annual report **2021**

PPL

وہی جہاں ہے ترا جس کو تو کرے پیدا
یہ سنگ و خشت نہیں جو تری نگاہ میں ہے

Pakistan Petroleum Limited

ANNUAL REPORT 2021

PPL

Pakistan Petroleum Limited

PIDC House, Dr. Ziauddin Ahmed Road
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Fax: +92 (21) 35680005, 35682125
website: www.ppl.com.pk

Let not the emptiness of the deserts sway you away from the wholeness of what lies beneath – perhaps this is the first lesson learned by geologists! The learning stirs the passion to search for the hidden bounty, taking them to challenging unreachable, plains, deserts, mountains, marshes, rivers and oceans.

Exploring oil and gas deep down the earth's surface pushes them into uncharted territory, often remote and lifeless. By deploying latest technologies and using their acumen, they create an image of the subsurface to show the world, the plenty, that lies beyond the sight.

Surface rocks and dust may show a different picture but each seismic line and well drilled create a new vision and hope. At times, the map leads to barrenness, at others to euphoria of success. The journey does not end with the discovery of hydrocarbons but it goes on with bringing them up out from the chasms and fuel the nation's progress. As the easy finds diminish in the known basins, the quest to explore is fuelled by the will, courage and determination to venture into unknown, challenging frontiers.

At PPL, we do this best and skilfully with our glorious legacy. From Indus Basin to the foldbelts of Kirthar and Sulaiman and the plateaus of Kohat and Potwar, we have been exploring and producing hydrocarbons for more than seventy years. Never settling for less, our quest for exploration and production continues.

وہی جہاں ہے ترا جس کو تو کرے پیدا
یہ سنگ و خشت نہیں، جو تری نگاہ میں ہے

علامہ اقبالؒ






Exploration and production of oil and gas is no small feat. It involves a rigorous process by a multidisciplinary team, starting off with several geological and geophysical surveys followed by seismic acquisitions using latest technology. The next step is interpretation of highly complex acquired data, involving extensive peer-review, to identify and mature prospects lying thousands of feet below the surface. A well is then drilled in a matured prospect. If a commercially viable discovery is made, it is followed by field development. Eventually, the produced hydrocarbons are delivered to homes and industries through distribution companies, ensuring wheels of economy keep on moving while bringing smiles to people.





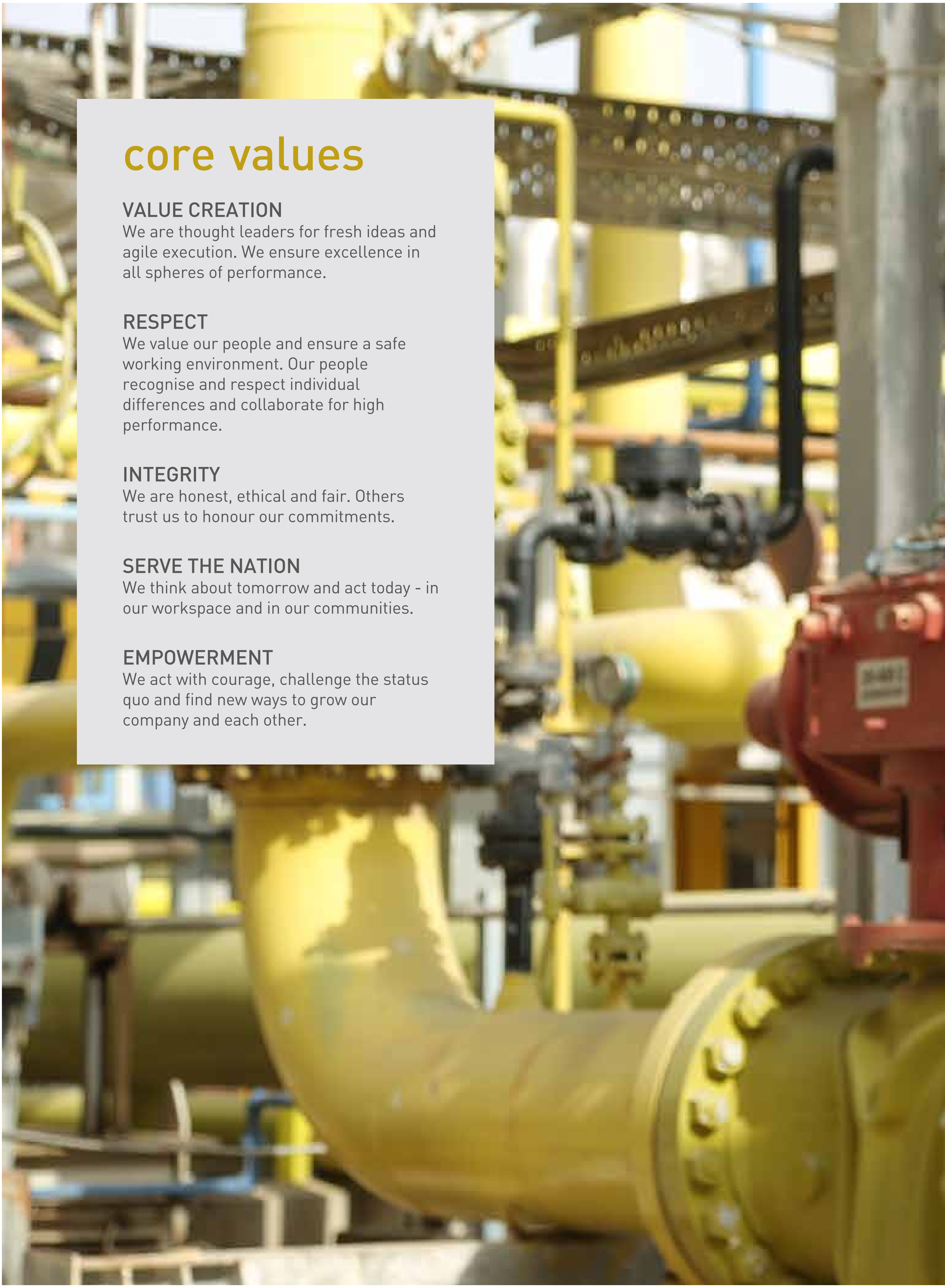

contents

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.

company information

Board of Directors

Mr. Shahab Rizvi
Chairman
Independent, Non-Executive Director

Mr. Moin Raza Khan
Chief Executive Officer /
Managing Director

Mr. Abid Sattar
Independent, Non-Executive Director

Mr. Aftab Ahmad
Independent, Non-Executive Director

Dr. Arshad Mahmood
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. Saleh Muhammad Baloch
Non-Executive Director

Mr. Syed Zakria Ali Shah
Non-Executive Director

Company Secretary

Mr. Ali Jaffar

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

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

Field Locations
Sui Field
Sui, Dera Bugti Agency, Balochistan

Kandhkot Field
District Kashmore, Sindh

Adhi Field
Tehsil Gujjar Khan, Rawalpindi, Punjab

Mazarani Field
Mazarani, Larkana, Sindh

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

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

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

Registration Number
CUIN: 0000378

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

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

Legal Advisors
Surridge & Beecheno

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

Website
www.ppl.com.pk

code of conduct

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

SALIENT FEATURES OF THE CODE FOR DIRECTORS

1. Conflict of Interest

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

2. Corporate Opportunities

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

3. Confidentiality

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

4. Honesty, Integrity & Fair Dealing

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

5. Compliance with Laws, Rules & Regulations

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

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

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

7. Trading in Company's Shares

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

8. Compliance Procedures

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

9. Inside Information & Insider Trading

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

SALIENT FEATURES OF THE CODE FOR EMPLOYEES

1. Conflict of Interest

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

2. Confidentiality & Disclosure of Information

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

3. Inside Information & Insider Trading

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

4. Political Contribution

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

5. Bribes & Commercial Payments

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

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

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

7. Agreements with Agents, Sales Representatives or Consultants

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

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

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

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

Every staff member at work, as a condition of employment, must take reasonable care for the health and safety of himself / herself and others including visitors who may be affected by his / her acts or omissions at work; and cooperate in Company's efforts to protect the environment.

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

22. Whistle Blowing

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

23. General Discipline

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

24. Reporting Violations / Disciplinary Actions

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

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

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

global compact

PPL has proudly completed more than a decade of its association with the United Nations Global Compact (UNGC). UNGC was developed in the year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With around 14,000 corporate participants and other stakeholders, including business and civil society from over 160 countries, UNGC provides a leadership platform for participants to strengthen their commitment to sustainability and corporate citizenship. UNGC binds all participating organisations to share initiatives compliant with UNGC's ten principles, focusing on human rights, enabling working conditions for employees, environmental conservation and transparency.

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

HUMAN RIGHTS

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

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

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

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

LABOUR STANDARDS

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

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

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

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

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

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

ENVIRONMENT

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

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

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

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

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

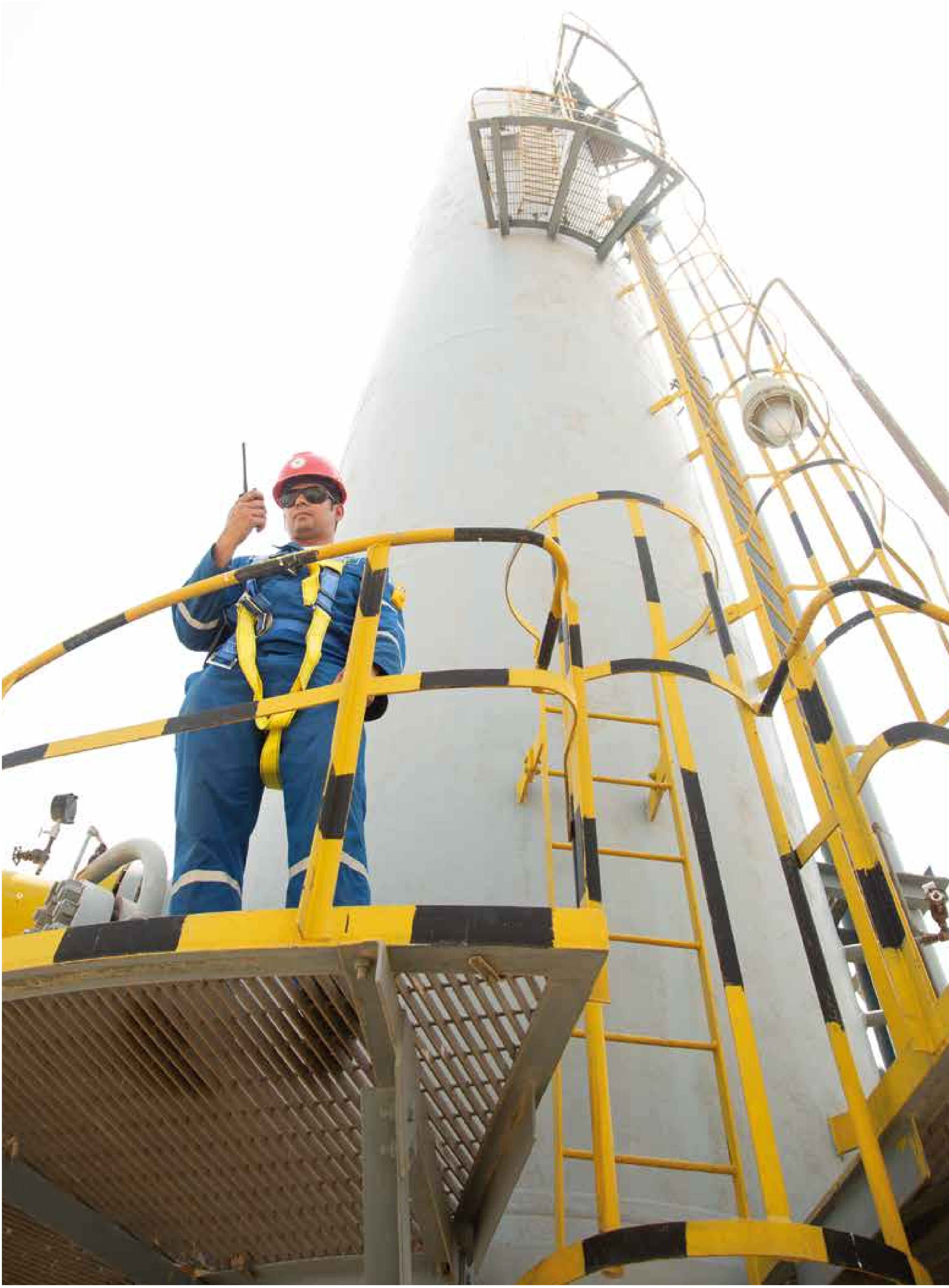
PPL's Commitment
PPL believes in the use of emerging environment friendly technologies, especially for new projects, to reduce its carbon footprint.

ANTI-CORRUPTION

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

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

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



at a glance
2020-21

Operational Highlights
We continue our quest for safely pursuing hydrocarbons

06	07	01	240	130	0.05
Exploration wells	Development wells	Discovery during the year	Line Km 2D seismic acquired	Sq. Km 3D seismic acquired	Lost Time Injury Frequency (LTIF)

Financial Highlights
Strong results

148	52	14	40
Rs. in Billion Sales revenue	Rs. in Billion Profit After Taxes	Rs. in Billion Capital Expenditure	Rs. in Billion Free Cash Flow

Production Highlights | PPL Net Share
We carry on our legacy of fueling the nation

852	757	14,060	317	188
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 includes Partner operated areas.

calendar of major events
2020-21

July 2020
- Discovery in Mamikhel South-1 in Tal block

October 2020
- KPMG appointed as auditors of the Company
- AGM approved 10% cash dividend
- Received Best Corporate and Sustainability Report award in the Fuel & Energy category for the Annual Report 2019

November 2020
- Commencement of EWT production from Bolan East-1, Ziarat Block
- Corporate analyst briefing conducted

December 2020
- Commencement of production from Hadaf X-1 (Gambat South)
- Reconstitution of the Board of Directors
- PPL received a 'Certificate of Merit' for Annual Report 2019 from South Asian Federation of Accountants (SAFA) in the public sector entities category

January 2021

- Phase-II of Gambat South Gas Processing Facility (GPF-IV) commissioned to process additional gas

February 2021

- Mining lease for Baryte Lead Zinc project awarded for an area of 30 square km
- Covid vaccination campaign commenced in PPL
- Announced interim dividend of Rs. 1.5 per share

March 2021

- Secured Employer of the Year Award 2020 organized by Employers' Federation of Pakistan
- Received the 'Living the Global Compact Best Practices Sustainability Award 2020' from Global Compact Network Pakistan

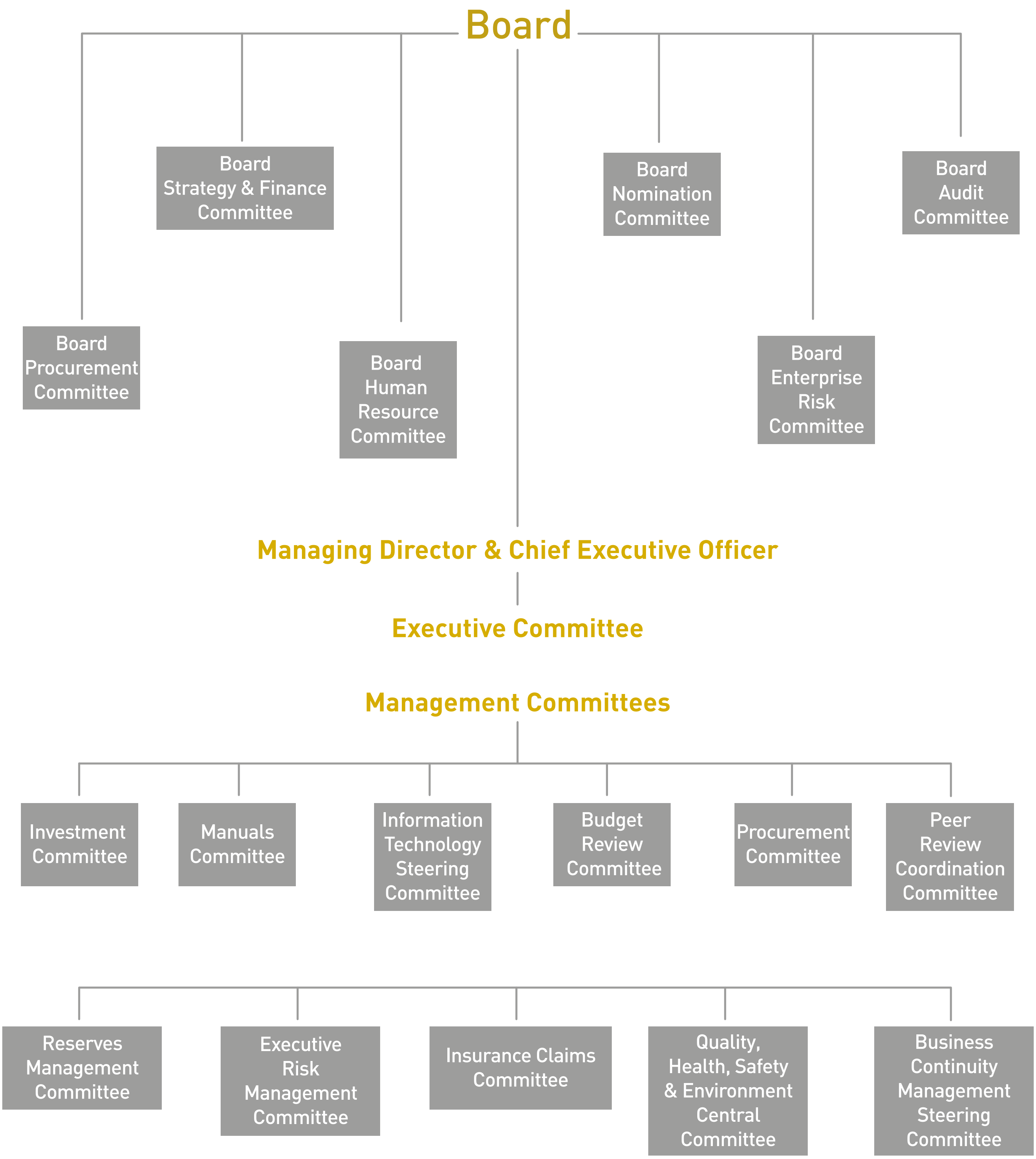
April 2021

- Award of Suleiman Block to PPL in partnership with OGDCL

May 2021

- Commencement of production from Benari X-1 (Shah Bandar block)

governance framework



profile of the board of directors

Mr. Shahab Rizvi

Chairman - Independent, Non-Executive Director

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

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

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

Mr. Rizvi has led prominent business forums in the country. He was President, Swiss Business Council of Pakistan in 2017, President, Overseas Investors Chamber of Commerce and Industry (OICCI) in 2016 and Chairman, Pharma Bureau (OICCI) 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 a 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. Moin Raza Khan

Managing Director & Chief Executive Officer

Mr. Moin Raza Khan is serving as Managing Director & Chief Executive Officer of Pakistan Petroleum Limited (PPL) since January 7, 2019. He is also a member of the Board Human Resource and Strategy and Finance Committees.

Prior to August 22, 2021, he also held the position of Deputy Managing Director (Exploration and Business Development). During his career he has made significant contributions to the E&P Sector of the country adding discoveries cumulating to multiple Trillion Cubic Feet of Gas. This resulted in large scale job creation, capacity building and community development activities. During his tenure as PPL MD, the Company declared the largest ever profit in 2019 in its 70 years old history.

Mr. Khan's association with PPL dates back to April 1983 when he joined the Company as Junior Geologist, after which he was selected for PPL's highly competitive merit-based Foreign Scholarship Scheme for a master's in Geosciences at the University of Tulsa, USA. On his return home in 1985, he was designated as a Geologist.

After nearly a decade, Mr. Khan left the Company when he was Deputy Chief Geologist and rejoined in 2004 as Senior Manager Exploration, with the overall charge of new ventures and international exploration.

During the time he was away from PPL, Mr. Khan worked with Union Texas Pakistan (later British Petroleum and now United Energy Pakistan Limited), Lasmo Oil Pakistan, Lasmo PLC, London and Eni Pakistan Limited, gaining experience with international exploration and production companies operating in Pakistan, Bangladesh, Arabian Peninsula, Indonesia, Ireland and the North Sea.

Mr. Khan took over as General Manager Exploration in 2009. His tenure with Exploration saw rapid growth in the Company's exploration portfolio and activities which have, to date, resulted in at least two dozen discoveries.

On February 1, 2012, Mr. Khan was appointed Deputy Managing Director (Operations) with overall responsibility for Exploration, Technical and Corporate Services as well as Human Resources.

Between March 2013 and May 2015, Mr. Khan assumed the role as Deputy Managing Director / Chief Operating Officer with the responsibility of overseeing Exploration, Production, Technical Services and Projects. Subsequently, he was redesignated as Deputy Managing Director (Exploration & Business Development) in 2016.

Mr. Khan has attended a number of local and foreign trainings, including a rigorous Executive Development Programme on 'Strategy and Organization' at Stanford University, USA in 2008.

He has also presented and published over 40 technical papers on geosciences and various other disciplines of the E&P industry, in local and international conferences as well as co-authored a first ever book on 'Petroleum Geology of Pakistan'.

Mr. Khan is director of the Company's wholly owned subsidiaries, PPL Asia E&P B.V. (PPLA) and PPL Europe E&P Limited (PPLE). He is a member of Petroleum Institute of Pakistan and had short stint as its probono Chief Executive Officer. He is also a director on the board of Pakistan International Oil Limited (PIOL).

He also served as Chairman, Pakistan Association of Petroleum Geoscientists (PAPG), an affiliate of the prestigious American Association of Petroleum Geologists, between 2010 and 2013 and conducted PAPG-SPE Annual Technical Conference as its Chairman in 2012.

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 Human Resource Committee and a member of the Board Nomination and Enterprise Risk 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 Retail and Consumer Banking, Karachi. He played a pivotal role in post privatization transformation of retail banking at HBL.

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

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

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

Mr. Aftab Ahmad
Independent, Non-Executive Director

Mr. Aftab Ahmad was elected as a member of the Board of Directors on December 23, 2020. He is a member of the Board Audit, Human Resource and Strategy and Finance 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 & accounts, strategic business planning, financial planning and management, project management, business evaluation and reporting, budgeting and management reporting across oil and gas (exploration & production) as well as aviation industries.

He is a Chartered Accountant and also holds 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 Jaffery & Co. Chartered Accountants, Islamabad as partner.

He has vast experience in strategic business planning, accounting system design & implementation, management consulting, audit of organizations, forensic audit, performance management review, budgeting & forecasting, business development, JV management, business process re-engineering, human resource planning, organizational review and management.

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 Corporation.

Dr. Arshad Mahmood
Non-Executive Director

Dr. Arshad Mahmood joined Pakistan Petroleum Limited's Board on June 7, 2021. He is a member of the Board Human Resources, Strategy and Finance and Enterprise Risk Committees.

He is currently serving as Secretary, Petroleum Division, Ministry of Energy, Government of Pakistan.

Dr. Mahmood is a seasoned professional associated with Pakistan Administrative Service for nearly 30 years with extensive experience in public, corporate and multi-lateral sectors. He has served on important positions with several federal and provincial ministries, including Secretary at Science and Technology Division, Additional Secretary at Ministry of Finance and Secretary for departments of Finance, Mines and Minerals, Public Health Engineering, Housing and Urban Planning, Government of Punjab.

He was Head of Investment Banking at Bank of Punjab and served as Chairman of Punjab Provincial Cooperative Bank Limited. He also had stints at a number of state-owned companies / authorities as Chief Executive Officer / Managing Director besides working at United Nations Development Programme, National Audit Office, London and State Street Global Advisors Boston, USA. He was the first one to be appointed as External Auditor to audit Auditor General of Pakistan.

Dr. Mahmood has a proven track record of designing and structuring metallic mineral exploration programmes and mega investment propositions, shaping public private partnerships, organizational alignment and restructuring, managing procurements, financial syndication and capital market interactions. At Ministry of Finance, he was Secretary to a 'Think-Tank' under Federal Finance Minister besides representing the ministry during SECP's Policy Board meetings.

He is also serving as the Chairman of Pak Arab Refinery Limited and as a director on the Boards of Oil and Gas Development Company Limited, Mari Petroleum Company Limited, Government Holdings (Private) Limited and Hydrocarbon Development Institute of Pakistan.

He has also served as Chairman of Board of Directors of National Security Printing Company. He was a director on Board of Directors of Pakistan National Shipping Corporation, Lahore Electric Supply Company, Central Power Generation Company Limited, Civil Aviation Authority Pakistan and National Telecom Corporation.

He is a graduate of King Edward Medical College, Lahore. As a British Chevening Scholar, Dr. Mahmood did his MSc. in Finance and Management from School of Management, Cranfield University, England in 2004. He also received Hubert Humphrey Fellowship (Fulbright) to study Finance and Banking from School of Management, Boston University, USA in 2007 from where he also obtained a postgraduate diploma in Entrepreneurial Management. He has also received training in financial management at The World Bank and International Monetary Fund.

Mr. Imtiaz Ahmed Husain Laliwala

Independent, Non-Executive Director

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

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

Mr. Laliwala remained associated with A.F. Ferguson & Co., Chartered Accountants, a member firm of PwC network, for nearly 28 years and served on important positions, including Ethics and Business Conduct Leader, partner responsible for Independence and led Energy & 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. He is also a member of Audit Oversight Board as well as of the Board of Governors, The Kidney Centre Post Graduate Training Institute.

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 the Chairperson of Board Nomination Committee and a member of Board Procurement and Enterprise Risk Committees. She is also a director on the Board of PPL Asia E&P B.V.

Ms. Bhaimia is a seasoned lawyer with extensive corporate experience, particularly in the banking sector.

She started her career in 1983 with Surridge and Beecheno and joined Orr Dignam and Co in 1994 as Senior Associate. She joined Citibank N.A. Pakistan in 1999 as Corporate Banking Counsel and left in 2009 as Country Counsel Pakistan. She is still associated with Citibank N.A. providing legal services as External Counsel, both within and outside Pakistan.

She is also a Director on the Board of Pak Grease Manufacturing Company (Private) Limited and was 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.

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 the Board Strategy & Finance Committee and serves as a member of the Board Audit, Nomination and Procurement Committees.

A seasoned professional, with over 48 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 Doha, 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.

Mr. Saleh Muhammad Baloch

Non-Executive Director

Mr. Saleh Muhammad Baloch joined the Company's Board of Directors on August 3, 2021. He is a member of Board Procurement and Nomination Committees.

He is currently serving as Secretary, Energy Department with the Government of Balochistan since May 2021.

Mr. Baloch has served the Government of Balochistan since 1997 on important positions in various departments, including Secretary for Public Health Engineering, Transport and Mines & Minerals Development departments. He was also posted as Project Director Gwadar-Lasbela Livelihoods Support Project between 2013 and 2016. Earlier, he was Director General Social Welfare as well as Additional Secretary (Administration), Government of Balochistan.

He has managed significant assignments during his service, including implementing internal security of civil secretariat, monitoring of higher education, allotment of houses and budgetary allocation, dealing with planning and budgetary allocation of Balochistan Civil Secretariat & Services, establishment of community-based organizations, preparation of community development micro plans and environmental impact assessment of development projects.

Mr. Baloch obtained a bachelor's degree in Business Administration from University of Central Oklahoma, USA in 1993. He also earned a bachelor's degree in Commerce from University of Balochistan in 1989.

He has attended several training programmes at home and abroad on key development issues, including macroeconomic development at China, financial management for developing countries at Thailand, strategic rural development at Cambodia and microfinance training at Italy.

Mr. Syed Zakria Ali Shah

Non-Executive Director

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

Mr. Shah, a Civil Engineer by profession, has over 27 years of integrated working experience in the private, public and development sectors. He is currently serving as Joint Secretary, Ministry of Energy (Petroleum Division).

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

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

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

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

board committees

The Board has formed the following Committees:

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

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

Board Audit Committee

Composition

The Board Audit Committee is comprised of:

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

Terms of Reference

The Terms of Reference of the Board Audit Committee include:

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

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

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

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

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

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

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

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

Board Human Resource Committee

Composition

The Board Human Resource Committee is comprised of:

• Mr. Abid Sattar	Chairman
• Mr. Aftab Ahmed	Member
• Dr. Arshad Mahmood	Member
• Mr. Moin Raza Khan	Member
• Mr. Shahab Rizvi	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 Head of Internal Audit.

Six 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. Aftab Ahmad	Member
• Dr. Arshad Mahmood	Member
• Mr. Imtiaz A.H. Laliwala	Member
• Mr. Moin Raza Khan	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 relinquished 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.

Three 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:

• Mr. Imtiaz A.H. Laliwala	Chairman
• Dr. Arshad Mahmood	Member
• Mr. Abid Sattar	Member
• Ms. Khurshid Bhaimia	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. Syed Zakria Ali Shah	Chairman
• Ms. Khurshid Bhaimia	Member
• Mian Imtiazuddin	Member
• Mr. Saleh Muhammad Baloch	Member
• Mr. Shahab Rizvi	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

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

The Terms of Reference of the Board Procurement Committee include:

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

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

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

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

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

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

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

Board Nomination Committee

Composition

The Board Nomination Committee is comprised of:

• Ms. Khurshid Bhaimia	Chairperson
• Mr. Abid Sattar	Member
• Mian Imtiazuddin	Member
• Mr. Saleh Muhammad Baloch	Member
• Mr. Ali Jaffar	Secretary

Terms of Reference

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

The Terms of Reference of the Board Nomination Committee include:

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

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

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

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

One meeting of the Board Nomination Committee was held during the year.

attendance of board and committee meetings

financial year 2020-21

	Board of Directors			Board Human Resource Committee			Board Strategy & Finance Committee		
	Members	Meetings [1]	Attendance	Members	Meetings [1]	Attendance	Members	Meetings [1]	Attendance
Mr. Abdul Jabbar Memon	✓	4	0	-	-	-	✓	1	0
Mr. Abid Sattar	✓	12	12	✓	6	6	-	-	-
Mr. Aftab Ahmad	✓	8	8	✓	2	2	✓	2	2
Dr. Arshad Mahmood	✓	1	1	✓	0	0	✓	0	0
Mr. Iftikhar Amjad	✓	4	4	-	-	-	-	-	-
Mr. Imtiaz A.H. Laliwala	✓	8	8	-	-	-	✓	2	2
Ms. Khurshid Bhaimia	✓	8	6	-	-	-	-	-	-
Mian Imtiazuddin	✓	12	12	✓	4	4	✓	3	3
Mir Balakh Sher Marri	✓	4	4	✓	4	4	-	-	-
Mr. Moin Raza Khan[2]	✓	12	11	✓	2	2	✓	2	2
Mr. Nadeem Irshad Kayani	✓	6	6	-	-	-	✓	2	2
Mr. Sajid Mehmood Qazi	✓	12	12	✓	4	4	-	-	-
Mr. Shahab Rizvi	✓	8	8	✓	2	2	✓	2	2
Mr. Shamsul Islam	✓	4	4	✓	4	4	✓	1	1
Mr. Sheryar Taj	✓	3	3	-	-	-	✓	1	1
Ms. Tahira Raza	✓	4	4	-	-	-	✓	1	1
Dr. Tanveer Ahmad Qureshi	✓	4	0	✓	4	0	✓	1	0

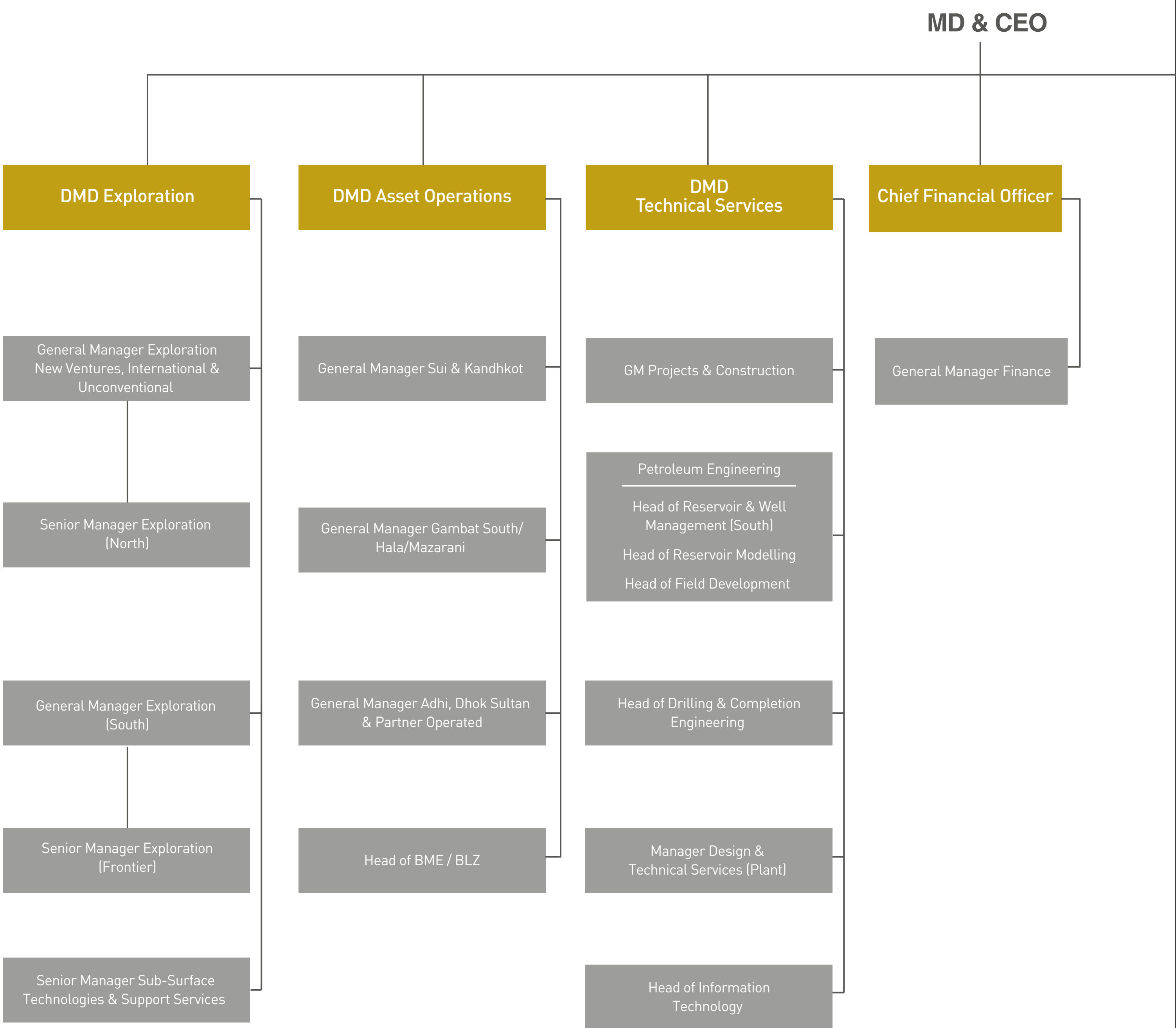
	Board Enterprise Risk Committee			Board Audit Committee			Board Nomination Committee		
	Members	Meetings [1]	Attendance	Members	Meetings [1]	Attendance	Members	Meetings [1]	Attendance
Mr. Abdul Jabbar Memon	-	-	-	-	-	-	✓	1	0
Mr. Abid Sattar	✓	1	0	-	-	-	✓	1	1
Mr. Aftab Ahmad	-	-	-	✓	4	4	-	-	-
Dr. Arshad Mahmood	✓	0	0	-	-	-	-	-	-
Mr. Iftikhar Amjad	✓	1	1	-	-	-	✓	0	0
Mr. Imtiaz A.H. Laliwala	✓	1	1	✓	4	4	-	-	-
Ms. Khurshid Bhaimia	✓	1	1	-	-	-	✓	0	0
Mian Imtiazuddin	✓	3	3	✓	7	7	✓	0	0
Mir Balakh Sher Marri	✓	3	3	✓	3	3	✓	1	1
Mr. Moin Raza Khan[2]	-	-	-	-	-	-	-	-	-
Mr. Nadeem Irshad Kayani	✓	1	1	-	-	-	-	-	-
Mr. Sajid Mehmood Qazi	✓	2	2	✓	6	6	-	-	-
Mr. Shahab Rizvi	-	-	-	-	-	-	-	-	-
Mr. Shamsul Islam	-	-	-	-	-	-	✓	1	1
Mr. Sheryar Taj	-	-	-	✓	3	3	✓	1	1
Ms. Tahira Raza	✓	3	3	✓	3	3	-	-	-
Dr. Tanveer Ahmad Qureshi	✓	3	0	✓	3	0	-	-	-

	Board Procurement Committee			Fee Paid to the Directors
	Members	Meetings [1]	Attendance	Rupees
Mr. Abdul Jabbar Memon	✓	1	0	-
Mr. Abid Sattar	✓	1	1	2,750,000
Mr. Aftab Ahmad	-	-	-	2,125,000
Dr. Arshad Mahmood	-	-	-	125,000
Mr. Iftikhar Amjad	-	-	-	625,000
Mr. Imtiaz A.H. Laliwala	-	-	-	1,875,000
Ms. Khurshid Bhaimia	✓	3	3	1,375,000
Mian Imtiazuddin	✓	3	3	4,625,000
Mir Balakh Sher Marri	✓	1	1	2,625,000
Mr. Moin Raza Khan[2]	-	-	-	-
Mr. Nadeem Irshad Kayani	-	-	-	1,125,000
Mr. Sajid Mehmood Qazi	✓	4	4	3,750,000
Mr. Shahab Rizvi	✓	3	3	2,000,000
Mr. Shamsul Islam	-	-	-	1,500,000
Mr. Sheryar Taj	-	-	-	1,000,000
Ms. Tahira Raza	✓	1	1	2,125,000
Dr. Tanveer Ahmad Qureshi	-	-	-	-

Notes:

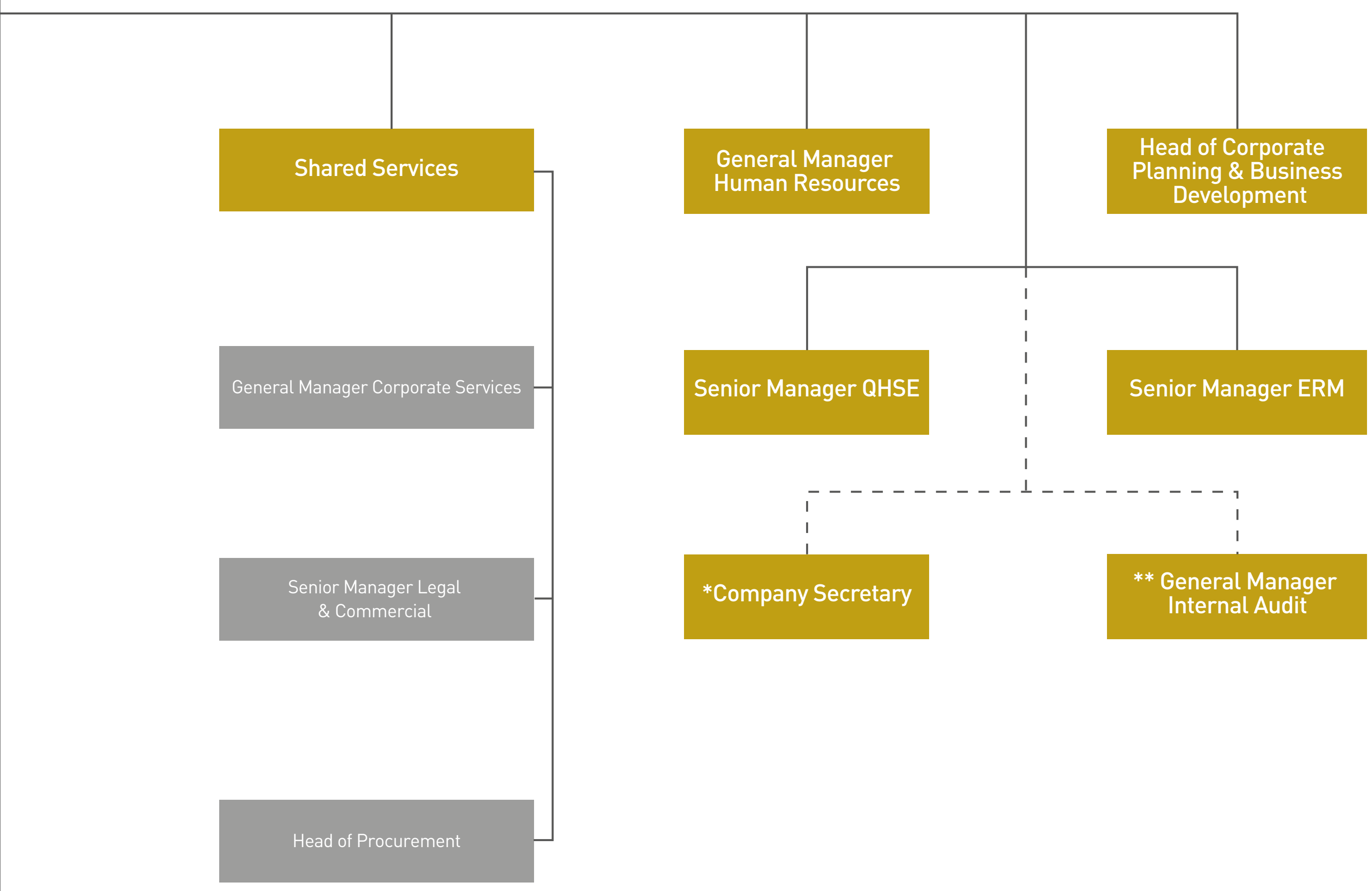
1. Held during the period when the concerned director was on the Board.
2. Mr. Moin Raza Khan does not receive director's fee, being MD/CEO of the Company.

organogram



* Company Secretary reports to Chairman of the Board with administrative reporting to MD.

** GMIA reports to Board Audit Committee with administrative reporting to MD.


Shared Services
General Manager Human Resources
Head of Corporate Planning & Business Development
General Manager Corporate Services
Senior Manager QHSE
Senior Manager ERM
Senior Manager Legal & Commercial
*Company Secretary
** General Manager Internal Audit
Head of Procurement

executive committee

Mujahid Ali
GM Exploration-New Ventures, International, Unconventional

Mohammad Khalid Abdul Rehman
Chief Financial Officer

Moin Raza Khan
Managing Director / Chief Executive Officer

Dr. Fareed Iqbal Siddiqui
Deputy Managing Director
Technical Services

Abid Ashfaque Malick
Acting Deputy Managing Director
Asset Operations

key people

Ali Jaffar
Company Secretary /
Acting General Manager Legal & Commercial

Farooq Azam Shah
General Manager Sui & Kandhkot

Fazal Hussain Gaffoor
Head of Corporate Planning
& Business Development

Muhammad Afzal Siddiqi
General Manager Human Resources

Munir Hasan Ali
General Manager Internal Audit

Sagheer Hussain
General Manager Projects & Construction

Saquib Hanif
General Manager Corporate Services

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

business model & value chain

capital inputs

financial capital
Rs 391 billion
share capital & reserves

human capital
2,654
number of employees

natural capital
43 + 22
exploration + producing assets

manufactured capital
Rs 147 billion
property, plant & equipment

intellectual capital
70 years
experience in oil & gas

geographic presence
4
countries of operation

value chain

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

upstream oil & gas — Gas/LPG, Oil

minerals (diversification) — Barytes & Iron Ore

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

midstream & downstream

processing → distribution → households & industry

refining → transportation → retail, industry & petrochemicals

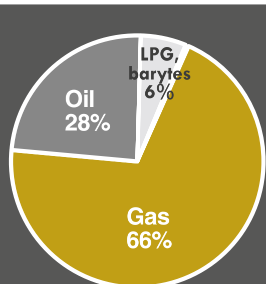
processing → export & local sales

business outputs

product portfolio

- Gas
- Oil
- LPG
- Barytes & Iron ore

revenue mix



Market share in indigenous production (PPL Net)

Gas: 22%
Oil: 19%
LPG: 15%

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

capital outcomes

financial capital

Rs 19.27
earnings per share

Rs 3.5
dividend per share

production

311 BCF equivalent
gas, liquids & LPG

fiscal contribution

Rs 73 billion
contribution to national exchequer

communities

Rs 2.1 billion
CSR contribution

reserves

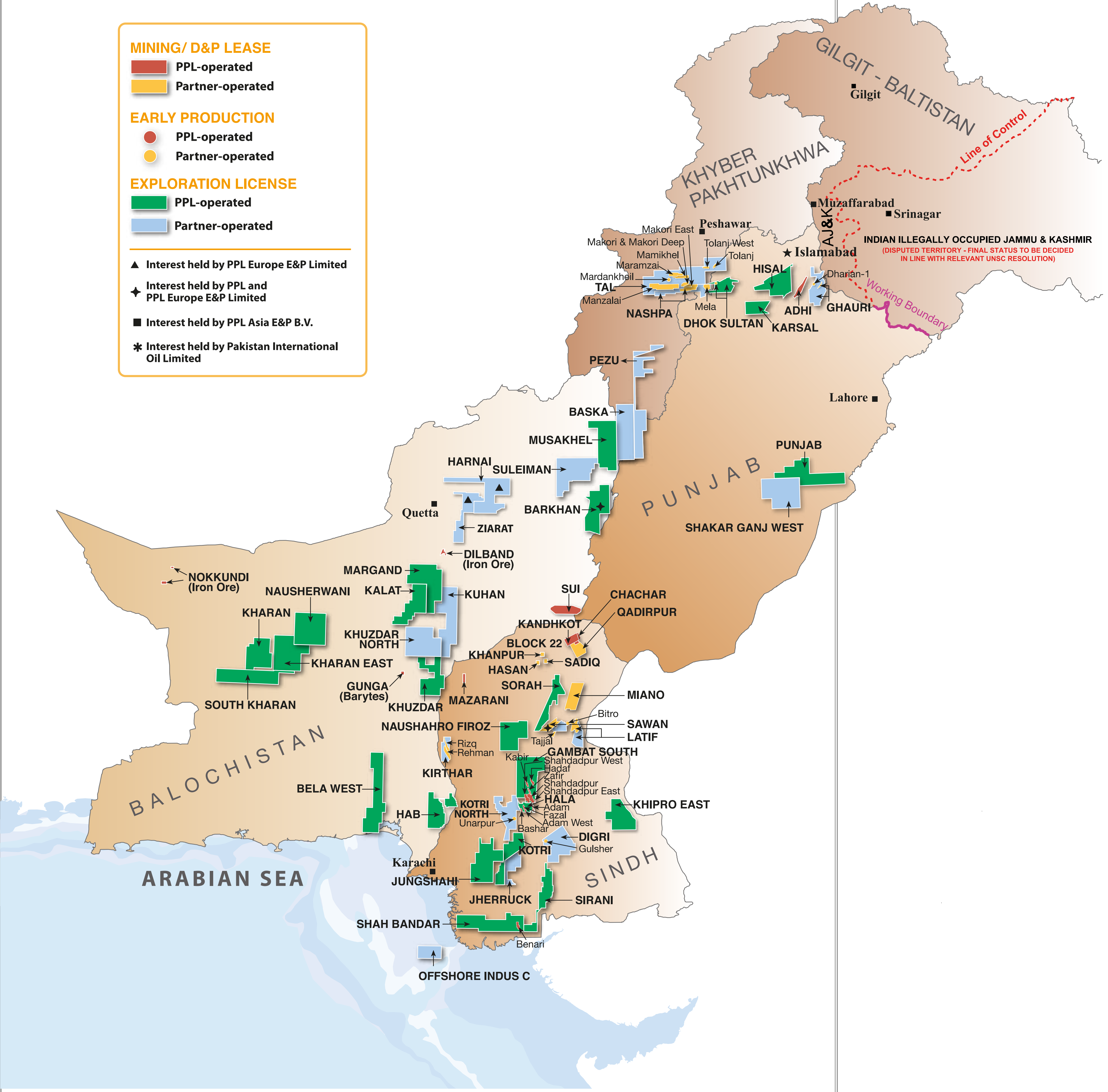
1,917 BCF equivalent
1P reserves

our presence

Group's Exploration and Producing Assets

	Name of Fields / Blocks	Operator	Other Partners	Group's Working Interest % as at June 30, 2021
Producing Fields				
1	Adhi	PPL	OGDCL,POL	39.00
2	Dhok Sultan (EWT Phase)	PPL	GHPL	75.00
3	Gambat South	PPL	GHPL,AROL	65.00
4	Hala	PPL	MPCL	65.00
5	Kandhkot	PPL	-	100.00
6	Kandhkot East (Chachar)	PPL	GHPL	75.00
7	Mazarani	PPL	GHPL	87.50
8	Shah Bandar	PPL	GHPL,MPCL,SEHCL	63.00
9	Sui	PPL	-	100.00
10	Block 22	PEL	PPL,GHPL, Pyramid	35.53
11	Digri (Gulsher EWT Phase)	UEPL	PPL	25.00
12	Gambat	UEP-BETA	PPL, Eni, GHPL	23.68
13	Ghauri (Dharian EWT Phase)	MPCL	PPL	35.00
14	Kirthar	POGC	PPL	30.00
15	Kotri North (Unarpur EWT Phase)	UEPL	PPL, AROL	40.00
16	Latif	UEP-BETA	PPL, Eni	33.30
17	Miano	UEP-BETA	PPL, Eni, OGDCL	15.16
18	Nashpa	OGDCL	PPL, GHPL	28.55
19	Qadirpur	OGDCL	PPL, KUFPEC, Al-Haj	7.00
20	Sawan	UEP-BETA	PPL, Eni, GHPL, PPLE	34.07
21	Tal	MOL	PPL,OGDCL, GHPL, POL	27.76
22	Ziarat (Bolan East EWT Phase)	MPCL	PPLE	40.00
Exploration Blocks				
1	Barkhan	PPL	PPLE, UEPL	85.00
2	Bela West	PPL	MPCL, KUFPEC, GHPL	37.50
3	Dhok Sultan	PPL	GHPL	75.00
4	Gambat South	PPL	GHPL,AROL	65.00
5	Hab	PPL	GHPL, SEHCL	97.35
6	Hala	PPL	MPCL	65.00
7	Hisal	PPL	POL,GHPL,AOC	62.50
8	Jungshahi	PPL	-	100.00
9	Kalat	PPL	-	100.00
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	GHPL,MPCL,SEHCL	63.00
22	Sirani	PPL	GHPL	75.00
23	Sorah	PPL	-	100.00
24	South Kharan	PPL	OGDCL, GHPL	51.00
25	Baska	ZHEN HUA	PPL	49.00
26	Digri	UEPL	PPL	25.00
27	Ghauri	MPCL	PPL	35.00
28	Jherruck	NHEPL	PPL,KEPL	30.00
29	Khuzdar North	OGDCL	PPL,GHPL	25.00
30	Kirthar	POGC	PPL	30.00
31	Kotri North	UEPL	PPL, AROL	40.00
32	Kuhan	UEP-BETA	PPL, GHPL, BECL	47.50
33	Latif	UEP-BETA	PPL,Eni	33.30
34	Nashpa	OGDCL	PPL, GHPL	30.00
35	Pezu	OGDCL	PPL,KPOGCL, OGDCL, GHPL	30.00
36	Shakarganj West	OGDCL	PPL	50.00
37	Suleiman	OGDCL	PPL	50.00
38	Tal	MOL	PPL,OGDCL, GHPL, POL	30.00
39	Ziarat	MPCL	PPLE	40.00
40	Harnai	MPCL	PPLE	40.00
Offshore Blocks				
41	Indus-C	ENI	PPL	40.00
Exploration Blocks (Outside Pakistan)				
42	Block-3 (Yemen)	TOTAL	PPLE, OMV	20.00
43	Block-8 (Iraq)	PPLA	-	100.00

Note: The above excludes the blocks, for which relinquishment has been applied. Subsequent to year end, Offshore Block-5 in Abu Dhabi, UAE was awarded to PPL-led consortium.



MINING/ D&P LEASE
PPL-operated
Partner-operated
EARLY PRODUCTION
PPL-operated
Partner-operated
EXPLORATION LICENSE
PPL-operated
Partner-operated
▲ Interest held by PPL Europe E&P Limited
✦ Interest held by PPL and PPL Europe E&P Limited
■ Interest held by PPL Asia E&P B.V.
✱ Interest held by Pakistan International Oil Limited
GILGIT - BALTISTAN
Gilgit
Line of Control
KHYBER PAKHTUNKHWA
Muzaffarabad
Srinagar
AJ&K
Peshawar
Islamabad
INDIAN ILLEGALLY OCCUPIED JAMMU & KASHMIR
(DISPUTED TERRITORY - FINAL STATUS TO BE DECIDED IN LINE WITH RELEVANT UNSC RESOLUTION)
Working Boundary
Makori East
Makori & Makori Deep
Mamikhel
Maramzai
Mardankheil
TAL
Manzalai
Tolanj West
Tolanj
HISAL
Dhariań-1
NASHPA
Mela
DHOK SULTAN
ADHI
KARSAL
GHAURI
PEZU
Lahore
BASKA
MUSAKHEL
HARNAI
SULEIMAN
PUNJAB
Quetta
BARKHAN
PUNJAB
SHAKAR GANJ WEST
ZIARAT
DILBAND (Iron Ore)
NOKKUNDI (Iron Ore)
MARGAND
NAUSHERWANI
KALAT
KUHAN
SUI
CHACHAR
QADIRPUR
KHARAN
KHUZDAR NORTH
KANDHKOT
BLOCK 22
KHANPUR
SADIQ
KHARAN EAST
HASAN
GUNGA (Barytes)
SORAH
MIANO
SOUTH KHARAN
KHUZDAR
MAZARANI
Bitro
SAWAN
LATIF
NAUSHAHRO FIROZ
Tajjal
Rizq
Rehman
Kabir
GAMBAT SOUTH
Shahdadpur West
Hadaf
Zafir
Shahdadpur
Shahdadpur East
KIRTHAR
BALOCHISTAN
BELA WEST
HALA
Adam
Fazal
Adam West
KHIPRO EAST
HAB
KOTRI NORTH
Unarpur
Bashar
DIGRI
Gulsher
KOTRI
Karachi
SINDH
ARABIAN SEA
JUNGSHAHI
JHERRUCK
SIRANI
SHAH BANDAR
Benari
OFFSHORE INDUS C

DIYALA
BLOCK 8
Baghdad
IRAQ

Offshore Block 5
Sharjah
Dubai
Abu Dhabi
UNITED ARAB EMIRATES

YEMEN
AL MAHRAH
Sanaa
BLOCK 3

PPL has long been a progressive player in the E&P industry to lead exploration efforts in the frontier areas - post the decline of big and easy finds in conventional plays. Additionally, the Company is striving to further expand its international E&P operations along with diversification in the minerals and energy value chain to increase its revenue base. The historic award of Offshore Block 5 in Abu Dhabi by ADNOC to a PPL-led national consortium is a milestone which will not only pave the way for further ventures for PPL but also for the oil and gas industry in Pakistan. Additionally, the Company is growing its footprint in the minerals sector with headway in the Baryte, Lead and Zinc project in Balochistan.

قناعت نہ کر عالمِ رنگ و بُو پر
چمن اور بھی آشیاں اور بھی ہیں

علامہ اقبالؒ

strategy

Strategic Objectives

The Company aims to create value for its stakeholders through the following value preservation, value creation and diversification objectives:

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

Our Strategy

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

- The Company's ambitious exploration program focuses on country's frontier exploration areas and exploitation of unconventional resources. Production optimisation from existing fields by using innovative technologies and fast track development of new discoveries are being pursued to maintain the growth momentum.

- The Company will continue to evaluate various significant projects in the energy and mining sectors 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 cares deeply about the environment and will continue to exercise due care in environmental protection.

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

- The Company will make efforts for optimum leveraging of 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 an operator particularly in shallow offshore, explore and appraise tight and shale gas potential in Pakistan, grow its operations internationally and become a regional E&P leader.

KPIs

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

Financial

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

Non-financial

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

Key Risks

The key strategic risks are mentioned in "Key Risks" section of this annual report.


