمیاں کرنا
- پاکستان کے ساحلی علاقوں میں، بالخصوص کم گہرے پانیوں میں بطور آپریٹر دریافتی سرگرمیاں کرنا
- نئے دریافتی علاقوں، فارم اِن اور فارم آؤٹ کے ذریعے ای اینڈ پی (E&P) پورٹ فولیو کے خطرے کو متنوع بنانا
- بین الاقوامی سطح پر ترقی کرنے اور ای اینڈ پی (E&P) کے حوالے سے علاقائی رہنما بننے کے مواقع تلاش کرنا
- تجارتی نرخوں پر ٹائٹ گیس کی پیداوار کے لیے ٹیکنالوجی کی جدت طرازیوں کو جاری رکھنا
- عالمی سطح پر دستیاب ٹیکنالوجیز کے ذریعے پاکستان میں شیل (shale) گیس / تیل کے امکانات اور تجزیے کے لیے دریافت اور تشخیص کرنا

کاروباری تنوع

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

سال کے دوران اہم کامیابیاں

- پی پی ایل نے پیداوار میں 815 MMscfde کا اضافہ ریکارڈ کیا حالانکہ زیادہ تر پیداوار پختہ اثاثوں سے آتی ہے۔ قدرتی کمی کو پیداواری بہتری کی کوششوں کے ذریعے کم کیا گیا، جو کندھ کوٹ سے آف ٹیک میں اضافے سے بڑھی۔

- سال کے دوران، پی پی ایل نے چار (4) دریافتوں کا اعلان کیا۔ ایک (1) پی پی ایل آپریٹڈ، شاہ پور چاکر نارتھ X-1 (گمبٹ ساؤتھ) میں اور دیگر تین (3) پارٹنر آپریٹڈ علاقوں: توتک ویسٹ-2 (ٹل) میں شنواری۔ ساناسک اور لوکھارٹ فارمیشنز اور (کیرتھر) میں ریان-1۔

- ریکوڈک پروجیکٹ میں داخل ہونے کے لیے ٹرانزیکشن دسمبر 2022 میں بند کر دی گئی تھی جس کی وجہ سے پی پی ایل نے پی ایم پی ایل کے ذریعے ریکوڈک پروجیکٹ میں بالواسطہ 8.33 منافع حاصل کیا جو پبلک سیکٹر ای اینڈ پی (E&P) کمپنیوں یعنی PPL، OGDCL اور GHPL کا کنسورشیم ہے۔

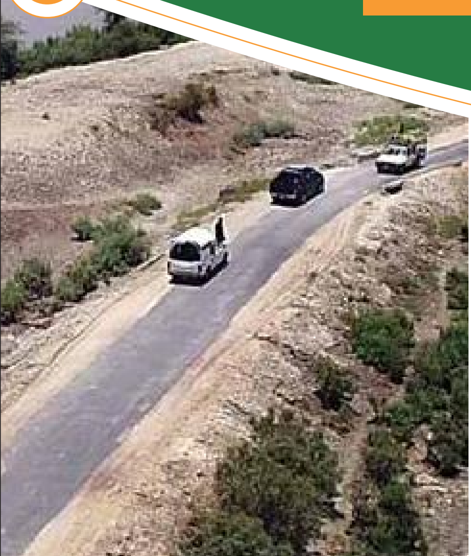
- کمپنی کی تاریخ میں اب تک کا سب سے زیادہ منافع ریکارڈ کیا گیا۔

- پی پی ایل نے بولی کے راؤنڈ میں چار (4) بلاکس جیتے۔ ایک بلاک کو آپریٹر کے طور پر دیا گیا جب کہ دیگر تین (3) کو بطور پارٹنر حاصل کیا گیا۔

- بی ایم ای نے اب تک کا سب سے زیادہ فروخت آمدن 1.8 ارب روپے (پی پی ایل کا خالص شیئر) ریکارڈ کیا ہے۔

- پی پی ایل نے آپریٹڈ اور پارٹنر آپریٹڈ علاقوں میں تین (3) دریافتی کنوؤں اور پانچ (5) پیداواری کنوؤں کی کھدائی کی۔

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

Corporate Philanthropy

As a socially responsible corporation, PPL actively contributes financial support to worthwhile initiatives led by reputable development organizations from both the public and private sectors. These initiatives aim to enhance education, healthcare, skill development, alternative energy projects, and the promotion of sports and cultural activities nationwide. In the past year, the company allocated a total of Rs 60 million towards these charitable endeavors throughout the country.

National-cause Donations

In 2022, torrential rains and floods wreaked havoc in the regions of Sindh, eastern Balochistan, and southern Punjab, resulting in the tragic loss of lives and severe suffering for over 33 million people.

In a swift response to strengthen national disaster management efforts, PPL promptly extended financial support to the Provincial Disaster Management Authorities in Balochistan, Punjab, and Sindh. The contributions amounted to Rs. 25 million, Rs. 15 million, and Rs. 15 million, respectively. Additionally, the company provided food bags and essential relief items, including tents, to the communities affected by the rain and floods in Sindh and Balochistan, particularly those in proximity to our production fields.

Standing with our Communities in Hard Times

Since 2020, there has been an unprecedented global rise in inflation, leading to a continuous surge in the costs of food, medicines, and everyday essentials both internationally and in Pakistan. This surge has imposed significant hardship on our already economically challenged local communities.

In response to this pressing need, the PPL Board of Directors approved an allocation of Rs 100 million to provide essential food items in-kind to 13,000 households. These beneficiaries reside in our operational areas, including Sui, Kandhkot, Shahdadpur, Gujar Khan, Jand, Kambar, Kalat, and more.

Additionally, PPL is engaged in pursuing the UN Sustainable Development Goals (SDGs), the progress of which is regularly documented in its monthly Progress magazine. Throughout the year, PPL has been committed to advancing sustainability efforts with a focus on enhancing access to quality education, improving healthcare services, providing vocational training and skill development opportunities to create jobs, ensuring access to clean drinking water, managing water resources, upgrading infrastructure, and supporting humanitarian causes.

Clean Water & Water Resource Management

This year the Company continued its supply of potable water to Sui town, District Dera Bugti from Khewali pumping station at Guddu. Besides, PPL continued supply of potable water to District Kambar-Shahdadkot and installed filtration plants at various places in district Sanghar.

Additionally, the Company laid water supply lines in multiple villages in district Sanghar. PPL also constructed water supply scheme in district Sujawal and district Kalat. The Company also completed solar powered water supply schemes in Chachar, district Kashmore, district Jamshoro, and district Hub.

Education

Education is one of the most important aspects of human development while quality is most important dimension of any education. The Company:

- Continued to operate Sui Model School & Girls College, Dera Bugti, benefitting over 3,000 local students including over 100 female students at girls college.
- Extended financial support for operations of Virtual University campus at Sui town, district Dera Bugti, whereas 5 students were awarded scholarship for the degree program.
- Financially supported three PPL-TCF Primary and one secondary schools at Kandhkot, Sindh, benefitting over 784 students and an e-learning facility at Sui Model School & Girls College, Sui.
- Provided teachers at two Government primary schools near Mazarani Field, district Kambar Shahdadkot.
- Provided transport facility to students at FC Public School, FG Public High School and Taleem Foundation school at Sui town.
- Provided school bags to 3,000 students at government schools near Adhi, Hala and Gambat South fields.
- Provided furniture to 3 government schools located in Sujawal and Naushahro Feroz.
- Sponsored upgradation of computer laboratory at Kashmir Education Foundation campus.
- Sponsored establishment of Center of Excellence for Research, Development and Training at University of Engineering and Technology (UET), Lahore.

In addition, PPL executed 28 educational infrastructure programs, including construction and rehabilitation of classrooms, boundary walls, science laboratories, academic blocks, school buildings, hostels, halls and provision of science laboratory equipment and library books.

PPL Scholarships Schemes

In order to encourage students of our operational areas to pursue quality education, PPL has initiated various scholarship schemes, as under:

- Higher professional education scholarships were awarded to 189 students belonging to districts of Dera Bugti, Kashmore, Kambar-Shahdadkot, Sanghar, Matiari, Chakwal, Rawalpindi and Attock. During the year, 48 new students were awarded the scholarships.
- 4-Year scholarships from grade 9 to 12 were awarded to 117 students belonging to Balochistan.
- Local scholarship scheme to 100 students of Sui town was provided to study at FC Public School & College, Sui, while 2 female alumni of Sui Model School & Girls College were awarded scholarships to study medicine.
- City & Guilds diploma scholarships at The Hunnar Foundation were awarded to 11 youth from district Matiari.
- Sponsored 25 students at 6-month IT / e-skill training programme.

Good Health and Well-being

PPL strives to establish and strengthen healthcare system so that its host communities get good quality healthcare facilities in a timely, affordable and accessible manner. The Company provided following medical services during the year:

- Operations of PPL Public Welfare Hospital at Sui were financially sponsored which benefited over 135,000 local patients during the year.
- Benefitted over 126,000 local patients through regular operations of mobile medical dispensaries near Kandhkot, Mazarani, Gambat South, Hala and Dhok Sultan fields.
- Patients of Sui town were provided free of cost consultation, treatment and medicine at Sui field hospital.
- Benefited over 12,000 local patients through operations of dispensary at Mastala, near Adhi Field.
- Held 12 free surgical eye camps at Sui, Kandhkot, Kambar, Shahdadpur, Adhi and Dhok Sultan benefitting 25,000 patients and carried out 1,332 cataract surgeries.
- Held ENT camps for students at villages of Adhi, Dhong, Narali and Naban Janjua, near Adhi Field.
- Contributed financial support for operations of Dr. Ruth Pfau MALC Healthcare Centre Kandhkot.
- Executed 4 other healthcare programs which included provision of furniture & equipment to maternity home, rehabilitation of operation theatre and providing financial support for purchase of ambulance and rehabilitation of tertiary care library at Jinnah Postgraduate Medical Centre, Karachi.

Rural Development Program through Vocational & Skill Development

PPL envisages rural development activities as a process aimed to enhance the income generation and livelihood opportunities of our communities through skill development and technical educational. In this regard, following initiatives were taken by the Company:

- Contributed financial support for operations of Vocational Training Institute at Sui, which is benefitting 100 students in trades of dress making, mobile repairing and electrician.
- Contributed financial support for operations of Computer Training Centre and Public Library at Sui.
- Support to Abdul Salam Thaheem Polytechnic Institute, Shahdadpur.
- Contributed financial support towards establishment of Women Vocational Training Center at Okara, to be operated by Behbud Association of Pakistan.

Environment & Clean Energy

PPL strongly believes in protection, conservation and betterment of environment. Therefore, apart from following best HSE standards in our operations, it has also integrated betterment of environment and usage of clean energy in our CSR Program. One such example is to power 31 RO filtration plants installed at Districts Sanghar, Jamshoro, Hub and Kashmore with solar energy, besides installing solar power systems at ten schools at District Sujawal and planting 828 trees at villages near Adhi Field.

Gas to Sui Town

PPL continues to supply free of cost natural gas to Sui town which is among the heavily populous town in the region.

Support to Children with Special Needs

We, at PPL, believe that Children with special needs play an important role in our society if provided with inclusive education or trainings to support their needs. Therefore, the Company awarded 30 educational scholarships to special children of Sanghar and Matiari and financially supported provision of vocational training at Lahore Business Association for Rehabilitation of the Disabled (LABARD), Lahore and provided wheel-chairs to 100 persons at Dawood Global Foundation.

Recognition

The Company's CSR contributions have been recognized by Pakistan Centre for Philanthropy (PCP), an organization working to promote and record philanthropy and corporate giving in Pakistan through its annual philanthropic research surveys. In the surveys carried out for the financial years 2020-21 and 2021-22, PPL was declared as one of the largest corporate givers of Pakistan by volume of donations for the eighteenth consecutive year since 2004.

Future Plan

PPL will continue to work for development of its communities and areas under its robust CSR program. The plan is to lead by continuing to look for greater innovation, creativity, deliverability and sustainability in our CSR projects. This approach aims to create a better and brighter future for all the stakeholders.

QUALITY, HEALTH, SAFETY & ENVIRONMENT

Environmental Compliance Management

PPL is committed to continually improving environmental performance and preventing pollution by implementing strategies to minimize environmental impacts, managing wastes, opting green practices and energy conservation practices. The Company undertakes the requisite environmental studies (IEEs & EIAs) prior to initiation of seismic, drilling & development projects in compliance with the prevailing provincial environmental regulations. During 2022-23, a total of 14-IEE NOCs were acquired from provincial Environmental Protection Agencies of all provinces.

An Independent Monitoring Consultant (IMC) was deployed at drilling, seismic and development project sites on need basis to verify the compliance status against Environmental Management Plans (EMPs) of respective IEE / EIA Reports and the conditions laid out in the NOCs.

Environmental audits of PPL's operated fields, exploration and drilling sites is another initiative which is featured in annual audit plan to identify environmental risks and maintain compliance with environmental regulations.

QHSE Automation

PPL adopted digital QHSE platform from renowned solution provided by M/s Velocity EHS for different QHSE processes. Incident reporting & investigation, audit & inspections, risk assessment & management, Management of Change (MoC) and Sustainability Reporting (SR) modules were implemented after trainings of end users. Recently launched SR module provides tracking of GHG (Green House Gas), ODS (Ozone Depleting Substances), water management, waste management and energy consumption in line with GRI sustainability reporting standards and API Compendium. Data analysis was also initiated at fields to extract areas of opportunities as part of continual improvement.

Process Safety Management (PSM)

Theme based Process Safety Management (PSM) audit was conducted at Hala Field during 2022-23. Objective of that audit was to ensure effectiveness of protective layers and strengthen pathway towards achieving high PSM standards within the Company.

Various Process Hazards Analysis (PHAs) techniques were adopted at the plants for evaluating process safety risks. For process risk identification, HAZOP (Hazard & Operability Study) & HAZID (Hazard Identification) were recorded for various projects and modification activities during the reporting period.

Mechanical Integrity / Technical Inspections

Inspections of stationary equipment (piping & pipelines, pressure vessels, storage tanks) through independent inspection companies was carried out. The international standards e.g., API, ASME & NACE and industry best practices are followed along-with adaptation of latest inspection techniques and engaging qualified inspection resources.

Testing of well safety system also holds priority at PPL and is carried out at defined intervals to ensure proper functioning and reliability assurance. Inspection and certification of lifting gears including cranes also remained a customary feature of integrity management at PPL to ensure safe ground operations.

Road Transport Safety

Road accidents are the leading cause of fatalities in oil and gas operations across the globe. During reporting period, road transport safety audit was conducted for the first time at Dhok Sultan Oil Handling Facility (OHF). Detailed findings and gaps against PPL Road Transport Safety Management System (RTMS) was highlighted for action planning and close out of identified actions.

Occupational Health Assessment

Key features of Occupational Health (OH) are well implemented at field and locations. This includes fitness to task, risk assessment, periodic surveillance, diseases analysis, kitchen and food hygiene, first aid, ergonomics, drug abuse, and fumigations. A number of trainings and awareness sessions from prominent medical consultants and trainers were carried out during reporting period for enhancing awareness of staff. These sessions were focused on oral care, heart disease, joint pain and dengue fever.

QHSE Certifications & Trainings

PPL Fields / Depts. sustained ISO certifications of ISO 9001, 14001 & 45001 through ISO accredited certification agency.

QHSE trainings on QHSE awareness and multiple sessions on "IMS Internal Auditor" course were carried out. Incident Investigation & Root Cause Analysis training session was also conducted for selected Staff through external trainer.

QHSE Campaigns

Employees' engagement is ensured through celebrations of QHSE week, PSM/Energy conservation campaigns. World occupational health and world environment day were also observed at all fields to reinforce individual's responsibility of QHSE and enhance awareness for inculcating culture.

QHSE Recognitions

QHSE recognitions schemes were initiated at fields on accomplishment of millions safe man-hours. 15 Million and 10 Million Safe Man Hours were completed respectively by drilling & well completion engineering (DCE) and Sui gas field during the reporting period.

Green Initiatives

Awareness of staff is being enhanced for considering the "Green Initiatives" in operational activities. Reduction in waste generation / paper consumption and judicious use of energy is being persuaded through company wide safety talks. Tree plantation at regular intervals is also carried out at the fields to put our share in Government's initiative for "Green Pakistan Project".

RISKS AND OPPORTUNITIES REPORT

Key Risks Faced by PPL

The following is a brief account of key risks faced by the Company, along with an assessment of the likelihood that the risk will materialize, the possible magnitude of the risks, mitigations during 2022-23, strategy to contain their impact within the Company's risk appetite and the capital that would be impacted if the risk materializes.

CAPITALS - Legend

Financial	Intellectual	Natural	Human	Manufactured	Social & Relationship

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
Strategic Risks	INTERNAL			
	• Inadequate or unsuccessful exploration activities	• Failure in maintaining the target Reserves Replacement Ratio	• Exploration acreage expansion through participation in domestic bid rounds while sharing costs and risks with reputable partners. Successfully acquired four blocks in the bid round with OGDCL and MPCL (one as Operator and three as JV Partner).	
	• Delay in monetization of discoveries	• Impaired economic value	• Internal operations are being optimized to ensure earliest commercialization of discoveries.	
	EXTERNAL			
	• Limited domestic exploration potential and lack of quality blocks in bidding rounds	• Failure in maintaining the target Reserves Replacement Ratio	• International opportunities, such as participation in bid rounds and farm-ins, are under screening / evaluation for geographical portfolio balancing.	
	• Fast emerging new technologies and trends that may gradually replace the use of fossil fuels or any other event that may lead to diminishing revenues from core business	• Lower revenues from core business in the long run due to reduced prices of oil and gas These risks have moderate to high likelihood.	• Diversification opportunities, particularly in the Minerals sector, are being pursued with the aim to increase revenue percentage of diversified income streams. PPL has submitted a proposal for JV formulation with BMRL for EL-200 (Khuzdar BLZ). Gunga BLZ project is in progress while for Nokkundi Iron Ore project, mine development and feasibility study are in progress. Definitive Agreements, Legalization & Judicial Process were completed for the reconstituted Reko Diq Copper & Gold mining project.	
Financial & Commercial Risks	EXTERNAL			
	• Delays in settlement of Company's dues by its customers, due to circular debt issues	• Deteriorating circular debt affects the Company's ability to add desirable economic value for the shareholders	• Intensive cash collection efforts continued through high-level engagement with all stakeholders.	
	• Amendment in Petroleum Policy 2012 resulting in retrospective imposition of Windfall Levy on Oil (WLO) in Tal Block	• Additional cash outflows for payment of WLO retrospectively	• Imposition of WLO is being challenged in the Court of law, and management is confident of a favorable outcome.	
	• Exchange Rate volatility Risk	• Exchange rate affects the levies and costs by a larger proportion as compared to the realized revenues.	• Crude oil price remained higher during the year while PKR exchange rate vs USD witnessed significant depreciation. Although, crude oil price and PKR devaluation has a net positive effect on the Company's profits, the impact on net cashflows may not be immediately positive as the collections are not increased timely viz-a-viz the increase in taxes and costs.	
	• Crude oil price volatility	• Crude oil price volatility affects profitability and budgeted cashflows of the Company These risks have a high likelihood except the potential WLO.		

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
Operational Risks	INTERNAL • Production decline from old mature fields due to natural depletion • High operating costs of depleting fields EXTERNAL • Low customer offtakes from Kandhkot field • Expiry of producing fields' leases prior to economic cut off • Reserves migration in producing fields across lease boundaries	• Failure in achieving production targets and project value erosion • High economic cutoff, thereby reducing ultimate recoveries from mature fields • Delayed revenues and high OPEX per BOE • Lost production of remaining hydrocarbon potential of the fields • Accelerated depletion of PPL fields, and loss of economic value These risks have moderate to high likelihood.	• Sui Compression Revamp Project is in progress to help arrest field production decline and optimize reserves recovery. Development drilling continued in producing wells to optimize production. 1 development well was drilled in Sui, 2 in Adhi and 2 development wells were drilled in Partner Operated areas resulting in production enhancement. • Costs are being optimized at mature fields, wherever possible. • Customer offtakes from Kandhkot field have significantly improved since April 2022. However, the offtakes have again declined substantially after the year-end. • Government is engaged and being followed up for grant / renewal of D&PL lease for Sui. • D&P lease has been granted to Kandhkot field for the next 15 years till 2037 • Reserves migration studies and engagement of stakeholders/legal counsel for settlement of reserves migration issues and optimizing production strategies.	
Regulatory & Compliance Risks	INTERNAL • Non-compliance with applicable laws, rules, regulations, procedures, and policies resulting in inquiries, penalties, legal actions, or reputational damage etc. EXTERNAL • Delay in requisite approvals from the Government for allocation of oil and gas from new discoveries	• Penalties leading to suspension of licenses or regulatory approvals in extreme cases • Inquiries by Agencies • Reputational damage • Opportunity and time losses for the Company These risks have low to moderate likelihood.	• All departments are required to ensure compliance with applicable laws and procedures. Review mechanisms are in place to identify instances of non-compliance, if any. • Regulatory authorities are being engaged and regularly followed up for grant of NOCs required for carrying out work program.	
Environment, Safety & Security Risks	INTERNAL • Major accidents due to human error or system failure • Spills or release of toxic waste into environment	• Injuries, fatalities, disruption of operations and associated losses • Damage to the environment leading to punitive actions by regulatory authorities and reputation damage	• An unfortunate contractor's fatality occurred at West Wharf, Karachi whereby a security guard lost his life when slipped from metallic ladder of a security check post. Investigation was carried out and mitigations implemented. • No major environmental incidents occurred during the year.	

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance	Capitals Impacted
Environment, Safety & Security Risks	EXTERNAL • Security incidents at locations • Bio-security threats, such as COVID-19 pandemic	• Disruption in exploration and production operations • Fatalities These risks have low to moderate likelihood.	• Maintained continuous liaison with law enforcement / intelligence agencies and improved security infrastructure at well sites. • No fatality occurred resulting from pandemic during this year. Compliance with biosecurity protocols is being observed, wherever and whenever required. • Insurance coverage for sabotage/terrorism	
Technology Risks	EXTERNAL • Cybersecurity breach of digital IT & Operational Technology (OT) systems	• Loss or misuse of data or sensitive information, business / production disruption These risks have low likelihood.	• No IT or OT Cybersecurity breach occurred during the year. IT vulnerability assessment and penetration testing is performed on annual basis. Assessments and safeguard enhancements for OT cybersecurity carried out at multiple facilities.	
Reputation Risks	EXTERNAL • Negative Publicity / media coverage resulting in damage to the Company's reputation	• Loss of confidence of stakeholders This risk has low to moderate likelihood.	• The Company proactively engages with all stakeholders and makes every effort to avoid any incident which can put its image in a negative perspective.	
Supply Chain Risks particularly arising from ESG incidents	EXTERNAL • Natural events and environmental disasters, such as floods, earthquakes, etc., that may or may not be related to the global climate change • Macro-economic trends, such as delays in opening of LCs due to Forex issues • Geopolitical events, such as war, political instability, etc. that may disrupt global supply chain • Societal or communal disturbances	• Supply chain disruptions • Reputational damage • Disruption in operations • Effect on Country's energy security These risks have low to high likelihood.	• The Company diversifies its sources to reduce single-supplier dependencies and focuses on establishing sustainable and local sourcing mechanisms for reducing the risks associated with long-distance supply chains. • Company carries out regular supplier risk assessment and evaluation. This includes geopolitical risk assessments for anticipating potential issues and making proactive decisions. • Pro-active monitoring of societal disturbances is carried out in each of the fields.	

KEY OPPORTUNITIES

All business development opportunities are screened and evaluated through investment value assurance processes for potential value creation.

Diversification is also a part of growth strategy of the Company for balancing risks & rewards and creating additional revenue streams. Following is a brief account of some of the business expansion opportunities:

Core Business

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

Diversification

- PPL has the opportunity to diversify into minerals segment as it already has presence through BME. In the current year, PPL has also entered into a definitive agreements to venture into the reconstituted Reko Diq copper and gold mining project, being operated by Barrick Gold Corporation.
- The Company has also entered into a Memorandum of Understanding with Pakistan State Oil for cooperation, collaboration and a joint investment strategy for setting up a greenfield refinery project under a consortium agreement.
- Investment opportunities in energy segments incentivized by the Government, such as power generation from renewable sources, could be explored.

STAKEHOLDERS' ENGAGEMENT

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

Shareholders

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

Regulators

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

Employees

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

Local Communities

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

Financial Institutions

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

Customers/ Suppliers

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

Analysts/Media

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

Joint Venture Partners

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

Needs and Interests of Key Stakeholders

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

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

PPL receiving 1st prize in Digital Technology Awards hosted by ICAP

Forward Looking Statement

PPL's growth strategy is designed to anchor itself as a key player in bolstering Pakistan's energy security while simultaneously maximizing value for stakeholders. This involves consolidating our critical upstream stakes, both domestically and internationally, delving into new basins through joint ventures, expanding into value-added segments along the energy value chain, and branching into minerals and renewables to ensure a stable flow of revenue and cash.

In our pursuit of this vision, we are also venturing into high-risk, high-reward, frontier basins to uncover hydrocarbon resources. Our efforts are centered on blocks such as Kalat, Margand, Baska, Sirani, Sorah, and Musakhel, where prospects hold the potential to reshape our reserves base. PPL is geared up to employ extensive 2D seismic campaigns and targeted 3D seismic data acquisition in the Margand, Musakhel, Suleiman, Kuhan and Pezu blocks to evaluate the potential and prospects of these areas. Furthermore, our drilling plans are well underway for exploration wells in Kalat, Hala, Shah Bandar, and Baska blocks, which, if successful, will enhance our value proposition.

Internationally, PPL led consortium (PIOL), is spearheading exploration and appraisal activities in the Abu Dhabi's offshore Block 5, with plan to commence drilling the first well in the coming fiscal year 2023-24. Moreover, PPL is actively pursuing other international ventures as per its risk appetite to expand its footprint beyond national boundaries.

Diversification remains at the core of our strategy, as evidenced by our involvement in the Baryte, Lead and Zinc (BLZ) project. Additionally, PPL has signed definitive agreements with respect to State Owned Enterprises participation in the Reconstituted Reko Diq Project, one of the world's largest undeveloped Copper and Gold deposits in Balochistan. The growth potential of these ventures holds the promise of substantial returns in the years ahead. PPL is also exploring other farm-in opportunities in the mining sector. Furthermore, discussions are currently in progress in respect of the interest expressed by a potential investor in the equity stake of PMPL in the Reko Diq project. However, nothing has been materialized yet.

While growth and expansion are pivotal, we remain committed to sustaining production from our existing fields. The optimization of production from aging fields is integral to our strategy. This involves a range of activities, including well workovers and intervention jobs, all of which are part of our next fiscal year plan. For fields such as Adhi, Kandhkot, and Hala, we are gearing up for development wells that will limit the natural decline in production from these vintage fields. Recent accomplishments, such as the commissioning of a compression facility in Maramzai field and ongoing compression projects in Sui, Gambat South and Kirthar, reflect our dedication to maximizing production potential.

Effect of External Environment on Company's Business

Currently, Pakistan is facing high interest rates, rising inflation, oil prices and rapidly devaluing currency, all of which have a direct impact on aggravating current account deficit of the Country. The rising inflationary pressure in the international market on the back of Russia-Ukraine war has adversely impacted the achievement of Country's economic targets. It is also worth mentioning that the Company's revenues and majority of the costs are USD denominated, therefore, rising oil prices and devaluing currency has a net positive impact on the Company's bottom-line. However, the impact on cash flows is not proportional due to circular debt and levies which are paid on accrual basis. Political stability to maintain conducive economic environment in the country is essential and will enable the continuity of economics policies and strategic direction, especially the resolution of circular debt.

On the social front, being a responsible corporate citizen, the Company will continue its efforts for underprivileged section of communities, bridging developmental gaps in the key areas of healthcare, education, skill development etc. We are also determined to protect the environment in which we operate through strict compliance and monitoring of environmental regulations. The Company is also making efforts to have presence in low-carbon opportunities including renewables.

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

As disclosed last year, the Company was able to complete 2D and 3D seismic acquisitions in Kharan East, Nausherwani, Punjab, Sorah, and Hisal blocks, whereas 2D seismic acquisition is ongoing and at advance stage at Margand, Musakhel and Suleiman blocks. These seismic acquisitions will help in evaluation of prospective areas for future drilling plan.

In addition, out of the four planned wells, the Company drilled one exploration well in Gambat South block and it was declared as a discovery well. Remaining exploration wells were deferred to the next fiscal year. Moreover, three discoveries were made in partner operated areas with two discoveries in Tal block and one discovery in Kirthar block.

Furthermore, to maintain production plateau from existing fields and to arrest natural decline, three development wells were drilled in operated areas including one well in Sui block and two wells in Adhi block. Two development wells in Adhi were deferred to the next fiscal year. Two development wells were drilled in partner operated area (each in Latif and Kirthar blocks). Additionally, commissioning of GPF-IV compression project at Gambat South field is planned in FY 2023-24, whereas SML compression project at Sui field is in advance stages.

Internationally, the Company-led consortium (PIOL) is advancing towards its first well in offshore Block 5 in Abu Dhabi. This block has the potential to give a steady stream of USD denominated cashflows to all the consortium partners in medium term.

On diversification front, the Company along with the consortium partners including OGDCL and GHPL, entered into definitive agreements on December 15, 2022, leading to investment in one of the world's largest copper-gold mining projects at Reko Diq which will be operated by Barrick Gold Corporation of Canada. This involved rigorous legalization process that led to the approvals by the Supreme Court of Pakistan, Federal and Provincial parliaments.

Sources of Information and Assumptions used for projections / forecasts

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

Responding to challenges and uncertainties

The Company has robust operational processes and thorough risk management procedures to handle uncertainties. Detailed contingency planning at the fields is ensured to minimize the impact of disruptions. The Company's fields have also obtained various ISO certifications to improve the operating standards. Strict compliance of Quality, Health, Safety and Environmental procedures is also ensured.

Impact of policies of Government of Pakistan

PPL is majorly owned by the Government of Pakistan (GoP) and being a state-owned enterprise in Oil & Gas sector, some of the directors on the Company's board are appointed by GoP. These directors represent the perspective of the majority shareholder.

Matters included in the Integrated Report

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

Legislative and Regulatory environment affecting the Company

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

Political environment affecting the Company

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

Significant changes in environment affecting the Company from prior years

The Russia-Ukraine war has inflicted a global energy crisis driving the costs upwards. Pakistan being net importer in the energy value chain has been significantly affected due to the rising costs of oil and LNG that has resulted in a significant dent to its balance of payments resulting in devaluation of PKR against major international currencies. PKR devaluation, coupled with rising oil prices had a significant, net-positive impact on the Company's revenues from last year. The impact on cash is not proportionate due to the circular debt issue coupled with payment of levies and taxes on incurred basis. Furthermore, 4% super tax that was introduced through Finance Act 2022 has been increased to 10% through Finance Act 2023 which had a significant impact on the bottom line of the Company.

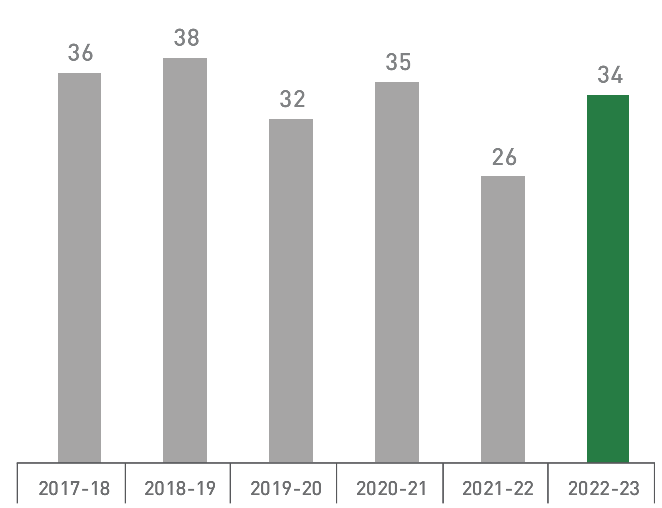
Effect of seasonality on business

Seasonality has no significant impact on the production or sales of the Company since our products are mainly commodities and are produced throughout the year at capacity.

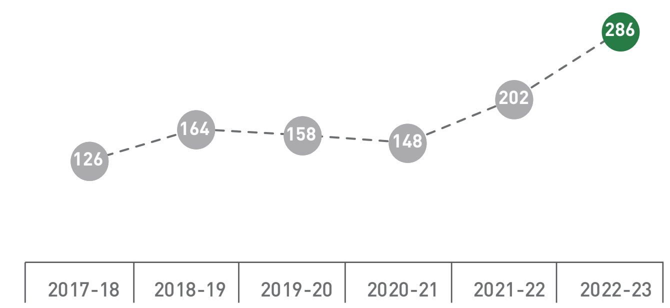
SIX YEARS' SUMMARY

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Financial Performance							
Profitability							
EBITDA Margin to sales [1]	%	63	62	60	59	59	66
Operating Leverage	%	399	88	294	45	118	163
Pre tax Margin	%	50	49	45	46	49	58
Net profit to sales	%	36	38	32	35	26	34
Gross Profit ratio	%	59	61	58	58	65	67
Return on Equity	%	19	21	15	13	12	18
Return on Capital Employed	%	21	22	17	15	20	27
Operating Performance / Liquidity							
Total assets turnover [10]	times	0.38	0.42	0.34	0.29	0.35	0.40
Fixed assets turnover	times	0.86	1.04	0.99	0.97	1.42	2.09
Debtor turnover [10]	times	1.12	0.95	0.69	0.61	0.64	0.63
Debtor turnover [10]	days	326	385	529	601	571	576
Current ratio [9&10]	ratio	3.16	3.99	4.03	4.42	3.57	3.35
Quick ratio [9&10]	ratio	3.09	3.95	3.98	4.36	3.52	3.31
Cash to Current Liabilities [10]	times	0.43	0.39	0.24	0.81	0.26	0.27
Cash flow from Operations to Sales	times	0.31	0.26	0.19	0.36	0.20	0.05
Creditors turnover [2]	times	-	-	-	-	-	-
Creditors turnover [2]	days	-	-	-	-	-	-
Inventory turnover [2]	times	-	-	-	-	-	-
Operating Cycle [2]	days	-	-	-	-	-	-
Capital Market / Capital Structure Analysis							
Market value per share as at June 30	Rs	214.90	144.43	86.78	86.83	67.51	59.14
- Low during the year	Rs	143.00	143.00	68.65	76.85	64.22	51.05
- High during the year	Rs	224.50	220.15	154.49	106.05	90.00	83.84
Breakup value per share	Rs	121.92	131.69	126.65	143.53	159.82	198.73
Basic and Diluted EPS [3&6]	Rs	23.17	27.18	18.47	19.27	19.68	35.99
Basic and Diluted EPS - Restated [3&6]	Rs	16.79	22.65	18.47	19.27	19.68	35.99
Price earning ratio [7]	ratio	9.27	5.31	4.70	4.51	3.43	1.64
Cash Dividend Yield	%	2.56	1.38	1.15	4.03	2.96	4.23
Cash Dividend Cover Ratio	times	4.21	13.59	18.47	5.51	9.84	14.40
Price to Book Ratio	times	1.76	1.10	0.69	0.60	0.42	0.30
Debt Equity Ratio [4]	ratio	-	-	-	-	-	-
Weighted average cost of debt [4]	%	-	-	-	-	-	-
Interest Cover Ratio [4]	ratio	-	-	-	-	-	-
Financial Leverage Ratio [4]	ratio	-	-	-	-	-	-
Employee Productivity Ratios							
Production per employee	MMscfde	0.35	0.35	0.32	0.32	0.31	0.32
Revenue per employee	Rs million	44.7	58.8	57.7	55.9	77.4	112.97
Staff turnover ratio	%	0.6	1.3	1.2	0.5	0.8	1.1
Summary of Statement of Profit or loss		----------------------------Rs Million------------------------------					
Sales - Gross (including Govt. levies)		145,723	189,010	183,850	172,507	235,240	327,050
Sales - Net (excluding Govt. levies)		126,210	163,890	157,593	148,429	202,199	286,480
Profit before Tax		63,436	79,931	70,485	68,582	98,131	165,601
Profit after Tax		45,688	61,632	50,256	52,431	53,546	97,937
EBITDA [1]		80,094	101,487	95,047	87,847	120,223	188,633

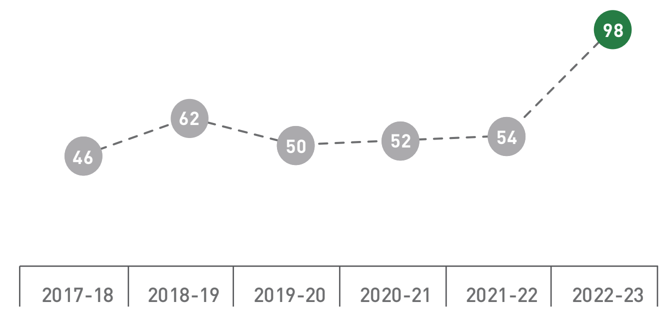
Net Profit to Sales (%)



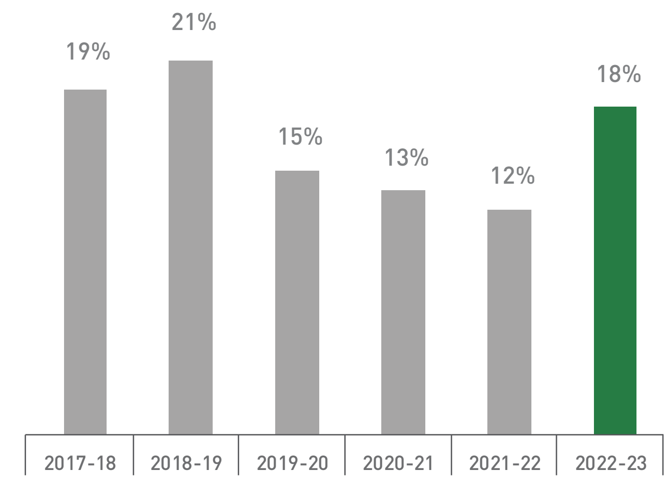
Net Sales (Rs Billion)



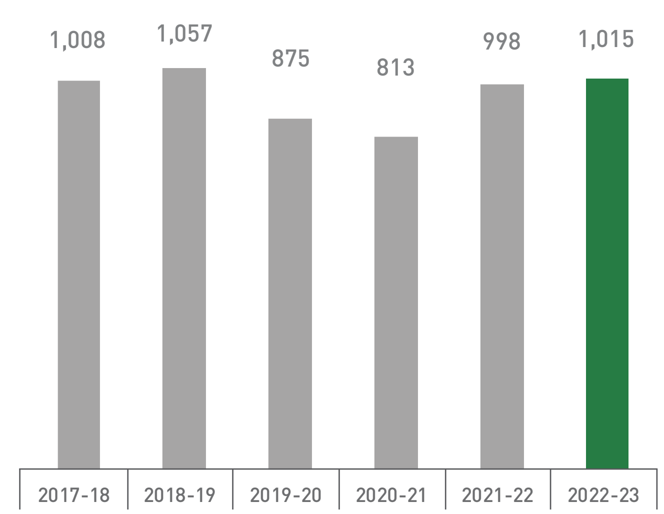
Profit after Tax (Rs Billion)



Return on Equity (%)



MMSCFDre



Analysis

This year, the profit after tax has shown sharp increase of over PKR 44 billion when compared to last year despite payment of super tax. This is mainly owed to sizable increase in sales revenue of PKR 84 billion. Rise in sales revenue is largely attributable to favorable exchange rate variance which went up by more than 39% on average over the year. This impact was further augmented by positive reference oil price variance.

Impact of higher net profit has also translated into higher net profit margin. This is largely attributed to lower exploration and administrative expenses during the year, combined with controlled increase in operating expenses. ROE also witnessed an increase this year due to significantly higher profits.

The metric, MMSCFDre, represents revenues from natural gas and other products including crude oil, LPG, and minerals in terms of volume of natural gas revenue equivalent, i.e. the volume of gas which would have generated the same revenue as that of all commodities combined in any given year. The revenue equivalent of previous years has been normalized using the gas well-head price of the current year. The increase in the equivalent volume in year 2022-23 is primarily because of the increase in Kandhkot's gas volumes.