PPL

monitoring of key performance indicators

		Unit	2019-20	2020-21	Commentary
financial	Earnings per share	Rs per share	18.47	**19.27**	Profits increased due to reduction in dry well charge,DD&A, impairment charges and effective tax rate.
	Return on Equity . (ROE)	%	15	**13**	Despite improved profitability, the ROE has slightly dropped due to accumulation of equity as a result of low dividend payouts given the circular debt issue.
	Free Cashflows	Rs billion	2	**40**	Significantly better free cashflows on the back of strong collection from customers and reduction in capex.
	Dividend declared per share	Rs per share	1.0	**3.5**	Higher dividend due to better cash availability.
	Opex per BOE	$/BOE	2.7	**2.8**	Slightly increased due to drop in sales volume mainly as a result of low offtakes by GENCO-II in Kandhkot coupled with natural decline in depleting fields.
	Revenue contribution from Non-E&P business	Rs billion	0.8	**0.7**	Slight drop in revenue of baryte ore due to lower exports given COVID-19. Furthermore, the local consumption also dropped due to lesser drilling activities.
	CSR contribution	Rs billion	1.8	**2.1**	Higher contributions for social welfare projects.
	Payment to Govt. exchequer	Rs billion	60	**73**	Higher payments on account of income tax, GDS and GIDC.
	Debtor Days	Days	529	**601**	Deteriorating circular position, although the rate of increase has slowed down in the current year.

non-financial	LTIF	Ratio	0.20	**0.05**	Reduction in safety incidents from the previous year.
	Production	MMscfde	870	**852**	Lower production on account of lower off takes from GENCO-II at Kandhkot coupled with natural decline in depleting fields slightly offset by commissioning of GPF-IV phase 2 at Gambat South and increase in Kirthar and Adhi.
	Number of wells	Number	19	**13**	Lower number of development wells slightly offset by higher exploration wells.
	Reserves replacement ratio (1P)	%	85	**108**	Higher RRR ratio primarily due to revision in reserves of Sui.
	Employee Engagement Index	%	56	**67**	Improved engagement activities with employees. Comparative period's data pertains to 2018-19.

competitive landscape of E&Ps in Pakistan

Block Bidding Phase

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

Exploration & Appraisal Phase

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

Development & Production Phase

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

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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 70 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 provides 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.

chairman's review

Operational Highlights

It gives me great pleasure to present the annual report on the performance of PPL for the financial year 2020-21. This year remained very challenging for the Company as it faced pandemic imposed lockdowns with ensuing uncertainties throughout the year. Despite this, PPL sustained its operations without any disruption to ensure availability of Oil and Gas to essential services and public, while ensuring the safety and wellbeing of its stakeholders and the work force. The oil price, which crashed in the previous year, has gradually recovered and is in line with the Company's expectations to ensure continuity of the Company's business strategy.

I am pleased to share that despite the global recession owing to the pandemic, PPL has delivered a robust performance during 2020-21. The Company is making its utmost efforts to optimize production from existing mature fields and develop new discoveries in quickest possible time. The Company has put extensive efforts to commence production from two in-hand operated discoveries during the year i.e. Benari (Shahbandar Block) through MPCL's Sujawal Plant to add ~9 MMscfd gas production & Hadaf (Gambat South block) through Gambat South GPF-IV facility to add up to ~15 MMscfd gas. Gambat South gas processing facility GPF IV Phase-II has also been commissioned to collectively process ~35 MMscfd gas from Hadaf and Shahdadpur fields.

Currently, the Group has working interest in 22 producing assets, out of which 9 are PPL operated and 13 are Partner Operated. In the year 2020-21, Company's average hydrocarbon production stood at ~ 852 MMscfd gas equivalent. The primary reason for decrease in production as compared to last year, is lower offtake by GENCO-II from Kandhkot field. The Company is making efforts for alternate buyers for Kandhkot field.

The Company drilled 7 development wells during the year, out of which, 3 wells were drilled in operated areas and 4 in partner operated areas. These development activities helped in optimizing production from the producing fields. Re-determination of existing fields led to increase in proved reserves by ~335 Bcf gas equivalent; mainly in Sui, Maramzai (Tal) & Mela (Nashpa) fields.

During 2020-21, the Company drilled 6 exploratory wells. 3 wells were spud-in operated areas while 3 in partner-operated areas, whereas PPL announced 1 discovery Mamikhel South-1 (Tal block) during the year. PPL will continue its exploration led strategy, by pursuing new exploration activities in frontier, offshore and also look out for international opportunities. In this regard, Pandrani well (Kalat Block) is being drilled to create synergy with the Morgandh discovery and validate parameters besides targeting a new play. Khipro East well in Sindh's frontier areas also holds a good potential of opening new avenues in an otherwise mature basin.

On the international front, a new company by the name of Pakistan International Oil Limited (PIOL) was formed in Abu Dhabi Global Market (ADGM), UAE. PPL, OGDCL, MPCL and GHPL each have a 25% equity stake in PIOL. Subsequent to the close of financial year 2020-21, the PPL-led consortium was awarded Offshore Block 5 concession in Abu Dhabi, UAE. This is a great opportunity and the first time that Pakistani companies would explore for oil and gas in an Abu Dhabi concession.

Further, Mining lease for Baryte Lead Zinc (BLZ) project has been awarded for an area of 30 Sq.Km which is a significant progress. The project has the potential for export and becoming a major non E&P revenue stream for the Company. In line with major petroleum players in the international arena, PPL is focusing its diversification efforts in two distinct areas i.e., Minerals & Mining and other Non-E&P energy opportunities to support its core business by steady revenue streams and reducing overall risk profile of the Company.

Governance / Board and its Committees

The present Board was elected in December 2020 and was thus finally restored to its full strength of eleven members (including the chief executive officer). Twelve meetings of the Board were held during the year. During the year, the Board remained fully committed and engaged in governance and oversight of the Company's strategy and operations, putting into place the right mix of strategy, policies and procedures for the Company with the ultimate objective of creating value for shareholders. The Board Committees remained active and met frequently during the year.

Subsequent to the election of directors, four casual vacancies occurred on the Board due to the resignations by Mr. Abdul Saboor Kakar, Mr. Nadeem Irshad Kayani, Mr. Sajid Mehmood Qazi and Mr. Iftikhar Amjad. Three vacancies were subsequently filled by appointing Mr. Saleh Muhammad Baloch, Dr. Arshad Mahmood and Mr. Syed Zakria Ali Shah in their place respectively to serve for the remainder of the term. One casual vacancy remained on the Board due to non-receipt of the nomination from the majority shareholder.

Appreciation

On behalf of the Board and myself personally, I would like to thank all stakeholders in general and the employees of the Company in particular, for their perseverance and commitment to deliver in these challenging times. I wish that they keep up their spirits and strive to achieve improvement in their respective areas and in the Company as a whole.

SHAHAB RIZVI
CHAIRMAN

September 17, 2021

managing director's outlook

There are moments in history that work like a hinge. There is life before them. And there is life after them. But it is never the same. The advent of SARS-CoV-2 that hit the world at the end of 2019 was one such moment.

Despite operating under the looming shadow of this pandemic for almost two years, Pakistan Petroleum Limited (PPL) acquitted itself admirably by not only delivering uninterrupted energy to the national grid but also leading a consortium of the country's largest public sector oil and gas companies that clinched a historic bid for Offshore Block 5 in Abu Dhabi, United Arab Emirates.

To fulfill its principal mandate of optimizing production of hydrocarbons from mature and new fields as well as in-hand discoveries, PPL carried out development drilling besides establishing processing facilities to increase flows. To this end, production commenced from two discoveries in operated areas, Benari X-1 at Shah Bandar Block and Hadaf X-1 at Gambat South Block, along with completion of the Gambat South Gas Processing Facility (GPF)-IV Phase II that added ~ 35 MMscfd gas during the year under review.

Though average daily production, which stood at ~ 852 MMscf gas equivalent, registered a decrease from the previous year due to significantly lower offtake by GENCO II from Kandhkot Gas Field, effective field development led to a reserves replacement of 108 percent, indicating that remaining reserves increased over and above annual production. The production is set to increase further as ongoing development projects such as Zafir GPF as well as the Dhok Sultan Oil Handling Facility are commissioned.

The Company's exploration efforts led to the drilling of six exploration wells, three each in operated and partner-operated areas, and one discovery, Mamikhel South X-1, in Tal Block. In addition to the focus on targeting frontier plays in Balochistan, a new frontier play in Sindh was also targeted through Khipro East X-1, Khipro East Block.

On the international front, a PPL-led consortium, comprising of Oil and Gas Development Company Limited, Mari Petroleum Company Limited and Government Holdings (Private) Limited, was granted the exploration and appraisal rights in Offshore Block 5, Abu Dhabi. The block will be managed by a new company, Pakistan International Oil Limited (PIOL), incorporated in Abu Dhabi with a 25 percent share by each joint venture partner and PPL as operator. Furthermore, PPL will be proactively pursuing opportunities for farm- in/out along with participating in bid rounds to expand exploration acreage both locally and internationally.

In line with PPL's growth strategy, the Company remained committed to maintain its share in the country's energy supply chain as well as de-risking revenue streams to ease the liquidity crunch caused by mounting circular debt by evaluating upcoming diversification opportunities. Accordingly, considerable traction was achieved for a Baryte, Lead and Zinc (BLZ) project to be executed through the Company's mining arm, Bolan Mining Enterprises, a joint venture between PPL and the Government of Balochistan. The BLZ project is expected to kick off in the near future. In addition, PPL has given its Expression of Interest for two Blocks for Mineral/Mining rights in Balochistan. The highly rich mineralized belts of Balochistan have the potential to contribute a significant portion of the Company's topline in the long run. Besides, PPL is also exploring opportunities in the mid-stream oil and gas sector, including refineries and Liquified Natural Gas infrastructure.

On the Corporate Social Responsibility front, PPL made its highest-ever contribution of over Rs. 2 billion for assisting underserved communities in operational areas as well as large urban centers through focused and participatory need-based development interventions in healthcare, education, vocational capacity building, civic infrastructure and amenities such as free-of-cost water and gas.

As Covid-19 continued to wreak havoc claiming millions of lives worldwide, including Pakistan, the health and safety of staff and contractors remained the centerpiece of the Company's efforts throughout the year. As such, stringent safety protocols were put in place with alternating and variable periods of 'Work from Home' and 'Work from Office' achieved through a virtual work environment for seamless operations at offices as well as field and well locations.

As a major national company that has historically supported the government in times of national emergencies, PPL donated safety gears across its operational areas and carried out an extensive vaccination drive for staff and contractors as well as individuals across the country by mobilizing in-house Mobile Vaccination Teams and engaging non-governmental organizations to potentially vaccinate an estimated 125,000 individuals across the country. This effort is set to enhance immunity against the deadly virus and improve the health profile of the country.

Thanks to the inherent growth potential of PPL's business model coupled with the commitment of staff and ready support provided by our Ministry, Board of Directors, shareholders, regulators and joint venture partners, these are no ordinary achievements to score during an unarguably turbulent year.

But this is a bar PPL hopes to raise consistently against all odds. May the road rise to get us, may the wind be by our side.

Pakistan Paindabad.

Moin Raza Khan

Moin Raza Khan

Managing Director &
Chief Executive Officer

September 17, 2021

directors' report
2020-21

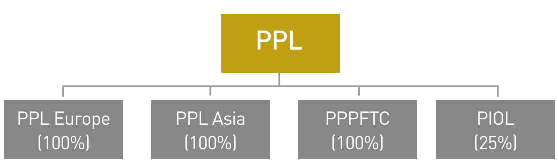
We are pleased to present the Directors' report and audited financial statements of your Company for the year ended June 30, 2021 together with the auditors' report thereon. An overall business review and key highlights are presented in the following paragraphs.

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, Iraq and Yemen. PPL also holds mineral rights in Balochistan through Bolan Mining Enterprises (BME), a 50:50 joint operation between PPL and Government of Balochistan.

Group Structure

The Company has three wholly owned subsidiaries: PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). Subsequent to year end, the Company has subscribed to 25% share capital in Pakistan International Oil Limited (PIOL). These companies are collectively referred to as 'the Group'. The Group companies which are incorporated outside Pakistan are PPLE (United Kingdom), PPLA (Netherlands) and PIOL (Abu Dhabi, UAE). The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources.



Company's Business Strategy

Your Company remains committed to a growth strategy to strengthen its position as one of the premier E&P companies in Pakistan and to ensure value addition for all stakeholders. A brief of the Company's strategy is stated below:

Value Preservation

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

Value Creation

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

Diversification

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

Key Achievements

- PPL drilled 6 exploration and 7 development wells in operated and partner-operated areas.
- Offshore Block 5 in Abu Dhabi was awarded to PPL led Consortium in August 2021.
- A discovery, Mamikhel South-1, was announced in partner -operated Tal block.
- Reserves Replacement Ratio of 108% was achieved during the year.
- Production was maintained at ~0.9 Bcfde (PPL Net) despite challenges of low customer offtakes in Kandhkot by GENCO-II and declining production from Company's mature fields.
- Production commenced from Hadaf well (Gambat South block) at 15 MMscfd and Benari well (Shah Bandar block) at 9 MMscfd.
- Production from Bolan East (Ziarat block) commenced at ~800 BPD, which is currently producing at ~1,000 BPD.
- Gambat South Gas Processing Facility (GPF IV, Phase II) was commissioned to process additional 35 MMscfd gas.
- Mining lease for Baryte Lead Zinc (BLZ) project was awarded for an area of 30 square km.
- Acquisition of 130 square km 3D seismic data in PPL operated Shah Bandar block and 240 line km 2D seismic data in partner-operated Khuzdar North block was completed.
- In-house processing was completed for 1,057 line km 2D and 1,542 square km 3D seismic data resulting in savings.
- PPL swiftly adapted to the changing lockdown scenario during the pandemic to maintain production deliverability and enabling office-based staff to 'Work from home'.
- Highest ever contribution was made towards CSR activities, exceeding Rs 2 billion.
- 14 Million Safe Man-hours were achieved without a Lost Time Injury (LTI)
- COVID-19 vaccination camps for employees and their household members were arranged to ensure maximum vaccinations in shortest possible time.
- PPL was recognized with the 'Employer of the Year Award 2020 (Silver)' in Large National Companies category.
- PPL, for its 2019 Annual Report, received an award from ICAP & ICMAP in the fuel and energy category while a certificate of merit was received from South Asian Federation of Accountants (SAFA) in the public sector entities category.
- SAP ERP system was upgraded to the latest SAP S/4HANA platform.

Operating Environment

Pakistan's reliance on imported energy is increasing with the passage of time. At present, the country meets around 80% of oil and 25% of gas consumption through imports, which forms a substantial part of the import bill. Even though gas is still the dominant domestic energy source, very few sizeable discoveries have been made in more than a decade with domestic production declining to ~3.5 Bcfd from a plateau of ~4 Bcfd, which was maintained for many years up till 2018-19. Likewise, oil production has declined to ~ 75,000 BPD from ~90,000 BPD in the year 2018-19.

The discovery ratio as well as average discovery size in Pakistan are decreasing over the years in the known oil and gas corridors. The need of the hour for E&P companies is, therefore, to put greater exploration efforts in the high-risk frontier areas and the offshore region to tap possible bigger discoveries. Improvement and availability of security (particularly in Balochistan), bidding for offshore blocks as well as imported parity-based policy incentives for exploiting unconventional hydrocarbon resources are some of the measures that will boost exploration activity in the country. It will pave the way for reduced dependence on imported fuels.

Your Company holds a balanced mix of exploration portfolio including acreages in the frontier areas. The recent block award in Abu Dhabi evidences the Company's efforts on expansion in the international E&P horizon with the aim to improve the country's foreign exchange inflows in the long-run. Additionally, the diversification in the minerals sector will support the base revenue streams, which is currently being derived mainly from the domestic E&P segment of the Company. The highly rich mineralized belts of Balochistan have the potential to contribute a significant portion of the Company's topline in the long run.

External Factors

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

COVID-19 Pandemic

COVID-19 continued to impact heavily at the global level during the year, with depressed energy demand world-wide on the back of lower industrial and commercial activities. However, starting from the third quarter of 2020, the oil demand began to recover viz-a-viz the earlier quarters indicating a rebound in industrial activity. Although the demand has not reached the pre-pandemic level, the situation is gradually improving especially post the roll out of COVID-19 vaccines towards the end of 2020. Analysts are forecasting the global oil demand to reach 100 million barrels by the end of 2021. In Pakistan, minimal impact of COVID-19 on the indigenous oil and gas production was observed during the year, as the deficit in the last quarter of the previous fiscal year was largely recovered by the start of the current year.

Global Energy Market Transition

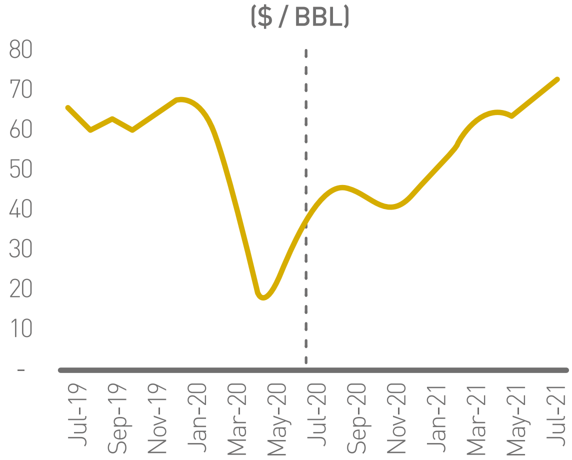
The global energy market is witnessing a gradual shift towards the renewables driven by the lowering costs of solar, wind and batteries coupled with increasing restrictions, particularly in the developed countries, on the use of fossil fuels amid climate change. Nonetheless, the depleting supply side of the world oil will still require continuous investments by E&P companies to meet the demand. Additionally, the global gas supply is expected to increase due to new investments in LNG infrastructure given the lower carbon footprint of natural gas when compared to other fossil fuels. Pakistan is also expected to see this transition, albeit slowly, due to its already low energy use per capita.

Crude Oil Price

Oil prices reached record low levels in the previous year after the pandemic restricted the economic activity throughout the world. The prices started to bounce back at the end of the last fiscal year and reached the pre-pandemic levels in the current year when the supply cuts helped narrow the gap between demand and supply. Currently, the producers are gradually ramping up the production as the world economy recovers. Resultantly, prices are forecasted to go back to the equilibrium level in the short-medium term.

Oil prices have a direct impact on the Company's revenues and viability of future investments and are therefore monitored closely. However, the Company's product mix is gas dominant, which reduces the impact of volatility of the oil price on the Company's revenues

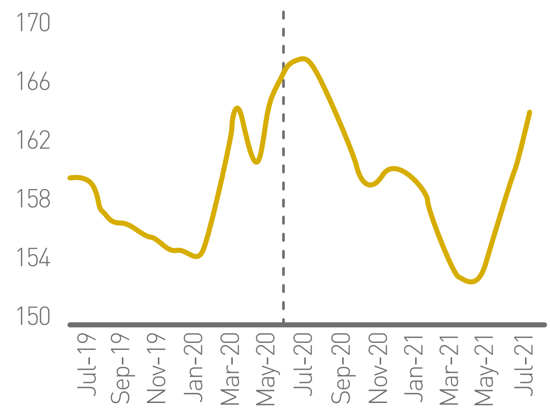
Crude Oil Price
($ / BBL)



Fluctuations in Foreign Currency

The PKR/USD exchange rate remained volatile throughout 2020-21. The rupee had reached up to Rs 168/US$ in August 2020. Gradually, the exchange rate improved since the economy started to recover from the first wave of the pandemic, along with deferred debt repayments, increased remittances and exports. The rupee performed reasonably well in the third and fourth quarter of the fiscal year, appreciating as much as Rs 151 in May 2021. However, since then it has started to depreciate and closed at Rs 158.3 at the end of the financial year 2020-21.

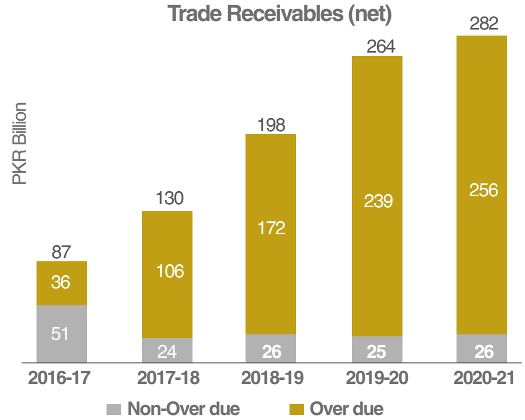
PKR / USD



Trade Receivables

Circular debt is an industry-wide issue faced by the companies in the energy value chain. In particular, the gas sector circular debt has been increasing at a rapid pace in recent years due to the growing difference between the consumer price and the cost of gas, further augmented by diversion of expensive LNG to households.

Trade Receivables (net)



The Company's receivables are also increasing as gas constitutes the majority of its sales mix. However, the rate of increase in circular debt slowed down in the current year given the collection ratio reached 89% during the year. This was the result of rigorous follow-ups at the highest level to arrest the rate of receivable accumulation. These efforts brought-in much needed cash resources for the Company to fund its future work programs, capital commitments and dividend payouts.

The management continues to engage with regulatory authorities for highlighting the difficulties being faced and possible solutions of circular debt situation of the Company. Public sector E&P companies are carrying the burden of circular debt on their balance sheets, which is unsustainable in the longer run and has the potential to limit further commitments in upstream exploration and development activities. Different proposals are being shared with the regulators and their implementation will benefit in reversing the increasing trend of circular debt, having a trickle-down effect on the Company's collections. `

Our Performance

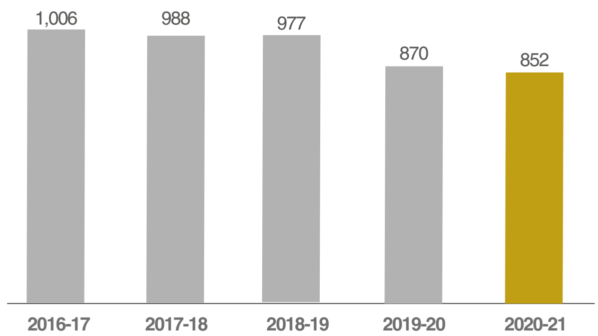
Production Operations

Your Company currently operates oil and gas producing assets at Sui, Kandhkot, Adhi, Mazarani, Chachar, Hala, Gambat South, Dhok Sultan and Shah Bandar. In addition, the Company, along with PPLE, has working interest in 13 partner-operated producing assets. The Company strives to play a leading role in meeting the country's energy requirements by focusing on production enhancement from existing assets and early monetization of new discoveries. Furthermore, the Company produces barytes and iron ore through Bolan Mining Enterprises (BME), which is a joint operation between the Company and the Government of Balochistan.

Production

Overall, the production declined by ~2% from the comparative year in terms of equivalent units. Product-wise analysis indicates that the Company's gas production has declined by ~3%, whereas Condensate/NGL/Oil production almost remained same while LPG production increased by ~8% as compared to the previous year. The primary reason for the decreased gas production is lower offtakes by GENCO-II from Kandhkot field, which affected production in previous year as well. The Company has been able to offset the natural production decline from mature fields through ramping-up of production, primarily from Gambat South field and drilling of infill wells.

Production (PPL Net)
MMscfd equivalent



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

	2020-21	2019-20
Natural Gas (MMscf)	276,309	283,792
Crude Oil / NGL / Condensate (Thousand Barrels)	5,132	5,142
LPG (Metric Tonnes)	115,835	107,114

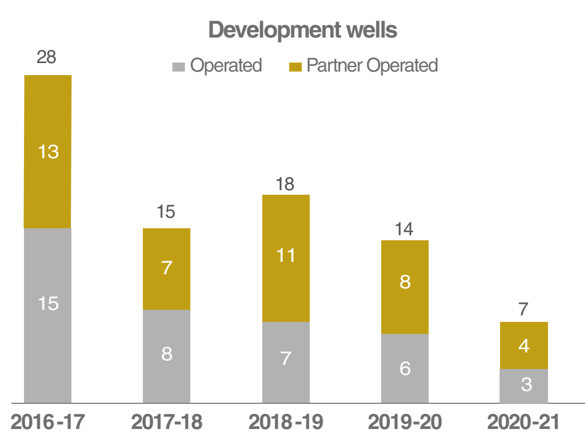
Production of hydrocarbons during the year including the Company's share from joint operations averaged at about ~757 MMscfd of gas, 14,060 bbl per day of Oil/NGL/ Condensate and ~317 metric tonnes of LPG per day.

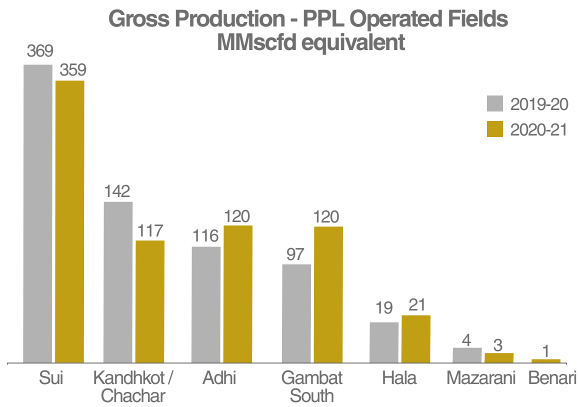
The Company's major customers include Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Central Power Generation Company Limited and Attock Refinery Limited.

Development Wells

A total of 7 development wells were drilled during the year. Out of 3 wells drilled in operated areas, 2 were drilled in Sui, while 1 was drilled in Gambat South. Whereas in partner-operated areas, a total of 4 wells were drilled with 1 each in Qadirpur, Latif, Nashpa and Mela to arrest the natural decline.

The field development activity depends on the current stage of the respective field's life cycle, as the wells are drilled at optimum timing to maximize the production and field economics. The decline in well activity is in line with the field development cycle of the Company's fields coupled with restricted offtakes in Kandhkot.





Key Highlights – Producing Fields

- Sui field, like other mature fields in the country, is experiencing natural decline, which has been reduced through infill drilling of two development wells.
- Production from Kandhkot continued to decrease in the current year due to low offtakes by GENCO-II.
- Production in Adhi showed improvement from previous year due to early commissioning of Adhi South-2 & 3 wells.
- Production from Gambat South has increased primarily due to the incremental production from commissioning of GPF IV, Phase-II.
- Production from Benari well commenced in May 2021 through gas processing at nearby MPCL's Sujawal facility at 9 MMscfd.
- The contribution in production from partner-operated fields remained almost similar at 235 MMscfd equivalent. Majority of the partner-operated fields are experiencing natural decline, which was offset through increased production in Kirthar and Nashpa.

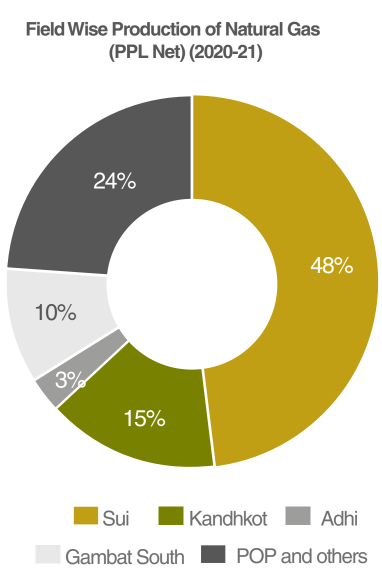
Further details are mentioned under the respective assets.

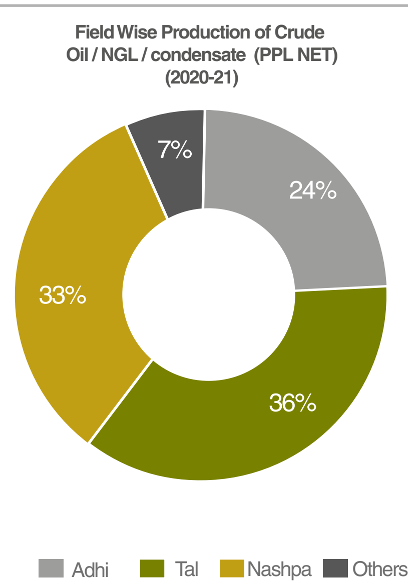
PPL Operated Producing Assets

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

Sui Asset

- Average production from Sui field remained 359 MMscfd. Sui field is undergoing natural decline. Optimization efforts have reduced the decline to 2.6% in 2020-21 viz-a-viz 4.2% in the comparative period.
- QHSE milestone of 3.2 million safe man-hours was achieved.
- Two development wells, Sui-111 and Sui-112, were drilled and completed in Sui, contributing around 5.7 MMscfd into the production network.
- Compressor modification project for the existing compressors has been initiated. The project will allow additional recovery of around 240-300 Bcf from Sui field.
- After the successful debottlenecking at northern header in 2020, another optimization activity was carried out in the southern header of SML pipeline network, achieving production gain of around 6 MMscfd.
- An 8 km segment of Sui-KPS water pipeline was replaced. It resulted in an increase of ~20% water flow and energy saving in catering to the water requirement at Sui field and local community.
- The grant of Sui D&PL is awaited. In the interim, the Government of Pakistan, through periodic notifications, has allowed the Company to continue production from Sui gas field, the most recent of which allowed the Company to continue production for another year with effect from June 1, 2021.





Kandhkot/Chachar Asset

- The production rate for the year was 117 MMscfd as compared to 142 MMscfd last year. It remained below the field deliverability due to low gas offtakes by the customer.

- Kandhkot's additional D&PL has been extended up to January 2026, while Kandhkot's Mining Lease is expiring in January 2022 and its re-grant as a D&PL is being applied.

- Annual Reservoir Monitoring / Surveillance Campaign was carried out to evaluate respective well's gas flow rate, water flow rate, maximum gas flow potential, cumulative water production and pressure drop in producing reservoirs for future remedial jobs.

Adhi / Dhok Sultan Asset

- Well Adhi South-2 was successfully completed and commissioned, adding 800 bbl/day of oil and 0.7 MMscfd of Gas.

- Production from Adhi field increased by 3% as compared to last year despite natural decline. This is due to the full year effect of Adhi South-2 & 3, lower production in the last quarter of the comparative year and further contribution by acid stimulation jobs at Adhi-34 & Adhi-23 and perforation job at Adhi-28.

- Adhi's integrated reservoir simulation study was completed in-house resulting in substantial savings.

- Time and Depth reprocessing of 2D and 3D data was completed.

- Production from Dhok Sultan X-1 remained suspended due to licensing issue of virtual pipeline customer.

- Full scale EWT production from Dhok Sultan X-1, after installation of a new oil handling facility and gas processing through Pakistan Oilfields Limited Meyal plant, is expected to commence in the second quarter of fiscal year 2021-22. The gas will be sold to SNGPL.

- Drilling of first appraisal well Dhok Sultan-2 was completed. The well could not produce due to absence of fractures in the target area and it was plugged and suspended. Post well analysis is in progress.

Hala / Gambat South / Mazarani / Benari Asset

- Gambat South GPF-IV, Phase-II was commissioned in January 2021 and production was enhanced by 35 MMscfd.

- Construction of 40 km feeder-line of Carbon Steel Pipeline for well Hadaf X-1 has been completed and the well was commissioned through GPF-IV.

- The Company is making all efforts to execute Zafir GPF project, which is behind schedule due to certain legal issues.

- Development well Sharf-3 was drilled and the well has commenced production via GPF-IV.

- D&PLs of Kabir and Hadaf fields were approved by the regulator.

- Certifications for ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 have been granted in respect of Gambat South and Hala fields.

- Interim extension of Mazarani D&PL was granted by DGPC till May 31, 2020. Approval for re-grant of lease at an enhanced gas price is still awaited. Meanwhile field abandonment process has been initiated as the field is approaching economic cut-off point at the existing gas price.

- First gas was achieved from Benari Field (Shah Bandar Block) in May 2021 at MPCL's Sujawal Facility. The well is producing at an average of 9 MMscfd gas.

PPL Mining Asset - Bolan Mining Enterprise (BME)

- The total barytes production by BME stood at 128,412 metric tonnes, which is lower than the last year's sales primarily due to lower drilling activity in the country as well as internationally.

- Mine upgradation and overburden removal process were initiated at existing mine site at Gunga Khuzdar for the extraction of high-grade Baryte Ore to cater to export demand.

- Mining Lease for Baryte Lead Zinc (BLZ) project has been awarded for an area of 30 square kilometers, as against the area of 100 square kilometers applied for by PPL/BME. The case for grant of mining lease over the remaining area is being pursued.

- Installation and commissioning of new grinding mill was completed, which will help in augmenting production and sales of baryte powder once the drilling activity picks up.

Partner Operated Producing Assets

The details of Partner-Operated producing assets are mentioned below:

Nashpa Operator: OGDCL	• Nashpa-X5 was sidetracked to tap the up-dip potential. However, due to discouraging results, the well was plugged & suspended. • Development well Nashpa-10 was successfully completed as an oil & gas producer whereas development well Mela-8 is under drilling. • Laying of flow-line from Mela to Nashpa was completed for Mela Gas processing at Nashpa facility. Mela gas processing started at Nashpa in November 2020 for on-spec sale with LPG recovery. • Front End Compression was successfully commissioned in November 2020.
Kirthar Operator: POGC	• Amine Plant of 60 MMscfd capacity was successfully commissioned in July 2020. • Sales Gas Booster Compressor was commissioned in September 2020.
Tal Operator: MOL	• Maramzai Compression is under procurement and project is expected to be completed by 3rd quarter of 2021-22.
Qadirpur Operator: OGDCL	• Development well QP-62 was successfully completed as a gas producer. • All three compressors for Front End Compression project have reached at site. Installation works are in progress and estimated commissioning is by 2nd quarter of 2021-22.
Latif Operator: UEP Beta	• Development well Latif-22 was successfully completed as gas producer.
Digri Operator: UEPL	• EWT production from Gulsher-1 well was commenced. It is currently producing around 650 bbl/d.
Sawan Operator: UEP Beta	• Wellhead compression was installed and commissioned at Sawan-10, 11 & 13 and replacement of existing front-end compression with new smaller compressors is in progress with expected commissioning in 2nd quarter of 2021-22.

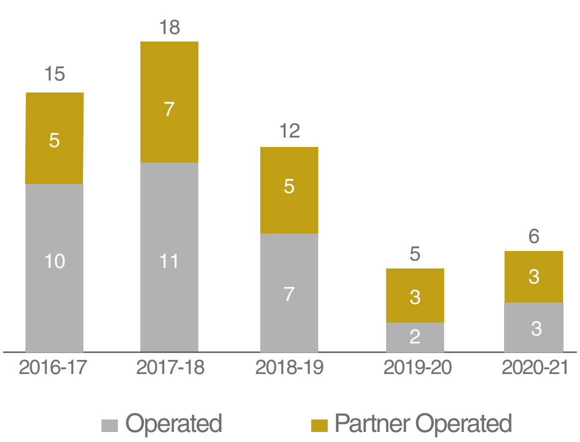
Exploration

Key Highlights

- PPL spud-in 6 exploration wells during the year, 3 each in PPL operated and partner-operated areas.
- A discovery in exploration well Mamikhel South-1 was announced in partner-operated Tal block.
- Offshore Block 5 was awarded to PPL led Consortium in Abu Dhabi Bid Round, UAE.
- PPL acquired 130 square km 3D seismic data in PPL operated Shah Bandar block and 240 line km 2D seismic data in partner operated Khuzdar North block.
- Acquired a total of 6,628 line km gravity and 6,737 line km magnetic data in PPL operated blocks.
- Carried out in-house processing and reprocessing of 1,057 line km 2D and 1,542 square km 3D seismic data in operated blocks, which resulted in substantial cost savings for the Company and valuable foreign exchange for the country.
- PPL participated in Pakistan Bid Round 2021 and won Suleiman block as Joint Venture partner with OGDCL.

  Further details are mentioned under the respective assets.

Exploration wells



Exploration Portfolio

The Company, together with its subsidiaries, held a portfolio of 43 exploration blocks as at the year-end, of which 25 are PPL operated, including Block-8 in Iraq and 18 are partner-operated including one off-shore block in Pakistan and one onshore block in Yemen. This portfolio excludes the exploration blocks in respect of which the notices of relinquishment were submitted to the regulator.

The Company holds a diversified exploration portfolio with a mix of high risk, medium to high reward and low risk, low to medium reward assets. In line with Company's strategy, PPL continues to explore high-risk frontier areas to tap potential bigger discoveries while balancing the exploration portfolio through comparatively lower risk blocks. The Company has also expanded its international footprint after the successful grant of Offshore Block 5 in Abu Dhabi bid round to a PPL led Consortium of four companies having equal interest, with Management rights vested with PPL. The Company aims to replenish the depleting exploration leads inventory in the current exploration blocks through participation in the upcoming bidding rounds.

PPL Operated South Blocks

Exploration activities in these blocks are summarized below

Gambat South	• Drilling of exploration well Qasar X-1 is in progress. • Interpretation & mapping of newly processed 650 square km vintage 3D seismic data is in progress. • Rock-Physics Modelling & AVO Inversion study of Hadi X-1A tight gas discovery is in progress.
Hala	• Core and well log sedimentology & petrography study was completed. • Interpretation and mapping of newly purchased 140 square km offset 3D seismic data and its integration with existing G&G evaluation was completed. • Evaluation of remaining block prospectivity is underway.
Kotri	• Integrated sequence stratigraphy study is in progress. • Evaluation of remaining block prospectivity is underway.
Sorah	• Environmental (IEE & EIA) studies were completed and NOC was received from Environmental Protection Agency, Sindh for seismic survey in the block. • G&G evaluation of available vintage seismic and well data was completed. • Bidding process for 3D seismic data acquisition is in progress.
Sirani	• Different options are being evaluated for optimizing the drilling costs of the planned exploration well in the marshy area. • Specialized PSTM processing of 160 square km 3D seismic data was completed, whereas PSDM processing is in progress. • Interpretation and mapping of PSTM processed 3D seismic data is in progress.
Naushahro Firoz	• Evaluation of remaining block prospectivity is underway.
Malir	• Structural modelling study to de-risk Malir up-dip Prospect and its integration with available G&G data was completed. • Relinquishment notice has been submitted to DGPC since there was no economically viable prospect present in the block.
Shah Bandar	• Acquisition of 130 square km 3D seismic data was completed. • PSTM processing of acquired 3D seismic data was completed while PSDM processing is in progress. • Interpretation & mapping of PSTM processed 3D seismic data is in progress. • Evaluation of remaining block prospectivity is underway.
Jungshahi	• NOC from Ministry of Defence for the northern part of the block is awaited. • In-house reprocessing, interpretation and mapping of 150 line km 2D seismic data was completed. • Evaluation of remaining block prospectivity is underway.
Khipro East	• Exploration well Khipro East X-1 was spud-in and drilling is in progress. • Evaluation of remaining block prospectivity is underway.

PPL Operated Frontier Blocks

Exploration activities in these blocks are summarized below:

Barkhan	• Reprocessing of 313 line km 2D seismic data was completed. • Interpretation and mapping of reprocessed 2D seismic data was completed. • Structural modeling study was completed and evaluation of remaining block prospectivity is underway.
Bela West	• Post well evaluation of Bela West X-1 was completed. • Evaluation of remaining block prospectivity is underway.
Hab	• As part of post well evaluation of Hab X-1, reservoir sedimentology, geochemistry & biostratigraphy studies were completed. • Evaluation of remaining block prospectivity is underway.
Kalat	• Exploration well Pandrani X-1 was spud-in and drilling is in progress. • PSDM processing, interpretation and mapping of 312 line km 2D seismic data was completed. • Planning for drilling of exploration well Murad X-1 is in progress.
Kharan & Kharan East	• Contract for acquisition of 750 square km 3D and 200 line km 2D seismic data has been awarded. Security arrangements for survey are being finalized • Contract for gravity & magnetic survey awarded. Data will be acquired after completion of survey in Nausherwani Block. • G&G evaluation of deeper prospectivity is in progress.
Kharan West	• Notice of relinquishment for Kharan West Block was submitted to DGPC on July 12, 2020.
Khuzdar	• Acquisition of 100 line km 2D seismic data is planned to mature remaining leads into drillable prospects. The planned seismic survey is subject to security clearance of the area.
Margand	• Post well geological studies, sedimentological, isotope and geochemical analysis of Morgandh X-1 well were completed. • Preparations are underway to acquire 2D seismic data over Iskalku Lead. • G&G evaluation is in progress.
Musakhel	• Reprocessing, interpretation and mapping of 198 line km vintage 2D seismic were completed. • Acquisition of 3,244 line km gravity & magnetic data was completed. • Geological field work was completed and data integration is in progress. • Processing of Gravity and Magnetic data is in progress.
Nausherwani	• Contract for acquisition of 50 line km 2D seismic data was awarded. Arrangements are being finalized to commence the survey. • After the completion of gravity & magnetic survey in South Kharan block, the same crew is being mobilized for data acquisition in this block. • G&G evaluation for deeper prospectivity is in progress.
South Kharan	• Structural modeling study and revised interpretation & mapping was completed. • Gravity and magnetic data acquisition of 5,000 line km was completed. • Contract award for processing of gravity and magnetic data is in progress. • G&G evaluation is in progress.

PPL Operated North Blocks

Exploration activities in respect of these blocks are summarized below:

Dhok sultan	• Proof of Concept (POC) for 3D Seismic Fracture Reservoir Characterization Study was completed. The study tested over a small area (50 square km) to identify the presence / absence of natural fractures and reservoir potential. • 2D seismic data reprocessing of 378 line km and processing of 175 square km 3D seismic data were completed. • Interpretation and mapping of reprocessed / processed seismic data were completed. • Structural modelling study on 3D seismic data over Musal Prospect is in progress. • Dhok Sultan Appraisal well was declared dry during the year
Sadiqabad	• Evaluation of remaining block prospectivity was completed. • Relinquishment notice has been submitted to DGPC due to non-availability of commercial prospect.
Karsal	• Interpretation of reprocessed 155 line km 2D and 253 square km 3D seismic data is in progress. • Fracture characterization study was completed. • Evaluation of remaining block prospectivity is underway.
Hisal	• Core integration study was completed. • 3D seismic design study is in progress. • Preparations are underway to invite bids for 3D seismic data acquisition over Misrial Prospect. • G&G evaluation is in progress.
Punjab	• Reprocessing of 1,300 line km vintage 2D data is in progress. • Contract was awarded for gravity and magnetic survey. Preparation for crew mobilization is in progress. • G&G evaluation is in progress.

Partner Operated Blocks

Exploration activities in respect of these blocks are summarized below:

Tal Operator: MOL	• Exploration well Mamikhel South-1 was successfully completed as condensate & gas discovery.
Qadirpur Operator: OGDCL	• Exploration well Qadirpur Deep-1A was drilled down to target depth. However, due to discouraging results the well was plugged & abandoned.
Latif Operator: UEP Beta	• Exploration well Jugan-1 was completed as a gas discovery subsequent to year-end.

Ghauri Operator: MPCL	• Exploration well Miraj-1 ST-3 was drilled down to target depth. However, due to discouraging results, the well was plugged & abandoned.
Pezu Operator: OGDCL	• PSDM processing of 2D lines over Ramak Prospect is in progress. • G&G evaluation is in progress.
Shakar Ganj West Operator: OGDCL	• Interpretation of 850 line km data is in progress. • G&G evaluation is in progress.
Suleiman Operator: OGDCL	• Block was awarded through competitive bidding in April 2021. • G&G evaluation is in progress.
Digri Operator: UEPL	• Reprocessing (PSDM) and interpretation & mapping of 125 square km seismic data completed. • Drilling of Saindad-1, 5th exploration well, was completed. Due to discouraging results, the well was abandoned. • Post well analysis and evaluation of remaining block prospectivity is in progress.
Jherruck Operator: NHEPL	• Way-forward is being decided.
Kotri North Operator: UEPL	• Khanot-1, 4th exploration well in the block, was drilled down to target depth and its testing is in progress.
Offshore Indus-C & N Operator: ENI	• Notice to relinquish Block-N has been submitted to DGPC. • Based on the evaluation of prospectivity of Offshore Indus C Block, PPL is acquiring the operatorship along with participating interest from Eni.
Baska Operator: ZHENHUA	• Regulatory approvals for the transfer of operatorship from ZhenHua to PPL along with additional working interest is being sought to re-commence exploration activity in the block.
Kuhan Operator: UEPL	• Reprocessing of 2D seismic data was completed. • Interpretation, mapping and prospect maturation are in progress. • G&G data evaluation is in progress.
Khuzdar North Operator: OGDCL	• Acquisition of 472 line km 2D seismic data was completed, out of which 240 line km were acquired during the year. • Processing, interpretation and mapping of the acquired data are in progress. • Geological field work was completed.

PPL's SUBSIDIARIES

PPL ASIA E&P B.V.

Block-8, Iraq	• Post well studies, including geochemical and core analysis were completed. • Post Madain-1 well, prospectivity evaluation of the block is in progress.

PPL EUROPE E&P LIMITED

Block 3 – Yemen Operator: Total	• The block is under force majeure since April 2015 due to civil unrest.
Ziarat Operator: MPCL	• Oil production from discovery well Bolan East-1 was commenced, through EWT, in November 2020.
Harnai Operator: MPCL	• G&G evaluation of deeper potential in progress. • Geological field work was completed and collected rock samples are being analyzed in the lab.

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. A number of activities were carried out during the year, which are summarized below:

International Activities

Offshore Block 5 Abu Dhabi	• A PPL led Consortium comprising of PPL, MPCL, OGDCL and GHPL submitted a bid for Offshore Block 5 in Abu Dhabi Bid Round 2019. • The block has been awarded to the Consortium in August 2021. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of Abu Dhabi city. • A new company by the name of Pakistan International Oil Limited (PIOL), with equal shareholding of 25% by each of the Consortium members has been formed in Abu Dhabi Global Market (ADGM), UAE. PPL is the management shareholder of PIOL. The details have also been disclosed in note 45 to the unconsolidated financial statements. • PIOL has entered into the concession agreement with Abu Dhabi National Oil Company (ADNOC). As part of the arrangement, each of the Consortium companies have also given, joint and several, parent company guarantees to ADNOC and Supreme Council for Financial and Economic Affairs, (SCFEA) of Abu Dhabi, UAE, to guarantee the obligations of PIOL under the concession documents.

Domestic Activities

Suleiman (New Block Award)	• Block has been awarded to PPL with 50% working interest. OGDCL will be the operator with equal interest.
Punjab (Farm-out)	• DGPC approved Deeds of Assignment (DoAs) for farm-out of Working Interest in Punjab block (50% to OGDCL & 2.5% to GHPL) on February 1, 2021.
Shakar Ganj West (Farm-in)	• DGPC approved DoA for farm-in of 50% Working Interest in OGDCL's Shakar Ganj West block on January 29, 2021.
Musakhel (Farm-out)	• DGPC approved DoAs for farm-out of Working Interest in Musakhel block (12.5% to POGC and 1.3% to GHPL) on May 3, 2021.

Unconventional Exploration / Diversification Activities

Tight Gas Development (Unconventional)	• 3 tight gas discoveries i.e., Naushahro Firoz, Hadi and Hab are planned to be appraised. • Inversion study is in progress to decide appraisal of Hadi X-1A Tight Gas.
Shale Gas Exploitation (Unconventional)	• PPL will revisit its shale gas options after review of OGDCL's shale gas well results.
Diversification (Mineral Exploration)	• EOIs submitted to Government of Balochistan (GoB) for development of mineral projects. • New opportunities for mineral exploration are being assessed for further evaluation and potential acquisition.

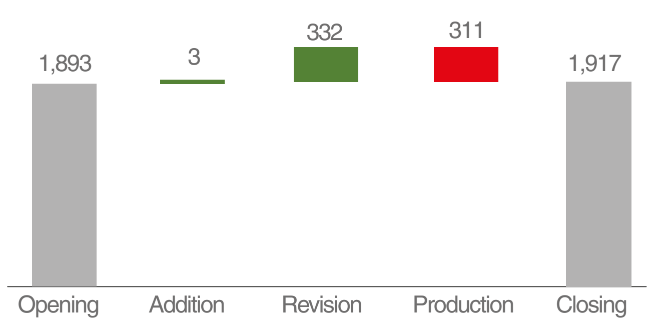
Technical Services – Reservoir Modelling

In-house 3D reservoir simulation studies were completed for Kandhkot and Adhi fields, while a similar study is in progress for Adam (Hala) and Shahdadpur (Gambat South) fields. These reservoir studies will provide better understanding of the reservoir performance, identify production optimization and reserves enhancement opportunities. The in-house resource utilization has also resulted in considerable cost savings.

Reserves Management

Based on hydrocarbon reserves revisions, additions and production for the year, the Company's Reserves Replacement Ratio (RRR) stands at a healthy ~108 percent, indicating that more than the entire year's production has been replenished through reserves addition and revisions. The addition resulted from the discovery in partner-operated exploration well Mamikhel South-1 (Tal). Furthermore, the revisions in reserves have primarily come from Sui after the initiation of the compression modification project with additional revisions coming from Mela (Nashpa) and Maramzai (Tal) fields. The Company will continue its extensive Exploration and Development activities to achieve its Reserves Replacement targets. The Company follows the "Petroleum Resources Management System (PRMS)" guidelines for reserves estimations issued by Society of Petroleum Engineers (SPE).

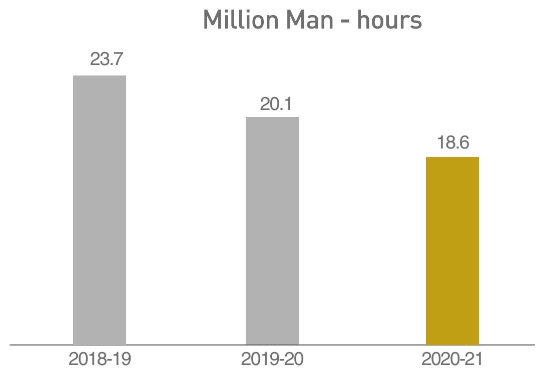
Movement in PPL Net Proved (1P) Reserves during 2020-21 (Bcf equivalent)

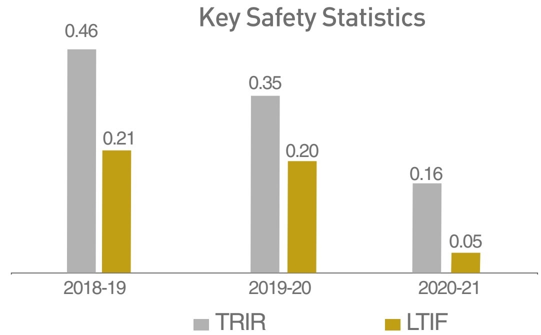


Quality, Health, Safety and Environment (QHSE)

QHSE is a leading core value and is integral to PPL's business planning, strategic decision making and target setting process. Effective management of various QHSE activities with engagement of staff at all levels is ensured for fostering safety culture across the organization. Special focus was also given to safe operations during the COVID-19 pandemic and to ensure that maximum staff is vaccinated in the shortest possible time, in line with the Government's strategy to accelerate vaccinations. On this front, the Company arranged in-house vaccination camps to facilitate employees and their household members.

Key Performance Indicators and Incidents
The following graphs show the trend in Million Man-hours, Lost Time Injury Frequency (LTIF) and Total Recordable Injury Rate (TRIR). The trend indicates improving values in LTIF and TRIR.





All near-miss high potential incidents were investigated, and remedial measures were taken to prevent recurrence. In a single LTI incident that occurred in the reporting period, a helper fell on the ground and was provided medical treatment to recover from the wrist fracture.

The impact of the Company's business on environment is regulated by the national environmental standards which are strictly complied by the Company. Furthermore, extensive efforts were made by the Company's management in Health and Safety domains for both its employees, contractors and other stakeholders.

During the year, PPL achieved 14 Million Safe Man-hours. Initiatives were taken in all focus areas of QHSE. Further details of QHSE activities are mentioned in the 'QHSE' section of this Annual Report.

Financial Overview

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

	2020-21 Rs. Million	2019-20 Rs. Million
Profit before Taxation	68,581.618	70,484.754
Taxation	(16,150.218)	(20,228.484)
Profit after Taxation	52,431.400	50,256.270
Unappropriated profit as at July 1, 2020 / 2019	257,007.666	215,553.699
Dividend Equalisation Reserve as at July 1, 2020 / 2019	2,535.354	2,535.354
	311,974.420	268,345.323
Appropriations during the year		
Final dividend for the year 2019-20 on ordinary and preference shares @ 10% (2018-19: 20%)	(2,720.984)	(4,534.975)
Issuance of nil bonus shares to ordinary shareholders (2018-19: 20%) and nil to preference shareholders (2018-19: 10%)	-	(4,534.964)
Interim dividend for the year 2020-21 on ordinary and preference shares @15% (2019-20: Nil)	(4,081.475)	-
Other Comprehensive Income	300.864	267.636
Balance as at June 30, 2021/2020	305,472.825	259,543.020
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 17, 2021, proposed the following:		
Final dividend on ordinary shares @ 20% (2019-20: 10%)	5,441.946	2,720.972
Final dividend on preference shares @ 15% (2019-20: 10%)	0.016	0.012
	5,441.962	2,720.984

Sales Revenue

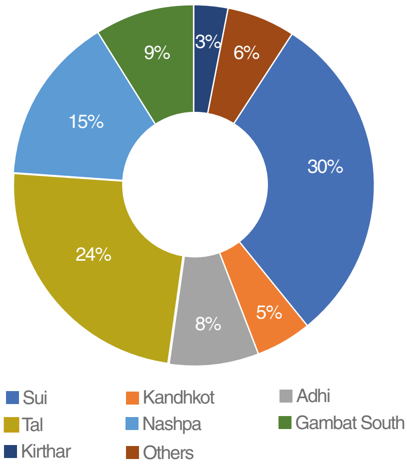
Sales revenue decreased by Rs 9,164 million during the current year as compared to the corresponding year. The decline is attributable to negative variance on account of price (net of change in exchange rate) amounting to Rs 9,046 million, coupled with negative volume variance of Rs 118 million.

Negative price variance is due to lower notified gas prices (average of imported basket of crude oil in Pakistan) as compared to previous year, partially offset by depreciation in Pak rupee against US dollar (average exchange rate for the current year was PKR 160.47 / US$ as compared to PKR 158.45 / US$ during the corresponding year). Although the year-on-year crude oil price improved, the notified gas prices witnessed a decline due to a six months' lag in the gas pricing formulae.

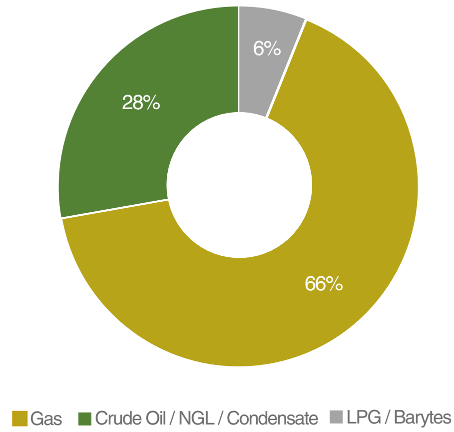
Further, negative volume variance is mainly attributable to Kandhkot (lower offtakes by the customer), Sui, Tal, Qadirpur, Sawan, Miano and Kotri North fields, partially offset by higher production from Gambat South, Nashpa, Kirthar, Hala and Adhi fields.

The field-wise and product-wise Company's sales revenue are analysed below:

Field-wise Sales Revenue (2020-21)



Product-wise Sales Revenue (2020-21)



Sales Volumes	Unit	Year ended June 30, 2021	Year ended June 30, 2020
Natural Gas	MMscf	237,187	246,619
Crude Oil / NGL / Condensate	BBL	5,141,394	5,060,867
LPG	Metric Tonnes	115,601	107,421
Barytes *	Metric Tonnes	64,057	77,738

* Total gross sales volume of baryte powder, baryte ore and iron ore, made by BME aggregated to 132,495 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 64,057 metric tonnes.

Profitability

Earnings per share (EPS) of the Company for the year stood at Rs 19.27 against Rs 18.47 for 2019-20, registering an increase of over 4%. The core reasons for higher profitability are decline in exploration expenses, operating expenses, other charges, taxation and reversal of provision for doubtful debts, partially mitigated by reduction in sales revenue (as explained above) and other income.

Reduction in exploration expenses is due to lower cost of dry wells charged to profit or loss during the current year, whereas other charges declined mainly due to lower impairment loss posted during the year. Decrease in operating expenses is on account of reduced amortisation (due to upward revision in reserves and drop in production in particular fields), while decline in other income is mainly attributable to recognition of benefit as a result of Kotri North farm-out agreement and exchange gain in the corresponding year. Conversely, exchange loss was recorded in the current year, which is included in other charges.

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 2020-21 in terms of energy was equivalent to over 130,000 barrels of crude oil per day, resulting in annual foreign exchange savings of over US$ 2.5 billion, assuming an average crude oil price of US$ 53.60 / bbl.

The Company contributed around Rs 73 billion to the national exchequer on account of income tax, royalties, excise duty, sales tax, windfall levy, petroleum levy, GDS, GIDC, WPPF, and dividends.

Group's Financial Performance

Financial statements of the group reflected an increase in consolidated profitability by 5.8%. Group sales revenue was recorded at Rs 149,279 million while profit-after-tax stands at Rs 52,283 million in 2020-21, compared to Rs 157,999 million and Rs 49,425 million, respectively, in 2019-20. During the year, PPLE contributed around Rs 850 million to the Group's revenue.

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

Restatement in Financial Statements

During the year, the Company has restated its financial statements on account of (i) classification of long-term investments and (ii) accounting guidance issued by ICAP relating to accounting of GIDC, as more fully explained in notes 2.6 and 3.6 to the unconsolidated and consolidated financial statements, respectively. Such retrospective changes have no bearing on the current and prior years' reported net sales, profit and equity.

PPL values its employees as its greatest asset and considerably invests in their wellbeing and development. We are blessed with a highly skillful and passionate team of professionals who have the potential to drive the Company even in challenging times. The Company ensures an enabling, engaging and equitable environment to encourage creativity and potential as well as nurture new talent for sustaining long-term progress and growth. Our people have remained at the forefront of the E&P industry with their technical acumen, keeping pace with cutting-edge technology, in-depth analysis and persistence to forge growth prospects.

وہی ہے صاحبِ امروز جس نے اپنی ہمت سے
زمانے کے سمندر سے نکالا گوہرِ فردا

علامہ اقبالؒ


MANAZIR HASSAN
PPL

our people

Human Resources

The Company continues to attract talent and retain high calibre staff by keeping them engaged through strengthening of performance management, employee development, succession planning, improvement of organizational culture and employee health & wellbeing. Although the current year had been challenging especially due to COVID-19, a number of initiatives were taken by the management to meet the above-stated objectives.

Additionally, during the year, PPL has been recognized with the 'Employer of the Year Award 2020 (Silver)' in Large National Companies category, organized by Employers' Federation of Pakistan, Pakistan's largest forum for employers.

Employee Engagement

Engagement survey is conducted through an independent external consultant to provide opportunity to staff to give their feedback and management to understand needs of its internal customers. The result of the latest survey conducted in 2020 revealed that Employee Engagement Index (EEI) of PPL staff has increased by 11% as compared to 2018 EEI.

Succession Planning and Organizational Structure

A robust Succession Plan is in place and is being regularly updated enabling identification and development of successors from within the Company. Furthermore, the organizational structure is continuously reviewed to bring-in efficiencies.

Support in further professional education and relevant certifications

Eligible staff have started enhancing their professional qualification through the Continuous Professional Development program introduced last year to support and fund job-related qualifications and certifications for staff's personal development, which will also mutually benefit the Company.

Focus on in-house and online trainings

A number of staff have been participating as 'in-house trainers' in the areas of soft and technical skills under the policy approved last year for encouraging staff to come forward and share their learnings with other staff. This is expected to promote a healthy learning environment and cost reduction in overall training investments.

To continue learning and development during the COVID 19 pandemic, online mode of training methodology was adopted. It has emerged as an effective alternate in the absence of physical learning opportunities.

Meeting organizational learning needs

To strengthen leadership pipeline, a leadership development framework was developed to embrace oil and gas industry knowledge, financial acumen, coaching and situational leadership. A number of sessions were conducted during the year for senior staff of the Company.

One-on-one Coaching

With a view to develop leadership pipeline for future positions, one-on-one coaching has been initiated for senior management by certified coaches having experience of corporate & business coaching. Purpose of this coaching is to unlock the potential of staff to maximize their performance through dialogue by helping them in their goals / vision management.

Industrial Relations

Harmonious working environment and cordial Industrial Relations' atmosphere prevailed at all locations of the Company including Sui Gas Field. This was achieved through close liaison with the management and Union representatives. The successful completion of CBA union agreement on Charter of Demands also contributed to employees' engagement, along with a number of other initiatives related to automation of processes for Non-MPT staff.

Furthermore, an additional branch of a bank was established in Sui field to facilitate the employees. It also helped in reducing the volume of cash transactions being handled at Sui field.

Corporate Social Responsibility

The Company feels honoured to serve its neighbouring communities mostly living in the under-privileged areas as it is embedded in PPL's mission to serve the country. The Company's Corporate Social Responsibility (CSR) programme originated in mid-1950s when Sui Model School was first established for children of workers and local communities at Sui.

PPL's CSR program is one of the largest in the country and it covers all major aspects of society's development with particular focus on education, health, energy, skill development, infrastructure and other basic necessities for socio-economic upliftment. PPL makes mandatory as well as voluntary contributions in the social development of its operational areas and society at large. To promote ownership and sustainability, the Company's CSR activities are based on the principles of forging partnerships and participatory development, taking all relevant stakeholders onboard. PPL regularly monitors project activities to ensure quality and timely results.

The Company dedicates a minimum budget of 1.5 percent of annual pre-tax profit for its CSR activities. PPL has always, historically, contributed more than this target illustrating our resolve to contribute more for betterment of communities near its operations. During FY 2020-21, the Company contributed a record amount of Rs 2.105 Billion.

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

Information Technology

Information Technology powers the organization's drive for agility and productivity by leveraging the investments made over the years and empowering staff with some of the best tools and providing resilient infrastructure to add business value.

SAP S/4HANA Upgrade

The Company upgraded its SAP ERP system to the latest SAP S/4HANA platform by utilizing maximum in-house resources. This will enable PPL to use the advancements made by SAP in the 'User experience (UX)' space by introducing web-based apps for mobility and anytime / anywhere access.

Security Operations Center (SOC)

Improving on the information security, PPL has established its own in-house SOC for proactive monitoring of cyberthreats, information security breaches and has deployed automated intelligence applications to prevent, mitigate and avert the threats. The systems and practices will be progressively strengthened to improve the overall security of the organization.

Data Center Certification

This year also marks the achievement of TIER 3 certification for PPL's main data center at head office to mitigate possible risk exposures and comply with management guidelines for safe and sustainable operations.

Remote Working

To minimize business disruption and continue operations in business-as-usual mode, PPL made several enhancements to its technology platform for providing seamless services for users during the 'Work from home' period in the COVID-19 scenario. Remote Desktop Gateway technology adoption is one for emulating the familiar desktop environment for technical users to continue to utilize specialized software and leverage high specs computing power while working from home.

Automation and Business Intelligence Tools

Keeping in view the digitization trend, the Company has implemented several tools for keeping up with technology in automation of its processes. These tools include SAP, Microsoft SharePoint, Robotic Process Automation & Power Automate. This has resulted in significant savings of man-hours while expediting the workflows with better tracking. In addition, platform of Power BI has also been used for dashboarding & continuous monitoring. This has facilitated in improved monitoring of the Company's performance and operations.

Centralization and Outsourcing

Technologies enabling remote access have also provided an opportunity to centralise Finance function at the head office. Resultantly, head office based staff will be supporting operated fields remotely in respect of Finance role, allowing efficient processing. Furthermore, the Company has also started outsourcing its non-core book-keeping activities on a test basis, which not only saved cost but also improved standardization and controls.

Business Continuity Management System (BCMS)

To ensure business continuity, preparation for an emergency scenario and its contingencies is essential. In the current situation, it is vital to react swiftly to mitigate impacts and other risks and prepare for further uncertainties related to the COVID-19 pandemic and its possible scenarios. Business continuity management covers infrastructure, cyber, employee, business, operational and communication risks, with the aim to manage organizational exposure to new challenges and risks.

To keep BCMS up to date and incorporate learnings during pandemic, the BCM team embarked on conducting Business Impact Analysis (BIA), which is the building block of Business Continuity Management. Complete end-to-end activity was planned and executed by in-house resources and as of June 30, 2021, BIA of head office locations has been completed. In the next phase, BIA of all operated field locations is planned.

Corporate Governance

Functioning of the Board

The Board gives prime importance to carry out its duties in accordance with the best international and local corporate governance practices. The directors provide necessary oversight on the Company's conduct and operations through Board and its Committee meetings. The Board is committed to nurturing a healthy corporate culture, ethical business practices, transparent and reliable financial reporting, opening communication channels with stakeholders and doing business in accordance with the law.

The Board aligns the organization with its vision and mission, and sets strategic goals of the Company. In addition to policy making, the Board approves business plans, oversees performance and guides the management to achieve the organization's objectives.

The Board has established six Board Committees to support it in performing its functions effectively and for assistance in the decision-making process. The Board Committees function according to their respective Terms of Reference. A detailed delegation of authority document is in place bifurcating the decision-making powers, in various areas of operations, between the Board and the management.

Composition of the Board

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

Diversity on the Board

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

Election of the Board of Directors

An Extraordinary General Meeting (EOGM) of the shareholders was held on December 23, 2020, wherein election of the Board of Directors was held, and a new Board was elected by the shareholders.

Casual Vacancy on the Board

Three casual vacancies were on the Board at year end owing to the resignations of Mr. Abdul Saboor Kakar, Mr. Iftikhar Amjad and Mr. Sajid Mehmood Qazi but could not be filled in time due to non-receipt of nominations from the majority shareholder. Subsequent to the year end, two vacancies were filled.

Profiles of Directors

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

Roles of the Chairman and the Chief Executive Officer

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

The Chief Executive Officer is responsible for the management of the affairs of the Company under the direction and oversight of the Board. The CEO implements strategies and policies approved by the Board and makes appropriate arrangements to ensure that Company's 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. Twelve meetings of the Board of Directors and twenty-four 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 requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the evaluation of the performance of the Board and its members was also undertaken and completed by the Chairman.
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 elected and appointed directors during the year were given briefing on the business, operations and environment of the Company as well as the duties of directors. The Memorandum and Articles of Association of the Company and the Quarterly and Annual Reports of the Company were included in the welcome packs for the directors.

Directors' Training Programme

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

Remuneration

The Company does not pay any remuneration to non-executive directors other than directors' fees for attending meetings of the Board and Board Committees. The remuneration of CEO has been disclosed in note 40 to the unconsolidated financial statements.

Additional Directorships held by 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 a partially owned company, Pakistan International Oil Limited.

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 its 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 note 42 to the Company's unconsolidated financial statements for the year ended June 30, 2021.

Board Meetings held outside Pakistan

No meeting of the Board was held outside Pakistan during the year.

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 the director 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.

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
- 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

Shareholders' Grievance

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

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 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 are recorded in the minutes of the meeting. The minutes were submitted to the Pakistan Stock Exchange and copies will be 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 at the Annual and Extraordinary General Meetings of the Company and give their valuable suggestions and feedback. The Company makes the following arrangements:

- Dispatch of notice of the AGM / EGM to all shareholders at least 21 clear days prior to the meeting, together with the Annual Report.

- Publication of the notice of AGM / EGM in an English and Urdu language newspaper having wide circulation in Karachi, Lahore and Islamabad.

- Circulation of the notice of AGM / EGM on the online portal of the Pakistan Stock Exchange as well as on Company's website.

- Dispatching printed copies of the Annual Report to those shareholders who have expressly requested them.

- Facilitation of the shareholders for appointing proxies.

- Facilitation to the representatives of the minority shareholders in proxy solicitation by publication of their given statement and proxy form in the newspapers, in the event of election of directors.

- Selection of centrally located venues for the AGM / EGM to facilitate greater participation at the meetings.

- Conducting online meetings considering the safety of the participants.

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

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

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

viii. Information about outstanding taxes, duties, levies and charges, is given in the Balance Sheet, read with note 24 of the notes to the Company's unconsolidated financial statements for the year ended June 30, 2021.

ix. Significant plans and decisions in respect of corporate restructuring, business expansion and discontinuation of operations, where applicable, have been outlined in this Directors' Report. Future prospects are outlined in the 'Business Outlook' and 'Our Performance' sections of this Directors' Report. Risks and uncertainties have also been disclosed in the 'Key Risks' section of this Annual report.

x. 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.

xi. The Company's social objectives, actions and outcomes have been disclosed in the 'Corporate Social Responsibility' section of this Annual Report.

xii. The value of investments in employee retirement funds based on the latest audited accounts as at June 30, 2020 is:

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

xiii. 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 this Annual Report. The Board and Board Committees gave leave of absence to the members who were unable to attend any meeting.

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

xv. The pattern of shareholding in the Company as at June 30, 2021 as well as the details of transactions in the shares of the Company by directors, executives, their spouses and minor children during the year are included in the 'Pattern of Shareholding' section of this Annual Report.

Risk Management

PPL is amongst the top-tier enterprises in Pakistan in terms of market capitalization, primarily involved in the exploration, development and production of oil & gas resources both locally and internationally. Owing to its large investment portfolio, activities and multiple geographical regions, PPL is exposed to a constantly changing, wide spectrum of risks – including strategic, operational, financial and safety & security risks.

Risk management process in the Company focuses on identification, thorough assessment and effective mitigation of risks in the context of the Company's risk appetite and pre-set risk tolerance limits. The Company's business strategy is based on in-depth risk assessment and analysis for choosing the right and probable options for success. Risk profiling is carried out at the corporate and business unit levels, which is regularly reviewed and monitored by the management to optimize the risk taking.

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 recognized risk management practices through the Board Enterprise Risk Committee (BERC). The Committee oversees identification and monitoring of the principal risks faced by the Company and ensures that appropriate controls are in place to mitigate these risks.

Executive Risk Management Committee (ERMC)

At management level, risk management is governed through an Executive Risk Management Committee (ERMC), chaired by the CEO with representation from core and support functions, which facilitates uniform implementation of risk management policies and supports the drive towards fostering a risk intelligent culture across the Company.

Enterprise Risk Management (ERM) function

Risk management activities are centrally coordinated at the Company level by the Enterprise Risk Management function. A corporate risk register is developed and updated with input from all stakeholders, identifying all key enterprise-level risks from the Company's risk universe, which are then assessed at both the inherent and residual level to determine the strength of existing controls and mitigation measures. Possible mitigation strategies are devised and implemented to reduce the Company's risk exposure to be within Board-approved risk appetite level.

ERM Framework and Policy

A detailed ERM Framework and Policy exists in the Company, which clearly defines the risk management process, and the roles and responsibilities of various stakeholders in relation to risk management in their respective domains of activities. This promotes risk intelligent culture, embeds risk mitigation as collective responsibility and fosters risk-informed decision-making across the Company.

Risk Appetite Statement

Risk Appetite Statement for PPL and its subsidiaries defines the amount of risk, which the Company is willing to accept in pursuit of value creation. The Risk Appetite Statement is periodically tested to monitor the risk breach events to adjust the strategy. The Risk Appetite related to Environment and Liquidity were revised to bring in more clarity and risk quantification. In addition, given the pandemic of COVID-19 has the potential of affecting staff health and business operations on a large scale, a new 'Biosecurity' Risk Appetite was included.

Environment, 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 includes the view of ESG risks based on COSO guidelines.

Details of key risks faced by PPL are presented in the 'Key Risks' section of this Annual Report.

Business Outlook

The Company aims to further expand its exploration activity in the coming year. The plan includes acquiring seismic data to mature potential prospects for drilling of additional exploration wells. It is evident that the traditional oil and gas corridor has now reached a near saturation stage and the Company has to continue to drill in high-risk frontier regions to find bigger oil and gas discoveries.

The Company will continue to seek farm-in/farm-out activities to manage its exploration risk as well as expansion in the domestic and international market through partnerships and participation in bidding rounds. The exploration and appraisal program in the newly acquired Offshore Block 5 in Abu Dhabi is also set to commence.

Development activities are also ongoing at fields including compression projects at Sui and Gambat South fields and an oil handling facility coupled with gas pipeline at Dhok Sultan field. Production from Kandhkot field is expected to remain lower than capacity due to low offtakes by GENCO-II and discussions are ongoing with the regulator for re-allocation of the unutilized gas.

In addition, the Company is evaluating diversification avenues in the energy value chain including refinery, LNG infrastructure and renewable energy projects that can support its core business by providing steady revenue stream, optimizing overall risk profile and generate value for the stakeholders. The Company is also actively working on baryte, lead, zinc mining project and exploring other mineral opportunities in Balochistan. The rich metallogenic belt in Balochistan presents a strong diversification pillar for future growth and has the potential to significantly contribute to the Company's revenues in the long term.

Lastly, as a socially responsible citizen, the Company will always place a high priority on the environment and contribute towards the socio-economic upliftment of the society.

Post Balance Sheet Events

Directors

Subsequent to the year end, Mr. Saleh Muhammad Baloch, Secretary, Energy Department, Government of Balochistan and Mr. Syed Zakria Ali Shah, Joint Secretary, Ministry of Energy (Petroleum Division) were appointed as directors on PPL's Board to fill two of the casual vacancies occurring at the year-end.

Dividend

Subsequent to year-end, the Board of Directors in its meeting held on September 17, 2021 has recommended cash dividend @ 20% amounting to Rs 5,441.946 million (2020: @ 10% amounting to Rs 2,720.972 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.016 million (2020: @ 10% amounting to Rs 0.012 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, 2021.

Discovery

A gas discovery was made in the Jugan-1 well drilled in partner-operated Latif block.

Block award

Subsequent to year end, the PPL led Consortium of four companies was awarded Offshore Block 5 in Abu Dhabi, UAE. Prior to the award, an EOGM of the Company was held on July 19, 2021 in which shareholders accorded the necessary approvals.

Auditors

The Company's auditors KPMG Taseer Hadi & Co., who retire at the forthcoming Annual General Meeting, are eligible for reappointment for the year 2021-22 and have been recommended by the Board of Directors for reappointment.

CHAIRMAN
BOARD OF DIRECTORS

Karachi: September 17, 2021

Moin Raza Khan

CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

جانب سے کم استعمال کے سبب کندھ کوٹ فیلڈ سے پیداوار گنجائش سے کم رہنے کی توقع ہے اور غیر استعمال شدہ گیس کی دوبارہ تقسیم کے لیے ریگولیٹر سے بات چیت جاری ہے۔

اس کے علاوہ، کمپنی توانائی ویلیو چین میں تنوّع کے طریقہء کار کا جائزہ لے رہی ہے جن میں ریفائنری، ایل این جی انفرا اسٹرکچر اور قابلِ تجدید توانائی کے منصوبے شامل ہیں۔ مستحکم آمدنی، مجموعی رسک پروفائل کو بہتر بنانے اور شراکت داروں کے لیے قدر پیدا کرنے کی فراہمی سے کمپنی اپنے بنیادی کاروبار کو سہارا دے سکتی ہے۔ کمپنی بیرائٹ، سیسہ، زِنک، کان کنی کے منصوبے اور بلوچستان میں معدنیات کے دیگر مواقع تلاش کرنے کے لیے بھی فعال طور پر کام کر رہی ہے۔ بلوچستان میں معدنیات سے بھرپور خطہ مستقبل کی ترقی کے لیے مستحکم تنوّع کا ستون ہے اور اس بات کا امکان ہے کہ معدنیات سے بھرا ہوا یہ خطہ طویل عرصے میں کمپنی کی آمدنی میں نمایاں شراکت کرے۔ آخر میں، ایک سماجی ذمہ دار شہری کی حیثیت سے، کمپنی ماحول کو ہمیشہ اوّلین ترجیح دے گی اور معاشرے کی سماجی و اقتصادی ترقی میں اپنا حصہ ڈالتی رہے گی۔

بعد از بیلنس شیٹ واقعات

ڈائریکٹرز کی تبدیلی

سال کے اختتام کے بعد، جناب صالح محمد بلوچ، سیکریٹری توانائی، حکومتِ بلوچستان اور سید ذکریا علی شاہ، جوائنٹ سیکریٹری، وزارتِ توانائی (پٹرولیم ڈویژن) کو پی پی ایل کے بورڈ میں بطور ڈائریکٹر مقرر کیا گیا تاکہ سال کے دوران بورڈ میں پیدا ہونے والی عارضی اسامیوں کو پُر کیا جا سکے۔

منافع

سال کے اختتام کے بعد، بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 17 ستمبر 2021 میں ادا شدہ عمومی شیئر پر 20% فیصد 5,441.964 ملین روپے (2020 میں 10% کی شرح سے 2,720.972 ملین روپے) اور ادا شدہ تبدیل پذیر ترجیحی شیئرز پر 15% فیصد 0.016 ملین روپے (2020 میں 10% کی شرح سے 0.012 ملین روپے) کی ادائیگی کی سفارش کی ہے۔ یہ تجاویز 25 اکتوبر 2021 کو منعقد ہونے والے سالانہ اجلاسِ عام میں حصص یافتگان کی منظوری کے لئے پیش کی جائیں گی۔

دریافت

جوگن-1 کنوئیں سے گیس کی دریافت ہوئی جس کی کھدائی پارٹنر آپریٹڈ لطیف بلاک میں کی گئی۔

بلاک کا اجراء

سال کے اختتام کے بعد، پی پی ایل کی سربراہی میں چار کمپنیوں کے کنسورشیم کو ابوظہبی، متحدہ عرب امارات میں آف شور بلاک 5 دیا گیا۔ ایوارڈ کے اجراء سے پہلے کمپنی کا ایک غیر معمولی اجلاسِ عام 19 جولائی 2021 کو منعقد ہوا جس میں حصص یافتگان نے ضروری منظوری دی۔

آڈیٹرز

کمپنی کے آڈیٹرز کے پی ایم جی (KPMG) تاثیر ہادی اینڈ کمپنی جو آئندہ سالانہ اجلاسِ عام میں سبکدوش ہو جائیں گے، سال 22-2021 کے لیے دوبارہ تقرری کے اہل ہیں اور بورڈ نے دوبارہ تقرری کے لیے ان کی سفارش کی ہے۔

چیف ایگزیکٹو آفیسر / مینجنگ ڈائریکٹر

چیئرمین

کراچی :- 17 September, 2021

ایگزیکٹو رسک مینجمنٹ کمیٹی (ERMC)

انتظامی سطح پر، رسک مینجمنٹ ایک ایگزیکٹو رسک مینجمنٹ کمیٹی (ERMC) کے ذریعے چلائی جاتی ہے، جس کی سربراہی سی ای او کرتا ہے اور جس میں کور اور سپورٹ عہدے داروں کی نمائندگی ہوتی ہے۔ یہ کمیٹی رسک مینجمنٹ پالیسیوں کے یکساں نفاذ میں سہولت کاری کرتی ہے اور خطرات سے نمٹنے کے عاقلانہ کلچر کے فروغ کی مہم میں مددگار ثابت ہوتی 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۔ ایک کارپوریٹ رِسک رجسٹر تیار کیا جاتا ہے اور تمام اسٹیک ہولڈرز کے ان پٹ کے ساتھ اپ۔ڈیٹ کیا جاتا ہے۔ جس میں کمپنی کے رِسک یونیورس میں موجود تمام اہم انٹرپرائز لیول جو کمپنی کے کاروبار کے لحاظ سے ہیں ان خطرات کی نشان دہی کی جاتی ہے۔ جس کے بعد، موجودہ کنٹرولز اور تخفیفی اقدامات کی قوت کا تعین کرنے کے لئے فطری اور باقی ماندہ دونوں سطح پر تجزیہ کیا جاتا ہے۔ ممکنہ تخفیف کی حکمتِ عملی تیار کی جاتی ہے اور اس پر عمل درآمد کیا جاتا ہے تاکہ کمپنی کے خطرات کو بورڈ سے منظور شدہ ممکنہ خطرات کی سطح کی حدود میں رہتے ہوئے کم کیا جاسکے۔

ای آر ایم (ERM) فریم ورک اور پالیسی

کمپنی میں ایک تفصیلی ای آر ایم (ERM) فریم ورک اور پالیسی موجود ہے جو خطرے کے انتظام کے عمل اور سرگرمیوں کے اپنے حلقہء اثر میں رسک مینجمنٹ کے حوالے سے مختلف شراکت داروں کے کرداروں اور ان کی ذمہ داریوں کو واضح طور پر بیان کرتی ہے۔ یہ کمپنی کے تمام شعبوں میں ایک پُر ذہانت رسک کلچر، خطرات میں تخفیف کو اجتماعی ذمہ داری کے طور پر سمجھتے ہوئے خطرے سے باخبر فیصلہ سازی کی روایت کو فروغ دیتی ہے۔

Risk Appetite Statement

پی پی ایل اور اس کے ماتحت اداروں کے لیے رسک اپی ٹائٹ یعنی خطرے کی مقدار کی وضاحت کرتا ہے جسے کمپنی، قدر کی تخلیق کے حصول میں قبول کرنے کو تیار ہے۔ رسک اپی ٹائٹ کو وقتاً فوقتاً جانچا جاتا ہے تاکہ حکمتِ عملی کو ایڈجسٹ کرنے کے لیے خطرے کی خلاف ورزی کے واقعات کی نگرانی کی جاسکے۔ ماحولیات اور لیکویڈیٹی سے متعلق رسک اپی ٹائٹ پر نظر ثانی کی گئی تاکہ مزید شفافیت اور خطرے کی مقدار کو سامنے لایا جا سکے۔ اس کے علاوہ COVID-19 کی وبائی بیماری کو دیکھتے ہوئے عملے کی صحت اور کاروباری امور کو بڑے پیمانے پر متاثر کرنے کے امکانات کے پیشِ نظر، ایک نیا "بائیوسیکورٹی رِسک اپی ٹائٹ" شامل کیا گیا۔

ماحولیات، سماجی اور گورننس (ای ایس جی) سے متعلقہ خطرات

بطور ایک ذمہ دار کارپوریٹ شہری، پی پی ایل ماحولیاتی، سماجی اور گورننس (ای ایس جی) کے خطرات کی نشان دہی، تشخیص، نگرانی اور تخفیف کرتا ہے جس سے صلاحیت کو مخصوص سطح پر برقرار رکھنے کے وسیع تناظر میں موجودات پر منفی اثر پڑسکتا ہے۔ کارپوریٹ رسک رجسٹر میں COSO ہدایات پر مبنی ای ایس جی خطرات کا جائزہ شامل ہے۔

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

کاروباری منظرنامہ

کمپنی کا مقصد آنے والے سال میں اپنی دریافتی سرگرمیوں میں مزید اضافہ کرنا ہے۔ اس منصوبے میں سائزمک کے اعداد وشمار کو حاصل کرنے کے لیے اضافی کنوؤں کی کھدائی کے ممکنہ امکانات شامل ہیں۔ واضح رہے کہ تیل اور گیس کی پیداوار کے روایتی مقامات/منبع اس نقطے پر پہنچ چکے ہیں جہاں سے زیادہ پیداوار کے امکانات معدوم ہوتے جارہے ہیں اور کمپنی کو تیل اور گیس کی بڑی دریافتوں کے لیے زیادہ خطرے والے سرحدی علاقوں میں کھدائی جاری رکھنا ہوگی۔

کمپنی اپنی دریافت کے خطرات سے نمٹنے کے ساتھ ساتھ ملکی اور غیر ملکی مارکیٹ میں شراکت داری اور بولی کے دوروں میں شرکت کے ذریعے فارم اِن/فارم آؤٹ سرگرمیاں جاری رکھے گی۔ ابوظہبی میں حاصل کیے گئے نئے آف شور بلاک 5 میں تلاش اور تشخیص پروگرام بھی شروع ہونے والا ہے۔

سوئی فیلڈ اور گمبٹ ساؤتھ میں کمپریشن منصوبے اور ڈھوک سلطان فیلڈ میں گیس پائپ لائن کے ساتھ آئل ہینڈلنگ کی سہولت سمیت فیلڈز میں ترقیاتی سرگرمیاں بھی جاری ہیں۔ جینکو کی

30 جون 2020 کو تازہ ترین آڈٹ شدہ اکاؤنٹس کے مطابق سرمایہ کاری کی رقم

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

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

XV) 30 جون 2021 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 وفروخت کی تفصیلات سالانہ رپورٹ 21-2020 کے سیکشن 'پیٹرن آف شیئر ہولڈنگ' میں شامل ہے۔

خطرات کی انتظام کاری (رسک مینجمنٹ)

پی پی ایل، مارکیٹ کیپٹیلائزیشن کے اعتبار سے پاکستان کے اعلیٰ درجے کے کاروباری اداروں میں شامل ہے، جو بنیادی طور پر مقامی اور بین الاقوامی سطح پر تیل اور گیس کے وسائل کی تلاش اور پیداوار میں مصروفِ عمل ہے۔ اپنے بڑے سرمایہ کاری پورٹ فولیو، سرگرمیوں اور متعدد جغرافیائی علاقوں کی وجہ سے پی پی ایل کو وسیع پیمانے پر بشمول ترجیحی، آپریشنل، مالیاتی، سیکیورٹی اور حفاظت کے حوالے سے بدلتے ہوئے خطرات کو سامنا کرنا پڑتا ہے۔

کمپنی میں رسک مینجمنٹ نظام کمپنی کے خطرے کے میلان اور خطرے سے پہلے طے شدہ حدود کے تناظر میں خطرات کی شناخت، مکمل تشخیص اور اس کی مؤثر تخفیف پر مرکوز رکھتا ہے۔ کمپنی کی کاروباری حکمتِ عملی، کامیابی کے لیے صحیح اور ممکنہ اختیارات کے انتخاب کے لیے خطرے کی مکمل تشخیص اور تجزیے پر مبنی ہے۔ خطرات کی حد بندی تمام تر پہلوؤں سے کارپوریٹ اور بزنس یونٹ کی سطح پر کی جاتی ہے، جس کا انتظامیہ باقاعدگی سے جائزہ لیتی اور مؤثر نگرانی کرتی ہے تاکہ خطرات مول لینے کی اہلیت کو بہتر بنایا جاسکے

رسک گورننس کا ڈھانچہ

بورڈ انٹرپرائز رسک کمیٹی (بی ای آر سی)

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 رِسک مینجمنٹ کے طریقوں کو برقرار رکھتا ہے۔ یہ کمیٹی کمپنی کو لاحق بنیادی خطرات اور مواقع کی شناخت اور نگرانی کی ذمے دار ہے اور اس بات کو یقینی بناتی ہے کہ ان خطرات کو کم کرنے کے لیے مناسب نظام موجود ہے۔

- سالانہ رپورٹ کے ساتھ میٹنگ سے کم از کم 21 دن پہلے تمام حصص داران کو سالانہ / غیر معمولی اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی ترسیل
- کراچی، لاہور اور اسلام آباد میں انگریزی اور اردو کے ایک وسیع الاشاعت اخبار میں سالانہ اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی اشاعت
- پاکستان اسٹاک ایکسچینج کے آن لائن پورٹل اور کمپنی کی ویب سائٹ پر سالانہ اجلاس عام (اے جی ایم/ای جی ایم) کے نوٹس کی اشاعت
- 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
- 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
- اجلاسوں میں زیادہ سے زیادہ شرکت کرنے کے حوالے سے سالانہ اجلاس عام (اے جی ایم/ای جی ایم) کے لیے مرکز میں واقع مقامات کا انتخاب
- شرکاء کی حفاظت کو مدِنظر رکھتے ہوئے آن لائن اجلاسوں کا انعقاد

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

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

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

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

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

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

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

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

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

(VIII) اکاؤنٹس کے نوٹس میں بقایا ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کے بارے میں معلومات بیلنس شیٹ میں دی گئی ہیں جنہیں نوٹ 24 کے ساتھ پڑھا گیا ہے جو 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے غیر مستحکم مالی گوشواروں کے لیے ہیں۔

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

(X) 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۔

(XI) کمپنی کے سماجی مقاصد، اعمال اور نتائج اس سالانہ رپورٹ کے 'کاروباری سماجی ذمہ داری' سیکشن میں ظاہر کر دیے گئے ہیں۔

(XII) 30 جون 2020 تک ہونے والے تازہ ترین آڈٹ شدہ اکاؤنٹس کی بنیاد پر ایمپلائی ریٹائرمنٹ فنڈز میں سرمایہ کاری کی قدر یہ ہے:

اہم پالیسیاں

کمپنی کی اہم پالیسیوں میں درج ذیل شامل ہیں۔

- ضابطہء اخلاق
- کاروباری عطیات کی پالیسی
- اینٹر پرائز رِسک مینجمنٹ پالیسی
- مستحکم ترقی کے لیے دریافت اور فارم۔ان/ فارم۔آؤٹ کی پالیسی
- افرادی قوت کی انتظام کاری کی پالیسی
- حادثے کی اطلاع کی پالیسی
- سرمایہ کاری کے انتظام کی پالیسی
- بیرونی آڈیٹرز کے تبادلے کی پالیسی
- بیرونی آڈیٹرز کے ذریعے اضافی خدمات کی فراہمی
- کیوایچ ایس ای پالیسی
- جنسی ہراسانی کی پالیسی
- وسل بلوئنگ پالیسی

حصص یافتگان کی شکایات کا ازالہ

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

شراکت داروں کے ساتھ تعلقات

کمپنی اپنے حصص یافتگان کی آراء کو انتہائی اہمیت دیتی ہے۔ کمپنی کے سالانہ اجلاس عام (اے جی ایم) 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 جاتا ہے اور انھیں پاکستان اسٹاک ایکسچینج میں جمع کروایا جاتا ہے۔ اس کی کاپیاں اے جی ایم میں حصص یافتگان کے لیے مفت دستیاب ہوتی 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 آبادی سمیت تمام شراکت داروں کے مفادات کو تسلیم کرتی ہے، ان کا احترام کرتی ہے اور ان کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے شیئر ہولڈرز اور شراکت داروں کو سالانہ اجلاسِ 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:

ڈائریکٹرز کے لیے آگاہی پروگرام

منتخب اور مقرر ڈائریکٹرز کو کمپنی کے کاروبار، آپریشنز اور ماحول کے ساتھ ساتھ ڈائریکٹرز کے فرائض منصبی کے متعلق بریفنگ دی گئی۔ رواں سال کے افتتاحی اجلاس میں ڈائریکٹرز کو فراہم کردہ دستاویزات میں کمپنی کا میمورنڈم، آرٹیکل آف ایسوسی ایشن اور کمپنی کی سہ ماہی اور سالانہ رپورٹیں شامل تھیں۔

ڈائریکٹرز کا تربیتی پروگرام

ڈائریکٹرز اپنے فرائض سے آگاہ ہیں اور ان کو اعلیٰ ترین معیار کے مطابق انجام دینے کی کوشش کرتے ہیں۔ کمپنی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مقرر کردہ ڈائریکٹرز ٹریننگ پروگرام کی شرائط پر مکمل عمل کرتی ہے۔

نان ایگزیکٹیو ڈائریکٹرز کا معاوضہ

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

ایگزیکٹیو ڈائریکٹرز کے زیرِ انتظام اضافی ڈائریکٹر شپ

کمپنی کے سی ای او، کمپنی کے مکمل ملکیتی ماتحت اداروں، پی پی ایل ایشیا ای اینڈ پی بی وی اور پی پی ایل یورپ ای اینڈ پی لمیٹڈ اور جزوی ملکیت والی کمپنی پاکستان انٹرنیشنل آئل لمیٹڈ کے ڈائریکٹر بھی ہیں۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریق کی لین دین تجارتی شرائط پر کی جاتی ہیں اور ان کی تفصیلات وقتاً فوقتاً جائزہ لینے اور بورڈ کی منظوری کی سفارش کے لیے بورڈ آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں۔ بورڈ کے ممبران کی جانب سے، متعلق فریق کے لین دین میں کسی بھی دلچسپی کو اُن کے ذریعے کمپنی کو واضح کر دیا جاتا ہے۔ متعلقہ فریقین اور اُن کے ساتھ لین دین کی تفصیلات 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے غیر اشتمال شدہ مالی گوشواروں کے نوٹ 42 میں ظاہر کی گئی ہیں۔

پاکستان سے باہر ہونے والے بورڈ کے اجلاس

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

بورڈ آف ڈائریکٹرز سے متعلق مفادات کا تصادم

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

ڈائریکٹرز سے متعلق مفادات کے تصادم کا کوئی بھی معاملہ کمپنیز ایکٹ، 2017، پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین 2013، لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019، کی لاگو دفعات اور کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق نمٹایا جاتا ہے۔

اندرونی آڈٹ

کمپنی کا ایک آزاد اندرونی آڈٹ ڈپارٹمنٹ ہے جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ آڈٹ ڈپارٹمنٹ کے عملے کے پاس اپنے فرائض مؤثر انداز میں انجام دینے کے لیے تمام کمپنی ریکارڈز اور معلومات تک غیر محدود رسائی ہوتی 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۔

بورڈ میں تنوع

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

بورڈ آف ڈائریکٹرز کے انتخابات

حصص یافتگان کا ایک غیر معمولی جلاس عام (EOGM) 23 دسمبر 2020 کو منعقد ہوا جس میں بورڈ آف ڈائریکٹرز کا انتخاب ہوا اور شیئر ہولڈرز نے ایک نیا بورڈ منتخب کیا۔

بورڈ آف ڈائریکٹرز میں عارضی اسامیاں

جناب عبدالصبور کاکڑ، جناب افتخار امجد اور جناب ساجد محمود قاضی کے استعفوں کی وجہ سے بورڈ میں تین عارضی اسامیاں پیدا ہوئیں لیکن اکثریتی حصص یافتگان کی جانب سے نامزدگی نہ ملنے کی وجہ سے یہ اسامیاں وقت پر پُر نہیں ہو سکیں۔

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 ایگزیکٹیو کے کردار

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

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

بورڈ کی کمیٹیاں

بورڈ کمیٹیوں کے ضوابط کار کی نمایاں خصوصیات، سالانہ رپورٹ کے سیکشن 'بورڈ کی کمیٹیاں' میں پیش کی گئی ہیں۔ مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 12 اور بورڈ کمیٹیوں کے 24 اجلاس منعقد ہوئے۔ بورڈ اور کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی شرکت کی تفصیلات، سالانہ رپورٹ کے سیکشن 'بورڈ اور کمیٹی اجلاسوں میں شرکت' میں دی گئی ہیں۔

کارکردگی کا سالانہ جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013 کے مطابق، بورڈ کی کارکردگی کا جائزہ وفاقی حکومت لے گی۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضروریات کے مطابق بورڈ اور اس کے ارکان کی کارکردگی کا جائزہ کمپنی چیئرمین کی جانب سے بھی مکمل کیا گیا۔

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

سنٹرلائزیشن اور آؤٹ سورسنگ

گھر سے کام میں مدد کرنے والی ٹیکنالوجی نے ہیڈ آفس میں فائینانس فنکشن کو ایک جگہ مجتمع کرنے کا موقع بھی فراہم کیا ہے۔اس کے نتیجے میں ہیڈ آفس کا عملہ وہیں رہ کر فائینانس رول کے حوالے سے آپریٹڈ فیلڈز کو مدد فراہم کرسکتا ہے جس سے مؤثر پروسیسنگ ممکن ہوسکتی ہے۔اس کے علاوہ کمپنی نے اپنی بک کیپنگ کے عمل کو آزمائشی طور پر بیرونی ماہرین کے ذریعے (آؤٹ سورس) کرنا بھی شروع کردیا ہے جس سے نہ صرف اخراجات میں کمی ہوئی بلکہ معیار بندی اور کنٹرول میں بھی بہتری آئی۔

کاروباری تسلسل کی انتظام کاری (BCMS)

کاروباری تسلسل کو یقینی بنانے کے لیے ناگہانی واقعات اور ان کے نتائج وعواقب سے نمٹنے کی تیاری ضروری ہوتی ہے۔موجودہ حالات میں COVID-19 وباء کے اثرات اور خطرات کو کم کرنے کے لیے فوری ردِعمل اور وباء کے دیگر ممکنہ منظرناموں سے متعلق مزید غیر یقینی صورتحال کے لیے تیار رہنا ضروری ہے۔کاروباری تسلسل کی انتظام کاری بنیادی ڈھانچے، سائبر نظام، ملازمین، کاروبار، آپریشنل اور مواصلاتی خطرات کا احاطہ کرتی ہے جس کا مقصد ادارے کو درپیش نئے چیلنجوں اور خطرات کا سدباب کرنا ہے۔

BCMS کو اپ ڈیٹ رکھنے اور عالمی وبا کے دوران سیکھی گئی چیزیں اس میں شامل کرنے کے لیے بی سی ایم ٹیم نے کاروبار پر اثرات کے تجزیے (بزنس امپیکٹ اینالیسس) کے انعقاد کا آغاز کیا جو کاروباری تسلسل کی انتظام کاری کا بنیادی جزو ہے۔کمپنی کے عملے کے ذریعے اینڈ ٹو اینڈ سرگرمی کی منصوبہ بندی اور اس پر عمل کیا گیا جس کے نتیجے میں 30 جون 2021 تک ہیڈ آفس کی بی آئی اے مکمل ہوچکی ہے۔اگلے مرحلے میں تمام آپریٹڈ فیلڈز میں کاروبار پر اثرات کے تجزیے (BIA) کی منصوبہ بندی کی گئی ہے۔

کارپوریٹ گورننس

بورڈ کے امور

کمپنی کا بورڈ آف ڈائریکٹرز اپنے فرائض بہترین بین الاقوامی اور مقامی کارپوریٹ گورننس کے طریقوں کے مطابق انجام دینے کو انتہائی اہمیت دیتا ہے۔ڈائریکٹر صاحبان بورڈ اور اس کی کمیٹی کے اجلاسوں کے ذریعے کمپنی کے طرزِ عمل اور آپریشنز کی ضروری نگرانی کرتے ہیں۔بورڈ صحت مند کارپوریٹ کلچر اور ماحول کو فروغ دینے، اخلاقی کاروباری طریقوں، شفافیت اور قابلِ اعتماد مالی رپورٹنگ، تمام شراکت داروں کے ساتھ روابط بڑھانے اور قانون کے مطابق کاروبار کرنے کے لیے پرعزم ہے۔

بورڈ کمپنی کو اس کے وژن اور مشن سے ہم آہنگ کرتا ہے اور کمپنی کی حکمتِ عملی کے اہداف طے کرتا ہے۔پالیسی سازی کے علاوہ بورڈ کاروباری منصوبوں کی منظوری دیتا ہے، کارکردگی کی نگرانی کرتا ہے اور تنظیم کے مقاصد کے حصول کے لیے انتظامیہ کی رہنمائی کرتا ہے۔

بورڈ نے اپنے افعال کو مؤثر انداز میں انجام دینے اور فیصلہ سازی کے عمل میں معاونت کے لیے چھ بورڈ کمیٹیاں تشکیل دی ہیں۔بورڈ کمیٹیاں اپنے متعلقہ ضوابطِ کار کے مطابق کام کرتی ہیں۔کمپنی میں اختیارات کی تفویض کی تفصیلی دستاویز نافذ العمل ہے جو بورڈ اور انتظامیہ کے درمیان آپریشن کے مختلف شعبوں میں فیصلہ سازی کے اختیارات کی وضاحت کرتی ہے۔

بورڈ کی تشکیل

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

ڈھانچے اور سماجی و اقتصادی ترقی کے لیے دیگر بنیادی ضروریات پر خصوصی توجہ دی گئی ہے۔ پی پی ایل اپنے آپریشنل علاقوں اور مجموعی طور پر معاشرے کی سماجی ترقی میں لازمی اور رضاکارانہ شراکت کو یقینی بناتی ہے۔

سماجی ترقی کی منصوبوں کی پائیداری کے لیے کمپنی کی سی ایس آر سرگرمیاں شراکت داری اور مشترکہ ترقی کی اصولوں پر مبنی ہیں جس کے لیے تمام فریقوں کو اعتماد میں لیا جاتا ہے۔ معیار اور بروقت نتائج کو یقینی بنانے کے لیے پی پی ایل منصوبوں کی سرگرمیوں کی باقاعدگی سے نگرانی کرتی ہے۔

پی پی ایل نے سی ایس آر سرگرمیوں کے لیے سالانہ قبل از ٹیکس منافع کا کم سے کم 1.5 فیصد بجٹ مختص کیا ہے۔ تاہم، کمپنی نے ہمیشہ اپنے کاروباری علاقوں میں اس سے کہیں زیادہ حصہ ڈالا ہے جو ان علاقوں کی بہتری کے لیے کمپنی کے عزم کا عکاس ہے۔ مالی سال 21-2020 میں کمپنی کے سی ایس آر پروگرام کے تحت ریکارڈ 2.105 ارب روپے خرچ کیے گئے۔

پی پی ایل کی سی ایس آر سرگرمیوں کی تفصیلات اس سالانہ رپورٹ کے 'کاروباری سماجی ذمہ داری' حصے میں پیش کی گئی ہیں۔

انفارمیشن ٹیکنالوجی

انفارمیشن ٹیکنالوجی کمپنی کی فعالیت اور پیداواری صلاحیت میں اضافے کی مہم کو توانائی فراہم کرتی ہے اس سلسلے میں کاروباری قدر میں اضافے کے لیے برسوں کی سرمایہ کاری کے ذریعے تنظیمی ڈھانچے کو مضبوط بنایا گیا ہے اور عملے کو بہترین ٹیکنالوجی ٹول فراہم کیے گئے ہیں۔

SAP S/4 HANA اپ گریڈ

کمپنی نے اپنے SAP ERP سسٹم کو زیادہ سے زیادہ اندرونی وسائل استعمال کرتے ہوئے جدید ترین SAP S/4HANA پلیٹ فارم پر اپ گریڈ کیا۔ یہ اپ گریڈیشن پی پی ایل کو SAP میں 'صارف کے تجربے (UX)' کو خوشگوار بنانے اور کسی بھی وقت/کہیں سے بھی رسائی فراہم کرنے کے لیے متعارف کرائی گئی ویب ایپلی کیشنز سے استفادہ کرنے کا اہل بنائے گی۔

سیکیورٹی آپریشن سینٹر (SOC)

انفارمیشن سیکیورٹی کو بہتر بناتے ہوئے پی پی ایل نے سائبر خطرات کی مؤثر نگرانی اور بروقت روک تھام کے لیے ان ہاؤس (دفتر میں ہی) سیکیورٹی آپریشنز سینٹر قائم کیا ہے اور خطرات کو روکنے، کم کرنے اور ٹالنے کے لیے خودکار انٹیلی جنس ایپلی کیشنز کا نظام نافذ کیا ہے۔ ادارے کی مجموعی سائبر سیکیورٹی کو بہتر بنانے کے لیے نظام اور طریقوں کو بتدریج مزید مضبوط کیا جائے گا۔

ڈیٹا سینٹر سرٹیفکیشن

رواں سال پی پی ایل کے ہیڈ آفس میں مرکزی ڈیٹا سینٹر کے لیے تین سطحی (tier 3) سرٹیفکیشن کے حصول کا سنگ میل عبور کیا گیا تاکہ ممکنہ خطرات کو کم کیا جا سکے اور محفوظ اور پائیدار آپریشنز کے لیے انتظامی ہدایات پر عمل کیا جا سکے۔

گھر سے کام

COVID-19 کی عالمی وبا کے منظر نامے میں 'گھر سے کام' کے دوران آپریشنل رکاوٹیں کم کرنے اور کام کو معمول کے مطابق جاری رکھنے کے لیے پی پی ایل نے اپنے ٹیکنالوجی پلیٹ فارم کو بہتر بنانے کے لیے متعدد اقدامات کیے۔ ریموٹ ڈیسک ٹاپ گیٹ وے ٹیکنالوجی اپنانا اسی سلسلے کی ایک کڑی ہے جس میں تکنیکی صارفین کو گھر سے کام کرتے ہوئے اپنے جانے پہچانے ڈیسک ٹاپ کا ماحول فراہم کیا جاتا ہے تاکہ وہ ہائی اسپیکس کمپیوٹنگ پاور کا فائدہ اٹھاتے ہوئے مخصوص سافٹ ویئر کا استعمال جاری رکھ سکیں۔

کاروباری عمل کی خودکاری اور انٹیلی جنس ٹولز

ڈیجیٹلائزیشن کے رجحان کو مدنظر رکھتے ہوئے کمپنی نے جدید ٹیکنالوجی کے ساتھ ہم قدم رہنے کے لیے کئی ٹول نافذ کیے ہیں۔ ان ٹولز میں ایس اے پی، مائیکروسافٹ شیئر پوائنٹ، روبوٹک پروسیس آٹومیشن اور پاور آٹومیٹ شامل ہیں۔ اس کے نتیجے میں انسانی کام کے گھنٹوں کی بچت ہوئی جبکہ بہتر ٹریکنگ کے ساتھ کام کا بہاؤ بھی تیز ہوا۔ اس کے علاوہ، پاور بی آئی کے پلیٹ فارم کو ڈیش بورڈنگ اور مسلسل نگرانی کے لیے بھی استعمال کیا گیا۔ اس سے عملے کی کارکردگی اور آپریشنز کی بہتر نگرانی میں مدد ملی ہے۔

جانشینی کی منصوبہ بندی اور تنظیمی ڈھانچہ

کمپنی میں قیادت کی جانشینی کا مؤثر نظام روبہ عمل ہے جسے باقاعدگی سے اپ ڈیٹ کیا جاتا ہے تاکہ کمپنی کے اندر ہی قیادت کے جانشینوں کی شناخت کی جاسکے اور ان کی صلاحیتوں کو فروغ دیا جاسکے۔ اس کے علاوہ کارکردگی میں بہتری لانے کے لیے تنظیمی ڈھانچے کا مسلسل جائزہ لیا جاتا ہے۔

مزید پیشہ ورانہ تعلیم اور متعلقہ اسناد میں معاونت

گزشتہ سال متعارف کرائے گئے مسلسل پیشہ ورانہ ترقیاتی پروگرام کے تحت اہل عملے نے اپنی پیشہ ورانہ قابلیت کو بڑھانا شروع کیا ہے۔ اس پروگرام کا مقصد عملے کو ملازمت سے متعلقہ قابلیتوں اور سرٹیفکیٹس کے حصول میں معاونت اور مالی مدد فراہم کرنا ہے۔ عملے کی اہلیت میں اضافے سے کمپنی کو بھی فائدہ ہوتا ہے۔

تربیت کے ان ہاؤس اور آن لائن طریقے

گزشتہ سال باصلاحیت عملے کی اپنے تجربات اور مہارتوں کو دوسروں تک منتقل کرنے کی پالیسی متعارف کرائی گئی اس پالیسی کے تحت عملے کی ایک بڑی تعداد نے تکنیکی اور غیر تکنیکی مہارت کے شعبوں میں 'اندرون خانہ ٹرینرز' کے طور پر حصہ لیا۔ توقع کی جارہی ہے کہ اس سے عملے کے درمیان صحت مند مسابقت کو فروغ ملے گا اور تربیت کی مجموعی سرمایہ کاری کی لاگت میں بھی کمی آئے گی۔

COVID-19 وباء کے دوران سیکھنے اور ترقی کو جاری رکھنے کے لیے، تربیت کا طریقہ کار کا آن لائن طریقہ اپنایا گیا۔ یہ جسمانی طور پر حاضر ہو کر سیکھنے کے مواقع کی عدم موجودگی میں ایک مؤثر متبادل کے طور پر سامنے آیا ہے۔

اداراجاتی تربیت کی ضروریات کو پورا کرنا

قیادت کی جانشینی کا نظام مستحکم کرنے کے لیے تیل اور گیس کی صنعت کے علم، مالی استعداد مؤثر مواصلات اور قیادت کی اہلیت پر مشتمل قائدانہ تربیتی فریم ورک تیار کیا گیا ہے۔ اس سلسلے میں کمپنی کے سینئر عملے کے لیے متعدد سیشن منعقد کیے گئے۔

ون آن ون کوچنگ

قیادت کی جانشینی کا تسلسل برقرار رکھنے کے نقطہ نظر سے کارپوریٹ اور بزنس کوچنگ کا تجربہ رکھنے والے مصدقہ کوچز کی طرف سے سینئر مینجمنٹ کے لیے ون آن ون کوچنگ شروع کی گئی ہے۔ اس کوچنگ کا مقصد عملے کو ان کے مقاصد اور اہداف کے تعین میں مکالمے کے ذریعے مدد فراہم کرکے ان کی صلاحیتوں کو فروغ دینا ہے۔

صنعتی تعلقات

سوئی گیس فیلڈ سمیت کمپنی کے تمام مقامات پر کام کا پُرامن ماحول اور خوش گوار صنعتی تعلقات کا ماحول برقرار رکھا گیا۔ یہ ہدف انتظامیہ اور یونین کے نمائندوں کے قریبی روابط سے حاصل کیا گیا۔ چارٹر آف ڈیمانڈ پر سی بی اے یونین سے کامیاب معاہدے نے بھی ملازمین کی کمپنی سے وابستگی میں مدد دی اس کے علاوہ نان ایم پی ٹی عملے کی آٹومیشن سے متعلق دیگر اقدامات نے بھی اس میں اہم کردار ادا کیا۔

علاوہ ازیں ملازمین کی سہولت کے لیے سوئی فیلڈ میں بینک کی ایک اضافی شاخ قائم کی گئی جس نے سوئی فیلڈ میں نقد لین دین کے حجم کو کم کرنے میں بھی مدد کی۔

کاروباری سماجی ذمہ داری

کمپنی اپنی فیلڈز کے اطراف آباد پس ماندہ علاقوں کی آبادیوں کی خدمت کرنے میں فخر محسوس کرتی ہے کیونکہ یہ پی پی ایل کے ملک کی خدمت کے مشن میں شامل ہے۔ کمپنی کا کاروباری سماجی ذمہ داری (سی ایس آر) پروگرام 1950ء کی دہائی کے وسط میں سوئی میں شروع ہوگیا تھا جب عملے اور مقامی آبادیوں کے بچوں کے لیے سوئی ماڈل اسکول قائم کیا گیا تھا۔

پی پی ایل کا سی ایس آر پروگرام ملک کا سب سے بڑا پروگرام ہے اور اس میں معاشرے کی ترقی کے تمام بڑے پہلوؤں کا احاطہ کیا گیا ہے جس میں تعلیم، صحت، توانائی، ہنرمندی، بنیادی

قومی معیشت میں شراکت

آپ کی کمپنی قومی معیشت میں حصہ ڈالنے والی نمایاں کمپنی ہے۔ مالی سال 21-2020 کے دوران کمپنی کی آپریٹڈ اور شراکتی آپریٹڈ فیلڈز سے 130,000 بیرل خام تیل یومیہ کے مساوی قدرتی گیس، خام تیل اور ایل پی جی فروخت کی گئی جس کے نتیجے میں قومی خزانے کو سالانہ بنیاد پر تقریباً 2.5 ارب ڈالر کے مساوی زرمبادلہ کی بچت ہوئی، جبکہ خام تیل کی اوسط قیمت 53.60 ڈالر فی بیرل لی گئی ہے۔

کمپنی نے انکم ٹیکس، رائلٹی، ایکسائز ڈیوٹی، سیلز ٹیکس، ونڈ فال لیوی، جی ڈی ایس، جی آئی ڈی سی، ڈبلیو پی پی ایف اور منافعِ منقسمہ کی صورت میں قومی خزانے میں 73 ارب روپے سے زائد کا حصّہ بھی ڈالا۔

مالیاتی گوشواروں میں اعادہ

سال کے دوران کمپنی نے اپنے مالیاتی گوشواروں میں دیئے گئے نکات/وجوہات کی بناء پر اعادہ کیا:

(i) لمبی مدت کی سرمایہ کاری کی درجہ بندی (ii) ICAP کی جانب سے گیس انفرااسٹرکچر سیس (GIDC) کے حوالے سے دی جانے والی اکاؤنٹنگ کی ہدایات جسے غیر اشتمال شدہ اور اشتمال شدہ مالیاتی گوشواروں کے نوٹس بالترتیب 2.6 اور 3.6 میں تفصیل سے بیان کیا گیا ہے۔

ماضی کی ایسی مروجہ تبدیلیاں رواں یا پچھلے مالی سالوں کی رپورٹ شدہ خالص فروخت، منافع اور ملکیت پر اثر انداز نہیں ہوگی۔

گروپ کی مالیاتی کارکردگی

گروپ کے مالی گوشوارے مجموعی طور پر منافع میں 5.8 فیصد اضافہ ظاہر کرتے ہیں۔ مالی سال 21-2020 میں گروپ کی فروخت آمدن 149,279 ملین روپے رہی جبکہ بعداز ٹیکس منافع 52,283 ملین روپے رہا جبکہ مالی سال 20-2019 میں فروخت آمدن 157,999 ملین روپے اور بعداز ٹیکس منافع 49,425 ملین روپے رہا تھا۔ رواں مالی سال کے دوران پی پی ایل ای نے گروپ کی آمدن میں 850 ملین روپے کا اضافہ کیا۔

ذیلی کمپنیوں کی مختصر تفصیل کمپنی کے مجموعی مالی گوشوارے کے نوٹ 1 میں بیان کی گئی ہے۔

انسانی وسائل

کمپنی کا انسانی وسائل کا شعبہ اپنے بنیادی مقاصد کی انجام دہی کے لیے کوشاں ہے کہ وہ ٹیلنٹ کو اپنی جانب راغب کرے، عملے کی صلاحیتوں میں اضافہ کرے اور انھیں کمپنی سے وابستہ رکھے۔ اس میں بنیادی طور پر پرفارمنس مینجمنٹ، ملازمین کی اہلیتوں میں اضافہ، جانشینی کی منصوبہ بندی، تنظیمی کلچر، فوائد کے انتظام، افرادی قوت کے اخراجات میں بہتری اور ملازمین کی صحت و بہبود شامل ہے۔ حالانکہ رواں سال COVID-19 کی وجہ سے خاص طور پر دشوار رہا تھا لیکن انتظامیہ نے مذکورہ بالا مقاصد کو پورا کرنے کے لیے متعدد اقدامات اٹھائے ہیں۔

مزید برآں رواں سال پی پی ایل کو پاکستانی کمپنیوں کے سب سے بڑے فورم ایمپلائرز فیڈریشن آف پاکستان نے بڑی قومی کمپنیوں کے زمرے میں 'ایمپلائر آف دی ایئر ایوارڈ 2020 (سلور)' سے نوازا۔

ملازمین کی وابستگی

عملے کو ادارے کے متعلق رائے دینے کا موقع فراہم کرنے اور ادارے کو اپنے ملازمین کی ضروریات سمجھنے کے لیے ایک آزاد بیرونی کنسلٹنٹ کے ذریعے وابستگی سے متعلق سروے کرایا جاتا ہے۔ 2020 میں بیرونی مشیر کے پی ایم جی سے پی پی ایل کے ملازمین کی وابستگی کے متعلق سروے کرایا گیا۔ نتائج سے یہ بات سامنے آئی کہ 2018 کے مقابلے میں عملے کی وابستگی کے اشاریے (EEI) میں 11 فیصد اضافہ ہوا ہے۔

فروختِ آمدن

رواں سال کے دوران تقابلی سال کے مقابلے میں فروختِ آمدن میں 9,164 ملین روپے کی کمی ہوئی ہے۔ یہ کمی قیمت کے حوالے سے منفی تغیر (شرح مبادلہ میں تبدیلی) کی وجہ سے ہوئی جس کی مالیت 9,046 ملین روپے رہی۔ جس کے ساتھ حجم میں منفی تغیر کی مالیت 118 ملین روپے رہی۔

قیمت میں منفی تغیر پچھلے سال کے مقابلے میں گیس کی نوٹیفائیڈ قیمتوں (پاکستان میں خام تیل کی درآمدی قیمتوں کے اوسط) میں کمی کی وجہ سے ہے جسے جزوی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں ہونے والی کمی نے کم کیا۔ (رواں سال کی اوسط شرح تبادلہ 160.47 روپے رہی جبکہ گزشتہ سال کے دوران شرح تبادلہ 158.45 روپے تھی)۔ اگرچہ گزشتہ سال کی نسبت خام تیل کی قیمت میں بہتری آئی لیکن گیس کی قیمتوں کے فارمولوں میں چھ ماہ کی تاخیر کی وجہ سے گیس کی نوٹیفائیڈ قیمتوں میں کمی دیکھی گئی۔

حجم میں منفی تغیر کی بنیادی وجہ کندھ کوٹ (صارف کی جانب سے کم خریداری)، سوئی، ٹل، قادر پور، ساون، میانو اور کوٹری نارتھ فیلڈز سے کم پیداوار ہے جو گمبٹ ساؤتھ، ناشپا، کیرتھر، ہالہ اور آدہی فیلڈز سے زیادہ پیداوار سے جزوی طور پر زائل ہوئی۔

Sales Volumes	Unit	Year ended June 30, 2021	Year ended June 30, 2020
Natural Gas	MMscf	237,187	246,619
Crude Oil / NGL / Condensate	BBL	5,141,394	5,060,867
LPG	Metric Tonnes	115,601	107,421
Barytes *	Metric Tonnes	64,057	77,738

* Total gross sales volume of baryte powder, baryte ore and iron ore, made by BME aggregated to 132,495 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 64,057 metric tonnes.