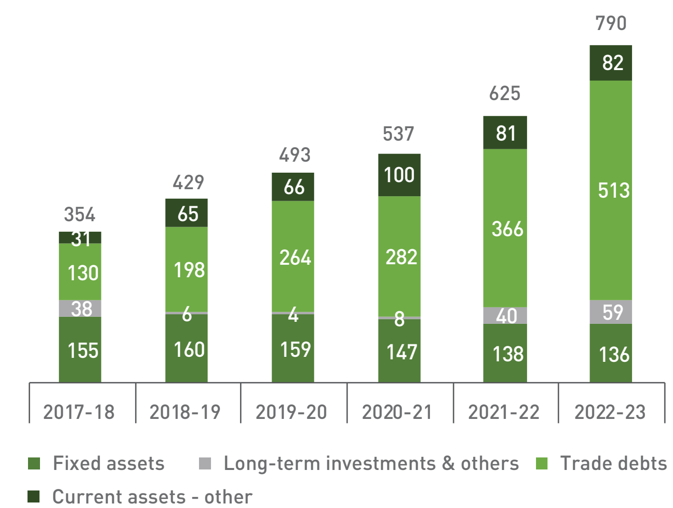
SIX YEARS' SUMMARY

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Corporate Distribution							
Dividend - Interim	Rs million	7,887	-	-	4,081	4,081	2,721
- Final	Rs million	2,958	4,535	2,721	5,442	1,360	4,081
Cash Dividend per share [5]	(Rs)	5.50	2.00	1.00	3.50	2.00	2.50
Cash Dividend Payout Ratio [5 & 7]	(%)	23.74	7.36	5.41	18.16	10.16	6.95
Bonus [5]	Rs million	2,958	4,535	-	-	-	-
Bonus Issue [5 & 8]	(%)	15	20	-	-	-	-
Summary of Statement of Financial Position		--------------------------Rs Million------------------------------					
Share Capital		19,717	22,675	27,210	27,210	27,210	27,210
Reserves		220,675	275,934	317,388	363,318	407,665	513,538
Shareholders' funds		240,392	298,609	344,598	390,528	434,875	540,747
Non - Current Liabilities		62,835	64,744	67,011	59,841	64,759	71,605
Current Assets [9 & 10]		161,356	262,544	330,790	382,035	446,840	594,749
Current Liabilities [10]		51,042	65,732	82,068	86,515	125,312	177,758
Property, Plant & Equipment		154,703	159,842	158,659	146,584	137,840	135,860
Fixed Assets		155,123	160,323	158,997	146,795	137,953	135,916
Long-Term Investments [9]		37,691	6,093	3,798	7,992	5,976	59,367
Stores and Spares		3,528	3,147	4,061	4,568	5,496	5,929
Trade Debts [10]		129,584	198,177	263,927	282,285	365,792	513,033
Short-term investments [9]		14,073	47,435	51,411	85,012	66,407	62,105
Cash and bank balances		7,715	8,022	5,160	4,243	3,723	6,106
Summary of Statement of Cashflows [9]							
Cash and Cash equivalents at the beginning of the year		42,574	35,258	25,719	19,726	69,910	32,930
Net Cash generated from operating activities		39,569	42,082	30,322	53,546	41,242	13,096
Net Cash generated from/(used in) investing activities		(40,496)	(48,558)	(31,729)	3,238	(69,124)	5,946
Net Cash used in financing activities		(19,860)	(3,063)	(4,586)	(6,600)	(9,098)	(4,215)
Net change in cash and cash equivalents		(20,787)	(9,539)	(5,993)	50,184	(36,980)	14,827
Cash and Cash equivalents at the end of the year		21,787	25,719	19,726	69,910	32,930	47,757
Free Cash Flows		6,194	1,341	5,927	43,418	(14,647)	677
Others							
Payments to Government Exchequer	Rs million	67,751	64,838	60,297	72,975	94,569	129,392
Market Capitalisation	Rs million	423,722	327,492	236,126	236,262	183,693	160,918
Spares Inventory as a % of Net Book Value of PPE	%	2.28	1.97	2.56	3.12	3.99	4.36
Realized price	$/boe	20.2	21.5	20.1	19.4	25.4	25.6
% of Plant availability	%	99.9	99.2	99.4	99.1	99.4	99.7

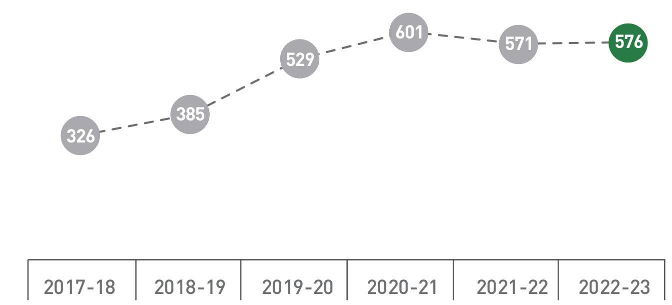
Notes:

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

Assets (Rs Billion)



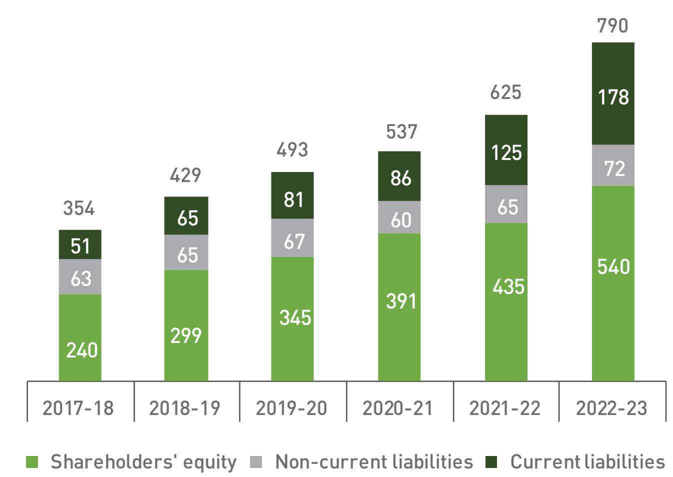
Debtor Days



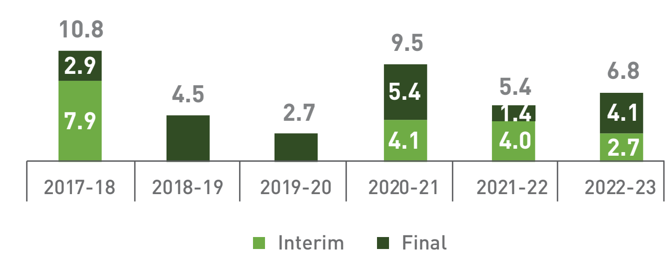
The trade debts have again shown an ever-increasing trend owing to the growing circular debt. The trade debts were recorded at PKR 513 billion with an increase of 40% over pervious year, which in turn led to increase in debtor days.

Long-term investments have increased significantly over the last two years due to the investment made in Reko Diq project. Fixed assets have remained almost same as last year.

Equity & Liabilities (Rs Billion)



Dividends Declared (Rs Billion)



Shareholders' equity has increased by 24% representing the Company's robust profitability combined with its inability to declare healthy dividends due to ongoing circular debt issue. The current liabilities are also increasing mainly due to accrual of Sui's lease extension bonus and provision pertaining to Tal's windfall levy which is under litigation, further augmented by increase in tax liability by 83%. Increased non-current liabilities are due to revision in decommissioning liability primarily due to increase in exchange rate and unwinding of the liability.

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

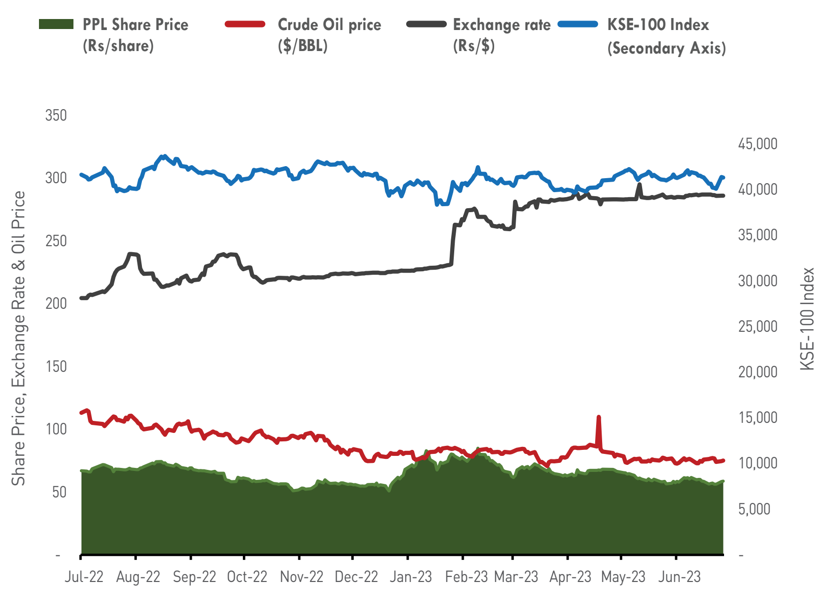
Even though trade debts are on a rising trend and liquidity position is under stress, the Company is continuing its legacy of declaring dividends. The Company has engaged the authorities at the highest level on the circular debt issue, the resolution of which will enhance its dividend paying capacity.

DUPONT ANALYSIS

	2021-22	2022-23
Equity Multiplier	1.3	1.3
Total Assets Turnover	35%	40%
Net Profit Margin	26%	34%
Return on Equity	12%	18%

Increase in asset turnover is due to increase in sales revenue mainly attributable to positve price variance partially offset by increased average assets. Net profit margin and return on equity have also increased mainly due to positive price variance.

SENSITIVITY ANALYSIS



The Company's share price is sensitive to several factors including exchange rate fluctuations, oil price and stock market movements, i.e. KSE-100 index. Although the Company's revenues are dependent on the applicable crude oil price, its impact is lower in the case of PPL as majority of its revenue is derived from gas sales. The gas prices are based on sliding scales and therefore do not move proportionately with oil price movements.

During the year, the share price of the Company remained depressed due to mounting circular debt due to which the payout remains restricted. The receivables of the Company are primarily represented by gas customers. The Company is making all out efforts to highlight the resolution of the root causes of the gas sector circular debt for improving collections.

Composition of local versus imported material

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

QUARTERLY ANALYSIS

	First Quarter ended September 30, 2022	Second Quarter ended December 31, 2022	Third Quarter ended March 31, 2023	Fourth Quarter ended June 30, 2023	Total year ended June 30, 2023
	----------(Rupees Million)----------				
Revenue-net	72,611	65,046	76,518	72,305	286,480
Profit after Tax	26,614	22,323	32,898	16,103	97,938
Sales volume					
- Gas (MMscf)	59,716	57,925	54,044	55,213	226,898
- Crude Oil/NGL /Condensate (thousand bbls)	1,165	1,117	1,138	941	4,361
- LPG (tonnes)	30,116	29,860	29,869	26,700	116,545

Analysis
The revenue witnessed irregular trend during different quarters showing a dip in 2nd and 4th quarter. The dip was reflected by the joint impact of declining exchange rate, reduction in oil volumes and oil prices in the said relevant quarters. Significant increase in revenue in 3rd quarter, in the same way, was led mainly by sharp increase in exchange rate. This change has also translated into profit after tax except for a relatively higher decline in fourth quarter which was mainly due to higher exploration expenditure in last quarter. This was further augmented by lower other income due to exchange loss on foreign currency deposits in the fourth quarter.

Segmental review of business performance
For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. The mining business is carried out through Bolan Mining Enterprises (BME) in 50% partnership with the Government of Balochistan and Pakistan Minerals (Private) Limited in 33.33% partnership each with OGDCL and GHPL. During the year, the non-E&P business's contribution towards Company's revenue was maintained at 0.6% as compared to last year.

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

Outstanding fiscal payments
The following is the list of major taxes and duties which are outstanding and further explained in the financial statements:

- Lease extension bonus in respect of Sui. It is pending as the D&PL has not yet been signed.
- Provision of windfall levy on Tal's oil/condensate, which is under litigation.
- Income taxes on the taxable income of the Company.
- Royalty and windfall levy which are based on different number of days for each development & production lease.
- Sales tax & Federal Excise Duty for the month of June 2023.
- GDS and GIDC which are payable upon collection from GENCO-II.
- Workers' profit participation funds.
- Other miscellaneous obligations under the PCA.

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

Any significant change in accounting policies
There is no material change in accounting policies, judgement or assumptions.

VERTICAL ANALYSIS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	% age					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	43.7	37.3	32.1	27.3	22.1	17.2
Intangible assets	0.1	0.1	0.1	-	-	-
Long-term investments	10.6	1.4	0.8	1.5	1.0	7.5
Deposit with GoP for equity stake in Reko Diq	-	-	-	-	5.5	-
Long-term loans	-	-	-	-	-	-
Long-term deposits	-	-	-	-	-	-
Stores and spares	1.0	0.7	0.8	0.9	0.9	0.8
Trade debts	36.6	46.2	53.5	52.6	58.6	64.8
Loans and advances	0.4	0.3	0.1	0.1	0.1	0.1
Trade deposits and short-term prepayments	0.1	0.1	0.1	0.1	-	0.1
Interest accrued	0.1	0.2	0.1	0.1	-	0.2
Current maturity of long-term loans	0.4	-	-	-	-	-
Current maturity of long-term deposits	0.3	0.2	0.2	0.2	0.2	0.2
Other receivables	0.5	0.6	0.7	0.6	0.4	0.4
Short-term investments	4.0	11.1	10.4	15.8	10.6	7.9
Cash and bank balances	2.2	1.8	1.1	0.8	0.6	0.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	5.6	5.3	5.5	5.1	4.4	3.4
Reserves	62.4	64.4	64.3	67.7	65.2	65.0
Provision for decommissioning obligations	6.4	5.8	5.6	5.0	5.2	5.3
Deferred liabilities	0.8	0.6	0.6	0.6	0.5	0.5
Deferred taxation - net	10.5	8.6	7.4	5.6	4.6	3.3
Trade and other payables	13.6	13.7	13.5	12.2	14.0	13.9
Unclaimed dividends	0.1	0.1	0.1	0.1	0.2	0.2
Current maturity of lease liabilities	-	-	-	-	0.2	0.1
Taxation - net	0.6	1.5	3.0	3.7	5.7	8.3
Total Shareholders' Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
STATEMENT OF PROFIT OR LOSS						
Sales - Net (excluding Govt. levies)	100.0	100.0	100.0	100.0	100.0	100.0
Expenditures & other income - net	49.7	51.2	55.3	53.8	51.4	42.2
Taxation	14.1	11.2	12.8	10.9	22.1	23.6
Profit after Tax	36.2	37.6	31.9	35.3	26.5	34.2

Statement of Financial Position

Trade debts have increased to a substantial 65% of the total assets versus 37% in the base year due to ever-increasing trend of circular debt. This massive increase has also resulted in the share of Property, Plant and Equipment to fall to 17% from 44% as a percentage of total assets in 2017-18. Short term investments have also declined as compared to last year from 11% to 8% attributed to reduction in investments in treasury bills. Long-term investments have increased to 7% due to investment in Reko Diq project.

Share of equity and reserves, has slightly declined from 70% to 69% of the balance sheet total. While trade & other payables have retained its share unchanged at 14%, tax liability has increased to 8% as compared to 6% last year due to provision of super-tax.

Statement of Profit or Loss

Profit after tax of the Company as a percentage of net sales has shown an increase to 34% as against 27% a year earlier. This increase is due to higher sales revenues primarily on account of significant exchange variance coupled with lower exploration expenditure in the current year. The taxes have also increased in the last two years due to the imposition of super tax.

HORIZONTAL ANALYSIS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	% age					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	100	103	103	95	89	88
Intangible assets	100	114	81	50	27	13
Long-term investments	100	16	10	21	16	158
Deposit with GoP for equity stake in Reko Diq	-	-	-	-	100	-
Long-term loans	100	212	260	331	384	446
Long-term deposits	100	100	100	100	100	100
Long-term receivables	100	112	56	-	-	-
Stores and spares	100	89	115	129	156	168
Trade debts	100	153	204	218	282	396
Loans and advances	100	71	44	46	37	40
Trade deposits and short-term prepayments	100	203	233	112	124	206
Interest accrued	100	154	92	104	53	337
Current maturity of long-term loans	100	1	1	2	2	2
Current maturity of long-term deposits	100	100	129	132	165	185
Current maturity of long-term receivables	100	248	301	273	240	101
Other receivables	100	128	171	164	141	163
Short-term investments	100	337	365	604	472	441
Cash and bank balances	100	104	67	55	48	79
Total Assets	100	121	139	152	176	223
Share capital	100	115	138	138	138	138
Reserves	100	125	144	165	185	233
Provision for decommissioning obligations	100	110	122	119	145	186
Lease liabilities	100	18	1	-	-	-
Deferred liabilities	100	104	107	116	126	136
Deferred taxation - net	100	99	97	79	77	70
Trade and other payables	100	121	138	136	179	226
Unclaimed dividends	100	91	90	157	301	360
Current maturity of lease liabilities	100	75	26	1	1,922	1,512
Taxation - net	100	304	686	938	1,679	3,071
Total Shareholders' Equity and Liabilities	100	121	139	152	176	223
STATEMENT OF PROFIT OR LOSS						
Sales - net (excluding Govt. levies)	100	130	125	118	160	227
Expenditures & other income - net	100	134	139	127	166	193
Taxation	100	103	114	91	251	381
Profit after Tax	100	135	110	115	117	214

Statement of Financial Position

Trade debts have shown huge increase of 4 times over last six years due to the growing gas sector circular debt issue. Short-term investments have also increased to 4.4 times of the base year mainly due to reclassification of USD funds from long-term investments. Current maturity of lease liabilities has risen to 15 times due to recording of rentals payable against Dhok Sultan Oil Handling Facility. Share capital & reserves have also increased mainly due to higher profits coupled with lower payouts on account of higher funds being tied up in trade debts. Additionally, trade & other payables have also increased to 2.3 times due to accumulation of Sui's lease extension bonus and windfall levy. Taxation liability has also increased substantially due to provisioning of super-tax.

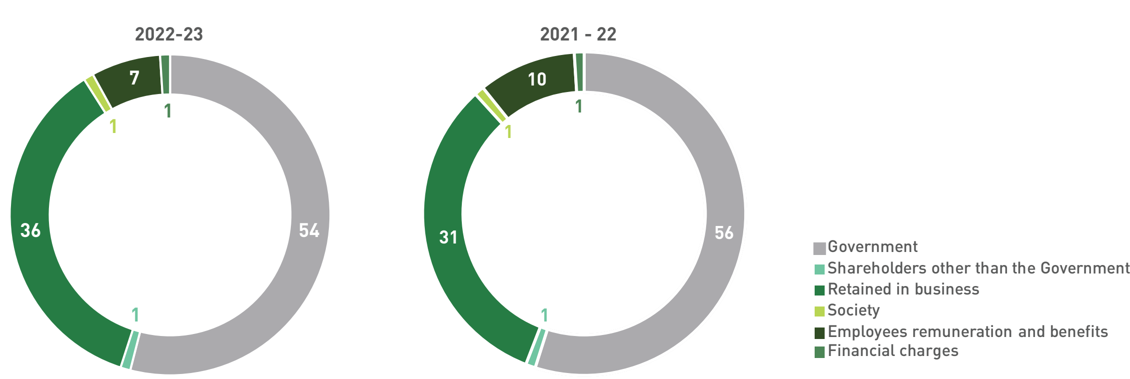
Statement of Profit or Loss

This year the Company has continued its healthy profitability trend which is evident by the increase in profit after tax to 2.1 times over last six years despite being adversely impacted by a substantial rise in tax charge to 3.8 times of the base year, while sales revenue in current year improved to 2.3 times. Furthermore, the rate of growth in expenditures (net of other income) is lower than the growth in revenue, contributing to improved bottom-line.

STATEMENT OF VALUE ADDITION

	2022-23 Rs million	2022-23 %	2021-22 Rs million	2021-22 %
Gross Revenue (Excise Duty, Sales Tax and Petroleum Levy)	327,050	106	235,240	114
Less: Operating, Exploration and Admin Expenses	(29,032)	(9)	(29,854)	(14)
	298,018	97	205,386	100
Add: Other Income	17,539	6	14,144	7
Less: Other Expenses	(8,626)	(3)	(13,495)	(7)
Total Value Added	306,931	100	206,035	100
DISTRIBUTED AS FOLLOWS:				
Employees Remuneration and Benefits	22,154	7	20,160	10
Federal / Provincial Government as:				
Company Taxation	67,664	22	44,585	21
Levies (including Excise Duty, Sales Tax & Petroleum Levy)	40,570	13	33,042	16
Royalties and Other Levies (including Lease Extension Bonus, Windfall Levy & Export Development Charges)	46,478	15	30,500	15
Workers' Profit Participation Fund	7,829	3	4,540	2
Dividend **	4,592	1	3,674	2
	167,133	54	116,341	56
To Shareholders other than the Government as:				
Dividend **	2,210	1	1,768	1
Bonus Shares **	-	-	-	-
To Society ***				
Donations and Sponsorships	176	*	114	*
Social Welfare / Community Development	633	*	326	*
Free Gas Supply	1,452	*	921	*
	2,261	1	1,361	1
Retained in Business:				
Depreciation and Amortisation	20,553	7	17,052	8
Net Earnings	91,135	29	48,104	23
	111,688	36	65,156	31
Financial Charges:	1,485	1	1,249	1
	306,931	100	206,035	100

* Negligible
** Includes final cash dividend recommended by the Board of Directors subsequent to the year end. Furthermore, GoP's share is taken as 67.51% for this calculation. The share will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer note 2.5 of the unconsolidated financial statements).
*** Represents PPL Net Share for all fields.



SWOT ANALYSIS

Strengths

- One of the largest E&P companies in Pakistan contributing to nation's energy needs since 1950s
- Experience of operating in security sensitive areas
- Preferred partner of choice for mining business. Entered into definitive agreements for Reko Diq
- Consistent strong profitability
- Prominent E&P presence across Pakistan in diverse basins including frontier
- Joint Ventures with reputable local and international companies
- Presence in three countries
- Strong community connections – one of the country's highest CSR spending
- Natural hedge against foreign currency risk
- Technical expertise of employees

Weaknesses

- Declining inventory of exploration leads in portfolio
- Natural decline in key producing fields
- Over-reliance on circular debt prone gas revenue
- Limited financial flexibility due to high receivables / circular debt
- Low prices of oil & gas in Adhi, Kandhkot and Sui fields
- High dependence on local hydrocarbon reserves for growth
- Challenges in field development
- High proportion of fixed costs in Sui's field opex

Opportunities

- Prospects for portfolio optimization through local bidding rounds and farm-in / farm-out
- Acquiring international acreage to broaden activity base
- Production enhancement in producing fields
- Fast track execution of ongoing and future projects for production enhancement
- Acquisition of reserves and prospective resources
- Diversification – exploring further opportunities in mining industry, renewables and energy value chain
- Shallow offshore exploration potential in Pakistan
- Unconventional hydrocarbons potential
- Demand for indigenous oil and gas is ample as the country imports to meet the gap in demand vs supply

Threats

- Intensifying circular debt issue without addressing its root-cause
- Renewables and other emerging technologies may reduce the demand for oil & gas faster than anticipated
- Oil price volatility – although impact on PPL is comparatively low due to high proportion of gas in its portfolio
- Security issues & high costs in frontier areas
- Known oil and gas corridors in Pakistan are heavily explored
- Unavailability of service providers / technologies for unconventional hydrocarbon exploration
- Infrequent bid rounds for new exploration blocks
- Reducing interest of international E&P companies in Pakistan

MOVEMENT OF ESTIMATED RESERVES

	Natural Gas (MMSCF)	Oil/NGL (thousand bbls)	LPG (Tonnes)
Original 2P reserves			
At July 1, 2022	17,523,646	97,923	1,857,308
Change during the year (2022-23)			
- Addition	22,373[2]	317[2]	-
- Revision	138,268[3]	1,315[4]	2[5]
At June 30, 2023	17,684,287	99,555	1,857,310
Production			
Accumulated on July 1, 2022	15,028,987	70,814	1,060,727
Production during the year	266,566	4,407	116,881
Accumulated upto June 30, 2023	15,295,553	75,221	1,177,608
Net 2P Reserves June 30, 2023	2,388,733	24,334	679,702
Province Wise 2P Reserves share at June 30, 2023			
Balochistan	953,956	-	-
Sindh	1,126,021	6,048	60,616
Khyber Pakhtunkhwa	208,958	11,628	315,994
Punjab	99,798	6,658	303,092
	2,388,733	24,334	679,702
Net Reserves June 30, 2022	2,494,659	27,109	796,581
Daily Average Production	730	12	320

Notes:

1. The above-mentioned numbers represent PPL Net share. The Company is reporting the 2P reserves from this year onwards to present a more comprehensive analysis.
2. Additional gas and condensate reserves due to Shahpur Chakar North (Gambat South) discovery and Jugan-2 appraisal well.
3. Revision of gas reserves in Kandhkot, Manzalai (Tal), Sawan, Rizq (Kirthar) and Latif fields.
4. Revision of Oil / NGL reserves in Kandhkot, Manzalai (Tal) and Makori East (Tal) fields.
5. Revision of LPG reserves in Makori (Tal) field.
6. Net reserves as at 30 June 2023 in gas equivalent units exist ~46% in Sindh, ~37% in Balochistan, 11% in KPK and 6% in Punjab.

Definition of 2P Reserves

The Company has adopted the definition of 2P reserves as set by the Society of Petroleum Engineers (SPE) in the Petroleum Resources Management System (PRMS) Guidelines 2018. 2P reserves, as reported by the Company are those quantities of hydrocarbons that, by analysis of geoscientific and engineering data, can be estimated with equally likely certainty to be commercially recoverable from known reservoirs under defined technical and commercial conditions.

2P reserves are equivalent to best estimate and for probabilistic method, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the estimate.

a) 2P Developed Reserves

As per the SPE PRMS Guidelines 2018, the Company defines 2P developed reserves as those that are expected to be recovered from completion intervals that are open and producing at the time of the estimates.

b) 2P Undeveloped Reserves

As per the SPE PRMS Guidelines 2018, the Company defines 2P undeveloped reserves as those quantities that are expected to be recovered through future significant investments. A significant investment is defined as a relatively large expenditure when compared to the cost of drilling and completing a new well.

Proved Reserves

Proved reserves are those quantities of hydrocarbons that, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. Proved reserves are also termed as 1P reserves and for probabilistic method, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the estimates.

Probable Reserves

The incremental quantity i.e., difference between 2P and proved reserves (1P) are termed as probable reserves.

Movement of Net 2P Undeveloped Reserves

Currently, no substantial 2P undeveloped reserves exist. PPL's booked 2P reserves estimates are based on currently producing wells/facilities only.

Net 2P Developed Reserves

Same as disclosed in movement of net 2P reserves as no undeveloped reserves exist.

Company's progress in converting 2P undeveloped reserves into 2P developed reserves

Currently, there are no substantial undeveloped reserves with the Company. In line with best industry practices, PPL's 2P reserves are estimated quantities to be recoverable at a given point in time pertaining to wells/facilities, shut-in/behind-pipe volumes with minor costs to access and planned wells/ projects which will require less than five years to complete. A minor cost would be a lower expenditure when compared to the cost of drilling and completing a new well. The concept of Developed and Undeveloped Reserves status is based on the funding and operational status of wells and producing facilities within the development project. Generally, undeveloped reserves estimates are those quantities which require beyond a reasonable timeframe to develop. As per SPE-PRMS guidelines, a reasonable timeframe to commence the project is generally considered to be less than five years from the initial classification date.

STATEMENTS OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Pakistan Petroleum Limited
Year Ended: June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1 The total number of directors are eleven as per the following:

a. Male: Ten (10)
b. Female: One (01)

2. The Composition of the Board is as follows:

i.	Independent directors:	Six (06)
ii.	Non-executive directors:	Four (04)
iii.	Executive director:	One (01)
iv.	Female director:	One (01), included in independent directors above.

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval and / or updating are maintained by the Company;

6. All the powers thereof of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. No remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board and Board Committees. The Annual Report of the Company contains the details of the directors' fee paid to individual directors.

9. During the year, a Directors' Training Program was arranged for Mr. Awais Manzur Sumra who is a non-executive director of the Company.

10. During the period, no new appointment of the Chief Financial Officer, Company Secretary or the Head of Internal Audit was done.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed, among others, the following committees, comprising members given below:

a) Audit Committee

Mr. Aftab Ahmad	Chairman
Mr. Awais Manzur Sumra	Member
Ms. Khurshid Bhaimia	Member
Mian Imtiazuddin	Member
Mr. Shahbaz Tahir Nadeem	Member
Mr. Imtiaz A.H. Laliwala	Member

b) Nomination Committee

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

c) Human Resource Committee

Mr. Shahab Rizvi	Chairman
Mr. Abid Sattar	Member
Mr. Aftab Ahmad	Member
Capt. (Retd.) Muhammad Mahmood	Member
Mr. Imran Abbasy	Member

d) Enterprise Risk Committee

Mian Imtiazuddin	Chairman
Mr. Abdul Aziz Uqaili	Member
Mr. Aftab Ahmad	Member
Mr. Imtiaz A.H. Laliwala	Member
Mr. Shahab Rizvi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as follows:

a)	Audit Committee	Quarterly
b)	Human Resource Committee	Quarterly
c)	Nomination Committee	Twice during the year
d)	Enterprise Risk Committee	Thrice during the year

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.

Shahab Rizvi
Chairman, Board of Directors

Karachi: 20 September 2023

STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

Name of Company: Pakistan Petroleum Limited
Name of Line Ministry: Ministry of Energy (Petroleum Division)
For the year ended: June 30, 2023

This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

The Company has complied with the Provisions of the Rules in the following manner:

1. The independent directors meet the criteria of independence, as defined under the Rules.

2. The Board has at least one-third of its total members as independent directors. As at 30th June 2023, the Board includes:

Category	Names	Date of Appointment
Independent Directors	i. Mr. Shahab Rizvi ii. Mr. Abid Sattar iii. Mr. Aftab Ahmad iv. Mr. Imtiaz A. H. Laliwala v. Ms. Khurshid Bhaimia vi. Mian Imtiazuddin	23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020
Non-Executive Director	i. Mr. Abdul Aziz Uqaili ii. Mr. Awais Manzur Sumra iii. Capt. (Retd.) Muhammad Mahmood iv. Mr. Shahbaz Tahir Nadeem	27th July 2022 28th December 2021 20th October 2022 30th December 2022
Executive Director	i. Mr. Imran Abbasy	21st September 2022

3. The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.

4. The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.

5. The Chairman of the Board is working separately from the Chief Executive Officer of the Company.

6. The Chairman has been elected by the Board of directors.

7. The Board has evaluated the candidates for the position of the Chief Executive Officer on the basis of fit and proper criteria as well as the guidelines specified by the Commission.

8. (a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.

   (b) The Board has ensured that appropriate steps have been taken to disseminate the Code of Conduct throughout the Company along with its supporting policies and procedures, including posting the same on the company's website www.ppl.com.pk.

   (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.

9. The Board has established a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with stakeholders in the manner prescribed in the Rules.

10. The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.

11. The Board has developed and implemented a policy on anti-corruption, as part of the Code of Conduct, to minimize actual or perceived corruption in the Company.

12. The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.

13. The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.

14. The Board has developed a vision and mission statement and corporate strategy of the Company.

15. The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained by the Company.

16. The Company has not delivered any services or sold any goods as a public service obligation and no requests for compensation were submitted to the Federal Government for consideration.

17. The Board has ensured compliance with policy directions requirements received from the Government.

18. (a) The Board has met at least four times during the year.

    (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for the eight Board meetings conducted on 27th July 2022, 2nd September 2022, 16th September 2022, 8th October 2022, 7th December 2022, 31st January 2023, 18th May 2023 and 31st May 2023 which were held at short notice due to various operational exigencies that are evident from the agendas and minutes of the respective meetings.

    (c) The minutes of the meetings were appropriately recorded and circulated.

19. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.

20. The Board has reviewed and approved related party transactions placed before it after recommendation of the Board Audit Committee. A party-wise record of the transactions entered into with the related parties during the year has been maintained by the Company.

21. (a) The Board has approved the statement of profit or loss (formerly profit and loss account) and the statement of financial position (formerly balance sheet) as at the end of the first, second and third quarters of the year as well as the financial year end.

(b) The Board has prepared half yearly accounts and undertaken limited scope review by the external auditors.

(c) The Board has placed the annual financial statements on the Company's website.

22. During the year, a formal orientation course was scheduled by the Company for the Board members to apprise them of material developments and information as specified by the Rules, however the same was not carried out on the due date. The details are mentioned in the section "Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013".

23. (a) The Board has formed the requisite committees, as specified in the Rules.

(b) The committees were provided with written term of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the Board members.

(d) The committees were chaired by the following non-executive directors:

Committee	Number of Members	Name of Chair
Audit Committee	Six	Mr. Aftab Ahmad Mr. Imtiaz A.H. Laliwala *
Enterprise Risk Committee	Five	Mian Imtiazuddin Mr. Awais Manzur Sumra *
Human Resource Committee	Five	Mr. Shahab Rizvi Mr. Abid Sattar *
Procurement Committee	Five	Mr. Imtiaz A.H. Laliwala Syed Zakria Ali Shah *
Nomination Committee	Five	Mr. Abid Sattar Mr. Awais Manzur Sumra * Ms. Khurshid Bhaimia *

* Changed during the year due to change in the composition of Committees.

24. No new appointment of the Chief Financial Officer, the Chief Internal Auditor or the Company Secretary was done during the year.

25. The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.

26. The Company has adopted the International Financial Reporting Standards notified by the Commission in terms of Sub-section (1) of Section 225 of the Act.

27. The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.

28. The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.

29. (a) No remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board, Board Committees and general meetings.

(b) The Annual Report of the Company contains the details of the directors' fee paid to individual directors.

30. The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the Board Audit Committee and the Board.

31. The Board has formed an audit committee, with defined and written terms of reference, and having the following members:

Name of the Member	Category	Professional Background
Mr. Aftab Ahmad	Independent Director	He has over 30 years of experience in finance and accounts, strategic business planning, project management and budgeting and management reporting for Oil and Gas sector and Aviation industry. He is a Chartered Accountant and also holds a master's degree in Management Sciences along-with bachelor's degree in Mathematics and Economics. He is currently associated with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants in Islamabad as a Partner.
Awais Manzur Sumra	Non-Executive Director	He is a seasoned professional with nearly 30 years of experience in serving the federal and provincial governments as a member of Pakistan Administrative Service. He is currently working as Special Secretary, Ministry of Finance since June 2022.

Name of the Member	Category	Professional Background
		He has served on various key fields, staff and secretariat assignments, including Additional Secretary - Ministry of Finance, Additional Secretary - Establishment Division, Joint Secretary - Ministry of Finance, Finance Secretary - Gilgit-Baltistan, Director – Earthquake Reconstruction and Rehabilitation Authority, and Deputy General Manager - Pakistan Electronic Media Regulatory Authority. He also served as Senior Advisor to Executive Director at the World Bank Group in Washington D.C (USA) as well as Commercial Counsellor- Embassy of Pakistan, Athens (Greece). He earned his master's degree in Finance from London Business School and MBA from Stockholm University. Earlier, he studied at UET, Lahore to earn a bachelor's degree in Civil Engineering. He also did his Bachelor of Art from University of Punjab.
Mr. Imtiaz A.H. Laliwala	Independent Director	A fellow member of ICAP as well as a member of Chartered Professional Accountants, Ontario, Canada, and has nearly four decades of rich experience with leading chartered accountancy firms at home and abroad. He remained associated with A.F. Ferguson & Co. Chartered Accountants for almost 28 years. He was also a member in Audit Oversight Board (AOB).
Khurshid Bhaimia	Independent Director	She is a seasoned lawyer with extensive corporate experience, especially with the banking sector. She started her career with Surridge and Beecheno and later joined Orr Dignam and Co as Senior Associate. She joined Citibank (NA) Pakistan in 1999 as Corporate Banking Counsel and was Senior Vice President and Country Counsel Pakistan when she left. Currently she provides legal services on non-exclusive retainer to her clients including Citi bank N.A. Pakistan.

| Name of the Member | Category | Professional Background |

Name of the Member	Category	Professional Background
		She is a Director on the Board of Pak Grease Manufacturing Company (Private) Limited, an Associated company of Pakistan State Oil Limited and Pakistan Refinery Limited. She was also a member of the Board of Directors of Shell Gas (LPG) Pakistan Limited now Burshane LPG (Pakistan) Limited from 1992-2004. Ms. Bhaimia has done her Bachelor of Laws (LLB) from University of Karachi.
Mian Imtiazuddin	Independent Director	He has over 46 years of experience in the Oil and Gas industry and is currently working as Managing Director, at Redhill Associates providing consultancy and advisory services in Pakistan. He holds a B.E degree from Peshawar University.
Shahbaz Tahir Nadeem	Non-Executive Director	He is a member of Pakistan Administrative Service and currently working as Joint Secretary (Investments/ JVs/ Development) in Petroleum Division, Ministry of Energy, Government of Pakistan. He leads the international cooperation segment of Petroleum Division. His educational qualifications include Commonwealth Master's in Business Administration, LLB and BSc in Computer Sciences besides various professional trainings both inland and abroad. He has vast experience in public sector management working at all the three tiers of government: federal, provincial and local. He has been Project Director Khyber Pakhtunkhwa (KP) Investment in Human Capital (World Bank). He has broad experience in social sector, development authorities (CDA and PDA) and discharged duties as Director General KP Revenue Authority (Finance Department). Earlier, he performed general administrative functions as Deputy Commissioner in Gilgit, Diamer and Hunza districts. His corporate experience includes Board of Director at Pakistan Refinery Limited, Saindak Metals, Government Holdings (Private) Limited, Inter State Gas Systems (Private) Limited, and PMDC.

The Chief Executive and the Chairman of the Board are not members of the Audit Committee.

32. (a) The chief financial officer, the chief internal auditor and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.

(b) The audit committee met the external auditors, during the year, in the absence of the chief financial officer, the chief internal auditor and other executives.

(c) The audit committee met the chief internal auditor and other members of the internal audit function, during the year, in the absence of the chief financial officer and the external auditors.

33. (a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.

(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.

(c) The internal audit reports have been provided to the external auditors for their review.

34. The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.

35. The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.

IMRAN ABBASY
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER
Karachi: 20 September 2023

SHAHAB RIZVI
CHAIRMAN
BOARD OF DIRECTORS

EXPLANATION FOR THE NON-COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We confirm that material requirements of the Rules have been fully complied with except the following matters:

S.No	Rule / Sub Rule No.	Reason for Non-Compliance	Future Course of Action
1	11(3)	Annual orientation course for the directors was scheduled in a Board meeting held on 26th June 2023, however the same was not carried out during the meeting due to paucity of time.	Information required by the Rules came into the knowledge of the Board from time to time during the year. Special session was held to keep the Board abreast of the recent changes to the corporate governance legislation relevant to the Company. A formal orientation course will be conducted annually for the board to ensure compliance with the Rules.

IMRAN ABBASY
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER
Karachi: 20 September 2023

SHAHAB RIZVI
CHAIRMAN
BOARD OF DIRECTORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Petroleum Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statements of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein after referred to as 'Codes') prepared by the Board of Directors of Pakistan Petroleum Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 and rule 24 of Listed Companies (Codes of Corporate Governance) Regulations, 2019 (the Regulations) and Public Sector Companies (Corporate Governance) Rules, 2013.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Codes require the Company to place before the Board Audit Committee, and upon recommendation of the Board 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 Board 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 best practices contained in the Codes as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of Codes as reflected in the Paragraph / Section reference where these are stated in Statements of Compliance:

Paragraph/Section

Sr. No	Reference	Description
01	Paragraph 1 of the last section to the statement of compliance with the rules, under the heading 'Explanation for the non-compliance with the Public Sector Companies (Corporate Governance) Rules, 2013'.	Annual orientation course for the directors was scheduled in a Board meeting held on 26th June 2023, however the same was not carried out during the meeting due to paucity of time.