*بی ایم ای کی جانب سے تیار کیے جانے والے بیرائیٹ پاؤڈر اور خام بیرائیٹ اور خام لوہے کی کُل فروخت کا مجموعی حجم سال کے دوران 132,495 میٹرک ٹن رہا۔ بی ایم ای کی جانب سے پی پی ایل کو اپنی پیداوار فروخت کرنے اور پی پی ایل کا 50 فیصد حصہ لاگو کرنے کے بعد خالص حجم 64,057 میٹرک ٹن رپورٹ کیا گیا ہے۔

منفعت

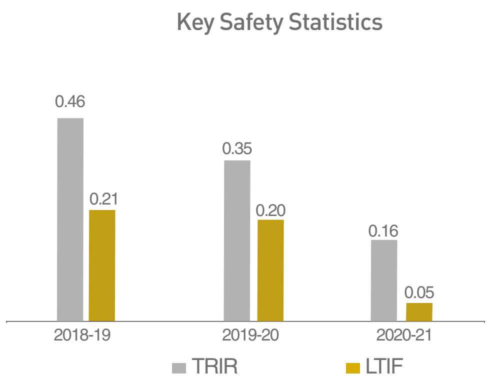
رواں سال کمپنی کی فی شیئر آمدنی 19.27 روپے رہی جو سال 20-2019 میں 18.47 روپے تھی، یعنی 4 فیصد کا اضافہ دیکھا گیا۔ منافع میں اضافے کی بنیادی وجوہات دریافتی اخراجات، آپریٹنگ اخراجات، دیگر چارجز، ٹیکسوں اور میں کمی اور قابلِ شبہ قرضوں کے لئے رکھے گئے سرمائے کی واپسی/استرداد ہیں تاہم فروختِ آمدن اور دیگر آمدن میں کمی (جیسا کہ اوپر بیان کیا گیا ہے) کی وجہ سے اس میں جزوی طور پر کمی ہوئی۔

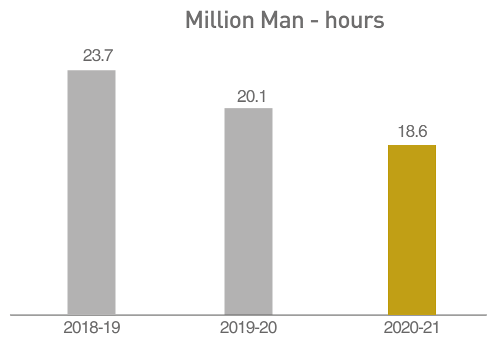
دریافتی اخراجات میں کمی بنیادی طور پر موجودہ سال میں خشک کنوؤں پر اخراجات میں کمی سے ہوئی جسے نفع یا نقصان کے کھاتے میں ڈال دیا گیا ہے جبکہ دیگر اخراجات میں کمی بنیادی طور پر کی گئی سرمایہ کاری میں ہونے والے خسارے میں سال کے دوران کمی کی وجہ سے ہوئی۔

آپریٹنگ اخراجات میں کمی (مخصوص فیلڈز میں ذخائر پر نظرِ ثانی اور پیداوار میں کمی کے باعث) امورٹائزیشن میں کمی کی وجہ سے ہوئی۔ جبکہ دوسری آمدنی میں کمی بنیادی طور پر کوٹری نارتھ فارم آؤٹ معاہدے اور اس کے نتیجے میں ہونے والے تبادلی منافع کو متعلقہ سال میں شمار کرنا رہا اور اس کے ساتھ تقابلی سال میں شرحِ تبادلہ میں ہونے والا منافع ہے۔ اس کے برعکس رواں سال میں شرح تبادلہ میں نقصان ریکارڈ کیا گیا جو کہ دیگر چارجز میں شامل کیا گیا ہے۔

کارکردگی کے اہم اشارے اور حادثات

ملین انسانی گھنٹے(million manhours)، لوسٹ ٹائم انجری فریکوینسی (حادثات کی بنا پر ضائع ہونے والے اوقات)(LTIF)اور ٹوٹل ریکارڈیبل انجری ریٹ(TRIR) کے گراف نیچے فراہم کیے گئے ہیں جن سے پتا چلتا ہے کہ لوسٹ ٹائم انجری فریکوینسی اور ٹوٹل ریکارڈیبل انجری ریٹ کے رجحانات میں بہتری آئی ہے۔





کمپنی کی اعلیٰ انتظامیہ کی شمولیت کے ساتھ تمام ممکنہ سنگین واقعات کی گہرائی سے تفتیش کی گئی اور ان کو دوبارہ ہونے سے روکنے کے لیے اقدامات کیے گئے۔ سال کے دوران لاسٹ ٹائم انجری کا صرف ایک واقعہ پیش آیا جس میں ایک ہیلپر زمین پر گر گیا اور اس کی کلائی میں فریکچر ہوا، اسے فوری طبی امداد فراہم کی گئی۔

سال کے دوران پی پی ایل نے 14 ملین محفوظ انسانی گھنٹے (safe man hours) کا سنگ میل عبور کیا۔ کیو ایچ ایس ای سے متعلق تمام اہم امور کے لیے اقدامات کیے گئے جو اس سالانہ رپورٹ کے کیو ایچ ایس ای سیکشن میں تفصیل کے ساتھ بیان کیے گئے ہیں۔

مالی جائزہ

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

	2020-21 Rs. Million	2019-20 Rs. Million
Profit before Taxation	68,581.618	70,484.754
Taxation	(16,150.218)	(20,228.484)
Profit after Taxation	52,431.400	50,256.270
Unappropriated profit as at July 1, 2020 / 2019	257,007.666	215,553.699
Dividend Equalisation Reserve as at July 1, 2020 / 2019	2,535.354	2,535.354
	311,974.420	268,345.323
Appropriations during the year		
Final dividend for the year 2019-20 on ordinary and preference shares @ 10% (2018-19: 20%)	(2,720.984)	(4,534.975)
Issuance of nil bonus shares to ordinary shareholders (2018-19: 20%) and nil to preference shareholders (2018-19: 10%)	-	(4,534.964)
Interim dividend for the year 2020-21 on ordinary and preference shares @15% (2019-20: Nil)	(4,081.475)	-
Other Comprehensive Income	300.864	267.636
Balance as at June 30, 2021/2020	305,472.825	259,543.020
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 17, 2021, proposed the following:		
Final dividend on ordinary shares @ 20% (2019-20: 10%)	5,441.946	2,720.972
Final dividend on preference shares @ 15% (2019-20: 10%)	0.016	0.012
	5,441.962	2,720.984

غیر روایتی دریافت/تنوع کی سرگرمیاں

ٹائٹ گیس سے پیداوار

(غیر روایتی)

- نوشہرو فیروز، ہادی اور حب میں ٹائٹ گیس کی تین دریافتوں پر کھدائی کی منصوبہ بندی کی جا رہی ہے۔
- ہادی X-1A ٹائٹ گیس کی قدر کی تشخیص کا فیصلہ کرنے کے لیے اسٹڈی جاری ہے۔

شیل گیس کا حصول

(غیر روایتی)

پی پی ایل، او جی ڈی سی ایل کے شیل گیس کنوئیں کے نتائج کا جائزہ لینے کے بعد اپنے شیل گیس کے امکانات پر نظر ثانی کرے گا۔

تنوع

(معدنیات کی تلاش)

- معدنیاتی منصوبوں کی ترقی کے لیے حکومتِ بلوچستان کو اظہارِ دلچسپی کے نوٹس جمع کرائے جا چکے ہیں۔
- معدنیات کی تلاش کے نئے مواقع اور امکانات کا مزید جائزہ لیا جا رہا ہے۔

ٹیکنیکل سروسز - ریزروائر ماڈلنگ

کمپنی کے عملے کے ذریعے کندھ کوٹ اور آدہی فیلڈ کی 3D ریزروائر سیمولیشن کی تحقیقات مکمل ہو گئیں جبکہ آدم (ہالہ) اور شہداد پور (گمبٹ ساؤتھ) فیلڈ کے لیے بھی اسی طرح کی تحقیقات جاری ہیں۔ یہ تحقیقات ذخائر کی کارکردگی، پیداوار کی بہتری کی نشان دہی کی تفہیم اور ذخائز میں اضافے کے مواقع فراہم کرتی ہیں۔ عملے کے ذریعے ہونے والی تحقیقات کے نتیجے میں لاگت میں خاطر خواہ بچت ہوئی ہے۔

ذخائر کا انتظام

ہائیڈروکاربن ذخائر میں نظر ثانی، اضافے اور سال کی پیداوار کی بنیاد پر، کمپنی کے تصدیق شدہ ذخائر کی تجدید کی شرح تقریباً 108 فیصد کی حوصلہ افزا سطح پر ہے، جو اس بات کی نشان دہی کرتا ہے کہ سال کے دوران حاصل کی جانے والی مجموعی پیداوار سے زیادہ کی تجدید کمپنی کے ذخائر میں ہو چکی ہے۔ یہ اضافہ پارٹنر آپریٹڈ مامی خیل ساؤتھ-1 (ٹل) فیلڈ میں دریافت کے نتیجے میں ہوا۔ مزید برآں نظر ثانی، بنیادی طور پر سوئی فیلڈ سے آئی جہاں کمپریشن میں تبدیلی کے منصوبے کا آغاز ہوا۔ اضافی نظر ثانی میلہ (ناشپا) اور مارمزئی (ٹل) سے بھی آئی۔ کمپنی اپنے ذخائر کی تجدید کے اہداف حاصل کرنے کے لیے اپنی وسیع تحقیق اور ترقیاتی سرگرمیاں جاری رکھے گی۔ کمپنی ذخائر کے تخمینے کے لیے سوسائٹی برائے پیٹرولیم انجینئرز (ایس پی ای) کے جاری کردہ 'پیٹرولیم ریسورسز مینجمنٹ سسٹم (پی آر ایم ایس)' کے رہنما اصولوں پر عمل کرتی ہے۔

معیار، صحت، تحفظ اور ماحول (QHSE)

کیو ایچ ایس ای (QHSE)، پی پی ایل کی کاروباری منصوبہ بندی، حکمتِ عملی سے متعلق فیصلہ سازی اور اہداف کی نشاندہی کا لازمی جزو ہے۔ ادارے میں تحفظ کی روایت کو فروغ دینے کے لیے کیو ایچ ایس ای کی مختلف سرگرمیوں میں عملے کی شمولیت کو یقینی بنایا جاتا ہے۔ COVID-19 وباء کے دوران محفوظ آپریشنز پر بھی خصوصی توجہ دی گئی اور ویکسینیشن میں تیزی لانے کی حکومتی حکمتِ عملی کے مطابق اس بات کو یقینی بنایا گیا کہ زیادہ سے زیادہ عملے کو کم سے کم وقت میں ویکسین لگائی جائے۔ کمپنی نے اپنے دفاتر میں ہی ویکسی نیشن کیمپوں کا اہتمام کیا تاکہ ملازمین اور ان کے اہل خانہ کو سہولت دی جا سکے۔

بین الاقوامی سرگرمیاں

آف شور بلاک 5

ابوظہبی

- پی پی ایل کی سربراہی میں پی پی ایل، ایم پی سی ایل، او جی ڈی سی ایل اور جی ایچ پی ایل پر مشتمل کنسورشیم نے آف شور بلاک 5 کے لیے ابوظہبی بولی راؤنڈ 2019 میں بولی جمع کرائی۔

- یہ بلاک اگست 2021 میں کنسورشیم کو ایوارڈ کیا گیا۔ یہ بلاک 6,233 مربع کلومیٹر کے رقبے پر محیط اور ابوظہبی شہر سے 100 کلومیٹر شمال مشرق میں واقع ہے۔

- ابوظہبی گلوبل مارکیٹس (ADGM) متحدہ عرب امارات میں پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) کے نام سے ایک نئی کمپنی قائم کی گئی جس میں کنسورشیم کے ہر ممبر کی 25 فیصد حصہ داری ہے، پی پی ایل اس کمپنی کی انتظامی شیئر ہولڈر ہے۔

- PIOL نے ابوظہبی نیشنل آئل کمپنی (ADNOC) کے ساتھ کنسیشن معاہدہ کیا ہے۔ کنسیشن معاہدے کے تحت کنسورشیم کمپنیوں میں سے ہر ایک نے ADNOC متحدہ عرب امارات، ابوظہبی کی سپریم کونسل برائے مالیاتی و اقتصادی امور (SCFEA) کو PIOL کی کنسیشن کے لئے ذمہ داریوں کے زمرے میں پیرنٹ کمپنیوں کی مشترکہ اور متفرق ضمانتیں دی ہیں۔

مقامی سرگرمیاں

سلیمان

(نیا بلاک کا ایوارڈ)

بلاک 50 فیصد کاروباری شراکت کے ساتھ پی پی ایل کو دیا گیا ہے، او جی ڈی سی ایل مساوی حصے کے ساتھ آپریٹر ہے۔

پنجاب (فارم آؤٹ)

ڈی جی پی سی نے بلاک کی کاروباری شراکت میں او جی ڈی سی ایل کو 50 فیصد اور جی ایچ پی ایل کو 2.5 فیصد حصہ داری منتقل کرنے کے لیے فارم آؤٹ معاہدے پر عمل درآمد کی منظوری یکم فروری 2021 کو دے دی ہے۔

شکر گنج ویسٹ (فارم ان)

ڈی جی پی سی نے 29 جنوری 2021 کو او جی ڈی سی ایل کے شکر گنج ویسٹ بلاک میں پی پی ایل کی 50 فیصد کاروباری شراکت کے لیے تفویض کے معاہدے کی منظوری دی۔

موسیٰ خیل

ڈی جی پی سی نے 3 مئی 2021 کو موسیٰ خیل بلاک کی کاروباری شراکت میں کمپنی کے 12.5 فیصد حصے کو پی او جی سی کو اور 1.3 فیصد حصے کو جی ایچ پی ایل کو منتقل کرنے کے لیے فارم آؤٹ معاہدے کی منظوری دے دی۔

- حاصل کردہ ڈیٹا کی پروسیسنگ، تشریح اور میپنگ جاری ہے۔
- بلاک میں ارضیاتی فیلڈ ورک / کام مکمل ہو گیا۔

پی پی ایل کے ذیلی ادارے

پی پی ایل ایشیا ای اینڈ پی بی وی

بلاک 8، عراق

- جیو کیمیائی اور بنیادی تجزیے سمیت کھدائی کے بعد کی تمام تحقیقات مکمل کر لی گئیں ہیں۔
- مدائن-1 کنوئیں کے بعد، بلاک کے امکانات کی جانچ جاری ہے۔

پی پی ایل یورپ ای اینڈ پی لمیٹڈ

بلاک 3، یمن

آپریٹر: ٹوٹل

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

زیارت

آپریٹر: ایم پی سی ایل

- دریافتی کنوئیں بولان ایسٹ-1 سے تیل کی پیداوار نومبر 2020 میں ابتدائی پیداوار (EWT) کے ذریعے شروع کی گئی۔

ہرنائی

آپریٹر: ایم پی سی ایل

- گہرائی میں ممکنہ ذخائر کا جی اینڈ جی جائزہ جاری ہے۔
- جیولوجیکل فیلڈ کا کام مکمل ہو گیا اور چٹانوں کے جمع کردہ نمونوں کا لیبارٹری میں تجزیہ کیا جا رہا ہے۔

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 اور اپنی خطرات سے نمٹنے کی صلاحیت کے مطابق مختلف بلاکس میں کام کے حقوق حاصل کرتی ہے یا تقسیم کرتی ہے۔

زیرِ نظر سال کے دوران متعدد سرگرمیاں کی گئیں جن کا خلاصہ ذیل میں دیا گیا ہے:

- بلاک کی جی اینڈ جی تحقیق جانچ جاری ہے۔

ڈگری

آپریٹر: یو ای پی ایل

- 125 مربع کلومیٹر کے 3D سائزمک ڈیٹا کی تشریح اور نقشہ سازی اور پی ایس ڈی ایم کی دوبارہ پروسیسنگ مکمل کر لی گئی۔
- بلاک کے پانچویں دریافتی کنوئیں سائیں داد-1 کی کھدائی مکمل ہوگئی۔ غیر حوصلہ افزا نتائج کی وجہ سے کنواں ترک کر دیا گیا ہے۔
- کھدائی کے بعد کا تجزیہ اور بلاک کے بقیہ امکانات کا جائزہ جاری ہے۔

جھرک

آپریٹر: این ایچ ای پی ایل

بلاک کے حوالے سے مستقبل کے لائحہ عمل کا فیصلہ کیا جا رہا ہے۔

کوٹری نارتھ

آپریٹر: یو ای پی ایل

بلاک کا چوتھا دریافتی کنواں خانوٹ-1 گہرائی کے ہدف تک کھودا گیا اور نتائج کی جانچ جاری ہے۔

آف شور انڈس-سی اور این

آپریٹر: ای این آئی

- بلاک-این سے دست برداری کا نوٹس ڈی جی پی سی کو جمع کرا دیا گیا ہے۔
- آف شور انڈس سی بلاک کے امکانات کی تشخیص کی بنیاد پر پی پی ایل ENI سے کاروباری شراکت کے ساتھ آپریٹرشپ حاصل کر رہا ہے۔

بسکہ

آپریٹر: زین ہُوا

بلاک میں دریافتی سرگرمیاں دوبارہ شروع کرنے کے لیے بلاک میں اضافی شراکت کے ساتھ آپریٹرشپ کی زین ہوا سے پی پی ایل کو منتقلی کے لیے ریگولیٹری منظوری کی درخواست کی جا رہی ہے۔

کوہن

آپریٹر: یو ای پی ایل

- 2D سائزمک ڈیٹا کی دوبارہ پروسیسنگ مکمل ہوگئی۔
- تشریح، نقشہ سازی اور امکانات کو پختہ کرنے کا عمل جاری ہے۔
- جی اینڈ جی ڈیٹا کی جانچ جاری ہے۔

خضدار نارتھ

آپریٹر: او جی ڈی سی ایل

- 472 لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول مکمل ہوگیا۔

- کشش ثقل اور مقناطیسی سروے کے لیے ٹھیکا دے دیا گیا۔ عملے کو متحرک کرنے کی تیاری جاری ہے۔
- جی اینڈ جی کا تجزیہ جاری ہے۔

پارٹنر آپریٹڈ دریافتی بلاکس

پارٹنر آپریٹڈ بلاکس کے حوالے سے دریافتی سرگرمیوں کا خلاصہ ذیل میں کیا گیا ہے:

ٹل

آپریٹر: ایم او ایل

دریافتی کنوئیں مامی خیل ساؤتھ-1 سے کنڈینسیٹ اور گیس کی دریافت کامیابی سے مکمل کی گئی۔

قادر پور

آپریٹر: او جی ڈی سی ایل

دریافتی کنوئیں قادر پور ڈیپ-1A کو ہدف تک کھودا گیا تاہم حوصلہ افزا نتائج نہ ملنے کی وجہ سے کنواں بند کر کے ترک کر دیا گیا۔

لطیف

آپریٹر: یو ای پی بیٹا

دریافتی کنواں جوگن-1 سال ختم ہونے کے بعد گیس کی دریافت کے طور پر مکمل ہوا۔

غوری

آپریٹر: ایم پی سی ایل

دریافتی کنوئیں میراج-1 (ST-3) کو ہدف تک کھودا گیا، حوصلہ افزا نتائج نہ ملنے کی وجہ سے کنواں بند کر کے ترک کر دیا گیا۔

پیزو

آپریٹر: او جی ڈی سی ایل

- رقت کے امکان میں ممکنہ ذخائر کی تحقیق کے لئے 2D لائنز ڈیٹا کی پی ایس ڈی ایم پروسیسنگ جاری ہے۔
- جی اینڈ جی کی جانچ کی جا رہی ہے۔

شکر گنج ویسٹ

آپریٹر: او جی ڈی سی ایل

- 850 لائن کلومیٹر 2D ڈیٹا کی تشریح جاری ہے۔
- جی اینڈ جی تجزیہ جاری ہے۔

سلیمان

آپریٹر: او جی ڈی سی ایل

- بلاک اپریل 2021 میں مسابقتی بولی کے ذریعے ایوارڈ کیا گیا۔

ساؤتھ خاران

- اسٹرکچرل ماڈلنگ کی تحقیق اور نظرِ ثانی شدہ تشریح اور نقشہ سازی مکمل ہوگئی۔
- 5000 لائن کلومیٹر کا کشش ثقل اور مقناطیسی ڈیٹا کا حصول مکمل ہوا۔
- کشش ثقل اور مقناطیسی ڈیٹا کی پروسیسنگ کے لیے ٹھیکہ دیے جانے کا عمل جاری ہے۔
- جی اینڈ جی تجزیہ کیا جا رہا ہے۔

پی پی ایل آپریٹڈ شمالی بلاکس

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

ڈھوک سلطان

- 3D سائزمک فریکچر ریزروائر کریکٹرائزیشن تحقیق کے لیے پروف آف کانسیپٹ (POC) مکمل ہوگیا ہے۔ اس تحقیق میں ایک چھوٹے رقبے (50 مربع کلومیٹر) پر تجربہ کیا گیا تاکہ قدرتی فریکچر اور ذخائر کی موجودگی/عدم موجودگی کی شناخت کی جاسکے۔
- 378 لائن کلومیٹر کے 2D سائزمک ڈیٹا کی دوبارہ پروسیسنگ اور 175 مربع کلومیٹر 3D سائزمک ڈیٹا کی پروسیسنگ مکمل ہوگئی ہے۔
- دوبارہ پروسیسڈ شدہ/ پروسیسڈ سائزمک ڈیٹا کی تشریح اور میپنگ مکمل ہوگئی۔
- موسّل امکان میں ممکنہ ذخائر کی جانچ کے لئے 3D سائزمک ڈیٹا پر اسٹرکچرل ماڈلنگ کی تحقیق جاری ہے۔
- ڈھوک سلطان کے تجزیاتی کنوئیں کو سال کے دوران خشک قرار دے دیا گیا۔

صادق آباد

- بلاک کے بقیہ امکانات کا تجزیہ مکمل ہوگیا۔
- معاشی طور پر قابلِ عمل امکان نہ ہونے کی وجہ سے ڈی جی پی سی کو دست برداری کا نوٹس جمع کرا دیا گیا ہے۔

کرسال

- 155 لائن کلومیٹر 2D کے دوبارہ پروسیس شدہ اور 253 مربع کلومیٹر کے 3D سائزمک ڈیٹا کی تشریح جاری ہے۔
- فریکچر کیریکٹرائزیشن تحقیق مکمل ہوگی۔
- بلاک کے بقیہ امکانات کا تجزیہ کیا جا رہا ہے۔

حصال

- کور کے انضمام کی تحقیق مکمل کر لی گئی۔
- 3D سائزمک ڈیزائن کا مطالعہ جاری ہے۔
- مصریال امکان کے ممکنہ ذخائر کی تحقیق کے لیے 3D سائزمک ڈیٹا کے حصول کے لیے بولیاں طلب کرنے کی تیاریاں جاری ہیں۔
- جی اینڈ جی جانچ بھی جاری ہے۔

پنجاب

- 1,300 لائن کلومیٹر پرانے 2D ڈیٹا کی دوبارہ پروسیسنگ جاری ہے۔

حب

- حب X-1 کی کھدائی کے بعد تجزیے کے طور پر ریز روائر سیڈیمنٹولوجی، جیوکیمسٹری اور بائیو اسٹریٹی گرافی تحقیقات مکمل کی گئیں۔
- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

قلات

- دریافتی کنوئیں پندرانی X-1 کی کھدائی شروع کی گئی ہے جس پر کام جاری ہے۔
- 312 لائن کلومیٹر 2D سائز مک ڈیٹا کی پی ایس ڈی ایم پروسیسنگ، تشریح اور میپنگ مکمل ہوگئی۔
- دریافتی کنوئیں مراد X-1 کی کھدائی کی منصوبہ بندی جاری ہے۔

خاران اور خاران ایسٹ

- 750 مربع کلومیٹر 3D اور 200 لائن کلومیٹر 2D سائز مک ڈیٹا کے حصول کا ٹھیکا دے دیا گیا ہے۔ سروے کے لیے سیکیورٹی انتظامات کو حتمی شکل دی جارہی ہے۔
- کشش ثقل اور مقناطیسی سروے کا ٹھیکا دے دیا گیا ہے۔ نوشیروانی بلاک میں سروے مکمل ہونے کے بعد اس بلاک سے ڈیٹا حاصل کیا جائے گا۔
- گہرے ذخائر کے امکانات کی جی اینڈ جی تشخیص جاری ہے۔

خاران ویسٹ

خاران ویسٹ بلاک سے دستبرداری کا نوٹس ڈی جی پی سی (DGPC) کے پاس 12 جولائی 2020 کو جمع کروادیا گیا ہے۔

خضدار

- 100 لائن کلومیٹر 2D سائز مک ڈیٹا کے حصول کا منصوبہ بنایا گیا ہے تاکہ بلاک کے بقیہ امکانات کو ممکنہ کھدائی کے لیے حتمی بنایا جاسکے۔ یہ سائز مک سروے سیکیورٹی کلیئرنس سے مشروط ہے۔

مرگنڈ

- مورگندھ X-1 کا بعداز کھدائی ارضیاتی تحقیق، سیڈیمنٹولوجیکل، آئسوٹوپ اور جیوکیمیکل تجزیہ مکمل کیا گیا۔
- ممکنہ ذخائر کا اندازہ لگانے کے لئے 2D سائز مک ڈیٹا کے حصول کے لیے تیاریاں جاری ہیں۔
- جی اینڈ جی جانچ جاری ہے۔

موسیٰ خیل

- 198 لائن کلومیٹر 2D پرانے سائز مک ڈیٹا کی دوبارہ پروسیسنگ، تشریح اور نقشہ سازی مکمل ہوگئی ہے۔
- 3,244 لائن کلومیٹر کشش ثقل اور مقناطیسی ڈیٹا کا حصول مکمل ہوگیا۔
- ارضیاتی شعبے کا کام مکمل ہو چکا ہے اور ڈیٹا انضمام جاری ہے۔
- کشش ثقل اور مقناطیسی ڈیٹا کی پروسیسنگ جاری ہے۔

نوشیروانی

- 50 لائن کلومیٹر 2D سائز مک ڈیٹا کے حصول کا ٹھیکا دے دیا گیا ہے۔ سروے شروع کرنے کے لیے انتظامات کو حتمی شکل دی جارہی ہے۔
- ساؤتھ خاران بلاک میں کشش ثقل اور مقناطیسی سروے کی تکمیل کے بعد اسی عملے کو اس بلاک میں ڈیٹا کے حصول کے لیے متحرک کیا جارہا ہے۔
- گہرے ذخائر کے امکانات کے لیے جی اینڈ جی کی تشخیص جاری ہے۔

ملیر

- ملیر کے اپڈپ امکان (جہاں تیل و گیس کے ذخائر ڈھلان پر ہوں) کے خطرے کو کم کرنے کے لیے اسٹرکچرل ماڈلنگ تحقیق اور پہلے سے دستیاب جی اینڈ جی ڈیٹا کے ساتھ اس کا انضمام مکمل ہو گیا۔

- بلاک میں کوئی معاشی طور پر قابل عمل امکان نہ ہونے کی وجہ سے ڈی جی پی سی کو دست برداری کا نوٹس جمع کرا دیا گیا ہے۔

شاہ بندر

- 130 مربع کلومیٹر 3D سائز مک ڈیٹا کا حصول مکمل ہو گیا۔
- پی ایس ٹی ایم پراسیسڈ 3D سائز مک ڈیٹا کی تشریح اور میپنگ جاری ہے۔
- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

جنگ شاہی

- بلاک کے شمالی حصے کے لیے وزارتِ دفاع سے این او سی کا انتظار ہے۔
- 150 لائن کلومیٹر 2D سائز مک ڈیٹا کی عملے کے ذریعے ری پروسیسنگ، تشریح اور میپنگ مکمل ہو گئی۔
- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

کھیرو ایسٹ

- بلاک کے پہلے دریافتی کنوئیں کھیرو ایسٹ X-1 کی کھدائی کا آغاز ہوا اور مزید پیشرفت جاری ہے۔
- بلاک کے بقیہ امکانات کا جائزہ لیا جا رہا ہے۔

پی پی ایل آپریٹڈ سرحدی بلاکس

پی پی ایل آپریٹڈ سرحدی بلاکس میں دریافتی سرگرمیوں کا خلاصہ ذیل میں کیا گیا ہے:

بارکھان

- 313 لائن کلومیٹر 2D سائز مک ڈیٹا کی دوبارہ سے پروسیسنگ جاری ہے۔
- دوبارہ پروسیس شدہ 2D سائز مک ڈیٹا کی تشریح اور میپنگ مکمل ہو گئی۔
- اسٹرکچرل ماڈلنگ کی تحقیق مکمل ہو چکی ہے اور بلاک کے بقیہ امکانات کا جائزہ جاری ہے۔

بیلا ویسٹ

- بیلا ویسٹ X-1 کا بعد از کھدائی تجزیے کا عمل مکمل ہو گیا ہے۔
- بلاک کے بقیہ امکانات کا جائزہ لیا جا رہا ہے۔

شامل کیے گئے ہیں۔ ابوظہبی بولی کے مرحلے میں آف شور بلاک 5 کی پی پی ایل کی قیادت میں 4 کمپنیوں کے کنسورشیم کو کامیاب ایوارڈ جس میں ان چاروں کی شراکت مساوی ہے جبکہ بلاک کے انتظامی حقوق بحیثیت آپریٹر پی پی ایل کے پاس ہیں۔ اس بلاک کے کامیاب حصول کی بناء پر پی پی ایل نے اپنے بین الاقوامی دریافتی پورٹ فولیو کو وسعت دی ہے۔ کمپنی ممکنہ دریافتوں کی فہرست میں کمی کو آئندہ ہونے والی بولیوں میں شرکت کر کے پورا کرنے کا عزم رکھتی ہے۔

پی پی ایل آپریٹڈ جنوبی بلاکس

پی پی ایل آپریٹڈ جنوبی بلاکس کی سرگرمیوں کا خلاصہ ذیل میں کیا گیا ہے:

گمبٹ ساؤتھ

- دریافتی کنوئیں قصر X-1 کی کھدائی کا کام جاری ہے۔
- نئے پروسیس شدہ 650 مربع کلومیٹر کے پرانے 3D سائزمک ڈیٹا کی تشریح اور میپنگ جاری ہے۔
- ہادی X-1A ٹائٹ گیس دریافت کی راک-فزکس ماڈلنگ اور AVO inversion تحقیق جاری ہے۔

ہالہ

- کوراور کنوئیں کی لاگ سیڈیمنٹولوجی اور پیٹروگرافی تحقیق مکمل ہوگئی۔
- نئے خریدے گئے 140 مربع کلومیٹر کے آفسیٹ 3D سائزمک ڈیٹا کی تشریح اور نقشہ سازی اور موجودہ ارضیاتی اور ارضی طبیعاتی (G&G) تجزیے کے ساتھ اس کا انضمام مکمل ہوگیا۔
- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

کوٹری

- مربوط سیکوینس اسٹریٹی گرافی کی تحقیق جاری ہے۔
- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

صورہ

- ماحولیاتی (EIA&IEE) تحقیقات مکمل ہوئیں اور بلاک میں سائزمک سروے کے لیے ماحولیاتی تحفظ ایجنسی سندھ سے این او سی حاصل کرلیا گیا۔
- دستیاب پرانے سائزمک اور کنوئیں کے ڈیٹا کی ارضیاتی وارضی طبعیاتی (جی اینڈ جی) جانچ پڑتال مکمل ہوگئی۔
- 3D سائزمک ڈیٹا کے حصول کے لیے بولی کا عمل جاری ہے۔

سیرانی

- دلدلی علاقے میں دریافتی کنوئیں کی کھدائی کی لاگت کم سے کم کرنے کے لیے مختلف امکانات کا جائزہ لیا جارہا ہے۔
- 160 مربع کلومیٹر 3D سائزمک ڈیٹا کی خصوصی پی ایس ٹی ایم پروسیسنگ مکمل ہوچکی ہے جبکہ پی ایس ڈی ایم پروسیسنگ جاری ہے۔
- پی ایس ٹی ایم پراسیسڈ 3D سائزمک ڈیٹا کی تشریح اور میپنگ جاری ہے۔

نوشہرو فیروز

- بلاک کے بقیہ امکانات کا اندازہ لگانے کا عمل جاری ہے۔

ڈگری

آپریٹر: یو ای پی ایل

گلشیر-1 کنوئیں سے ابتدائی پیداوار شروع کی گئی ہے جو فی الحال تقریباً 650 بی بی ایل یومیہ تیل ہے۔

ساون

آپریٹر: یو ای پی بیٹا

ساون-10، 11 اور 13 پر ویل ہیڈ کمپریشن کی تنصیب اور پیداوار کا آغاز ہو چکا ہے اور موجودہ فرنٹ اینڈ کمپریشن سسٹم کو نئے چھوٹے کمپریسروں کے ساتھ تبدیل کرنے کا عمل جاری ہے اور توقع کی جا رہی ہے کہ یہ 22-2021 کی دوسری سہ ماہی میں کام شروع کر دیں گے۔

دریافتی پروگرام

اہم جھلکیاں

- پی پی ایل نے رواں سال میں چھ دریافتی کنووں کی کھدائی کی جن میں سے تین کمپنی آپریٹڈ علاقوں میں اور تین پارٹنر آپریٹڈ علاقوں میں کھودے ہیں۔
- پارٹنر آپریٹڈ ٹل بلاک میں دریافتی کنوئیں مامی خیل ساؤتھ-1 میں دریافت کا اعلان کیا گیا۔
- متحدہ عرب امارات کا آف شور بلاک 5 ابوظہبی بولی راؤنڈ میں پی پی ایل کی سربراہی میں قائم کنسورشیم کو دیا گیا۔
- پی پی ایل آپریٹڈ شاہ بندر بلاک میں 130 مربع کلومیٹر 3D سائز مک ڈیٹا اور پارٹنر آپریٹڈ خضدار نارتھ بلاک میں 240 لائن کلومیٹر 2D سائز مک ڈیٹا حاصل کیا گیا۔
- پی پی ایل آپریٹڈ بلاکس میں کل 6,628 لائن کلومیٹر کشش ثقل اور 6,737 لائن کلومیٹر مقناطیسی ڈیٹا حاصل کیا۔
- کمپنی آپریٹڈ بلاکس میں 1,057 لائن کلومیٹر 2D اور 1,542 مربع کلومیٹر 3D سائز مک ڈیٹا کی عملے کے ذریعے پروسیسنگ اور دوبارہ پروسیسنگ کی گئی، جس کے نتیجے میں کمپنی کو لاگت اور ملک کو قیمتی زرمبادلہ میں خاطر خواہ بچت ہوئی۔
- پی پی ایل نے پاکستان بڈ راؤنڈ 2021 میں حصہ لیا اور سلیمان بلاک کو او جی ڈی سی ایل کے ساتھ پارٹنر کے طور پر حاصل کیا۔

مزید تفصیلات متعلقہ اثاثوں کے تحت بیان کی گئی ہیں۔

دریافت کا پورٹ فولیو

کمپنی کے پاس سال کے اختتام تک اپنی ذیلی کمپنیوں کے ساتھ مل کر 43 دریافتی بلاکس کا ایک پورٹ فولیو ہے۔ ان میں سے 25 پی پی ایل کے زیرِ انتظام ہیں، جس میں عراق میں بلاک 8 بھی شامل ہے۔ اس کے علاوہ 18 پارٹنر آپریٹڈ دریافتی بلاکس بشمول پاکستان میں ایک آف شور بلاک اور یمن میں ایک آن شور بلاک ہے۔ اس پورٹ فولیو میں وہ دریافتی بلاکس شامل نہیں ہیں جن کے حوالے سے سال کے دوران ریگولیٹر کو دستبرداری کے نوٹس جمع کرا دیے گئے ہیں۔

کمپنی کے پاس ایک متنوع دریافتی پورٹ فولیو ہے جس میں زیادہ پرُخطر اور زیادہ اور درمیانے امکانات والے، کم پرُخطر، کم/ درمیانے امکانات والے اثاثوں کا امتزاج ہے۔ کمپنی کی حکمت عملی کے مطابق، پی پی ایل ممکنہ بڑی دریافتوں کے لیے زیادہ پرُخطر علاقوں میں بھی سرگرمیاں جاری رکھے ہوئے ہے جبکہ پورٹ فولیو کو متوازن رکھنے کے لیے کم پرُخطر بلاک بھی

- بیرائیٹ-لیڈ-زنک (بی ایل زیڈ) منصوبے کے لیے مائننگ لیز 30 مربع کلومیٹر کے رقبے کے لیے دی گئی ہے جبکہ پی پی ایل/بی ایم ای کی طرف سے 100 مربع کلومیٹر کے رقبے کی درخواست کی گئی ہے۔ بقیہ رقبے پر کان کنی کی لیز حاصل کرنے کی کوشش کی جارہی ہے۔

- نئی گرائنڈنگ مِل کی تنصیب سے پیداوار کے آغاز کا عمل مکمل ہو چکا ہے جس سے کھدائی کی سرگرمی شروع ہونے کے بعد بیرائیٹ پاؤڈر کی پیداوار اور فروخت بڑھانے میں مدد ملے گی۔

پارٹنر آپریٹڈ پیداواری اثاثے

پارٹنر آپریٹڈ پیداواری اثاثوں کی اہم سرگرمیاں درج ذیل ہیں:

ناشپا

آپریٹر: او جی ڈی سی ایل (OGDCL)

- ناشپا-X5 کو سائیڈ ٹریک کر کے کھدائی کی گئی تا کہ ممکنہ ذخائر سے استفادہ کیا جا سکے تاہم غیر حوصلہ افزا نتائج کی وجہ سے کنوئیں کو بند کر کے معطل کر دیا گیا۔
- پیداواری کنوئیں ناشپا-10 تیل اور گیس کے پیداوار کنندہ کے طور پر کامیابی سے مکمل کیا گیا جبکہ پیداواری کنوئیں میلہ-8 کی کھدائی جاری ہے۔
- ناشپا فیسیلیٹی سے میلہ کی گیس پروسیسنگ کے لیے میلہ سے ناشپا تک فلولائن بچھانے کا کام مکمل کیا گیا ہے۔ ناشپا فیسیلیٹی سے میلہ کی گیس کی پروسیسنگ کا آغاز نومبر 2020 سے شروع ہو چکا ہے جس کی on-specsale ہو گی جس کے ساتھ ایل پی جی کی پیداوار بھی ہو رہی ہے۔
- ناشپا فرنٹ اینڈ کمپریشن (ایف ای سی) سے پیداوار کا آغاز بھی نومبر 2020 سے ہو چکا ہے۔

کیرتھر

آپریٹر: پی او جی سی (POGC)

- جولائی 2020 میں 60 یومیہ ایم ایم ایس سی ایف کی گنجائش کے امائن پلانٹ کا کامیابی کے ساتھ آغاز ہوا۔
- سیلز گیس بوسٹر کمپریسر سے پیداوار کا آغاز ستمبر 2020 میں ہوا۔

ٹل

آپریٹر: ایم او ایل (MOL)

- مارمزئی کمپریشن کی خریداری کا آغاز ہو چکا ہے اور توقع ہے کہ منصوبہ 22-2021 کی تیسری سہ ماہی تک مکمل ہو جائے گا۔

قادر پور

آپریٹر: او جی ڈی سی ایل

- پیداواری کنویں QP-62 کو گیس پیدا کنندہ کے طور پر کامیابی کے ساتھ مکمل کیا گیا۔
- فرنٹ اینڈ کمپریشن منصوبے کے تینوں کمپریسرز سائٹ پر پہنچ چکے ہیں۔ تنصیب کا کام جاری ہے اور اندازہ لگایا گیا ہے کہ 22-2021 کی دوسری سہ ماہی تک یہ کمپریسر کام شروع کر دیں گے۔

لطیف

آپریٹر: یو ای پی بیٹا (UEP Beta)

پیداواری کنوئیں لطیف-22 کو گیس پیداوار کنندہ کے طور پر کامیابی کے ساتھ مکمل کیا گیا ہے۔

متعلقہ کنوؤں کے گیس کے بہاؤ کی شرح، پانی کے بہاؤ کی شرح، گیس کے زیادہ سے زیادہ بہاؤ کی صلاحیت، پانی کی مجموعی پیداوار اور آبی ذخائر میں دباؤ کی کمی کا جائزہ لینے کے لیے سالانہ ریزروائر مانیٹرنگ/سرویلنس مہم مکمل کی گئی تاکہ مسائل کا بہتر سدباب کیا جاسکے۔

آدہی/ڈھوک سلطان

- AS-2 کنوئیں کو کامیابی کے ساتھ مکمل کیا گیا جس کے نتیجے میں پیداوار میں تقریباً 800 بی بی ایل یومیہ تیل اور یومیہ 0.7 ایم ایم ایس سی ایف گیس کا اضافہ ہوا۔
- قدرتی تنزل کے باوجود گزشتہ سال کے مقابلے میں آدہی فیلڈ سے پیداوار میں 3 فیصد اضافہ ہوا۔ یہ اضافہ آدہی ساؤتھ-2 اور 3 کے پورے سال کی پیداوار کے اثر، تقابلی سال کی آخری سہ ماہی میں کم پیداوار اور آدہی-34 اور آدہی-23 میں تیزاب کاری اور آدہی-28 میں پرفوریشن کی وجہ سے ممکن ہوا۔
- ذخائر کے تحرک کی مربوط تحقیق (Reservior Simulation Study) کا عمل کمپنی کے عملے کی جانب سے مکمل کیا گیا جس سے خاطر خواہ بچت ہوئی۔ 2D اور 3D ڈیٹا کی ٹائم اور ڈیپتھ ری پروسیسنگ مکمل کی گئی۔
- مجازی پائپ لائن کے صارف کے لائسنس کے مسئلے کی وجہ سے ڈھوک سلطان X-1 سے پیداوار معطل رہی۔
- ڈھوک سلطان X-1 سے بڑے پیمانے پر ابتدائی پیداوار، پاکستان آئل فیلڈز لمیٹڈ میال پلانٹ کے ذریعے تیل کی پروسسنگ کے لئے ایک نئی فیسیلیٹی اور گیس پروسیسنگ کی تنصیب کے بعد، مالی سال 22-2021 کی دوسری سہ ماہی میں شروع ہونے کی توقع ہے۔ یہ گیس ایس این جی پی ایل کو فروخت کی جائے گی۔
- ڈھوک سلطان فیلڈ میں پہلے تجزیاتی کنوئیں ڈھوک سلطان-02 کی کھدائی مکمل ہوگئی۔ ٹارگٹ ایریا میں فریکچر نہ ہونے کی وجہ سے کنوئیں سے پیداوار نہ ہوسکی اور اسے بند اور معطل کردیا گیا۔ اس سلسلے میں کھدائی کے بعد کا تجزیہ جاری ہے۔

ہالہ، گمبٹ ساؤتھ اور مزرانی کے اثاثے

- گمبٹ ساؤتھ GPF-IV، کے دوسرے مرحلے کا آغاز جنوری 2021 میں کردیا گیا جس سے پیداوار میں یومیہ 35 ایم ایم ایس سی ایف اضافہ ہوا۔
- ہدف X-1 کے لیے کاربن اسٹیل پائپ لائن کی 40 کلومیٹر فیڈر لائن کی تعمیر مکمل ہوچکی ہے اور کنوئیں سے GPF-IV کے ذریعے پیداوار کا آغاز کردیا گیا ہے۔
- کمپنی ظافر جی پی ایف منصوبے پر عملدرآمد کے لیے تمام کوششیں کررہی ہے جو کچھ قانونی مسائل کی وجہ سے شیڈول سے پیچھے رہ گیا ہے۔
- پیداواری کنوئیں شرف-3 کی کھدائی کا کام مکمل ہوگیا اور کنوئیں نے GPF-IV کے ذریعے پیداوار شروع کردی ہے۔
- کبیر اور ہدف فیلڈز کے ڈی اینڈ پی ایل کو ریگولیٹر نے منظور کرلیا ہے۔
- گمبٹ ساؤتھ اور ہالہ کے لیے ISO 2015:9001، ISO 2015:14001 اور ISO 2018:45001 کی سرٹیفکیشن ہوچکی ہے۔
- مزرانی ڈی اینڈ پی ایل کی عبوری توسیع ڈی جی پی سی نے 31 مئی 2020 تک دی تھی۔ گیس کے بڑھتے ہوئے نرخ پر دوبارہ لیز دینے کی منظوری کا ابھی انتظار ہے۔ دریں اثنا فیلڈ کو ترک کرنے کا عمل شروع کیا گیا ہے کیونکہ فیلڈ گیس کی موجودہ قیمت پر اقتصادی لحاظ سے اپنی آخری حد کے قریب پہنچ رہی ہے۔
- بیناری فیلڈ (شاہ بندر بلاک) سے گیس کی پہلی پیداوار مئی 2021 میں ایم پی سی ایل کی سجاول فیسلیٹی سے شروع ہوگئی۔ یہ کنواں اوسطاً یومیہ 9 ایم ایم ایس سی ایف گیس پیدا کر رہا ہے۔

پی پی ایل مائننگ اثاثہ

بولان مائننگ انٹرپرائزز (بی ایم ای)

- بی ایم ای کی بیرائیٹ کی مجموعی فروخت 128,412 ٹن رہی جو گزشتہ سال کی فروخت سے کم ہے اس کا بنیادی سبب ملک کے ساتھ ساتھ بین الاقوامی سطح پر کھدائی کی کم سرگرمیاں ہیں۔

- گنگا، خضدار کے مقام پر واقع کان کی تجدید (اپ گریڈیشن) اور کان کی اوپری سطح سے پرت ہٹا کر اسے کان کنی کے لئے تیار کرنیکے عمل کا (overburden removal) process آغاز کردیا گیا ہے تاکہ برآمدی طلب کو پورا کرنے کے لیے اعلیٰ درجے کی بیرائٹ نکالی جاسکے۔

پارٹنر آپریٹڈ فیلڈز سے پیداوار میں شراکت یومیہ 235 ایم ایم ایس سی ایف کے ساتھ تقریباً گزشتہ سال کے برابر رہی۔ پارٹنر آپریٹڈ فیلڈز بھی قدرتی تنزل کا سامنا کر رہی ہیں جس کا ازالہ کیرتھر اور ناشپا میں پیداوار کے اضافے کے ذریعے کیا گیا۔

مزید تفصیلات متعلقہ اثاثوں کے تحت بیان کی گئی ہیں۔

پی پی ایل کے آپریٹڈ پیداواری اثاثے

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

سوئی اثاثہ

- سوئی فیلڈ سے اوسط یومیہ پیداوار 359 ایم ایم ایس سی ایف رہی۔ اس فیلڈ میں قدرتی تنزلی ہو رہی ہے۔ تاہم 21-2020 میں پیداوار میں بہتری کی کوششوں سے تخفیف کو کم کر کے 2.6 فیصد کر دیا گیا جبکہ گزشتہ سال یہ شرح 4.2 فیصد تھی۔

- فیلڈ کے QHSE کے تحت 3.2 ملین محفوظ انسانی گھنٹے (safe man hours) (بغیر کسی حادثے کے کام کے دورانیے) کا سنگِ میل عبور کیا گیا۔
- 2 پیداواری کنوؤں یعنی سوئی-111 اور سوئی-112 کی کھدائی مکمل کر لی گئی جو سوئی فیلڈ میں تقریباً یومیہ 5.7 ایم ایم ایس سی ایف گیس شامل کر رہے ہیں۔

- سوئی فیلڈ میں موجودہ کمپریسروں کی ترمیم کا منصوبہ شروع کیا گیا ہے۔ جس کے ذریعے سوئی گیس فیلڈ سے تقریباً 300-240 بی سی ایف گیس کی اضافی پیداوار کا امکان ہے۔
- 2020 میں شمالی ہیڈر پر رکاوٹیں دور کرنے کے منصوبے کی کامیاب تکمیل کے بعد ایس ایم ایل پائپ لائن نیٹ ورک کے جنوبی ہیڈر میں ایک اور ایسی سرگرمی کی گئی جس سے پیداوار میں تقریباً یومیہ 6 ایم ایم ایس سی ایف کا اضافہ ہوا۔

- سوئی - کھیوالی پمپنگ اسٹیشن کی پانی کی سپلائی پائپ لائن کا 8 کلومیٹر حصہ تبدیل کر دیا گیا جس کے نتیجے میں پانی کے بہاؤ میں تقریباً 20 فیصد اضافہ ہوا اور سوئی فیلڈ اور مقامی آبادیوں کے لیے پانی کی ضرورت کو پورا کرنے میں توانائی کی بچت ہوئی۔

- پیوریفکیشن پلانٹ اور سوئی فیلڈ گیس کمپریشن اسٹیشن، دونوں پر مرمت، اپ گریڈیشن اور پلانٹ کی کارکردگی بہتر بنانے والی سرگرمیوں میں اضافے کا آغاز کیا گیا۔ جس میں کمپریسروں، گیس ٹربائن، پیوریفکیشن بینک اور دیگر یونٹوں کی بڑی جانچ/مرمت بھی شامل ہے۔

- سوئی کے لیے ڈی اینڈ پی ایل کے حصول کا انتظار ہے۔ عبوری طور پر، حکومتِ پاکستان نے متواتر اعلامیوں کے ذریعے کمپنی کو سوئی گیس فیلڈ سے پیداوار جاری رکھنے کی اجازت دی ہے۔ حالیہ اعلامیے کے تحت حکومت نے کمپنی کو 1 جون 2021 سے 12 ماہ تک سوئی سے پیداوار جاری رکھنے کی اجازت دی ہے۔

کندھکوٹ/ چاچڑ اثاثہ

- اس سال پیداوار کی شرح یومیہ 117 ایم ایم ایس سی ایف تھی جبکہ گزشتہ سال یہ شرح یومیہ 142 ایم ایم ایس سی ایف تھی۔ یہ شرح صارف کی جانب سے گیس کی کم خریداری کی وجہ سے فیلڈ کی ترسیلی صلاحیت سے نیچے رہی۔

- کندھکوٹ کی اضافی ڈی اینڈ پی ایل کو جنوری 2026 تک بڑھا دیا گیا ہے، جبکہ کندھکوٹ کی مائننگ لیز جنوری 2022 میں ختم ہو رہی ہے اور بطور ڈی اینڈ پی ایل اس کے دوبارہ اجراء کے لیے درخواست دی جا رہی ہے۔

پیداوار

مجموعی طور پر گزشتہ سال کے مقابلے میں پیداوار میں تقریباً 2 فیصد کمی واقع ہوئی ہے، مصنوعات کے لحاظ سے تجزیہ کیا جائے تو کمپنی کی گیس کی پیداوار میں تقریباً 3 فیصد کمی واقع ہوئی جبکہ کنڈینسیٹ/ این جی ایل/ اور تیل کی پیدوار یکساں رہی جبکہ ایل پی جی کی پیداوار میں پچھلے سال کے مقابلے میں تقریباً 8 فیصد اضافہ ہوا ہے۔ گیس کی پیداوار میں کمی کی بنیادی وجہ کندھ کوٹ میں جینکو-II کی جانب سے کم خریداری رہی جو پچھلے سال بھی پیداوار میں کمی کا باعث رہی تھی۔ کمپنی فیلڈز سے قدرتی انحطاط کے نتیجے میں پیداوار کی کمی کے اثرات کو دیگر فیلڈز کی پیدوار میں اضافے خاص طور پر گمبٹ ساؤتھ اور پیداواری کنوؤں کی کھدائی کے ذریعے زائل کرنے میں کامیاب رہی ہے۔

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

	2019-20	2020-21
قدرتی گیس (ایم ایم ایس سی ایف)	283,792	276,309
خام تیل/ این جی ایل/ کنڈنسیٹ (ہزار بیرل)	5,142	5,132
ایل پی جی (میٹرک ٹن)	107,114	115,835

سال کے دوران ہائیڈروکاربن کی پیداوار جس میں شراکتی فیلڈز سے کمپنی کی گیس کا حصہ اوسطاً تقریباً یومیہ 757 ایم ایم ایس سی ایف، تیل/ این جی ایل/ کنڈنسیٹ 14,060 بیرل یومیہ اور ایل پی جی یومیہ تقریباً 317 میٹرک ٹن ہے۔

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

پیداواری کنوئیں

آپ کی کمپنی نے سال کے دوران کل 7 پیداواری کنوئیں کھودے۔ کمپنی آپریٹڈ علاقوں میں کھودے گئے 3 کنوؤں میں سے 2 سوئی جبکہ 1 گمبٹ ساؤتھ میں کھودا گیا۔ جبکہ پارٹنر آپریٹڈ علاقوں میں قدرتی تنزل کو روکنے کے لیے قادر پور، لطیف، نشپا اور میلہ میں کل 4 کنوئیں کھودے گئے۔

فیلڈ ڈویلپمنٹ کی سرگرمی متعلقہ فیلڈ کی حیات کے دور (لائف سائیکل) میں قابل پیداوار ہونے کے موجودہ مرحلے پر منحصر ہوتی ہے کیونکہ کنوئیں مناسب ترین وقت پر کھودے جاتے ہیں تاکہ زیادہ سے زیادہ پیدوار اور معاشی منفعت حاصل کی جاسکے۔ کنوئیں کھودنے کی سرگرمی میں کمی کمپنی کی فیلڈز کے لائف سائیکل کے موجودہ مرحلے اور کندھ کوٹ سے گیس کی کم خریداری کی وجہ سے ہوئی۔

پیداواری فیلڈز-اہم جھلکیاں

- سوئی گیس فیلڈ، ملک کی دیگر روبہ زوال فیلڈز کی طرح قدرتی تنزل کا سامنا کر رہی ہے جسے دو پیداوری کنوؤں کی کھدائی کے ذریعے کم کیا گیا ہے۔
- موجودہ سال میں کندھ کوٹ سے پیداوار میں کمی کا سلسلہ جاری رہا کیونکہ جینکو-II کی جانب سے خریداری کم رہی۔
- آدہی ساؤتھ-2 اور 3 پر کام جلد شروع ہونے کی وجہ سے آدہی کی پیداوار پچھلے سال کے مقابلے میں بہتر رہی۔
- گمبٹ ساؤتھ میں جی پی ایف-IV، کے دوسرے مرحلے کے آغاز کی بناء پر پیداوار میں بنیادی طور پر اضافہ ہوا ہے۔
- بیناری X-1 سے پیداوار کا آغاز مئی 2021 میں ہوا اور ایم پی سی ایل کی سجاول فیسلیٹی سے یومیہ 9 ایم ایم ایس سی ایف گیس پروسیسنگ شروع ہوئی۔

خام تیل کی قیمتیں

Covid-19 نے گزشتہ سال دنیا بھر میں معاشی سرگرمیوں کو محدود کیا جس کے نتیجے میں خام تیل کی قیمتیں ریکارڈ کم سطح پر پہنچ گئی تھیں۔ خام تیل کی قیمتیں پچھلے سال کے آخر میں دوبارہ بڑھنی شروع ہوئیں اور موجودہ سال میں Covid-19 سے پہلے کی سطح پر پہنچ گئیں جب سپلائی میں کمی نے طلب اور رسد کے درمیان فرق کو کم کرنے میں مدد کی۔ فی الحال تیل کی پیداواری کمپنیاں ترسیل میں آہستہ آہستہ اضافہ کر رہے ہیں کیونکہ عالمی معیشت بحال ہو رہی ہے۔ اس کے نتیجے میں یہ پیش گوئی کی جا رہی ہے کہ قلیل اور درمیانی مدت میں تیل کی قیمتیں دوبارہ متوازن سطح پر پہنچ جائیں گی۔

تیل کی قیمتوں کا براہ راست اثر آپ کی کمپنی کی آمدنی اور مستقبل کی سرمایہ کاری کے قابل عمل ہونے پر پڑتا ہے اور اسی لیے اس کی کڑی نگرانی کی جاتی ہے۔ تاہم کمپنی کے پروڈکٹ مکس میں گیس کا حصہ غالب ہے جو کمپنی کی آمدنی پر تیل کی قیمت کے اتار چڑھاؤ کے اثرات کو کم کرتا ہے۔

غیر ملکی کرنسی میں اتار چڑھاؤ

2020-21 کے دوران امریکی ڈالر اور پاکستانی روپے کی شرحِ تبادلہ پورے سال غیر مستحکم رہی۔ اگست 2020 میں ڈالر 168 روپے کی سطح پر پہنچ گیا تھا۔ Covid-19 کی پہلی لہر کے بعد معیشت کی بحالی، قرض کی ادائیگی مؤخر ہونے، ترسیلات زر اور برآمدات میں اضافے کے بعد روپے کی قدر میں بتدریج بہتری دیکھی گئی۔ مالی سال کی تیسری اور چوتھی سہ ماہی میں روپے کی قدر میں معقول حد تک اضافہ ہوا اور مئی 2021 میں ڈالر کی قیمت 151 روپے تک آ گئی۔ تاہم اس کے بعد سے روپے کی قدر میں کمی آنی شروع ہو گئی اور مالی سال 2020-21 کے اختتام پر ڈالر 158.3 روپے پر بند ہوا۔

تجارتی قابل وصول اثاثہ جات

گردشی قرضہ ایک ایسا ہمہ گیر مسئلہ ہے جس نے پوری صنعت کو گھیر رکھا ہے اور توانائی کی ویلیو چین سے منسلک کمپنیوں کو اس کا سامنا کرنا ناگزیر ہو چکا ہے۔ خاص طور پر گیس کے شعبے کا گردشی قرضہ حالیہ برسوں میں صارفین کے لیے قیمت اور گیس کی پیداواری لاگت کے درمیان فرق میں اضافے کی وجہ سے تیز رفتاری سے بڑھ رہا ہے۔ گھریلو صارفین کو مہنگی ایل این جی فراہم کرنے سے اس میں مزید اضافہ ہوا ہے۔

گردشی قرضوں کی وجہ سے آپ کی کمپنی کی قابلِ وصول رقوم میں بھی اضافہ ہوا ہے کیونکہ ہماری فروخت کا بیشتر حصہ گیس پر مشتمل ہے۔ تاہم موجودہ سال میں گردشی قرضے میں اضافے کی شرح سست ہو گئی کیونکہ سال کے دوران وصولی کا تناسب 89 فیصد تک پہنچ گیا۔ یہ وصولیاں اعلیٰ ترین سطح پر کی گئی ان بھرپور کوششوں کا نتیجہ تھیں جن کا مقصد قابل وصول رقوم کی شرح میں اضافے کو روکنا تھا۔ ان کوششوں سے کمپنی کے مستقبل کے پروگراموں، سرمائے کے معاہدوں اور منافع کی ادائیگی کے لیے نقد وسائل لائے گئے جن کی بہت زیادہ ضرورت تھی۔

کمپنی کے گردشی قرضے کی صورت حال پر انتظامیہ ریگولیٹری اتھارٹیز کے ساتھ مسلسل رابطے میں رہتی ہے تاکہ ان مشکلات اور ان کے ممکنہ حل کو اجاگر کیا جا سکے۔ پبلک سیکٹر کی دریافتی و پیداواری کمپنیاں اپنی بیلنس شیٹ پر گردشی قرضے کا بوجھ بہت عرصے سے اٹھا رہی ہیں جو کہ طویل مدت میں ناقابل برداشت ہو جاتا ہے اور اس کے نتیجے میں مزید دریافتی اور پیداواری سرگرمیوں کے منصوبوں میں رکاوٹ آ سکتی ہے۔ اس سلسلے میں ریگولیٹرز کو مختلف تجاویز دی گئی ہیں جن کے نفاذ سے گردشی قرضے کے بڑھتے ہوئے رجحان کو تبدیل کرنے میں فائدہ ہو گا، جس سے کمپنی کی وصولیوں پر مثبت اثر پڑے گا۔

ہماری کارکردگی

پیداواری آپریشنز

آپ کی کمپنی فی الحال سوئی، کندھ کوٹ، آدھی، مزارانی، چاچڑ، ہالہ، گمبٹ ساؤتھ، ڈھوک سلطان اور شاہ بندر میں تیل اور گیس کی پیداواری فیلڈز آپریٹ کر رہی ہے۔ اس کے علاوہ، کمپنی، پی پی ایل ای کے ساتھ، 13 پارٹنر آپریٹڈ پیداواری فیلڈز میں شراکت دار ہے۔ کمپنی جدید ٹیکنالوجی اور انتظامی مہارتوں کا استعمال کرتے ہوئے موجودہ اثاثوں سے پیداواری اضافے اور نئی دریافتوں کو منافع بخش بنانے پر توجہ دے کر ملک کی توانائی کی ضروریات کو پورا کرنے میں نمایاں کردار ادا کر رہی ہے۔ مزید برآں، کمپنی بولان مائننگ انٹرپرائز کے ذریعے بیرائیٹ اور خام لوہا پیدا کر رہی ہے۔ بی ایم ای پی پی ایل اور حکومتِ بلوچستان کے درمیان ایک شراکتی منصوبہ ہے۔

کاروباری ماحول

پاکستان کا درآمدی توانائی پر انحصار وقت گزرنے کے ساتھ ساتھ بڑھ رہا ہے۔ اس وقت ملک کی تیل کی تقریباً 80 فیصد اور گیس کی تقریباً 25 فیصد ضرورت درآمدات کے ذریعے پوری کی جاتی ہے جو درآمدی بل کا ایک اچھا خاصا حصہ بنتا ہے۔ اگرچہ گھریلو صارفین کے لیے اب بھی گیس توانائی کی ضرورت کا اہم ذریعہ ہے مگر ایک دہائی سے زائد عرصے میں گیس کی قابل قدر بڑی دریافتیں بہت کم رہی ہیں یہی وجہ ہے کہ گیس کی مقامی یومیہ پیداور گھٹ کر 3.5 بلین کیوبک فیٹ رہ گئی ہے جو 19-2018 تک کئی برسوں سے 4 بلین کیوبک فیٹ کی مستقل سطح پر برقرار تھی۔ اسی طرح تیل کی پیداوار کم ہو کر 75 ہزار بیرل یومیہ ہو چکی ہے جو 19-2018 میں 90 ہزار بیرل یومیہ تھی۔

تیل اور گیس کے ذخائر کے معروف علاقوں میں دریافتوں کا تناسب اور اوسط دریافت کا حجم کم ہوتا جا رہا ہے۔ اس لیے دریافتی و پیداواری کمپنیوں کے لیے وقت کی ضرورت یہ ہے کہ پُرخطر سرحدی علاقوں اور ساحلی علاقوں میں ممکنہ بڑی دریافتوں کے لیے زیادہ سے زیادہ تلاش کی کوششیں کی جائیں۔ سیکیورٹی کی بہتری اور دستیابی (خاص طور پر بلوچستان میں)، آف شور بلاکوں کے لیے بولیاں اور غیر روایتی ہائیڈروکاربن وسائل کی تلاش کے لیے برابری پر مبنی پالیسی ترغیبات کچھ ایسے اقدامات ہیں جو ملک میں دریافتی سرگرمی کو فروغ دیں گے۔ یہ درآمد شدہ ایندھن پر انحصار کم کرنے کی راہ ہموار کرے گا۔

آپ کی کمپنی کے پاس تیل اور گیس کی تلاش کا ایک متوازن پورٹ فولیو ہے جس میں سرحدی علاقے بھی شامل ہیں۔ ابوظہبی میں حالیہ آف شور بلاک کا ملنا کمپنی کی بین الاقوامی سطح پر توسیع کے حوالے سے کوششوں کا ثبوت ہے جس کا مقصد طویل مدت میں ملک میں زرمبادلہ کی آمد کو بہتر بنانا ہے۔ مزید برآں معدنیات کے شعبے میں تنوع کمپنی کی بنیادی آمدنی میں اضافے کا سبب ہوگا جو فی الحال زیادہ تر مقامی دریافتی و پیداواری شعبے سے حاصل کی جا رہی ہے۔ بلوچستان کے معدنیات سے بھرپور علاقے میں کمپنی کی آمدنی میں اہم اضافے کی صلاحیت رکھتے ہیں۔

بیرونی عوامل

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

Covid-19 کی عالمی وبا

رواں مالی سال کے دوران بھی Covid-19 کے عالمی سطح پر بہت زیادہ اثر انداز ہونے کا سلسلہ جاری رہا۔ کم صنعتی اور تجارتی سرگرمیوں کی وجہ سے دنیا بھر میں توانائی کی طلب میں کمی رہی۔ تاہم 2020 کی تیسری سہ ماہی سے تیل کی طلب میں گزشتہ سہ ماہیوں کے مقابلے میں بحالی شروع ہوئی جو صنعتی سرگرمیوں میں اضافے کی نشاندہی کرتی ہے۔ اگرچہ تیل کی طلب Covid-19 سے پہلے کی سطح تک نہیں پہنچی ہے لیکن صورتحال آہستہ آہستہ بہتر ہو رہی ہے خاص طور پر ویکسینیشن کے اجرا کے بعد سے 2020 کے آخر تک معاملات بہتر ہوئے ہیں۔ ماہرین 2021 کے آخر تک تیل کی عالمی طلب 100 ملین بیرل تک پہنچنے کی پیش گوئی کر رہے ہیں۔ پاکستان میں رواں سال کے دوران مقامی تیل اور گیس کی پیداوار پر Covid-19 کا کم سے کم اثر دیکھا گیا، گزشتہ مالی سال کی آخری سہ ماہی کی پیدواری کمی رواں مالی سال کے آغاز میں بڑی حد تک پوری ہو گئی۔

عالمی توانائی مارکیٹ کا تغیر

شمسی اور ہوائی توانائی اور بیٹریوں کی لاگت میں کمی کی وجہ سے توانائی کی عالمی منڈی میں قابل تجدید ذرائع کا استعمال بتدریج بڑھتا جا رہا ہے۔ اس کا ایک محرک موسمیاتی تبدیلیوں کے تناظر میں خاص طور پر ترقی یافتہ ممالک میں کنجوری ایندھن (fossil fuels) پر لگائی جانے والی پابندیاں بھی ہیں۔ اس کے باوجود عالمی سطح پر تیل کی کم ہوتی ہوئی پیداوار کے باعث اب بھی طلب پوری نہیں ہو پا رہی اور اس سلسلے میں دریافتی و پیداواری کمپنیوں کی جانب سے مسلسل سرمایہ کاری کی ضرورت ہوگی۔ مزید برآں، دیگر کنجوری ایندھن کے مقابلے میں قدرتی گیس کے کم (منفی اثرات) کاربن فٹ پرنٹ کے پیش نظر ایل این جی انفراسٹرکچر میں نئی سرمایہ کاری کی وجہ سے عالمی گیس میں اضافے کی توقع ہے۔ پاکستان میں بھی یہ تبدیلی متوقع ہے تاہم اس کی رفتار آہستہ ہوگی کیونکہ ملک میں فی کس توانائی کا استعمال پہلے ہی کم ہے۔

قدرتی تخلیق

- ذخائر کی تجدید کے مطلوبہ تناسب کے حصول 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 بطور آپریٹر کے دریافتی سرگرمیاں کرنا، بالخصوص کم گہرے پانیوں میں
- نئے دریافتی علاقوں، فارم اِن اور فارم آؤٹ کے دریافتی پروگرام کے ذریعے پورٹ فولیو کو بہتر بنانا
- بین الاقوامی سطح پر ترقی کرنے اور دریافت و پیداوار 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 تحقیق کرنا

کاروباری تنوّع

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

سال کے دوران اہم کامیابیاں

۔ پی پی ایل نے آپریٹڈ اور پارٹنر آپریٹڈ بلاکس / فیلڈز میں چھ (6) دریافتی اور سات (7) پیداواری کنوؤں کی کھدائی کی۔

۔ اگست 2021 میں ابوظہبی کا آف شور بلاک 5 پی پی ایل کی سربراہی میں قائم ایک کنسورشیم کو دیا گیا۔

۔ پارٹنر آپریٹڈ ٹل بلاک میں مامی خیل ساؤتھ - 1 میں ایک دریافت کا اعلان کیا گیا۔

۔ سال کے دوران ذخائر کی تجدید کا تناسب 108 فیصد رہا۔

۔ پیداوار (پی پی ایل کی خالص) تقریباً 0.9 بی سی ایف ڈی ای پر برقرار رہی باوجودیکہ GENCO-II کی جانب سے کندھ کوٹ سے گیس کی کم خریداری کے علاوہ کمپنی کی پرانی فیلڈز سے پیداوار میں ہونے والے قدرتی تنزل کے چیلنج بھی درپیش رہے۔

۔ گمبٹ ساؤتھ بلاک کے 'ہدف' کنوئیں سے یومیہ 15 ملین ایم ایم ایس سی ایف اور شاہ بندر بلاک کے بیناری کنوئیں سے یومیہ 9 ایم ایم ایس سی ایف پیداوار کا آغاز ہوا۔

۔ بولان ایسٹ (زیارت بلاک) سے تقریباً یومیہ 800 بیرل تیل کی پیداوار کا آغاز ہوا جو اب تقریباً 1000 بیرل تیل یومیہ تک پہنچ چکی ہے۔

۔ گمبٹ ساؤتھ گیس پروسیسنگ فیسلیٹی (جی پی ایف IV) کے دوسرے مرحلے کے آغاز کے ذریعے یومیہ 35 ایم ایم ایس سی ایف اضافی گیس کی پروسیسنگ ممکن ہوئی۔

۔ بیرائیٹ - لیڈ - زنک (بی ایل زیڈ) منصوبے کے لیے 30 مربع کلومیٹر کے علاقے کی مائننگ لیز حاصل کی گئی۔

۔ پی پی ایل آپریٹڈ شاہ بندر بلاک میں 130 مربع کلومیٹر 3D سائزمک ڈیٹا کا حصول اور پارٹنر آپریٹڈ خضدار نارتھ بلاک میں 240 لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول مکمل ہوا۔

۔ 1057 لائن کلومیٹر 2D اور 1542 مربع کلومیٹر 3D سائزمک ڈیٹا کی ان ہاؤس (عملے کے ذریعے) پراسیسنگ مکمل ہوئی جس کے نتیجے میں خطیر رقم کی بچت ہوئی۔

۔ کرونا کی وبا کے دوران لاک ڈاؤن کے بدلتے ہوئے منظرنامے میں پی پی ایل نے پیداواری ترسیل برقرار رکھنے کے لیے گھر سے کام کی سہولت کی فراہمی کے لیے فوری اور مؤثر اقدامات کیے۔

۔ کاروباری سماجی ذمہ داری (CSR) کی سرگرمیوں پر کمپنی کی تاریخ میں اب تک کی سب سے زیادہ رقم خرچ کی گئی جو 2 ارب روپے سے زائد ہے۔

۔ 14 ملین محفوظ انسانی گھنٹوں کا سنگ میل عبور کیا گیا جس کے دوران کوئی بھی نقصان نہیں ہوا۔

۔ کم سے کم وقت میں زیادہ سے زیادہ ویکسینیشن کو یقینی بنانے کے لیے ملازمین اور ان کے گھر کے افراد کے لیے Covid-19 ویکسینیشن کیمپوں کا اہتمام کیا گیا۔

۔ پی پی ایل کو بڑی قومی کمپنیوں کی درجہ بندی میں 'ایمپلائر آف دی ایئر ایوارڈ 2020 (سلور)' سے نوازا گیا۔

۔ پی پی ایل نے اپنی 2019 کی سالانہ رپورٹ کے لیے ایندھن و توانائی کے شعبے میں آئی سی اے پی اور آئی سی ایم اے پی سے ایوارڈ حاصل کیا جبکہ پبلک سیکٹر اداروں کے شعبے میں ساؤتھ ایشیا فیڈریشن آف اکاؤنٹنٹس (سافا) نے میرٹ سرٹیفکیٹ سے نوازا۔

۔ SAP ERP سسٹم کو جدید ترین SAP S/4HANA پلیٹ فارم پر اپ گریڈ کیا گیا۔

پاکستان پیٹرولیئم لمیٹڈ
ڈائریکٹرز رپورٹ

2020-21

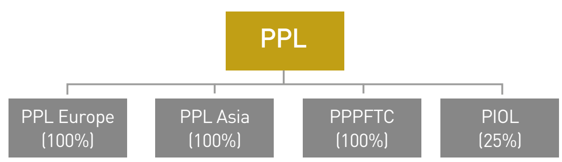
ہم،30 جون2021 کوختم ہونے والے سال کے لیےآپ کی کمپنی کی ڈائریکٹرز رپورٹ اورآڈٹ شدہ مالی گوشوارے مع آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کاروباری جائزہ اوراہم جھلکیاں مندرجہ ذیل پیراگراف میں پیش کی گئی ہیں:

تعارف

پاکستان پیٹرولیم لمیٹڈ (پی پی ایل) ملک میں قدرتی گیس کی صنعت میں ایک بنیادی رہنما کی حیثیت رکھتی ہےاور 1950 کی ابتدا سے تیل اورقدرتی گیس کے ذخائر کی دریافت، ترقی اور پیداوار میں کلیدی کردارادا کررہی ہے۔کمپنی کے موجودہ دریافتی اور پیداواری پروگرام کا دائرہ کاربین الاقوامی سطح پرعراق اوریمن میں موجودگی کے ساتھ پورے پاکستان میں پھیلا ہواہے۔اس کے علاوہ پی پی ایل بولان مائننگ انٹر پرائز (بی ایم ای) کے ذریعے، جوحکومتِ بلوچستان کے ساتھ50:50 شراکت میں ہے، بلوچستان میں معدنی دریافت اورترقی کے حقوق اپنے پاس محفوظ رکھتی ہے۔

گروپ کاڈھانچہ

کمپنی کے پاس تین ماتحت ادارے مکمل طور پر ملکیت میں ہیں: پی پی ایل یورپ ای اینڈ پی لمیٹڈ (PPLE)، پی پی ایل ایشیاای اینڈ پی بی وی(PPLA) اور پاکستان پیٹرولیئم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ(PPPFTC)۔ مالی سال کے خاتمے کے بعد کمپنی نے پاکستان انٹرنیشنل آئل لمیٹڈ(PIOL) میں25 فیصد شیئر حاصل کیے ہیں۔ یہ کمپنیاں اجتماعی طور پر' گروپ' کہلاتی ہیں۔گروپ کی وہ کمپنیاں جو پاکستان سے باہر ہیں ان میں پی پی ایل ای (برطانیہ)، پی پی ایل اے (نیدرلینڈز) اور پی آئی او ایل (ابوظہبی) شامل ہیں۔ یہ گروپ PPPFTC کے علاوہ، بنیادی طور پر تیل اور قدرتی گیس کے وسائل کی دریافت، امکانات کی نشاندہی اور ترقی وپیداوار میں مصروف ہے۔



کمپنی کی کاروباری حکمتِ عملی

آپ کی کمپنی پاکستان میں دریافت اور پیداوار کے حوالے سے صفِ اول کی کمپنی کے طور پر اپنی حیثیت کو مستحکم کرنے اورتمام شراکت داروں کے لیے صحت مند منافع کو یقینی بنانے کے لیے ایک پُرعزم ترقی کا پروگرام جاری رکھے ہوئے ہے۔کمپنی کی حکمتِ عملی کا مختصر جائزہ ذیل میں فراہم کیا گیا ہے:

قدر کا تحفظ

- موجودہ پیداواری اثاثوں سے پیداوار اور بازیابی کی بہتری
- دریافتوں سے کم سے کم وقت میں پیداوار کا حصول
- اہم پیشہ ورانسانی وسائل کی ترقی اورانھیں 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

As a responsible corporate citizen, PPL maintains a legacy of giving back to the community. Our humanitarian tradition continues to grow with the same zeal and commitment for over six decades, increasing the scope to reach disadvantaged communities living in and around our operational areas and large urban centres to improve their quality of life. We have implemented long-term, diverse and need-based projects with credible development organizations to empower target communities to improve their well-being. These initiatives allow us to connect with our most important stakeholders and let us serve them with passion and love. PPL's significant community contributions have been recognized by the prestigious Corporate Philanthropy Award for being one of the largest corporate givers for fifteen consecutive years. We are keeping the momentum on with our largest-ever annual CSR contribution in 2020-21.

یہی مقصودِ فطرت ہے یہی رمزِ مسلمانی
اخوت کی جہاں گیری، محبت کی فراوانی

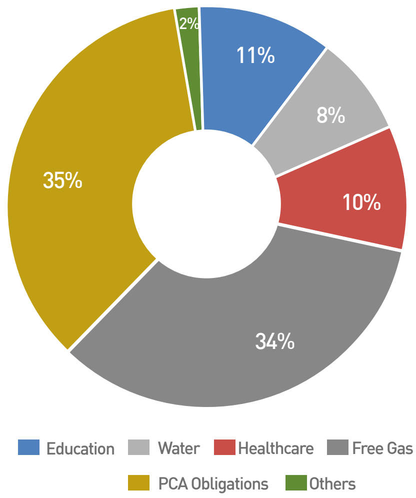
علامہ اقبالؒ


corporate social responsibility

CSR Programme

During the year under review, the Company under its CSR programme continued to support schemes at its production and exploration areas. These included scholarship schemes for local students of producing areas; upliftment, development and support to educational facilities; provision of free-of-cost healthcare services through mobile medical dispensaries and ophthalmic camps; operationalization of educational, healthcare and skill development institutions; catering the needs of special children development of road / street infrastructure, provision of potable water supply schemes, provision of free gas etc. PPL spent a substantial amount portion of Rs 2.105 billion in terms of CSR, the largest ever in its history.

CSR break-up



Free Gas Supply

Sui is the only town of the country where natural gas is provided free of cost to the locals as PPL provides gas to SSGCL for supply to the residents of Sui, thus indirectly subsidising locals' household expenditures and providing them relief.

Water Supply & Energy Conservation

PPL continued to provide free water to the entire Sui town, to enable the local population to meet their basic living needs. The Company also continued to supply potable water to locals at Ghaibi Dero through water bowser at Kambar and operated water filtration plant at Sunjer Khan Junejo, near Hala Field, District Sanghar.

During the year, the Company completed solar powered water supply schemes at Bado Mohammad Hashim Eajbani, Saeedabad Kubdani Gowash, Reko Fateh Mohammad Yallanzai Gowash, Mir Mohammad Siddiqui Paryanzai, Godano Abdul Hameed, Ibrahim Shiltak, Koordan Hamal Khan Jamak, Duranzai Miskan Kalat and Mohammad Hashim Kanari, District Kharan. The Company has completed construction of water storage tanks at village Liqman Shaikro, Haji Muhammad Rahim, Noor Thalhemore and Tayyab Dero at District Sujawal. Besides, the Company also completed installation of 3 hand pumps at 3 villages of union council Dhamach, Jamshoro.

Education

To empower local communities, PPL invested substantial amounts to develop school infrastructure and provided facilities to improve and upgrade government schools at its operating areas:

- Operated Sui Model School & Girls College, Dera Bugti, Balochistan benefitting over 3,000 local students including over 100 female students at Girls College.
- Financially supported operations of Virtual University campus at Sui town, District Dera Bugti.
- Supported 3 PPL-TCF primary and one secondary schools at Kandhkot, benefitting more than 600 students.
- Operations supported in two Government Schools adopted at Ghaibi Dero, district Kambar-Shahdadkot.
- Completed construction of academic block and classroom at 11 Government schools in district Jamshoro, Kashmore, Naushahro Feroz, Rawalpindi, Chakwal and Kharan. The additional infrastructure constructed by PPL at these schools will benefit over 1,000 students.

- Transport provided to local students at FC School & College, FG Public High School and Taleem Foundation School at Sui town.

- Provided books and facilities at various libraries.

- Provided school furniture and school bags to Government schools at operational areas near Adhi Field, Dhok Sultan and Kalat.

- Provided in-kind support to universities like NED Karachi, UET Lahore, Mehran UET Jamshoro and Khairpur campuses, BUITEMS Quetta etc.

Scholarships

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

- 154 students were awarded scholarships to pursue higher professional level education in the areas of education, medicine, business administration, IT and engineering. These students belong to PPL's oil and gas producing districts of Dera Bugti, Kashmore, Sanghar, Matiari, Kambar, Rawalpindi, Chakwal and Attock.

- 138 students belonging to Dera Bugti and other parts of Balochistan were awarded scholarship to continue their education from classes 9 to 12 under four-year education programme.

- 100 scholarships were awarded to local students of Sui town to pursue their education at FC Public School and College, Sui.

- 2 passed out female students of Sui Model School & Girls College were awarded scholarships, enabling them to study medicine.

- 21 physically impaired children of Sanghar and Matiari were awarded scholarships to pursue primary and secondary level education at the Deaf Reach School in Tando Allahyar operated by the Family Education Services Foundation (FESF).

PPL's Chair in Petroleum Engineering at Mehran UET, Jamshoro and NED Karachi remained functional, and continued to make efforts to achieve its objectives.

Skill Development

- PPL awarded scholarships to 25 students of district Sanghar to pursue technical diploma in electronics trade at The Hunar Foundation in Tando Allahyar.

- PPL established Industrial Unit at Mastala which has achieved sustainability and continued production of marketable items i.e., hand-embroidered dresses, stitching of dresses, hand knitted sweaters and ladies' bags through Home Based Workers.

- Over 70 students received basic computer literacy courses at Computer Training Centre, Sui enabling them to begin earning their livelihood.

Healthcare

- During the year, over 214,000 patients benefitted from the PPL's Public Welfare Hospital, Sui. Non-entitled patients of Sui town were provided free of cost consultation, treatment and medicine at PPL's Sui Field Hospital.

- Mobile dispensaries operated at Mazarani, Kandhkot, Gambat South gas fields while public dispensary at Mastala, Rawalpindi jointly benefitted over 52,000 patients.

- Seven surgical eye camps were organized for the population residing in the surrounding areas of Company's operating assets at Sui, Kandhkot, Adhi, Dera Bugti, Kambar (Mazarani), Shahdadpur and Dakhnir & Chhab (Attock) that benefitted over 22,000 patients.

- 4 fully furnished Government dispensaries were constructed in district Naushahro Firoz.

Infrastructure Development

PPL's contribution in infrastructure development mainly caters for construction of roads and streets with drains. During the year, infrastructure schemes were completed in District Kashmore, Sanghar, Rawalpindi and Chakwal.

Sports and Cultural Activities

PPL supported Blind Cricket in the third PPL's Blind Cricket Super League 2021.

Women Empowerment / Gender Equality

PPL believes in empowering women and provides equal opportunities to them to become economically independent. After the training provided to the local female youth through the Women's Vocational Training Centre at Mastala, Rawalpindi, young women were able to generate income through production of local embroidered items which are purchased by the Behbud Association and then sold in urban markets.

Donations

PPL also donates a significant amount for important social welfare causes including health and education. The donations help the institutes in running their operations for serving the society at large.

Employment of Special Persons

Being a socially responsible entity, the Company pays special attention towards inclusion of differently-abled personnel, facilitating their employment and ensuring a conducive work environment with ample learning and growth opportunities.

CSR - Certifications

The Company received the 'Living the Global Compact Best Practices Sustainability Award 2020' organized annually by Global Compact Network Pakistan (GCNP) managed by Employers' Federation of Pakistan (EFP). The winning companies were selected through merit-based criteria, based on compliance as well as pro-active initiatives taken by them to implement and promote 10 principles of 'United Nations Global Compact (UNGC)'.

Moreover, the award nomination criteria also stressed on performance of participant companies and contribution toward Sustainable Development Goals (SDGs) during the last year. The SDGs recognize that ending poverty must go hand-in-hand with strategies to improve health and education, reduce inequality and promote economic growth, that integrates climate change and environmental conservation. PPL's various projects in education, healthcare, livelihood generation and provision of water and sanitation facilities are in conformity with these major SDGs. Beside the award, PPL regularly submits communication in its monthly Progress magazine on UNGC's 10 principles which are linked to SDGs.

quality, health, safety and environment

COVID-19 Management at PPL

PPL's management at all levels continued demonstrating leadership in managing the crisis across the Company. Despite hurdles due to COVID-19, PPL remained strongly committed to ensure uninterrupted supply of natural gas to meet country's energy demand. However, no compromise was made on ensuring safety and wellbeing of the entire workforce. In this regard following actions were taken:

- Regular Crisis Management Team meetings were conducted and advisories were circulated to smoothly steer the organization in challenging times.
- Gradual resumption of physical attendance in offices were undertaken with due diligence when the first wave subsided.
- Precautionary measures, Work-From-Home and administrative controls were tightened again upon rise in number of cases during the subsequent waves.
- Aggressive campaign to vaccinate all staff was launched in support of the Government's initiative.
- The Company arranged in-house vaccination camps to facilitate employees and their household members.
- Regular communication on COVID-19 statistics is being disseminated for informed decision making.
- Access control is being strictly followed to allow only relevant personnel in the Company's premises.
- Ensuring best possible medical aid to the affected employees and their family members.

Other QHSE Focus Areas

Various actions and initiatives were undertaken in following QHSE focus areas during the reporting period:

Environmental Compliance Management

- NOCs for seismic acquisition and drilling projects were acquired from respective provincial Environmental Protection Agencies in compliance with environmental laws by undertaking Initial Environment Examination (IEE) / Environment Impact Assessment (EIA) studies.

- To improve coordination amongst internal stakeholders and optimize timelines, an automated tracking / monitoring mechanism is made available for readily checking progress of IEE / EIA studies and validity of NOCs.

- Independent Monitoring Consultants were deputed at drilling sites for proper site restoration and to verify the compliance status against Environmental Management Plans of respective IEE / EIA Reports.

- Environmental audits were initiated at selected operating fields utilizing in-house resources to establish detailed environmental risk profile. Areas of improvement were identified and action plans were developed for implementation.

- PPL continues to monitor its emissions at all operated fields through certified external laboratories.

Road Transport Safety Management

- PPL incorporates stringent QHSE technical criteria for qualification of transport contractors.

- Monitoring of vehicles through vehicle tracking system to assess driver's behavior and performance.

- Hazardous locations were marked by road transport safety expert.

- Mountainous terrain assessment was performed by professional mountaineers and its categorization was done in red, yellow and green zones.

- Induction of certified defensive and medically fit drivers was ensured.

- Establishment of support camps to reduce travel duration in a single stretch.

Occupational Health Assessment

- An inhouse assessment was undertaken at fields to identify gaps against occupational health manual.

- Key elements included fitness, surveillance, diseases analysis, blood borne pathogens, food hygiene, first aid, ergonomics, drug abuse and fumigations.

- Action plans were developed to prevent occupational hazards, diseases and absenteeism due to sickness.

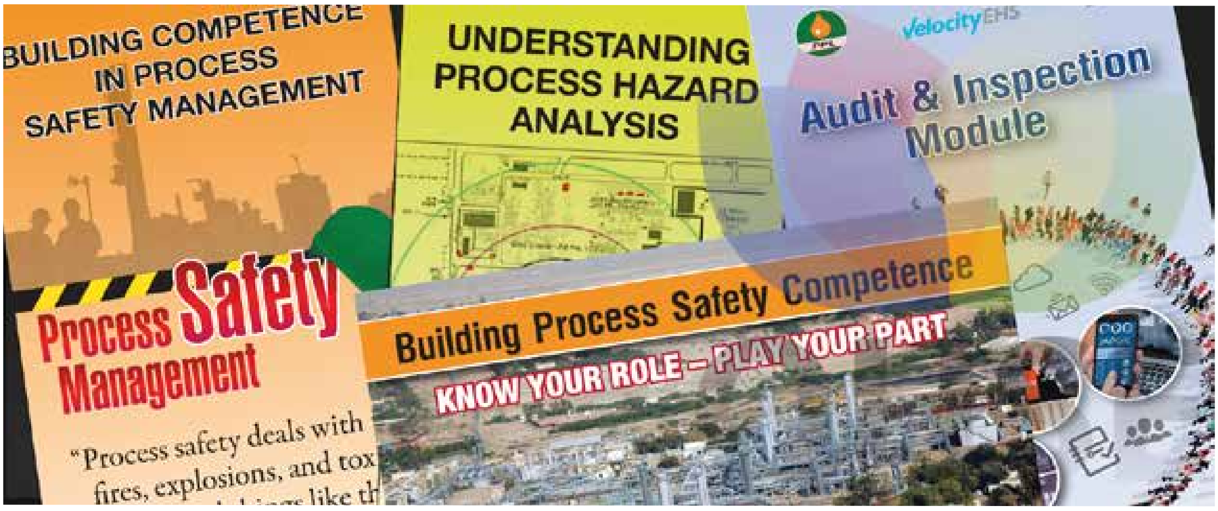
- Awareness sessions were undertaken to enable workforce in managing workplace stress and adopting work life balancing techniques.

QHSE Certifications & Trainings

- Despite COVID-19 challenges, all PPL fields and departments sustained ISO certifications during remote external audits. During reporting period, transition of Occupational Health & Safety certification from OHSAS 18001 to ISO 45001 standard was successfully accomplished.

- Several PPL fields and departments are certified for ISO 14001 Environmental Management System (EMS), ISO 9001 Quality Management System (QMS) and ISO 45001 Occupational Health and Safety.

- Due to COVID-19 SOPs, physical sessions were restricted to minimal, however various trainings were undertaken online utilizing IT resources.



Process Safety

- To keep up-to-date with the international best practices, promote risk based approach and optimize inspection activities, Mechanical Integrity & Well Functional Testing procedures were reviewed and updated.

- Inspections of various pipelines, tanks and vessels were undertaken in line with the inspection plans and respective international codes.

- Inspection and certification of lifting gears including cranes were continuously performed to ensure safe ground operations.

- Testing of well safety system was also carried out at defined intervals to ensure proper functioning and reliability assurance.

QHSE Automation

- The Company is automating its QHSE procedures through world recognized VelocityEHS software platform. Since its inception, a number of modules have been introduced e.g. Risk Assessment, Incident Investigation and Audits etc.

- During the reporting period, groundwork has been completed for Management of Change (MOC) and Sustainability Reporting modules which are expected to Go Live by December 2021.

key risks

A brief account of key risks faced by the Company is presented below, along with an assessment of the likelihood that the risk will materialize, the possible magnitude of the risks, mitigation during 2020-21 and strategy to contain their impact within the Company's risk appetite.

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance
Strategic Risks	INTERNAL • Inadequate or unsuccessful exploration activities. • Delay in commissioning of projects including those for commercialization and development of discoveries . EXTERNAL • Limited domestic exploration potential and lack of frequent bidding rounds. • Fast emerging new technologies and trends that may gradually replace the use of fossil fuels.	• Failure in achieving the target Reserves Replacement Ratio. • Impaired economic value due to time loss and cost escalations. • Reduced demand for fossil fuels in long run, which may lead to low prices for oil and natural gas. These risks have moderate to high likelihood.	• Frontier exploration areas under focus to target potentially high reward opportunities. • Regular screening of farm-in and farm-out opportunities for exploration acreage expansion and risk balancing. One exploration block won (jointly with OGDCL) in domestic Bid Round 2020. • Internal processes are being optimized to ensure earliest commercialization of discoveries. Efforts are being made to accelerate the commissioning of Zafir project in Gambat South. First gas/oil was achieved from Benari, Hadaf and Bolan East. • International opportunities, such as participation in bid rounds and farm-ins are under screening/evaluation for geographical portfolio balancing. PPL-led consortium was awarded an offshore exploration block in Abu Dhabi. • Diversification opportunities, particularly in the minerals sector, are being pursued with the aim to increase revenue percentage of diversified income streams.
Financial & Commercial Risks	EXTERNAL • Delays in settlement of Company's dues by its customers, due to circular debt issue. • Crude oil price volatility affecting profitability and budgeted cash flows of Company. • Amendment in Petroleum Policy 2012 resulting in retrospective imposition of Windfall Levy on Oil (WLO) in Tal Block. • Exchange rate volatility risk	• Deteriorating circular debt is persisting since long and affects the Company's ability to add desirable economic value for the Shareholders. • Crude oil price affects the Company's revenues, profitability and realizable value of assets through future economic benefits. • Potential financial exposure of additional WLO is mentioned in note 25.1.7 to the unconsolidated financial statements. • Exchange rate affects the revenues by a larger proportion as compared to the costs These risks have a high likelihood except the potential WLO.	• Intensive cash collection efforts continued through high level engagement with all stakeholders. Cash collections were improved vs last year. • Crude oil prices bounced back during the year. The impact on PPL's revenue is not proportional to the change in crude oil price as Gas dominates the product mix of PPL. Stress testing is carried out periodically for PPL work program against fluctuating crude oil price, and strategic adjustments are made, wherever required. • Imposition of WLO is being challenged in the court of law, and management is confident of a favorable outcome. • The Company is naturally hedged against the depreciation of PKR as revenues are more than costs.

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance
Operational Risks	INTERNAL • Production decline from old mature fields due to natural depletion. • High operating costs of depleting fields.	• Failure in achieving production targets, and project value erosion. • High economic cutoff, thereby reducing ultimate recoveries from the mature fields. • Lost production of un-tapped hydrocarbon potential. • Accelerated depletion of PPL fields, and loss of economic value.	• Developmental drilling continued in producing fields to optimize production. 2 wells were drilled in Sui, and 1 in Gambat South while in Partner Operated Blocks, 4 development wells were drilled resulting in production enhancement.
	EXTERNAL • Low customer offtakes from Kandhkot field. • Expiry of producing fields' leases prior to economic cut-off. • Reserve migration in producing fields across lease boundaries. • Challenges of difficult terrain, extreme weather conditions, security, lack of basic infrastructure in remote regions.	• High costs leading to economic value loss. These risks have moderate to high likelihood.	• Government is engaged for gas re-allocation and third-party sales to address low gas offtake problem at Kandhkot. • Government is engaged and being followed up for grant/ renewal of D&P leases for Sui and Kandhkot. Ministry of Energy exempted the Sui ML Area from the applicable rule regarding lease period up to 31 May 2022. • Engagement of stakeholders for settlement of reserves migration issues and optimizing production strategies. • Costs are being optimized, wherever possible.
Regulatory and Compliance Risks	INTERNAL • Noncompliance with applicable laws, rules, regulations, procedures. and policies resulting in inquiries, penalties, legal actions or reputational damage etc.	• Penalties leading to suspension of licenses or regulatory approvals in extreme cases. • Reputational damage. • Opportunity and time losses for the Company. These risks have a 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. • Company maintains a regular follow-up with Governmental authorities for expeditious decisions on gas allocations.
	EXTERNAL • Delay in requisite approvals from the Government for allocation of oil and gas from new discoveries.		

Risks Category	Risks	Impact and Likelihood	Mitigation Strategy and Performance
Environment, Safety and Security Risks	INTERNAL • Major accidents due to human error and system failure.	• Injuries, fatalities, disruption of operations and associated losses.	• QHSE is a core value at PPL. No fatalities occurred due to accidents during the year.
	• Spills or release of toxic waste into the Environment.	• Damage to the environment leading to punitive actions by regulatory authorities and reputational damage.	• No major environmental incidents occurred during the year.
	EXTERNAL • Cybersecurity breach of digital information systems.	• Loss or misuse of data or sensitive information,business / production disruption.	• New initiatives were implemented to safeguard the IT infrastructure from cyberattacks. No IT cyber security breach occurred during the year.
	• Security incidents at locations.	• Disruption in exploration & production operations.	
	• Biosecurity threats, such as COVID-19 pandemic.	These risks have a low to moderate likelihood.	• No major security incident occurred during the year. The mitigations in place remained effective, which included continuous liaison with law enforcement/ intelligence agencies and improved security infrastructure at well sites. • Fatality of one staff occurred as a result of the COVID-19 pandemic during the early phase of the outbreak. Company rolled out SOPs to prevent COVID-19 spread at all PPL locations. Mandatory vaccination of all staff was enforced. Strict compliance is being observed.
Reputation Risks	EXTERNAL • Negative publicity / media coverage resulting in damage to Company's reputation.	• Loss in confidence of stakeholders. It has a low likelihood.	• The Company proactively engages with all stakeholders and makes every effort to avoid any incident, which can put its image in negative perspective.

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

Employees

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

Local Communities

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

Financial Institutions

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

Customers/ Suppliers

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

Analysts/Media

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

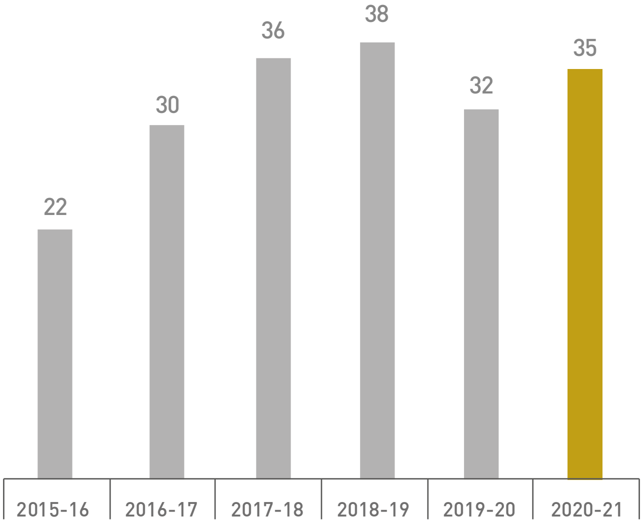
Joint Venture Partners

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

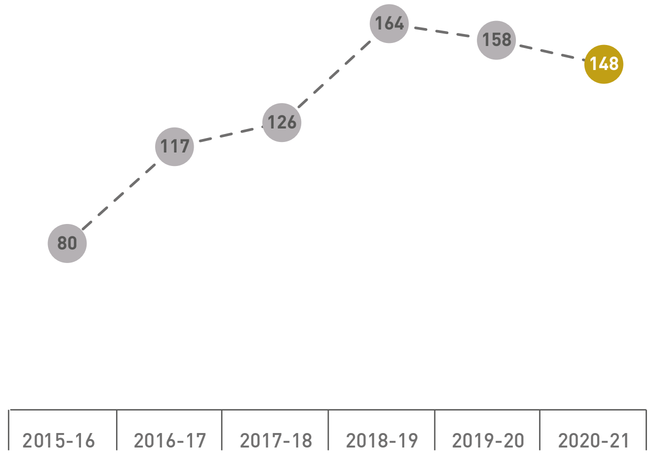
six years' summary

		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Financial Performance							
Profitability ratios							
EBITDA Margin to sales [1]	%	51	58	63	62	60	59
Operating Leverage	%	209	169	399	88	294	45
Pre tax Margin	%	33	41	50	49	45	46
Net profit to sales	%	22	30	36	38	32	35
Gross Profit ratio	%	56	55	59	61	58	58
Return on Equity	%	9	17	19	21	15	13
Return on Capital Employed	%	11	18	21	22	17	15
Operating Performance / Liquidity ratios							
Total assets turnover [9]	Times	0.32	0.41	0.38	0.42	0.34	0.29
Fixed assets turnover	Times	0.72	0.87	0.86	1.04	0.99	0.97
Debtors turnover [9]	Times	1.86	1.56	1.12	0.95	0.69	0.61
Debtors turnover [9]	Days	197	234	326	385	529	601
Current ratio [9&10]	Ratio	3.45	3.43	3.16	3.99	4.03	4.42
Quick ratio [9&10]	Ratio	3.28	3.33	3.09	3.95	3.98	4.36
Cash to Current Liabilities [9&10]	Times	0.91	1.02	0.43	0.39	0.24	0.81
Cash flow from Operation to Sales	Times	0.65	0.36	0.31	0.26	0.19	0.36
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 per share	155.05	148.14	214.90	144.43	86.78	86.83
- Low during the year	Rs per share	98.42	137.80	143.00	143.00	68.65	76.85
- High during the year	Rs per share	168.25	194.87	224.50	220.15	154.49	106.05
Breakup value per share	Rs per share	97.71	109.58	121.92	131.69	126.65	143.53
Basic and Diluted EPS [6]	Rs per share	8.74	18.10	23.17	27.18	18.47	19.27
Basic and Diluted EPS - Restated [3&6]	Rs per share	6.33	13.12	16.79	22.65	18.47	19.27
Price earnings ratio [7]	Ratio	17.74	8.18	9.27	5.31	4.70	4.51
Cash Dividend Yield	%	3.71	6.08	2.56	1.38	1.15	4.03
Cash Dividend Cover Ratio	Times	1.52	2.01	4.21	13.59	18.47	5.51
Price to Book Ratio	Times	1.59	1.35	1.76	1.10	0.69	0.60
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	0.33	0.35	0.35	0.35	0.32	0.32
Revenue per employee	Rs million	28.2	40.8	44.7	58.8	57.7	55.9
Staff turnover ratio	%	0.8	0.9	0.6	1.3	1.2	0.5
Summary of Statement of Profit or loss		Rs Million					
Sales - Gross (including Govt. levies) [9]		94,085	137,121	145,723	189,010	183,850	172,507
Sales - Net (excluding Govt. levies)		80,151	116,986	126,210	163,890	157,593	148,429
Profit before Tax		26,707	48,129	63,436	79,931	70,485	68,582
Profit after Tax		17,242	35,679	45,688	61,632	50,256	52,431
EBITDA [1]		40,768	68,228	80,094	101,487	95,047	87,847

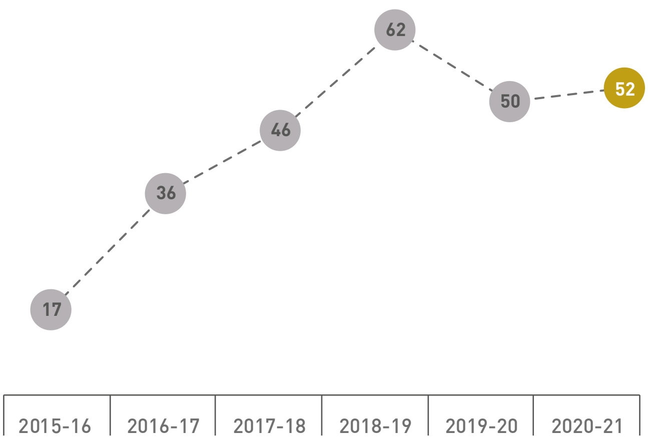
Net Profit to Sales (%)



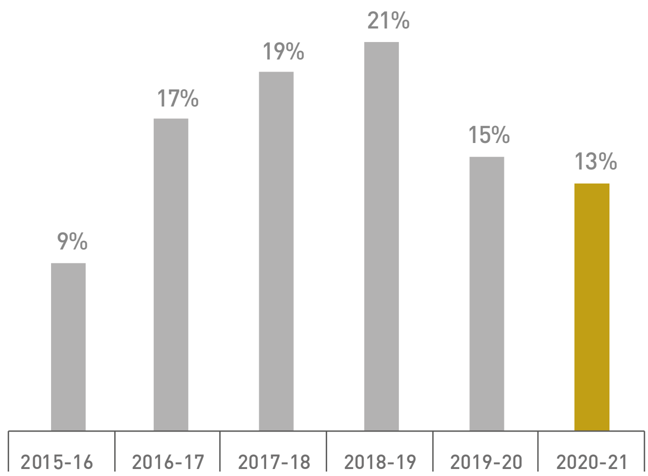
Net Sales (Rs in Billion)



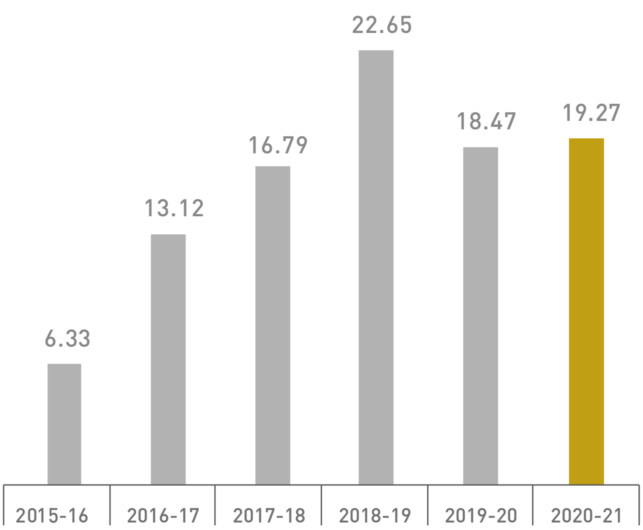
Profit after Tax (Rs in Billion)



Return on Equity (%)



EPS (Rs Per share)-Restated



Analysis

Sales revenue dropped during the year by Rs 9.1 billion primarily due to negative price variance of Rs 9 billion. Negative price variance is attributable to lower notified gas prices due to six months lag in gas pricing formulae which was partially offset by depreciation in Pak rupee against US dollar. The net volume variance is almost negligible as the decline in sales was offset through increase in proportion of higher priced gas and oil volumes.

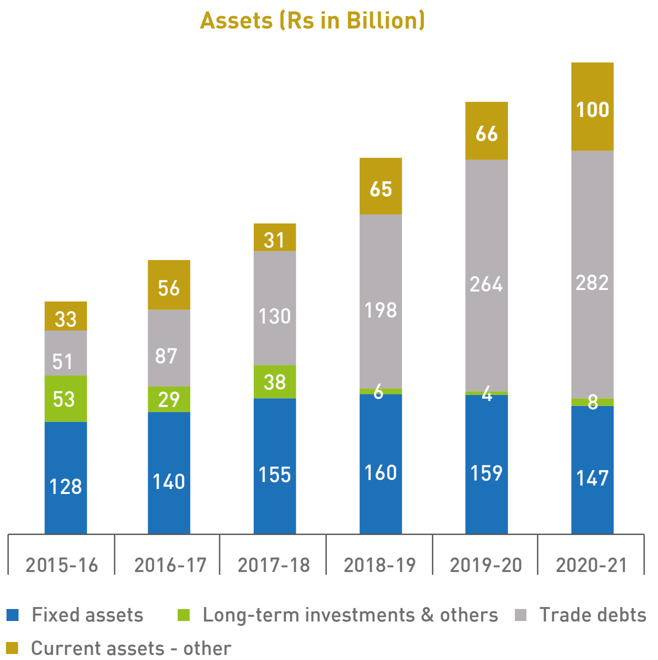
Despite drop is sales revenue, profit after tax improved due to decline in exploration expenses, operating expenses and tax charge. Exploration expenses dropped due to lower dry well cost during the current year. Operating expenses dropped on account of lower depreciation due to reserves revision in Sui and Tal coupled with lower production. However, ROE dropped due to accumulation of equity as the company's ability to declare higher dividends is restricted on account of circular debt issue.

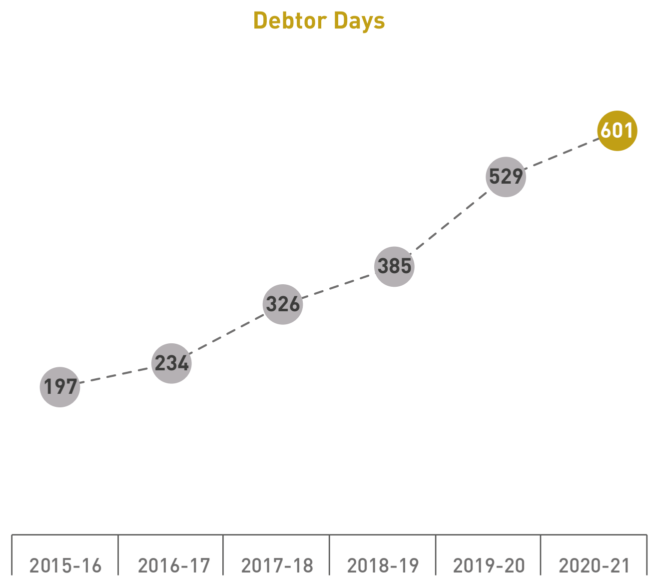
six years' summary

		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Corporate Distribution							
Dividend - Interim	Rs million	4,436	5,915	7,887	-	-	4,081
- Final	Rs million	6,901	11,830	2,958	4,535	2,721	5,442
Cash Dividend per share [5]	Rs per Share	5.75	9.00	5.50	2.00	1.00	3.50
Cash Dividend Payout Ratio [5 & 7]	%	65.79	49.72	23.74	7.36	5.41	18.16
Bonus [5]	Rs million	-	-	2,958	4,535	-	-
Bonus Issue [5 & 8]	%	-	-	15.00	20.00	-	-
Summary of Statement of Financial Position		---	---	Rs Million	---	---	---
Share Capital		19,717	19,717	19,717	22,675	27,210	27,210
Reserves		172,932	196,352	220,675	275,934	317,388	363,318
Shareholders' funds		192,649	216,069	240,392	298,609	344,598	390,528
Non - Current Liabilities		48,018	54,433	62,835	64,744	67,011	59,841
Current Assets [9 & 10]		84,259	143,443	161,356	262,544	330,790	382,035
Current Liabilities [9]		24,450	41,774	51,042	65,732	82,068	86,515
Property, Plant & Equipment (PPE)		127,920	139,295	154,703	159,842	158,659	146,584
Fixed Assets		128,335	139,700	155,123	160,323	158,997	146,795
Long Term Investments [10]		50,979	27,661	37,691	6,093	3,798	7,992
Stores and Spares		4,140	4,337	3,528	3,147	4,061	4,568
Trade Debts [9]		50,490	87,276	129,584	198,177	263,927	282,285
Short term investments [10]		19,013	36,493	14,073	47,435	51,411	85,012
Cash and bank balances		3,273	6,081	7,715	8,022	5,160	4,243
Summary of Statement of Cashflows [10]							
Cash and Cash equivalents at the beginning of the year		23,569	22,286	42,574	35,258	25,719	19,726
Net Cash generated from operating activities		52,422	42,222	39,569	42,082	30,322	53,546
Net Cash generated from/(used in) investing activities		(41,275)	(9,105)	(40,496)	(48,558)	(31,729)	3,238
Net Cash used in financing activities		(12,430)	(12,829)	(19,860)	(3,063)	(4,586)	(6,600)
Net change in cash and cash equivalents		(1,283)	20,288	(20,787)	(9,539)	(5,993)	50,184
Cash and Cash equivalents at the end of the year		22,286	42,574	21,787	25,719	19,726	69,910
Free Cash Flows		10,167	9,398	3,386	(1,444)	2,218	39,694
Others							
Payments to Government Exchequer	Rs million	44,684	45,527	67,751	64,838	60,297	72,975
Market Capitalisation	Rs million	305,715	292,090	423,722	327,492	236,126	236,262
Spares Inventory as a % of Net Book Value of PPE	%	3.24	3.11	2.28	1.97	2.56	3.12
Realized price	$/boe	14.4	19.5	20.2	21.5	20.1	19.4

Notes:

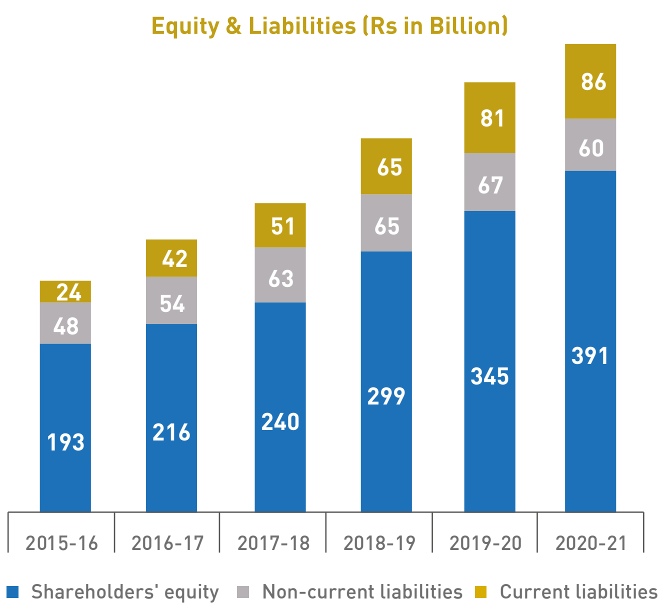
1. EBITDA stands for Earnings before interest, taxes, depreciation, impairment and amortisation.
2. Not applicable in view of the nature of Company's business.
3. The earnings per share for prior years have been restated to take into account the issue of bonus shares.
4. Not applicable as the Company does not have debt besides lease financing for procurement of vehicles and computer equipment which forms a negligible part of its capital structure.
5. Includes declaration of final cash dividend and issue of bonus shares subsequent to year end.
6. Convertible Preference Shares are of insignificant value in the Company's total share capital therefore it has negligible dilution effect on EPS.
7. Price earnings ratio and cash dividend payout ratio have been calculated on basic EPS.
8. The Bonus issue % pertains to ordinary shares.
9. In accordance with the guidance issued by ICAP, the effect of GIDC/GDS has been excluded from these line items.
10. Effect of reclassification of long term investments into short term investments has been incorporated for the years 2018-19, 2019-20 & 2020-21.