KPMG Taseer Hadi & Co
Chartered Accountants
Islamabad

Date: October 2, 2023
UDIN: CR2023102022aROtbQgT

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REPORT OF THE BOARD AUDIT COMMITTEE

Dear Shareholders,

It gives us immense pleasure to present the annual Audit Committee Report, which aims to provide insight into the key activities of the Board Audit Committee (BAC) conducted during the Financial Year (FY) ended in June 2023.

Composition and Meetings

The BAC comprises of six (06) directors, out of which four (04) members, including the Chairman, are Independent Non-Executive directors, whereas the remaining two (02) are Non-Executive directors. The Chairman of the BAC has relevant financial / accounting background.

During the FY that ended 30 June 2023, the BAC met eleven (11) times. The composition and number of meetings attended are as follows:

Sr.No.	Name of Directors	Status	No. of Meetings Attended
1.	Mr. Aftab Ahmad*	Chairman	11
2.	Mr. Imtiaz A.H. Laliwala	Member	10
3.	Mian Imtiazuddin	Member	11
4.	Ms. Khurshid Bhaimia**	Member	4
5.	Mr. Awais Manzur Sumra	Member	9
6.	Mr. Shahbaz Tahir Nadeem***	Member	6

* Appointed as Chairman BAC w.e.f. 16 February 2023 in place of Mr. Imtiaz A.H. Laliwala
** Appointed as member BAC w.e.f. 16 February 2023
*** Appointed on PPL Board w.e.f. 30 December 2022

Key Responsibilities and Activities

Key responsibilities of the BAC include providing assistance to the Board in fulfilling its oversight responsibilities over financial reporting, the effectiveness of risk management and control environment and related governance and compliance matters, overseeing the Whistle Blowing program, and monitoring the qualifications, expertise, resources, and independence of both the Internal and External Auditors. The performance of internal audit is assessed on a continuous basis, while that of External Auditors is assessed at least on an annual basis. The BAC is also responsible for making recommendation to the Board on the appointment of the External Auditors.

During FY ended 2023, BAC discharged its responsibilities and carried out its duties as set out in the Terms of Reference (ToRs) duly approved by the Board. Key activities undertaken by the BAC include the following:

1. Reviewed the interim and annual financial statements prior to the approval by the Board.
2. The BAC believes that the non-financial information contained in the Annual Report, which is disclosed in the form of ratios, trends, graphs, analyses, explanatory notes, statements, etc provides necessary information to shareholders to assess the Company's position, its performance and future prospects.
3. Reviewed related party transactions entered into by the Company on a quarterly basis, including a comprehensive questionnaire completed by the Management in support thereof confirming that such transactions are compliant with the applicable laws.
4. Reviewed and approved the annual internal audit plan for effective implementation.
5. Reviewed the Management letter / Internal Control Report issued by the External Auditors in connection with the audit of financial statements and management responses thereto for ensuring that necessary steps have been taken to address the issues.
6. During the year, the BAC also made certain necessary improvements in the Whistle Blowing Policy to make it more effective and robust, ensuring that the complaints are handled in a fair and transparent manner and ensuring protection to the complainant against any victimization. PPL's Whistle Blowing Policy provides a platform for its stakeholders to raise legitimate concerns. A total of nine complaints were received under PPL's Whistle Blowing Policy during FY ended 2023 and these were reviewed by the BAC to ensure that the management has taken necessary corrective measures for timely resolution.
7. Obtained Letters of Representation (LoR) from the Management. The objective of the exercise was to improve and strengthen the overall control environment, fill the gaps identified, and align with industry best practices.
8. Reviewed the appropriateness of Delegation of Authority (DoA), an internal document that lists down financial authorities dealing with day-to-day operational matters of the Company. In this regard, the BAC critically reviewed the management proposal for improvements to make the document more operationally effective.
9. The BAC critically reviewed the scope of work to engage an external third party / OEM based on management's suggestion for inspection and valuation of the company's drilling and completion inventory. The exercise was concluded during FY ended 2023, and the Committee ensured that impairment loss identified as a result of the exercise has been duly accounted for and reported in the Company's financial statements.
10. The BAC comprehensively reviewed the status of suspended / shut-in exploratory wells classified under Capital Work in Progress (CWIP) and advised the management to determine its future potential for necessary impairment decision, if any.
11. The BAC also issued necessary advisory to concerned management for the creation of a centralized database for maintaining up-to-date Company policies, procedures, and operational manuals.
12. The BAC also reviewed donation cases proposed by Management, exceeding the prescribed threshold, prior to its approval by the Board and also reviewed Company's donation policy for further improvements / enhancing transparency.
13. Chairman of the Board Audit Committee also ensured his presence at the Company's annual general meeting to respond to queries of the concerned stakeholders relating to the Audit Committee's activities undertaken during the year.

INTERNAL AUDIT

The Company has an Internal Audit Department, which is an independent and objective assurance function aimed at improving the Company's overall internal control framework. The Internal Audit function assists in the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of the Company's risk management, control, and governance processes.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and reports functionally to the BAC, with administrative reporting to the CEO. The Internal Audit Charter outlines the regulatory requirement relating to independence and all other rights, duties, and responsibilities of the Internal Audit function. The performance of the Head of Internal Audit is jointly assessed by the Chairman of the Board Audit Committee and the CEO.

The Head of Internal Audit serves as the secretary to the Committee and convenes all its meetings. The CFO attends the meeting by invitation, and the External Auditors attend the meetings on as required basis, usually where the Committee considers half-yearly and annual financial statements of the Company.

The BAC has ensured that the Company's Internal Audit Function is equipped with staff having the necessary skill sets and professional qualification, enabling them to discharge their duties diligently and include Chartered Accountants, Cost and Management Accountants, Certified Internal Auditors, Certified Information System Auditors and other similar professional qualification holders. The expertise within the Internal Audit Function at the end of FY 2023 comprises of Audit, Finance and I.T. related professionals with extensive experience of the E&P industry. In addition to this, specialized independent technical resources from within the organization are also utilized on a need basis on technical assignments.

BAC took a keen interest in the scope and extent of the Internal Audit function and provided complete support to the function to enable it to achieve its objectives in an effective manner. The BAC monitored the work of the Internal Audit Department and also reviewed how effectively and timely the management implemented the recommendations made by Internal Audit.

In this regard, the following key steps were performed:

1. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system. Internal Audit Reports were also provided for the review of both Commercial and External Auditors.

2. Monitored progress of the Annual Internal Audit plan and deliberated on key recommendations having operational and internal control implications. BAC also reviewed significant audit observations highlighted by Internal Audit and ensured that timely requisite actions were taken by the management. BAC involved the highest level of management in the implementation process and assigned firm deadlines for all pending actions.

3. In compliance with the BAC's directives, Internal Audit also carried out certain special audits, including Whistle Blowing Complaints investigations received during the year and submitted its recommendations to the Management for implementation / necessary actions.

EXTERNAL AUDITORS

1. BAC recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, BAC evaluates the performance and independence of the Company's External Auditor.

2. External auditors have completed their audit of the Company's Financial Statements, the Consolidated Financial Statements, the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013 for the FY ended 30 June 2023.

3. Being eligible for reappointment, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, offered themselves for re-appointment as External Auditors of the Company for the FY ending 30 June 2024. The Audit Committee has duly recommended their reappointment. As per PPL's internal Policy, the Engagement Partner of the External Audit Firm is required to be mandatorily rotated after the completion of three annual audits, while the External Audit Firm is required to be mandatorily rotated after the completion of five terms with the objective that the Company's financial statements are reviewed from a fresh perspective and ensuring that independence of Auditors is maintained at the highest level. Presently, the Auditors have completed their third consecutive term as External Auditors of PPL.

4. The External Auditors have been allowed direct access to the BAC and the effectiveness, independence, and objectivity of the Auditors have thereby been ensured. The Auditors have also attended the General Meetings of the Company held during the year.

5. A separate Policy governing additional services, including permitted non-audit services obtained from External Auditors, is in place, which is approved by the Board, and is designed to safeguard External Auditors objectivity and independence and includes rules relating to the hiring of additional services and stipulates which services require prior approval of the BAC. The Committee reviewed the scope of work and fee of all services obtained by Management from the Company's External Auditors in addition to the audit of its financial statements.

6. The BAC met three (03) times with the External Auditors during the year to discuss matters relating to the statutory audit of PPL and to obtain their views on the overall business environment, including going concern assumptions and overall effectiveness of internal controls over financial reporting. The BAC also received a detailed presentation from External Auditors on key audit and accounting matters, including future implications of the sustainability reporting framework.

7. The BAC also ensured that External Auditors have access to all the Company's records and personnel, which they require to conduct their work in an independent and efficient manner.

Furthermore, in accordance with the requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the evaluation of performance of the Board and its Committees is carried out through third party i.e. Pakistan Institute of Corporate Governance (PICG), an accredited institution by SECP. The evaluation exercise is undertaken on an annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Looking ahead to 2024, BAC's key priorities will include maintaining a strong culture of risk management across the Company, effectiveness of internal controls, assessing the effect of changes in legislative and regulatory requirements such as introduction of SOE Act, enactment of Pakistan Sovereign Wealth Fund Act, implications of sustainability reporting standards, impact due to addition of associated companies such as PIOL, PMPL (Reko Diq Project), proposed Green Field integrated refinery project etc and its resultant impact which may be required from internal control and reporting perspective.

We trust you will find this report useful in understanding key activities of the BAC undertaken during the year and would welcome any comments from our shareholders in this regard.

AFTAB AHMAD
CHAIRPERSON - BOARD AUDIT COMMITTEE

KARACHI
19 SEPTEMBER 2023

UNCONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Pakistan Petroleum Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Taseer Hadi & Co.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 3.11, 3.13 and 11 to the unconsolidated financial statements) As at June 30, 2023, trade debts include overdue amount of Rs. 460,818 million, (net of GDS and GIDC), on account of inter-corporate circular debt. These are receivable from oil refineries, gas and power companies out of which following are overdue from related parties; i.e. Central Power Generation Company Limited (GENCO- II) Rs. 1,917 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 230,779 million, Sui Southern Gas Company Limited (SSGCL) Rs.223,342 million, Oil & Gas Development Company (OGDCL) Rs. 1 million, Pak-Arab Refinery Limited (PARCO) Rs. 163 million and Pakistan Refinery Limited (PRL) Rs. 770 million. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. The Company considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Company has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Company recognizes interest, if	Our audit procedures in respect of receivables, amongst others, included the following: • Checked, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained confirmations from customers and tested reconciliations where differences were identified. In case of no replies from customers, alternate procedures were performed; • Tested post year end cash receipts from customers relating to year end balances, with the underlying documentation; • Inspected correspondence with the customers and relevant government authorities and held discussions with the Company and Board Audit Committee to assess recoverability of overdue trade debts; • Discussed with the Company, events during the year and steps taken by management for settlement of these trade debts and inspected minutes of meetings of

KPMG Taseer Hadi & Co.

Key audit matter	How the matter was addressed in our audit
any, on delayed payments from customers, when the interest on delayed payments is received by the Company. We considered the matter as a key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.	the Board of Directors and Board Audit Committee; • Assessed reasonableness of management's judgment relating to recoverability of interest on delayed payments from customers; • Obtained management assessment of recovery of overdue trade debts on account of inter-corporate circular debt and assessed it for appropriateness and reasonableness; and • Assessed the adequacy of relevant disclosure in the unconsolidated financial statements.
(ii) Investment in Reko Diq Project	
(Refer notes 3.8, 3.9 and 6.5 to the unconsolidated financial statements) During the year, the Company signed definitive agreements relating to investment in Reko Diq Project (the Project) to acquire 8.33% effective stake in the Project. The Company invested in the Project through Pakistan Minerals (Private) Limited (PMPL). The Company has accounted for this investment as an associate. Initial accounting in respect of acquisition under the applicable financial reporting framework involved identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. Classification of this investment as an associate required the management significant judgement with respect to the relevant activities of the investee entities. Purchase price allocation also involved significant estimation / judgement in respect of fair values of identifiable assets and liabilities including goodwill or bargain purchase gain. The Company has accounted for its	Our audit procedures to assess the classification, purchase price allocation and remeasurement amongst others, included the following: • Read the definitive investment agreements to understand rights and obligations of Company under the agreements to assess appropriateness of classification of Company's investment and measurement at initial recognition; • Obtained and evaluated evidence supporting the initial recognition of the investment at cost; • Assessed the reasonableness of Company's assumptions used to determine the effective date of the transaction, methods used to determine the fair values of identifiable assets and liabilities and basis used for allocation of

KPMG Taseer Hadi & Co.

Key audit matter	How the matter was addressed in our audit
investment in PMPL under equity method, under which investment is initially recognized at cost adjusted thereafter to recognize the Company's share of the post-acquisition profit or losses of the investee in the profit or loss and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. We have considered the matter as key audit matter due to the significance of judgement / estimation used by the Company in determining the classification of the investment and purchase price allocation and subsequent remeasurement.	purchase price; • Recomputed Company's share of the post-acquisition profit or losses of PMPL in the profit or loss and the Company's share of movements in other comprehensive income of PMPL in other comprehensive income using audited financial statements of PMPL for the period ended 30 June 2023; and • Assessed the appropriateness of the relevant disclosures in the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.
(iii) Impairment assessment of development and production assets and other property, plant and equipment	
(Refer notes 2.6, 3.1, 3.3 and 4 to the unconsolidated financial statements) As at June 30, 2023, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 48,151 million and Rs. 71,946 million respectively. The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where indications of impairment are identified, an impairment test is performed by the Company based on the estimate of the recoverable value of that asset and/or Cash Generating Unit (CGU). The calculation of value-in-use of development and production assets and other property, plant and equipment requires management to make significant estimates and judgements, such as	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design and implementation of the relevant key internal controls implemented by the management over impairment assessment of development and production assets and related property, plant and equipment; • Assessed the appropriateness of the Company's identification of Cash Generating Units (CGUs) and reasonableness of evaluation of impairment indicators by the management; • Assessed the reasonableness of Company's assumptions used in the calculation of recoverable value of asset and / or CGUs, relating to oil

KPMG Taseer Hadi & Co.

Key audit matter	How the matter was addressed in our audit
estimation of the volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate. We considered the matter as a key audit matter due to the significance of judgements / estimates used by the Company in determining the value-in-use of development and production assets and other property, plant and equipment.	and gas recoverable reserves, future oil and gas prices, costs and discount rate based on our knowledge of the business and industry and by comparing the assumptions to historical results / underlying records and published market data and checked the mathematical accuracy of cash flow model; and • Assessed management's sensitivity analysis for reasonableness that considered the impact of changes in key assumptions on the outcome of the impairment assessments.
(iv) Recognition of Revenue	
(Refer notes 3.22 and 26 to the unconsolidated financial statements) The Company is engaged in the production and sale of oil and gas resources. The Company recognized gross revenue during the year from the sales of crude oil / condensate / natural gas liquid, natural gas, liquefied petroleum gas (LPG), barytes amounting to Rs 327,050 million. Transaction prices of crude oil / condensate / natural gas liquid and gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Company. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are finalized with the customers and / or approved by GoP. We considered this as a key audit matter due to	Our audit procedures to assess the recognition, amongst others, include the following: • Assessed the design and implementation of the relevant key internal controls over revenue recognition from the sale of products; • Inspected the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and International Financial Reporting Standard (IFRS 15 – "Revenue from Contracts with Customers"); • Performed test of details on a sample of sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as

KPMG Taseer Hadi & Co.

Key audit matter	How the matter was addressed in our audit
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.	appropriate; • Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Company for prices of LPG. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet / Petroleum Concession Agreements; • Where pricing is provisional / sales agreement not finalized, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Company; (b) inspected term sheets signed with the customers; (c) checked price being charged is in line with the applicable petroleum policy / agreed with customers / Petroleum Concession Agreements; and (d) obtained direct balance confirmation from customers; • Checked, on a sample basis, sales transactions on either side of the unconsolidated statement of financial position date to assess whether they are recorded in the correct accounting period; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of relevant disclosures made in the unconsolidated financial statements.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended June 30, 2023 but does not include the unconsolidated and consolidated financial statements and our auditors' reports thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

The board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in

Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) 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 auditors' report is Inam Ullah Kakra.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: October 2, 2023
UDIN: AR202310202aBsJur5cj

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at june 30, 2023

	Note	June 30, 2023	June 30, 2022
		-------(Rupees in thousand)-------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**135,859,892**	137,840,377
Intangible assets	5	**56,185**	113,116
Long-term investments	6	**59,367,093**	5,975,953
Deposit with GoP for equity stake in Reko Diq	6.5	**-**	34,106,250
Long-term loans	7	**71,676**	61,689
Long-term deposits	8	**7,676**	7,676
		195,362,522	178,105,061
CURRENT ASSETS			
Stores and spares	10	**5,928,542**	5,495,842
Trade debts	11	**513,033,122**	365,791,716
Loans and advances	12	**596,940**	558,389
Trade deposits and short-term prepayments	13	**474,745**	287,196
Interest accrued	14	**1,669,329**	264,349
Current maturity of long-term loans	7	**32,255**	27,929
Current maturity of long-term deposits	8	**1,683,750**	1,505,250
Current maturity of long-term receivables	9	**51,266**	122,051
Other receivables	15	**3,067,584**	2,656,717
Short-term investments	16	**62,105,098**	66,407,345
Cash and bank balances	17	**6,106,013**	3,723,282
		594,748,644	446,840,066
TOTAL ASSETS		**790,111,166**	624,945,127
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	18	**27,209,836**	27,209,836
Reserves	19	**513,537,524**	407,664,863
		540,747,360	434,874,699
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	20	**41,921,125**	32,650,443
Deferred liabilities	22	**3,605,261**	3,328,024
Deferred taxation - net	23	**26,078,961**	28,780,165
		71,605,347	64,758,632
CURRENT LIABILITIES			
Trade and other payables	24	**109,844,983**	87,026,658
Unclaimed dividends		**1,200,292**	1,001,150
Current maturity of lease liabilities	21	**1,127,957**	1,434,170
Taxation - net		**65,585,227**	35,849,818
		177,758,459	125,311,796
TOTAL LIABILITIES		**249,363,806**	190,070,428
TOTAL EQUITY AND LIABILITIES		**790,111,166**	624,945,127
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
Revenue from contracts with customers	26	**286,480,252**	202,199,183
Operating expenses	27	**(48,452,809)**	(40,090,655)
Royalties and other levies	28	**(46,478,345)**	(30,500,334)
		(94,931,154)	(70,590,989)
Gross profit		**191,549,098**	131,608,194
Exploration expenses	29	**(21,628,270)**	(23,734,886)
Administrative expenses	30	**(3,919,480)**	(4,600,662)
Finance costs	32	**(1,484,867)**	(1,248,823)
Reversal of provision for doubtful debts - net		**-**	41,929
Share of loss of associates	6.4 & 6.5	**(683,235)**	(2,607,077)
Other charges	33	**(15,770,875)**	(15,471,835)
		148,062,371	83,986,840
Other income	34	**17,538,663**	14,143,911
Profit before taxation		**165,601,034**	98,130,751
Taxation	35	**(67,663,928)**	(44,584,587)
Profit after taxation		**97,937,106**	53,546,164
Basic and diluted earnings per share (Rs)	41	**35.99**	19.68

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
Profit after taxation		**97,937,106**	53,546,164
Other comprehensive income / (loss):			
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement loss on defined benefit plans - net	31	**(2,970,931)**	(299,437)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign associate (Pakistan International Oil Limited) - net		**967,864**	623,685
Share of exchange differences on translation of foreign operation of the associate - {Pakistan Minerals (Private) Limited}	6.5	**14,020,097**	-
Other comprehensive income for the year		**12,017,030**	324,248
Total comprehensive income for the year		**109,954,136**	53,870,412

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | **Director** | **Chief Executive Officer**

UNCONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**182,109,373**	153,527,157
Receipts of other income		**7,259,895**	6,084,381
Payment to suppliers / service providers and employees - net		**(45,693,028)**	(27,895,670)
Payment of indirect taxes and Government levies including royalties		**(89,062,731)**	(60,485,350)
Income tax paid		**(41,160,238)**	(29,814,439)
Payment of decommissioning obligation		**(132,637)**	(121,079)
Finance costs paid		**(210,291)**	(39,338)
Long-term loans - net		**(14,313)**	(13,745)
Net cash generated from operating activities		**13,096,030**	41,241,917
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(18,030,882)**	(22,062,642)
Proceeds from disposal of property, plant and equipment		**389**	82,223
Investments - net		**18,471,072**	(13,033,925)
Equity investment in PIOL		**(2,181,000)**	(4,161,250)
Equity investment in PPLA		**-**	(1,593,138)
Deposit with GoP for equity stake in Reko Diq		**-**	(34,106,250)
Equity investment in PMPL		**(2,268,647)**	-
Long-term deposits		**(178,500)**	(299,893)
Current maturity of long-term receivables		**70,785**	16,509
Finance income received		**10,062,421**	6,034,422
Net cash generated from / (used in) investing activities		**5,945,638**	(69,123,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(332,347)**	(53,552)
Dividends paid		**(3,882,333)**	(9,044,197)
Net cash used in financing activities		**(4,214,680)**	(9,097,749)
Net increase / (decrease) in cash and cash equivalents		**14,826,988**	(36,979,776)
Cash and cash equivalents at the beginning of the year		**32,929,876**	69,909,652
Cash and cash equivalents at the end of the year	39	**47,756,864**	32,929,876

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | **Director** | **Chief Executive Officer**

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended june 30, 2023

	Subscribed and paid-up Share capital		Capital reserve	Revenue & other reserves	Total reserves	Total
	Ordinary	Convertible preference	(Note -19)	(Note -19)		
	---	-------------------------	---(Rupees in thousand)---	-------------------------	-------------------------	---
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**363,316,460**	**363,317,888**	**390,527,724**
Total comprehensive income for the year						
Profit after taxation	-	-	-	53,546,164	53,546,164	53,546,164
Other comprehensive income for the year ended June 30, 2022, net of tax	-	-	-	324,248	324,248	324,248
Total comprehensive income for the year ended June 30, 2022	-	-	-	53,870,412	53,870,412	53,870,412
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2021 at 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Interim dividend for the year ended June 30, 2022 at 15%	-	-	-	(4,081,459)	(4,081,459)	(4,081,459)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2021 at 15%	-	-	-	(16)	(16)	(16)
Interim dividend for the year ended June 30, 2022 at 15%	-	-	-	(16)	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-	-
Total transactions with owners	7	(7)	-	(9,523,437)	(9,523,437)	(9,523,437)
Balance as at June 30, 2022	**27,209,730**	**106**	**1,428**	**407,663,435**	**407,664,863**	**434,874,699**
Total comprehensive income for the year						
Profit after taxation	**-**	**-**	**-**	**97,937,106**	**97,937,106**	**97,937,106**
Other comprehensive income for the year ended June 30, 2023, net of tax	**-**	**-**	**-**	**12,017,030**	**12,017,030**	**12,017,030**
Total comprehensive income for the year ended June 30, 2023	**-**	**-**	**-**	**109,954,136**	**109,954,136**	**109,954,136**
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2022 at 5%	**-**	**-**	**-**	**(1,360,487)**	**(1,360,487)**	**(1,360,487)**
Interim dividend for the year ended June 30, 2023 at 10%	**-**	**-**	**-**	**(2,720,973)**	**(2,720,973)**	**(2,720,973)**
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2022 at 5%	**-**	**-**	**-**	**(5)**	**(5)**	**(5)**
Interim dividend for the year ended June 30, 2023 at 10%	**-**	**-**	**-**	**(10)**	**(10)**	**(10)**
Conversion of preference shares into ordinary shares	**2**	**(2)**	**-**	**-**	**-**	**-**
Total transactions with owners	**2**	**(2)**	**-**	**(4,081,475)**	**(4,081,475)**	**(4,081,475)**
Balance as at June 30, 2023	**27,209,732**	**104**	**1,428**	**513,536,096**	**513,537,524**	**540,747,360**

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2023

1. LEGAL STATUS AND OPERATIONS

1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950. The Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 These unconsolidated financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of the date of statement of financial position, the Company has the following wholly owned subsidiaries:

a) PPL Europe E&P Limited (PPLE)
b) PPL Asia E&P B.V. (PPLA)
c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)

1.3 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Company to continue producing from the Sui gas field, the most recent being dated May 30, 2022, whereby allowing the Company to continue producing from Sui gas field for a further period of one year with effect from June 01, 2022. The Company has applied to the GoP for the grant of formal Development & Production Lease (D&PL) over Sui gas field or grant further extension to continue production from the same.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP on December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

These unconsolidated financial statements and notes comply with the requirements of the State-Owned Enterprises (Governance & Operations) Act, 2023 (the SOE Act). Subsequent to the year end, the Pakistan Sovereign Wealth Fund Act, 2023 (the PSWF Act) was promulgated, which has exempted the Company from the applicability of the SOE Act for future years. Post-promulgation of the PSWF Act, the GoP's shareholding in the Company stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the Company is in the process of taking necessary corporate actions required to record the transfer of the shares from the GoP to the PSWF.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption has been extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these unconsolidated financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 11.5 and 11.6 to these unconsolidated financial statements).

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

a) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, have been measured at fair value.

b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

2.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2022 but are considered not to be relevant or do not have any significant effect on these unconsolidated financial statements.

2.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2023 and these amendments are not likely to have a significant effect on these unconsolidated financial statements.

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024, (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8;

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above);

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023, with earlier application permitted;

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments;

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023, with earlier application permitted;

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact;

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transactions that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review;

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available; and

- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:

  - Once tax law is enacted but before top-up tax is effective: disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.

  - After top-up tax is effective: disclose current tax expense related to top-up tax.

  These amendments apply from December 31, 2023. No disclosures are required in interim periods ending on or before December 31, 2023.

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2.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2022: Rs 18,879 million).

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court. The Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.

2.6 Significant accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these unconsolidated financial statements.

a) Property, plant and equipment and intangibles

The Company reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

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Although the Company is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.
Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the unconsolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Company's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Company revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. The present value is calculated using real discount rate of 3.42% {2022: 3.55% (USD)} per annum. The impact of change in currency of base cost estimates is immaterial. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	7,469
Property, plant and equipment would have been lower by	5,263
Amortisation / write-off charge would have been lower by	2,206
Profit after tax would have been higher by	1,304

f) Joint arrangements

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these unconsolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Company after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Company.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

j) Impairment of financial assets

- Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Company uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from the Government of Pakistan (GoP) for the financial years ending on or before December 31, 2024. Accordingly, the Company reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Company's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Company's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

k) Stores and spares

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Company conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) Lease liability and Right-of-use asset (ROUA)

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value, are recognised as an expense in the statement of profit or loss when incurred.

3.2 Exploration and evaluation assets

The Company applies the "Successful efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

3.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 3.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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3.4 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and that the cost of such assets can also be measured reliably.

Generally, costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures which enhance or extend the performance of computer software beyond their original specification and useful life are recognised as capital improvement and added to the original cost of the software.

3.5 Depreciation and amortisation

a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 5.1 to these unconsolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

3.6 Business combinations and goodwill

The Company uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in profit or loss.

Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss. Impairment losses are not reversed in future years.

3.7 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company has control over any entity if all conditions below are satisfied:

- it has power over the investee entity;
- it has exposure, rights to variable returns from its involvement in investee entity; and
- it has ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on subsidiary is recognised as it arises provided the increased carrying value does not exceed cost.

The profits and losses of the subsidiaries are carried forward in the financial statements of the subsidiaries and not dealt within or for the purpose of these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries.

Gain or loss on sale of investments in the subsidiaries is included in profit or loss for the period.

3.8 Investment in associated companies

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these unconsolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Company's interest in that associate are recognised only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 3.9 below.

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3.9 Impairment of non-financial assets, goodwill and investment in subsidiaries & associated companies

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that its carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.10 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

3.11 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Company.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 2.1.2 to these unconsolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2023.

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The Company assesses the recoverability of its financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Financial assets covered under IFRS 9

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- **Financial assets covered under IAS 39**

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O, the disclosure of the impacts of ECL was not required. Earlier to the aforesaid S.R.O, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption has been extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised in respect of financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the unconsolidated financial statements based on the clarification received from SECP.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at current market rate of return for a similar financial assets. Such impairment loss will not be reversed in subsequent periods. For financial asset carried at amortised cost, the amount of impairment loss recognised is difference between carrying amount and present value of estimated cash flow, discounted at effective interest rate.

b) **Financial liabilities**

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) **Offsetting of financial instruments**

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.12 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

3.13 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

3.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.15 Decommissioning obligation and its provision

The activities of the Company normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Company has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-three years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

3.16 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Company maintains / operates the following benefit plans:

i. Approved pension and gratuity schemes

The Company operates approved funded pension and gratuity schemes, separately, for its executive and non-executive permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Company provides post-retirement medical benefits to its executive and non-executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2023 based on the 'Projected Unit Credit Actuarial Cost Method'.

b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates recognised provident fund schemes, separately, for its executive and non-executive permanent staff as per rules of service. Equal monthly contributions are made by the Company and the employees to the respective funds at the rate of 4.35% (executive staff) and 8% (non-executive staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its executive staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of executive staff to the relevant funds.

3.17 Compensated absences

The Company provides for compensated absences in respect of executive and non-executive staff, in accordance with the rules of the Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2023.

3.18 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

3.19 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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for the year ended june 30, 2023

3.20 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

3.21 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.22 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised when the Company satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Company has an interest with other joint operations partners is recognised in accordance with the Company's working interest and the terms of the relevant agreements.

3.23 Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Other income on loans is recognised on time proportion basis with reference to the principal outstanding and the applicable rate of return.

Income on investments at amortised cost and saving accounts with banks is recognised on time proportion basis taking into account the effective yield of such investments.

The Company recognises interest, if any, on delayed payments from customers on receipt basis.

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

3.24 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Company classifies a joint arrangement as a joint venture when the Company has rights to the net assets of the arrangement.

The Company has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2023

3.25 Foreign currency transactions, translation and operations

a) Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

b) Foreign operations

The transactions of foreign operation are translated at rate of exchange prevailing on the date of transactions. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pakistani Rupees at exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognised in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

3.26 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

3.27 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these unconsolidated financial statements.

3.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 4.1	**85,583,451**	89,295,802
Capital work-in-progress - note 4.4	**50,276,441**	48,544,575
	135,859,892	137,840,377

4.1 Operating assets

	Owned assets												ROUA			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (Note - 4.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles*	Development and production assets	Decommissi-oning assets	Sub total	Vehicles*	Plant & Machinery	Sub total	Total
	---------- (Rupees in thousand) ----------															
As at July 01, 2021																
Cost	102,636	1,336,908	2,982,742	5,085	90,150,405	1,252,618	14,605,599	1,425,098	793,931	116,208,731	19,753,018	248,616,771	11,529	-	11,529	248,628,300
Accumulated depreciation / amortisation	-	-	(1,932,243)	(3,875)	(59,486,427)	(751,455)	(9,117,086)	(1,183,473)	(700,119)	(68,428,621)	(14,054,583)	(155,657,882)	(11,376)	-	(11,376)	(155,669,258)
Net Book Value (NBV)	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**30,663,978**	**501,163**	**5,488,513**	**241,625**	**93,812**	**47,780,110**	**5,698,435**	**92,958,889**	**153**	**-**	**153**	**92,959,042**
Year ended June 30, 2022																
Additions (at cost)	8,502	-	86,723	-	2,348,884	51,821	1,034,292	53,831	39,377	3,345,019	439,494	7,407,943	-	1,487,289	1,487,289	8,895,232
Adjustments / reclassifications	-	-	-	-	-	-	-	-	-	-	4,374,775	4,374,775	-	-	-	4,374,775
Disposals (at NBV)	-	-	-	-	(307)	(1,826)	-	(491)	(22)	-	-	(2,646)	-	-	-	(2,646)
Depreciation / amortisation charge	-	-	(144,985)	(133)	(4,939,571)	(82,881)	(1,203,186)	(133,386)	(34,337)	(8,593,679)	(1,674,778)	(16,806,936)	(153)	(123,512)	(123,665)	(16,930,601)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,072,984**	**468,277**	**5,319,619**	**161,579**	**98,830**	**42,531,450**	**8,837,926**	**87,932,025**	**-**	**1,363,777**	**1,363,777**	**89,295,802**
As at July 01, 2022																
Cost	111,138	1,336,908	3,069,443	5,085	92,487,305	1,281,600	15,613,676	1,450,225	815,493	119,553,751	24,567,287	260,291,911	-	1,487,289	1,487,289	261,779,200
Accumulated depreciation / amortisation	-	-	(2,077,206)	(4,008)	(64,414,321)	(813,323)	(10,294,057)	(1,288,646)	(716,663)	(77,022,301)	(15,729,361)	(172,359,886)	-	(123,512)	(123,512)	(172,483,398)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,072,984**	**468,277**	**5,319,619**	**161,579**	**98,830**	**42,531,450**	**8,837,926**	**87,932,025**	**-**	**1,363,777**	**1,363,777**	**89,295,802**
Year ended June 30, 2023																
Additions (at cost)	-	-	86,836	-	2,347,778	32,389	457,925	58,424	42,823	6,600,365	7,143,247	16,769,787	-	26,134	26,134	16,795,921
Write off (at NBV) - note 4.4.3	-	-	-	-	(12,106)	-	(211)	-	-	-	-	(12,317)	-	-	-	(12,317)
Disposals (at NBV)	-	-	-	-	-	-	-	(750)	-	-	-	(750)	-	-	-	(750)
Depreciation / amortisation charge	-	-	(139,528)	(133)	(4,874,127)	(81,900)	(1,206,381)	(86,263)	(36,136)	(9,832,695)	(3,757,726)	(20,014,889)	-	(480,316)	(480,316)	(20,495,205)
NBV	**111,138**	**1,336,908**	**939,545**	**944**	**25,534,529**	**418,766**	**4,570,952**	**132,990**	**105,517**	**39,299,120**	**12,223,447**	**84,673,856**	**-**	**909,595**	**909,595**	**85,583,451**
As at June 30, 2023																
Cost	111,138	1,336,908	3,153,946	5,085	94,738,207	1,316,324	16,070,782	1,450,993	858,318	126,154,114	31,710,532	276,906,347	-	1,513,423	1,513,423	278,419,770
Accumulated depreciation / amortisation	-	-	(2,214,401)	(4,141)	(69,203,678)	(897,558)	(11,499,830)	(1,318,003)	(752,801)	(86,854,994)	(19,487,085)	(192,232,491)	-	(603,828)	(603,828)	(192,836,319)
NBV	**111,138**	**1,336,908**	**939,545**	**944**	**25,534,529**	**418,766**	**4,570,952**	**132,990**	**105,517**	**39,299,120**	**12,223,447**	**84,673,856**	**-**	**909,595**	**909,595**	**85,583,451**
Rate of depreciation / amortisation (%)			5	5	**	10	**	30	20	**	**		20	**		

* Represents light and heavy vehicles

** Amortisation on unit of production basis except for assets located at Head Office (HO) & Bolan Mining Enterprises (BME)

4.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2023		June 30, 2022	
	Cost	NBV	Cost	NBV
	---------------(Rupees in thousand)-----------------			
Head Office				
Land for Head Office Building	**1,315,076**	**1,315,076**	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and				
High Pressure Casings	**5,638,919**	**-**	5,638,919	-
Booster Compression Project - SML	**2,891,124**	**1,072,646**	2,891,124	1,248,034
Revamping of SML Compressors	**1,335,456**	**1,147,782**	-	-
Adhi Field				
LPG / NGL Plant III	**4,649,726**	**1,771,627**	4,649,726	2,064,966
Kandhkot Field				
Gas Compression Station	**10,345,025**	**1,988,588**	10,345,025	2,294,310
Hala Field				
Gas Processing Facility (GPF)	**1,252,858**	**17,820**	1,252,858	31,728
Gambat South Field				
Gas Processing Facility (GPF - II)	**10,830,657**	**5,639,927**	10,831,283	6,280,685
GPF IV (Phase I & II)	**4,292,436**	**3,169,686**	4,295,109	3,531,351
Dhok Sultan Field				
Oil Handling Facility (ROUA)	**1,513,423**	**909,595**	1,487,289	1,363,777
Sawan Field				
Front End Compression	**3,301,782**	**171,541**	2,889,383	112,162
Other Plant and Machinery	**1,811,767**	**-**	1,811,767	-
Tal Field				
Makori Central Processing Facility	**6,464,776**	**676,032**	6,353,105	832,551
CPF Manzalai	**3,136,923**	**62,060**	3,155,195	92,421
Nashpa Field				
Nashpa LPG Plant	**4,731,035**	**1,734,963**	4,731,035	2,189,316
Wellhead Compression Project	**1,188,301**	**604,492**	1,279,411	853,906
Latif Field				
Reception / Tie-in Facility	**1,165,465**	**27,182**	1,165,465	47,409
Kotri North Field				
Kotri North Field Development	**1,050,851**	**-**	1,051,059	-

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for the year ended june 30, 2023

4.3 Cost and accumulated depreciation include:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Cost		Accumulated depreciation	
	-----------------------(Rupees in thousand)-----------------------			
Share in Company operated joint operations	**33,191,486**	32,845,034	**17,633,067**	14,911,747
Share in partner operated joint operations - note 4.3.1	**44,374,086**	43,225,713	**36,405,595**	33,817,294
	77,565,572	76,070,747	**54,038,662**	48,729,041

4.3.1 The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Company.

4.3.2 The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Company.

	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
4.4 Capital work-in-progress		
Plant, machinery, fittings and pipelines	**14,633,997**	11,370,642
Exploration and evaluation (E&E) assets	**15,762,271**	19,103,985
Development and production (D&P) assets	**8,852,163**	5,307,617
Lands, buildings and civil constructions	**91,084**	69,397
Capital stores for drilling and development	**11,918,928**	14,984,156
- Net reversal / (Charge) of Impairment loss - note 4.4.3	**412,823**	(2,198,810)
- Written-off - note 4.4.3	**(1,394,825)**	(92,412)
	10,936,926	12,692,934
	50,276,441	48,544,575

4.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E Assets	D&P Assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	---------------------------------- (Rupees in thousand) --------------------------------					
Balance as at June 30, 2021	**8,711,906**	**24,245,767**	**5,014,297**	**76,955**	**15,575,687**	**53,624,612**
Capital expenditure incurred / advances made during the year (net) - note 4.4.2	7,919,567	11,820,382	4,548,932	87,668	(591,531)	23,785,018
Impairment / write-off of capital stores - note 4.4.3	-	-	-	-	(2,291,222)	(2,291,222)
Cost of dry wells during the year	-	(17,679,362)	-	-	-	(17,679,362)
Adjustments / reclassifications	-	2,725,979	(2,725,979)	-	-	-
Transferred to operating assets	(5,260,831)	(2,008,781)	(1,529,633)	(95,226)	-	(8,894,471)
Balance as at June 30, 2022	**11,370,642**	**19,103,985**	**5,307,617**	**69,397**	**12,692,934**	**48,544,575**
Capital expenditure incurred / advances made during the year (net) - note 4.4.2	6,322,426	4,241,522	9,333,737	109,715	(774,006)	19,233,394
Impairment / write-off of capital stores - note 4.4.3	-	-	-	-	(982,002)	(982,002)
Cost of dry wells during the year	-	(6,675,022)	-	-	-	(6,675,022)
Transferred to operating assets	(3,059,071)	(908,214)	(5,789,191)	(88,028)	-	(9,844,504)
Balance as at June 30, 2023	**14,633,997**	**15,762,271**	**8,852,163**	**91,084**	**10,936,926**	**50,276,441**

4.4.2 Amounts under capital stores for drilling and development are net of consumption during the year.

4.4.3 As disclosed in note 4.5.1 to the unconsolidated financial statements for the year ended June 30, 2022, an internal exercise was carried out by the Company to assess the usability of drilling & development inventory items, which resulted in a provisional impairment loss of Rs 2,199 million. During the year, a third-party assessment was conducted to substantiate the results of the internal exercise. Based on the assessment, an amount of Rs 627 million has been identified as scrap (marked for disposal) and has been reclassified from impairment loss to write-off. A further impairment loss of Rs 214 million has been recognised in statement of profit or loss, taking the cumulative impairment loss to Rs 1,786 million.

Further, during the year, a fire incident occurred at a warehouse located in the Company's partner operated field - Tal Block. Based on detailed assessment of the damaged items by the Operator of the field, operating assets and capital stores amounting to Rs 12.317 million and Rs 767.825 million respectively, have been written off during the year.

4.5 Plant and machinery includes major spare parts and standby equipment having cost of Rs 58.042 million (2022: Rs 152.830 million).

4.6 None of the assets disposed off during the year have a book value of more than Rs 0.5 million.

4.7 Particulars of immovable property in the name of the Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land	
Sui Field	2,488.71
Kandhkot Field	161.23
Mazarani Field	172.76
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	14.84
Leasehold Land	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	819.55
Adhi Field	115.49
KPS	209.61

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4.8 Particulars of the Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location (Province/ Emirate)	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2.	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3.	PIOL Office	34th Floor, Al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
4.	PMPL Office	Petroleum House, 5th Floor, Ataturk House, G-5/2, Islamabad	Islamabad	Not applicable
5.	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
6.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
7.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
8.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility -II 3) Gas Processing Facility -IV
9.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
10.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
11.	Hala Field	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
12.	Benari Field (Shah Bandar)	District, Sujawal	Sindh	Third Party Processing Facility
13.	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility (ROUA)
14.	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
5. INTANGIBLE ASSETS		
Computer software including ERP system - note 5.1	**52,591**	100,712
Intangible assets under development	**3,594**	12,404
	56,185	113,116

5.1 Computer software including ERP system

	ERP system	Computer software	Total
	-----------(Rupees in thousand)--------------		
As at July 01, 2021			
Cost	442,939	1,671,801	2,114,740
Accumulated amortisation	(402,933)	(1,519,530)	(1,922,463)
NBV	**40,006**	**152,271**	**192,277**
Year ended June 30, 2022			
Additions (at cost)	11,721	17,984	29,705
Amortisation charge - note 30	(17,926)	(103,344)	(121,270)
NBV	**33,801**	**66,911**	**100,712**
As at July 01, 2022			
Cost	450,870	1,675,126	2,125,996
Accumulated amortisation	(417,069)	(1,608,215)	(2,025,284)
NBV	**33,801**	**66,911**	**100,712**
Year ended June 30, 2023			
Additions (at cost)	-	9,759	9,759
Amortisation charge - note 30	(15,130)	(42,750)	(57,880)
NBV	**18,671**	**33,920**	**52,591**
As at June 30, 2023			
Cost	450,870	1,646,374	2,097,244
Accumulated amortisation	(432,199)	(1,612,454)	(2,044,653)
NBV	**18,671**	**33,920**	**52,591**
Rate of amortisation (%)	20	33	

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	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 6.1	**1**	1
PPLE (net of impairment) - note 6.2	**3,798,094**	3,798,094
PPLA (net of impairment) - note 6.3	**-**	-
	3,798,095	3,798,095
- Associates		
Unquoted companies		
- Pakistan International Oil Limited (PIOL) - note 6.4		
Equity held: 25%		
No. of shares: 3,500,000 (2022: 2,500,000) of USD 10/- each	**5,560,044**	2,177,858
- Pakistan Minerals (Private) Limited (PMPL) - note 6.5	**50,008,954**	-
	59,367,093	5,975,953

6.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Company, was incorporated in Pakistan as a private limited company on November 07, 1955. PPPFTC is engaged in administrating the trusts formed for the benefits of the employees of the Company. PPPFTC has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2023. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

6.2 PPL Europe E&P Limited

6.2.1 The Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited (MND), a company incorporated in England and Wales. Subsequent to the acquisition, the name of MND was changed to PPL Europe E&P Limited (PPLE). The Company holds 38,793,216 ordinary shares of £1 each, representing 100% of the share capital as of the date of statement of financial position. The investment amounts to USD 13.252 million as at June 30, 2023.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. Brief details are as follows:

Blocks / Fields	Working Interest
Barkhan	50%
Ziarat (EWT phase and exploration)	40%
Harnai	40%
Yemen - Block 3	21.28%
Sawan	7.89%

6.2.2 This investment is stated net of accumulated impairment losses of Rs 11,866 million (2022: Rs 11,866 million).

6.3 PPL Asia E&P B.V.

6.3.1 On July 22, 2013, the Company established a subsidiary, PPL Asia E&P B.V. (PPLA), a company incorporated in Amsterdam, Kingdom of Netherlands, with issued share capital of 1,000,000 ordinary shares of USD 100 each which are allotted, called up and paid by USD 85.3 per ordinary share. The Company holds 100% of the share capital as of the date of statement of financial position.

PPLA's main objective is exploration and production of oil and natural gas resources and it owned 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). During the year, MdOC, vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Company has commenced appropriate actions to complete the close-out proceedings. Accordingly, a claim amounting to USD 11.890 million has been lodged by PPLA with MdOC during the year, primarily pertaining to reimbursement of Specific Costs plus interest thereon. The effects of the claim will be recognised in the financial statements on acceptance and completion of all other close-out proceedings.

6.3.2 The accumulated impairment loss on the investment amounts to Rs 9,801 million (2022: Rs 9,801 million).

6.4 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to the Company-led consortium in the Emirate of Abu Dhabi with each consortium company having 25% equity, through a separate entity, namely PIOL, incorporated in the Emirate of Abu Dhabi on July 15, 2021. Besides the Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2022, adjusted for the transactions and events upto June 30, 2023 based on unaudited financial statements.

	2023	2022
	-------(Rupees in thousand)-------	
Investment in Associate		
Opening carrying value as at July 01	**2,177,858**	-
Cost of investment	**2,181,000**	4,161,250
Company's share of total comprehensive loss for the year	**(297,195)**	(2,607,077)
Foreign exchange differences on translation of foreign associate	**1,498,381**	623,685
Closing carrying value of investment as at June 30	**5,560,044**	2,177,858

	2023	2022
	-------(Rupees in thousand)-------	
Summarised statement of financial position		
Non-current assets	**8,852,022**	6,345,092
Current assets	**14,095,336**	2,984,343
Current liabilities	**(707,182)**	(618,002)
Net assets	**22,240,176**	8,711,433
Company's percentage shareholding in the associate	**25%**	25%
Company's share in carrying value of net assets as at June 30	**5,560,044**	2,177,858
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the year	**(1,188,780)**	(10,428,309)
Company's share of comprehensive income / (loss) for the year (25%)	**(297,195)**	(2,607,077)

6.5 Pakistan Minerals (Private) Limited (PMPL)

- Investment in Reko Diq Project

Further to the information disclosed in note 7 in the annual audited financial statements for the year ended June 30, 2022, all the conditions precedent as set out in the Framework Agreement, including but not limited to, the signing of the definitive agreements and judicial validation were completed as on December 15, 2022. The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with initial subscribed share capital of 12,000 shares with par value of Rs 10 each in accordance with the agreements for collective representation of the Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

The investment in PMPL by the Company has been accounted for as an associate with the carrying amount of investment amounting to Rs 35,706.865 million, based on the total purchase consideration paid by the Company in the form of initial entry fee (Rs 34,106.250 million) and the interest payments (Rs 1,600.615 million) thereon till December 15, 2022. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. The Company has conducted its assessment for identification and valuation of assets and liabilities of the investee, and as a result of this assessment has not identified any goodwill or bargain purchase gain in the aforesaid acquisition.

During the year, the Company made additional investment in PMPL amounting to Rs 668.032 million which increased the total equity investment of the Company in the associate to Rs 36,374.897 million as at June 30, 2023. This investment has been recorded net of share of loss of associate amounting to Rs 386.040 million, charged to statement of profit or loss, and exchange gain on translation of foreign operation of PMPL amounting to Rs 14,020.097 million recorded through other comprehensive income at the reporting date. In addition to the initial subscribed share capital, PMPL is in the process of issuing shares to the Company against further equity contributions. Furthermore, discussions are currently in progress in respect of the interest expressed by a potential investor in the equity stake of PMPL in the Reko Diq project. However, as of the date of approval of these financial statements, nothing has been materialised.

Financial information of PMPL is summarised below, which is based on the unaudited financial statements of the associate for the period ended June 30, 2023.

	2023	2022
	-------(Rupees in thousand)-------	
Investment in Associate		
Cost of investment	**36,374,897**	-
Company's share of loss for the period	**(386,040)**	-
Company's share of other comprehensive income for the period	**14,020,097**	-
Closing carrying value of investment as at June 30	**50,008,954**	-
Summarised statement of financial position		
Non-current assets	**167,171,543**	-
Current assets	**120,521**	-
Non-current liabilities	**(16,710,030)**	-
Current liabilities	**(8,590)**	-
Net assets	**150,573,444**	-
Company's percentage shareholding in the associate	**33.33%**	-
Company's share in carrying value of net assets	**50,191,148**	-
Others - exchange rate differences in equity contribution	**(182,194)**	-
Company's share in carrying value of net assets as at June 30	**50,008,954**	-
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the period	**40,902,171**	-
Company's share of comprehensive income / (loss) for the period (33.33%)	**13,634,057**	-

Subsequent to the year end, the Company has made further equity contribution amounting to Rs 629.608 million in PMPL.

7. LONG-TERM LOANS

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Unsecured and considered good		
Long-term loans - staff - note 7.1		
- Executive staff - note 7.2	**20,423**	21,029
- Other employees	**83,508**	68,589
	103,931	89,618
Less: Current maturities		
- Executive staff	**(7,235)**	(7,195)
- Other employees	**(25,020)**	(20,734)
	(32,255)	(27,929)
	71,676	61,689

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7.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Company in accordance with the Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2022: 1% to 10%) per annum. Loans to employees have not been discounted as the amount involved is not significant.

7.2 Reconciliation of the carrying amount of long-term loans to executive staff

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Balance as at July 01	**21,029**	20,564
Disbursements	**8,590**	8,700
Repayments / adjustments	**(9,196)**	(8,235)
Balance as at June 30	**20,423**	21,029

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 21.604 million (2022: Rs 22.170 million).

8. LONG-TERM DEPOSITS

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Cash margin:		
- For guarantee to International Bank of Yemen - note 8.1	**1,683,750**	1,505,250
- Others	**7,676**	7,676
	1,691,426	1,512,926
Less: Current maturity of long-term deposits	**(1,683,750)**	(1,505,250)
	7,676	7,676

8.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Company. In the latest correspondence, the Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

Accordingly, the Company is pursuing with the Bank and relevant stakeholders for release of SBLC. Progress remains slow due to the turbulent political scenario in Yemen.

	June 30, 2023	June 30, 2022
9. LONG-TERM RECEIVABLES	-------(Rupees in thousand)-------	
Unsecured and considered good		
Government Holdings (Private) Limited (GHPL) - note 9.1	**51,266**	122,051
Less: Current maturity of long-term receivables from GHPL	**(51,266)**	(122,051)
	-	-

9.1 This represents share of carried cost borne by the Company, in respect of Gambat field, which is recoverable from GHPL in accordance with the terms set out under the Petroleum Concession Agreement (PCA). The receivable amount is overdue and it has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2023	June 30, 2022
10. STORES AND SPARES	-------(Rupees in thousand)-------	
Stores and spares	**6,094,232**	5,683,785
Stores and spares - in transit	**150,965**	83,859
	6,245,197	5,767,644
Less: Provision for obsolete / slow moving stores and spares - note 10.1	**(316,655)**	(271,802)
	5,928,542	5,495,842
10.1 Reconciliation of provision for obsolete / slow moving stores and spares:		
Balance as at July 01	**271,802**	427,348
Provision / (Reversal) for the year - note 33	**44,853**	(155,546)
Balance as at June 30	**316,655**	271,802

11. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 11.1)		
Central Power Generation Company Limited (GENCO-II) - note 11.4	**6,620,217**	4,523,630
Sui Northern Gas Pipelines Limited (SNGPL)	**251,135,388**	186,469,523
Sui Southern Gas Company Limited (SSGCL)	**238,067,533**	154,037,032
Pakistan Refinery Limited (PRL)	**979,686**	731,279
Pak-Arab Refinery Limited (PARCO)	**662,478**	837,009
ENAR Petroleum Refining Facility (EPRF)	**169,342**	307,977
Oil & Gas Development Company Limited (OGDCL)	**1,164**	51,344
	497,635,808	346,957,794
Non-related parties		
Attock Refinery Limited (ARL)	**14,276,447**	17,937,791
National Refinery Limited (NRL)	**503,329**	525,436
Others	**617,538**	370,695
	15,397,314	18,833,922
	513,033,122	365,791,716
Unsecured and considered doubtful		
Non-related party		
Cnergyico Pk Limited (CNERGY) - note 11.5	**253,002**	253,002
EGAS Pvt. Ltd. (EGAS) - note 11.6	**169,454**	169,454
Less: Provision for doubtful debt	**(422,456)**	(422,456)
	-	-
	513,033,122	365,791,716

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11.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
GENCO-II	**9,613,533**	7,025,635
SNGPL	**251,135,388**	186,469,523
SSGCL	**238,067,533**	154,037,032
PARCO	**1,384,523**	2,864,333
PRL	**1,488,947**	1,449,718
EPRF	**334,561**	307,977
OGDC	**59,647**	370,942
	502,084,132	352,525,160

11.2 The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	**52,214,651**	42,614,761
Past due but not impaired:		
Related parties		
- within 90 days	**42,071,801**	26,411,636
- 91 to 180 days	**44,535,285**	29,445,958
- over 180 days	**370,364,944**	264,163,060
	456,972,030	320,020,654
Non-related parties		
- within 90 days	**2,853,633**	2,176,815
- 91 to 180 days	**10,226**	780
- over 180 days	**982,582**	978,706
	3,846,441	3,156,301
	513,033,122	365,791,716

11.3 Trade debts include overdue amount of Rs 456,038 million (2022: Rs 319,886 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 4,780 million (2022: Rs 3,291 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.1.2 to these unconsolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2024 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CNERGY and EGAS as a result of disputes disclosed in notes 11.5 and 11.6.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these unconsolidated financial statements, except for provision against receivable from CNERGY and EGAS.

11.4 As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS amounting to Rs 81,393 million (2022: Rs 66,959 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Company as at the date of statement of financial position.

11.5 The Company had filed a suit in the Sindh High Court (SHC) against CNERGY (formerly Byco) for recovery of overdue amount. The said suit is pending adjudication before the SHC. In addition, the Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Company, which was allowed by the Accountability Court on October 24, 2020. The Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Company has filed a constitutional petition against the NAB for recovery of the withheld amount. For late payment surcharge amount, the Company shall continue to pursue its above civil suit.

11.6 The Company has filed winding up petition against EGAS for recovery of overdue amount. The petition is pending adjudication before the Islamabad High Court. Accordingly, provision for doubtful amount has been recognised. Further, on April 06, 2022, the Company submitted a complaint to NAB for recovery of outstanding dues, including late payment surcharge, from EGAS.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
12. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**94,192**	81,764
Advances to suppliers and others	**110,715**	154,634
Advance payment of cash calls to joint operations - note 36	**392,033**	321,991
	596,940	558,389
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**66,870**	79,634
Prepayments	**407,875**	207,562
	474,745	287,196
14. INTEREST ACCRUED		
Interest receivable on:		
- short-term investments	**1,446,644**	171,611
- bank deposits	**222,685**	92,738
	1,669,329	264,349

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
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	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
15. OTHER RECEIVABLES		
Receivable from:		
SNGPL for Sui field services	**40,629**	24,822
SSGCL for Sui field services	**13,315**	6,879
PPLA	**680,386**	365,571
PIOL	**136,675**	115,274
Staff retirement benefit plans	**215,699**	430,045
Current accounts with joint operations - note 36	**1,626,570**	1,476,577
Workers' Profit Participation Fund (WPPF) - note 15.1	**172,659**	9,980
Others - note 15.2	**181,651**	227,569
	3,067,584	2,656,717
15.1 WPPF		
Balance as at July 01	**9,980**	75,069
Allocation for the year - note 33	**(7,829,342)**	(4,540,021)
Interest on funds utilised in the Company's business - note 32	**-**	(1,250)
	(7,819,362)	(4,466,202)
Net amount paid during the year	**7,992,021**	4,476,182
Balance as at June 30	**172,659**	9,980

15.2 It includes receivable of Rs 7.59 million (2022: Rs 9.56 million) from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million, respectively) with respect to the payments made by the Company on their behalf for expenses related to PIOL.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
16. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 16.1	**12,377,500**	847,500
- Foreign currency term deposits with banks - note 16.2	**27,797,907**	13,132,888
- Local currency treasury bills - note 16.3	**10,446,045**	52,426,957
	50,621,452	66,407,345
At fair value through profit or loss		
- Mutual Funds - note 16.4	**11,483,646**	-
	62,105,098	66,407,345

16.1 These carry profit ranging from 15.10% to 21.00% (2022: 7.54% to 17.66%) per annum and are due to mature latest by March 2024.

16.2 These represent foreign currency term deposits with banks amounting to USD 96.992 million (2022: USD 63.907 million) having effective interest rate ranging from 8.50% to 11.50% (2022: 1.40% to 10.55%) per annum and are due to mature latest by February 2024.

16.3 These carry profit ranging from 15.64% to 21.55% (2022: 10.62% to 14.65%) per annum and are due to mature latest by October 2023. These bills were issued by GoP and sold through State Bank of Pakistan.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
16.4 Mutual Funds		
Name of Fund		
NBP Money Market Fund	**4,710,649**	-
HBL Cash Fund	**3,798,933**	-
NIT Money Market Fund	**1,654,686**	-
Lakson Money Market Fund	**1,319,378**	-
	11,483,646	-

During the year, average annualised return is 17.11% (2022: 8.93%).

This investment has been categorised under Level 1 of the fair value hierarchy of IFRS-7, 'Financial Instruments: Disclosure'. Fair value has been determined using quoted repurchase prices, being net asset value of units as of reporting date.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
17. CASH AND BANK BALANCES		
At banks		
- Saving accounts		
Local currency - note 17.1	**4,647,189**	2,606,457
Foreign currency - note 17.2	**255,351**	110,871
	4,902,540	2,717,328
- Current accounts (local currency)	**1,202,534**	1,004,824
Cash in hand	**939**	1,130
	6,106,013	3,723,282

17.1 These carry profit at the rate ranging from 4.75% to 20.00% (2022: 2.75% to 15.01%) per annum. Further, it includes Rs 19.497 million (2022: Rs 14.298 million) placed under an arrangement permissible under Shariah.

17.2 These carry profit at the rate ranging from 0.01% to 4.00% (2022: 0.01% to 0.30%) per annum. Further, it includes Rs 1.708 million placed under an arrangement permissible under Shariah.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
18. SHARE CAPITAL		
Authorised		
3,500,000,000 (2022: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
26,510 (2022: 26,510) convertible preference shares of Rs 10 each	**265**	265
	35,000,265	35,000,265
Issued		
2,721,162,635 (2022: 2,721,162,488) ordinary shares of Rs 10 each - note 18.2	**27,211,626**	27,211,624
10,440 (2022: 10,587) convertible preference shares of Rs 10 each - note 18.3	**104**	106
	27,211,730	27,211,730
Subscribed and paid-up		
683,078,277 (2022: 683,078,130) ordinary shares of Rs 10 each for cash - note 18.2	**6,830,783**	6,830,781
2,035,144,811 (2022: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2022: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	**27,500**	27,500
	27,209,732	27,209,730
9,366 (2022: 9,513) convertible preference shares of Rs 10 each for cash - note 18.3	**93**	95
1,074 (2022: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	**11**	11
	27,209,836	27,209,836

18.1 Movement in subscribed and paid-up share capital is as follows:

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10/- each		
2,720,972,941	2,720,972,245	At the beginning of the year	**27,209,730**	27,209,723
147	696	Conversion of preference shares	**2**	7
2,720,973,088	2,720,972,941		**27,209,732**	27,209,730

These fully paid ordinary shares carry one vote per share and right to dividend.

18.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2022: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e.102,875,500 ordinary shares) of the Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Company reduced to 67.51% of the paid-up ordinary share capital.

18.3 Convertible preference shares

In accordance with article 3(iv) of the Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Company Secretary by the holders of such convertible preference shares to that effect. During the year, 147 (2022: 696) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Company do not carry any fixed return.

19. RESERVES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Capital reserve - note 19.1	**1,428**	1,428
Revenue & other reserves		
- General and contingency reserve - note 19.2	**69,761**	69,761
- Insurance reserve - note 19.3	**34,021,894**	34,021,894
- Assets acquisition reserve - note 19.4	**23,751,980**	23,751,980
- Dividend equalisation reserve - note 19.5	**2,535,354**	2,535,354
- Foreign currency translation reserve - note 19.6	**1,591,549**	623,685
- Share of foreign currency translation reserve of the associated company - note 19.7	**14,020,097**	-
- Unappropriated profit	**437,545,461**	346,660,761
	513,536,096	407,663,435
	513,537,524	407,664,863

19.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
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19.2 General and contingency reserve

The balance in the general and contingency reserve account has been constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Company only for the purpose specified in the 1982 GPA.

19.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Company has built-up an insurance reserve for self-insurance cover against these risks.

The Company has arranged terrorism cover from the international market upto the limit of liability of USD 100 million (Rs 28,660 million) for single occurrence, as well as, annual aggregate.

19.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

19.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Company established a dividend equalisation reserve to maintain dividend declarations.

19.6 Foreign currency translation reserve

This represents accumulated balance of effect of translation of a foreign operation into Pakistani Rupees as disclosed in note 3.25 (b).

19.7 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

20. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Balance at beginning of the year	**32,650,443**	26,928,206
- Provision during the year	**695,220**	323,915
- Revision due to change in estimates	**7,468,681**	4,375,288
- Adjustment / payment during the year	**(167,795)**	(186,451)
- Unwinding of discount - note 32	**1,274,576**	1,209,485
Balance at end of the year	**41,921,125**	32,650,443

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Wells		
Share in operated assets	**22,687,961**	19,463,975
Share in partner operated assets	**7,708,913**	5,028,852
Production facilities		
Share in operated assets	**7,980,931**	5,708,068
Share in partner operated assets	**3,543,320**	2,449,548
	41,921,125	32,650,443

21. LEASE LIABILITIES

Present value of minimum lease payments - note 21.1	**1,127,957**	1,434,170
Less: current maturity	**(1,127,957)**	(1,434,170)
	-	-

21.1 The Company recognised a Right of Use Asset (RoUA) in respect of Oil Handling Facility installed at Dhok Sultan field and the Company has the option to purchase the asset upon expiry of the lease term. During the year, the Company has deferred its decision to buyback the asset, as allowed in the contractual terms. The Company has, therefore, remeasured its lease liability based on the revised lease payments by using the revised incremental borrowing rate of 23.56% (2022: 16.65%) per annum.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Minimum lease payments		Financial charges		Present value of minimum lease payments	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----------------------------(Rupees in thousand) ----------------------------					
Year ended June 30,						
2023	**-**	1,603,125	**-**	168,955	**-**	1,434,170
2024	**1,205,693**	-	**77,736**	-	**1,127,957**	-
Total	**1,205,693**	1,603,125	**77,736**	168,955	**1,127,957**	1,434,170

21.2 Lease rental payments for the year ended June 30, 2023, amount to Rs 542.640 million (2022: Rs 91.639 million).

22. DEFERRED LIABILITIES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Post-retirement medical benefits - note 31.2.1	**2,617,730**	2,458,013
Leave preparatory to retirement - note 31.3	**987,531**	870,011
	3,605,261	3,328,024

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23. DEFERRED TAXATION - NET

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
(Deductible) / taxable temporary differences on:		
Exploration expenditure	**(1,925,133)**	(1,770,532)
Deferred liabilities	**(1,406,052)**	(1,097,492)
Provision for windfall levy on oil / condensate	**(15,217,461)**	(9,856,954)
Provision for doubtful debts	**(211,228)**	(185,881)
Provision for obsolete / slow moving stores	**(123,495)**	(89,695)
Decommissioning asset	**8,086,522**	6,959,040
Accelerated tax depreciation allowances	**3,198,342**	3,459,565
Exploratory wells cost	**9,841,039**	11,289,011
Development and production expenditure	**24,065,010**	20,099,872
Others	**(228,583)**	(26,769)
	26,078,961	28,780,165

23.1 During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact on account of exchange differences on translation of foreign associate, which has been recognised in other comprehensive income.

24. TRADE AND OTHER PAYABLES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Creditors	**1,116,954**	861,400
Accrued liabilities	**12,544,063**	10,711,643
Security deposits / advances from LPG distributors	**996,961**	525,326
Retention money	**116,189**	102,607
Sales tax - net	**466,721**	1,827,391
Royalties	**14,226,298**	10,924,354
Lease extension bonus	**37,683,916**	30,159,897
Current accounts with joint operations - note 36	**14,213,750**	12,691,458
Staff retirement benefit funds- note 31.1.2	**3,575,947**	1,206,915
Provision for windfall levy on oil / condensate - note 25.1.7	**24,347,937**	17,445,937
Federal excise duty	**104,399**	125,910
Others	**451,848**	443,820
	109,844,983	87,026,658

24.1 As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS amounting to Rs 81,393 million (2022: Rs 66,959 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Corporate guarantees

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.	**2,115**	5,807

25.1.2 Sales tax

The Company has received various orders from the tax authorities raising demand of Rs 446 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Company is contesting the matters before different appellate forums.

25.1.3 Income tax

The tax authorities have amended the assessments of the Company for the tax years 2003 to 2022 raising an aggregate demand of Rs 53,468 million which primarily relates to rate issue, depletion allowance, decommissioning cost, super tax and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001 (the Ordinance). The Company has paid / adjusted an amount of Rs 44,057 million, out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009 which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2013	Sindh High Court
2014 to 2022	Appellate Tribunal Inland Revenue (ATIR)

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, super tax, depletion allowance, tax credits under sections 65A, 65B and 65E relating to Agreement Areas and other issues in the books of accounts. In case the appeals relating to the said issues are decided in favour of the Company, an amount of Rs 51,451 million will be credited to the profit or loss for that year.

During the year, the ATIR has passed an appellate order dated January 27, 2023 for tax year 2013 whereby the ATIR has allowed the claim of tax credits under sections 65A, 65B and 65E and depletion allowance to the extent of non-deduction of royalty from the well-head value, whilst maintaining other disallowances. Against the said order of ATIR, both the tax authorities as well as the Company have filed reference application before SHC.

During the year, the tax authorities have issued an order dated February 28, 2023 levying super tax of Rs 8,419 million @ 10% on income from agreement and non-agreement areas. The Company has paid under protest super tax of Rs 591 million which represents super tax @ 4% relating to income from non-agreement areas only. The super tax liability relating to income from agreement areas has been annulled by the Commissioner Inland Revenue, Appeals, CIR(A). The Company as well as tax authorities have filed a further appeal before ATIR.

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The Honourable SHC, in another case, has annulled the levy of super tax for tax year 2022 on constitutional / legal grounds. Pursuant to appeal by the tax authorities, the Honourable Supreme Court of Pakistan (SCP), through interim order dated February 16, 2023 has directed the plaintiffs to pay super tax to the extent of 4% and stayed the balance tax demand till the appeal of tax authorities is finally decided by the Honourable SCP.

Through Finance Act 2023, new slab rates for super tax have been introduced having income in excess of Rs 300 million and the maximum rate of super tax has been enhanced to 10% for tax year 2023 and onwards. The Company, in principle does not agree with the levy of super tax, however as a matter of abundant caution, an amount of Rs 14,605 million has been provided for in these unconsolidated financial statements.

During the year ended June 30, 2020, the Company's tax return for tax year 2018 was selected for income tax audit. The Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both non-agreement and agreement areas. Based on the advice of the legal counsel, the Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020, has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

The Company, based on the advice of legal counsel, filed a Constitutional Petition before the Honourable SHC for tax years 2020 and 2021, challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impairs contracts cannot be given a retrospective application.

The said petitions have been decided by the Honourable SHC through combined judgment dated February 07, 2023. Through the judgment, the Honourable SHC has struck down the aforesaid amendment made through Finance Act 2019 thereby allowing tax credits @ 10% if plant and machinery was purchased before 30th day of June 2019 and installed before the 30th day of June 2021. The tax authorities have filed an appeal before the Honourable SCP against the said judgment of Honourable SHC.

25.1.4 Sindh Workers' Welfare Fund

The Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Company. The financial impact, if any, cannot be reliably estimated at present. Further, the management of the Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Company, therefore, no provision has been made in these unconsolidated financial statements. Furthermore, SRB has issued a show cause notice dated August 31, 2023 to the Company with respect to the year ended June 30, 2022. The Company is in the process of taking appropriate actions in response to the notice.

25.1.5 Sindh Workers' Profit Participation Fund

The Company had received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained interim stay. Further, in view of the potential exposure involved, the Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

25.1.6 Others

a) The Honourable SHC vide its order dated August 3, 2017, wherein the Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the Honourable SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Company, on the advice of its legal counsel, had challenged the said judgment in the Honourable SCP. The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, the Honourable SCP has made the same conditional to payment of at least 50 percent of the tax calculated in the Government treasury. Subsequently, being aggrieved of the said condition of payment of 50 percent, the Company, on the basis of its legal counsel's advice, has filed a review petition before the Honourable SCP. The said review petition is pending for adjudication.

b) During the year ended June 30, 2022, the tax authorities issued a notice showing their intention to recover the alleged outstanding amount of Late Payment Surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. Based on the advice of legal counsel, the Company filed a constitutional petition, challenging the impugned notice before the Honourable SHC. The Honourable SHC vide an interim order directed the tax authorities not to initiate any recovery proceedings subject to the condition that 50% amount is deposited by the Company. On December 31, 2021, the Company submitted a bank guarantee amounting to Rs 1,536 million. During the year, the tax authorities issued a withdrawal notice in respect of aforementioned recovery notice. Accordingly, the bank guarantee amounting to Rs 1,536 million has been released by the Nazir of the Honourable SHC.

25.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

i. Windfall Levy is applicable on exploration and production of natural gas only;

ii. Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and

iii. There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Petitioners have already advance arguments before the Court. The stay order already granted remains in effect. On June 30, 2022, the case was delisted and was adjourned to a date in office.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2023, on the completion of the process laid down in the law and in line with the Company's accounting policy following the revised prices notified from time to time.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 42,295 million for the period up to June 30, 2023. As mentioned above, the Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Company's legal contention and as a matter of abundant caution, the Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2023 amounts to Rs 24,348 million (2022: Rs 17,446 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 36,634 million and Rs 16,142 million respectively.

25.1.8 Contingencies of Investee Companies

In the context of PPLE, the tax authorities have amended the assessment for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR(A), the appeal effect of which is pending before the tax authorities.

Recently, the Honourable IHC through judgment dated March 31, 2022 (reporting ITRA No. 80 of 2007) for tax years 2004 to 2012 of PPLE's appeals has overruled the judgment of larger bench of ATIR relating to admissibility of depletion allowance by holding that depletion allowance is allowable on wellhead value of sales before deduction of royalty. However, PPLE, as a matter of abundant caution, continues to provide for the tax liability pertaining to this issue in order to align its treatment with the Company i.e. full provision, being an industry issue having significant financial impact on the books, till the matter attains finality.

Further, the tax authorities have also amended the assessment of PPLE for the tax years 2015 to 2020, raising an aggregate demand of Rs 667 million which primarily relates to the abovesaid / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). The CIR(A), through the appellate orders passed for tax years 2015, 2017 and 2018, set-aside the tax demand on all issues except for levy of super tax. PPLE has filed further appeals before ATIR against the above orders passed by CIR(A), whereas the appeals for tax years 2016, 2019 and 2020 are pending before CIR(A).

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

25.1.9 Other contingencies

a) The Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Company in which it has filed a number of claims against the Company. The Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

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b) The Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,978.511 million (2022: Rs 2,542.345 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Company and, accordingly, no provision has been made in these unconsolidated financial statements.

c) The Company has guaranteed to the MdOC, the performance and fulfilment of obligations by PPLA under the EDPSC.

d) The Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

e) The Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents. In addition, due to the several liability of each consortium member of PIOL under the parent company guarantee, each consortium member has given a Shareholders' Protection Guarantee (corporate guarantee) to PIOL and other consortium members to guarantee each other's share of obligations under the concession documents.

25.2 Commitments

25.2.1 Total commitments for capital expenditure (net share) as at June 30, 2023 are Rs 1,918 million (2022: Rs 1,084 million). Further, total amount outstanding under letters of credit (net share) as at June 30, 2023 is Rs 325 million (2022: Rs 3,386 million).

25.2.2 With respect to PIOL (note 6.4), the Company has entered into a Shareholders' Agreement with the consortium partners, under which the Company has committed to invest up to USD 100 million in PIOL during five years' period from the date of initial investment, out of which USD 35 million have been invested till June 30, 2023.

25.2.3 With respect to PMPL (note 6.5), the Company has entered into a Joint Venture Agreement with the stakeholders, under which the Company has committed to invest a total amount up to USD 398 million (including post-acquisition investments), to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. In addition, the Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fund the obligations of the Company under the Definitive Agreements.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
26. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales	**325,451,668**	234,343,813
Federal excise duty	**(1,614,812)**	(1,603,013)
Sales tax - note 26.2	**(38,390,707)**	(30,848,588)
Petroleum Levy	**(544,148)**	(541,989)
Discounts (barytes)	**(19,819)**	(47,411)
	(40,569,486)	(33,041,001)
Local sales - net	**284,882,182**	201,302,812
Export sales - note 26.1	**1,598,070**	896,371
	286,480,252	202,199,183
Product wise break-up of sales is as follows:		
Natural gas	**215,300,598**	140,468,160
Federal excise duty	**(1,584,116)**	(1,571,173)
Sales tax	**(34,883,388)**	(22,636,489)
	(36,467,504)	(24,207,662)
	178,833,094	116,260,498
Gas supplied to Sui villages - note 27	**1,451,924**	920,528
Federal excise duty	**(13,925)**	(14,425)
Sales tax	**(215,440)**	(133,752)
	(229,365)	(148,177)
	1,222,559	772,351
Internal consumption of gas	**719,722**	485,018
Federal excise duty	**(6,865)**	(7,548)
Sales tax	**(106,939)**	(70,345)
	(113,804)	(77,893)
	605,918	407,125
Crude oil / Natural gas liquids / Condensate	**86,593,573**	74,048,563
Sales tax	**-**	(5,305,234)
	86,593,573	68,743,329
LPG	**21,200,110**	18,036,904
Federal excise duty	**(9,906)**	(9,867)
Sales tax	**(3,145,568)**	(2,622,371)
Petroleum Levy	**(544,148)**	(541,989)
	(3,699,622)	(3,174,227)
	17,500,488	14,862,677
Barytes	**1,783,811**	1,281,011
Sales tax	**(39,372)**	(80,397)
Discounts	**(19,819)**	(47,411)
	(59,191)	(127,808)
	1,724,620	1,153,203
	286,480,252	202,199,183

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	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
26.1 Break up of export sales is as follows:		
Barytes	**1,507,175**	775,312
Crude oil / Condensate	**90,895**	121,059
	1,598,070	896,371

26.2 During the year, vide SRO 179(I)/2023, dated February 14, 2023, the rate of general sales tax rate has increased from 17% to 18%.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
27. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 30.1	**11,361,382**	10,011,419
Operator's personnel	**3,040,293**	2,647,619
Depreciation	**6,796,549**	6,303,121
Amortisation of decommissioning assets - note 4.1	**3,757,726**	1,674,778
Amortisation of D&P assets - note 4.1	**9,832,695**	8,593,679
Plant operations	**4,078,633**	3,660,264
Well interventions	**1,790,671**	1,228,514
Field services	**2,800,807**	2,349,447
Crude oil & barytes transportation	**1,269,828**	785,294
Travelling and conveyance	**529,076**	686,465
Training & development	**114,048**	42,231
PCA overheads	**236,996**	187,332
Insurance expenses	**758,983**	674,109
Free supply of gas to Sui villages - note 26	**1,451,924**	920,528
Social welfare / community development	**633,198**	325,855
	48,452,809	40,090,655
28. ROYALTIES AND OTHER LEVIES		
Royalties and others	**34,752,283**	22,910,442
Lease extension bonus	**7,524,019**	5,227,068
Windfall levy	**4,202,043**	2,362,824
	46,478,345	30,500,334
29. EXPLORATION EXPENSES		
Dry and abandoned wells	**6,675,022**	17,679,362
Other exploration expenditures	**14,953,248**	6,055,524
	21,628,270	23,734,886

30. ADMINISTRATIVE EXPENSES

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Salaries, wages, welfare and other benefits - note 30.1	6,895,134	6,642,799
Amortisation of intangible assets - note 5.1	57,880	121,270
Depreciation of leased and HO assets	108,235	359,024
Rent, rates and taxes	310,020	241,869
Utilities & communication	123,110	106,916
Travelling and conveyance	104,422	76,534
Training and development	109,760	52,925
Insurance expenses	51,838	44,917
Repairs, maintenance and supplies	935,749	707,446
Professional services	121,477	87,573
Auditors' remuneration - note 30.2	19,848	11,288
Donations and sponsorships - note 30.3 & 30.4	176,109	114,280
Contract services	113,962	91,827
Compliance and regulatory expenses	75,134	57,384
Advertisement, publicity and public relations	56,445	49,200
Other expenses	84,494	62,383
	9,343,617	8,827,635
Allocation to capital and operating expenditure	(5,424,137)	(4,226,973)
	3,919,480	4,600,662

30.1 This includes expenditure in respect of provident fund, pension fund, gratuity fund, leave preparatory to retirement and post-retirement medical benefits amounting to Rs 391.324 million, Rs 461.428 million, Rs 175.924 million, Rs 176.984 million and Rs 382.702 million, respectively (2022: Rs 309.172 million, Rs 376.908 million, Rs 220.376 million, Rs 140.960 million and Rs 284.472 million, respectively).