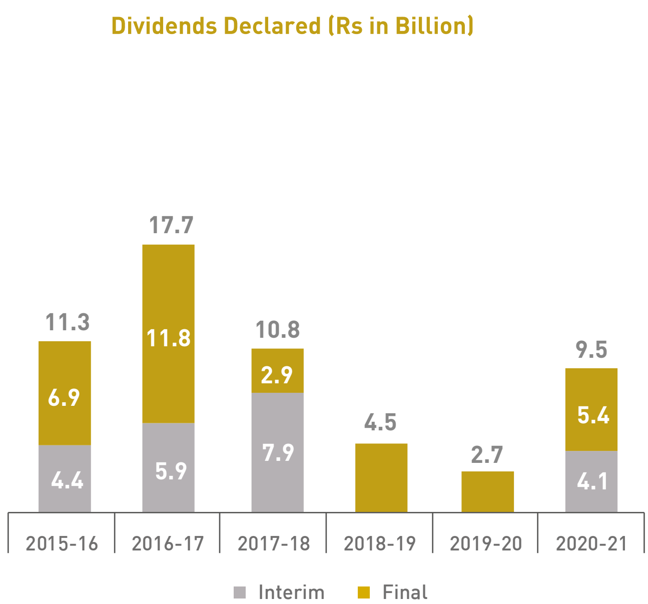




Trade debts of the company are consistently piling up due to growing circular debt issue. However, rate of increase dropped during the current year on account of better customer collections. Other current assets have also increased in the current year due to accumulation of funds as a result of better collections and lower capital expenditure.

Long-term investments have dropped from FY 2019 onwards as the impact of reclassification of long-term funds to short-term have been incorporated in last 3 years only.





Shareholders' equity is increasing due to strong profits coupled with the fact that the company is not able to declare higher dividends due to circular debt issue. The current liabilities are also increasing mainly due to Sui's lease extension bonus which is payable after the signing of D&PL and Tal's windfall levy on oil and condensate which is under litigation. No default has occurred on the payment of debts.

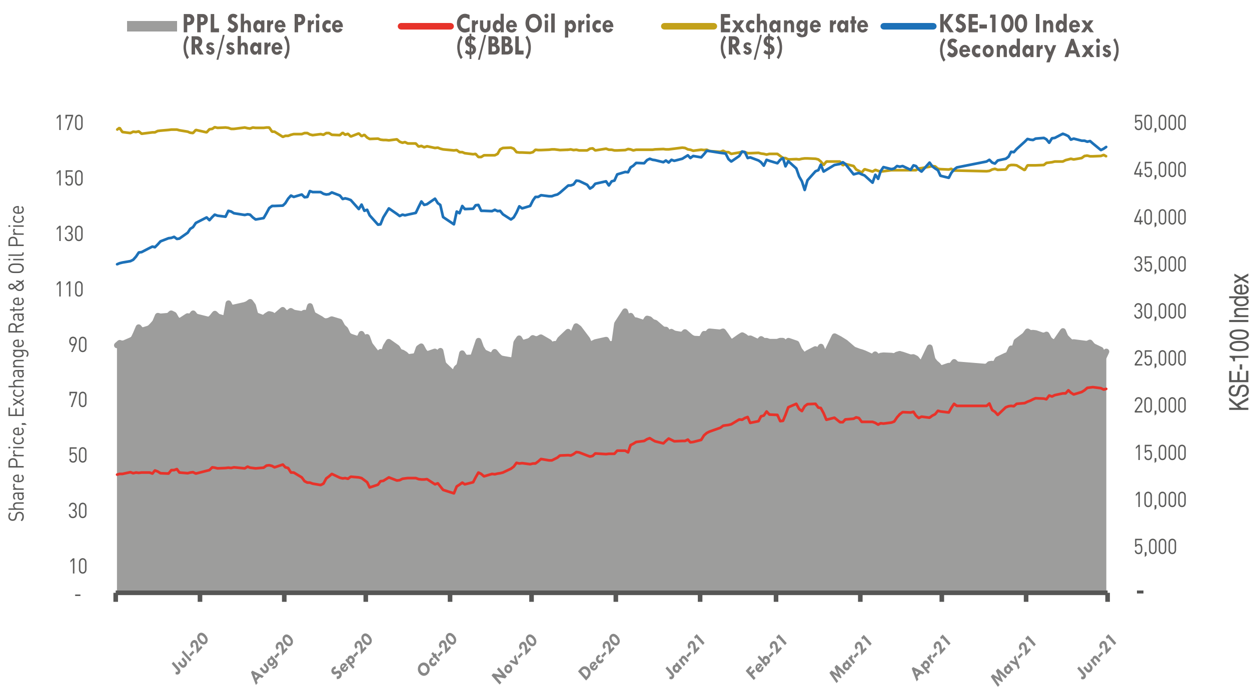
The circular debt has impacted the dividends in recent years. Nonetheless, the Company has been consistently declaring and paying dividends. The Company has engaged the authorities at the highest level on the circular debt issue, the resolution of which will enhance its dividend paying capacity in future.

dupont analysis

	2019-20	2020-21
Equity Multiplier	1.4	1.3
Total Assets Turnover	34%	29%
Net Profit Margin	32%	35%
Return on Equity	15%	13%

The decrease in asset turnover is mainly on account of negative price variance and increase in asset base. Net profit margin has increased mainly due to lower exploration costs, depreciation, impairment and taxation. However, the combined effect has resulted in decline in ROE during the year.

sensitivity analysis



The Company's share price is sensitive to several factors including dividend payouts, exchange rate fluctuations, oil price and stock market movements. 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. The share price reflects not only the current oil price but also the medium to long-term price outlook.

quarterly analysis

	First Quarter ended September 30, 2020	Second Quarter ended December 31, 2020	Third Quarter ended March 31, 2021	Fourth Quarter ended June 30, 2021	Total year ended June 30, 2021
	------------(Rupees Million)				------------
Revenue-net	39,226	36,313	36,696	36,194	**148,429**
Profit after Tax	14,351	11,886	11,881	14,313	**52,431**
Sales volume					
- Gas (MMscf)	63,871	58,657	57,604	57,055	**237,187**
- Crude Oil/NGL /Condensate (thousand bbls)	1,338	1,299	1,291	1,213	**5,141**
- LPG (tonnes)	26,835	29,834	29,802	29,130	**115,601**

Analysis

Revenues declined in second quarter due to drop in gas sales volumes in Kandhkot gas field owing to lower offtakes by GENCO-II further augmented by decline in crude oil production mainly from Tal field. The drop in gas production was partially offset through commissioning of GPF-IV phase 2 from January 2021 onwards and other development activities. From second quarter onwards, the revenues almost remained consistent despite drop in production due to recovery in international crude oil prices during the year. Profit after tax improved in fourth quarter due to drop in both the depreciation and the income tax charge. The profits for second and third quarter were also affected by exchange losses due to appreciation of PKR against USD therein.

Segmental review of business performance

PPL's business activities are divided into two segments i.e. E&P and Non-E&P business. E&P business revolves around upstream exploration and production, whereas Non-E&P business relates to mining activities of baryte and iron-ore. The mining business is carried out through BME in 50% partnership with the Government of Balochistan. During the year, the non-E&P business contributed around 0.4% of the Company's revenues against 0.5% last year.

Methods and assumptions in compiling indicators

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

Outstanding Fiscal Payments

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

- Lease extension bonus in respect of Sui. It is pending as the D&PL has not yet been signed.
- 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 due at different intervals for each development & production lease.
- Sales tax & Federal Excise Duty for the month of June 21 which will be settled in July 21.
- GDS and GIDC which are payable upon collection from GENCO-II.
- Other miscellaneous obligations under the PCA.

vertical analysis

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	---------------------------- % age					------------------------------------
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	48.3	44.6	43.7	37.3	32.1	27.3
Intangible assets	0.2	0.1	0.1	0.1	0.1	-
Long-term investments	19.2	8.9	10.6	1.4	0.8	1.5
Long-term loans	0.5	0.4	-	-	-	-
Long-term receivables	0.1	0.1	-	-	-	-
Stores and spares	1.6	1.4	1.0	0.7	0.8	0.9
Trade debts	19.0	28.0	36.6	46.2	53.5	52.6
Loans and advances	0.5	1.3	0.4	0.3	0.1	0.1
Trade deposits and short-term prepayments	0.2	0.1	0.1	0.1	0.1	0.1
Interest accrued	0.6	0.1	0.1	0.2	0.1	0.1
Current maturity of long-term investments	-	0.2	-	-	-	-
Current maturity of long-term loans	-	-	0.4	-	-	-
Current maturity of long-term deposits	0.3	0.3	0.3	0.2	0.2	0.2
Other receivables	1.1	0.9	0.5	0.6	0.7	0.6
Short-term investments	7.2	11.6	4.0	11.1	10.4	15.8
Cash and bank balances	1.2	2.0	2.2	1.8	1.1	0.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	7.4	6.3	5.6	5.3	5.5	5.1
Reserves	65.3	63.0	62.4	64.4	64.3	67.7
Provision for decommissioning obligations	7.6	6.5	6.4	5.8	5.6	5.0
Lease liabilities	0.1	-	-	-	-	-
Deferred liabilities	0.9	0.8	0.8	0.6	0.6	0.6
Deferred taxation	9.5	10.2	10.5	8.6	7.4	5.6
Trade and other payables	9.0	11.5	13.6	13.7	13.5	12.2
Unclaimed dividends	0.1	0.1	0.1	0.1	0.1	0.1
Current maturity of lease liabilities	0.1	-	-	-	-	-
Taxation	-	1.6	0.6	1.5	3.0	3.7
Total Shareholders' Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
STATEMENT OF PROFIT OR LOSS						
Sales - Net (excluding Govt. levies)	100.0	100.0	100.0	100.0	100.0	100.0
Expenditures & other income - net	66.7	58.9	49.7	51.2	55.3	53.8
Taxation	11.8	10.6	14.1	11.2	12.8	10.9
Profit after Tax	21.5	30.5	36.2	37.6	31.9	35.3

Statement of Financial Position

Trade debts show an increasing trend due to circular debt and constitute 53% of total assets up from 19% six years earlier. Short-term investments have also increased to 16% of total assets from a year earlier due to better cash collections. Share of Property, Plant & Equipment as a percentage of total assets has also dropped to 27% from 48% six years earlier due to substantial increase in trade debts.

On the equity side, equity & reserves have retained their share at 73% of balance sheet total. Furthermore, trade & other payables have also increased owing to pile-up of lease extension bonus and Tal's windfall levy on oil/condensate.

Statement of Profit or Loss

Profit after tax of the Company as a percentage of net sales have shown growth over six years increasing to 35% against 22% six years earlier. This increase is on the back of Sui's re-pricing and increase in proportion of higher priced gas, further augmented by a lower tax charge.

horizontal analysis

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	% age					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	100	109	121	125	124	115
Intangible assets	100	98	101	116	82	51
Long-term investments	100	54	74	12	7	16
Long-term loans	100	100	1	3	3	4
Long-term deposits	100	100	100	100	100	100
Long-term receivables	100	78	22	25	13	-
Stores and spares	100	105	85	76	98	110
Trade debts	100	173	257	393	523	559
Loans and advances	100	299	113	80	50	53
Trade deposits and short-term prepayments	100	78	40	82	94	45
Interest accrued	100	29	34	52	31	35
Current maturity of long-term investments	100	875	-	-	-	-
Current maturity of long-term loans	-	100	13,191	122	191	217
Current maturity of long-term deposits	100	100	116	116	149	153
Current maturity of long-term receivables	100	108	62	153	186	169
Other receivables	100	99	63	81	108	104
Short-term investments	100	192	74	249	270	447
Cash and bank balances	100	186	236	245	158	130
Total Assets	**100**	**118**	**134**	**162**	**186**	**203**
Share capital	100	100	100	115	138	138
Reserves	100	114	128	160	184	210
Provision for decommissioning obligations	100	100	112	123	137	133
Lease liabilities	100	60	29	5	-	-
Deferred liabilities	100	100	112	116	120	130
Deferred taxation	100	126	149	147	145	118
Trade and other payables	100	150	201	245	279	274
Unclaimed dividends	100	147	135	122	121	211
Current maturity of lease liabilities	100	90	59	45	15	-
Taxation	-	100	42	128	289	395
Total Shareholders' Equity and Liabilities	**100**	**118**	**134**	**162**	**186**	**203**
STATEMENT OF PROFIT OR LOSS						
Sales - net (excluding Govt. levies)	100	146	157	204	197	185
Expenditures & other income - net	100	129	117	157	163	149
Taxation	100	132	188	193	214	171
Profit after Tax	100	207	265	357	291	304

Statement of Financial Position

Trade debts have shown a staggering increase of 559% over the six-year period due to circular debt issue. Furthermore, short-term investments have increased by 447% mainly due to reclassification of US dollar funds from long-term investments to short-term and better cash collections in the current year.

Share capital & reserves have increased mainly due to issue of bonus shares, strong profits and lower payouts on account of higher funds being tied up in trade debts. Further, trade & other payables have also increased by 274% due to accumulation of Sui's lease extension bonus, and Tal's windfall levy.

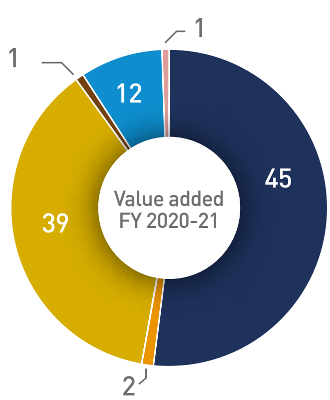
Statement of Profit or Loss

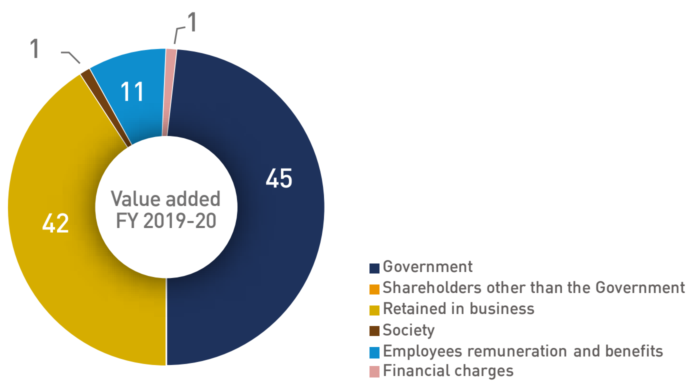
The Company has shown strong profitability, as the profits have increased by 304% over the six years period on the back of improved selling prices and increasing proportion of higher-priced gas in the Company's portfolio. Furthermore, the rate of growth in expenditures (net of other income) is lower than the growth in revenue, contributing to improved bottom-line.

statement of value addition

	2020-21		2019-20	
	Rs million	%	Rs million	%
Gross Revenue (Excise Duty, Sales Tax and Petroleum Levy)	172,507	109	183,850	111
Less: Operating, Exploration and Admin Expenses	(16,274)	(10)	(20,474)	(12)
	156,233	99	163,376	99
Add: Other Income	4,056	3	6,465	4
Less: Other Expenses	(3,268)	(2)	(4,631)	(3)
Total Value Added	157,021	100	165,210	100
DISTRIBUTED AS FOLLOWS:				
Employees Remuneration and Benefits	18,647	12	17,642	11
Federal / Provincial Government as:				
Company Taxation	16,150	10	20,228	12
Levies (including Excise Duty, Sales Tax & Petroleum Levy)	24,079	15	26,258	16
Royalties and Other Levies (including Lease Extension Bonus, Windfall Levy & Export Development Charges)	22,057	14	23,799	14
Workers' Profit Participation Fund	3,425	2	3,507	2
Dividend **	6,429	4	1,837	1
	72,140	45	75,629	45
To Shareholders other than the Government as:				
Dividend **	3,094	2	884	*
To Society * **				
Donations and Sponsorships	88	*	85	*
Social Welfare / Community Development	498	*	419	*
Free Gas Supply	717	*	748	*
	1,303	1	1,252	1
Retained in Business:				
Depreciation and Amortisation	17,822	11	21,198	13
Net Earnings	42,908	28	47,535	29
	60,730	39	68,733	42
Financial Charges	1,107	1	1,070	1
	157,021	100	165,210	100

* Negligible
** Includes final cash dividend recommended by the Board of Directors subsequent to the year end.
*** Represents PPL Net Share for all fields.





movement of estimated reserves

	Natural Gas (MMSCF)	Oil/NGL (thousand bbls)	LPG (Tonnes)
Original proven recoverable reserves			
At July 1, 2020	16,281,985	74,182	1,371,517
Change during the year			
- Addition	1,308 [2]	278 [3]	-
- Revision	307,682 [4]	3,570 [5]	77,877 [6]
At June 30, 2021	16,590,975	78,030	1,449,394
Production			
Accumulated on July 1, 2020	14,489,198 [1]	61,123 [1]	828,394 [1]
Production during the year	276,309	5,132	115,835
Accumulated upto June 30, 2021	14,765,507	66,255	944,229
Net Reserves June 30, 2021	**1,825,468**	**11,775**	**505,165**
Net Reserves June 30, 2020	1,792,787 [1]	13,059 [1]	543,123 [1]
Daily Average Production	757	14	317

Notes:

1. Accumulated Production and Net Reserves numbers as at 30 June 2020 have been updated to account for actual production for the month of June 2020.

2. Additional Gas reserves due to Mamikhel South-1 (Tal) discovery.

3. Additional Oil/NGL/Condensate reserves due to Mamikhel South-1 (Tal) discovery.

4. Revision in field gas reserves estimates of Sui, Mazarani, Dhok Sultan, Hadaf (Gambat South), Badeel (Gambat South), Adam (Hala), Benari (Shah Bandar), Latif, Block-22, Unarpur (Kotri North), Rizq(Kirthar), Mela (Nashpa), Makori (Tal), Mamikhel (Tal), Maramzai (Tal), Tolanj (Tal) fields.

5. Revision in field Oil / NGL reserves estimates of Mazarani, Dhok Sultan, Hadaf (Gambat South), Badeel (Gambat South), Adam (Hala), Benari (Shah Bandar), Gulsher (Digri), Ghauri, Rehman (Kirthar), Mela (Nashpa), Makori (Tal), Makori East (Tal), Maramzai (Tal) fields.

6. Revision in field LPG reserves estimates of Dhok Sultan, Badeel (Gambat South), Mela (Nashpa), Mardankhel (Tal), Maramzai (Tal) and Makori (Tal) fields.

forward looking statement

Centering on its core competency in the upstream Oil & Gas sector and upholding its past legacy, the Company continues to expand its footprint in the exploration and production activities while also increasing its focus on diversification by undertaking mining projects in Balochistan.

The Company is working to explore untapped resources of high-risk frontier basins to target bigger discoveries. The Company has seismic activities planned in Kalat, Kharan East, Musakhel and Nausherwani blocks in the near term to further examine their prospectivity. In addition, Pandrani X-1, a high potential exploratory well, is currently being drilled in Kalat block which is expected to complete in the next year. Success in this region has the possibility to extend the life index of the Company and help in the energy security of Pakistan.

Living up to its growth strategy, PPL, being the lead consortium member, has recently been awarded exploration rights in Abu Dhabi's offshore Block 5. The consortium intends to start exploration and appraisal activities in the area in the near future. Pursuing diversification strategy, the Company is undertaking Baryte Lead Zinc (BLZ) project through Bolan Mining Enterprises (BME), an operated 50:50 joint venture with the Government of Balochistan. This is also a high potential project for the Company as per the feasibility completed by an international consultant.

To increase its production plateau from producing fields, the Company is striving to arrest decline in naturally depleting fields through various well workovers and intervention jobs planned for the next year. Further, development wells are planned in Adhi and Gambat South to optimize production. The Company has recently completed GPF-IV phase 2 to increase production in Gambat South field and is planning the GPF-IV compression project for the next year. In Dhok Sultan, installation of oil handling facility to produce hydrocarbons from DS X-1 well is underway. In addition, Zafir project is ongoing in Gambat South to bring additional gas to the network. Phase-I of SML compression project is also planned in Sui to boost production from the Company's largest gas producing field.

The economic environment plays a significant role in Company's operations as its revenues and majority of its procurement of goods and services are USD denominated. Therefore, depreciation of PKR increases the revenues as well as the costs. However, the net effect is positive as the revenues are more than the costs. Political stability is of utmost importance which has a direct impact on the economic environment. Political intervention is also required to amicably resolve the ongoing circular debt issue in the Country which is hampering the E&P industry's ability to fully exploit the country's resource potential. On the social front, the Company will continue to develop and uplift local communities in its area of operations. We are also determined to protect the environment in which we operate through strict compliance and monitoring of environmental regulations. With respect to legal and regulatory environment, the E&P industry is regulated by Ministry of Energy (Petroleum Division) and the Company has to comply with various regulatory requirements during the entire E&P life cycle.

Sources of Information and Assumptions used for projections/forecasts

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

Responding to challenges and uncertainties

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

Business rationale of major capital expenditure

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

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

SWOT analysis

Strengths

- Second largest E&P Company in Pakistan contributing to nation's energy needs since 1950s
- Experience of operating in security sensitive areas
- Consistent strong profitability
- Prominent E&P presence across Pakistan in diverse basins including frontier
- Joint Ventures with reputable local and international companies
- Presence in four countries
- Strong technical and support team, embracing latest technologies
- Presence in mining sector in Balochistan
- Strong community connections – one of the country's highest CSR spending
- Natural hedge against foreign currency risk

Weaknesses

- Declining exploration leads inventory in portfolio
- Major fields are mature and experiencing natural decline
- Limited financial flexibility due to high receivables / circular debt
- Low off-takes by GENCO-II from Kandhkot
- Low prices of oil & gas in Adhi, Kandhkot and Sui fields
- High dependence on local hydrocarbon reserves for growth
- Challenges in field development
- High proportion of fixed costs in Sui's field opex
- Legal and commercial challenges

Opportunities

- Local bidding rounds and farm-in / farm-out for risk mitigation and portfolio optimization
- Expansion in international E&P business
- Production optimization in producing fields
- Acquisition of reserves and fields
- 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 country imports to meet the gap in demand vs supply

Threats

- Oil price volatility – although impact on PPL is comparatively low due to high proportion of gas in its portfolio
- Increasing circular debt, not addressing the root-cause
- Security issues & high costs in frontier areas
- Known oil and gas corridors in Pakistan heavily explored
- Renewables and other emerging technologies may reduce the demand for oil & gas faster than anticipated
- 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

Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Pakistan Petroleum Limited
Year Ended: June 30, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight as per the following:
   a. Male: Seven (07)
   b. Female: One (01)

2. The Composition of the Board is as follows:
   i. Independent directors: Six (06) subject to the explanation stated in paragraph 20
   ii. Non-executive directors: One (01)
   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. The Board has a formal policy and transparent procedure for the remuneration of directors in accordance with the Act and these Regulations and directors' fees are paid to non-executive directors in accordance with the Articles of Association of the Company for attending Board and Committee meetings;

9. A new Board was elected on 23rd December 2020 and necessary trainings will be arranged for the directors who require training within the stipulated timeframe given in the Regulations. Presently, five out of eight directors have already attended necessary directors' training programs.

10. The Board has approved appointment of the Company secretary including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointment of the chief financial officer or the head of internal audit was done during the year.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed the following committees / comprising of members given below:

a) Audit Committee

Mr. Imtiaz A.H. Laliwala	Chairman
Mr. Aftab Ahmad	Member
Mian Imtiazuddin	Member

b) Nomination Committee

Ms. Khurshid Bhaimia	Chairperson
Mr. Abid Sattar	Member
Mian Imtiazuddin	Member

c) Human Resource Committee

Mr. Abid Sattar	Chairman
Mr. Aftab Ahmad	Member
Dr. Arshad Mahmood	Member
Mr. Moin Raza Khan	Member
Mr. Shahab Rizvi	Member

d) Enterprise Risk Committee

Mr. Abid Sattar	Member
Dr. Arshad Mahmood	Member
Mr. Imtiaz A.H. Laliwala	Member
Ms. Khurshid Bhaimia	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	On need basis
d) Enterprise Risk Committee	Quarterly

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are 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; and

19. Explanations for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

    (a) Regulation No. 10 (5): The Chairman of the Board is required to issue letter to directors at the beginning of term of each director, setting out their role, obligations, powers and responsibilities in accordance with the Act and the Company's Articles of Association, their remuneration and entitlement. The letter was I issued at the year end.

    (b) Regulation No. 10 (6): Certain directors were unable to attend the extraordinary general meeting and annual general meeting due to prior professional engagements.

    (c) Three casual vacancies occurred on the Board on 23rd April 2021, 20th May 2021 and 28th June 2021 due to resignations by Mr. Abdul Saboor Kakar, Nadeem Irshad Kayani and Mr. Sajid Mehmood Qazi respectively, were filled on 3rd August 2021, 7th June 2021 and 26th August 2021 respectively. One casual vacancy that occurred on the Board on 14th April 2021 due to resignation by Mr. Iftikhar Amjad, still exists on the Board due to non-receipt of nomination from the majority shareholder.

20. The Chairman of Board Audit Committee - Independent director, is also a member of the Audit Oversight Board (AOB) established under the Securities and Exchange Commission of Pakistan Act, 1997 (1997 Act). The section 166 of the Companies Act, 2017 provides:

“Further, an independent director in case of a public sector company shall not be in the service of Pakistan or of any statutory body or any body or institution owned or controlled by the Government.”

The Company is of the view that since the Director is not in the employment, full time or otherwise, of the AOB, his membership of the AOB cannot be a basis for lack of independence. Therefore, the Company considers the Director as an independent director ever since the date of appointment on December 23, 2020. By way of abundant caution, the Company sought clarification from the Securities & Exchange Commission of Pakistan in the matter.

In response to the Company’s letter, the Securities and Exchange Commission of Pakistan while mentioning the relevant portion of section 166 of the Companies Act, 2017, reproduced above, advised the Company that it may consult its legal advisor, if deemed necessary. The Company is seeking a clear opinion from SECP on whether or not membership of the Audit Oversight Board established under the 1997 Act, adversely affects the independence of an independent Director of a public sector Company.

SHAHAB RIZVI
CHAIRMAN

Karachi: 1st October 2021

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, 2021

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 subject to the explanation stated in paragraph 33.

2. The Board has at least one-third of its total members as independent directors. At present the Board includes:

Category	Names	Date of Appointment
Independent Directors	i. Mr. Shahab Rizvi	23rd December 2020
	ii. Mr. Abid Sattar	23rd December 2020
	iii. Mr. Aftab Ahmad	23rd December 2020
	iv. Mr. Imtiaz A. H. Laliwala	23rd December 2020
	v. Ms. Khurshid Bhaimia	23rd December 2020
	vi. Mr. Mian Imtiazuddin	23rd December 2020
Non-Executive Director	i. Dr. Arshad Mahmood	7th June 2021
Executive Director	i. Mr. Moin Raza Khan	7th January 2019

3. The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.

4. The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.

5. The Chairman of the Board is working separately from the Chief Executive Officer of the Company.

6. The Chairman has been elected by the Board of directors.

7. No new appointment of the Chief Executive Officer of the Company was made during the year.

8. (a) The company has prepared a “Code of Conduct” to ensure that professional standards and corporate values are in place.

   (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company’s website www.ppl.com.pk.

   (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.

9. The Board has established a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with stakeholders in the manner prescribed in the Rules.

10. The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.

11. The Board has developed and implemented a policy on anti-corruption, as part of the Code of Conduct, to minimize actual or perceived corruption in the Company.

12. The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.

13. The Board has ensured compliance with the law as well as the Company’s internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.

14. The Board has developed a vision and mission statement and corporate strategy of the Company.

15. The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained by the Company.

16. The Company has not delivered any services or sold any goods as a public service obligation and no requests for compensation were submitted to the Federal Government for consideration.

17. The Board has ensured compliance with policy directions requirements received from the Government.

18. (a) The Board has met at least four times during the year.

(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for the 3 Board meetings conducted as on 16th February 2021, 21st April 2021 and 24th May 2021, which were held at short notice as expressly desired by the Board due to various exigencies that are evident from the agendas and minutes of the respective meetings.

(c) The minutes of the meetings were appropriately recorded and circulated.

19. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.

20. The Board has reviewed and approved related party transactions placed before it after recommendation of the Board Audit Committee. A party-wise record of the transactions entered into with the related parties during the year has been maintained by the Company.

21. (a) The Board has approved the statement of profit or loss (formerly profit and loss account) and the statement of financial position (formerly balance sheet) as at the end of the first, second and third quarters of the year as well as the financial year end.

(b) The Board has prepared half yearly accounts and undertaken limited scope review by the external auditors.

(c) The Board has placed the annual financial statements on the Company's website.

22. (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	Three	Mr. Imtiaz A.H. Laliwala Ms. Tahira Raza *
Enterprise Risk Committee	Four	Mr. Iftikhar Amjad ** Dr. Tanveer Ahmed Qureshi *
Human Resource Committee	Five	Mr. Abid Sattar
Procurement Committee	Three	Mr. Sajid Mehmood Qazi ***

Nomination Committee	Three	Ms. Khurshid Bhaimia Mr. Mir Balakh Sher Marri *

* Retired on 23rd December 2020.
** Resigned on 14th April 2021
*** Resigned on 28th June 2021

23. The Board has approved appointment of the Company Secretary including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointment of the Chief Financial Officer or the Chief Internal Auditor was done during the year.

24. The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.

25. 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.

26. 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.

27. 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.

28. (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 and Board Committees.

    (b) The Annual Report of the Company contains the details of the directors' fee paid to individual directors.

29. The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.

30. The Board has formed an audit committee, with defined and written terms of reference, and having the following members:

Name of Member	**Category**	**Professional Background**
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. Currently he is also serving as a member in Audit Oversight Board (AOB).
Aftab Ahmad	Independent Director	He has over 30 years of experience in finance and accounts, strategic business planning, project management and budgeting and management reporting for Oil and Gas sector and Aviation industry. He is a Chartered Accountant and also holds a master's degree in Management Sciences along-with bachelor's degree in Mathematics and Economics. He is currently associated with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants in Islamabad as a Partner.
Mian Imtiazuddin	Independent Director	He has 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.

The Chief Executive and the Chairman of the Board are not members of the Audit Committee.

31. (a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.

    (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.

    (c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.

32. (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.

33. The Chairman of Board Audit Committee - Independent director, is also a member of the Audit Oversight Board (AOB) established under the Securities and Exchange Commission of Pakistan Act, 1997.

Section 166 of the Companies Act, 2017 provides:

> *"Further, an independent director in case of a public sector company shall not be in the service of Pakistan or of any statutory body or any body or institution owned or controlled by the Government."*

Rule 2(d) of the Public Sector Companies (Corporate Governance) Rules, 2013 provides:

> *"Independent Director means a Non-Executive Director who is not in the service of Pakistan or of any statutory body or any-body or institution owned or controlled by the Government and who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the Public Sector Company, its associated companies, subsidiaries, holding company or directors".*

The Company is of the view that since the Director is not in the employment, full time or otherwise, of the AOB, his membership of the AOB cannot be a basis for lack of independence. Therefore, the Company considers the Director as an independent director ever since the date of appointment on December 23, 2020. By way of abundant caution, the Company sought clarification from the Securities & Exchange Commission of Pakistan in the matter.

In response to the Company's letter, the Securities and Exchange Commission of Pakistan while mentioning the relevant portion of section 166 of the Companies Act, 2017, reproduced above, advised the Company that it may consult its legal advisor, if deemed necessary. The Company is seeking a clear opinion from SECP on whether or not membership of the Audit Oversight Board established under the 1997 Act, adversely affects the independence of an independent Director of a public sector Company.

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.

Moin Raza Khan.

MOIN RAZA KHAN
Chief Executive Officer

SHAHAB RIZVI
Chairman and Independent Director

Karachi: 1st October 2021

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 and the matter stated in paragraph 33 above, which will be complied with as early as possible in the next financial year:

S. No.	Rule / Sub Rule No.	Reason for Non-Compliance	Future Course of Action
1	11(3)	The directors elected and appointed during the year were given briefing on the business, operations and environment of the Company as well as the duties of directors. The Memorandum and Articles of Association of the Company and the Quarterly and Annual Reports of the Company were included in the welcome packs for the directors. A formal comprehensive orientation programme for the directors was planned a number of times during the year, however it could not happen due to the pandemic and non-availability of all directors. Subsequent to the year-end, the required orientation course is being held for the directors.	Subsequent to the year end, a formal orientation programme for the directors is being conducted.
2	8(1)	The Federal Government has not undertaken the evaluation of the performance of the members of the Board, including the Chairman and the Chief Executive Offer. However, the Board has undertaken and completed the performance evaluation of the Board and members for 2020-21.	The Federal Government will undertake the evaluation of the performance of the Board and its members.

Moin Raza Khan.

MOIN RAZA KHAN
Chief Executive Officer

SHAHAB RIZVI
Chairman and Independent Director

Karachi: 1st October 2021

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
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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, 2021 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 Rules) respectively.

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.

Moreover, the Public Sector Companies (Corporate Governance) Rules, 2013 require the Board of Directors to ensure 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, in accordance with the Public Procurement Regulatory Authority (PPRA) Rules. We have only carried out procedures to check compliance with the above-mentioned rules on a test basis as a part of our audit of the financial statements of the Company.

Following instance of Non-Compliance with the requirements of the Codes was observed which is not stated in the Statements of Compliance.

The Chairman of Board Audit Committee is also a member of a statutory body owned or controlled by the Government, is not independent in line with the requirements of the Rule 2(d) of the Public Sector Companies (Corporate Governance) Rules, 2013 and section 166 of the Companies Act, 2017 (the Act).

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the 'Statements of Compliances' do not appropriately reflect the Company's compliance, in all material respects, with the Codes as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirements of the Codes as reflected in the Paragraph / section reference where these are stated in Statements of Compliance.

Paragraph / Section

S.No	Reference	Description
1.	Paragraph 19(a) of the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, under the heading 'Explanation for the non-compliance with requirements.	The appointment of directors was held in Extra Ordinary General Meeting on December 23, 2020. The Chairman of the Board of Directors is required to issue letter to directors at the beginning of term of each director, setting out their role, obligations, powers and responsibilities in accordance with the Act and the Company's Articles of Association, their remuneration and entitlement. The letter was issued to all directors on June 30, 2021.

KPMG

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2.	Paragraph 19(b) of the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, under the heading 'Explanation for the non-compliance with requirements.	Certain directors had not attended the extraordinary general meeting and annual general meeting due to prior professional engagements.
3.	Paragraph 19(c) of the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, under the heading 'Explanation for the non-compliance with requirements.	The casual vacancies occurred due to the resignation by four non-executive directors during the year. One casual vacancy was filled within stipulated time period, whereas casual vacancies of two directors have not filled within required time frame. The time frame required to fill the casual vacancy for third director has not yet due. The casual vacancies would have been filled upon replacements nominated by the major shareholder, i.e. the GoP.
4.	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.	The directors elected and appointed during the year were given briefing on the business, operations and environment of the Company. A comprehensive orientation program for the directors was planned twice during the year, however, it was not executed due to the ongoing pandemic and non-availability of all directors.

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5.	Paragraph 2 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.	The Federal Government has not undertaken the evaluation of the performance of the members of the Board of Directors, including the Chairman and Chief Executive Officer. However, the Board of Directors has undertaken and completed the performance evaluation of the Board of Directors and members for 2020-21.

Karachi

Date: October 2, 2021

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Chartered Accountants

report of the board audit committee

Dear Shareholders,

I am pleased to present the annual Audit Committee Report to provide insight into the activities of the Board Audit Committee (BAC) conducted during the Financial Year ended June 30, 2021. The BAC assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of risk management, effectiveness of internal controls system and related governance and compliance matters. The BAC is also responsible for making recommendation to the Board on appointment of the External Auditors.

During the year under review, the BAC placed its focus on ensuring that financial reporting is being carried out as per applicable standards and policies of the Company. The BAC also engaged concerned management in resolving outstanding Internal Audit observations and ensuring that necessary actions are initiated by Management to resolve such observations.

Key Responsibilities and Activities

Key responsibilities of the BAC includes providing assistance to the Board in fulfilling its oversight responsibilities in relation to financial reporting, the effectiveness of the system of risk management and internal control, 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 continuous basis while that of external auditors is assessed at least on an annual basis.

During the Financial Year ended June 30, 2021 (FY21), the Committee discharged its responsibilities and carried out its duties as set out in the Terms of Reference (ToR) duly approved by the Board. Key activities undertaken by the BAC include the following:

1. Reviewed the interim and annual financial statements prior to the approval by the Board.

2. Reviewed related party transactions entered into by the Company on quarterly basis. Furthermore, during the year, the BAC also initiated a comprehensive review of all the applicable laws pertaining to related party transactions and transformed it into a comprehensive questionnaire with the objective to strengthen controls over timely identification of related party transactions and disclosures thereof in the financial statements. Such a questionnaire would be placed before the BAC for approval upon completion by the Management and due verification by Internal Audit thereof.

3. Reviewed and approved annual internal audit plan.

4. Reviewed the Management Representation letter and Internal Control Report issued by the External Auditors in connection with the audit of financial statements and management responses thereto for ensuring that necessary steps have been taken to address the issues.

5. Reviewed the complaints received under Whistle Blowing Policy for taking necessary actions and suggest corrective measures.

6. Obtained Letters of Representation (LoR) from the Management. The objective of this exercise was to improve and strengthen the overall control environment, fill the gaps identified and to align with industry best practices. The BAC also reviewed the suggested improvements made in LOR for the FY-21.

7. The BAC critically reviewed all significant litigations in which the Company is involved and assigned task to relevant management, both legal and finance departments, to evaluate on quarterly basis such litigations strictly in the light of International Accounting Standard 37 (IAS 37) 'Provisions, Contingent Liabilities and Contingent Assets' and provide proper justification thereunder for its disclosure / non-disclosure in the financial statements.

Composition and Meetings

During the FY-21, the BAC met seven times. The composition and the attendance record of BAC members is as follows:

Sr.No.	Name of Directors	Status	No. of Meetings Attended
1.	Mr. Imtiaz A.H. Laliwala [1]	Chairman	4
2.	Mr. Aftab Ahmad [1]	Member	4
3.	Mian Imtiazuddin [2]	Member	7
4.	Mr. Mir Balakh Sher Mari [3]	Retired	3
5.	Ms. Tahira Raza [3]	Retired	3
6.	Mr. Sheryar Taj [4]	Resigned	3
7.	Mr. Sajid Mehmood Qazi [5]	Resigned	6

Notes:

1 Elected as director in the EOGM on 23 December 2020
2 Re-elected as director in the EOGM of 23 December 2020
3 Retired as director w.e.f. 23 December 2020
4 Resigned as director w.e.f. 12 November 2020
5 Resigned as director w.e.f. 28 June 2021

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 Company's risk management, control and governance processes.

Company's Internal Audit Function comprises of staff with skill sets having professional qualification including Chartered Accountants, Cost and Management Accountants, Certified Internal Auditors, Certified Information System Auditors and other similar professional qualifications. The expertise within Internal Audit Function at the end of FY21 comprises of Audit, Finance and I.T. related professionals with extensive experience of E&P industry. In addition to this, specialized independent technical resources from within the organization were utilized on a need basis.

The Committee took keen interest in the scope and extent of Internal Audit function and provided complete support to this function for enabling it to achieve its objectives in an effective manner. The BAC monitored the work of Internal Audit Department and also reviewed how effectively the management is implementing the recommendations of Internal Audit.

In this regard, following key steps were performed:

1. Coordination between the External and Internal Auditors was ensured and Internal Audit Reports were provided for the review of both Commercial and External Auditors.

2. Deliberated and reported on the Internal Audit observations and recommendations having business and internal control implications. BAC reviewed significant Audit Observations highlighted by Internal Audit and ensured that actions pending on part of management are timely taken up. BAC involved the highest level of management in the implementation process and assigned firm deadlines for all pending actions.

Apart from the above, BAC also reviewed findings of Internal Audit on specially assigned auditing tasks on key areas of operations and support functions and findings were shared with the Board for necessary action, where necessary.

EXTERNAL AUDITORS

1. The Audit Committee recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance and independence of the Company's External Auditors.

2. During the Financial Year ended 30 June 2021, the Company welcomed newly appointed auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, after previous auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retired from the Company after having completed five years term. As per PPL's internally developed policy, Auditors will be mandatorily rotated on completion of five years 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.

3. The Auditors have completed their Audit of the "Company's Financial Statements", the "Consolidated Financial Statements", the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" and the "Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013" for the Financial Year ended 30 June, 2021.

4. The External Auditors have been allowed direct access to the BAC and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors have also attended the General Meetings of the Company during the year.

5. A separate Policy governing additional services from External Auditors is in place, which is approved by the Board, and is designed to safeguard External Auditors objectivity and independence and includes rules relating to the hiring of additional services, and stipulates which services require prior approval of the BAC. The Committee reviewed the scope of work and fee of all services obtained by Management from the External Auditors of the Company in addition to the audit of its Financial Statements.

6. The BAC met with the External Auditors during review of half yearly and annual audit of PPL's financial statements to discuss matters relating to the statutory audit of PPL for obtaining their views on overall business environment including going concern assumptions and overall effectiveness of internal controls over financial reporting.

7. The BAC also ensured that External Auditors have access to all the records and personnel which they require to conduct their work in an independent and efficient manner.

IMTIAZ A. H. LALIWALA
CHAIRPERSON - BOARD AUDIT COMMITTEE

KARACHI
SEPTEMBER 15, 2021

unconsolidated financial statements

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INDEPENDENT AUDITOR'S 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, 2021, and the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 3.10, 3.12 and 11 to the unconsolidated financial statements) As at June 30, 2021, trade debts include overdue amount of Rs. 251,229 million (2020: Rs. 232,481 million), (net of GDS and GIDC), receivable from the State controlled companies (i.e. Central Power Generation Company Limited (GENCO-II) Rs. 4,463 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 141,799 million, (Sui Southern Gas Company Limited (SSGCL) of Rs.104,618 million and Oil & Gas Development Company (OGDCL) Rs. 349 million) and Rs. 5,694 million (2020: Rs. 7,257 million) overdue receivable from refineries (i.e. Attock Refinery Limited (ARL) Rs. 3,690 million, Byco Petroleum Pakistan Limited (Byco) Rs. 253 million, Pak-Arab Refinery Limited (PARCO) Rs. 569 million, National Refinery Limited (NRL) Rs. 234 million and Pakistan Refinery Limited (PRL) Rs. 672 million and other customers Rs. 276 million. The Company has made a provision against receivable from Byco and other customer Rs. 464 million. Based on the measures being undertaken by the Government of Pakistan (GoP) including inter-corporate circular debt, the	Our audit procedures in respect of receivables, amongst others, included the following: • Tested, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained, on a sample basis, direct confirmation from customers and tested reconciliations where differences were identified. In case of no replies from customers, performed alternate procedures; • Inspected correspondence with the customers and relevant government authorities and held discussions with the Company and Board Audit Committee to assess their views on the timing of settlement and recoverability of trade debts overdue because of inter-corporate circular debt issue from the Government of Pakistan; • Discussed with the Company, events during the year and steps taken by management for settlement of the overdue trade debts and inspected minutes of meetings of

Key audit matters	How the matter was addressed in our audit
Company considers the overdue amounts to be fully recoverable as these are receivable from state owned entities and GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector of Pakistan. However, the progress has been slower than expected resulting in accumulation of the Company's receivable. The Company considers the aforesaid receivables as good receivables and amounts to be fully recoverable. We considered the matter as key audit matter due to significance of the past due amounts and significant judgments made by the management regarding recoverability of the past due amounts.	the Board of Directors and Board Audit Committee; and • Assessed the adequacy of disclosure made in the unconsolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.
(ii) Classification of investments and recognition of Gas Infrastructure Development Cess (GIDC) and Gas Development Surcharge (GDS)	
(Refer notes 2.6,6,11,16 and 24 to the unconsolidated financial statements) The Company has certain investments in foreign currency term deposits with maturities of less than one year from the reporting date which were previously being classified as non-current assets based on the Company's intention and ability to reinvest. During the year, the Company has reconsidered classification of such investments under the requirements of accounting and reporting standards as applicable in Pakistan and investments having maturity less than one year from the reporting date are now being presented as current assets with retrospective effect.	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the appropriateness of current and non-current classification of foreign currency term deposits having maturity of less than one year in accordance with the requirements of IAS 1 "Presentation of Financial Statements"; • Considered the detailed judgement issued by the SCP, Guidance issued by ICAP on accounting of GIDC and the requirements of GIDC Act, 2015 and The Natural Gas (Development Surcharge) Ordinance, 1967 and the accounting treatment followed by

Key audit matters	How the matter was addressed in our audit
Further, as a result of recent events and developments including orders and judgments of the Honorable Supreme Court of Pakistan (SCP), the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance). The Company has applied the Guidance with retrospective effect on account of GIDC and GDS. These above mentioned matters did not affect current or prior years' net sales, profits and equity. We considered this as a key audit matter because of the significance of the amounts involved and the restatements being significant events and developments during the year.	the Company in accordance with the Guidance; • Evaluated the appropriateness of restatements incorporated in the unconsolidated financial statements by the Company; • Carried out discussions with the Company and Board Audit Committee to understand views on classification of foreign currency term deposits and accounting treatment of GIDC and GDS; and • Assessed the adequacy of disclosures made in the unconsolidated financial statements in accordance with the requirements of 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 2.8, 3.1 and 4 to the unconsolidated financial statements) As at June 30, 2021, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 52,794 million and Rs. 93,790 million respectively. The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where impairment indicator is triggered for any asset / Cash Generating Unit (CGU), an impairment test is performed	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the methodology used by the management to estimate value-in-use of each asset / CGU; • Assessed the appropriateness of the Company's identification of CGU; • Assessed the appropriateness of the assumptions used in the discounted cash flow projections for calculation of the value-in-use of assets, evaluating the key assumptions, i.e. oil and gas reserves, oil and gas prices, exploration and production

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Key audit matters	How the matter was addressed in our audit
by the Company based on the estimate of the value-in-use of that asset / 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 key audit matter due to the significance of judgments / estimates used by the Company in determining the value-in-use of development and production assets and other property, plant and equipment.	costs, foreign exchange rates and discount rates based on our knowledge of the business and industry and by comparing the assumptions to historical results and published market data; and • Assessed the appropriateness of the disclosure made in the unconsolidated financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.
(iv) Recognition of Revenue	
(Refer notes 3.21 and 26 to the unconsolidated financial statements) The Company is engaged in the production and sale of oil and gas resources. The Company recognises revenue at the transaction price which the Company expects to be entitled to, after deducting sales tax, discounts and applicable levies. The Company carries out sales of petroleum products & barytes and revenue thereof, is recognised when the Company satisfies a performance obligation by transferring promised products to customer and recognises revenue at a point in time when control of product is transferred to customer and customer obtains the control. Determination of revenue involves many factors including price mechanism given	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products; • Assessing the appropriateness of the Company's accounting policy for recognition of sales and compliance of the policy with International Financial Reporting Standard (IFRS 15 - "Revenue from Contracts with Customers"; • Compared on sample basis, the revenue transactions recorded before and after the reporting period with the underlying supports including sales invoices, delivery

Key audit matters	How the matter was addressed in our audit
in the relevant sales agreement, estimations and agreements with customers. We considered recognition of revenue as key audit matter due to the regulatory nature of pricing, significance of amounts requiring significant time and resources to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.	challans, relevant sales contract and customer acknowledgements to assess if the related revenue was recorded in the appropriate accounting period; • Tested 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; • Tested on sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the appropriateness of the disclosure made in the unconsolidated financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended June 30, 2021 but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and 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.

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

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes 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.

Other Matter relating to comparative information

The unconsolidated financial statements of the Company as at and for the year ended June 30, 2020, excluding the retrospective adjustments described in note 2.6 to the unconsolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 15, 2020.

As part of our audit of the unconsolidated financial statements as at and for the year ended June 30, 2021, we also audited the retrospective adjustments described in note 2.6 to the unconsolidated financial statements that were applied to restate the comparative information. We were not engaged to audit, review, or apply any procedures to the comparative information, other than with respect to the retrospective adjustments described in note 2.6 to the unconsolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on

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comparative information. However, in our opinion, the retrospective adjustments described in note 2.6 to the unconsolidated financial statements are appropriate and have been properly applied.

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

Date: October 2, 2021

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

unconsolidated statement of financial position

as at june 30, 2021

	Note	June 30 2021	June 30 2020 (Restated)	July 01 2019 (Restated)
		--------------------(Rupees in thousand)------------------		
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	4	**146,583,654**	158,658,675	159,842,053
Intangible assets	5	**211,183**	338,417	481,135
		146,794,837	158,997,092	160,323,188
Long-term investments	6	**7,992,419**	3,798,095	6,092,624
Long-term loans	7	**53,159**	41,720	34,019
Long-term deposits	8	**7,676**	7,676	7,676
Long-term receivables	9	**-**	41,905	83,810
		154,848,091	162,886,488	166,541,317
CURRENT ASSETS				
Stores and spares	10	**4,568,484**	4,060,735	3,146,982
Trade debts	11	**282,284,931**	263,926,656	198,176,763
Loans and advances	12	**698,991**	669,269	1,064,992
Trade deposits and short-term prepayment	13	**258,088**	537,275	468,338
Interest accrued	14	**514,133**	454,596	764,306
Current maturity of long-term loans	7	**22,714**	19,920	12,705
Current maturity of long-term deposits	8	**1,205,357**	1,175,250	911,850
Current maturity of long-term receivables	9	**138,560**	152,841	125,714
Other receivables	15	**3,089,298**	3,223,266	2,415,811
Short-term investments	16	**85,012,018**	51,410,933	47,435,026
Cash and bank balances	17	**4,242,627**	5,159,749	8,021,760
		382,035,201	330,790,490	262,544,247
TOTAL ASSETS		**536,883,292**	493,676,978	429,085,564
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	18	**27,209,836**	27,209,836	22,674,872
Reserves	19	**363,317,888**	317,388,083	275,934,116
		390,527,724	344,597,919	298,608,988
NON-CURRENT LIABILITIES				
Provision for decommissioning obligation	20	**26,928,206**	27,645,286	24,843,371
Lease liabilities	21	**-**	414	12,107
Deferred liabilities	22	**3,082,550**	2,840,852	2,754,275
Deferred taxation - net	23	**29,830,059**	36,524,772	37,134,401
		59,840,815	67,011,324	64,744,154
CURRENT LIABILITIES				
Trade and other payables	24	**65,962,634**	67,103,728	58,881,346
Unclaimed dividends		**521,910**	299,912	302,539
Current maturity of lease liabilities	21	**433**	19,361	56,029
Taxation - net		**20,029,776**	14,644,734	6,492,508
		86,514,753	82,067,735	65,732,422
TOTAL LIABILITIES		**146,355,568**	149,079,059	130,476,576
TOTAL EQUITY AND LIABILITIES		**536,883,292**	493,676,978	429,085,564
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, 2021

	Note	2021	2020
		-------(Rupees in thousand)-------	
Revenue from contracts with customers	26	**148,428,824**	157,593,092
Operating expenses	27	**(40,077,127)**	(42,760,217)
Royalties and other levies	28	**(22,057,220)**	(23,798,843)
		(62,134,347)	(66,559,060)
Gross profit		**86,294,477**	91,034,032
Exploration expenses	29	**(10,227,085)**	(14,733,694)
Administrative expenses	30	**(3,741,451)**	(3,072,536)
Finance costs	32	**(1,107,072)**	(1,069,908)
Reversal of provision for doubtful debts - net	11	**691,835**	-
Other charges	33	**(7,384,799)**	(8,138,138)
		64,525,905	64,019,756
Other income	34	**4,055,713**	6,464,998
Profit before taxation		**68,581,618**	70,484,754
Taxation	35	**(16,150,218)**	(20,228,484)
Profit after taxation		**52,431,400**	50,256,270
Basic and diluted earnings per share (Rs)	41	**19.27**	18.47

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 other comprehensive income

for the year ended june 30, 2021

	2021	2020
	-------(Rupees in thousand)-------	
Profit after taxation	**52,431,400**	50,256,270
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement gains on defined benefit plans - net	**300,864**	267,636
Total comprehensive income for the year	**52,732,264**	50,523,906

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, 2021

	Note	2021	2020 (Restated)
		-------(Rupees in thousand)-------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**160,761,862**	119,547,389
Receipts of other income		**245,256**	1,663,055
Payment to suppliers / service providers and employees - net		**(36,515,992)**	(29,724,759)
Payment of indirect taxes and Government levies including royalties		**(53,310,893)**	(48,456,166)
Income tax paid		**(17,459,889)**	(12,685,887)
Payment of decommissioning obligation		**(159,251)**	-
Finance costs paid		**(957)**	(6,407)
Long-term loans - net		**(14,233)**	(14,916)
Net cash generated from operating activities		**53,545,903**	30,322,309
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(13,514,628)**	(28,104,462)
Proceeds from sale of property, plant and equipment		**33,865**	21,843
Investments - net		**13,305,561**	(7,107,312)
Capital contribution in cash paid to PPLA		**(336,819)**	-
Long-term deposits		**(30,107)**	(263,400)
Long-term receivables		**56,186**	14,778
Finance income received		**3,723,689**	3,708,792
Net cash generated from / (used in) investing activities		**3,237,747**	(31,729,761)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(19,342)**	(48,361)
Dividends paid		**(6,580,461)**	(4,537,602)
Net cash used in financing activities		**(6,599,803)**	(4,585,963)
Net increase / (decrease) in cash and cash equivalents		**50,183,847**	(5,993,415)
Cash and cash equivalents at the beginning of the year		**19,725,805**	25,719,220
Cash and cash equivalents at the end of the year	39	**69,909,652**	19,725,805

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, 2021

	Subscribed and paid-up Share capital		Capital reserve (Note -19)	Revenue reserves (Note -19)	Total
	Ordinary	Convertible preference			
	------(Rupees in thousand)------				
Balance as at July 01, 2019	22,674,764	108	1,428	275,932,688	298,608,988
Total comprehensive income for the year					
Profit after taxation	-	-	-	50,256,270	50,256,270
Other comprehensive income for the year ended June 30, 2020, net of tax	-	-	-	267,636	267,636
Total comprehensive income for the year ended June 30, 2020	-	-	-	50,523,906	50,523,906
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2019 at 20%	-	-	-	(4,534,953)	(4,534,953)
Issuance of 20% bonus shares	4,534,953	-	-	(4,534,953)	-
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2019 at 20%	-	-	-	(22)	(22)
Issuance of 10% bonus shares	-	11	-	(11)	-
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at June 30, 2020	**27,209,718**	**118**	**1,428**	**317,386,655**	**344,597,919**
Total comprehensive income for the year					
Profit after taxation	-	-	-	52,431,400	52,431,400
Other comprehensive income for the year ended June 30, 2021, net of tax	-	-	-	300,864	300,864
Total comprehensive income for the year ended June 30, 2021	-	-	-	52,732,264	52,732,264
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 at 10%	-	-	-	(2,720,972)	(2,720,972)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(4,081,458)	(4,081,458)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 at 10%	-	-	-	(12)	(12)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(17)	(17)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**363,316,460**	**390,527,724**

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer	Director	Chief Executive Officer

1. LEGAL STATUS AND OPERATIONS

1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 These unconsolidated financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of the date of statement of financial position, the Company has the following wholly owned subsidiaries:

a) PPL Europe E&P Limited (PPLE)
b) PPL Asia E&P B.V. (PPLA)
c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)

1.3 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Company to continue producing from the Sui gas field, the most recent being dated May 27, 2021, whereby allowing the Company to continue producing from Sui gas field for a further period of one year with effect from the expiry of existing lease period i.e. May 31, 2021.