30.2 Auditors' remuneration

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Annual audit fee		
- unconsolidated	4,564	3,969
- consolidated	837	728
Limited review, special certifications and advisory services	12,071	5,293
Out of pocket expenses & others	2,376	1,298
	19,848	11,288

30.3 Party wise details of donations in excess of Rs 1 million are given below:

Name of Donees / Party	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Provincial Disaster Management (Balochistan)	25,000	-
University of Engineering, Lahore	21,000	-
Provincial Disaster Management (Khyber Pakhtunkhwa)	15,000	-
Provincial Disaster Management (Punjab)	15,000	-
Ration distributed to flood affectees (Sindh)	11,733	-
Behbud Association of Pakistan	10,000	-
Akhuwat Foundation	10,000	6,000
Tehzibul Akhlaq Trust	6,300	9,700
Jinnah Postgraduate Medical Centre	4,900	-
Kashmir Education Foundation	2,000	-
Dawood Global Foundation	1,730	-
Society for the protection of the Rights of the Child	1,800	-
University of Karachi	1,000	1,000
Lahore Businessmen Association for Rehabilitation of the Disabled	1,000	-
The Indus Hospital	-	12,000
Sindh Institute of Urology & Transplantation	-	10,310
Al-Shifa Trust Eye Hospital	-	7,000
Jaffriya Disaster Management Cell Welfare Organization	-	6,901
The Layton Rehmatullah Benevolent Trust	-	5,500
Rural Health Centre	-	5,105
Water supply scheme for District Kohlu	-	3,532
HANDS Foundation	-	3,480
Parents Voice Association	-	2,000
Mosque of Pakistan Industrial Development Corporation	-	2,000
Pakistan Tennis Federation	-	1,200
Karachi Vocational Training Centre	-	1,000
Pakistan Blind Cricket Council	-	1,000
Healthcare and Social Welfare Association	-	1,000
Karachi Institute Of Kidney Diseases	-	1,000
	126,463	79,728

30.4 There are no donations in which the directors of the Company are interested.

31. STAFF RETIREMENT BENEFITS

31.1 Funded post retirement pension and gratuity schemes

As mentioned in note 3.16 to these unconsolidated financial statements, the Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Company appoints the trustees. All trustees are employees of the Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

31.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Present value of defined benefit obligations - note 31.1.6	11,935,739	1,433,217	5,404,941	2,262,013	**21,035,910**	16,727,652
Fair value of plan assets - note 31.1.5	(11,552,008)	(982,495)	(3,605,458)	(1,320,002)	**(17,459,963)**	(15,685,589)
Liability / (asset) recognised in the statement of financial position	**383,731**	**450,722**	**1,799,483**	**942,011**	**3,575,947**	**1,042,063**

31.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Balances as on July 01	768,773	420,768	(164,852)	17,374	**1,042,063**	863,653
Charge for the year - note 31.1.3	407,483	126,905	53,945	49,019	**637,352**	597,284
Refund / (Payments) during the year	(1,094,385)	13,481	11,798	(92,156)	**(1,161,262)**	(725,349)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 31.1.4	301,860	(110,432)	1,898,592	967,774	**3,057,794**	306,475
Balances as on June 30	**383,731**	**450,722**	**1,799,483**	**942,011**	**3,575,947**	**1,042,063**

31.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Current service cost	311,765	74,517	74,470	46,719	**507,471**	512,062
Interest cost on defined benefit obligation	1,372,013	190,158	434,143	178,047	**2,174,361**	1,592,490
Interest income on plan assets	(1,276,295)	(137,770)	(454,668)	(175,747)	**(2,044,480)**	(1,507,268)
Charge for the year recognised in profit or loss	**407,483**	**126,905**	**53,945**	**49,019**	**637,352**	**597,284**
Actual return on plan assets	**1,401,882**	**119,730**	**463,626**	**142,600**	**2,127,838**	**1,087,208**

31.1.4 Remeasurement recognised in other comprehensive income

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Actuarial loss / (gain) on obligation	427,447	(128,472)	1,907,550	934,627	**3,141,152**	(113,585)
Actuarial loss / (gain) on assets	(125,587)	18,040	(8,958)	33,147	**(83,358)**	420,060
Total remeasurements	**301,860**	**(110,432)**	**1,898,592**	**967,774**	**3,057,794**	306,475

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31.1.5 Changes in fair value of plan assets

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Fair value of plan assets at beginning of the year *	9,708,781	1,067,704	3,531,010	1,378,094	**15,685,589**	15,383,293
Interest income on plan assets	1,276,295	137,770	454,668	175,747	**2,044,480**	1,507,268
Contributions / adjustments by the Company	1,094,385	(13,481)	(11,798)	92,156	**1,161,262**	725,349
Benefits paid	(653,040)	(191,458)	(377,380)	(292,848)	**(1,514,726)**	(1,510,261)
Amount recognised in OCI for the year	125,587	(18,040)	8,958	(33,147)	**83,358**	(420,060)
Fair value of plan assets at the end of the year	**11,552,008**	**982,495**	**3,605,458**	**1,320,002**	**17,459,963**	15,685,589

** This represents unaudited fair value of plan assets.*

31.1.6 Changes in present value of pension and gratuity obligations

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Present value of obligations at beginning of the year	10,477,554	1,488,472	3,366,158	1,395,468	**16,727,652**	16,246,946
Current service cost	311,765	74,517	74,470	46,719	**507,471**	512,062
Interest cost	1,372,013	190,158	434,143	178,047	**2,174,361**	1,592,490
Benefits paid	(653,040)	(191,458)	(377,380)	(292,848)	**(1,514,726)**	(1,510,261)
Amount recognised in OCI for the year	427,447	(128,472)	1,907,550	934,627	**3,141,152**	(113,585)
Present value of obligations at the end of the year	**11,935,739**	**1,433,217**	**5,404,941**	**2,262,013**	**21,035,910**	16,727,652

31.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return	Executives		Non-Executives		Executives		Non-Executives	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
	%	June 30, 2023				June 30, 2022			
Pension Fund									
Government securities	8.00 - 22.42	**7,768,155**	**67**	**1,824,832**	**51**	597,757	6	283,892	8
Shares	-	**1,144,027**	**10**	**456,958**	**13**	1,346,702	14	540,414	16
Sukuk	23.35 - 23.94	**33,366**	**-**	**5,239**	**-**	178,320	2	66,872	2
Term Finance Certificates	22.30 - 24.37	**130,970**	**1**	**102,097**	**3**	344,345	4	131,553	4
National Savings Certificates	13.01	**1,150,000**	**10**	**383,500**	**11**	2,450,000	25	613,500	18
Cash and bank deposits	12.25 - 21.85	**1,325,490**	**12**	**832,832**	**22**	4,791,657	49	1,894,779	52
Total		**11,552,008**	**100**	**3,605,458**	**100**	9,708,781	100	3,531,010	100
Gratuity Fund									
Government securities	8.00 - 22.42	**415,663**	**42**	**579,881**	**44**	62,111	6	78,706	6
Shares	-	**137,144**	**14**	**182,045**	**14**	167,180	16	219,095	16
Sukuk	23.35 - 23.94	**6,071**	**1**	**3,510**	**-**	25,827	2	25,003	2
Term Finance Certificates	22.30 - 24.37	**41,494**	**4**	**62,578**	**5**	58,137	5	81,545	6
National Savings Certificates	13.01	**150,000**	**15**	**121,000**	**9**	300,000	28	271,000	19
Cash and bank deposits	12.25 - 21.85	**232,123**	**24**	**370,988**	**28**	454,449	43	702,745	51
Total		**982,495**	**100**	**1,320,002**	**100**	1,067,704	100	1,378,094	100

31.1.8 Sensitivity analysis

	June 30, 2023				June 30, 2022			
	Executives		Non-Executives		Executives		Non-Executives	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	----------(Rupees in thousand)----------							
Pension								
Salary rate sensitivity	**521,880**	**(467,790)**	**192,096**	**(176,866)**	381,176	(511,325)	109,412	(100,863)
Pension rate sensitivity	**896,028**	**(776,435)**	**234,484**	**(216,376)**	648,238	(720,163)	158,216	(147,259)
Discount rate sensitivity	**(1,206,179)**	**1,455,065**	**(425,540)**	**482,127**	(1,163,546)	1,210,771	(248,684)	277,967
Gratuity								
Salary rate sensitivity	**25,928**	**(22,502)**	**48,402**	**(44,786)**	23,023	(20,632)	47,453	(43,881)
Discount rate sensitivity	**(74,715)**	**84,000**	**(98,458)**	**108,949**	(83,220)	93,773	(48,384)	53,237

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

31.1.9 Maturity profile of the defined benefit obligations

	June 30, 2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.11	5.66	7.87	5.29
	------(Rupees in thousand)------			
Distribution of timing of benefit payments (time in years)				
1	777,022	231,871	435,336	278,994
2	773,804	194,366	527,294	324,409
3	791,141	194,700	659,887	407,018
4	1,024,890	262,201	708,103	445,524
5	1,362,603	242,634	696,008	408,361
6-10	8,600,525	1,377,005	4,689,484	2,305,276

31.1.10 The Company expects to contribute Rs 1,184.425 million (2022: Rs 637.352 million) to the pension and gratuity funds in the next financial year.

31.2 Unfunded post-retirement medical benefits

31.2.1 The Company provides free medical facilities to its executive and non-executive retired employees, as mentioned in note 3.16 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2023, results of which are as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Present value of defined benefit obligations - notes 22 and 31.2.4	**2,617,730**	2,458,013

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	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
31.2.2 Movement in the liability recognised in the statement of financial position is as follows:		
Balance as at July 01	**2,458,013**	2,297,102
Charge for the year - notes 30.1 & 31.2.3	**382,702**	284,472
Payments during the year	**(136,122)**	(116,523)
Amounts credited to OCI	**(86,863)**	(7,038)
Balance as at June 30	**2,617,730**	2,458,013

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
31.2.3 Amounts recognised in profit or loss		
Current service cost	**59,554**	56,453
Interest cost	**323,148**	228,019
	382,702	284,472

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
31.2.4 Changes in present value of post-retirement medical obligations		
Balance as at July 01	**2,458,013**	2,297,102
Current service cost	**59,554**	56,453
Interest cost	**323,148**	228,019
Benefits paid	**(136,122)**	(116,523)
Amounts credited to OCI	**(86,863)**	(7,038)
Balance as at June 30	**2,617,730**	2,458,013

	1% increase	1% decrease
	-------(Rupees in thousand)-------	
31.2.5 Sensitivity analysis		
Medical cost trend rate sensitivity	**284,250**	**(243,457)**
Discount rate sensitivity	**(297,411)**	**363,784**

31.2.6 The Company expects to contribute Rs 482.732 million (2022: Rs 382.702 million) to the unfunded post-retirement medical benefits in the next financial year.

31.2.7 The weighted average duration of the defined benefit obligation works out to 11.20 years (2022: 11.54 years) in respect of executive and 11.63 years (2022: 11.76 years) in respect of non-executive retired employees.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
31.3 Leave preparatory to retirement		
Balance as at July 01	**870,011**	785,448
Charge for the year - note 30.1	**176,984**	140,960
	1,046,995	926,408
Payments / adjustments during the year	**(59,464)**	(56,397)
Balance as at June 30 - note 22	**987,531**	870,011

31.4 Principal actuarial assumptions

	Per annum	
	June 30, 2023	June 30, 2022
- discount rate	**16.25%**	13.25%
- expected rate of increase in salaries	**16.25%**	13.25%
- expected rate of increase in pension	**11.25%**	8.25%
- expected rate of escalation in medical cost	**12.25%**	9.25%
- death rate / mortality rate	SLIC (2001-05)	

31.5 Description of the risks to the Company

The defined benefit plans expose the Company to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

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	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
32. FINANCE COSTS		
Financial charges for lease liabilities	**210,291**	38,088
Unwinding of discount on decommissioning obligation - note 20	**1,274,576**	1,209,485
Interest on WPPF - note 15.1	**-**	1,250
	1,484,867	1,248,823
33. OTHER CHARGES		
WPPF charge - note 15.1	**7,829,342**	4,540,021
Impairment loss on investment in PPLA	**-**	1,593,138
Provision for windfall levy on oil / condensate - note 25.1.7	**6,902,000**	7,203,000
Charge / (Reversal) of provision for obsolete / slow moving stores & spares - note 10.1	**44,853**	(155,546)
Write off / Impairment of property, plant and equipment & capital stores - note 4.4	**994,319**	2,291,222
Loss on disposal of property, plant and equipment (net)	**361**	-
	15,770,875	15,471,835
34. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 34.1	**917,012**	497,249
Income on local currency term deposits	**584,297**	816,735
Income on foreign currency term deposits	**1,792,972**	643,451
Income from investment in treasury bills	**6,243,835**	3,827,203
Exchange gain on foreign currency (net)	**5,902,018**	6,922,371
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	**1,929,285**	916,500
	17,369,419	13,623,509
Income from assets other than financial assets		
Rental income on assets	**5,281**	5,014
Gain on disposal of property, plant and equipment (net)	**-**	79,577
Insurance Income	**37,849**	44,078
Gain on disposal of obsolete / slow moving stores and spares (net)	**99,406**	235,843
Others	**26,708**	155,890
	169,244	520,402
	17,538,663	14,143,911

34.1 This includes profit amounting to Rs 3.478 million (2022: Rs 0.564 million) under a Shariah compliant arrangement.

35. TAXATION

Provision for taxation for the year ended June 30, 2023 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The corporate and BME income is taxed at 29%, except for dividend income from mutual funds which is being taxed at 15%, being non-agreement areas. In addition, super tax at 10% has been provided on all income streams of the Company for the tax year 2023.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Current		
- for the year - note 35.1	**70,498,818**	45,477,524
- for prior years (net)	**396,829**	156,957
	70,895,647	45,634,481
Deferred - note 35.1	**(3,231,719)**	(1,049,894)
	67,663,928	44,584,587

35.1 Current tax includes provision for super tax imposed by the GoP at the rate of 10% (2022: 10%) amounting to Rs 14,605.270 million (2022: Rs 9,571.041 million) on the taxable income of the Company during the year, while the impact of said provision on deferred tax amounts to Rs 2,292.292 million (2022: Rs 2,448.665 million) at the rate of 10% (2022: 4%).

35.2 Relationship between accounting profit and taxation

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Accounting profit for the year before taxation	**165,601,034**	98,130,751
Tax on accounting profit at applicable rate of 42.48% (2022: 41.27%)	**70,351,447**	40,496,344
Tax effect of:		
- Depletion allowance	**(16,764,580)**	(11,792,549)
- Royalty allowed for tax purposes	**(5,729,496)**	(4,124,478)
- Impairment loss	**-**	462,010
- Unwinding of discount on decommissioning obligation	**591,772**	563,850
- Tax income relating to prior years	**396,829**	156,957
- Decommissioning cost	**2,224,284**	4,932,211
- Dividend income / gain on remeasurement of investments	**(270,100)**	(265,785)
- Super Tax	**16,897,562**	12,019,706
- Others	**(33,790)**	2,136,321
	67,663,928	44,584,587
Effective tax rate %	**40.86**	45.43

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36. Details of Exploration and Production Areas / Fields

The areas in which the Company has working interest are as follows:

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2023	Net Balance (Payable) / Receivable June 30, 2023 (Rupees in thousand)	Net Balance (Payable) / Receivable June 30, 2022 (Rupees in thousand)
	Producing Fields				
1	Adhi	PPL	**39.00**	**(991,799)**	(1,119,305)
2	Dhok Sultan (EWT Phase)	PPL	**75.00**	**(195,838)**	7,484
3	Gambat South	PPL	**65.00**	**(1,504,415)**	(1,441,208)
4	Hala	PPL	**65.00**	**(134,068)**	(389,005)
5	Kandhkot	PPL	**100.00**	**-**	-
6	Kandhkot East (Chachar)	PPL	**75.00**	**9,275**	6,025
7	Mazarani	PPL	**87.50**	**101,525**	98,844
8	Shah Bandar	PPL	**63.00**	**(65,292)**	(20,352)
9	Sui	PPL	**100.00**	**-**	-
10	Block 22	PEL	**35.53**	**(56,911)**	(46,733)
11	Digri	UEPL	**25.00**	**(41,867)**	(33,615)
12	Gambat	UEP-BETA	**23.68**	**(157,678)**	58,979
13	Ghauri (Dharian EWT Phase)	MPCL	**35.00**	**(32,395)**	(33,875)
14	Kirthar	POGC	**30.00**	**(725,107)**	(634,503)
15	Kotri North (Unarpur EWT Phase)	UEPL	**40.00**	**(33,467)**	(41,921)
16	Latif	UEP-BETA	**33.30**	**(940,927)**	(1,286,938)
17	Miano	UEP-BETA	**15.16**	**(333,400)**	(392,558)
18	Nashpa	OGDCL	**28.55**	**(1,602,700)**	(1,428,599)
19	Qadirpur	OGDCL	**7.00**	**140,021**	(279,231)
20	Sawan	UEP-BETA	**26.18**	**(235,624)**	(196,637)
21	Tal	MOL	**27.76**	**(1,240,190)**	(1,247,277)
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	**35.00**	**2,276**	(591)
2	Block 2566-6 (Bela West)	PPL	**58.50**	**78,566**	267,086
3	Block 3371-15 (Dhok Sultan) - note 36.1	PPL	**75.00**	**-**	-
4	Block 2568-18 (Gambat South) - note 36.1	PPL	**65.00**	**-**	-
5	Block 2568-13 (Hala) - note 36.1	PPL	**65.00**	**-**	-
6	Block 3372-23 (Hisal)	PPL	**62.50**	**10,263**	(19,821)
7	Block 2866-2 (Kalat)	PPL	**100.00**	**(345,357)**	(1,070,739)
8	Block 3272-18 (Karsal)	PPL	**100.00**	**14,821**	(10,683)
9	Block 2763-3 (Kharan)	PPL	**100.00**	**9,434**	(325,418)
10	Block 2764-4 (Kharan-East)	PPL	**100.00**	**37,814**	(259,607)
11	Block 2569-5 (Khipro East)	PPL	**97.50**	**(7,303)**	(566,821)
12	Block 2766-1 (Khuzdar)	PPL	**100.00**	**(57,375)**	(34,871)
13	Block 2468-12 (Kotri)	PPL	**100.00**	**(5,188)**	705
14	Block 2866-4 (Margand)	PPL	**100.00**	**(1,017,485)**	(14,661)
15	Block 3069-10 (Musakhel)	PPL	**37.20**	**(125,172)**	32,572
16	Block 2668-9 (Naushahro Firoz)	PPL	**100.00**	**(34,999)**	(14,613)
17	Block 2864-2 (Nausherwani)	PPL	**97.50**	**(5,064)**	11,954
18	Block 3073-5 (Punjab)	PPL	**47.50**	**(17,413)**	26,372
19	Block 2467-16 (Shah Bandar) - note 36.1	PPL	**63.00**	**-**	-
20	Block 2468-10 (Sirani)	PPL	**75.00**	**29,652**	16,746
21	Block 2768-13 (Sorah)	PPL	**100.00**	**(1,922,949)**	(181,829)
22	Block 2763-5 (South Kharan)	PPL	**51.00**	**21,325**	52,939

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2023	Net Balance (Payable) / Receivable June 30, 2023 (Rupees in thousand)	Net Balance (Payable) / Receivable June 30, 2022 (Rupees in thousand)
23	Block 3070-13 (Baska)	PPL	**82.50**	**(105,096)**	(7,922)
24	Block 2869-15 (Sui North) - note 36.2	PPL	**50.00**	**11,554**	-
25	Block 2866-15 (Kalat West) - note 36.2	PPL	**50.00**	**5,986**	-
26	Block 2568-19 (Digri) - note 36.1	UEPL	**25.00**	**-**	-
27	Block 3273-3 (Ghauri) - note 36.1	MPCL	**35.00**	**-**	-
28	Block 2468-9 (Jherruck)	NHEPL	**30.00**	**(59,317)**	(59,317)
29	Block 2866-3 (Khuzdar North)	OGDCL	**25.00**	**(31,594)**	(12,015)
30	Block 2667-7 (Kirthar) - note 36.1	POGC	**30.00**	**-**	-
31	Block 2568-21 (Kotri North) - note 36.1	UEPL	**40.00**	**-**	-
32	Block 2867-5 (Kuhan)	UEP-BETA	**47.50**	**(130,791)**	(114,849)
33	Block 2669-3 (Latif) note 36.1	UEP-BETA	**33.30**	**-**	-
34	Block 3370-10 (Nashpa) - note 36.1	OGDCL	**30.00**	**-**	-
35	Block 3070-16 (Pezu)	OGDCL	**30.00**	**(45,569)**	(124,225)
36	Block 3072-8 (Shakarganj West)	OGDCL	**50.00**	**(48,012)**	(16,501)
37	Block 2568-20 (Sukhpur) - note 36.3	PIOGCL (formerly ENI)	**30.00**	**9,213**	9,213
38	Block 3069-9 (Suleiman)	OGDCL	**50.00**	**(463,130)**	(26,513)
39	Block 3370-3 (Tal) - note 36.1	MOL	**30.00**	**-**	-
40	Block 2967-5 (Mach) - note 36.2	MPCL	**30.00**	**(1,849)**	-
41	Block 2867-6 (Dadhar) - note 36.2	MPCL	**30.00**	**(2,910)**	-
	Offshore Blocks				
42	Block 2366-7 (Indus-C)	PPL	**100.00**	**(43,634)**	(12,842)
	Other areas - note 36.4			**85,013**	(16,214)

36.1 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

36.2 During the year, provisionally awarded four blocks in bidding round of April 2022, have now been formally awarded to the Company on November 22, 2022 .

36.3 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached GoP (in June 2021) for approval of further well testing. The matter is still under consideration of GoP.

36.4 This mainly includes amounts receivable / (payable) under the various blocks against which the Company has applied to GoP for relinquishment.

36.5 During the year, the Company has been provisionally awarded four blocks in bidding round of October 2022; one operated block Shaigalu with 40% working interest and three partner operated blocks South Pishin, Tanishpa and Lugai with 35%, 35% and 30% working interest in each block, respectively. Exploration Licenses of these blocks have been subsequently signed on August 2, 2023.

36.6 The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Company and transactions with the Joint Operations.

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	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES		
Financial assets as per statement of financial position		
- At amortised cost		
Long-term loans	**71,676**	61,689
Long-term deposits	**7,676**	7,676
Trade debts	**513,033,122**	365,791,716
Loans and advances	**486,225**	558,389
Trade deposit	**66,870**	79,634
Interest accrued	**1,669,329**	264,349
Current maturity of long-term deposits	**1,683,750**	1,505,250
Current maturity of long-term loans	**32,255**	27,929
Current maturity of long-term receivables	**51,266**	122,051
Other receivables	**2,894,925**	2,216,692
Short-term investments	**62,105,098**	66,407,345
Cash and bank balances	**6,106,013**	3,723,282
	588,208,205	440,766,002
- At fair value through Profit or Loss - Mutual Funds	**11,483,646**	-
Non-financial assets	**190,419,315**	184,179,125
Total assets	**790,111,166**	624,945,127
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Lease Liabilities	**1,127,957**	1,434,170
Trade and other payables	**33,015,712**	26,543,169
Unclaimed dividends	**1,200,292**	1,001,150
Non-financial liabilities	**214,019,845**	161,091,939
Total liabilities	**249,363,806**	190,070,428

37.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values, except for investments at amortised cost, which are stated at amortised cost.

Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.6(j).

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including the effect of market risks relating to interest rates, foreign currency exchange rate and commodity price, credit risk and liquidity risk associated with various financial assets and liabilities. The carrying values of financial assets and liabilities approximate to their fair values except for investments at amortised cost, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

Financial risks emanating from changing market conditions and Company's business decisions are identified and managed by the Company in accordance with appropriate policies, procedures, risk framework and risk appetite.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate, foreign currency exchange rate and price, which will affect the Company's income or the value of its holdings of financial instruments. Objective of the market risk management is to manage and/or control market risk exposures within acceptable parameters, wherever applicable, while optimising the return on financial instruments.

i. Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by closely monitoring the duration of fixed rate investments and placements.

ii. Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's revenue, foreign procurement costs or the value of its financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimising the return on financial instruments. Positive impact of the exchange rate fluctuations on the Company's revenues and assets is greater than the adverse impact on the Company's liabilities, resulting in an overall positive net change.

Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

	June 30, 2023	June 30, 2022
	(US Dollars)	
Investments at amortised cost	**96,991,999**	63,906,998
Cash and bank balances	**890,967**	539,518
Trade and other payables	**(1,134,531)**	(1,468,801)
	96,748,435	62,977,715

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2023	2022	2023	2022
	---------------------(Rupees)---------------------			
USD 1	**248.11**	178.21	**286.60**	206.00

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	-------(Rupees in thousand)-------	
Foreign currency financial assets	**97,883**	**(97,883)**
Foreign currency financial liabilities	**1,134**	**(1,134)**

iii. Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Company is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Company.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	-------(Rupees in thousand)-------	
Natural Gas	**226,898**	**(226,898)**
Crude Oil / Condensate / NGL	**4,361**	**(4,361)**
LPG	**117**	**(117)**
Barytes	**107**	**(107)**

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk from its operating and certain investing activities and the Company's credit risk exposures are categorised under the following headings:

i. Counterparties

The Company conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Company's customers are made on the basis of agreements approved by GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Company subject to maximum price notified by OGRA.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from GoP till June 30, 2023 as per policy disclosed in note 3.11 to these unconsolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Company is actively pursuing for recovery of trade debts and the Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 2.1.2 is not material and accordingly has not been included in these unconsolidated financial statements.

Bank and investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Company currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

ii. Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Long-term loans	**71,676**	61,689
Long-term deposits	**7,676**	7,676
Trade debts	**513,033,122**	365,791,716
Loans	**94,192**	81,764
Trade deposits	**66,870**	79,634
Interest accrued	**1,669,329**	264,349
Current maturity of long-term loans	**32,255**	27,929
Current maturity of long-term deposits	**1,683,750**	1,505,250
Current maturity of long-term receivables	**51,266**	122,051
Other receivables	**2,894,925**	2,216,692
Short-term investments	**62,105,098**	66,407,345
Bank balances	**6,105,074**	3,722,152
	587,815,233	440,288,247

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 3.11 to these unconsolidated financial statements. As at the reporting date, the Company envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Trade debts		
Customers with defaults in past one year which have not yet been recovered	**52,214,651**	42,614,761
Short-term investments		
AAA	**41,494,246**	54,907,706
AA	**20,610,852**	11,499,639
	62,105,098	66,407,345
Cash at banks		
AAA	**4,985,210**	2,798,276
AA	**1,119,864**	923,876
	6,105,074	3,722,152

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 495,823 million of the trade debts as at June 30, 2023 (2022: Rs 345,030 million).

The aging of trade debts at the reporting date is provided in note 11.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Natural Gas	**495,823,138**	345,030,185
Crude oil / Natural gas liquids / Condensate	**16,591,282**	20,339,492
Other operating revenue	**618,702**	422,039
	513,033,122	365,791,716

c) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and avert significant capital losses, so that it can continue to create value for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. All potential capital losses exceeding risk appetite are considered significant, and undergo rigorous risk management to mitigate their impacts.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There were no changes in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows effective cash management and planning policy to ensure availability of funds for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Lease liabilities against ROUA	-	129,960	997,997	-	-	1,127,957
Trade and other payables	7,680,903	18,639,551	6,695,258	-	-	33,015,712
Unclaimed dividend	1,200,292	-	-	-	-	1,200,292
Year ended June 30, 2023	**8,881,195**	**18,769,511**	**7,693,255**	**-**	**-**	**35,343,961**
Lease liabilities against ROUA	-	136,800	1,297,370	-	-	1,434,170
Trade and other payables	1,677,118	19,575,165	5,290,886	-	-	26,543,169
Unclaimed dividend	1,001,150	-	-	-	-	1,001,150
Year ended June 30, 2022	**2,678,268**	**19,711,965**	**6,588,256**	**-**	**-**	**28,978,489**

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values except for investments at amortised cost, which are stated at amortised cost. Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.6(j).

	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
39. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 39.1	**41,650,851**	29,206,594
Cash and bank balances - note 17	**6,106,013**	3,723,282
	47,756,864	32,929,876

39.1 Short-term investments as disclosed in note 16 amount to Rs 62,105 million (2022: Rs 66,407 million). However, certain investments which were not considered highly liquid, comprising mutual funds amounting to Rs 11,484 million (2022: Rs 'Nil'), foreign currency term deposits amounting to Rs 7,666 million (2022: Rs 8,610 million), local currency term deposits amounting to Rs 92 million (2022: Rs 92 million) and T-bills amounting to Rs 1,212 million (2022: Rs 28,498 million), have not been classified as cash and cash equivalents.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

40. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2023	Year ended June 30, 2022	**Year ended June 30, 2023**	Year ended June 30, 2022
	(Rupees in thousand)			
Managerial remuneration	**55,905**	54,162	**11,163,123**	7,271,140
Housing, conveyance and utilities	**60**	81	**1,116,977**	211,828
Retirement benefits	**242**	905	**1,532,832**	933,862
Bonus	**8,840**	7,067	**1,519,155**	930,039
Medical and leave passage	**876**	1,425	**1,054,227**	692,914
Leave encashment	**-**	14,598	**215,767**	46,362
	65,923	78,238	**16,602,081**	10,086,145
Number, including those who worked for part of the year	**3**	1	**1,632**	1,229

40.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to thirteen non-executive directors, on account of attending board, board committee and general meetings, was Rs 48.850 million (2022: Rs 29.250 million to twelve non-executive directors).

	Year ended June 30, 2023	Year ended June 30, 2022
41. EARNINGS PER SHARE		
41.1 Basic earnings per share		
Profit after taxation (Rs '000)	**97,937,106**	53,546,164
Dividend on convertible preference shares (Rs '000)	**(31)**	(32)
Profit attributable to ordinary shareholders (Rs '000)	**97,937,075**	53,546,132
Weighted average number of ordinary shares in issue	**2,720,973,069**	2,720,972,798
Basic earnings per share (Rs)	**35.99**	19.68
41.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**97,937,106**	53,546,164
Weighted average number of ordinary shares in issue	**2,720,973,069**	2,720,972,798
Adjustment for conversion of convertible preference shares	**10,459**	10,730
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**35.99**	19.68

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these unconsolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Sales of hydrocarbons / barytes to state controlled entities (including Government Levies)		
GENCO-II	**21,883,643**	11,773,426
SSGCL	**95,503,163**	57,399,936
SNGPL	**97,913,792**	71,294,798
EPRF	**1,498,955**	867,428
OGDCL	**34,288**	156,080
	216,833,841	141,491,668
Long-term receivables, trade debts and other receivables from state controlled entities as at June 30	See notes 9, 11, 15 & 42.2	
Transactions and balances with subsidiaries		
Investment and receivable balances from subsidiaries as at June 30	See note 6 & 15	
Interest paid on loan from PPLE	**-**	60
Payment of employees cost on secondment to PPLA	**30,909**	84,121
Equity investment in PPLA	**-**	1,593,138
Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen as at June 30	**1,683,750**	1,505,250
Transactions and balances with Associated Companies - note 42.2		
Sales of crude oil / condensate to PARCO	**5,145,065**	10,132,725
Sales of crude oil / condensate to PRL	**2,251,370**	2,921,179
Payment to Total PARCO Pakistan Limited (Total PARCO)	**2,463**	32,379
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	**15,322**	4,994
Purchase of medicines from Sanofi-Aventis Pakistan Limited (SAPL)	**4,460**	3,207
Equity investment in PIOL	**2,181,000**	4,161,250
Equity investment in PMPL	**2,268,647**	-
Receivable from PIOL as at June 30	See note 15	
Service fee (G&A overheads) charged to PIOL	**90,174**	71,367
Payment of employees cost on secondment to PIOL	**344,913**	166,793
Payment to Mari Petroleum Company Limited (MPCL) against gas processing & field services received	**809,365**	206,742
Payment to The Kidney Center Post Graduate Training Institute (TKC)	**6,410**	4,897
Annual supervision fee paid to Audit Oversight Board	**-**	500

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)------	
Transactions and balances with Joint Operations		
Payments of cash calls to joint operations	**37,559,104**	33,902,746
Expenditures incurred by the joint operations	**39,059,017**	35,394,626
Amounts receivable from / payable to joint operations partners as at June 30	See notes 12, 15 & 24	
Income from rental of assets to joint operations	**5,281**	5,014
Dividend income from BME	**300,000**	250,000
Purchase of goods from BME (net)	**118,110**	201,672
Reimbursement of employee cost on secondment to BME	**25,602**	20,964
Other related parties - note 42.2		
Dividends paid to GoP	**2,755,296**	6,429,023
Unclaimed dividend pertaining to BESOS	**910,261**	700,200
Dividends paid to trusts under retirement benefit funds	**2,272**	5,301
Transactions with retirement benefit funds	See notes 30.1 & 31	
Remuneration to key management personnel	See note 40	
Payment to PPL Welfare Trust for CSR activities	**30,000**	21,000
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	**189,474**	166,828
Payment of rental to Karachi Port Trust (KPT)	**8,534**	8,031
Payment of insurance premium to National Insurance Company Limited (NICL)	**1,182,659**	967,482
Insurance claim received from NICL	**37,849**	44,078
Fuel purchased from Pakistan State Oil Company Limited (PSO)	**104,182**	642,072
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	**55,252**	107,462
Deposits with National Bank of Pakistan (NBP) as at June 30	**13,966,440**	969,388
Interest income earned on deposits with NBP	**104,944**	14,766
Investment in mutual funds with NBP Fund Management Limited (NBP Funds) as at June 30	**4,710,649**	-
Dividend income / gain on mutual funds investment with NBP Funds	**688,042**	-
Investment in mutual funds with National Investment Trust Limited (NIT) as at June 30	**1,654,686**	-
Dividend income / gain on mutual funds investment with NIT	**52,480**	-
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	**771**	39,093
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	**1,723**	738
Deposit with GoP for equity stake in Reko Diq	**-**	34,106,250

42.1 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Company pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

42.2 Following are the related parties with whom the Company has entered into transactions during the year excluding GoP, wholly owned subsidiaries, associate, joint operations, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these unconsolidated financial statements.

S.No.	Company Name	Basis of Relationship As at June 30, 2023
1.	OGDCL	GoP is common shareholder / Common Directorship
2.	GHPL	GoP is common shareholder / Common Directorship
3.	PARCO	GoP is common shareholder / Common Directorship
4.	SSGCL	GoP is common shareholder / Common Directorship
5.	PSO	GoP is common shareholder / Common Directorship
6.	MPCL	GoP is common shareholder / Common Directorship
7.	SNGPL	GoP is common shareholder
8.	GENCO - II	GoP is common shareholder
9.	PIDC	GoP is common shareholder
10.	KPT	GoP is common shareholder
11.	NICL	GoP is common shareholder
12.	Total PARCO	GoP is common shareholder
13.	NBP	GoP is common shareholder
14.	NBP Funds	GoP is common shareholder
15.	NIT	GoP is common shareholder
16.	PIACL	GoP is common shareholder
17.	PRL	GoP is common shareholder
18.	HDIP	GoP is common shareholder
19.	EPRF	GoP is common shareholder
20.	EPSL	GoP is common shareholder
21.	TKC	Common Directorship
22.	PIP	Common Directorship
23.	SAPL	Common Directorship

43. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

The operating interests of the Company are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these unconsolidated financial statements relate to the Company's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall gross revenue.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
SSGCL	**95,503,163**	57,399,936
SNGPL	**97,913,792**	71,294,798
ARL	**75,640,318**	55,887,501
	269,057,273	184,582,235

44. GENERAL

44.1 Number of employees

	June 30, 2023	June 30, 2022
Total number of employees at the end of the year were as follows:		
- Regular	**2,524**	2,570
- Contractual	**70**	74
	2,594	2,644
Average number of employees during the year were as follows:		
- Regular	**2,536**	2,614
- Contractual	**70**	80
	2,606	2,694

44.2 Capacity and production

Product	Unit	**Actual production for the year (The Company's share) June 30, 2023**	Actual production for the year (The Company's share) June 30, 2022
Natural gas	MMscf	**266,567**	263,481
Crude oil / NGL / Condensate	Thousand Barrels	**4,407**	4,560
LPG	M. Ton	**116,881**	116,498
Barytes & Iron Ore	M. Ton	**134,397**	118,505

Due to the nature of operations of the Company, installed capacity of the above products is not relevant.

44.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

45. SUBSEQUENT / NON-ADJUSTING EVENTS

45.1 The Board of Directors in its meeting held on September 20, 2023 has recommended cash dividend @ 15% amounting to Rs 4,081.460 million (2022: @ 5% amounting to Rs 1,360.487 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.016 million (2022: @ 5% amounting to Rs 0.005 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 25, 2023.

46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 20, 2023 by the Board of Directors of the Company.

Chief Financial Officer	Director	Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.
Chartered Accountants
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Islamabad, Pakistan
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INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Petroleum Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Taseer Hadi & Co.

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:

Key audit matter	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 4.10, 4.12 and 12 to the consolidated financial statements) As at June 30, 2023, trade debts include overdue amount of Rs. 461,108 million, (net of GDS and GIDC), on account of inter-corporate circular debt. These are receivable from oil refineries, gas and power companies out of which following are overdue from related parties, i.e. Central Power Generation Company Limited (GENCO- II) Rs. 1,917 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 230,781 million, Sui Southern Gas Company Limited (SSGCL) Rs.223,532 million, Oil & Gas Development Company (OGDCL) Rs. 1 million, Pak-Arab Refinery Limited (PARCO) Rs. 163 million and Pakistan Refinery Limited (PRL) Rs. 770 million. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. The Group considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.	Our audit procedures in respect of receivables, amongst others, included the following: • Checked, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained confirmations from customers and tested reconciliations where differences were identified. In case of no replies from customers, alternate procedures were performed; • Tested post year end cash receipts from customers relating to year end balances, with the underlying documentation; • Inspected correspondence with the customers and relevant government authorities and held discussions with the Group and Board Audit Committee to assess recoverability of overdue trade debts; • Discussed with the Group, events during the year and steps taken by management for settlement of these trade debts and inspected minutes of meetings of the Board of Directors and Board Audit Committee; • Assessed reasonableness of

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Key audit matter	How the matter was addressed in our audit
The Group has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Group recognizes interest, if any, on delayed payments from customers, when the interest on delayed payments is received by the Group. We considered the matter as a key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.	management's judgment relating to recoverability of interest on delayed payments from customers; • Obtained management assessment of recovery of overdue trade debts on account of inter-corporate circular debt and assessed it for appropriateness and reasonableness; and • Assessed the adequacy of relevant disclosure in the consolidated financial statements.
(ii) Investment in Reko Diq Project	
(Refer notes 4.7, 4.8 and 7.3 to the consolidated financial statements). During the year, the Group signed definitive agreements relating to investment in Reko Diq Project (the Project) to acquire 8.33% effective stake in the Project. The Group invested in the Project through Pakistan Minerals (Private) Limited (PMPL). The Group has accounted for this investment as an associate. Initial accounting in respect of acquisition under the applicable financial reporting framework involved identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. Classification of this investment as an associate required the management significant judgement with respect to the relevant activities of the investee entities. Purchase price allocation also involved significant estimation / judgement in respect of fair values of identifiable assets and liabilities including goodwill or bargain purchase gain. The Group has accounted for its investment in PMPL under equity method, under which investment is initially recognized at cost adjusted thereafter to recognize the Group's share of the post-acquisition profit or losses of the	Our audit procedures to assess the classification, purchase price allocation and remeasurement amongst others, included the following: • Read the definitive investment agreements to understand rights and obligations of Group under the agreements to assess appropriateness of classification of Group's investment and measurement at initial recognition; • Obtained and evaluated evidence supporting the initial recognition of the investment at cost; • Assessed the reasonableness of Group's assumptions used to determine the effective date of the transaction, methods used to determine the fair values of identifiable assets and liabilities and basis used for allocation of purchase price; • Recomputed Group's share of the post-acquisition profit or losses of PMPL in the profit or loss and the Group's share of movements in other comprehensive income of PMPL in other comprehensive income using audited financial

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Key audit matter	How the matter was addressed in our audit
investee in the profit or loss and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. We have considered the matter as key audit matter due to the significance of judgement / estimation used by the Group in determining the classification of the investment and purchase price allocation and subsequent remeasurement.	statements of PMPL for the period ended 30 June 2023; • Assessed the appropriateness of the relevant disclosures in the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.
(iii) Impairment assessment of development and production assets and other property, plant and equipment	
(Refer notes 3.6, 4.1, 4.3 and 5 to the consolidated financial statements) As at June 30, 2023, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 49,692 million and Rs. 72,591 million respectively. The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where indications of impairment are identified, an impairment test is performed by the Group based on the estimate of the recoverable value of that asset and/or Cash Generating Unit (CGU). The calculation of value-in-use of development and production assets and other property, plant and equipment requires management to make significant estimates and judgments, such as estimation of the volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate. We considered the matter as a key audit matter due to the significance of judgements / estimates used by the Group in determining	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design and implementation of the relevant key internal controls implemented by the management over impairment assessment of development and production assets and related property, plant and equipment; • Assessed the appropriateness of the Group's identification of Cash Generating Units (CGUs) and reasonableness of evaluation of impairment indicators by the management; • Assessed the reasonableness of Group's assumptions used in the calculation of recoverable value of asset and / or CGUs, relating to oil and gas recoverable reserves, future oil and gas prices, costs and discount rate based on our knowledge of the business and industry and by comparing the assumptions to historical results / underlying records and published market data and checked the mathematical accuracy of cash flow model; and

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Key audit matter	How the matter was addressed in our audit
the value-in-use of development and production assets and other property, plant and equipment.	• Assessed management's sensitivity analysis for reasonableness that considered the impact of changes in key assumptions on the outcome of the impairment assessments.
(iv) Recognition of Revenue	
(Refer notes 4.20 and 27 to the consolidated financial statements) The Group is engaged in the production and sale of oil and gas resources. The Group recognized gross revenue during the year from the sales of crude oil / condensate / natural gas liquid, natural gas, liquefied petroleum gas (LPG), barytes amounting to Rs 328,718 million. Transaction prices of crude oil / condensate / natural gas liquid and gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Group. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are finalized with the customers and / or approved by GoP. We considered this as a key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Group.	Our audit procedures to assess the recognition, amongst others, include the following: • Assessed the design and implementation of the relevant key internal controls over revenue recognition from the sale of products; • Inspected the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and International Financial Reporting Standard (IFRS 15 – "Revenue from Contracts with Customers"); • Performed test of details on a sample of sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as appropriate; • Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Group for prices of LPG. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet / Petroleum Concession

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Key audit matter	How the matter was addressed in our audit
	Agreements; • Where pricing is provisional / sales agreement not finalized, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Group; (b) inspected term sheets signed with the customers; (c) checked price being charged is in line with the applicable petroleum policy / agreed with customers / Petroleum Concession Agreements; and (d) obtained direct balance confirmation from customers; • Checked sales transactions on either side of the consolidated statement of financial position date to assess whether they are recorded in the correct accounting period; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of relevant disclosures made in the consolidated financial statements.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2023 but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial

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statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The board of directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

KPMG Taseer Hadi & Co.

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

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determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Inam Ullah Kakra.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Date: October 2, 2023
UDIN: AR202310202H20A67yKX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at june 30, 2023

	Note	June 30, 2023	June 30, 2022
		-------(Rupees in thousand)-------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**138,044,813**	139,578,251
Intangible assets	6	**56,185**	113,116
Long-term investments	7	**55,568,999**	2,177,859
Deposit with GoP for equity stake in Reko Diq	7.3	**-**	34,106,250
Long-term loans	8	**71,676**	61,689
Long-term deposits	9	**7,676**	7,676
		193,749,349	176,044,841
CURRENT ASSETS			
Stores and spares	11	**5,928,542**	5,495,842
Trade debts	12	**513,488,874**	366,251,547
Loans and advances	13	**596,940**	558,389
Trade deposits and short-term prepayments	14	**474,745**	290,833
Interest accrued	15	**1,705,447**	282,262
Current maturity of long-term loans	8	**32,255**	27,929
Current maturity of long-term deposits	9	**1,683,750**	1,505,250
Current maturity of long-term receivables	10	**51,266**	122,051
Other receivables	16	**2,778,817**	3,038,181
Short-term investments	17	**67,656,081**	69,634,343
Cash and bank balances	18	**6,298,586**	5,427,273
		600,695,303	452,633,900
TOTAL ASSETS		**794,444,652**	628,678,741
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	**27,209,836**	27,209,836
Reserves	20	**513,657,354**	407,494,659
		540,867,190	434,704,495
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	21	**42,760,318**	33,196,343
Deferred liabilities	23	**3,605,261**	3,328,024
Deferred taxation - net	24	**26,078,961**	28,780,165
		72,444,540	65,304,532
CURRENT LIABILITIES			
Trade and other payables	25	**112,266,683**	89,664,907
Unclaimed dividends		**1,200,292**	1,001,150
Current maturity of lease liabilities	22	**1,127,957**	1,434,170
Taxation - net		**66,537,990**	36,569,487
		181,132,922	128,669,714
TOTAL LIABILITIES		**253,577,462**	193,974,246
TOTAL EQUITY AND LIABILITIES		**794,444,652**	628,678,741
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
Revenue from contracts with customers	27	**288,053,039**	203,810,768
Operating expenses	28	**(49,277,810)**	(40,755,673)
Royalties and other levies	29	**(46,875,376)**	(31,017,914)
		(96,153,186)	(71,773,587)
Gross profit		**191,899,853**	132,037,181
Exploration expenses	30	**(22,386,901)**	(24,823,651)
Administrative expenses	31	**(3,994,197)**	(4,675,290)
Finance costs	33	**(1,552,086)**	(1,297,469)
Reversal of provision for doubtful debts - net		**-**	41,929
Share of loss of associates	7.2 & 7.3	**(683,235)**	(2,607,077)
Other charges	34	**(15,776,165)**	(13,928,504)
		147,507,269	84,747,119
Other income	35	**17,404,708**	14,190,164
Profit before taxation		**164,911,977**	98,937,283
Taxation	36	**(67,690,363)**	(44,584,587)
Profit after taxation		**97,221,614**	54,352,696
Basic and diluted earnings per share (Rs)	42	**35.73**	19.98

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
Profit after taxation		**97,221,614**	54,352,696
Other comprehensive income / (loss):			
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement loss on defined benefit plans - net	32	**(2,970,931)**	(299,437)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of subsidiaries & foreign associate (Pakistan International Oil Limited) - net		**1,973,390**	1,242,848
Share of exchange differences on translation of foreign operation of the associate - {Pakistan Minerals (Private) Limited}	7.3	**14,020,097**	-
Other comprehensive income for the year		**13,022,556**	943,411
Total comprehensive income for the year		**110,244,170**	55,296,107

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended june 30, 2023

	Note	2023	2022
		-------(Rupees in thousand)-------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**183,938,753**	155,308,198
Receipts of other income		**7,259,895**	6,084,381
Payment to suppliers / service providers and employees - net		**(48,160,490)**	(28,537,761)
Payment of indirect taxes and Government levies including royalties		**(89,577,052)**	(61,075,387)
Income tax paid		**(41,199,995)**	(29,843,381)
Payment of decommissioning obligation		**(132,637)**	(121,079)
Finance costs paid		**(210,291)**	(39,278)
Long-term loans - net		**(14,313)**	(13,745)
Net cash generated from operating activities		**11,903,870**	41,761,948
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(18,143,238)**	(22,967,384)
Proceeds from disposal of property, plant and equipment		**424**	82,223
Investments - net		**19,032,904**	(13,564,100)
Equity investment in PIOL		**(2,181,000)**	(4,161,250)
Deposit with GoP for equity stake in Reko Diq		**-**	(34,106,250)
Equity investment in PMPL		**(2,268,647)**	-
Long-term deposits		**(178,500)**	(299,893)
Current maturity of long-term receivables		**70,785**	16,509
Finance income received		**10,385,809**	6,062,559
Net cash generated from / (used in) investing activities		**6,718,537**	(68,937,586)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(332,347)**	(53,552)
Dividends paid		**(3,882,333)**	(9,044,197)
Net cash used in financing activities		**(4,214,680)**	(9,097,749)
Net increase / (decrease) in cash and cash equivalents		**14,407,727**	(36,273,387)
Cash and cash equivalents at the beginning of the year		**37,249,402**	72,802,434
Net foreign exchange differences		**1,639,647**	720,355
Cash and cash equivalents at the end of the year	40	**53,296,776**	37,249,402

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended june 30, 2023

	Subscribed and paid-up Share capital		Capital reserve (Note -20)	Revenue & other reserves (Note -20)	Total reserves	Total
	Ordinary	Convertible preference				
	---------------------	---------------------	-----(Rupees in thousand)-----	---------------------	---------------------	---------------------
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**361,720,561**	**361,721,989**	**388,931,825**
Total Comprehensive income for the year						
Profit after taxation	-	-	-	54,352,696	54,352,696	54,352,696
Other comprehensive income for the year ended June 30, 2022, net of tax	-	-	-	943,411	943,411	943,411
Total comprehensive income for the year ended June 30, 2022	-	-	-	55,296,107	55,296,107	55,296,107
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2021 at 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Interim dividend for the year ended June 30, 2022 at 15%	-	-	-	(4,081,459)	(4,081,459)	(4,081,459)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2021 at 15%	-	-	-	(16)	(16)	(16)
Interim dividend for the year ended June 30, 2022 at 15%	-	-	-	(16)	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-	-
Total transactions with owners	7	(7)	-	(9,523,437)	(9,523,437)	(9,523,437)
Balance as at June 30, 2022	**27,209,730**	**106**	**1,428**	**407,493,231**	**407,494,659**	**434,704,495**
Total Comprehensive income for the year						
Profit after taxation	**-**	**-**	**-**	**97,221,614**	**97,221,614**	**97,221,614**
Other comprehensive income for the year ended June 30, 2023, net of tax	**-**	**-**	**-**	**13,022,556**	**13,022,556**	**13,022,556**
Total comprehensive income for the year ended June 30, 2023	**-**	**-**	**-**	**110,244,170**	**110,244,170**	**110,244,170**
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2022 at 5%	**-**	**-**	**-**	**(1,360,487)**	**(1,360,487)**	**(1,360,487)**
Interim dividend for the year ended June 30, 2023 at 10%	**-**	**-**	**-**	**(2,720,973)**	**(2,720,973)**	**(2,720,973)**
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2022 at 5%	**-**	**-**	**-**	**(5)**	**(5)**	**(5)**
Interim dividend for the year ended June 30, 2023 at 10%	**-**	**-**	**-**	**(10)**	**(10)**	**(10)**
Conversion of preference shares into ordinary shares	**2**	**(2)**	**-**	**-**	**-**	**-**
Total transactions with owners	**2**	**(2)**	**-**	**(4,081,475)**	**(4,081,475)**	**(4,081,475)**
Balance as at June 30, 2023	**27,209,732**	**104**	**1,428**	**513,655,926**	**513,657,354**	**540,867,190**

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer **Director** **Chief Executive Officer**

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended june 30, 2023

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950. The Holding Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.1.1 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Holding Company to continue producing from the Sui gas field, the most recent being dated May 30, 2022, whereby allowing the Holding Company to continue producing from Sui gas field for a further period of one year with effect from June 01, 2022. The Holding Company has applied to the GoP for the grant of formal Development & Production Lease (D&PL) over Sui gas field or grant further extension to continue production from the same.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Holding Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP on December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to the acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, EC2Y 5EB United Kingdom.

1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands with principal place of business at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and it owned 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). During the year, MdOC, vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Holding Company has commenced appropriate actions to complete the close-out proceedings. Accordingly, a claim amounting to USD 11.890 million has been lodged by PPLA with MdOC during the year, primarily pertaining to reimbursement of Specific Costs plus interest thereon. The effects of the claim will be recognised in the financial statements on acceptance and completion of all other close-out proceedings.

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administrating the trusts formed for the benefits of the employees of the Holding Company.

The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated PPPFTC in its consolidated financial statements for the year ended June 30, 2023.

2. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 1.4 to these consolidated financial statements, here-in-after referred to as "the Group".

Subsidiary is an entity over which the Holding Company has control. Control is achieved when the Holding Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company eliminated against the subsidiary companies shareholder's equity in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. Further, the accounting policies of subsidiaries are aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company, as well as, PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

These consolidated financial statements and notes comply with the requirements of the State-Owned Enterprises (Governance & Operations) Act, 2023 (the SOE Act). Subsequent to the year end, the Pakistan Sovereign Wealth Fund Act, 2023 (the PSWF Act) was promulgated, which has exempted the Holding Company from the applicability of the SOE Act for future years. Post-promulgation of the PSWF Act, the GoP's shareholding in the Holding Company stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the Holding Company is in the process of taking necessary corporate actions required to record the transfer of the shares from the GoP to the PSWF.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption has been extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. Consequently, the Holding Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these consolidated financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 12.5 and 12.6 to these consolidated financial statements).

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

a) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, have been measured at fair value.

b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

3.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2022 but are considered not to be relevant or do not have any significant effect on these consolidated financial statements.

3.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2023 and these amendments are not likely to have a significant effect on these consolidated financial statements.

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024, (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8;

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above);

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023, with earlier application permitted;

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments;

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023, with earlier application permitted;

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact;

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transactions that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review;

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available; and

- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
    - Once tax law is enacted but before top-up tax is effective: disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
    - After top-up tax is effective: disclose current tax expense related to top-up tax.

  These amendments apply from December 31, 2023. No disclosures are required in interim periods ending on or before December 31, 2023.

3.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Holding Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2022: Rs 18,879 million).

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court. The Holding Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.

3.6 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these consolidated financial statements.

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a) Property, plant and equipment and intangibles

The Group reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. `

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit-of-production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Group is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the consolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Group’s operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Group revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. The present value is calculated using real discount rate of 3.42% {2022: 3.55% (USD)} per annum. The impact of change in currency of base cost estimates is immaterial. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 ‘Changes in Existing Decommissioning, Restoration and Similar Liabilities’.

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Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	7,514
Property, plant and equipment would have been lower by	5,292
Amortisation / write-off charge would have been lower by	2,222
Profit after tax would have been higher by	1,310

f) Joint arrangements

The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Holding Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these consolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Group after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Group.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Holding Company; or the Holding Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

j) Impairment of financial assets

- **Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)**

The Group uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- **Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)**

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from the Government of Pakistan (GoP) for the financial years ending on or before December 31, 2024. Accordingly, the Group reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Group has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Group's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Group's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

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k) Stores and spares

The Group reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Group conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) Lease liability and Right-of-use asset (ROUA)

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value are recognised as an expense in the statement of profit or loss when incurred.

4.2 Exploration and evaluation assets

The Group applies the "Successful efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

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E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Group has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

4.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 4.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.4 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Group and that the cost of such assets can also be measured reliably.

Generally, costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures which enhance or extend the performance of computer software beyond their original specification and useful life are recognised as capital improvement and added to the original cost of the software.

4.5 Depreciation and amortisation

a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 6.1 to these consolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

4.6 Business combinations and goodwill

The Group uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in profit or loss.

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Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss. Impairment losses are not reversed in future years.

4.7 Investment in associated companies

An associate is an entity over which the Holding Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Holding Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of the Holding Company's interest in that associate are recognised only to the extent that the Holding Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 4.8 below.

4.8 Impairment of non-financial assets, goodwill and investment in associated companies

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that its carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.9 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

4.10 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Group.

Impairment of financial assets

The Group assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Group applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 3.1.2 to these consolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2023.

The Group assesses the recoverability of its financial assets if there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Financial assets covered under IFRS 9

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Group applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Financial assets covered under IAS 39

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O, the disclosure of the impacts of ECL was not required. Earlier to the aforesaid S.R.O, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption has been extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised in respect of financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the consolidated financial statements based on the clarification received from SECP.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss . An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at current market rate of return for a similar financial assets. Such impairment loss will not be reversed in subsequent periods. For financial asset carried at amortised cost, the amount of impairment loss recognised is difference between carrying amount and present value of estimated cash flow, discounted at effective interest rate.

b) Financial liabilities

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.11 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

4.12 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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4.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

4.14 Decommissioning obligation and its provision

The activities of the Group normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Group has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-three years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

4.15 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Holding Company maintains / operates the following benefit plans:

i. Approved pension and gratuity schemes

The Holding Company operates approved funded pension and gratuity schemes, separately, for its executive and non-executive permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Holding Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Holding Company provides post-retirement medical benefits to its executive and non-executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Holding Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2023, based on the 'Projected Unit Credit Actuarial Cost Method.'

b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Holding Company operates recognised provident fund schemes, separately, for its executive and non-executive permanent staff as per rules of service. Equal monthly contributions are made by the Holding Company and the employees to the respective funds at the rate of 4.35% (executive staff) and 8% (non-executive staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Holding Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its executive staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of executive staff to the relevant funds.

4.16 Compensated absences

The Holding Company provides for compensated absences in respect of executive and non-executive staff, in accordance with the rules of the Holding Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2023.

4.17 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

4.18 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.19 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the consolidated profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.20 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.21 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised when the Group satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Group has an interest with other joint operations partners is recognised in accordance with the Group's working interest and the terms of the relevant agreements.

4.22 Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Other income on loans is recognised on time proportion basis with reference to the principal outstanding and the applicable rate of return.

Income on investments at amortised cost and saving accounts with banks is recognised on time proportion basis taking into account the effective yield of such investments.

The Group recognises interest, if any, on delayed payments from customers on receipt basis. Similarly, no provision is being made for the interest payable to GoP on late payment of GDS in accordance with the directives of the Price Determining Authority, Ministry of Energy (Petroleum Division).

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

4.23 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Group classifies a joint arrangement as joint operations when the Group has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Group classifies a joint arrangement as a joint venture when the Group has rights to the net assets of the arrangement.

The Group has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

4.24 Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the date of statement of financial position and their income and expenses are translated at average exchange rate during the period. The exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognised in the profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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4.25 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

4.26 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the consolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these consolidated financial statements.

4.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	**86,620,643**	90,161,512
Capital work-in-progress - note 5.4	**51,424,170**	49,416,739
	138,044,813	139,578,251

5.1 Operating assets

	Owned assets												ROUA			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (Note - 5.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles*	Development and production assets	Decommissioning assets	Sub total	Vehicles*	Plant & Machinery	Sub total	Total
	---(Rupees in thousand)---															
As at July 01, 2021																
Cost	102,636	1,336,908	2,982,742	5,085	91,141,104	1,252,618	14,605,599	1,427,827	795,285	120,803,609	19,811,406	254,264,819	11,529	-	11,529	254,276,348
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,932,243)	(3,875)	(59,872,831)	(751,455)	(9,117,086)	(1,186,202)	(701,473)	(71,960,108)	(14,112,971)	(159,638,244)	(11,376)	-	(11,376)	(159,649,620)
NBV	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**31,268,273**	**501,163**	**5,488,513**	**241,625**	**93,812**	**47,967,540**	**5,698,435**	**93,750,614**	**153**	**-**	**153**	**93,750,767**
Year ended June 30, 2022																
Additions (at cost)	8,502	-	86,723	-	2,349,317	51,821	1,034,292	53,831	39,377	3,457,837	439,494	7,521,194	-	1,487,289	1,487,289	9,008,483
Exchange differences / reclassifications	-	-	-	-	(175,275)	-	-	-	-	391,826	4,374,774	4,591,325	-	-	-	4,591,325
Disposals (at NBV)	-	-	-	-	(307)	(1,826)	-	(491)	(22)	-	-	(2,646)	-	-	-	(2,646)
Depreciation / amortisation charge	-	-	(144,985)	(133)	(4,982,857)	(82,881)	(1,203,186)	(133,386)	(34,337)	(8,806,209)	(1,674,778)	(17,062,752)	(153)	(123,512)	(123,665)	(17,186,417)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,459,151**	**468,277**	**5,319,619**	**161,579**	**98,830**	**43,010,994**	**8,837,925**	**88,797,735**	**-**	**1,363,777**	**1,363,777**	**90,161,512**
As at July 01, 2022																
Cost	111,138	1,336,908	3,069,443	5,085	93,303,162	1,281,600	15,613,676	1,452,954	816,847	124,653,273	24,625,675	266,269,761	-	1,487,289	1,487,289	267,757,050
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,077,206)	(4,008)	(64,844,011)	(813,323)	(10,294,057)	(1,291,375)	(718,017)	(80,766,318)	(15,787,750)	(176,596,065)	-	(123,512)	(123,512)	(176,719,577)
NBV	**111,138**	**1,336,908**	**992,237**	**1,077**	**28,459,151**	**468,277**	**5,319,619**	**161,579**	**98,830**	**43,010,994**	**8,837,925**	**88,797,735**	**-**	**1,363,777**	**1,363,777**	**90,161,512**
Year ended June 30, 2023																
Additions (at cost)	-	-	86,836	-	2,374,099	32,389	457,925	58,424	42,823	6,709,437	7,143,247	16,905,180	-	26,134	26,134	16,931,314
Exchange differences / reclassifications	-	-	-	-	145,568	-	-	-	-	155,046	-	300,614	-	-	-	300,614
Write off (at NBV) - note 5.4.3	-	-	-	-	(12,106)	-	(211)	-	-	-	-	(12,317)	-	-	-	(12,317)
Disposals (at NBV)	-	-	-	-	-	-	-	(750)	-	-	-	(750)	-	-	-	(750)
Depreciation / amortisation charge	-	-	(139,528)	(133)	(4,918,171)	(81,900)	(1,206,381)	(86,263)	(36,136)	(10,053,176)	(3,757,726)	(20,279,414)	-	(480,316)	(480,316)	(20,759,730)
NBV	**111,138**	**1,336,908**	**939,545**	**944**	**26,048,541**	**418,766**	**4,570,952**	**132,990**	**105,517**	**39,822,301**	**12,223,446**	**85,711,048**	**-**	**909,595**	**909,595**	**86,620,643**
As at June 30, 2023																
Cost	111,138	1,336,908	3,153,946	5,085	95,725,953	1,316,324	16,070,782	1,453,722	859,672	131,517,754	31,768,920	283,320,204	-	1,513,423	1,513,423	284,833,627
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,214,401)	(4,141)	(69,677,412)	(897,558)	(11,499,830)	(1,320,732)	(754,155)	(90,819,492)	(19,545,474)	(196,733,195)	-	(603,828)	(603,828)	(197,337,023)
NBV	**111,138**	**1,336,908**	**939,545**	**944**	**26,048,541**	**418,766**	**4,570,952**	**132,990**	**105,517**	**39,822,301**	**12,223,446**	**85,711,048**	**-**	**909,595**	**909,595**	**86,620,643**
Rate of depreciation / amortisation (%)			5	5	**	10	**	30	20	**	**		20	**		

* Represents light and heavy vehicles.

** Amortisation on unit of production basis except for assets located at Holding Company's Head Office (HO) & Bolan Mining Enterprises (BME)

5.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2023		June 30, 2022	
	Cost	NBV	Cost	NBV
	---(Rupees in thousand)---			
Head Office				
Land for Head Office Building	**1,315,076**	**1,315,076**	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and High Pressure Casings	**5,638,919**	**-**	5,638,919	-
Booster Compression Project - SML	**2,891,124**	**1,072,646**	2,891,124	1,248,034
Revamping of SML Compressors	**1,335,456**	**1,147,782**	-	-
Adhi Field				
LPG / NGL Plant III	**4,649,726**	**1,771,627**	4,649,726	2,064,966
Kandhkot Field				
Gas Compression Station	**10,345,025**	**1,988,588**	10,345,025	2,294,310
Hala Field				
Gas Processing Facility (GPF)	**1,252,858**	**17,820**	1,252,858	31,728
Gambat South Field				
Gas Processing Facility (GPF - II)	**10,830,657**	**5,639,927**	10,831,283	6,280,685
GPF IV (Phase I & II)	**4,292,436**	**3,169,686**	4,295,109	3,531,351
Dhok Sultan Field				
Oil Handling Facility (ROUA)	**1,513,423**	**909,595**	1,487,289	1,363,776
Sawan Field				
Front End Compression	**3,301,782**	**171,541**	3,760,723	145,986
Other Plant and Machinery	**11,083,158**	**82,427**	2,358,134	-
Tal Field				
Makori Central Processing Facility	**6,464,776**	**676,032**	6,353,105	832,551
CPF Manzalai	**3,136,923**	**62,060**	3,155,195	92,421
Nashpa Field				
Nashpa LPG Plant	**4,731,035**	**1,734,963**	4,731,035	2,189,316
Wellhead Compression Project	**1,188,301**	**604,492**	1,279,411	853,906
Latif Field				
Reception / Tie-in Facility	**1,165,465**	**27,182**	1,165,465	47,409
Kotri North Field				
Kotri North Field Development	**1,050,851**	**-**	1,051,059	-

5.3 Cost and accumulated depreciation include:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Cost		Accumulated depreciation	
	------------------------(Rupees in thousand)------------------------			
Share in Group operated joint operations	**33,191,486**	32,845,034	**17,633,067**	14,911,747
Share in partner operated joint operations - note 5.3.1	**50,787,940**	49,203,560	**40,906,296**	38,053,469
	83,979,426	82,048,594	**58,539,363**	52,965,216

5.3.1 The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Group.

5.3.2 The above figures represent assets under all areas excluding Sui and Kandhkot, since these are 100% owned areas of the Holding Company.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
5.4 Capital work-in-progress		
Plant, machinery, fittings and pipelines	**14,633,997**	11,370,642
Exploration and evaluation (E&E) assets	**15,762,271**	19,103,985
Development and production (D&P) assets	**9,869,697**	6,127,177
Lands, buildings and civil constructions	**91,084**	69,397
Capital stores for drilling and development	**12,049,123**	15,036,760
- Net reversal / (charge) of impairment loss - note 5.4.3	**412,823**	(2,198,810)
- Written-off - note 5.4.3	**(1,394,825)**	(92,412)
	11,067,121	12,745,538
	51,424,170	49,416,739

5.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E Assets	D&P Assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	---------------------------------- (Rupees in thousand) --------------------------------					
Balance as at June 30, 2021	**8,711,906**	**24,245,767**	**5,014,297**	**76,955**	**15,603,111**	**53,652,036**
Capital expenditure incurred/ advances made during the year (net) - note 5.4.2	7,919,567	11,820,382	5,368,492	87,668	(575,584)	24,620,525
Impairment / write-off of capital stores - note 5.4.3	-	-	-	-	(2,291,222)	(2,291,222)
Cost of dry well during the year	-	(17,679,362)	-	-	-	(17,679,362)
Exchange differences / reclassifications	-	2,725,979	(2,725,979)	-	9,233	9,233
Transferred to operating assets	(5,260,831)	(2,008,781)	(1,529,633)	(95,226)	-	(8,894,471)
Balance as at June 30, 2022	**11,370,642**	**19,103,985**	**6,127,177**	**69,397**	**12,745,538**	**49,416,739**
Capital expenditure incurred/ advances made during the year (net) - note 5.4.2	6,322,426	4,241,522	9,208,274	109,715	(717,173)	19,164,764
Impairment / write-off of capital stores - note 5.4.3	-	-	-	-	(982,002)	(982,002)
Cost of dry well during the year	-	(6,675,022)	-	-	-	(6,675,022)
Exchange differences / reclassifications	-	-	323,437	-	20,758	344,195
Transferred to operating assets	(3,059,071)	(908,214)	(5,789,191)	(88,028)	-	(9,844,504)
Balance as at June 30, 2023	**14,633,997**	**15,762,271**	**9,869,697**	**91,084**	**11,067,121**	**51,424,170**

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for the year ended june 30, 2023

5.4.2 Amounts under capital stores for drilling and development are net of consumption during the year.

5.4.3 As disclosed in note 5.5.1 to the consolidated financial statements for the year ended June 30, 2022, an internal exercise was carried out by the Holding Company to assess the usability of drilling & development inventory items, which resulted in a provisional impairment loss of Rs 2,199 million. During the year, a third-party assessment was conducted to substantiate the results of the internal exercise. Based on the assessment, an amount of Rs 627 million has been identified as scrap (marked for disposal) and has been reclassified from impairment loss to write-off. A further impairment loss of Rs 214 million has been recognised in statement of profit or loss, taking the cumulative impairment loss to Rs 1,786 million.

Further, during the year, a fire incident occurred at a warehouse located in the Holding Company's partner operated field - Tal Block. Based on detailed assessment of the damaged items by the Operator of the field, operating assets and capital stores amounting to Rs 12.317 million and Rs 767.825 million respectively, have been written off during the year.

5.5 Plant and machinery includes major spare parts and standby equipment having cost of Rs 58.042 million (2022: Rs 152.830 million).

5.6 None of the assets disposed off during the year have a book value of more than Rs 0.5 million.

5.7 Particulars of immovable property in the name of the Holding Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land	
Sui Field	2,488.71
Kandhkot Field	161.23
Mazarani Field	172.76
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	14.84
Leasehold Land	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	819.55
Adhi Field	115.49
KPS	209.61

5.8 Particulars of the Holding Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road. P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2.	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3.	PPLA Office	P.I.D.C. House Dr. Ziauddin Ahmed Road. Karachi	Pakistan	Not applicable
4.	PPLE Office	6th Floor, One London Wall London	United Kingdom	Not applicable
5.	PIOL Office	34th Floor, Al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
6.	PMPL Office	Petroleum House, 5th Floor, Ataturk House, G-5/2, Islamabad	Islamabad	Not applicable
7.	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
8.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
9.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
10.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility -II 3) Gas Processing Facility -IV
11.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
12.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
13.	Hala Field	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
14.	Benari Field (Shah Bandar)	District, Sujawal	Sindh	Third Party Processing Facility
15.	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility (ROUA)
16.	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
6. INTANGIBLE ASSETS		
Computer software including ERP system - note 6.1	**52,591**	100,712
Intangible assets under development	**3,594**	12,404
	56,185	113,116

6.1 Computer software including ERP system

	ERP system	Computer software	Total
	-----------(Rupees in thousand)--------------		
As at July 01, 2021			
Cost	442,939	1,671,801	2,114,740
Accumulated amortisation	(402,933)	(1,519,530)	(1,922,463)
NBV	**40,006**	**152,271**	**192,277**
Year ended June 30, 2022			
Additions (at cost)	11,721	17,984	29,705
Amortisation charge - note 31	(17,926)	(103,344)	(121,270)
NBV	**33,801**	**66,911**	**100,712**
As at July 01, 2022			
Cost	450,870	1,675,126	2,125,996
Accumulated amortisation	(417,069)	(1,608,215)	(2,025,284)
NBV	**33,801**	**66,911**	**100,712**
Year ended June 30, 2023			
Additions (at cost)	-	9,759	9,759
Amortisation charge - note 31	(15,130)	(42,750)	(57,880)
NBV	**18,671**	**33,920**	**52,591**
As at June 30, 2023			
Cost	450,870	1,646,374	2,097,244
Accumulated amortisation	(432,199)	(1,612,454)	(2,044,653)
NBV	**18,671**	**33,920**	**52,591**
Rate of amortisation (%)	20	33	

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
7. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 7.1	**1**	1
- Associates		
Unquoted companies		
- Pakistan International Oil Limited (PIOL) - note 7.2		
Equity held: 25%		
No. of shares: 3,500,000 (2022: 2,500,000) of USD 10/- each	**5,560,044**	2,177,858
- Pakistan Minerals (Private) Limited (PMPL) - note 7.3	**50,008,954**	-
	55,568,999	2,177,859

7.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Holding Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2023. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

7.2 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to the Holding Company-led consortium in the Emirate of Abu Dhabi with each consortium company having 25% equity, through a separate entity, namely PIOL, incorporated in the Emirate of Abu Dhabi on July 15, 2021. Besides the Holding Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2022, adjusted for the transactions and events upto June 30, 2023 based on unaudited financial statements.

	2023	2022
	-------(Rupees in thousand)-------	
Investment in Associate		
Opening carrying value as at July 01	**2,177,858**	-
Cost of investment	**2,181,000**	4,161,250
Holding Company's share of total comprehensive loss for the year	**(297,195)**	(2,607,077)
Foreign exchange differences on translation of foreign associate	**1,498,381**	623,685
Closing carrying value of investment as at June 30	**5,560,044**	2,177,858

	2023	2022
	-------(Rupees in thousand)-------	
Summarised statement of financial position		
Non-current assets	**8,852,022**	6,345,092
Current assets	**14,095,336**	2,984,343
Current liabilities	**(707,182)**	(618,002)
Net assets	**22,240,176**	8,711,433
Holding Company's percentage shareholding in the associate	**25%**	25%
Holding Company's share in carrying value of net assets as at June 30	**5,560,044**	2,177,858
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the year	**(1,188,780)**	(10,428,309)
Holding Company's share of comprehensive income / (loss) for the year (25%)	**(297,195)**	(2,607,077)

7.3 Pakistan Minerals (Private) Limited (PMPL)

- Investment in Reko Diq Project

Further to the information disclosed in note 8 in the annual audited financial statements for the year ended June 30, 2022, all the conditions precedent as set out in the Framework Agreement, including but not limited to, the signing of the definitive agreements and judicial validation were completed as on December 15, 2022. The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with initial subscribed share capital of 12,000 shares with par value of Rs 10 each in accordance with the agreements for collective representation of the Holding Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Holding Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

The investment in PMPL by the Holding Company has been accounted for as an associate with the carrying amount of investment amounting to Rs 35,706.865 million based on the total purchase consideration paid by the Holding Company in the form of initial entry fee (Rs 34,106.250 million) and the interest payments (Rs 1,600.615 million) thereon till December 15, 2022. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. The Holding Company has conducted its assessment for identification and valuation of assets and liabilities of the investee, and as a result of this assessment has not identified any goodwill or bargain purchase gain in the aforesaid acquisition.

During the year, the Holding Company made additional investment in PMPL amounting to Rs 668.032 million which increased the total equity investment of the Holding Company in the associate to Rs 36,374.897 million as at June 30, 2023. This investment has been recorded net of share of loss of associate amounting to Rs 386.040 million, charged to statement of profit or loss, and exchange gain on translation of foreign operation of PMPL amounting to Rs 14,020.097 million recorded through other comprehensive income at the reporting date. In addition to the initial subscribed share capital, PMPL is in the process of issuing shares to the Holding Company against further equity contributions. Furthermore, discussions are currently in progress in respect of the interest expressed by a potential investor in the equity stake of PMPL in the Reko Diq project. However, as of the date of approval of these financial statements, nothing has been materialised.

Financial information of PMPL is summarised below, which is based on the unaudited financial statements of the associate for the period ended June 30, 2023.

	2023	2022
	-------(Rupees in thousand)-------	
Investment in Associate		
Cost of investment	**36,374,897**	-
Holding Company's share of loss for the period	**(386,040)**	-
Holding Company's share of other comprehensive income for the period	**14,020,097**	-
Closing carrying value of investment as at June 30	**50,008,954**	-
Summarised statement of financial position		
Non-current assets	**167,171,543**	-
Current assets	**120,521**	-
Non-current liabilities	**(16,710,030)**	
Current liabilities	**(8,590)**	-
Net assets	**150,573,444**	-
Holding Company's percentage shareholding in the associate	**33.33%**	-
Holding Company's share in carrying value of net assets	**50,191,148**	-
Others - exchange rate differences in equity contribution	**(182,194)**	-
Holding Company's share in carrying value of net assets as at June 30	**50,008,954**	-
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the period	**40,902,171**	-
Holding Company's share of comprehensive income / (loss) for the period (33.33%)	**13,634,057**	-

Subsequent to the year end, the Holding Company has made further equity contribution amounting to Rs 629.608 million in PMPL.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
8. LONG-TERM LOANS		
Unsecured and considered good		
Long-term loans - staff - note 8.1		
- Executive staff - note 8.2	**20,423**	21,029
- Other employees	**83,508**	68,589
	103,931	89,618
Less: Current maturities		
- Executive staff	**(7,235)**	(7,195)
- Other employees	**(25,020)**	(20,734)
	(32,255)	(27,929)
	71,676	61,689

8.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Holding Company in accordance with the Holding Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2022: 1% to 10%) per annum. Loans to employees have not been discounted as the amount involved is not significant.

8.2 Reconciliation of the carrying amount of long-term loans to executive staff

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Balance as on July 01	**21,029**	20,564
Disbursements	**8,590**	8,700
Repayments / adjustments	**(9,196)**	(8,235)
Balance as on June 30	**20,423**	21,029

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 21.604 million (2022: Rs 22.170 million).

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
9. LONG-TERM DEPOSITS		
Cash margin:		
- For guarantee to International Bank of Yemen - note 9.1	**1,683,750**	1,505,250
- Others	**7,676**	7,676
	1,691,426	1,512,926
Less: Current maturity of long-term deposits	**(1,683,750)**	(1,505,250)
	7,676	7,676

9.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Holding Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Holding Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Holding Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Holding Company. In the latest correspondence, the Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

Accordingly, the Holding Company is pursuing with the Bank and relevant stakeholders for release of SBLC. Progress remains slow due to the turbulent political scenario in Yemen.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
10. LONG-TERM RECEIVABLES		
Unsecured and considered good		
Government Holdings (Private) Limited (GHPL) - note 10.1	**51,266**	122,051
Less: Current maturity of long-term receivables from GHPL	**(51,266)**	(122,051)
	-	-

10.1 This represents share of carried cost borne by the Holding Company, in respect of Gambat field, which is recoverable from GHPL in accordance with the terms set out under the Petroleum Concession Agreement (PCA). The receivable amount is overdue and it has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2023	June 30, 2022
11. STORES AND SPARES	-------(Rupees in thousand)-------	
Stores and spares	**6,094,232**	5,683,785
Stores and spares - in transit	**150,965**	83,859
	6,245,197	5,767,644
Less: Provision for obsolete / slow moving stores and spares - note 11.1	**(316,655)**	(271,802)
	5,928,542	5,495,842
11.1 Reconciliation of provision for obsolete / slow moving stores and spares:		
Balance as on July 01	**271,802**	427,348
Provision / (Reversal) for the year - note 34	**44,853**	(155,546)
Balance as on June 30	**316,655**	271,802

12. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 12.1)		
Central Power Generation Company Limited (GENCO-II) - note 12.4	**6,620,217**	4,523,630
Sui Northern Gas Pipelines Limited (SNGPL)	**251,180,148**	186,517,610
Sui Southern Gas Company Limited (SSGCL)	**238,333,107**	154,160,444
Pakistan Refinery Limited (PRL)	**979,686**	731,279
Pak-Arab Refinery Limited (PARCO)	**662,478**	837,009
ENAR Petroleum Refining Facility (EPRF)	**169,342**	307,977
Oil & Gas Development Company Limited (OGDCL)	**1,164**	51,344
	497,946,142	347,129,293
Non-related parties		
Attock Refinery Limited (ARL)	**14,323,747**	18,113,087
National Refinery Limited (NRL)	**503,329**	525,436
Others	**715,656**	483,731
	15,542,732	19,122,254
	513,488,874	366,251,547
Unsecured and considered doubtful		
Non-related party		
Cnergyico Pk Limited (CNERGY) - note 12.5	**253,002**	253,002
EGAS Pvt. Ltd. (EGAS) - note 12.6	**169,454**	169,454
Less: Provision for doubtful debts	**(422,456)**	(422,456)
	-	-
	513,488,874	366,251,547

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

12.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
GENCO-II	**9,613,533**	7,025,635
SNGPL	**251,316,873**	186,517,610
SSGCL	**238,333,107**	154,160,444
PARCO	**1,384,523**	2,864,333
PRL	**1,488,947**	1,449,718
EPRF	**334,561**	307,977
OGDCL	**59,647**	370,942
	502,531,191	352,696,659

12.2 The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	**52,380,563**	42,904,607
Past due but not impaired:		
Related parties		
- within 90 days	**42,198,530**	26,486,816
- 91 to 180 days	**44,594,551**	29,455,447
- over 180 days	**370,370,671**	264,176,265
	457,163,752	320,118,528
Non-related parties		
- within 90 days	**2,951,751**	2,176,815
- 91 to 180 days	**10,226**	780
- over 180 days	**982,582**	1,050,817
	3,944,559	3,228,412
	513,488,874	366,251,547

12.3 Trade debts include overdue amount of Rs 456,230 million (2022: Rs 319,984 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 4,878 million (2022: Rs 3,363 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 3.1.2 to these consolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2024 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CNERGY and EGAS as a result of disputes disclosed in notes 12.5 and 12.6.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from CNERGY and EGAS.

12.4 As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS amounting to Rs 81,393 million (2022: Rs 66,959 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Holding Company as at the date of statement of financial position.

12.5 The Holding Company had filed a suit in the Sindh High Court (SHC) against CNERGY (formerly Byco) for recovery of overdue amount. The said suit is pending adjudication before the SHC. In addition, the Holding Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Holding Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Holding Company, which was allowed by the Accountability Court on October 24, 2020. The Holding Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Holding Company has filed a constitutional petition against the NAB for recovery of the withheld amount. For late payment surcharge amount, the Holding Company shall continue to pursue its above civil suit.

12.6 The Holding Company has filed winding up petition against EGAS for recovery of overdue amount. The petition is pending adjudication before the Islamabad High Court. Accordingly, provision for doubtful amount has been recognised. Further, on April 06, 2022, the Holding Company submitted a complaint to NAB for recovery of outstanding dues, including late payment surcharge, from EGAS

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
13. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**94,192**	81,764
Advances to suppliers and others	**110,715**	154,634
Advance payment of cash calls to joint operations – note 37	**392,033**	321,991
	596,940	558,389
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**66,870**	79,634
Prepayments	**407,875**	211,199
	474,745	290,833
15. INTEREST ACCRUED		
Interest receivable on:		
- short-term investments	**1,482,762**	189,524
- bank deposits	**222,685**	92,738
	1,705,447	282,262

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
16. OTHER RECEIVABLES		
Receivable from:		
SNGPL for Sui field services	**40,629**	24,822
SSGCL for Sui field services	**13,315**	6,879
PIOL	**136,675**	115,274
Staff retirement benefit plans	**215,699**	430,045
Current accounts with joint operations - note 37	**1,626,570**	1,476,577
Indemnification asset	**298,351**	623,817
Workers' Profits Participation Fund (WPPF) - note 16.1	**172,659**	9,980
Others - note 16.2	**274,919**	350,787
	2,778,817	3,038,181
16.1 WPPF		
Balance as at July 01	**9,980**	75,069
Allocation for the year - note 34	**(7,829,342)**	(4,540,021)
Interest on funds utilised in the Group's business - note 33	**-**	(1,250)
	(7,819,362)	(4,466,202)
Net amount paid during the year	**7,992,021**	4,476,182
Balance as at June 30	**172,659**	9,980

16.2 It includes receivable of Rs 7.59 million (2022: Rs 9.56 million) from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million, respectively) with respect to the payments made by the Holding Company on their behalf for expenses related to PIOL.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
17. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 17.1	**13,122,201**	847,500
- Foreign currency term deposits with banks - note 17.2	**32,604,189**	16,359,886
- Local currency treasury bills - note 17.3	**10,446,045**	52,426,957
	56,172,435	69,634,343
At fair value through profit or loss		
- Mutual Funds - note 17.4	**11,483,646**	-
	67,656,081	69,634,343

17.1 These carry profit ranging from 15.10% to 21.00% (2022: 7.54% to 17.66%) per annum and are due to mature latest by March 2024.