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.

1.4 Impact of COVID-19 on the unconsolidated financial statements

During the year ended June 30, 2021, second and third wave / resurgence of COVID-19 was encountered across the country. Management's focus and efforts continued for coping up with the changing scenario at all levels. The Company's operations, financial position and results have not been affected by COVID-19 during the year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these unconsolidated financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 11.5 and 11.6 to these unconsolidated financial statements). Subsequent to the year-end, the SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above mentioned requirements of IFRS-9 till June 30, 2022.

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, 2020 but are considered not to be relevant or do not have any significant effect on the Company's financial positions and are therefore not stated in these unconsolidated financial statements.

2.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2021 and these amendments are not likely to have a significant effect on these unconsolidated financial statements.

- COVID-19 related rent concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, and
- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37).

The following improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an effect on these unconsolidated financial statements.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);

- Reference to the Conceptual Framework (Amendments to IFRS 3);

- Classification of liabilities as current or non-current (Amendments to IAS 1);

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);

- Definition of Accounting Estimates (Amendments to IAS 8);

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12); and

- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

2.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2020: Rs 18,879 million).

Through judgment dated August 03, 2018, the honourable Sindh High Court (SHC) held the establishment of the Trust to be unconstitutional. The decision was assailed before the honourable Supreme Court of Pakistan (SCP). The honourable SCP, through a short order dated October 22, 2020 and for reasons to be recorded later, upheld the decision of the SHC. The Company awaits the detailed judgment of the honourable SCP, after which it shall take the requisite corporate actions for the transfer of 7.35% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.

2.6 RESTATEMENTS

2.6.1 Classification of Long-term investments

Upto June 30, 2020, foreign currency term deposits with banks having various maturity dates falling within one year from the reporting date had been classified as non-current assets based on the management intention and ability to hold the amount for longer term. During the year, the requirements of IAS-1 "Presentation of Financial Statements" for classification of assets between non-current and current were reconsidered. IAS-1 requires that an entity shall classify an asset as current when it expects to realise the asset within twelve months after the reporting period or the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Accordingly, the classification of foreign currency term deposits has been changed and presented as current assets with retrospective effect based on their expected recovery within one year from the reporting period.

2.6.2 Accounting guidance issued by ICAP relating to Accounting of Gas Infrastructure Development Cess (GIDC)

As a result of events and developments including orders and judgments of the Honourable SCP, the ICAP has issued a guidance "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance) through Circular no. 1/2021 dated January 19, 2021. In light of the said Guidance, gas companies should consider the timing of recognition of liabilities (with corresponding assets), where the obligation of the gas companies is to pay the collected amounts to the Federal Government on receipt basis. Liability for such amounts should be recognised at the time of receipt from gas consumers and not at the time of billing to the gas consumers.

Under the laws and regulations governing GIDC, the Company is responsible to invoice the same to the customers and deposit the collected amounts to GoP on receipt from customers. Accordingly, the Company will record liability for GIDC in the statement of financial position only to the extent received from customers but not deposited with the GoP. Further, GIDC billed to customers has been excluded from gross sales and trade debts in the notes to the unconsolidated financial statements.

Keeping in view the above and due to the similar nature and characteristics of Gas Development Surcharge (GDS), the Company has adopted the same accounting treatment for GDS as well.

The Guidance has been applied retrospectively and the prior period financial statements have been restated (notes 11.4 and 24.1), which has not affected current year or prior years' net sales, profit, equity and cash flows.

2.6.3 Effect of changes

The above changes have been made in accordance with the requirements of IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors' in these unconsolidated financial statements with retrospective effect and restatement of amounts reported in the unconsolidated financial statements for the year ended June 30, 2020 and July 1, 2019 are given below:

	June 30, 2020			July 01, 2019		
	As previously reported	As restated	Restatement	As previously reported	As restated	Restatement
	(Rupees in thousand)					
Effect on statement of financial position						
Change in accounting policy and reclassification						
Trade and other payables	115,328,566	67,103,728	48,224,838	88,086,584	58,881,346	29,205,238
Trade debts	312,151,494	263,926,656	48,224,838	227,382,001	198,176,763	29,205,238
Long-term investments	37,285,870	3,798,095	33,487,775	45,284,852	6,092,624	39,192,228
Current maturity of long-term investments	3,866,184	-	3,866,184	-	-	-
Short-term investments	14,056,974	51,410,933	37,353,959	8,242,798	47,435,026	39,192,228

2.7 RECLASSIFICATIONS

Certain amounts have been reclassified in comparatives, for the purposes of better presentation and classification in Trade and other payables, Operating expenses, other income and Property, plant and equipment ("Exploratory wells amounting to Rs 7,933 million have been reclassified from "Operating fixed assets" to "Capital work-in-progress").

An amount of Rs 302 million on account of advances received has been reclassified from Trade debts to Trade and other payables.

2.8 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, method of depreciation / amortisation and residual values of property, plant & equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant & equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to evaluate impairment in an asset's value, wherever applicable.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Company is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geologic, reservoir or production data, (2) new geologic, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves affect the amount of amortisation to be recorded and impairment, if any, in the unconsolidated financial statements for assets amortised on the basis of unit-of-production.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The estimated cost is charged to profit or loss over the life of the proved reserves on a 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 are based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Company revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been higher by	2,204
Property, plant and equipment would have been higher by	1,881
Amortisation charge would have been higher by	323
Profit after tax would have been lower by	247

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 the 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).

j) Provision for trade debts, advances and other receivables

On annual basis, the Company reviews the recoverability of its trade debts, advances and other receivables, to assess the amount required for provision of doubtful debts. Trade debts, advances and other receivables considered irrecoverable are charged to profit or loss. Impairment of trade debts and other receivables is described in note 3.10.

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 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.

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 o profit or loss as exploration expenditure.

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.

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 test of development and production assets is also 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 test purpose is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.4 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and that the cost of such assets can also be measured reliably.

Generally, costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures which enhance or extend the performance of computer software beyond their original specification and useful life are recognised as capital improvement and added to the original cost of the software.

3.5 Depreciation and amortisation

a) Property, plant and equipment

i. Depreciation on all field based immoveable assets is charged on unit-of-production basis. Whereas, all moveable assets i.e. furniture fittings & equipment, computers & allied equipment and rolling stock are depreciated on straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

ii. Depreciation on ROUA is charged on a straight-line basis.

b) Intangible assets

Amortisation on intangible assets is charged over their useful economic life on straight-line basis at the rates stated in note 5.1 to these unconsolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

3.6 Business combinations and goodwill

The Company uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in profit or loss.

Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss.

3.7 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Further, the Company also considers whether:

- 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 Impairment of non-financial assets, goodwill and investment in subsidiaries

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 the 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 on each reporting date 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.

3.9 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. 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.

3.10 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the 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, 2021.

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 gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

b) Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.11 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.

3.12 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 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.

3.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash & cheques in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.14 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. 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.

3.15 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Company maintains / operates the following benefit plans:

i. Approved pension and gratuity schemes

The Company operates approved funded pension and gratuity schemes, separately, for its executive and non-executive permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Company provides post-retirement medical benefits to its executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2021 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.

3.16 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, 2021.

3.17 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.

3.18 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.19 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.

3.20 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.21 Revenue recognition

Revenue from sale of petroleum products & barytes (the Products) is recognised when the Company satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Company has an interest with other joint operations partners is recognised in accordance with the Company's working interest and the terms of the relevant agreements.

3.22 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 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.

3.23 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Company classifies a joint arrangement as a joint venture when the Company has rights to the net assets of the arrangement.

The Company has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

3.24 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.

3.25 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

3.26 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.

3.27 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 Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 4.1	**92,959,042**	94,548,120
Capital work-in-progress - note 4.4	**53,624,612**	64,110,555
	146,583,654	158,658,675

4.1 Operating assets

	Owned assets												Right-of-use assets			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Rolling stock*	Development and production assets	Decommissioning assets	Sub total	Computers and allied equipment	Rolling stock*	Sub total	Total
	(Rupees in thousand)															
As at July 01, 2019																
Cost (Restated) - note 2.7	109,404	1,406,082	2,828,593	4,275	79,196,705	1,054,119	11,224,136	1,137,663	646,798	91,450,315	19,297,727	208,355,817	219,942	418,558	638,500	208,994,317
Accumulated depreciation / amortisation	-	-	(1,581,559)	(2,798)	(47,281,999)	(649,388)	(6,739,057)	(879,029)	(565,249)	(47,911,754)	(11,404,559)	(117,015,392)	(212,205)	(371,428)	(583,633)	(117,599,025)
Net Book Value (NBV) (Restated)	**109,404**	**1,406,082**	**1,247,034**	**1,477**	**31,914,706**	**404,731**	**4,485,079**	**258,634**	**81,549**	**43,538,561**	**7,893,168**	**91,340,425**	**7,737**	**47,130**	**54,867**	**91,395,292**
Year ended June 30, 2020																
Additions (at cost)	-	-	40,360	-	4,633,269	97,901	888,011	126,685	34,487	16,964,685	1,527,716	24,313,114	-	-	-	24,313,114
Adjustments / reclassifications	(1,000)	-	9,293	-	(28,885)	(2,313)	(10,745)	5,018	305	(801,144)	705,288	(124,183)	(3,603)	(305)	(3,908)	(128,091)
Disposals (at NBV)	-	-	-	-	-	-	-	(232)	-	-	-	(232)	(34)	(3,434)	(3,468)	(3,700)
Depreciation / amortisation charge	-	-	(177,268)	(133)	(6,473,197)	(69,162)	(1,206,986)	(148,369)	(29,193)	(11,244,555)	(1,646,552)	(20,995,415)	(4,100)	(28,980)	(33,080)	(21,028,495)
NBV (Restated)	**108,404**	**1,406,082**	**1,119,419**	**1,344**	**30,045,893**	**431,157**	**4,155,359**	**241,736**	**87,148**	**48,457,547**	**8,479,620**	**94,533,709**	**-**	**14,411**	**14,411**	**94,548,120**
As at July 01, 2020																
Cost (Restated)	108,404	1,406,082	2,878,246	4,275	83,801,089	1,149,707	12,101,402	1,269,134	681,590	107,613,856	21,530,731	232,544,516	216,305	414,819	631,124	233,175,640
Accumulated depreciation / amortisation	-	-	(1,758,827)	(2,931)	(53,755,196)	(718,550)	(7,946,043)	(1,027,398)	(594,442)	(59,156,309)	(13,051,111)	(138,010,807)	(216,305)	(400,408)	(616,713)	(138,627,520)
NBV (Restated)	**108,404**	**1,406,082**	**1,119,419**	**1,344**	**30,045,893**	**431,157**	**4,155,359**	**241,736**	**87,148**	**48,457,547**	**8,479,620**	**94,533,709**	**-**	**14,411**	**14,411**	**94,548,120**
Year ended June 30, 2021																
Additions (at cost)	-	-	108,888	-	6,403,838	147,398	2,501,651	138,449	38,547	8,531,156	525,503	18,395,430	-	-	-	18,395,430
Adjustments / reclassifications	(5,768)	(69,174)	(1,126)	-	11,223	(732)	-	(448)	53	63,720	(2,303,219)	(2,305,471)	-	(53)	(53)	(2,305,524)
Disposals (at NBV)	-	-	(167)	-	(59)	(1,528)	-	(464)	-	-	-	(2,218)	-	(4,416)	(4,416)	(6,634)
Depreciation / amortisation charge	-	-	(176,515)	(134)	(5,796,917)	(75,132)	(1,168,497)	(137,648)	(31,936)	(9,272,313)	(1,003,469)	(17,662,561)	-	(9,789)	(9,789)	(17,672,350)
NBV	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**30,663,978**	**501,163**	**5,488,513**	**241,625**	**93,812**	**47,780,110**	**5,698,435**	**92,958,889**	**-**	**153**	**153**	**92,959,042**
As at June 30, 2021																
Cost	102,636	1,336,908	2,985,841	4,275	90,216,091	1,294,845	14,603,053	1,406,671	720,190	116,208,732	19,753,015	248,632,257	216,305	410,350	626,655	249,258,912
Accumulated depreciation / amortisation	-	-	(1,935,342)	(3,065)	(59,552,113)	(793,682)	(9,114,540)	(1,165,046)	(626,378)	(68,428,622)	(14,054,580)	(155,673,368)	(216,305)	(410,197)	(626,502)	(156,299,870)
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**
Rate of depreciation / amortisation (%)			**	**	**	10	**	30	20	**	**		30	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, 2021		June 30, 2020	
	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**	**-**	5,648,503	-
Booster Compression Project - SML	**2,891,688**	**1,448,394**	2,891,688	1,664,214
Adhi Field				
LPG / NGL Plant III	**4,649,726**	**2,425,388**	4,504,111	2,768,438
Kandhkot Field				
Gas Compression Station	**10,345,765**	**2,615,076**	9,002,887	1,843,664
Hala Field				
Gas Processing Facility (GPF)	**1,252,858**	**53,939**	1,252,858	101,595
Sawan Field				
Front End Compression	**2,889,383**	**213,533**	2,480,735	176,166
Other Plant and Machinery	**1,811,767**	**-**	1,811,767	-
Tal Field				
Makori Central Processing Facility	**6,353,105**	**1,162,178**	6,353,133	1,714,951
CPF Manzalai	**3,155,195**	**129,012**	3,155,195	190,372
Nashpa Field				
Nashpa LPG Plant	**4,731,035**	**2,660,181**	4,731,035	3,329,250
Wellhead Compression Project	**1,203,441**	**961,590**	-	-
Latif Field				
Reception / Tie-in Facility	**1,165,465**	**67,462**	1,165,465	126,960
Gambat South Field				
Gas Processing Facility (GPF) II	**10,831,726**	**6,944,402**	10,805,202	7,475,946
GPF IV (Phase I & II)	**4,130,554**	**3,738,640**	1,594,098	1,502,670
Kotri North Field				
Kotri North Field Development	**1,057,415**	**30,006**	1,054,898	222,845

4.3 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
	-----------------(Rupees in thousand)-----------------			
Share in Company operated joint operations	**30,001,623**	25,372,913	**12,442,102**	10,258,367
Share in partner operated joint operations	**41,027,535**	37,826,642	**31,082,801**	27,456,735
	71,029,158	63,199,555	**43,524,903**	37,715,102

4.3.1 The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Company.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
4.4 Capital work-in-progress		
Plant, machinery, fittings and pipelines	**8,711,906**	10,993,478
Exploration and evaluation (E&E) assets	**24,245,767**	28,665,716
Development and production (D&P) assets	**5,014,297**	8,066,401
Lands, buildings and civil constructions	**76,955**	157,847
Capital stores for drilling and development	**15,575,687**	16,227,113
	53,624,612	64,110,555

4.5 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	Exploration and evaluation assets (E&E)	Development and production assets (D&P)	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	---------- (Rupees in thousand) ----------					
Balance as at July 1, 2019 (Restated) - note 2.7	**9,310,018**	**33,535,752**	**7,461,181**	**157,547**	**17,982,490**	**68,446,988**
Capital expenditure incurred / advances made during the year (net) - note 4.5.1 & 4.5.2	7,390,612	1,196,566	9,496,321	25,643	(1,755,377)	16,353,765
Adjustments / reclassifications	(13,587)	-	(2,958)	23,311	-	6,766
Transferred to operating assets	(5,693,565)	(6,066,602)	(8,888,143)	(48,654)	-	(20,696,964)
Balance as at June 30, 2020 (Restated)	**10,993,478**	**28,665,716**	**8,066,401**	**157,847**	**16,227,113**	**64,110,555**
Capital expenditure incurred / advances made during the year (net) - 4.5.1 & 4.5.2	**6,855,180**	**(1,648,913)**	**2,918,946**	**27,799**	**(651,426)**	**7,501,586**
Adjustments / reclassifications	**(21,147)**	**508,209**	**(507,314)**	**(929)**	**-**	**(21,181)**
Transferred to operating assets	**(9,115,605)**	**(3,279,245)**	**(5,463,736)**	**(107,762)**	**-**	**(17,966,348)**
Balance as at June 30, 2021	**8,711,906**	**24,245,767**	**5,014,297**	**76,955**	**15,575,687**	**53,624,612**

4.5.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the year, amounting to Rs 6,224 million (2020: Rs 11,480 million).

4.5.2 Amounts under Capital stores for drilling and development are net of consumption during the year.

4.6 Property, plant and equipment includes major spare parts and standby equipment having cost of Rs 398.168 million (2020: Rs 285.217 million).

4.7 None of the assets disposed of during the year has a book value of more than Rs 0.5 million.

4.8 Particulars of immoveable property (land and building) in the name of the Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land & Building	
Sui Field	2,524.69
Kandhkot Field	161.90
Mazarani Field	172.30
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	14.84
Leasehold Land & Building	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	822.75
Adhi Field	148.13
KPS	196.11

4.9 Particulars of the Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location (Province)	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.	Sui Gas Field	Sui Dera Bugti, Balochistan	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
4.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
5.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station

S.No	Business Unit	Address	Geographical location (Province)	Plants
6.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility - II 3) Gas Processing Facility - IV
7.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
8.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
9.	Hala Field	Districts Sanghar and Matiari	Sindh	Gas Processing Facility
10.	Benari Field (Shah Bandar)	District, Sujawal	Sindh	Third Party Processing Facility

5. INTANGIBLE ASSETS

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Computer software including ERP system - note 5.1	**192,277**	292,261
Intangible assets under development	**18,906**	46,156
	211,183	338,417

5.1 Computer software including ERP system

	ERP system	Computer software	Total
	-----------(Rupees in thousand)--------------		
As at July 01, 2019			
Cost	420,981	1,524,512	1,945,493
Accumulated amortisation	(341,498)	(1,262,023)	(1,603,521)
NBV	**79,483**	**262,489**	**341,972**
Year ended June 30, 2020			
Additions (at cost)	21,183	98,601	119,784
Amortisation charge - note 30	(40,264)	(129,231)	(169,495)
NBV	**60,402**	**231,859**	**292,261**
As at July 01, 2020			
Cost	442,164	1,623,113	2,065,277
Accumulated amortisation	(381,762)	(1,391,254)	(1,773,016)
NBV	**60,402**	**231,859**	**292,261**
Year ended June 30, 2021			
Additions (at cost)	775	48,845	49,620
Adjustment / reclassification	-	(144)	(144)
Amortisation charge - note 30	(21,171)	(128,289)	(149,460)
NBV	**40,006**	**152,271**	**192,277**

	ERP system	Computer software	Total
	-----------(Rupees in thousand)--------------		
As at June 30, 2021			
Cost	442,939	1,671,814	2,114,753
Accumulated amortisation	(402,933)	(1,519,543)	(1,922,476)
NBV	**40,006**	**152,271**	**192,277**
Rate of amortisation (%)	20	33	

	June 30, 2021	June 30, 2020 (Restated)
	(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
Other investments		
- At amortised cost		
Foreign currency term deposits with banks - note 6.4	**4,194,324**	-
	7,992,419	3,798,095

6.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2021. 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 24.069 million as at June 30, 2021.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and two exploration blocks in Pakistan, as well as one exploration block in Yemen.

Brief details are as follows:

Blocks / Fields	Working Interest
Sawan	7.89%
Barkhan	50%
Ziarat	40%
Harnai	40%
Yemen - Block 3	21.28%

6.2.2 This investment is stated net of accumulated impairment losses of Rs 11,866 million (2020: 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 77.6 per ordinary share. The Company holds 100% of the share capital as of the date of statement of financial position.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq.

6.3.2 As disclosed in note 6.3.3 to the unconsolidated financial statements for the year ended June 30, 2020, approval of USD 2.1 million (out of USD 24.5 million) was received and accordingly the amount was paid to PPLA. Remaining funds of USD 22.4 million will be transferred to PPLA subsequent to fulfillment of necessary regulatory requirements / approvals. After the payment of remaining capital contribution as mentioned above, the shares of PPLA will become fully paid.

Further, in line with the reasons mentioned in note 6.3.2 to the unconsolidated financial statements for the year ended June 30, 2017, the Company continues to impair the excess of the carrying amount of investment in PPLA over its recoverable amount. Impairment loss for the current year is Rs 337 million (2020: Rs 2,295 million), which represents the cost incurred during the period in Block 8, Iraq. The corresponding charge in the statement of profit or loss is included in other charges.

The accumulated impairment loss on the investment amounts to Rs 8,208 million (2020: Rs 7,871 million).

6.4 Foreign currency term deposits with banks

These represent term deposits with banks amounting to USD 26.580 million (June 30, 2020: Nil) having effective interest rate ranging from 2.10% to 2.25% (2020: Nil) per annum. These investments are due to mature in July 2022.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
7. LONG-TERM LOANS		
Unsecured and considered good		
Long-term loans - staff - note 7.1		
- Executive staff - note 7.2	**20,564**	19,358
- Other employees	**55,309**	42,282
	75,873	61,640
Less: Current maturities		
- Executive staff	**(6,846)**	(7,047)
- Other employees	**(15,868)**	(12,873)
	(22,714)	(19,920)
	53,159	41,720

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% (2020: 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, 2021	June 30, 2020
	(Rupees in thousand)	
Balance as at July 01	**19,358**	20,682
Disbursements	**35,068**	6,585
Repayments / adjustments	**(33,862)**	(7,909)
Balance as at June 30	**20,564**	19,358

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 20.944 million (2020: Rs 20.863 million).

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
8. LONG-TERM DEPOSITS		
Cash margin:		
- For guarantee to International Bank of Yemen - note 8.1	**1,205,357**	1,175,250
- Others	**7,676**	7,676
	1,213,033	1,182,926
Less: Current maturity of long-term deposits	**(1,205,357)**	(1,175,250)
	7,676	7,676

8.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Company placed a Letter of Credit amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016. The Ministry of Yemen objected to the notice of termination vide its letter dated September 06, 2016.

Pursuant to the above, the Ministry of Yemen vide letter dated February 01, 2018 addressed to the Operator gave its "no objection" to its notice of termination. The said letter has placed certain conditions primarily relating to the payment of outstanding financial obligations before the Operator's bank guarantee could be released. PPLE, vide letter dated February 26, 2018, also requested Ministry of Yemen for the release of the Company's bank guarantee/ LC. The Operator, vide letter dated May 20, 2018, confirmed fulfilment of the conditions and requested Ministry of Yemen for release of its as well as the Company's bank guarantee / LC.

The Operator, vide letter dated February 06, 2019, communicated to the Ministry of Yemen that it understands that the Ministry of Yemen may face difficulties in releasing the original bank guarantees due to security situation in Sanaa (at which Ministry of Yemen's office is located and where the original bank guarantees of both the Operator and PPL exist) and suggested to the Ministry of Yemen that it may confirm in writing to its bank, IBoY, that the Block 29 PSA has been terminated and no further commitments/ obligations against Operator's and PPLE's bank guarantee exist and further request IBoY to issue authenticated swift message to the Operator and PPLE's respective banks to release their guarantee obligations.

The Ministry of Yemen vide letter dated March 24, 2019 again gave its "no objection" to the Operator's request for release of guarantee / LC, subject to fulfilment of certain requirements. The Operator vide letter dated August 07, 2019 responded to the Ministry of Yemen, thereby providing the required clarification / information. Although the Operator is regularly following up for the release of guarantee / LC with Yemen authorities, progress remains slow due to the turbulent political scenario.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
9. LONG-TERM RECEIVABLES		
Unsecured and considered good		
Government Holdings (Private) Limited (GHPL) - note 9.1	**138,560**	194,746
Less: Current maturity of long-term receivables from GHPL	**(138,560)**	(152,841)
	-	41,905

9.1 This represents share of carried cost borne by the Company, in respect of Tal and Gambat fields, which is recoverable from GHPL in accordance with the terms set out under the relevant Petroleum Concession Agreements (PCAs). The receivable has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
10. STORES AND SPARES		
Stores and spares	**4,944,087**	4,496,569
Stores and spares - in transit	**51,745**	9,755
	4,995,832	4,506,324
Less: Provision for obsolete / slow moving stores & spares - note 10.1	**(427,348)**	(445,589)
	4,568,484	4,060,735

10.1 Reconciliation of provision for obsolete / slow moving stores & spares:

	June 30, 2021	June 30, 2020
Balance as at July 01	**445,589**	316,026
(Reversal) / Charge for the year - note 33	**(18,241)**	129,563
Balance as at June 30	**427,348**	445,589

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
11. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 11.1)		
Central Power Generation Company Limited (GENCO-II) - note 11.4	**6,305,294**	3,833,469
Sui Northern Gas Pipelines Limited (SNGPL)	**151,192,899**	152,604,464
Sui Southern Gas Company Limited (SSGCL)	**110,081,165**	96,831,357
Pakistan Refinery Limited (PRL)	**1,196,389**	1,091,468
Pak-Arab Refinery Limited (PARCO)	**2,416,363**	698,988
Oil & Gas Development Company Limited (OGDCL)	**439,174**	803,313
	271,631,284	255,863,059
Non-related parties		
Attock Refinery Limited (ARL)	**10,012,795**	6,884,102
National Refinery Limited (NRL)	**490,831**	676,249
Others	**150,021**	503,246
	10,653,647	8,063,597
	282,284,931	263,926,656
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco) - note 11.5	**253,002**	1,156,220
EGAS Pvt. Ltd. (EGAS) - note 11.6	**211,383**	-
Less: Provision for doubtful debts	**(464,385)**	(1,156,220)
	-	-
	282,284,931	263,926,656

11.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
GENCO-II	**6,305,294**	6,464,450
SNGPL	**161,068,863**	152,604,464
SSGCL	**110,081,165**	97,784,202
PARCO	**2,416,363**	2,225,087
PRL	**1,196,389**	1,278,894
OGDCL	**902,985**	927,689
	281,971,059	261,284,786

11.2 The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	**25,825,446**	25,344,029
Past due but not impaired:		
Related parties		
- within 90 days	**22,251,049**	23,791,713
- 91 to 180 days	**24,270,381**	22,363,056
- over 180 days	**205,948,975**	187,257,463
	252,470,405	233,412,232
Non-related parties		
- within 90 days	**2,240,066**	2,711,071
- 91 to 180 days	**3,030**	985,550
- over 180 days	**1,745,984**	1,473,774
	3,989,080	5,170,395
	282,284,931	263,926,656

11.3 Trade debts include overdue amount of Rs 251,229 million (2020: Rs 232,481 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 5,694 million (2020: Rs 7,257 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.

Based on the measures being undertaken by the GoP including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these unconsolidated financial statements, except for provision against receivable from Byco and EGAS.

11.4 Trade debts, as fully explained in the note 2.6.2, do not include GDS and GIDC amounting to Rs 52,949 million (2020: Rs 38,278 million) and Rs 7,399 million (2020: Rs 10,249 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Company as at the date of statement of financial position.

11.5 The Company has filed a suit in the Sindh High Court (SHC) against 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 Byco 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 Byco which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of Byco, filed his plea bargain application by submitting an amount that covers the outstanding principal amount due to the Company, which was allowed by the Accountability Court on October 24, 2020. Resultantly, the Company has received an amount of Rs 903.218 million from NAB against long outstanding receivables from Byco. The provision for doubtful debts has been reversed to the extent of recovery. In the meanwhile, the Company continues to pursue the authorities for the remaining overdue amount.

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.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
12. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**61,748**	112,173
Advances to suppliers and others	**275,839**	252,869
Advance payment of cash calls to joint operations - note 36	**361,404**	304,227
	698,991	669,269
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**70,339**	129,960
Prepayments	**187,749**	407,315
	258,088	537,275
14. INTEREST ACCRUED		
Interest receivable on:		
- long-term investments	**2,283**	-
- short-term investments	**465,923**	390,874
- bank deposits	**45,927**	63,722
	514,133	454,596
15. OTHER RECEIVABLES		
Receivable from:		
SNGPL for Sui field services	**35,133**	28,270
SSGCL for Sui field services	**5,105**	4,045
PPLA	**204,935**	72,747
PPLE	**-**	19
Staff retirement benefit plans - note 31.1.1 & 15.1	**1,140,024**	802,564
Current accounts with joint operations - note 36	**1,415,827**	2,228,085
Workers' Profit Participation Fund (WPPF) - note 15.2	**75,069**	35,768
Others - note 15.3	**213,205**	51,768
	3,089,298	3,223,266

15.1 It includes an amount of Rs 692.774 million on account of payment made by the Company on behalf of staff retirement benefit funds.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
15.2 WPPF		
Balance as at July 01	**35,768**	521,349
Allocation for the year - note 33	**(3,424,931)**	(3,506,885)
Interest on funds utilised in the Company's business - note 32	**(93)**	(1,741)
	(3,389,256)	(2,987,277)
Net amount paid during the year	**3,464,325**	3,023,045
Balance as at June 30	**75,069**	35,768

15.3 It includes an amount of Rs 34.02 million receivable from OGDCL, GHPL & MPCL (Rs 11.34 million receivable from each party) with respect to the payments made by the Company on their behalf for incorporation of an entity in Abu Dhabi.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
16. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 16.1	**32,142,500**	2,592,500
- Foreign currency term deposits with banks - note 16.2	**32,910,926**	37,353,959
- Local currency treasury bills - note 16.3	**2,349,399**	1,099,756
	67,402,825	41,046,215
At fair value through profit or loss		
- Mutual Funds - note 16.4	**17,609,193**	10,364,718
	85,012,018	51,410,933

16.1 These carry profit ranging from 7.65% to 8.00% (2020: 7.70% to 12.00%) per annum and are due to mature latest by September 2021.

16.2 These represents foreign currency term deposits with banks amounting to USD 208.561 million (2020: USD 222.345 million) having effective interest rate ranging from 0.35% to 2.01% (2020: 3.00% to 5.30%) per annum and are due to mature latest by December 2021.

16.3 These carry profit ranging from 7.25% to 7.56% (2020: 7.70%) per annum and are due to mature latest by September 2021.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
16.4 Mutual Funds		
Name of Fund		
MCB Cash Management Optimizer	**3,280,845**	1,800,132
ABL Cash Fund	**2,944,636**	2,020,138
UBL Liquidity Plus Fund	**2,587,959**	1,161,256
Atlas Money Market Fund	**2,399,375**	1,088,844
Alfalah GHP Money Market Fund	**2,009,753**	-
First Habib Cash Fund	**1,321,537**	-
JS Cash Fund	**870,315**	-
Lakson Money Market Fund	**816,168**	-
Alfalah GHP Cash Fund	**776,767**	-
UBL Cash Fund	**396,874**	260,241
Pakistan Cash Management Fund	**204,964**	-
NBP Money Market Fund	**-**	2,431,354
HBL Cash Fund	**-**	1,602,753
	17,609,193	10,364,718

This investment has been categorised under Level 1 of the fair value hierarchy. IFRS-7, 'Financial Instruments: Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17. CASH AND BANK BALANCES

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
At banks		
Saving accounts		
- Local currency - note 17.1	**3,475,182**	4,585,154
- Foreign currency - note 17.2	**222,577**	197,918
	3,697,759	4,783,072
Current accounts (local currency)	**531,155**	319,037
- Cash and cheques in hand	**13,713**	57,640
	4,242,627	5,159,749

17.1 These carry profit at the rate ranging from 2.75% to 7.21% (2020: 2.25% to 13.60%) per annum. Further, it includes Rs 8.331 million (2020: Rs 12.980 million) placed under an arrangement permissible under Shariah.

17.2 These carry profit at the rate ranging from 0.01% to 0.25% (2020: 0.10% to 0.25%) per annum.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
18. SHARE CAPITAL		
Authorised		
3,500,000,000 (2020: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
26,510 (2020: 26,510) convertible preference shares of Rs 10 each	**265**	265
	35,000,265	35,000,265
Issued		
2,721,161,792 (2020: 2,721,161,259) ordinary shares of Rs 10 each - note 18.2	**27,211,617**	27,211,612
11,283 (2020: 11,816) convertible preference shares of Rs 10 each - note 18.3	**113**	118
	27,211,730	27,211,730
Subscribed and paid-up		
683,077,434 (2020: 683,076,901) ordinary shares of Rs 10 each for cash - note 18.2	**6,830,774**	6,830,769
2,035,144,811 (2020: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2020: 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
	27,209,723	27,209,718
10,209 (2020: 10,742) convertible preference shares of Rs 10 each for cash - note 18.3	**102**	107
1,074 (2020: 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, 2021	June 30, 2020		June 30, 2021	June 30, 2020
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10/- each		
2,720,971,712	2,267,476,377	At the beginning of the year	**27,209,718**	22,674,764
-	453,495,285	Issued as bonus shares	**-**	4,534,953
533	50	Conversion of preference shares	**5**	1
2,720,972,245	2,720,971,712		**27,209,723**	27,209,718

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 (2020: 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, 533 (2020: 50) 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, 2021	June 30, 2020
	(Rupees in thousand)	
Capital reserve - note 19.1	**1,428**	1,428
Revenue 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
- Unappropriated profit	**302,937,471**	257,007,666
	363,316,460	317,386,655
	363,317,888	317,388,083

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.

19.2 General and contingency reserve

The balance in general and contingency reserve account is constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon the coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Company only for the purpose specified in the 1982 GPA.

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 15,830 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.

20. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Balance at beginning of the year	**27,645,286**	24,843,371
- Provision during the year	**480,024**	1,033,126
- Revision due to change in estimates	**(2,204,468)**	1,026,887
- Adjustment / payment during the year	**(98,751)**	(321,599)
- Unwinding of discount - note 32	**1,106,115**	1,063,501
Balance at end of the year	**26,928,206**	27,645,286

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Wells		
Share in operated assets	**17,986,795**	19,198,818
Share in partner operated assets	**3,552,876**	3,553,934
Production facilities		
Share in operated assets	**3,458,709**	2,965,501
Share in partner operated assets	**1,929,826**	1,927,033
	26,928,206	27,645,286

20.1 The provision has been discounted using a US Dollar based real discount rate of 4.39% (2020: 4.30%) per annum.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
21. LEASE LIABILITIES		
Present value of minimum lease payments - note 21.1	**433**	19,775
Less: current maturity	**(433)**	(19,361)
	-	414

21.1 This represents the leases entered into with leasing companies for rolling stock. The periodic lease payments include rates of mark-up of 12.78% (2020: 9.78% to 13.28%) per annum. The Company has the option to purchase the assets upon expiry of the respective lease terms. There are no financial restrictions in the lease agreements.

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, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
	----------(Rupees in thousand)----------					
Year ended June 30,						
2021	**-**	20,290	**-**	929	**-**	19,361
2022	**440**	440	**7**	26	**433**	414
Total	**440**	20,730	**7**	955	**433**	19,775

21.2 Lease rental payments including financial charges thereon for the year ended June 30, 2021, amount to Rs 19.342 million (2020: Rs 48.361 million).

22. DEFERRED LIABILITIES

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Post-retirement medical benefits - note 31.2.1	**2,297,102**	2,134,229
Leave preparatory to retirement - note 31.3	**785,448**	706,623
	3,082,550	2,840,852

23. DEFERRED TAXATION - NET

	June 30, 2021	June 30, 2020
(Deductible) / taxable temporary differences on:		
Exploration expenditure	**(2,026,191)**	(2,082,062)
Provision for staff retirement and other benefits	**(893,422)**	(823,445)
Provision for windfall levy on oil / condensate	**(5,377,542)**	(4,145,892)
Provision for doubtful debts	**(185,754)**	(462,488)
Provision for obsolete / slow moving stores	**(123,931)**	(129,221)
Provision for decommissioning obligation	**2,394,474**	3,304,147
Accelerated tax depreciation allowances	**3,492,302**	3,983,407
Exploratory wells cost	**12,636,541**	14,425,712
Development and production expenditure	**19,926,792**	22,453,734
Others	**(13,210)**	880
	29,830,059	36,524,772

24. TRADE AND OTHER PAYABLES

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Creditors	**799,192**	978,867
Accrued liabilities	**7,305,903**	8,564,442
Security deposits / advances from LPG distributors - note 24.2	**224,614**	451,236
Retention money	**81,770**	117,964
Sales tax - net	**996,946**	1,598,008
Royalties	**8,474,861**	9,382,316
Lease extension bonus	**24,932,829**	20,585,132
Current accounts with joint operations - note 36	**11,191,581**	16,234,248
Staff retirement benefit funds- note 31.1.2	**1,310,903**	1,033,050
Provision for windfall levy on oil/condensate - note 25.1.7	**10,242,937**	7,896,937
Federal excise duty	**111,777**	101,064
Others	**289,321**	160,464
	65,962,634	67,103,728

24.1 Trade and other payables, as fully explained in note 2.6.2, do not include GDS and GIDC amounting to Rs 52,949 million (June 30, 2020: Rs 38,278 million) and Rs 7,399 million (June 30, 2020: Rs 10,249 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

24.2 The security deposits of Rs 10.855 million (2020: Rs 148.855 million) are kept in a separate bank account.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Corporate guarantees

	June 30, 2021	June 30, 2020
	(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.	**22,817**	**31,657**

25.1.2 Sales tax

The Company has received various orders from the tax authorities raising demand of Rs 184 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Company is contesting the matter before different appellate forums.

25.1.3 Income tax

The tax authorities have amended the assessments of the Company for the tax years 2003 to 2020 raising an aggregate demand of Rs 35,810 million, which primarily relates to rate issue, depletion allowance, decommissioning cost and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001. The Company has paid / adjusted an amount of Rs 34,035 million out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009 which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2012	Sindh High Court
2013 to 2018	Appellate Tribunal Inland Revenue
2019 and 2020	Commissioner Inland Revenue (Appeals)

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, depletion allowance, tax credits under sections 65A, 65B and 65E relating to Agreement Areas and other issues in the books of accounts. In case the appeals relating to the said issues are decided in favour of the Company, an amount of Rs 33,794 million will be credited to the profit or loss for that year.

During the year ended June 30, 2020, the Company's case was selected for audit proceedings in respect of tax year 2018. The Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both Non-Agreement and Agreement Areas. Based on the advice of the legal counsel, the Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020 has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

Moreover, during the current year, the Company, based on the advice of legal counsel, has filed a Constitutional Petition before the Honourable SHC challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impair contracts cannot be given a retrospective application. The Honourable SHC vide an interim order dated December 24, 2020 has directed the tax authorities (a) for allowing the Company to claim the said tax credit in its return of income for the year 2020 either manually or by making adjustment on the FBR electronic portal and (b) not to take any adverse action against the Company in respect of the said matter.

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.

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 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

The Honourable SHC vide its order dated August 3, 2017, wherein the Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Company, on the advice of its legal counsel, had challenged the said judgement in the Honourable Supreme Court of Pakistan (SCP). The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, 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.

25.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

There has been no change in the status of the matter as disclosed in note 25.1.9 to the unconsolidated financial statements for the year ended June 30, 2018, except that the case lastly came up for hearing on March 17, 2021 on which date the Honorable Islamabad High Court (IHC) inquired from the Federation that whether the matter was placed before Council of Common Interests (CCI) (as earlier directed by this Court). Upon negative response, the IHC ordered Secretary Petroleum to appear in person on next date and apprise the court as to why the Federation is reluctant to re-approach CCI. The stay order already in effect was extended till next date which was April 20, 2021. However, on April 20, 2021, the case was delisted and hence adjourned to a date in office.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 28,190 million for the period up to June 30, 2021. Further, WLO provided for in the books of accounts from December 27, 2017 till June 30, 2021 amounts to Rs 10,243 million.

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 24,100 million and Rs 12,607 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 Islamabad High Court or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have also amended the assessment of PPLE for the tax years 2015 to 2019 raising an aggregate demand of Rs 644 million; which primarily relates to the above / other issues. PPLE has paid 10% of the said demand under protest; resultantly, the remaining demand is stayed till the decision of CIR (A). The appeals of the said tax years are pending at various appellate forums.

PPLE based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

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 defense and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

(b) The Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 1,847.616 million (2020: Rs 2,598.847 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Company and, accordingly, no provision has been made in these unconsolidated financial statements.

(c) The Company has guaranteed to the Midland Oil Company Iraq, the performance and fulfilment of obligations by PPLA under the EDPSC. Total financial commitment of PPLA is USD 100 million (Rs 15,830 million) {2020: USD 100 million (Rs 16,830 million)}, out of which USD 30.861 million (Rs 4,885 million) {2020: USD 32.581 million (Rs 5,483 million)} is outstanding.

(d) The Company has provided parent company guarantee amounting to USD 5.3 million (Rs 839 million) {2020: USD 5.3 million (Rs 892 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

25.2 Commitments

25.2.1 Total commitments for capital expenditure (net share) as at June 30, 2021 are Rs 793 million. Further, total amount outstanding under letters of credit (net share) as at June 30, 2021 is Rs 870 million.

25.2.2 The Company has a commitment to pay USD 22.4 million (2020: USD 24.5 million) to PPLA as detailed in note 6.3.2 to these unconsolidated financial statements.

	Year ended June 30, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
26. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales	**171,813,646**	182,081,877
Federal excise duty	**(1,704,370)**	(1,788,254)
Sales tax	**(21,801,390)**	(23,932,883)
Petroleum Levy	**(539,742)**	(501,664)
Discounts (barytes)	**(32,978)**	(34,296)
	(24,078,480)	(26,257,097)
Export sales - note 26.1	**693,658**	1,768,312
	148,428,824	157,593,092
Product wise break-up of sales is as follows:		
Natural gas	**119,304,683**	132,851,026
Federal excise duty	**(1,672,921)**	(1,758,564)
Sales tax	**(20,152,627)**	(22,431,803)
	(21,825,548)	(24,190,367)
	97,479,135	108,660,659
Gas supplied to Sui villages - note 27	**716,902**	748,006
Federal excise duty	**(14,520)**	(13,377)
Sales tax	**(104,165)**	(108,685)
	(118,685)	(122,062)
	598,217	625,944
Internal consumption of gas	**353,067**	409,959
Federal excise duty	**(7,103)**	(7,294)
Sales tax	**(51,051)**	(59,371)
	(58,154)	(66,665)
	294,913	343,294
Crude oil / Natural gas liquids / Condensate	**41,395,058**	40,083,837
LPG	**10,000,452**	8,846,659
Federal excise duty	**(9,826)**	(9,019)
Sales tax	**(1,456,842)**	(1,292,823)
Petroleum Levy	**(539,742)**	(501,664)
	(2,006,410)	(1,803,506)
	7,994,042	7,043,153
Barytes	**737,142**	910,702
Sales tax	**(36,705)**	(40,201)
Discounts	**(32,978)**	(34,296)
	(69,683)	(74,497)
	667,459	836,205
	148,428,824	157,593,092

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
26.1 Break up of export sales is as follows:		
Barytes	**489,294**	596,014
Crude oil / Condensate	**204,364**	1,172,298
	693,658	1,768,312
27. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 30.1	**9,388,218**	8,631,049
Operator's personnel	**2,406,112**	2,399,927
Depreciation	**7,224,218**	7,928,575
Amortisation of decommissioning assets - note 4.1	**1,003,469**	1,646,552
Amortisation of D&P assets - note 4.1	**9,272,313**	11,244,555
Plant operations	**3,700,744**	3,744,281
Well interventions	**1,033,988**	1,093,872
Field services	**2,144,829**	2,178,369
Crude oil transportation	**1,002,876**	1,183,638
Travelling and conveyance	**657,682**	651,537
Training & development	**70,382**	35,444
PCA overheads	**234,686**	196,406
Insurance expenses	**722,657**	658,924
Free supply of gas to Sui villages - note 26	**716,902**	748,006
Social welfare / community development	**498,051**	419,082
	40,077,127	42,760,217
28. ROYALTIES AND OTHER LEVIES		
Royalties - note 28.1	**17,211,894**	18,245,232
Lease extension bonus	**4,347,697**	5,103,374
Windfall levy - note 28.2	**497,146**	446,412
Export development charges	**483**	3,825
	22,057,220	23,798,843

28.1 The Company has paid royalties to the GoP.

28.2 This pertains to production from Gambat South, Hala, Dhok Sultan, Shah Bandar, Digri, Ghauri and Kirthar fields.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
29. EXPLORATION EXPENSES		
Dry and abandoned wells	**6,224,497**	11,479,783
Other exploration expenditures	**4,002,588**	3,253,911
	10,227,085	14,733,694

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
30. ADMINISTRATIVE EXPENSES		
Salaries, wages, welfare and other benefits - note 30.1	**6,040,222**	5,758,432
Amortisation of intangible assets - note 5.1	**149,460**	169,495
Depreciation of leased and HO assets	**172,350**	208,813
Rent, rates and taxes	**226,232**	210,994
Utilities & communication	**101,023**	110,364
Travelling and conveyance	**43,578**	114,254
Training and development	**40,714**	51,847
Insurance expenses	**25,788**	22,360
Repairs, maintenance and supplies	**762,363**	712,160
Professional services	**121,425**	101,192
Auditors' remuneration - note 30.2	**8,106**	24,115
Donations and sponsorships - note 30.3 & 30.4	**87,972**	85,168
Contract services	**96,342**	90,660
Compliance and regulatory expenses	**54,115**	86,345
Advertisement, publicity and public relations	**51,938**	68,135
Other expenses	**66,773**	59,990
	8,048,401	7,874,324
Allocation to capital and operating expenditure	**(4,306,950)**	(4,801,788)
	3,741,451	3,072,536

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 336.471 million, Rs 362.331 million, Rs 176.891 million, Rs 109.376 million and Rs 238.195 million, respectively (2020: Rs 271.828 million, Rs 489.688 million, Rs 623.208 million, Rs 121.231 million and Rs 363.731 million, respectively).

	Year ended June 30, 2021 KPMG Taseer Hadi & Co.	Year ended June 30, 2020 A.F. Ferguson & Co.
	(Rupees in thousand)	
30.2 Auditors' remuneration		
Annual audit fee		
- unconsolidated	**3,780**	3,780
- consolidated	**693**	693
Limited review, special certifications and advisory services	**2,396**	17,143
Out of pocket expenses & others	**1,237**	2,499
	8,106	24,115

30.3 Party wise details of donations in excess of Rs 1 million are given below:

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Name of Donees / Party		
Mehran University of Engineering	**16,134**	16,700
Koohi Goth Hospital	**8,500**	8,641
National Institute of Child Hospital Trust	**6,000**	-
Friends Of Burns Centre	**5,714**	-
The Layton Rehmatullah Benevolent Trust	**4,333**	-
Tehzibul Akhlaq Trust	**4,100**	3,821
Bait-ul-Sukoon	**4,000**	-
Goth Seengar Foundation	**3,000**	-
NED University of Engineering & Technology (NED)	**2,915**	2,000
University of Engineering & Technology Lahore	**2,432**	-
Balochistan University of Information Technology, Engineering & Management Science	**1,786**	-
Establishment of PPL Chair (NED)	**1,200**	-
Sindh Radiant Organisation	**1,000**	-
Karachi Institute Of Kidney Diseases	**1,000**	-
Sindh Institute of Urology & Transplantation	**-**	10,000
Lady Dufferin Hospital	**-**	10,000
The Kidney Centre	**-**	5,000
Darut Tasnif (Private) Limited	**-**	5,000
Karwan-e-Hayat (Institute of Mental Health)	**-**	4,860
Saran Educational Trust	**-**	1,000
	62,114	67,022

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 3.15 to these unconsolidated financial statements, the Company operates approved funded pension and gratuity schemes for its executive and non-executive permanent employees.