17.2 These represent foreign currency term deposits with banks amounting to USD 113.762 million (2022: USD 66.882 million) having effective interest rate ranging from 4.65% to 12.06% (2022: 1.40% to 10.55%) per annum and are due to mature latest by February 2024.

17.3 These carry profit ranging from 15.64% to 21.55% (2022: 10.62% to 14.65%) per annum and are due to mature latest by October 2023. These bills were issued by GoP and sold through State Bank of Pakistan.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
17.4 Mutual Funds		
Name of Fund		
NBP Money Market Fund	**4,710,649**	-
HBL Cash Fund	**3,798,933**	-
NIT Money Market Fund	**1,654,686**	-
Lakson Money Market Fund	**1,319,378**	-
	11,483,646	-

During the year, average annualised return is 17.11% (2022: 8.93%).

This investment has been categorised under Level 1 of the fair value hierarchy of IFRS-7, 'Financial Instruments: Disclosure'. Fair value has been determined using quoted repurchase prices, being net asset value of units as of reporting date.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
18. CASH AND BANK BALANCES		
At banks		
- Saving accounts		
Local currency - note 18.1	**4,647,189**	2,606,457
Foreign currency - note 18.2	**409,676**	110,871
	5,056,865	2,717,328
- Current accounts		
Local currency	**1,228,901**	1,004,824
Foreign currency	**11,479**	1,635,223
	1,240,380	2,640,047
Cash in hand	**1,341**	69,898
	6,298,586	5,427,273

18.1 These carry profit at the rate ranging from 4.75% to 20.00% (2022: 2.75% to 15.01%) per annum. Further, it includes Rs 19.497 million (2022: Rs 14.298 million) placed under an arrangement permissible under Shariah.

18.2 These carry profit at the rate ranging from 0.01% to 4.00% (2022: 0.01% to 0.30%) per annum. Further, it includes Rs 1.708 million placed under an arrangement permissible under Shariah.

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for the year ended june 30, 2023

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
19. SHARE CAPITAL		
Authorised		
3,500,000,000 (2022: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
26,510 (2022: 26,510) convertible preference shares of Rs 10 each	**265**	265
	35,000,265	35,000,265
Issued		
2,721,162,635 (2022: 2,721,162,488) ordinary shares of Rs 10 each - note 19.2	**27,211,626**	27,211,624
10,440 (2022: 10,587) convertible preference shares of Rs 10 each - note 19.3	**104**	106
	27,211,730	27,211,730
Subscribed and paid-up		
683,078,277 (2022: 683,078,130) ordinary shares of Rs 10 each for cash - note 19.2	**6,830,783**	6,830,781
2,035,144,811 (2022: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2022: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	**27,500**	27,500
	27,209,732	27,209,730
9,366 (2022: 9,513) convertible preference shares of Rs 10 each for cash - note 19.3	**93**	95
1,074 (2022: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	**11**	11
	27,209,836	27,209,836

19.1 Movement in subscribed and paid-up share capital is as follows:

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10/- each		
2,720,972,941	2,720,972,245	At the beginning of the year	**27,209,730**	27,209,723
147	696	Conversion of preference shares	**2**	7
2,720,973,088	2,720,972,941		**27,209,732**	27,209,730

These fully paid ordinary shares carry one vote per share and right to dividend.

19.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2022: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e. 102,875,500 ordinary shares) of the Holding Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Holding Company reduced to 67.51% of the paid-up ordinary share capital.

19.3 Convertible preference shares

In accordance with article 3(iv) of the Holding Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Holding Company's Company Secretary by the holders of such convertible preference shares to that effect. During the year, 147 (2022: 696) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Holding Company do not carry any fixed return.

20. RESERVES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Capital reserve - note 20.1	**1,428**	1,428
Revenue & other reserves		
- General and contingency reserve - note 20.2	**69,761**	69,761
- Insurance reserve - note 20.3	**34,021,894**	34,021,894
- Assets acquisition reserve - note 20.4	**23,751,980**	23,751,980
- Dividend equalisation reserve - note 20.5	**2,535,354**	2,535,354
- Foreign currency translation reserve - note 4.24	**7,095,132**	5,121,742
- Share of foreign currency translation reserve of the associated company - note 20.6	**14,020,097**	-
- Unappropriated Profit	**432,161,708**	341,992,500
	513,655,926	407,493,231
	513,657,354	407,494,659

20.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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20.2 General and contingency reserve

The balance in general and contingency reserve account has been constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Holding Company only for the purpose specified in the 1982 GPA.

20.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of the Holding Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Holding Company has built-up an insurance reserve for self-insurance cover against these risks.

The Holding Company has arranged terrorism cover from the international market upto the limit of liability of USD 100 million (Rs 28,660 million) for single occurrence, as well as, annual aggregate.

20.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Holding Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

20.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Holding Company established a dividend equalisation reserve to maintain dividend declarations.

20.6 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

21. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Balance at beginning of the year	**33,196,343**	27,318,257
- Provision during the year	**695,220**	323,915
- Revision due to change in estimates	**7,513,765**	4,394,361
- Exchange difference / payment during the year	**57,854**	(66,303)
- Unwinding of discount - note 33	**1,297,136**	1,226,113
Balance at end of the year	**42,760,318**	33,196,343

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Wells		
Share in operated assets	**22,687,961**	19,463,975
Share in partner operated assets	**8,423,396**	5,485,744
Production facilities		
Share in operated assets	**7,980,931**	5,708,068
Share in partner operated assets	**3,668,030**	2,538,556
	42,760,318	33,196,343

22. LEASE LIABILITIES

Present value of minimum lease payments - note 22.1	**1,127,957**	1,434,170
Less: current maturity	**(1,127,957)**	(1,434,170)
	-	-

22.1 The Holding Company recognised a Right of Use Asset (RoUA) in respect of Oil Handling Facility installed at Dhok Sultan field and the Holding Company has the option to purchase the asset upon expiry of the lease term. During the year, the Holding Company has deferred its decision to buyback the asset, as allowed in the contractual terms. The Holding Company has, therefore, remeasured its lease liability based on the revised lease payments by using the revised incremental borrowing rate of 23.56% (2022: 16.65%) per annum.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Minimum lease payments		Financial charges		Present value of minimum lease payments	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	---------------------------(Rupees in thousand) ---------------------------					
Year ended June 30,						
2023	**-**	1,603,125	**-**	168,955	**-**	1,434,170
2024	**1,205,693**	-	**77,736**	-	**1,127,957**	-
Total	**1,205,693**	1,603,125	**77,736**	168,955	**1,127,957**	1,434,170

22.2 Lease rental payments for the year ended June 30, 2023, amount to Rs 542.640 million (2022: Rs 91.639 million).

23. DEFERRED LIABILITIES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Post-retirement medical benefits - note 32.2.1	**2,617,730**	2,458,013
Leave preparatory to retirement - note 32.3	**987,531**	870,011
	3,605,261	3,328,024

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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24. DEFERRED TAXATION - NET

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
(Deductible) / taxable temporary differences on:		
Exploration expenditure	**(1,925,133)**	(1,770,532)
Deferred liabilities	**(1,406,052)**	(1,097,492)
Provision for windfall levy on oil / condensate	**(15,217,461)**	(9,856,954)
Provision for doubtful debts	**(211,228)**	(185,881)
Provision for obsolete / slow moving stores	**(123,495)**	(89,695)
Decommissioning asset	**8,086,522**	6,959,040
Accelerated tax depreciation allowances	**3,198,342**	3,459,565
Exploratory wells cost	**9,841,039**	11,289,011
Development and production expenditure	**24,065,010**	20,099,872
Others	**(228,583)**	(26,769)
	26,078,961	28,780,165

24.1 During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact on account of exchange differences on translation of foreign associate, which has been recognised in other comprehensive income.

25. TRADE AND OTHER PAYABLES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Creditors	**1,116,954**	861,400
Accrued liabilities	**13,023,261**	11,044,050
Security deposits / advances from LPG distributors	**996,961**	525,326
Retention money	**116,189**	102,607
Federal excise duty	**104,399**	125,910
Sales tax (net)	**475,695**	1,833,074
Royalties	**14,282,851**	10,975,541
Lease extension bonus	**37,683,916**	30,159,897
Current accounts with joint operations - note 37	**14,692,898**	13,922,988
Staff retirement benefit funds - note 32.1.2	**3,575,947**	1,206,915
Provision for windfall levy on oil / condensate - note 26.1.7	**24,391,194**	17,495,473
Contractual obligations for Iraq EDPSC - note 25.2	**1,348,450**	967,540
Others	**457,968**	444,186
	112,266,683	89,664,907

25.1 As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS amounting to Rs 81,393 million (2022: Rs 66,959 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

25.2 These represent Infrastructure Fund amounting to Rs 268.407 million (USD 0.935 million) {2022: Rs 192.588 million (USD 0.935 million)} and Training, Technology & Scholarship Fund amounting to Rs 1,080.043 million (USD 3.762 million) {2022: Rs 774.952 million (USD 3.762 million)} payable under the EDPSC with MdOC.

	June 30, 2023	June 30, 2022
26. CONTINGENCIES AND COMMITMENTS	-------(Rupees in thousand)-------	

26.1 Contingencies

26.1.1 Corporate guarantees

Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.	**2,115**	5,807

26.1.2 Sales tax

The Holding Company has received various orders from the tax authorities raising demand of Rs 446 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Holding Company is contesting the matters before different appellate forums.

26.1.3 Income tax

The tax authorities have amended the assessments of the Holding Company for the tax years 2003 to 2022 raising an aggregate demand of Rs 53,468 million which primarily relates to rate issue, depletion allowance, decommissioning cost, super tax and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001 (the Ordinance). The Holding Company has paid / adjusted an amount of Rs 44,057 million, out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009 which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2013	Sindh High Court
2014 to 2022	Appellate Tribunal Inland Revenue (ATIR)

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Holding Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, super tax, depletion allowance, tax credits under sections 65A, 65B and 65E relating to Agreement Areas and other issues in the books of accounts. In case the appeals relating to the said issues are decided in favour of the Holding Company, an amount of Rs 51,451 million will be credited to the profit or loss for that year.

During the year, the ATIR has passed an appellate order dated January 27, 2023 for tax year 2013 whereby the ATIR has allowed the claim of tax credits under sections 65A, 65B and 65E and depletion allowance to the extent of non-deduction of royalty from the well-head value, whilst maintaining other disallowances. Against the said order of ATIR, both the tax authorities as well as the Holding Company have filed reference application before SHC.

During the year, the tax authorities have issued an order dated February 28, 2023 levying super tax of Rs 8,419 million @ 10% on income from agreement and non-agreement areas. The Holding Company has paid under protest super tax of Rs 591 million which represents super tax @ 4% relating to income from non-agreement areas only. The super tax liability relating to income from agreement areas has been annulled by the Commissioner Inland Revenue, Appeals, CIR(A). The Holding Company as well as tax authorities have filed a further appeal before ATIR.

The Honourable SHC, in another case, has annulled the levy of super tax for tax year 2022 on constitutional / legal grounds. Pursuant to appeal by the tax authorities, the Honourable Supreme Court of Pakistan (SCP), through interim order dated February 16, 2023 has directed the plaintiffs to pay super tax to the extent of 4% and stayed the balance tax demand till the appeal of tax authorities is finally decided by the Honourable SCP.

Through Finance Act 2023, new slab rates for super tax have been introduced having income in excess of Rs 300 million and the maximum rate of super tax has been enhanced to 10% for tax year 2023 and onwards. The Holding Company, in principle does not agree with the levy of super tax, however as a matter of abundant caution, an amount of Rs 14,605 million has been provided for in these consolidated financial statements.

During the year ended June 30, 2020, the Holding Company's tax return for tax year 2018 was selected for income tax audit. The Holding Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Holding Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both non-agreement and agreement areas. Based on the advice of the legal counsel, the Holding Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020, has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

The Holding Company, based on the advice of legal counsel, filed a Constitutional Petition before the Honourable SHC for tax years 2020 and 2021, challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impairs contracts cannot be given a retrospective application.

The said petitions have been decided by the Honourable SHC through combined judgment dated February 07, 2023. Through the judgment, the Honourable SHC has struck down the aforesaid amendment made through Finance Act 2019 thereby allowing tax credits @ 10% if plant and machinery was purchased before 30th day of June 2019 and installed before the 30th day of June 2021. The tax authorities have filed an appeal before the Honourable SCP against the said judgment of Honourable SHC.

26.1.4 Sindh Workers' Welfare Fund

The Holding Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Holding Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Holding Company. The financial impact, if any, cannot be reliably estimated at present. Further, the management of the Holding Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Holding Company, therefore, no provision has been made in these consolidated financial statements. Furthermore, SRB has issued a show-cause notice dated August 31, 2023 to the Holding Company with respect to the year ended June 30, 2022. The Holding Company is in the process of taking appropriate actions in response to the notice.

26.1.5 Sindh Workers' Profit Participation Fund

The Holding Company had received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Holding Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained interim stay. Further, in view of the potential exposure involved, the Holding Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

26.1.6 Others

a) The Honourable SHC vide its order dated August 3, 2017, wherein the Holding Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the Honourable SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Holding Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Holding Company, on the advice of its legal counsel, had challenged the said judgment in the Honourable SCP. The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, the Honourable SCP has made the same conditional to payment of at least 50 percent of the tax calculated in the Government treasury. Subsequently, being aggrieved of the said condition of payment of 50 percent, the Holding Company, on the basis of its legal counsel's advice, has filed a review petition before the Honourable SCP. The said review petition is pending for adjudication.

b) During the year ended June 30, 2022, the tax authorities issued a notice showing their intention to recover the alleged outstanding amount of Late Payment Surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. Based on the advice of legal counsel, the Holding Company filed a constitutional petition, challenging the impugned notice before the Honourable SHC. The Honourable SHC vide an interim order directed the tax authorities not to initiate any recovery proceedings subject to the condition that 50% amount is deposited by the Holding Company. On December 31, 2021, the Holding Company submitted a bank guarantee amounting to Rs 1,536 million. During the year, the tax authorities issued a withdrawal notice in respect of aforementioned recovery notice. Accordingly, the bank guarantee amounting to Rs 1,536 million has been released by the Nazir of the Honourable SHC.

26.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Holding Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Holding Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

i. Windfall Levy is applicable on exploration and production of natural gas only;

ii. Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and

iii. There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Holding Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Holding Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Holding Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Petitioners have already advance arguments before the Court. The stay order already granted remains in effect. On June 30, 2022, the case was delisted and was adjourned to a date in office.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2023, on the completion of the process laid down in the law and in line with the Holding Company's accounting policy following the revised prices notified from time to time.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 42,295 million for the period up to June 30, 2023. As mentioned above, the Holding Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Holding Company's legal contention and as a matter of abundant caution, the Holding Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2023 amounts to Rs 24,348 million (2022: Rs 17,446 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 36,634 million and Rs 16,142 million respectively.

26.1.8 Other contingencies

a) The Holding Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Holding Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Holding Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Holding Company in which it has filed a number of claims against the Holding Company. The Holding Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Holding Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Holding Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

b) The Holding Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,978.511 million (2022: Rs 2,542.345 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Holding Company and, accordingly, no provision has been made in these consolidated financial statements.

c) In the context of PPLE, the tax authorities have amended the assessment for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR(A), the appeal effect of which is pending before the tax authorities.

Recently, the Honourable IHC through judgment dated March 31, 2022 (reporting ITRA No. 80 of 2007) for tax years 2004 to 2012 of PPLE's appeals has overruled the judgment of larger bench of ATIR relating to admissibility of depletion allowance by holding that depletion allowance is allowable on wellhead value of sales before deduction of royalty. However, PPLE, as a matter of abundant caution, continues to provide for the tax liability pertaining to this issue in order to align its treatment with the Holding Company i.e. full provision, being an industry issue having significant financial impact on the books, till the matter attains finality.

Further, the tax authorities have also amended the assessment of PPLE for the tax years 2015 to 2020, raising an aggregate demand of Rs 667 million which primarily relates to the abovesaid / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). The CIR(A), through the appellate orders passed for tax years 2015, 2017 and 2018, set-aside the tax demand on all issues except for levy of super tax. PPLE has filed further appeals before ATIR against the above orders passed by CIR(A), whereas the appeals for tax years 2016, 2019 and 2020 are pending before CIR(A).

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PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

d) The Holding Company has guaranteed to the MdOC, the performance and fulfilment of obligations by PPLA under the EDPSC.

e) The Holding Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents. In addition, due to the several liability of each consortium member of PIOL under the parent company guarantee, each consortium member has given a Shareholders' Protection Guarantee (corporate guarantee) to PIOL and other consortium members to guarantee each other's share of obligations under the concession documents.

26.2 Commitments

26.2.1 The Holding Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

26.2.2 The Group's total commitments for capital expenditure (net share) as at June 30, 2023 are Rs 1,918 million (2022: Rs 1,084 million) . Further, total amount outstanding under letters of credit (net share) as at June 30, 2023 is Rs 325 million (2022: Rs 3,386 million).

26.2.3 With respect to PIOL (note 7.2), the Holding Company has entered into a Shareholders' Agreement with the consortium partners, under which the Holding Company has committed to invest up to USD 100 million in PIOL during five years' period from the date of initial investment, out of which USD 35 million have been invested till June 30, 2023.

26.2.4 With respect to PMPL (note 7.3), the Holding Company has entered into a Joint Venture Agreement with the stakeholders, under which the Holding Company has committed to invest a total amount up to USD 398 million (including post-acquisition investments), to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. In addition, the Holding Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Holding Company has provided a several corporate guarantee to fund the obligations of the Holding Company under the Definitive Agreements.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
27. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales	**327,120,417**	236,087,521
Federal excise duty	**(1,614,812)**	(1,603,013)
Sales tax - note 27.2	**(38,486,669)**	(30,980,711)
Petroleum Levy	**(544,148)**	(541,989)
Discounts (barytes)	**(19,819)**	(47,411)
	(40,665,448)	(33,173,124)
Local sales - net	**286,454,969**	202,914,397
Export sales - note 27.1	**1,598,070**	896,371
	288,053,039	203,810,768
Product wise break-up of sales is as follows:		
Natural gas	**215,944,056**	140,848,327
Federal excise duty	**(1,584,116)**	(1,571,173)
Sales tax	**(34,979,350)**	(22,692,498)
	(36,563,466)	(24,263,671)
	179,380,590	116,584,656
Gas supplied to Sui villages - note 28	**1,451,924**	920,528
Federal excise duty	**(13,925)**	(14,425)
Sales tax	**(215,440)**	(133,752)
	(229,365)	(148,177)
	1,222,559	772,351
Internal consumption of gas	**719,722**	485,018
Federal excise duty	**(6,865)**	(7,548)
Sales tax	**(106,939)**	(70,345)
	(113,804)	(77,893)
	605,918	407,125
Crude oil / Natural gas liquids / Condensate	**87,618,864**	75,412,104
Sales tax	**-**	(5,381,348)
	87,618,864	70,030,756
LPG	**21,200,110**	18,036,904
Federal excise duty	**(9,906)**	(9,867)
Sales tax	**(3,145,568)**	(2,622,371)
Petroleum levy	**(544,148)**	(541,989)
	(3,699,622)	(3,174,227)
	17,500,488	14,862,677
Barytes	**1,783,811**	1,281,011
Sales tax	**(39,372)**	(80,397)
Discounts	**(19,819)**	(47,411)
	(59,191)	(127,808)
	1,724,620	1,153,203
	288,053,039	203,810,768

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	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
27.1 Break up of export sales is as follows:		
Barytes	**1,507,175**	775,312
Crude oil / Condensate	**90,895**	121,059
	1,598,070	896,371

27.2 During the year, vide SRO 179(I)/2023, dated February 14, 2023, the rate of general sales tax rate has increased from 17% to 18%.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
28. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	**11,361,382**	10,011,419
Operator's personnel	**3,184,604**	2,774,320
Depreciation	**6,840,593**	6,346,407
Amortisation of decommissioning assets - note 5.1	**3,757,726**	1,674,778
Amortisation of D&P assets - note 5.1	**10,053,176**	8,806,209
Plant operations	**4,148,038**	3,680,066
Well interventions	**1,798,026**	1,232,267
Field services	**3,007,396**	2,512,668
Crude oil & barytes transportation	**1,400,015**	876,228
Travelling and conveyance	**529,076**	686,465
Training & development	**114,048**	42,231
PCA overheads	**239,625**	192,123
Insurance expenses	**758,983**	674,109
Free supply of gas to Sui villages - note 27	**1,451,924**	920,528
Social welfare / community development	**633,198**	325,855
	49,277,810	40,755,673
29. ROYALTIES AND OTHER LEVIES		
Royalties and others	**34,960,219**	23,351,838
Lease extension bonus	**7,524,019**	5,227,068
Windfall levy	**4,391,138**	2,439,008
	46,875,376	31,017,914
30. EXPLORATION EXPENSES		
Dry and abandoned wells	**6,675,022**	17,679,362
Other exploration expenditures	**15,711,879**	7,144,289
	22,386,901	24,823,651

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	

31. ADMINISTRATIVE EXPENSES

	2023	2022
Salaries, wages, welfare and other benefits - note 31.1	6,895,134	6,642,799
Amortisation of intangible assets - note 6.1	57,880	121,270
Depreciation of leased and HO assets	108,235	359,024
Rent, rates and taxes	310,020	241,869
Utilities & communication	123,110	106,916
Travelling and conveyance	110,537	80,270
Training and development	109,760	52,925
Insurance expenses	51,838	44,917
Repairs, maintenance and supplies	935,749	707,446
Professional services	156,499	139,113
Auditors' remuneration - note 31.2	51,757	31,790
Donations and sponsorship - notes 31.3 & 31.4	176,109	114,280
Contract services	113,962	91,827
Compliance and regulatory expenses	75,601	58,130
Advertisement, publicity and public relations	56,445	49,200
Other expenses	85,698	60,487
	9,418,334	8,902,263
Allocation to capital and operating expenditure	(5,424,137)	(4,226,973)
	3,994,197	4,675,290

31.1 This includes expenditure in respect of provident fund, pension fund, gratuity fund, leave preparatory to retirement and post-retirement medical benefits amounting to Rs 391.324 million, Rs 461.428 million, Rs 175.924 million, Rs 176.984 million and Rs 382.702 million, respectively (2022: Rs 309.172 million, Rs 376.908 million, Rs 220.376 million, Rs 140.960 million and Rs 284.472 million, respectively).

31.2 Auditors' remuneration

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Annual audit fee		
- Holding Company	5,401	4,697
- Subsidiary Companies	31,909	20,502
Limited review, special certifications & advisory services	12,071	5,293
Out of pocket expenses & others	2,376	1,298
	51,757	31,790

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31.3 Party wise details of donations in excess of Rs 1 million are given below:

Name of Donees / Party	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Provincial Disaster Management (Balochistan)	25,000	-
University of Engineering, Lahore	21,000	-
Provincial Disaster Management (Khyber Pakhtunkhwa)	15,000	-
Provincial Disaster Management (Punjab)	15,000	-
Ration distributed to flood affectees (Sindh)	11,733	-
Behbud Association of Pakistan	10,000	-
Akhuwat Foundation	10,000	6,000
Tehzibul Akhlaq Trust	6,300	9,700
Jinnah Postgraduate Medical Centre	4,900	-
Kashmir Education Foundation	2,000	-
Dawood Global Foundation	1,730	-
Society for the protection of the Rights of the Child	1,800	-
University of Karachi	1,000	1,000
Lahore Businessmen Association for Rehabilitation of the Disabled	1,000	-
The Indus Hospital	-	12,000
Sindh Institute of Urology & Transplantation	-	10,310
Al-Shifa Trust Eye Hospital	-	7,000
Jaffriya Disaster Management Cell Welfare Organization	-	6,901
The Layton Rehmatullah Benevolent Trust	-	5,500
Rural Health Centre	-	5,105
Water supply scheme for District Kohlu	-	3,532
HANDS Foundation	-	3,480
Parents Voice Association	-	2,000
Mosque of Pakistan Industrial Development Corporation	-	2,000
Pakistan Tennis Federation	-	1,200
Karachi Vocational Training Centre	-	1,000
Pakistan Blind Cricket Council	-	1,000
Healthcare and Social Welfare Association	-	1,000
Karachi Institute Of Kidney Diseases	-	1,000
	126,463	79,728

31.4 There are no donations in which the directors of the Holding Company are interested.

32. STAFF RETIREMENT BENEFITS

32.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.15 to these consolidated financial statements, the Holding Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Holding Company appoints the trustees. All trustees are employees of the Holding Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

32.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Present value of defined benefit obligations - note 32.1.6	11,935,739	1,433,217	5,404,941	2,262,013	**21,035,910**	16,727,652
Fair value of plan assets - note 32.1.5	(11,552,008)	(982,495)	(3,605,458)	(1,320,002)	**(17,459,963)**	(15,685,589)
Liability / (asset) recognised in the statement of financial position	**383,731**	**450,722**	**1,799,483**	**942,011**	**3,575,947**	**1,042,063**

32.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Balances as on July 01	768,773	420,768	(164,852)	17,374	**1,042,063**	863,653
Charge for the year - note 32.1.3	407,483	126,905	53,945	49,019	**637,352**	597,284
Refund / (Payments) during the year	(1,094,385)	13,481	11,798	(92,156)	**(1,161,262)**	(725,349)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 32.1.4	301,860	(110,432)	1,898,592	967,774	**3,057,794**	306,475
Balances as on June 30	**383,731**	**450,722**	**1,799,483**	**942,011**	**3,575,947**	**1,042,063**

32.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Current service cost	311,765	74,517	74,470	46,719	**507,471**	512,062
Interest cost on defined benefits obligation	1,372,013	190,158	434,143	178,047	**2,174,361**	1,592,490
Interest income on plan assets	(1,276,295)	(137,770)	(454,668)	(175,747)	**(2,044,480)**	(1,507,268)
Charge for the year recognised in profit or loss	**407,483**	**126,905**	**53,945**	**49,019**	**637,352**	**597,284**
Actual return on plan assets	**1,401,882**	**119,730**	**463,626**	**142,600**	**2,127,838**	**1,087,208**

32.1.4 Remeasurement recognised in other comprehensive income

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Actuarial (gain) / loss on obligation	427,447	(128,472)	1,907,550	934,627	**3,141,152**	(113,585)
Actuarial (gain) / loss on assets	(125,587)	18,040	(8,958)	33,147	**(83,358)**	420,060
Total remeasurements	**301,860**	**(110,432)**	**1,898,592**	**967,774**	**3,057,794**	**306,475**

32.1.5 Changes in fair value of plan assets

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Fair value of plan assets at beginning of the year *	9,708,781	1,067,704	3,531,010	1,378,094	**15,685,589**	15,383,293
Interest income on plan assets	1,276,295	137,770	454,668	175,747	**2,044,480**	1,507,268
Contributions / adjustments by the Holding Company	1,094,385	(13,481)	(11,798)	92,156	**1,161,262**	725,349
Benefits paid	(653,040)	(191,458)	(377,380)	(292,848)	**(1,514,726)**	(1,510,261)
Amount recognised in OCI for the year	125,587	(18,040)	8,958	(33,147)	**83,358**	(420,060)
Fair value of plan assets at the end of the year	**11,552,008**	**982,495**	**3,605,458**	**1,320,002**	**17,459,963**	**15,685,589**

** This represents unaudited fair value of plan assets.*

32.1.6 Changes in present value of pension and gratuity obligations

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2023					June 30, 2022
	(Rupees in thousand)					
Present value of obligations at beginning of the year	10,477,554	1,488,472	3,366,158	1,395,468	**16,727,652**	16,246,946
Current service cost	311,765	74,517	74,470	46,719	**507,471**	512,062
Interest cost	1,372,013	190,158	434,143	178,047	**2,174,361**	1,592,490
Benefits paid	(653,040)	(191,458)	(377,380)	(292,848)	**(1,514,726)**	(1,510,261)
Amount recognised in OCI for the year	427,447	(128,472)	1,907,550	934,627	**3,141,152**	(113,585)
Present value of obligations at the end of the year	**11,935,739**	**1,433,217**	**5,404,941**	**2,262,013**	**21,035,910**	**16,727,652**

32.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return	Executives		Non-Executives		Executives		Non-Executives	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
	%	June 30, 2023				June 30, 2022			
Pension Fund									
Government securities	8.00 - 22.42	**7,768,155**	**67**	**1,824,832**	**51**	597,757	6	283,892	8
Shares	-	**1,144,027**	**10**	**456,958**	**13**	1,346,702	14	540,414	16
SUKUK	23.35 - 23.94	**33,366**	**-**	**5,239**	**-**	178,320	2	66,872	2
Term Finance Certificates	22.30 - 24.37	**130,970**	**1**	**102,097**	**3**	344,345	4	131,553	4
National Saving Certificates	13.01	**1,150,000**	**10**	**383,500**	**11**	2,450,000	25	613,500	18
Cash and bank deposits	12.25 - 21.85	**1,325,490**	**12**	**832,832**	**22**	4,791,657	49	1,894,779	52
Total		**11,552,008**	**100**	**3,605,458**	**100**	9,708,781	100	3,531,010	100
Gratuity Fund									
Government securities	8.00 - 22.42	**415,663**	**42**	**579,881**	**44**	62,111	6	78,706	6
Shares	-	**137,144**	**14**	**182,045**	**14**	167,180	16	219,095	16
SUKUK	23.35 - 23.94	**6,071**	**1**	**3,510**	**-**	25,827	2	25,003	2
Term Finance Certificates	22.30 - 24.37	**41,494**	**4**	**62,578**	**5**	58,137	5	81,545	6
National Saving Certificates	13.01	**150,000**	**15**	**121,000**	**9**	300,000	28	271,000	19
Cash and bank deposits	12.25 - 21.85	**232,123**	**24**	**370,988**	**28**	454,449	43	702,745	51
Total		**982,495**	**100**	**1,320,002**	**100**	1,067,704	100	1,378,094	100

32.1.8 Sensitivity analysis

	June 30, 2023				June 30, 2022			
	Executives		Non-Executives		Executives		Non-Executives	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	---(Rupees in thousand)---							
Pension								
Salary rate sensitivity	**521,880**	**(467,790)**	**192,096**	**(176,866)**	381,176	(511,325)	109,412	(100,863)
Pension rate sensitivity	**896,028**	**(776,435)**	**234,484**	**(216,376)**	648,238	(720,163)	158,216	(147,259)
Discount rate sensitivity	**(1,206,179)**	**1,455,065**	**(425,540)**	**482,127**	(1,163,546)	1,210,771	(248,684)	277,967
Gratuity								
Salary rate sensitivity	**25,928**	**(22,502)**	**48,402**	**(44,786)**	23,023	(20,632)	47,453	(43,881)
Discount rate sensitivity	**(74,715)**	**84,000**	**(98,458)**	**108,949**	(83,220)	93,773	(48,384)	53,237

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

32.1.9 Maturity profile of the defined benefit obligations

	June 30, 2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.11	5.66	7.87	5.29
	---(Rupees in thousand)---			
Distribution of timing of benefit payments (time in years)				
1	777,022	231,871	435,336	278,994
2	773,804	194,366	527,294	324,409
3	791,141	194,700	659,887	407,018
4	1,024,890	262,201	708,103	445,524
5	1,362,603	242,634	696,008	408,361
6-10	8,600,525	1,377,005	4,689,484	2,305,276

32.1.10 The Holding Company expects to contribute Rs 1,184.425 million (2022: Rs 637.352 million) to the pension and gratuity funds in the next financial year.

32.2 Unfunded post-retirement medical benefits

32.2.1 The Holding Company provides free medical facilities to its executive and non-executive retired employees, as mentioned in note 4.15 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2023, results of which are as follows:

	June 30, 2023	June 30, 2022
	---(Rupees in thousand)---	
Present value of defined benefit obligations - notes 23 and 32.2.4	**2,617,730**	2,458,013

	June 30, 2023	June 30, 2022
	---(Rupees in thousand)---	
32.2.2 Movement in the liability recognised in the statement of financial position is as follows:		
Balance as at July 01	**2,458,013**	2,297,102
Charge for the year - notes 31.1 & 32.2.3	**382,702**	284,472
Payments during the year	**(136,122)**	(116,523)
Amounts credited to OCI	**(86,863)**	(7,038)
Balance as at June 30	**2,617,730**	2,458,013

	Year ended June 30, 2023	Year ended June 30, 2022
	---(Rupees in thousand)---	
32.2.3 Amounts recognised in profit or loss		
Current service cost	**59,554**	56,453
Interest cost	**323,148**	228,019
	382,702	284,472

	June 30, 2023	June 30, 2022
	---(Rupees in thousand)---	
32.2.4 Changes in present value of post-retirement medical obligations		
Balance as at July 01	**2,458,013**	2,297,102
Current service cost	**59,554**	56,453
Interest cost	**323,148**	228,019
Benefits paid	**(136,122)**	(116,523)
Amounts credited to OCI	**(86,863)**	(7,038)
Balance as at June 30	**2,617,730**	2,458,013

	1% increase	1% decrease
	---(Rupees in thousand)---	
32.2.5 Sensitivity analysis		
Medical cost trend rate sensitivity	**284,250**	**(243,457)**
Discount rate sensitivity	**(297,411)**	**363,784**

32.2.6 The Holding Company expects to contribute Rs 482.732 million (2022: Rs 382.702 million) to the unfunded post-retirement medical benefits in the next financial year.

32.2.7 The weighted average duration of the defined benefit obligation works out to 11.20 years (2022: 11.54 years) in respect of executive and 11.63 years (2022: 11.76 years) in respect of non-executive retired employees.

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
32.3 Leave preparatory to retirement		
Balance as at July 01	**870,011**	785,448
Charge for the year - note 31.1	**176,984**	140,960
	1,046,995	926,408
Payments / adjustments during the year	**(59,464)**	(56,397)
Balance as at June 30 - note 23	**987,531**	870,011

32.4 Principal actuarial assumptions

	Per annum	
	June 30, 2023	June 30, 2022
- discount rate	**16.25%**	13.25%
- expected rate of increase in salaries	**16.25%**	13.25%
- expected rate of increase in pension	**11.25%**	8.25%
- expected rate of escalation in medical cost	**12.25%**	9.25%
- death rate / mortality rate	SLIC (2001-05)	

32.5 Description of the risks to the Group

The defined benefit plans expose the Group to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

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for the year ended june 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
33. FINANCE COSTS		
Financial charges for lease liabilities	**210,291**	38,088
Unwinding of discount on decommissioning obligation - note 21	**1,297,136**	1,226,113
Interest on WPPF - note 16.1	**-**	1,250
Others	**44,659**	32,018
	1,552,086	1,297,469
34. OTHER CHARGES		
WPPF charge - note 16.1	**7,829,342**	4,540,021
Provision for windfall levy on oil / condensate - note 26.1.7	**6,902,000**	7,203,000
Exchange loss on foreign currency (net)	**-**	49,807
Charge / (Reversal) of provision for obsolete / slow moving stores & spares - note 11.1	**44,853**	(155,546)
Write-off / Impairment of property, plant and equipment & capital stores - note 5.4	**994,319**	2,291,222
Loss on disposal of property, plant and equipment (net)	**361**	-
Others	**5,290**	-
	15,776,165	13,928,504
35. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 35.1	**917,012**	497,249
Income on local currency term deposits	**584,297**	816,735
Income on foreign currency term deposits	**2,126,001**	688,065
Income from investment in treasury bills	**6,243,835**	3,827,203
Exchange gain on foreign currency (net)	**5,434,999**	6,922,371
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	**1,929,285**	916,500
	17,235,429	13,668,123
Income from assets other than financial assets		
Rental income on assets	**5,281**	5,014
Gain on disposal of property, plant and equipment (net)	**99,406**	79,577
Insurance Income	**37,849**	44,078
Gain on disposal of obsolete / slow moving stores and spares (net)	**-**	235,843
Others	**26,743**	157,529
	169,279	522,041
	17,404,708	14,190,164

35.1 This includes profit amounting to Rs 3.478 million (2022: Rs 0.564 million) under a Shariah compliant arrangement.

36. TAXATION

Provision for taxation for the year ended June 30, 2023 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The corporate and BME income is taxed at 29%, except for dividend income from mutual funds which is being taxed at 15%, being non-agreement areas. In addition, super tax at 10% has been provided on all income streams of the Holding Company for the tax year 2023.

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Current		
- for the year - note 36.1	**70,541,543**	45,477,524
- for prior years (net)	**380,539**	156,957
	70,922,082	45,634,481
Deferred - note 36.1	**(3,231,719)**	(1,049,894)
	67,690,363	44,584,587

36.1 Current tax includes provision for super tax imposed by the GoP at the rate of 10% (2022: 10%) amounting to Rs 14,605.270 million (2022: Rs 9,571.041 million) on the taxable income of the Holding Company during the year, while the impact of said provision on deferred tax amounts to Rs 2,292.292 million (2022: Rs 2,448.665 million) at the rate of 10% (2022: 4%).

36.2 Relationship between accounting profit and taxation

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Accounting profit for the year before taxation	**164,911,977**	98,937,283
Tax on accounting profit at applicable rate of 42.48% (2022: 41.27%)	**70,058,737**	40,829,201
Tax effect of:		
- Depletion allowance	**(16,764,580)**	(11,792,549)
- Royalty allowed for tax purposes	**(5,729,496)**	(4,124,478)
- Unwinding of discount on decommissioning obligation	**591,772**	563,850
- Tax income relating to prior years	**380,539**	156,957
- Decommissioning cost	**2,224,284**	4,932,211
- Dividend income / gain on remeasurement of investments	**(270,100)**	(265,785)
- Super tax	**16,897,562**	12,019,706
- Others	**301,645**	2,265,474
	67,690,363	44,584,587
Effective tax rate %	**41.05%**	45.06%

37. Details of Exploration and Production Areas / Fields

The areas in which the Group has working interest are as follows:

	Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2023	Net Balance (Payable) / Receivable June 30, 2023 (Rupees in thousand)	Net Balance (Payable) / Receivable June 30, 2022 (Rupees in thousand)
	Producing Fields				
1	Adhi	PPL	**39.00**	**(991,799)**	(1,119,305)
2	Dhok Sultan (EWT Phase)	PPL	**75.00**	**(195,838)**	7,484
3	Gambat South	PPL	**65.00**	**(1,504,415)**	(1,441,208)
4	Hala	PPL	**65.00**	**(134,068)**	(389,005)
5	Kandhkot	PPL	**100.00**	**-**	-
6	Kandhkot East (Chachar)	PPL	**75.00**	**9,275**	6,025
7	Mazarani	PPL	**87.50**	**101,525**	98,844
8	Shah Bandar	PPL	**63.00**	**(65,292)**	(20,352)
9	Sui	PPL	**100.00**	**-**	-
10	Block 22	PEL	**35.53**	**(56,911)**	(46,733)
11	Digri	UEPL	**25.00**	**(41,867)**	(33,615)
12	Gambat	UEP-BETA	**23.68**	**(157,678)**	58,979
13	Ghauri (Dharian EWT Phase)	MPCL	**35.00**	**(32,395)**	(33,875)
14	Kirthar	POGC	**30.00**	**(725,107)**	(634,503)
15	Kotri North (Unarpur EWT Phase)	UEPL	**40.00**	**(33,467)**	(41,921)
16	Latif	UEP-BETA	**33.30**	**(940,927)**	(1,286,938)
17	Miano	UEP-BETA	**15.16**	**(333,400)**	(392,558)
18	Nashpa	OGDCL	**28.55**	**(1,602,700)**	(1,428,599)
19	Qadirpur	OGDCL	**7.00**	**140,021**	(279,231)
20	Sawan	UEP-BETA	**34.07**	**(317,898)**	(237,266)
21	Tal	MOL	**27.76**	**(1,240,190)**	(1,247,277)
22	Ziarat (Bolan East EWT Phase)	MPCL	**40.00**	**(154,162)**	(1,041,583)
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	**85.00**	**(22,313)**	5,081
2	Block 2566-6 (Bela West)	PPL	**58.50**	**78,566**	267,086
3	Block 3371-15 (Dhok Sultan) - note 37.1	PPL	**75.00**	**-**	-
4	Block 2568-18 (Gambat South) - note 37.1	PPL	**65.00**	**-**	-
5	Block 2568-13 (Hala) - note 37.1	PPL	**65.00**	**-**	-
6	Block 2967-2 (Ziarat) - note 37.1	MPCL	**40.00**	**-**	-
7	Block 3372-23 (Hisal)	PPL	**62.50**	**10,263**	(19,821)
8	Block 2866-2 (Kalat)	PPL	**100.00**	**(345,357)**	(1,070,739)
9	Block 3272-18 (Karsal)	PPL	**100.00**	**14,821**	(10,683)
10	Block 2763-3 (Kharan)	PPL	**100.00**	**9,434**	(325,418)
11	Block 2764-4 (Kharan-East)	PPL	**100.00**	**37,814**	(259,607)
12	Block 2569-5 (Khipro East)	PPL	**97.50**	**(7,303)**	(566,821)
13	Block 2766-1 (Khuzdar)	PPL	**100.00**	**(57,375)**	(34,871)
14	Block 2468-12 (Kotri)	PPL	**100.00**	**(5,188)**	705
15	Block 2866-4 (Margand)	PPL	**100.00**	**(1,017,485)**	(14,661)
16	Block 3069-10 (Musakhel)	PPL	**37.20**	**(125,172)**	32,572
17	Block 2668-9 (Naushahro Firoz)	PPL	**100.00**	**(34,999)**	(14,613)
18	Block 2864-2 (Nausherwani)	PPL	**97.50**	**(5,064)**	11,954
19	Block 3073-5 (Punjab)	PPL	**47.50**	**(17,413)**	26,372
20	Block 2467-16 (Shah Bandar) - note 37.1	PPL	**63.00**	**-**	-
21	Block 2468-10 (Sirani)	PPL	**75.00**	**29,652**	16,746
22	Block 2768-13 (Sorah)	PPL	**100.00**	**(1,922,949)**	(181,829)

	Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2023	Net Balance (Payable) / Receivable June 30, 2023 (Rupees in thousand)	Net Balance (Payable) / Receivable June 30, 2022 (Rupees in thousand)
23	Block 2763-5 (South Kharan)	PPL	**51.00**	**21,325**	52,939
24	Block 3070-13 (Baska)	PPL	**82.50**	**(105,096)**	(7,922)
25	Block 2869-15 (Sui North) - note 37.2	PPL	**50.00**	**11,554**	-
26	Block 2866-15 (Kalat West) - note 37.2	PPL	**50.00**	**5,986**	-
27	Block 2568-19 (Digri) - note 37.1	UEPL	**25.00**	**-**	-
28	Block 3273-3 (Ghauri) - note 37.1	MPCL	**35.00**	**-**	-
29	Block 2468-9 (Jherruck)	NHEPL	**30.00**	**(59,317)**	(59,317)
30	Block 2866-3 (Khuzdar North)	OGDCL	**25.00**	**(31,594)**	(12,015)
31	Block 2667-7 (Kirthar) - note 37.1	POGC	**30.00**	**-**	-
32	Block 2568-21 (Kotri North) - note 37.1	UEPL	**40.00**	**-**	-
33	Block 2867-5 (Kuhan)	UEP-BETA	**47.50**	**(130,791)**	(114,849)
34	Block 2669-3 (Latif) note 37.1	UEP-BETA	**33.30**	**-**	-
35	Block 3370-10 (Nashpa) - note 37.1	OGDCL	**30.00**	**-**	-
36	Block 3070-16 (Pezu)	OGDCL	**30.00**	**(45,569)**	(124,225)
37	Block 3072-8 (Shakarganj West)	OGDCL	**50.00**	**(48,012)**	(16,501)
38	Block 2568-20 (Sukhpur) - note 37.3	PIOGCL (formerly ENI)	**30.00**	**9,213**	9,213
39	Block 3069-9 (Suleiman)	OGDCL	**50.00**	**(463,130)**	(26,513)
40	Block 3370-3 (Tal) - note 37.1	MOL	**30.00**	**-**	-
41	Block 2967-5 (Mach) - note 37.2	MPCL	**30.00**	**(1,849)**	-
42	Block 2867-6 (Dadhar) - note 37.2	MPCL	**30.00**	**(2,910)**	-
43	Block 3067-3 (Harnai)	MPCL	**40.00**	**(25,345)**	(9,776)
	Offshore Blocks				
44	Block 2366-7 (Indus-C)	PPL	**100.00**	**(43,634)**	(12,842)
	Exploration Blocks (Outside Pakistan)				
1	Block-3 (Yemen)	TOTAL	**20.00**	**(192,080)**	(134,285)
	Other areas - note 37.4			**85,013**	(16,214)

37.1 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

37.2 During the year, provisionally awarded four blocks in bidding round of April 2022, have now been formally awarded to the Holding Company on November 22, 2022.

37.3 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached GoP (in June 2021) for approval of further well testing. The matter is still under consideration of GoP.

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37.4 This mainly includes amounts receivable / (payable) under the various blocks against which the Holding Company has applied to GoP for relinquishment.

37.5 During the year, the Holding Company has been provisionally awarded four blocks in bidding round of October 2022; one operated block Shaigalu with 40% working interest and three partner operated blocks South Pishin, Tanishpa and Lugai with 35%, 35% and 30% working interest in each block, respectively. Exploration Licenses of these blocks have been subsequently signed on August 2, 2023.

37.6 The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Holding Company and transactions with the Joint Operations.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Financial assets as per statement of financial position		
- At amortised cost		
Long-term loans	**71,676**	61,689
Long-term deposits	**7,676**	7,676
Trade debts	**513,488,874**	366,251,547
Loans and advances	**486,225**	558,389
Trade deposits	**66,870**	79,634
Interest accrued	**1,705,447**	282,262
Current maturity of long-term deposits	**1,683,750**	1,505,250
Current maturity of long-term loans	**32,255**	27,929
Current maturity of long-term receivables	**51,266**	122,051
Other receivables	**2,606,158**	2,598,156
Short-term investments	**67,656,081**	69,634,343
Cash and bank balances	**6,298,586**	5,427,273
	594,154,864	446,556,199
- At fair value through profit or loss - Mutual Funds	**11,483,646**	-
Non-financial assets	**188,806,142**	182,122,542
Total assets	**794,444,652**	628,678,741
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Lease Liabilities	**1,127,957**	1,434,170
Trade and other payables	**35,322,510**	29,075,012
Unclaimed dividends	**1,200,292**	1,001,150
Non-financial liabilities	**215,926,703**	162,463,914
Total liabilities	**253,577,462**	193,974,246

38.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values, except for investments at amortised cost, which are stated at amortised cost.

Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.6 (j).

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including the effect of market risks relating to interest rates, foreign currency exchange rate and commodity price, credit risk and liquidity risk associated with various financial assets and liabilities. The carrying values of financial assets and liabilities approximate to their fair values except for investments at amortised cost, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

Financial risks emanating from changing market conditions and Holding Company's business decisions are identified and managed by the Holding Company in accordance with appropriate policies, procedures, risk framework and risk appetite.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate, foreign currency exchange rate and price, which will affect the Group's income or the value of its holdings of financial instruments. Objective of the market risk management is to manage and / or control market risk exposures within acceptable parameters, wherever applicable, while optimising the return on financial instruments.

i. Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by closely monitoring the duration of fixed rate investments and placements.

ii. Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Group's revenue, foreign procurement costs or the value of its financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimising the return on financial instruments. Positive impact of the exchange rate fluctuations on the Group's revenues and assets is greater than the adverse impact on the Group's liabilities, resulting in an overall positive net change.

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Exposure to foreign currency risk

The Group's exposure to currency risk mainly comprises:

	June 30, 2023	June 30, 2022
	(US Dollars)	
Investments at amortised cost	**113,761,998**	79,610,153
Cash and bank balances	**1,562,888**	8,496,806
Trade and other payables	**(9,169,826)**	(13,754,051)
	106,155,060	74,352,908

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2023	2022	**2023**	2022
	(Rupees)			
USD 1	**248.11**	178.21	**286.60**	206.00

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	**One Rupee Decrease**
	(Rupees in thousand)	
Foreign currency financial assets	**115,325**	**(115,325)**
Foreign currency financial liabilities	**9,169**	**(9,169)**

iii. Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Group is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Group.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	**One Rupee Decrease**
	(Rupees in thousand)	
Natural Gas	**227,401**	**(227,401)**
Crude Oil / Condensate / NGL	**4,436**	**(4,436)**
LPG	**117**	**(117)**
Barytes	**107**	**(107)**

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk from its operating and certain investing activities and the Group's credit risk exposures are categorised under the following headings:

i. Counterparties

The Group conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Holding Company's customers are made on the basis of agreements approved by GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Holding Company subject to maximum price notified by OGRA.

The Holding Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from GoP till June 30, 2023 as per policy disclosed in note 4.10 to these consolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Holding Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Holding Company is actively pursuing for recovery of trade debts and the Holding Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 3.1.2 is not material and accordingly has not been included in these consolidated financial statements.

Bank and investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Group currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

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ii. Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Long-term loans	**71,676**	61,689
Long-term deposits	**7,676**	7,676
Trade debts	**513,488,874**	366,251,547
Loans	**94,192**	81,764
Trade deposits	**66,870**	79,634
Interest accrued	**1,705,447**	282,262
Current maturity of long-term loans	**32,255**	27,929
Current maturity of long-term deposits	**1,683,750**	1,505,250
Current maturity of long-term receivables	**51,266**	122,051
Other receivables	**2,606,158**	2,598,156
Short-term investments	**67,656,081**	69,634,343
Bank balances	**6,297,245**	5,357,375
	593,761,490	446,009,676

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 4.10 to these consolidated financial statements. As at the reporting date, the Group envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Trade debts		
Customers with defaults in past one year which have not yet been recovered	**52,380,563**	42,904,607
Short-term investments		
AAA	**47,045,229**	58,134,704
AA	**20,610,852**	11,499,639
	67,656,081	69,634,343
Cash at banks		
AAA	**5,177,381**	4,433,499
AA	**1,119,864**	923,876
	6,297,245	5,357,375

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 496,133 million of the trade debts as at June 30, 2023 (2022: Rs 345,202 million).

The aging of trade debts at the reporting date is provided in note 12.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
Natural Gas	**496,133,472**	345,201,684
Crude oil / Natural gas liquids / Condensate	**16,638,582**	20,514,788
Other operating revenue	**716,820**	535,075
	513,488,874	366,251,547

c) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and avert significant capital losses, so that it can continue to create value for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. All potential capital losses exceeding risk appetite are considered significant, and undergo rigorous risk management to mitigate their impacts.

The Group manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and / or issue new shares. There were no changes in Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Group follows effective cash management and planning policy to ensure availability of funds for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Lease liabilities against ROUA	**-**	**129,960**	**997,997**	**-**	**-**	**1,127,957**
Trade and other payables	**9,869,631**	**18,757,621**	**6,695,258**	**-**	**-**	**35,322,510**
Unclaimed Dividend	**1,200,292**	**-**	**-**	**-**	**-**	**1,200,292**
Year ended June 30, 2023	**11,069,923**	**18,887,581**	**7,693,255**	**-**	**-**	**37,650,759**
Lease liabilities against ROUA	-	136,800	1,297,370	-	-	1,434,170
Trade and other payables	2,644,658	21,138,453	5,290,902	-	-	29,074,013
Unclaimed Dividend	1,001,150	-	-	-	-	1,001,150
Year ended June 30, 2022	3,645,808	21,275,253	6,588,272	-	-	31,509,333

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values except for investments at amortised cost, which are stated at amortised cost. Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.6 (j).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
40. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 40.1	**46,998,190**	31,822,129
Cash and bank balances - note 18	**6,298,586**	5,427,273
	53,296,776	37,249,402

40.1 Short-term investments as disclosed in note 17 amount to Rs 67,656 million (2022: Rs 69,634 million). However, certain investments which were not considered highly liquid comprising mutual funds amounting to Rs 11,484 million (2022: 'Nil'), foreign currency term deposits amounting to Rs 7,666 million (2022: Rs 9,222 million), local currency term deposits amounting to Rs 296 million (2022: Rs 92 million) and T-bills amounting to Rs 1,212 million (2022: Rs 28,498 million), have not been classified as cash and cash equivalents.

41. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
	---(Rupees in thousand)---			
Managerial remuneration	**55,905**	54,162	**11,163,123**	7,271,140
Housing, conveyance and utilities	**60**	81	**1,116,977**	211,828
Retirement benefits	**242**	905	**1,532,832**	933,862
Bonus	**8,840**	7,067	**1,519,155**	930,039
Medical and leave passage	**876**	1,425	**1,054,227**	692,914
Leave encashment	**-**	14,598	**215,767**	46,362
	65,923	78,238	**16,602,081**	10,086,145
Number, including those who worked for part of the year	**3**	1	**1,632**	1,229

41.1 Aggregate amount charged in these consolidated financial statements in respect of fees paid to thirteen non-executive directors, on account of attending board, board committee and general meetings, was Rs 48.850 million (2022: Rs 29.250 million to twelve non-executive directors).

In addition to the above, Rs 0.600 million (2022: Rs 0.625 million) was paid to directors of PPLA and PPLE as director's fee.

	Year ended June 30, 2023	Year ended June 30, 2022
42. EARNINGS PER SHARE		
42.1 Basic earnings per share		
Profit after taxation (Rs '000)	**97,221,614**	54,352,696
Dividend on convertible preference shares (Rs '000)	**(31)**	(32)
Profit attributable to ordinary shareholders (Rs '000)	**97,221,583**	54,352,664
Weighted average number of ordinary shares in issue	**2,720,973,069**	2,720,972,798
Basic earnings per share (Rs)	**35.73**	19.98

	Year ended June 30, 2023	Year ended June 30, 2022
42.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**97,221,614**	54,352,696
Weighted average number of ordinary shares in issue	**2,720,973,069**	2,720,972,798
Adjustment for conversion of convertible preference shares	**10,459**	10,730
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**35.73**	19.98

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these consolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Sales of hydrocarbons / barytes to state controlled entities (including Government Levies)		
GENCO-II	**21,883,643**	11,773,426
SSGCL	**95,872,312**	57,595,549
SNGPL	**98,188,102**	71,479,353
EPRF	**1,498,955**	867,428
OGDCL	**34,288**	156,080
	217,477,300	141,871,836
Long-term receivables, trade debts and other receivables from state controlled entities as at June 30	See notes 10,12, 16 & 43.2	
Transactions with Associated Companies - note 43.2		
Sales of crude oil / condensate to PARCO	**5,145,065**	10,132,725
Sales of crude oil / condensate to PRL	**2,251,370**	2,921,179
Payment to Total PARCO Pakistan Limited (Total PARCO)	**2,463**	32,379
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	**15,322**	4,994
Purchase of medicines from Sanofi-Aventis Pakistan Limited (SAPL)	**4,460**	3,207
Equity investment in PIOL	**2,181,000**	4,161,250
Equity investment in PMPL	**2,268,647**	-
Receivable from PIOL as at June 30	See note 16	
Service fee (G&A overheads) charged to PIOL	**90,174**	71,367
Payment of employees cost on secondment to PIOL	**344,913**	166,793
Payment to Mari Petroleum Company Limited (MPCL) against gas processing & field services received	**809,365**	206,742
Payment to The Kidney Center Post Graduate Training Institute (TKC)	**6,410**	4,897
Annual supervision fee paid to Audit Oversight Board	**-**	500

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	-------(Rupees in thousand)-------	
Transactions and balances with Joint Operations		
Payments of cash calls to joint operations	**39,726,296**	35,159,489
Expenditures incurred by the joint operations	**40,164,093**	37,376,418
Amounts receivable from / payable to joint operations partners as at June 30	See notes 13, 16 & 25	
Income from rental of assets to joint operations	**5,281**	5,014
Dividend income from BME	**300,000**	250,000
Purchase of goods from BME (net)	**118,110**	201,672
Reimbursement of employee cost on secondment to BME	**25,602**	20,964
Other related parties - note 43.2		
Dividends to GoP	**2,755,296**	6,429,023
Unclaimed dividend pertaining to BESOS	**910,261**	700,200
Dividends paid to trusts under retirement benefit funds	**2,272**	5,301
Transactions with retirement benefit funds	See notes 31.1 & 32	
Remuneration to key management personnel	See note 41	
Payment to PPL Welfare Trust for CSR activities	**30,000**	21,000
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	**189,474**	166,828
Payment of rental to Karachi Port Trust (KPT)	**8,534**	8,031
Payment of insurance premium to National Insurance Company Limited (NICL)	**1,182,659**	967,482
Insurance claim received from NICL	**37,849**	44,078
Fuel purchased from Pakistan State Oil Company Limited (PSO)	**104,182**	642,072
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	**55,252**	107,462
Deposits with National Bank of Pakistan (NBP) as at June 30	**13,966,440**	969,388
Interest income earned on deposits with NBP	**104,944**	14,766
Investment in mutual funds with NBP Fund Management Limited (NBP Funds) as at June 30	**4,710,649**	-
Dividend income / gain on mutual funds investment with NBP Funds	**688,042**	-
Investment in Mutual Funds with National Investment Trust Limited (NIT) as at June 30	**1,654,686**	-
Dividend income / gain on mutual funds investment with NIT	**52,480**	-
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	**771**	39,093
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	**1,723**	738
Deposit with GoP for equity stake in Reko Diq	**-**	34,106,250

43.1 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Group pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

43.2 Following are the related parties with whom the Group has entered into transactions during the year excluding GoP, joint operations, associates, staff retirement benefit funds, trusts and employees, details of which have already been disclosed in these consolidated financial statements.

S.No.	Company Name	Basis of Relationship As at June 30, 2023
1.	OGDCL	GoP is common shareholder / Common Directorship
2.	GHPL	GoP is common shareholder / Common Directorship
3.	PARCO	GoP is common shareholder / Common Directorship
4.	SSGCL	GoP is common shareholder / Common Directorship
5.	PSO	GoP is common shareholder / Common Directorship
6.	MPCL	GoP is common shareholder / Common Directorship
7.	SNGPL	GoP is common shareholder
8.	GENCO - II	GoP is common shareholder
9.	PIDC	GoP is common shareholder
10.	KPT	GoP is common shareholder
11.	NICL	GoP is common shareholder
12.	Total PARCO	GoP is common shareholder
13.	NBP	GoP is common shareholder
14.	NBP Funds	GoP is common shareholder
15.	NIT	GoP is common shareholder
16.	PIACL	GoP is common shareholder
17.	PRL	GoP is common shareholder
18.	HDIP	GoP is common shareholder
19.	EPRF	GoP is common shareholder
20.	EPSL	GoP is common shareholder
21.	TKC	Common Directorship
22.	PIP	Common Directorship
23.	SAPL	Common Directorship

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Group operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these consolidated financial statements relate to the Group's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Group's overall gross revenue:

	June 30, 2023	June 30, 2022
	-------(Rupees in thousand)-------	
SSGCL	**95,872,312**	57,595,549
SNGPL	**98,188,102**	71,479,356
ARL	**75,828,209**	56,830,220
	269,888,623	185,905,125

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended june 30, 2023

45. GENERAL

45.1 Number of employees

	June 30, 2023	June 30, 2022
Total number of employees at the end of the year were as follows:		
- Regular	**2,524**	2,570
- Contractual	**70**	74
	2,594	2,644
Average number of employees during the year were as follows:		
- Regular	**2,536**	2,614
- Contractual	**70**	80
	2,606	2,694

45.2 Capacity and production

Product	Unit	**Actual production for the year (The Group's share) June 30, 2023**	Actual production for the year (The Group's share) June 30, 2022
Natural gas	MMscf	**267,571**	264,520
Crude oil / NGL / Condensate	Thousand Barrels	**4,506**	4,662
LPG	M. Ton	**116,881**	116,498
Barytes & Iron Ore	M. Ton	**134,397**	118,505

Due to the nature of operations of the Group, installed capacity of the above products is not relevant.

45.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

46. SUBSEQUENT / NON-ADJUSTING EVENTS

46.1 The Board of Directors of the Holding Company in its meeting held on September 20, 2023 has recommended cash dividend @ 15% amounting to Rs 4,081.460 million (2022: @ 5% amounting to Rs 1,360.487 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.016 million (2022: @ 5% amounting to Rs 0.005 million) on the paid-up value of convertible preference share capital. These appropriations will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 25, 2023.

47. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 20, 2023 by the Board of Directors of the Holding Company.

Chief Financial Officer | Director | Chief Executive Officer

LIST OF ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ATA	Annual Turn Around
AVO	Amplitude-Variation-with-Offset seismic inversion
BBL	Barrel
BCF	Billion Cubic Feet
BCFDE	Billion Cubic Feet Per Day Equivalent
BCFE	Billions Cubic Feet Equivalent
BLZ	Baryte Lead Zinc
BME	Bolan Mining Enterprises
BOPD or bbl/d	Barrels of Oil Per Day
CPPA-G	Central Power Purchasing Agency (Guarantee) Limited
CSR	Corporate Social Responsibility
D&PL	Development and Production Lease
DGPC	Director General Petroleum Concessions
E&P	Exploration and Production
EDPSC	Exploration, Development and Production Service Contract
EPCC	Engineering, Procurement, Construction and Commissioning
EPS	Earnings Per Share
EWT	Extended Well Testing
FC	Frontier Corps
FEED	Front End Engineering Design
FEED-ID	Front End Engineering Design - Investment Decision
FID	Final Investment Decision
G&G	Geological & Geophysical
GDP	Gross Domestic Product
GDS	Gas Development Surcharge
GENCO-II	Central Power Generation Company Limited
GHPL	Government Holdings (Pvt.) Limited
GIDC	Gas Infrastructure Development Cess
GoB	Government of Balochistan
GoP	Government of Pakistan
GPF	Gas Processing Facility
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT	Information Technology
KBOE	Thousands of Barrels of Oil Equivalent
KM/ LKm / Sq Km	Kilometer/ Line Kilometer/ Square Kilometer
KSE-100	KSE-100 Index
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LNG	Liquefied Natural Gas
LoA	Letter of Award
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
M	Meter
MALC	Marie Adelaide Leprosy Centre
MdOC	Midland Oil Company, Iraq

ABBREVIATION	DESCRIPTION
MDRL	Mineral Deposit Retention License
MMSCF	Million Standard Cubic Feet
MMSCFD	Million Standard Cubic Feet Per Day
MMSCFDre	Million Standard Cubic Feet Per Day Revenue Equivalent
MoD	Ministry of Defense
MOL	MOL Pakistan Oil and Gas BV
MPCL	Mari Petroleum Company Limited
MT	Metric Tonnes
MW	Megawatts
NGL	Natural Gas Liquids
NHEPL	New Horizon Exploration and Production Limited
NOC	No Objection Certificate
NRU	Nitrogen Rejection Unit
NTDC	National Transmission & Despatch Company
O&M	Operations & Maintenance
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment System
OPEX	Operating Expenditure
P	Pab Reservoir
P&A	Plugged and Abandoned
P&S	Plugged and Suspended
PCA	Petroleum Concession Agreement
PIOL	Pakistan International Oil Limited
PIOGCL	Prime International Oil & Gas Company Limited
POGC	Polish Oil & Gas Company
PPLA	PPL Asia E&P B.V.
PPLE	PPL Europe E&P Limited
PSA	Profit Sharing Agreement
PSDM	Pre-Stack Depth Migration
PSTM	Pre-Stack Time Migration
PSX	Pakistan Stock Exchange
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RRR	Reserves Replacement Ratio
SFGCS	Sui Field Gas Compressor Station
SHC	Sindh High Court
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SSGCL	Sui Southern Gas Company Limited
ST	Sidetrack
T / K / S	Tobra/ Khewra/ Sakesar
TCF	Trillion Cubic Feet
UEPL	United Energy Pakistan Limited
USD	United States Dollar
WPPF	Worker's Profit Participation Fund
ZHENHUA	China ZhenHua Oil Co. Ltd.

PATTERN OF SHAREHOLDING

as at june 30, 2023

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	3,707	174,857
101	500	5,773	1,767,860
501	1,000	3,546	2,947,545
1,001	5,000	14,801	33,308,444
5,001	10,000	1,865	13,910,041
10,001	15,000	698	8,733,664
15,001	20,000	384	6,843,462
20,001	30,000	413	10,233,726
30,001	40,000	209	7,243,744
40,001	50,000	151	6,979,294
50,001	60,000	107	5,944,393
60,001	70,000	65	4,245,650
70,001	80,000	61	4,602,725
80,001	90,000	27	2,296,464
90,001	100,000	44	4,248,942
100,001	150,000	103	12,717,559
150,001	200,000	66	11,635,537
200,001	300,000	64	15,504,715
300,001	500,000	52	20,655,841
500,001	1,000,000	65	47,168,638
1,000,001	2,000,000	41	55,469,530
2,000,001	10,000,000	48	203,782,237
10,000,001	50,000,000	8	151,410,816
50,000,001	53,000,000	1	52,226,454
200,000,001	201,000,001	1	200,057,318
1,800,000,000	1,900,000,000	1	1,836,863,632
	TOTAL	32,301	2,720,973,088

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Ordinary shares			
Directors, CEO and their spouse and minor children	3	38,341	*
Associated companies, undertakings and related parties			
PPL Employees Empowerment Trust	1	200,057,318	7.35
PPL Employees Retirement Benefit Funds	12	1,514,614	0.06
NIT and ICP	1	2,297,713	0.08
Banks, Development Financial Institutions, Non-Banking Financial Institutions	32	82,800,117	3.04
Insurance Companies	24	20,467,330	0.75
Modarabas and Mutual Funds	98	103,546,619	3.81
Shareholders holding 10% or more			
Government of Pakistan	1	1,836,863,632	67.51
General Public			
Resident	31,478	190,452,889	7.00
Non-resident	207	373,796	0.01
Others			
Non-Resident Financial Institutions	62	107,993,557	3.97
Public Sector Companies and Corporations	6	103,813,842	3.82
Joint Stock Companies	243	39,561,488	1.45
Employee Trust / Foundations etc.	129	31,191,073	1.15
Nazir of High Court	4	759	*
	32,301	**2,720,973,088**	**100.00**
Convertible Preference Shares			
Individuals	73	9,989	95.68
Joint Stock Companies	1	407	3.90
Nazir of High Court	1	44	0.42
	75	**10,440**	**100.00**

* Negligible

Note: The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.5 to the unconsolidated statements).

PATTERN OF SHAREHOLDING

as at june 30, 2023

ADDITIONAL INFORMATION

Information on shareholding required under reporting framework of the Public Sector Companies (Corporate Governance) Rules, 2013 is as follows:

Shareholders' Category	No. of Shareholders	No. of Shares Held
Government of Pakistan	1	1,836,863,632
Associated Companies, undertakings and related parties		
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318
Trustee Pakistan Petroleum Senior Provident Fund	1	841,131
Trustee Pakistan Petroleum Senior Provident Fund	1	560,755
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	34,678
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	23,119
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	11,083
Trustee Pakistan Petroleum Junior Provident Fund	1	10,929
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	7,388
Trustee Pakistan Petroleum Junior Provident Fund	1	7,286
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	6,007
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	4,940
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	4,004
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	3,294
Mutual Funds	93	103,365,454
Directors and their spouses and minor children		
Mian Imtiazuddin	1	1,981
Mr. Aftab Ahmad	2	6,000
Ms. Khurshid Bhaimia	1	30,360
Executives	17	35,354
Public Sector Companies & Corporations	6	103,813,842
Banks, DFIs, NBFIs, Insurance Companies, Takaful & Modarabas Companies	61	103,448,612
Shareholders holding five percent or more voting rights		
Government of Pakistan	1	1,836,863,632
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318

Note 1: In accordance with rule 5.6.4 of the Rules of Pakistan Stock Exchange, the Board has set a threshold for categories of certain group of senior management employees as "Executives" which is reviewed annually.

Note 2: The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.5 to the unconsolidated statements).

NOTICE OF 72ND ANNUAL GENERAL MEETING

Notice is hereby given that the 72nd Annual General Meeting of the Company will be held on Wednesday, 25th October, 2023 at 11:00 A.M. via Zoom Cloud Meetings, for transacting the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30th June 2023, together with the auditor's report thereon.

2. To approve and declare a final cash dividend of Rs. 1.50 per share (15%) on Ordinary Shares and Rs. 1.50 per share (15%) on Convertible Preference Shares for the financial year ended 30th June 2023, as recommended by the Board of Directors at its meeting held on 20th September 2023.

3. To appoint auditors of the Company and fix their remuneration at Rs. 10.783 million for the financial year 2023-24 and approve increase in the audit fee for the financial year 2022-23 by Rs. 2.0 million due to change in scope of work.

SPECIAL BUSINESS

Approval for Online Transmission of Annual Audited Financial Statements

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023, while considering technological advancements and obsolescence of old technologies, has allowed listed companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of CD / DVD / USB. Accordingly, consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and weblink and to pass the following resolutions:

"**RESOLVED** that the Company may transmit the annual audited financial statements to the members via QR enabled code and weblink, in place of CD / DVD / USB, as allowed by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023.

RESOLVED FURTHER that the Managing Director / Chief Executive Officer and the Company Secretary be and hereby are jointly and singularly authorised to do all such acts and take all such steps as may be necessary or desirable to give effect to the foregoing resolution."

By the Order of the Board

ALI JAFFAR
Company Secretary

4th October 2023
Karachi

NOTES

1. **Video Link Facility for Attending the Meeting**

The Company intends to convene the Annual General Meeting (AGM) virtually via video link facility managed from the Registered Office of the Company, located at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi. This was decided by its Board of Directors in the meeting held on Wednesday September 20th, 2023 in the wake of the prevailing macroeconomic situation of the country and other challenges being faced by the Company, which are affecting its day-to-day operations. The Board was also wary of the conjunctivitis outbreak in Karachi fueled by humid weather conditions with health professionals advising travel curbs to contain the spread of the infectious disease, as reported in national dailies. On account of the foregoing, the AGM shall be convened electronically with participation of a large number of members across the country in a safe, effective and cost-efficient manner.

The Members interested in attending the AGM are requested to register for participation in the AGM via video link, latest by close of business on Monday, 23rd October 2023, by providing the following information at agm@ppl.com.pk. If the information is couriered, it should reach the Company's registered office latest by the close of business on Monday, 23rd October 2023.

Full Name	CNIC Number	Folio / CDC Account Number	Email Address	Cell Number

The Company Secretary
Pakistan Petroleum Limited
4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi
Telephone: +(92 21) 111 568 568,
Fax: +(92 21) 35680005, 35682125
Email: agm@ppl.com.pk

The video link and login details for attending the Meeting will be emailed to the members who register for attending the Meeting and provide their email addresses for the purpose to the Company.

2. **Closure of Share Transfer Books**

The register of members and the share transfer books of the Company will remain closed as of 19th October 2023 until 25th October 2023 (both days inclusive). Only persons whose names appear in the register of members of the Company as at close of business on Wednesday, 18th October 2023 shall be entitled to attend and participate at the Meeting.

A member entitled to attend and vote at the Meeting may appoint another member as proxy to attend, participate in, and vote on his / her behalf at the Meeting. Proxies must be received at the registered office of the Company not later than 48 hours before the time for holding the Meeting. A form of proxy may be downloaded from the Company's website: www.ppl.com.pk

3. **Guidelines for CDC Account Holders**

CDC account holders should comply with the following guidelines of the Securities and Exchange Commission of Pakistan:

A For Attendance at AGM:

a) Individuals should be account or sub-account holder(s) and their registration details should be uploaded according to the CDC Regulations. They must establish their identity by providing a copy of their CNIC or passport.

b) Corporate entities must provide a certified copy of a resolution of their respective boards of directors, or a power of attorney for attending the Meeting, which should bear the attorney's specimen signature.

B For Appointing Proxies at AGM:

a) Individuals should be account or sub-account holder(s) whose registration details should be uploaded according to CDC Regulations and their forms of proxy must be lodged at the registered office of the Company not later than 48 hours before the time for holding the Meeting.

b) The form of proxy must be attested by two persons whose names, addresses and CNIC numbers should be given underneath their signatures.

c) Attested copies of CNIC or passport of the member and proxy must be submitted with the form of proxy.

4. Tax Implications on Dividends

Tax Rates

Withholding tax on dividend is as follows:

Pursuant to applicable law, 15% withholding tax for filers of income tax returns and 30% withholding tax for non-filers is applicable.

A 'filer' is defined by applicable law as a taxpayer whose name appears in the Active Taxpayers List (ATL) periodically issued by the FBR and a 'non-filer' is a person other than a filer.

The ATL may be viewed on the FBR's website: www.fbr.gov.pk. The Company will ascertain the tax status of members as at the first day of book closure and will deduct withholding tax accordingly.

Corporate members who hold CDC accounts should provide their National Tax Number (NTN). Members who hold share certificates should provide a copy of their NTN certificates together with the Company's name and the respective folio numbers to Messrs. FAMCO Associates (Private) Limited (Share Registrar) at 8-F, Adjacent to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

Tax on Joint Shareholding

Tax will be deducted in proportion to shareholding in joint names or joint accounts. Holders will be treated individually as filers or non-filers in accordance with their respective status.

The proportion of shareholding should be submitted by joint shareholders in the following form to the Share Registrar at the latest by 18th October 2023:

CDC Account Number	Name of Shareholders (Principal / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature

Unless the proportion of shareholding is submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

Tax Exemption Certificate

Pursuant to Section 150 of the Income Tax Ordinance, 2001 a valid tax exemption certificate is necessary for claiming exemption from the deduction of withholding tax. Members who would like to avail exemption from withholding tax should submit a copy of their valid tax exemption certificate to the Share Registrar before the date of book closure.

5. Dividend Bank Mandate

The following information should be provided to enable the electronic transfer of dividend to designated bank accounts:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (24 digit IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of Shareholder:	
Landline Number, if any, of Shareholder:	
CNIC or NTN Number (Copy to be attached):	
Signature of Member:	

Note: Signature must match specimen [signature] registered with the Company.

Members who hold shares in CDC accounts should provide their bank mandates to the concerned participants.

6. Intimation of Change of Address and Declaration for Non-Deduction of Zakat

Members who hold share certificates should submit any change in registered address as well as their declarations for the non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC and CDC sub-accounts should submit any change in address and their declarations for the non-deduction of zakat, if applicable, to the CDC or to the concerned participants.

7. CNIC

Dividend will be paid only to members who have submitted copies of their valid CNIC. The names of members who have not submitted copies of their CNIC may be viewed on the website of the Company: www.ppl.com.pk.

STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Businesses to be transacted at the 72nd Annual General Meeting of the Company to be held on 25th October 2023.

The Securities and Exchange Commission of Pakistan vide its S.R.O.389 (I)/2023 dated 21st March 2023 (reproduced below), while considering technological advancements and obsolesce of old technologies, has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of CD / DVD / USB, subject to the conditions specified there for. Consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and weblink.

Government of Pakistan
Securities and Exchange Commission of Pakistan

-.-.-.-

Islamabad, the 21st March, 2023

NOTIFICATION

S.R.O. 389 (I)/2023.- In exercise of the powers conferred by Sections 510(1), 223(6) and 223 (7) of the Companies Act, 2017 (the "Act"), read with the provisions of the Electronic Transaction Ordinance, 2002 and in supersession/partial modification of the notifications S.R.O 787 (I)/2014 dated September 8, 2014 and S.R.O 470(1)/2016, dated 31st May, 2016, the Securities and Exchange Commission of Pakistan is pleased to allow the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink subject to the fulfilment of the following requirements:

i. the approval of the shareholders has been obtained in the general meeting to circulate the annual audited financial statements to its members through QR enabled code and weblink;
ii. the notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act; and
iii. It shall be the responsibility of the Company to ensure that the QR code and web link is accurate and members are able to download the required information at all times.

Provided that:

a. The companies shall circulate the annual audited financial statements through email in case email address has been provided by the member to the company and the consent of member to receive the copies through email is not required.
b. The companies shall be required to send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the company.

Considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB may be discontinued.

File No. SMD/PRDD/Comp/(15)/2021

(Ejaz Alam Khan)
Joint Director (CS)

FORM OF PROXY

The Secretary
Pakistan Petroleum Limited
PIDC House
Dr. Ziauddin Ahmed Road
Karachi.

I/ We, ____ of ______________________, being a Member of Pakistan Petroleum Limited, holder of ______________ Ordinary Share(s) as per Register Folio No.________/ CDC Account No. _________________ hereby appoint Mr. _______________________, Folio No. ________/ CDC Account No. ________ (if member) of _________________, as my/ our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on 25th October 2023 and at any adjournment thereof.

Signed under my / our hand this _____ day of October 2023.

____
Signature should tally with the specimen signature registered with the Company

Signed in the presence of:

____
Signature of Witness:

Name: ____________________
CNIC No.: ________________
Address: _________________

____
Signature of Witness:

Name: ____________________
CNIC No.: ________________
Address: _________________

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorized, or if the appointer is a corporation either under the common seal or under the hand of a duly authorized official or attorney. No person shall be appointed proxy who is not a member of the Company and qualified to vote except a corporation being a member may appoint a non-member.

2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of such power of authority shall be lodged with the share registrars of the Company, Messrs. FAMCO Associates (Private) Limited, 8-F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Karachi, not less than 48 hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and if it is not so lodged the instrument of a proxy shall not be deemed valid. CDC shareholders and their proxies are required to append an attested photocopy of their computerized national identity card (CNIC) or passport with the proxy form.

پراکسی فارم

سیکریٹری
پاکستان پیٹرولیم لمیٹڈ
پی آئی ڈی سی ہاؤس
ڈاکٹر ضیاالدین احمد روڈ
کراچی

میں/ہم ____________________ پاکستان پیٹرولیم لمیٹڈ کے ممبر کی حیثیت سے کمپنی کے ________ عمومی شیئر (ز) رجسٹرڈ کنندہ رجسٹر فولیو نمبر/.CDC A/c No

____________ جناب ____________________ فولیو نمبر/.CDC A/c No (اگر ممبر) ہے ____________________ یا ان کے بجائے،

جناب ____________________ فولیو نمبر/.CDC A/c No (اگر ممبر ہے) ____________________ بذریعہ ہذا کو اپنا/ہمارا پراکسی مقرر کرتا ہوں تا کہ میری غیر موجودگی میں کمپنی کے سالانہ اجلاس عام میں جو 25 اکتوبر 2023 کو منعقد ہو رہا ہے یا اس کے التوائی اجلاس میں میری/ہماری طرف سے شرکت کر سکے یا ووٹ دے سکے۔

دستخط منظور کنندہ، ___ اکتوبر 2023 ۔

____
دستخط، کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں

گواہ کے دستخط: ____________________	گواہ کے دستخط: ____________________
نام: ____________________	نام: ____________________
سی این آئی سی نمبر: ____________________	سی این آئی سی نمبر: ____________________
پتہ: ____________________	پتہ: ____________________

نوٹس:

1۔ پراکسی مقرر کرنے کا اختیار مجاز شخص یا اس کے اٹارنی کی طرف سے تحریری طور پر دینا ہوگا یا کارپوریشن/ کمپنی ہونے کی صورت میں کامن سیل کے تحت یا با اختیار شخص یا اٹارنی کی طرف سے دینا ہوگا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہوسکتا ہو جو کمپنی کا ممبر نہ ہو ماسوائے کارپوریشن/ کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کر سکتی ہے۔

2۔ پراکسی مقرر کرنے اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) جس کے ذریعے دستخط کیے جائیں یا تصدیق شدہ پاور آف اتھارٹی کی کاپی شیئر رجسٹرارز میسرز فیمکو ایسوسی ایٹس پرائیوٹ لمیٹڈ کے دفتر واقع F-8 ہوٹل فاران سے متصل، نرسری بلاک 6 پی ای سی ایچ ایس، کراچی میں جس کا نام ووٹ دینے کے لئے تجویز کیا گیا ہو، اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل جمع کرائی جائے۔ ناکامی کی صورت میں پراکسی کو ووٹ کا اختیار نہیں ہوگا۔ ہر پراکسی فارم کے ساتھ علیحدہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کی جائے۔