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, 2021					June 30, 2020
	(Rupees in thousand)					
Present value of defined benefit obligations - note 31.1.6	**9,492,796**	**1,625,203**	**3,587,681**	**1,541,266**	**16,246,946**	14,630,246
Fair value of plan assets - note 31.1.5	**(9,940,046)**	**(1,105,314)**	**(3,118,967)**	**(1,218,966)**	**(15,383,293)**	(14,010,735)
(Asset) / Liability recognised in the statement of financial position	**(447,250)**	**519,889**	**468,714**	**322,300**	**863,653**	619,511

31.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	(Rupees in thousand)					
Balances as on July 01	**380,984**	**652,066**	**(328,140)**	**(85,399)**	**619,511**	823,193
Charge for the year - note 31.1.3	**317,384**	**144,482**	**44,947**	**32,409**	**539,222**	1,112,896
(Payments) / Refund during the year	**(234,325)**	**(102,436)**	**246,955**	**121,701**	**31,895**	(1,323,146)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 31.1.4	**(911,293)**	**(174,223)**	**504,952**	**253,589**	**(326,975)**	6,568
Balances as on June 30	**(447,250)**	**519,889**	**468,714**	**322,300**	**863,653**	619,511

31.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	(Rupees in thousand)					
Current service cost	**286,295**	**91,271**	**71,725**	**39,378**	**488,669**	441,058
Past service cost	**-**	**-**	**-**	**-**	**-**	561,749
Interest cost	**765,727**	**135,912**	**230,867**	**96,948**	**1,229,454**	1,806,000
Interest income on plan assets	**(734,638)**	**(82,701)**	**(257,645)**	**(103,917)**	**(1,178,901)**	(1,695,911)
Charge for the year recognised in profit or loss	**317,384**	**144,482**	**44,947**	**32,409**	**539,222**	1,112,896
Actual return on plan assets	**1,474,781**	**147,742**	**489,638**	**194,896**	**2,307,057**	1,431,136

31.1.4 Remeasurement recognised in other comprehensive income

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	(Rupees in thousand)					
Actuarial (gain) / loss on obligation	**(171,150)**	**(109,182)**	**736,945**	**344,568**	**801,181**	(258,207)
Actuarial (gain) / loss on assets	**(740,143)**	**(65,041)**	**(231,993)**	**(90,979)**	**(1,128,156)**	264,775
Total remeasurements	**(911,293)**	**(174,223)**	**504,952**	**253,589**	**(326,975)**	6,568

31.1.5 Changes in fair value of plan assets

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	(Rupees in thousand)					
Fair value of plan assets at the beginning of the year *	**8,688,767**	**959,192**	**3,100,098**	**1,262,678**	**14,010,735**	12,066,870
Interest income on plan assets	**734,638**	**82,701**	**257,645**	**103,917**	**1,178,901**	1,695,911
Transferred to Defined Contribution Pension Fund	**-**	**-**	**-**	**-**	**-**	(20,493)
Contributions / adjustments by the Company	**234,325**	**102,436**	**(246,955)**	**(121,701)**	**(31,895)**	1,323,146
Benefits paid	**(457,827)**	**(104,056)**	**(223,814)**	**(116,907)**	**(902,604)**	(789,924)
Amount recognised in OCI for the year	**740,143**	**65,041**	**231,993**	**90,979**	**1,128,156**	(264,775)
Fair value of plan assets at the end of the year	**9,940,046**	**1,105,314**	**3,118,967**	**1,218,966**	**15,383,293**	14,010,735

** This represents unaudited fair value of plan assets as at June 30, 2020.*

31.1.6 Changes in present value of pension and gratuity obligations

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	(Rupees in thousand)					
Present value of obligations at the beginning of the year	**9,069,751**	**1,611,258**	**2,771,958**	**1,177,279**	**14,630,246**	12,890,063
Current service cost	**286,295**	**91,271**	**71,725**	**39,378**	**488,669**	441,058
Past service cost	**-**	**-**	**-**	**-**	**-**	561,749
Interest cost	**765,727**	**135,912**	**230,867**	**96,948**	**1,229,454**	1,806,000
Transferred to Defined Contribution Pension Fund	**-**	**-**	**-**	**-**	**-**	(20,493)
Benefits paid	**(457,827)**	**(104,056)**	**(223,814)**	**(116,907)**	**(902,604)**	(789,924)
Amount recognised in OCI for the year	**(171,150)**	**(109,182)**	**736,945**	**344,568**	**801,181**	(258,207)
Present value of obligations at the end of the year	**9,492,796**	**1,625,203**	**3,587,681**	**1,541,266**	**16,246,946**	14,630,246

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 Rs '000	%	Non-Executives Rs '000	%	Executives Rs '000	%	Non-Executives Rs '000	%
		June 30, 2021 (Unaudited)				June 30, 2020 (Audited)			
Pension Fund									
Government securities	7.14 - 9.50	**1,753,230**	**18**	**790,273**	**26**	1,200,156	14	693,419	23
Shares / Mutual Funds	-	**1,675,799**	**17**	**690,631**	**22**	1,257,883	14	493,541	16
Sukuk	8.40 - 10.13	**214,410**	**2**	**88,017**	**3**	79,360	1	34,119	1
Term Finance Certificates	9.04 - 9.09	**225,450**	**2**	**102,520**	**3**	164,656	2	76,387	2
National Savings Certificates	8.00 - 13.01	**3,750,000**	**38**	**613,500**	**20**	3,750,000	43	613,500	20
Cash and bank deposits	6.25 - 8.05	**2,321,157**	**23**	**834,026**	**26**	2,236,712	26	1,189,132	38
Total		**9,940,046**	**100**	**3,118,967**	**100**	8,688,767	100	3,100,098	100
Gratuity Fund									
Government securities	7.05 - 12.32	**283,348**	**26**	**245,781**	**20**	224,179	23	227,188	18
Shares / Mutual Funds	-	**207,854**	**19**	**276,636**	**23**	125,658	13	192,199	15
Sukuk	9.15 - 9.31	**27,577**	**2**	**28,548**	**2**	11,404	1	9,819	1
Term Finance Certificates	8.62 - 14.65	**48,138**	**4**	**67,187**	**6**	52,799	6	59,491	5
National Savings Certificates	8.00 - 13.01	**300,000**	**27**	**321,000**	**26**	300,000	31	321,000	25
Cash and bank deposits	6.35 - 14.35	**238,397**	**22**	**279,814**	**23**	245,152	26	452,981	36
Total		**1,105,314**	**100**	**1,218,966**	**100**	959,192	100	1,262,678	100

31.1.8 Sensitivity analysis

	June 30, 2021				June 30, 2020			
	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	**441,805**	**(392,744)**	**121,059**	**(111,426)**	441,037	(392,180)	101,054	(92,702)
Pension rate sensitivity	**65,402**	**37,140**	**116,862**	**(98,631)**	721,450	(617,884)	139,350	(117,750)
Discount rate sensitivity	**(986,444)**	**1,203,105**	**(223,608)**	**264,279**	(977,477)	1,195,044	(210,901)	249,614
Gratuity								
Salary rate sensitivity	**24,506**	**(23,768)**	**52,498**	**(48,436)**	26,430	(28,356)	24,684	(22,796)
Discount rate sensitivity	**(101,650)**	**115,365**	**(58,114)**	**64,200**	(109,501)	124,803	(44,656)	49,386

31.1.9 Maturity profile of the defined benefit obligations

	June 30, 2021			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.39	6.81	6.23	4.76
	-----------------(Rupees in thousand) -----------			
Distribution of timing of benefit payments (time in years)				
1	622,993	175,533	230,073	143,292
2	560,005	190,343	705,621	440,478
3	716,290	219,221	355,408	218,698
4	697,830	179,579	341,368	193,698
5	655,095	175,845	314,714	177,205
6-10	4,771,975	1,171,915	1,833,736	1,002,231

31.1.10 The Company expects to contribute Rs 597.284 million (2020: 539.222 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 3.15 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2021, results of which are as follows:

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Present value of defined benefit obligations - notes 22 and 31.2.4	**2,297,102**	2,134,229
31.2.2 Movement in the liability recognised in the statement of financial position is as follows:		
Balance as at July 01	**2,134,229**	2,130,362
Charge for the year - notes 30.1 & 31.2.3	**238,195**	363,731
Payments during the year	**(101,433)**	(85,660)
Amounts charged / (credited) to OCI	**26,111**	(274,204)
Balance as at June 30	**2,297,102**	2,134,229
31.2.3 Amounts recognised in profit or loss		
Current service cost	**57,795**	61,410
Interest cost	**180,400**	302,321
	238,195	363,731
31.2.4 Changes in present value of post-retirement medical obligations		
Opening balance	**2,134,229**	2,130,362
Current service cost	**57,795**	61,410
Interest cost	**180,400**	302,321
Benefits paid	**(101,433)**	(85,660)
Amounts charged / (credited) to OCI	**26,111**	(274,204)
Balance as at June 30	**2,297,102**	2,134,229

31.2.5 Sensitivity analysis	**1% increase**	**1% decrease**
	(Rupees in thousand)	
Medical cost trend rate sensitivity	**267,933**	**(227,062)**
Discount rate sensitivity	**(276,045)**	**341,882**

31.2.6 The Company expects to contribute Rs 284.472 million (2020: Rs 238.195 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 11.89 years (2020: 12.32 years) in respect of executive and 12.20 years (2020: 12.55 years) in respect of non-executive retired employees.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
31.3 Leave preparatory to retirement		
Balance as at July 01	**706,623**	623,913
Charge for the year - note 30.1	**109,376**	121,231
	815,999	745,144
Payments / adjustments during the year	**(30,551)**	(38,521)
Balance as at June 30 - note 22	**785,448**	706,623

	Per annum	
	June 30, 2021	June 30, 2020
31.4 Principal actuarial assumptions		
- discount rate	**10.00%**	8.50%
- expected rate of increase in salaries	**10.00%**	8.50%
- expected rate of increase in pension	**5.00%**	3.50%
- expected rate of escalation in medical cost	**6.00%**	4.50%
- 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.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
32. FINANCE COSTS		
Financial charges for lease liabilities	**864**	4,666
Unwinding of discount on decommissioning obligation - note 20	**1,106,115**	1,063,501
Interest on WPPF - note 15.2	**93**	1,741
	1,107,072	1,069,908
33. OTHER CHARGES		
WPPF charge / adjustment- note 15.2	**3,424,931**	3,506,885
Impairment loss on investment in subsidiaries - note 6.3.2	**336,819**	2,294,529
Provision for windfall levy on oil / condensate - note 25.1.7	**2,346,000**	2,178,000
Exchange loss on foreign currency (net)	**1,277,438**	-
(Reversal) / provision for obsolete / slow moving stores & spares - note 10.1	**(18,241)**	129,563
Loss on disposal / write-off of stores and spares (net)	**17,852**	29,161
	7,384,799	8,138,138
34. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 34.1	**445,521**	875,027
Income on local currency term deposits	**986,197**	420,912
Income on foreign currency term deposits	**819,739**	1,669,180
Income from investment in treasury bills	**622,989**	433,961
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss	**908,780**	297,080
	3,783,226	3,696,160
Income from assets other than financial assets		
Rental income on assets	**5,081**	5,870
Profit on sale of property, plant and equipment (net)	**27,231**	18,143
Exchange gain on foreign currency (net)	**-**	549,847
Insurance Income	**84,121**	295
Share of profit on sale of LPG	**-**	4,785
Others	**156,054**	2,189,898
	272,487	2,768,838
	4,055,713	6,464,998

34.1 This includes profit amounting to Rs 0.440 million (2020: Rs 1.344 million) under a Shariah compliant arrangement.

35. TAXATION

Provision for taxation for the year ended June 30, 2021 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas, including Sui gas field. The head office and BME income is taxed at 29% being non-agreement areas.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Current		
- for the year	**23,873,731**	21,291,003
- for prior years (net)	**(1,028,800)**	(452,890)
	22,844,931	20,838,113
Deferred	**(6,694,713)**	(609,629)
	16,150,218	20,228,484

35.1 Relationship between accounting profit and taxation

	2021	2020
Accounting profit for the year before taxation	**68,581,618**	70,484,754
Tax on accounting profit at applicable rate of 43.86% (2020: 43.49%)	**30,079,898**	30,653,820
Tax effect of:		
- Depletion allowance	**(8,614,273)**	(9,093,520)
- Royalty allowed for tax purposes	**(3,066,285)**	(3,257,309)
- Impairment loss	**97,678**	665,414
- Unwinding of discount on decommissioning obligation	**513,673**	491,742
- Tax income relating to prior years	**(1,028,800)**	(452,890)
- Decommissioning cost	**(881,633)**	969,062
- Dividend income / gain on remeasurement of investments	**(263,546)**	(86,153)
- Tax credits & others	**(686,494)**	338,318
	16,150,218	20,228,484
Effective tax rate %	**23.55**	28.70

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, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2020
	Producing Fields				
1	Adhi	PPL	39.00	(596,013)	(1,644,701)
2	Dhok Sultan (EWT Phase)	PPL	75.00	(462,820)	(1,519,341)
3	Gambat South	PPL	65.00	(1,750,362)	(1,204,725)
4	Hala	PPL	65.00	(8,336)	(201,576)
5	Kandhkot	PPL	100.00	-	-
6	Kandhkot East (Chachar)	PPL	75.00	(60,707)	(59,071)
7	Mazarani	PPL	87.50	132,440	164,056
8	Shah Bandar	PPL	63.00	(62,357)	66,326
9	Sui	PPL	100.00	-	-
10	Block 22	PEL	35.53	(38,942)	(127,019)
11	Digri (Gulsher EWT Phase)	UEPL	25.00	(28,851)	(40,586)
12	Gambat	UEP-BETA	23.68	31,160	40,277
13	Ghauri (Dharian EWT Phase)	MPCL	35.00	(37,956)	(700,586)
14	Kirthar	POGC	30.00	(512,792)	(899,278)
15	Kotri North (Unarpur EWT Phase)	UEPL	40.00	(430,749)	(1,211,776)

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2020
16	Latif	UEP-BETA	33.30	(379,409)	(586,956)
17	Miano	UEP-BETA	15.16	(130,602)	(374,934)
18	Nashpa	OGDCL	28.55	(1,803,698)	(2,148,541)
19	Qadirpur	OGDCL	7.00	(422,641)	(229,918)
20	Sawan	UEP-BETA	26.18	(75,948)	(164,929)
21	Tal	MOL	27.76	(619,725)	(1,374,330)
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	35.00	8,140	29,653
2	Block 2566-6 (Bela West) - note 36.1	PPL	37.50	165,652	290,153
3	Block 3371-15 (Dhok Sultan) - note 36.2	PPL	75.00	-	-
4	Block 2568-18 (Gambat South) - note 36.2	PPL	65.00	-	-
5	Block 2566-4 (Hab)	PPL	97.35	25,965	(23,472)
6	Block 2568-13 (Hala) - note 36.2	PPL	65.00	-	-
7	Block 3372-23 (Hisal)	PPL	62.50	21,743	26,713
8	Block 2467-12 (Jungshahi)	PPL	100.00	(1,328)	2,132
9	Block 2866-2 (Kalat)	PPL	100.00	(446,757)	15,479
10	Block 3272-18 (Karsal)	PPL	100.00	(6,082)	(48,106)
11	Block 2763-3 (Kharan)	PPL	100.00	6,056	5,236
12	Block 2764-4 (Kharan-East)	PPL	100.00	(2,160)	(9,407)
13	Block 2763-4 (Kharan-West) - note 36.3	PPL	100.00	6,672	409
14	Block 2569-5 (Khipro East)	PPL	97.50	(530,150)	(150,875)
15	Block 2766-1 (Khuzdar)	PPL	100.00	(23,167)	20,666
16	Block 2468-12 (Kotri)	PPL	100.00	(30,111)	(22,771)
17	Block 2467-13 (Malir) - note 36.3	PPL	95.00	(4,556)	(909)
18	Block 2866-4 (Margand)	PPL	100.00	(8,229)	(522,513)
19	Block 3069-10 (Musakhel) - note 36.4	PPL	37.20	81,725	59,111
20	Block 2668-9 (Naushahro Firoz)	PPL	100.00	15,735	(23,483)
21	Block 2864-2 (Nausherwani)	PPL	97.50	631	111
22	Block 3073-5 (Punjab) - note 36.5	PPL	47.50	26,675	(5,806)
23	Block 2870-5 (Sadiqabad) - note 36.3	PPL	97.50	93,603	(112,559)
24	Block 2467-16 (Shah Bandar) - note 36.2	PPL	63.00	-	-
25	Block 2468-10 (Sirani)	PPL	75.00	(6,422)	960
26	Block 2768-13 (Sorah)	PPL	100.00	(861)	19,969
27	Block 2763-5 (South Kharan)	PPL	51.00	99,247	18,875
28	Block 3070-13 (Baska) - note 36.6	ZHEN HUA	49.00	589	9,349
29	Block 2568-19 (Digri) note 36.2	UEPL	25.00	-	-
30	Block 3273-3 (Ghauri) - note 36.2	MPCL	35.00	-	-
31	Block 2468-9 (Jherruck)	NHEPL	30.00	(59,317)	(59,317)
32	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(16,697)	(258,253)
33	Block 2667-7 (Kirthar) - note 36.2	POGC	30.00	-	-
34	Block 2568-21 (Kotri North) - note 36.2	UEPL	40.00	-	-
35	Block 2867-5 (Kuhan)	UEP-BETA	47.50	(59,786)	(16,494)
36	Block 2669-3 (Latif) note 36.2	UEP-BETA	33.30	-	-
37	Block 3370-10 (Nashpa) - note 36.2	OGDCL	30.00	-	-
38	Block 3070-16 (Pezu)	OGDCL	30.00	(5,638)	(765,028)
39	Block 3072-8 (Shakarganj West) - note 36.7	OGDCL	50.00	(1,404,809)	-
40	Block 2568-20 (Sukhpur) - note 36.8	ENI	30.00	(6,683)	(6,684)
41	Block 3069-9 (Suleiman) - note 36.9	OGDCL	50.00	-	-
42	Block 3370-3 (Tal) - note 36.2	MOL	30.00	-	-

	Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2020
	Offshore Blocks				
43	Block 2366-7 (Indus-C)	ENI	40.00	10,523	(14,096)
44	Block 2366-5 (Indus-N) - note 36.3	ENI	30.00	(13,315)	(9,081)
	Other areas - note 36.10			(92,930)	65,710

36.1 In Bela West block, KUFPEC has submitted a notice to surrender its entire 35% working interest as of February 09, 2021. Letter to transfer KUFPEC's working interest to other JV partners (the Company & MPCL) was submitted to GoP on August 02, 2021.

36.2 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing fields", since the balances are settled on a net basis.

36.3 Notices for relinquishment have been submitted to GoP for Kharan West on July 12, 2020, Malir on November 11, 2020, Sadiqabad on April 06, 2021 and Indus N on June 29, 2021.

36.4 Deed of Assignments with Polish Oil & Gas Company for 25% working interest (12.5% each from the Company and OGDCL) and GHPL for 2.5% working interest (1.3% from the Company and 1.2% from OGDCL) have been signed on May 03, 2021. Accordingly, the Company's working interest in Musakhel block has reduced to 37.2%.

36.5 Deed of Assignment for transfer of working interest to GHPL (2.5%) and OGDCL (50%) has been signed on January 28, 2021. Accordingly, the Company's working interest has reduced to 47.5% in Punjab block.

36.6 China Zhen Hua Oil Company Limited has submitted an application to GoP for assignment of Zhen Hua Oil's 33.5% working interest along with operatorship of the block to the Company. Approval from GoP is awaited.

36.7 Deed of Assignment for transfer of OGDCL's 50 % working interest to the Company was executed on January 26, 2021.

36.8 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations, the Operator approached GoP (in June 2021) for approval of further well testing.

36.9 Suleiman block was awarded to the Company and OGDCL with 50% working interest each. Petroleum concession agreement and exploration license were signed on April 23, 2021.

36.10 This mainly includes amounts receivable / (payable) under the various blocks against which the Company applied to GoP for relinquishment.

36.11 The balances appearing in the above table 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.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES		
Financial assets as per statement of financial position		
- At amortised cost		
Long-term investments	**4,194,324**	-
Long-term loans	**53,159**	41,720
Long-term deposits	**7,676**	7,676
Long-term receivables	**-**	41,905
Trade debts	**282,284,931**	263,926,656
Loans and advances	**698,991**	669,269
Trade deposits	**70,339**	129,960
Interest accrued	**514,133**	454,596
Current maturity of long-term deposits	**1,205,357**	1,175,250
Current maturity of long term loans	**22,714**	19,920
Current maturity of long-term receivables	**138,560**	152,841
Other receivables	**1,874,205**	2,773,959
Short-term investments	**67,402,825**	41,046,215
Cash and bank balances	**4,242,627**	5,159,749
	362,709,841	315,599,716
- At fair value through Profit or Loss - Mutual Funds	**17,609,193**	10,364,718
Non-financial assets	**156,564,258**	167,712,544
Total assets	**536,883,292**	493,676,978
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Trade and other payables	**21,203,284**	27,540,271
Unclaimed dividends	**521,910**	299,912
Non-financial liabilities	**124,630,374**	121,238,876
Total liabilities	**146,355,568**	149,079,059

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 knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

As at June 30, 2021, only mutual funds are carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 16.4 of these unconsolidated financial statements.

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 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, 2021.

The Company oversees the management of the financial risks, reflecting changes in the market conditions and the Company's risk-taking activities, which are governed by appropriate policies and procedures. Financial risks are identified, measured and managed in accordance with the Company's policies 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 control market risk exposures within acceptable parameters, 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. Any impact of change in foreign currency rate on foreign currency liabilities is offset by the impact on Company's foreign currency assets.

Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

	June 30, 2021	June 30, 2020
	(US Dollars)	
Investments at amortised cost	**235,141,001**	222,344,994
Cash and bank balances	**1,410,501**	1,178,083
Current maturity of long-term deposits	**7,500,000**	7,500,000
Trade and other payables	**(1,418,773)**	(1,204,498)
	242,632,729	229,818,579

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	FY 2021	FY 2020	**FY 2021**	FY 2020
	(Rupees)			
USD 1	**160.47**	158.45	**158.30**	168.30

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	**244,052**	**(244,052)**
Foreign currency financial liabilities	**15,542**	**(15,542)**

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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Company.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Natural Gas (Mcf)	**237,187**	**(237,187)**
Crude Oil / Condensate / NGL (BBL)	**5,141**	**(5,141)**
LPG (M. Ton)	**116**	**(116)**
Barytes (M. Ton)	**64**	**(64)**

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:

Trade debts

Trade debts are essentially due from gas transmission and distribution, power generation, oil and gas marketing and oil refining companies. The Company's major portion of sales is to GENCO-II, SNGPL and SSGCL, however, it does not consider itself to be exposed to any substantial credit risk since these companies are State Owned Entities (SOEs).

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.

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, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Long-term investments	4,194,324	-
Long-term loans	53,159	41,720
Long-term deposits	7,676	7,676
Long-term receivables	-	41,905
Trade debts	282,284,931	263,926,656
Loans	61,748	112,173
Trade deposits	70,339	129,960
Interest accrued	514,133	454,596
Current maturity of long-term loans	22,714	19,920
Current maturity of long-term deposits	1,205,357	1,175,250
Current maturity of long-term receivables	138,560	152,841
Other receivables	1,874,205	2,773,959
Short-term investments	85,012,018	51,410,933
Bank balances	4,228,914	5,102,109
	379,668,078	325,349,698

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, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Long-term investments		
AA	4,194,324	-
Trade debts		
Customers with defaults in past one year which have not yet been recovered	25,825,446	25,344,029
Short-term investments		
AAA	47,068,167	17,756,211
AA	37,943,851	33,654,722
	85,012,018	51,410,933
Cash at banks		
AAA	2,683,970	2,233,321
AA	1,544,944	2,868,788
	4,228,914	5,102,109

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 267,579 million of the trade debts as at June 30, 2021 (2020: Rs 253,269 million).

The aging of trade debts at the reporting date is provided in note 11.2.

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 a pre-defined threshold 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 to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

d) **Liquidity risk management**

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Lease liabilities	-	433	-	-	-	433
Trade and other payables	3,932,999	14,144,667	3,125,618	-	-	21,203,284
Unclaimed dividend	521,910	-	-	-	-	521,910
Year ended June 30, 2021	**4,454,909**	**14,145,100**	**3,125,618**	**-**	**-**	**21,725,627**
Lease liabilities	-	4,522	14,839	414	-	19,775
Trade and other payables	1,467,333	22,203,071	3,869,867	-	-	27,540,271
Unclaimed dividend	299,912	-	-	-	-	299,912
Year ended June 30, 2020	**1,767,245**	**22,207,593**	**3,884,706**	**414**	**-**	**27,859,958**

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.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
39. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 39.1	**65,667,025**	14,566,056
Cash and bank balances - note 17	**4,242,627**	5,159,749
	69,909,652	19,725,805

39.1 Short-term investments as disclosed in note 16 amount to Rs 85,012 million (2020: Rs 51,411 million). However, mutual funds amounting to Rs 17,609 million (2020: Rs 10,365 million) and foreign currency term deposits with banks having maturity of over 90 days amounting to Rs 1,736 million (2020: Rs 26,480 million) are not considered as cash and cash equivalents in accordance with the requirements of IAS-7 "Statement of Cash Flows".

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2021	Year ended June 30, 2020	**Year ended June 30, 2021**	Year ended June 30, 2020
	----------(Rupees in thousand)----------			
Managerial remuneration	**48,646**	44,872	**8,577,521**	6,099,615
Housing, conveyance and utilities	**504**	-	**654,791**	109,098
Retirement benefits	**6,772**	6,528	**1,167,472**	1,025,199
Bonus	**7,870**	7,663	**1,407,495**	1,300,194
Medical and leave passage	**555**	715	**688,309**	604,879
Leave encashment	**-**	-	**145,572**	52,284
	64,347	59,778	**12,641,160**	9,191,269
Number including those who worked for part of the year	**1**	1	**1,571**	1,171

40.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to fourteen non-executive directors was Rs 27.625 million (2020: Rs 25.795 million to ten non-executive directors).

41. EARNINGS PER SHARE

41.1 Basic earnings per share

	Year ended June 30, 2021	Year ended June 30, 2020
Profit after taxation (Rs '000)	**52,431,400**	50,256,270
Dividend on convertible preference shares (Rs '000)	**(34)**	(35)
Profit attributable to ordinary shareholders (Rs '000)	**52,431,366**	50,256,235
Weighted average number of ordinary shares in issue	**2,720,972,176**	2,720,971,700
Basic earnings per share (Rs)	**19.27**	18.47

	Year ended June 30, 2021	Year ended June 30, 2020
41.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**52,431,400**	50,256,270
Weighted average number of ordinary shares in issue	**2,720,972,176**	2,720,971,700
Adjustment for conversion of convertible preference shares	**11,352**	11,828
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**19.27**	18.47

42. TRANSACTIONS 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. 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, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
Sales of gas / barytes / oil to state controlled entities (including Government Levies)		
GENCO-II	**12,184,180**	14,784,417
SSGCL	**42,964,202**	43,490,856
SNGPL	**64,156,301**	74,335,619
OGDCL	**1,758,118**	1,283,383
	121,062,801	133,894,275
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		
Receivable from subsidiaries as at June 30	See note 15	
Payment of employees cost on secondment	**77,567**	119,238
Capital contribution in cash paid to PPLA	**336,819**	-
Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen as at June 30	**1,205,357**	1,175,250

	Year ended June 30, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
Transactions with Associated Companies - note 42.2		
Sales of crude oil / condensate to PARCO	**7,967,436**	5,062,717
Sales of crude oil / condensate to PRL	**2,035,522**	2,624,384
Payment to Total PARCO Pakistan Limited (Total PARCO)	**7,542**	290,251
Payment to Petroleum Institute of Pakistan (PIP)	**975**	6,676
Payment to Sanofi-Aventis Pakistan Limited (SAPL)	**6,199**	-
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	**95**	-
Deposits with Askari Bank Limited (AKBL) as at June 30	**1,401,392**	33,130
Letters of credit placed with AKBL as at June 30	**93,605**	125,015
Transactions with Joint Operations		
Payments of cash calls to joint operations	**28,684,403**	37,181,160
Expenditures incurred by the joint operations	**23,683,006**	37,659,157
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	**5,081**	5,870
Dividend income from BME	**-**	200,000
Purchase of goods from BME (net)	**55,551**	372,515
Reimbursement of employee cost on secondment to BME	**23,909**	23,103
Other related parties		
Dividend to GoP	**4,592,159**	3,061,440
Dividend to Trust under BESOS	**200,057**	333,429
Dividend to trusts under retirement benefit funds	**2,272**	2,524
Transactions with retirement benefit funds	See notes 30.1 & 31	
Remuneration to key management personnel	See note 40	
Payment to PPL Welfare Trust	**20,000**	-
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	**150,583**	135,002
Payment of rental to Karachi Port Trust (KPT)	**8,419**	6,681
Payment to National Insurance Company Limited (NICL)	**1,036,385**	944,068
Insurance claim received from NICL	**84,121 295**	
Payment to SNGPL against services obtained	**1,258**	460
Payment to Pakistan State Oil Company Limited (PSO)	**58,813**	193,118
Payment to Pakistan International Airlines Corporation Limited (PIACL)	**86,988**	95,736
Deposits with National Bank of Pakistan (NBP) as at June 30	**263,831**	246,175
Stores and spares on loan to OGDCL	**3,065**	-

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, 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, 2021	Aggregate % Shareholding in the Company
1.	OGDCL	GOP is common shareholder / Common Directorship	Not applicable
2.	GHPL	GOP is common shareholder / Common Directorship	Not applicable
3.	PARCO	GOP is common shareholder / Common Directorship	Not applicable
4.	SSGCL	GOP is common shareholder	Not applicable
5.	SNGPL	GOP is common shareholder	Not applicable
6.	PSO	GOP is common shareholder	Not applicable
7.	GENCO - II	GOP is common shareholder	Not applicable
8.	PIDC	GOP is common shareholder	Not applicable
9.	KPT	GOP is common shareholder	Not applicable
10	NICL	GOP is common shareholder	Not applicable
11.	Total PARCO	GOP is common shareholder	Not applicable
12.	NBP	GOP is common shareholder	Not applicable
13.	PIACL	GOP is common shareholder	Not applicable
14.	PRL	GOP is common shareholder	Not applicable
15.	AKBL	Common Directorship	Not applicable
16.	PIP	Common Directorship	Not applicable
17.	SAPL	Common Directorship	Not applicable
18.	HDIP	Common Directorship	Not applicable
19.	MPCL	Common Directorship	Not applicable

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, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
SSGCL	**42,964,202**	43,490,856
SNGPL	**64,156,301**	74,335,619
ARL	**26,292,219**	24,617,184
	133,412,722	142,443,659

	June 30, 2021	June 30, 2020

44. GENERAL

44.1 Number of employees

Total number of employees at the end of the year were as follows:		
- Regular	**2,607**	2,688
- Contractual	**84**	70
	2,691	2,758
Average number of employees during the year were as follows:		
- Regular	**2,654**	2,733
- Contractual	**76**	91
	2,730	2,824

44.2 Capacity and production

Product	Unit	Actual production for the year (PPL's share) June 30, 2021	Actual production for the year (PPL's share) June 30, 2020
Natural gas	MMCF	**276,309**	283,792
Crude oil / NGL / Condensate	Thousand Barrels	**5,132**	5,142
LPG	M. Ton	**115,835**	107,114
Barytes	M. Ton	**64,206**	90,853

Due to the nature of operations of the Company, installed capacity of the above products is not relevant.

44.3 Corresponding figures

Corresponding figures have been reclassified for the purposes of better presentation and comparison, wherever necessary, including those mentioned in note 2.7 to these unconsolidated financial statements.

44.4 Figures have been rounded off to the nearest thousand, unless otherwise stated.

45. SUBSEQUENT / NON-ADJUSTING EVENTS

45.1 Subsequent to the year end, the Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Company, the consortium comprises three major Pakistani E&P companies i.e., OGDCL, MPCL and GHPL. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of Abu Dhabi city. To this end, the consortium companies have established an independent company viz., Pakistan International Oil Limited (PIOL) at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. The minimum commitment of the consortium under the concession documents is USD 304.7 million during the exploration phase.

As part of the arrangement, each of the Consortium companies have also provided, joint and several, parent company guarantees to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee the obligations of PIOL.

45.2 The Board of Directors in its meeting held on September 17, 2021 has recommended cash dividend @ 20% amounting to Rs 5,441.946 million (2020: @ 10% amounting to Rs 2,720.972 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.017 million (2020: @ 10% amounting to Rs 0.012 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, 2021.

46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 17, 2021 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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Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S 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, 2021, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated position of the Group as at June 30, 2021, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

KPMG

KPMG Taseer Hadi & Co.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
(i) Overdue trade debts	
(Refer notes 4.9, 4.11 and 12 to the consolidated financial statements) As at June 30, 2021, trade debts include overdue amount of Rs. 251,285 million (2020: Rs. 232,696 million), (net of GDS and GIDC), receivable from the State controlled companies (i.e. Central Power Generation Company Limited (GENCO-II) Rs. 4,463 million, Sui Northern Gas Pipelines Limited (SNGPL) Rs. 141,815 million, (Sui Southern Gas Company Limited (SSGCL) of Rs.104,658 million and Oil & Gas Development Company (OGDCL) Rs. 349 million) and Rs. 5,883 million (2020: Rs 7,268 million) overdue receivable from refineries (i.e. Attock Refinery Limited (ARL) Rs. 3,879 million, Byco Petroleum Pakistan Limited (Byco) Rs. 253 million, Pak-Arab Refinery Limited (PARCO) Rs. 569 million, National Refinery Limited (NRL) Rs. 234 million, Pakistan Refinery Limited (PRL) Rs. 672 million and other customers Rs. 276 million. The Group has made a provision against receivable from Byco and other customer Rs. 464 million. Based on the measures being undertaken by the Government of Pakistan (GoP) including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable as these are receivable from state owned entities and GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector of Pakistan. However, the progress has been slower than expected	Our audit procedures in respect of receivables, amongst others, included the following: • Tested, on a sample basis, receivable aging report classification within the appropriate aging bracket with underlying invoices; • Obtained, on a sample basis, direct confirmation from customers and tested reconciliations where differences were identified. In case of no replies from customers, performed alternate procedures; • Inspected correspondence with the customers and relevant government authorities and held discussions with the management and Board Audit Committee to assess their views on the timing of settlement and recoverability of trade debts overdue because of inter-corporate circular debt issue from the Government of Pakistan; • Discussed with the Group management, events during the year and steps taken by management for settlement of the overdue trade debts and inspected minutes of meetings of the Board of Directors and Board Audit Committee; and • Assessed the adequacy of disclosure made in the consolidated financial statements in accordance with the requirements of the accounting and

Key audit matters	How the matter was addressed in our audit
resulting in accumulation of the Group's receivable. The Group considers the aforesaid receivables as good receivables and amounts to be fully recoverable. We considered the matter as key audit matter due to significance of the past due amounts and significant judgments made by the management regarding recoverability of the past due amounts.	reporting standards as applicable in Pakistan.
(ii) Classification of investments and recognition of Gas Infrastructure Development Cess (GIDC) and Gas Development Surcharge (GDS)	
(Refer notes 3.6,7,12, 17 and 25 to the consolidated financial statements) The Group has certain investments in foreign currency term deposits with maturities of less than one year from the reporting date which were previously being classified as non-current assets based on the Group's intention and ability to reinvest. During the year, the Group has reconsidered classification of such investments under the requirements of accounting and reporting standards as applicable in Pakistan and investments having maturity less than one year from the reporting date are now being presented as current assets with retrospective effect. Further, as a result of recent events and developments including orders and judgments of the Honorable Supreme Court of Pakistan (SCP), the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance). The Group has applied the Guidance with	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the appropriateness of current and non-current classification of foreign currency term deposits having maturity of less than one year in accordance with the requirements of IAS 1 "Presentation of Financial Statements"; • Considered the detailed judgement issued by the SCP, Guidance issued by ICAP on accounting of GIDC and the requirements of GIDC Act, 2015 and The Natural Gas (Development Surcharge) Ordinance, 1967 and the accounting treatment followed by the Group in accordance with the Guidance; • Evaluated the appropriateness of restatements incorporated in the consolidated financial statements by the Group;

Key audit matters	How the matter was addressed in our audit
retrospective effect on account of GIDC and GDS. These above mentioned matters did not affect current or prior years' net sales, profits and equity. We considered this as a key audit matter because of the significance of the amounts involved and the restatements being significant events and developments during the year.	• Carried out discussions with the management and Board Audit Committee to understand views on classification of foreign currency term deposits and accounting treatment of GIDC and GDS; and • Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of 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 3.8, 4.1 and 5 to the consolidated financial statements) As at June 30, 2021, the carrying values of development and production assets and other property, plant and equipment amounted to Rs. 52,982 million and Rs. 94,421 million respectively. The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. Where impairment indicator is triggered for any asset / Cash Generating Unit (CGU), an impairment test is performed by the Group based on the estimate of the value-in-use of that asset / 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	Our audit procedures to assess the recognition, amongst others, included the following: • Assessed the methodology used by the management to estimate value-in-use of each asset / CGU; • Assessed the appropriateness of the Group's identification of CGU; • Assessed the appropriateness of the assumptions used in the discounted cash flow projections for calculation of the value-in-use of assets, evaluating the key assumptions, i.e. oil and gas reserves, oil and gas prices, exploration and production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry and by comparing the assumptions to historical results and published market data; and • Assessed the appropriateness of the disclosure made in the consolidated

Key audit matters	How the matter was addressed in our audit
recoverable reserves, future oil and gas prices, costs and discount rate. We considered the matter as key audit matter due to the significance of judgments / estimates used by the Group in determining the value-in-use of development and production assets and other property, plant and equipment.	financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.
(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 recognises revenue at the transaction price which the Group expects to be entitled to, after deducting sales tax, discounts and applicable levies. The Group carries out sales of petroleum products & barytes and revenue thereof, is recognised when the Group satisfies a performance obligation by transferring promised products to customer and recognises revenue at a point in time when control of product is transferred to customer and customer obtains the control. Determination of revenue involves many factors including price mechanism given in the relevant sales agreement, estimations and agreements with customers. We considered recognition of revenue as key audit matter due to the regulatory nature of pricing, significance of amounts requiring significant time and resources 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, included the following: • Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products; • Assessing the appropriateness of the Group's accounting policy for recognition of sales and compliance of the policy with International Financial Reporting Standard (IFRS 15 - "Revenue from Contracts with Customers"; • Compared on sample basis, the revenue transactions recorded before and after the reporting period with the underlying supports including sales invoices, delivery challans, relevant sales contract and customer acknowledgements to assess if the related revenue was recorded in the appropriate accounting period; • Tested on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas

Key audit matters	How the matter was addressed in our audit
	prices and approval of appropriate authority within the Group for prices of LPG; • Tested on sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the appropriateness of the disclosure made in the consolidated financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2021 but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

Board of Management is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter relating to comparative information

The consolidated financial statements of the Group as at and for the year ended June 30, 2020, excluding the retrospective adjustments described in note 3.6 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 15, 2020.

As part of our audit of the consolidated financial statements as at and for the year ended June 30, 2021, we also audited the retrospective adjustments described in note 3.6 to the consolidated financial statements that were applied to restate the comparative information. We were not engaged to audit, review, or apply any procedures to the comparative information, other than with respect to the retrospective adjustments described in note 3.6 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the retrospective adjustments described in note 3.6 to the consolidated financial statements are appropriate and have been properly applied.

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

KPMG Taseer Hadi & Co.

Date: October 2, 2021

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

consolidated statement of financial position

as at june 30, 2021

	Note	**June 30 2021**	June 30 2020 (Restated)	July 01 2019 (Restated)
		--------------------(Rupees in thousand)		------------------
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	5	**147,402,803**	159,915,084	161,072,524
Intangible assets	6	**211,183**	338,417	481,135
		147,613,986	160,253,501	161,553,659
Long-term investments	7	**4,194,325**	1	1
Long-term loans	8	**53,159**	41,720	34,019
Long-term deposits	9	**7,676**	7,676	7,676
Long-term receivables	10	**-**	41,905	83,810
		151,869,146	160,344,803	161,679,165
CURRENT ASSETS				
Stores and spares	11	**4,568,484**	4,060,735	3,146,982
Trade debts	12	**282,671,085**	264,219,648	198,424,895
Loans and advances	13	**698,991**	669,269	1,075,652
Trade deposits and short-term prepayments	14	**261,039**	540,417	471,475
Interest accrued	15	**516,344**	474,195	855,251
Current maturity of long-term loans	8	**22,714**	19,920	12,705
Current maturity of long-term deposits	9	**1,205,357**	1,175,250	911,850
Current maturity of long-term receivables	10	**138,560**	152,841	125,714
Other receivables	16	**3,408,631**	3,699,000	2,834,303
Short-term investments	17	**87,395,982**	53,547,893	55,307,846
Cash and bank balances	18	**4,751,445**	6,525,275	8,562,493
		385,638,632	335,084,443	271,729,166
TOTAL ASSETS		**537,507,778**	495,429,246	433,408,331
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	19	**27,209,836**	27,209,836	22,674,872
Reserves	20	**361,721,989**	316,098,187	275,529,423
		388,931,825	343,308,023	298,204,295
NON-CURRENT LIABILITIES				
Provision for decommissioning obligation	21	**27,318,257**	28,066,373	25,164,640
Lease liabilities	22	**-**	414	12,107
Deferred liabilities	23	**3,082,550**	2,840,852	2,754,275
Deferred taxation - net	24	**29,830,059**	36,524,772	37,134,401
		60,230,866	67,432,411	65,065,423
CURRENT LIABILITIES				
Trade and other payables	25	**67,212,162**	69,091,088	62,616,627
Unclaimed dividends		**521,910**	299,912	302,539
Current maturity of lease liabilities	22	**433**	19,361	56,029
Taxation - net		**20,610,582**	15,278,451	7,163,418
		88,345,087	84,688,812	70,138,613
TOTAL LIABILITIES		**148,575,953**	152,121,223	135,204,036
TOTAL EQUITY AND LIABILITIES		**537,507,778**	495,429,246	433,408,331
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, 2021

	Note	2021	2020
		------(Rupees in thousand)-----	
Revenue from contracts with customers	27	**149,278,578**	157,999,487
Operating expenses	28	**(40,775,583)**	(43,081,667)
Royalties and other levies	29	**(22,227,755)**	(23,841,674)
		(63,003,338)	(66,923,341)
Gross Profit		**86,275,240**	91,076,146
Exploration expenses	30	**(10,633,582)**	(17,951,507)
Administrative expenses	31	**(3,785,727)**	(3,086,077)
Finance costs	33	**(1,146,852)**	(1,112,584)
Reversal of provision for doubtful debts - net	12	**691,835**	-
Other charges	34	**(7,043,059)**	(5,865,953)
		64,357,855	63,060,025
Other income	35	**4,080,091**	6,582,580
Profit before taxation		**68,437,946**	69,642,605
Taxation	36	**(16,154,752)**	(20,217,980)
Profit after taxation		**52,283,194**	49,424,625
Basic and diluted earnings per share (Rs)	42	**19.21**	18.16

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 other comprehensive income

for the year ended june 30, 2021

	2021	2020
	-------(Rupees in thousand)-------	
Profit after taxation	**52,283,194**	49,424,625
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement gains on defined benefit plans - net	**300,864**	267,636
Items that may be reclassified to consolidated statement of profit or loss		
Foreign exchange differences on translation of subsidiaries	**(157,797)**	(53,558)
Other comprehensive income	**143,067**	214,078
Total comprehensive income for the year	**52,426,261**	49,638,703

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, 2021

	Note	2021	2020 (Restated)
		------(Rupees in thousand)------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**161,551,019**	119,987,578
Receipts of other income		**245,256**	1,663,055
Payment to suppliers / service providers and employees - net		**(37,185,063)**	(30,045,064)
Payment of indirect taxes and Government levies including royalties		**(53,514,026)**	(48,603,255)
Income tax paid		**(17,481,105)**	(12,745,099)
Payment of decommissioning obligation		**(159,251)**	-
Finance costs paid		**(957)**	(6,407)
Long-term loans - net		**(14,233)**	(14,916)
Net cash generated from operating activities		**53,441,640**	30,235,892
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(14,191,235)**	(33,051,112)
Proceeds from sale of property, plant and equipment		**33,865**	21,843
Investments - net		**13,305,561**	(7,107,312)
Long-term deposits		**(30,107)**	(263,400)
Long-term receivables		**56,186**	14,778
Finance income received		**3,763,919**	3,916,342
Net cash generated from / (used in) investing activities		**2,938,189**	(36,468,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(19,342)**	(48,361)
Dividends paid		**(6,580,461)**	(4,537,602)
Net cash used in financing activities		**(6,599,803)**	(4,585,963)
Net increase / (decrease) in cash and cash equivalents		**49,780,026**	(10,818,932)
Cash and cash equivalents at the beginning of the year		**23,228,291**	34,132,773
Net foreign exchange differences		**(205,883)**	(85,550)
Cash and cash equivalents at the end of the year	40	**72,802,434**	23,228,291

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, 2021

	Subscribed and paid-up Share capital		Capital reserve (Note -20)	Revenue reserves (Note -20)	Total
	Ordinary	Convertible preference			
	---------------------------------(Rupees in thousand)---------------------------------				
Balance as at July 01, 2019	22,674,764	108	1,428	275,527,995	298,204,295
Total comprehensive income for the year					
Profit after taxation	-	-	-	49,424,625	49,424,625
Other comprehensive income for the year ended June 30, 2020, net of tax	-	-	-	214,078	214,078
Total comprehensive income for the year ended June 30, 2020	-	-	-	49,638,703	49,638,703
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2019 at 20%	-	-	-	(4,534,953)	(4,534,953)
Issuance of 20% bonus shares	4,534,953	-	-	(4,534,953)	-
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2019 at 20%	-	-	-	(22)	(22)
Issuance of 10% bonus shares	-	11	-	(11)	-
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at June 30, 2020	**27,209,718**	**118**	**1,428**	**316,096,759**	**343,308,023**
Total Comprehensive income for the year					
Profit after taxation	-	-	-	52,283,194	52,283,194
Other comprehensive income for the year ended June 30, 2021, net of tax	-	-	-	143,067	143,067
Total comprehensive income for the year ended June 30, 2021	-	-	-	52,426,261	52,426,261
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 at 10%	-	-	-	(2,720,972)	(2,720,972)
Interim dividend for the year ended June 30, 2021 at 15%	-	-	-	(4,081,458)	(4,081,458)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 at 10%	-	-	-	(12)	(12)
Interim dividend for the year ended June 30, 2021at 15%	-	-	-	(17)	(17)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at June 30, 2021	**27,209,723**	**113**	**1,428**	**361,720,561**	**388,931,825**

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer	Director	Chief Executive Officer

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.1.1 The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications has allowed the Holding Company to continue producing from the Sui gas field, the most recent being dated May 27, 2021, whereby allowing the Holding Company to continue producing from Sui gas field for a further period of one year with effect from the expiry of existing lease period i.e. May 31, 2021.

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 Impact of COVID-19 on the consolidated financial statements

During the year ended June 30, 2021, the second and third wave / resurgence of COVID-19 was encountered across the country. The management's focus and efforts continued for coping up with the changing scenario at all levels. The Group's operations, financial position and results have not been affected by COVID-19 during the year.

1.3 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and two 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, United Kingdom.

1.4 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands with principal place of business at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block-8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC).

1.5 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, 2021.

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 1.5 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. However, the accounting policies of subsidiaries have been aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company, as well as, PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. 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 management of the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in notes 12.5 and 12.6 to these consolidated financial statements). Subsequent to the year-end, the SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above mentioned requirements of IFRS-9 till June 30, 2022.

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, 2020 but are considered not to be relevant or do not have any significant effect on the Group's financial positions and are therefore not stated in these consolidated financial statements.

3.4 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2021 and these amendments are not likely to have a significant effect on these consolidated financial statements.

- COVID-19 related rent concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, and
- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37).

The following improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an effect on these consolidated financial statements.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12); and
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

3.5 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Holding Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2020: Rs 18,879 million).

Through judgment dated August 03, 2018, the Honourable Sindh High Court (SHC) held the establishment of the Trust to be unconstitutional. The decision was assailed before the Honourable Supreme Court of Pakistan (SCP). The Honourable SCP, through a short order dated October 22, 2020 and for reasons to be recorded later, upheld the decision of the SHC. The Holding Company awaits the detailed judgment of the Honourable SCP, after which it shall take the requisite corporate actions for the transfer of 7.35% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.

3.6 Restatements

3.6.1 Classification of Long-term investments

Upto June 30, 2020, foreign currency term deposits with banks having various maturity dates falling within one year from the reporting date had been classified as non-current assets based on the Holding Company's management intention and ability to hold the amount for longer term. During the year, the requirements of IAS-1 "Presentation of Financial Statements" for classification of assets between non-current and current were reconsidered. IAS-1 requires that an entity shall classify an asset as current when it expects to realise the asset within twelve months after the reporting period or the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Accordingly, the classification of foreign currency term deposits has been changed and presented as current assets with retrospective effect based on their expected recovery within one year from the reporting period.

3.6.2 Accounting guidance issued by ICAP relating to Accounting of Gas Infrastructure Development Cess (GIDC)

As a result of events and developments including orders and judgments of the Honourable SCP, the ICAP has issued a guidance "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance) through Circular no. 1/2021 dated January 19, 2021. In light of the said Guidance, gas companies should consider the timing of recognition of liabilities (with corresponding assets), where the obligation of the gas companies is to pay the collected amounts to the Federal Government on receipt basis. Liability for such amounts should be recognised at the time of receipt from gas consumers and not at the time of billing to the gas consumers.

Under the laws and regulations governing GIDC, the Holding Company is responsible to invoice the same to the customers and deposit the collected amounts to GoP on receipt from customers. Accordingly, the Holding Company will record liability for GIDC in the statement of financial position only to the extent received from customers but not deposited with the GoP. Further, GIDC billed to customers has been excluded from gross sales and trade debts in the notes to the consolidated financial statements.

Keeping in view the above and due to the similar nature and characteristics of Gas Development Surcharge (GDS), the Holding Company has adopted the same accounting treatment for GDS as well.

The Guidance has been applied retrospectively and the prior period consolidated financial statements have been restated (notes 12.4 and 25.1), which has not affected current year or prior years' net sales, profit, equity and cash flows.

3.6.3 Effect of changes

The above changes have been made in accordance with the requirements of IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors' in these consolidated financial statements with retrospective effect and restatement of amounts reported in the consolidated financial statements for the year ended June 30, 2020 and July 1, 2019 are given below:

	June 30, 2020			July 01, 2019		
	As previously reported	As restated	Restatement	As previously reported	As restated	Restatement
	(Rupees in thousand)					
Effect on consolidated statement of financial position						
Change in accounting policy and reclassification						
Trade and other payables	117,315,926	69,091,088	48,224,838	91,821,865	62,616,627	29,205,238
Trade debts	312,444,486	264,219,648	48,224,838	227,630,133	198,424,895	29,205,238
Long-term investments	33,487,776	1	33,487,775	39,192,229	1	39,192,228
Current maturity of long-term investments	3,866,184	-	3,866,184	-	-	-
Short-term investments	16,193,934	53,547,893	37,353,959	16,115,618	55,307,846	39,192,228

3.7 RECLASSIFICATIONS

Certain amounts have been reclassified in comparatives, for the purposes of better presentation and classification in Trade and other payables, Operating expenses, Other income and Property, plant and equipment ("Exploratory wells amounting to Rs 7,933 million have been reclassified from "Operating fixed assets" to "Capital work-in-progress").

An amount of Rs 302 million on account of advances received has been reclassified from Trade debts to Trade and other payables.

3.8 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these consolidated financial statements.

a) Property, plant and equipment and intangibles

The Group reviews the appropriateness of useful lives, method 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 evaluate impairment in an asset's value, wherever applicable.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Group is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revision may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geologic, reservoir or production data, (2) new geologic, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves affect the amount of amortisation to be recorded and impairment, if any, in the consolidated financial statements for assets amortised on the basis of unit-of-production.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The estimated cost is charged to profit or loss over the life of the proved reserves on a 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 are based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Group revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been higher by	2,246
Property, plant and equipment would have been higher by	1,893
Amortisation charge would have been higher by	353
Profit after tax would have been lower by	270

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 the 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).

j) Provision for trade debts, advances and other receivables

On annual basis, the Group reviews the recoverability of its trade debts, advances and other receivables, to assess the amount required for provision of doubtful debts. Trade debts, advances and other receivables considered irrecoverable are charged to profit or loss. Impairment of trade debts and other receivables is described in note 4.9.

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 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 test for property, plant & equipment is 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 or loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

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.

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.

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 test of development and production assets is also 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 test purpose 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

i. Depreciation on all field based immoveable assets is charged on unit-of-production basis. Whereas, all moveable assets i.e. furniture, fittings & equipment, computers & allied equipment and rolling stock are depreciated on straight-line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

ii. Depreciation on ROUA is charged on a straight-line basis.

b) Intangible assets

Amortisation on intangible assets is charged over their useful economic life on straight-line basis at the rates stated in note 6.1 to these consolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

4.6 Business combinations and goodwill

The Group uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in the profit or loss.

Goodwill is initially measured as of the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and (b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is mandatorily tested for impairment annually and whenever there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss.

4.7 Impairment of non-financial assets and goodwill

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 the 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 on each reporting date 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.

4.8 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. 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.

4.9 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

ii. At fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

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, 2021.

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 gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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.

4.10 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.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

4.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash and cheques in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

4.13 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. 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.

4.14 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.

Remeasurements in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Holding Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Holding Company provides post-retirement medical benefits to its executive staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Holding Company accrues entitlement to leave preparatory to retirement of its executive staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2021, 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 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.

4.15 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, 2021.

4.16 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.

4.17 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.

4.18 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the consolidated profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of other comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.19 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.20 Revenue recognition

Revenue from sale of petroleum products & barytes (the Products) is recognised when the Group satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price (that excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP.

Revenue from sale of the Products in which the Group has an interest with other joint operations partners is recognised in accordance with the Group's working interest and the terms of the relevant agreements.

4.21 Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Other income on loans is recognised on time proportion basis with reference to the principal outstanding and the applicable rate of return.

Income on investments at amortised cost and saving accounts with banks is recognised on time proportion basis taking into account the effective yield of such investments.

The Group recognises interest, if any, on delayed payments from customers on receipt basis.

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

4.22 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.

4.23 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 reporting date and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the date of statement of financial position and their income and expenses are translated at exchange rates approximating those prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognised in profit or loss.

4.24 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

4.25 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.

4.26 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.

5. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Operating assets - note 5.1	**93,750,767**	95,021,854
Capital work-in-progress - note 5.5	**53,652,036**	64,893,230
	147,402,803	159,915,084

5.1 Operating assets

	Owned assets												Right of use assets			
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Rolling stock*	Development and production assets	Decommissioning assets	Sub total	Computers and allied equipment	Rolling stock*	Sub total	Total
	(Rupees in thousand)															
As at July 01, 2019																
Cost (Restated) - note 3.7	109,404	1,406,082	2,828,593	4,275	80,015,740	1,054,119	11,224,136	1,140,392	648,152	95,363,685	19,356,115	213,150,693	219,942	418,558	638,500	213,789,193
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,581,559)	(2,798)	(47,538,492)	(649,388)	(6,739,057)	(881,758)	(566,603)	(51,009,796)	(11,462,947)	(120,432,398)	(212,205)	(371,428)	(583,633)	(121,016,031)
Net Book Value (NBV) (Restated)	**109,404**	**1,406,082**	**1,247,034**	**1,477**	**32,477,248**	**404,731**	**4,485,079**	**258,634**	**81,549**	**43,477,928**	**7,893,168**	**91,842,334**	**7,737**	**47,130**	**54,867**	**91,897,201**
Year ended June 30, 2020																
Additions (at cost)	-	-	40,360	-	4,697,611	97,901	888,011	126,685	34,487	17,000,694	1,527,716	24,413,465	-	-	-	24,413,465
Adjustments / reclassifications	(1,000)	-	9,293	-	(17,695)	(2,313)	(10,745)	5,018	305	(802,398)	705,288	(114,247)	(3,603)	(305)	(3,908)	(118,155)
Disposals (at NBV)	-	-	-	-	-	-	-	(232)	-	-	-	(232)	(34)	(3,434)	(3,468)	(3,700)
Depreciation / amortisation charge	-	-	(177,268)	(133)	(6,515,178)	(69,162)	(1,206,986)	(148,369)	(29,193)	(11,341,036)	(1,646,552)	(21,133,877)	(4,100)	(28,980)	(33,080)	(21,166,957)
NBV (Restated)	**108,404**	**1,406,082**	**1,119,419**	**1,344**	**30,641,986**	**431,157**	**4,155,359**	**241,736**	**87,148**	**48,335,188**	**8,479,620**	**95,007,443**	**-**	**14,411**	**14,411**	**95,021,854**
As at July 01, 2020																
Cost (Restated)	108,404	1,406,082	2,878,246	4,275	84,695,656	1,149,707	12,101,402	1,271,863	682,944	111,561,981	21,589,119	237,449,679	216,305	414,819	631,124	238,080,803
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,758,827)	(2,931)	(54,053,670)	(718,550)	(7,946,043)	(1,030,127)	(595,796)	(62,350,832)	(13,109,499)	(141,566,275)	(216,305)	(400,408)	(616,713)	(142,182,988)
NBV (Restated)	**108,404**	**1,406,082**	**1,119,419**	**1,344**	**30,641,986**	**431,157**	**4,155,359**	**241,736**	**87,148**	**48,335,188**	**8,479,620**	**95,007,443**	**-**	**14,411**	**14,411**	**95,021,854**
Year ended June 30, 2021																
Additions (at cost)	-	-	108,888	-	6,537,624	147,398	2,501,651	138,449	38,547	9,176,087	525,503	19,174,147	-	-	-	19,174,147
Adjustments / reclassifications	(5,768)	(69,174)	(1,126)	-	(26,431)	(732)	-	(448)	53	65,542	(2,303,219)	(2,341,303)	-	(53)	(53)	(2,341,356)
Disposals (at NBV)	-	-	(167)	-	(59)	(1,528)	-	(464)	-	-	-	(2,218)	-	(4,416)	(4,416)	(6,634)
Depreciation / amortisation charge	-	-	(176,515)	(134)	(5,884,847)	(75,132)	(1,168,497)	(137,648)	(31,936)	(9,609,277)	(1,003,469)	(18,087,455)	-	(9,789)	(9,789)	(18,097,244)
NBV	**102,636**	**1,336,908**	**1,050,499**	**1,210**	**31,268,273**	**501,163**	**5,488,513**	**241,625**	**93,812**	**47,967,540**	**5,698,435**	**93,750,614**	**-**	**153**	**153**	**93,750,767**
As at June 30, 2021																
Cost	102,636	1,336,908	2,985,841	4,275	91,206,790	1,294,845	14,603,053	1,409,400	721,544	120,803,610	19,811,403	254,280,305	216,305	410,350	626,655	254,906,960
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,935,342)	(3,065)	(59,938,517)	(793,682)	(9,114,540)	(1,167,775)	(627,732)	(71,960,109)	(14,112,968)	(159,653,730)	(216,305)	(410,197)	(626,502)	(160,280,232)
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**
Rate of depreciation / amortisation (%)			**	**	**	10	**	30	20	**	**		30	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 Group:

Particulars	June 30, 2021		June 30, 2020	
	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	-	5,648,503	-
Booster Compression Project – SML	2,891,688	1,448,394	2,891,688	1,664,214
Adhi Field				
LPG / NGL Plant III	4,649,726	2,425,388	4,504,111	2,768,438
Kandhkot Field				
Gas Compression Station	10,345,765	2,615,076	9,002,887	1,843,664
Hala Field				
Gas Processing Facility (GPF)	1,252,858	53,939	1,252,858	101,595
Sawan Field				
Front End Compression	3,760,723	277,927	3,228,841	229,292
Other Plant and Machinery	2,358,134	-	2,358,134	-
Tal Field				
Makori Central Processing Facility	6,353,105	1,162,178	6,353,133	1,714,951
CPF Manzalai	3,155,195	129,012	3,155,195	190,372
Nashpa Field				
Nashpa LPG Plant	4,731,035	2,660,181	4,731,035	3,329,250
Wellhead Compression Project	1,203,441	961,590	-	-
Latif Field				
Reception / Tie-in Facility	1,165,465	67,462	1,165,465	126,960
Gambat South Field				
Gas Processing Facility (GPF) II	10,831,726	6,944,402	10,805,202	7,475,946
GPF IV (Phase I & II)	4,130,554	3,738,640	1,594,098	1,502,670
Kotri North Field				
Kotri North Field Development	1,057,415	30,006	1,054,898	222,845

5.3 Cost and accumulated depreciation include:

	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Cost		Accumulated depreciation	
	(Rupees in thousand)			
Share in Group operated joint operations	**30,001,623**	25,372,913	**12,442,102**	10,258,367
Share in partner operated joint operations	**46,675,581**	42,731,803	**35,063,161**	31,012,201
	76,677,204	68,104,716	**47,505,263**	41,270,568

5.3.1 The above figures represent assets under all areas excluding Sui and Kandhkot, since these are 100% owned areas of the Holding Company.

5.4 Capital work-in-progress

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Plant, machinery, fittings and pipelines	**8,711,906**	11,101,874
Exploration and evaluation (E&E) assets	**24,245,767**	29,295,007
Development and production (D&P) assets	**5,014,297**	8,066,401
Lands, buildings and civil constructions	**76,955**	157,847
Capital stores for drilling and development	**15,603,111**	16,272,101
	53,652,036	64,893,230

5.5 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	Exploration and evaluation assets (E&E)	Development and production assets (D&P)	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	(Rupees in thousand)					
Balance as at July 1, 2019 (Restated) - Note 3.7	**9,418,322**	**34,150,978**	**7,461,181**	**157,547**	**17,987,295**	**69,175,323**
Capital expenditure incurred / advances made during the year (net) - note 5.5.1 & 5.5.2	7,388,062	1,195,625	9,496,321	25,643	(1,715,311)	16,390,340
Adjustments / reclassifications	(10,945)	15,006	(2,958)	23,311	117	24,531
Transferred to operating assets	(5,693,565)	(6,066,602)	(8,888,143)	(48,654)	-	(20,696,964)
Balance as at June 30, 2020 (Restated)	**11,101,874**	**29,295,007**	**8,066,401**	**157,847**	**16,272,101**	**64,893,230**
Capital expenditure incurred / advances made during the year (net) - note 5.5.1 & 5.5.2	**6,855,180**	**(1,648,913)**	**2,918,946**	**27,799**	**(667,449)**	**7,485,563**
Adjustments / reclassifications	**(21,147)**	**469,996**	**(507,314)**	**(929)**	**(1,541)**	**(60,935)**
Transferred to operating assets	**(9,224,001)**	**(3,870,323)**	**(5,463,736)**	**(107,762)**	**-**	**(18,665,822)**
Balance as at June 30, 2021	**8,711,906**	**24,245,767**	**5,014,297**	**76,955**	**15,603,111**	**53,652,036**

5.5.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the year, amounting to Rs 6,224 million (2020: Rs 11,480 million).

5.5.2 Amounts under Capital stores for drilling and development are net of consumption during the year.

5.6 Property, plant and equipment includes major spare parts and standby equipment having cost of Rs 398.168 million (2020: Rs 285.217 million).

5.7 None of the assets disposed of during the year has a book value of more than Rs 0.5 million.

5.8 Particulars of immoveable property (land and building) in the name of the Holding Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land & Building	
Sui Field	2,524.69
Kandhkot Field	161.90
Mazarani Field	172.30
Water Pump Station, Village Kot Khewali, District Kashmore (KPS)	14.84
Leasehold Land & Building	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	822.75
Adhi Field	148.13
KPS	196.11

5.9 Particulars of the Holding Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location (Province)	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.	Sui Gas Field	Sui Dera Bugti, Balochistan	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
4.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
5.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
6.	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility - II 3) Gas Processing Facility - IV

S.No	Business Unit	Address	Geographical location (Province)	Plants
7.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
8.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
9.	Hala Field	Districts Sanghar and Matiari	Sindh	Gas Processing Facility
10.	Benari Field	(Shah Bandar) Districts, Sujawal	Sindh	Third Party Processing Facility

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
6. INTANGIBLE ASSETS		
Computer software including ERP system - note 6.1	**192,277**	292,261
Intangible assets under development	**18,906**	46,156
	211,183	338,417

6.1 Computer software including ERP system

	ERP system	Computer software	Total
	----------(Rupees in thousand)----------		
As at July 01, 2019			
Cost	420,981	1,524,512	1,945,493
Accumulated amortisation	(341,498)	(1,262,023)	(1,603,521)
NBV	**79,483**	**262,489**	**341,972**
Year ended June 30, 2020			
Additions (at cost)	21,183	98,601	119,784
Amortisation charge - note 31	(40,264)	(129,231)	(169,495)
NBV	**60,402**	**231,859**	**292,261**
As at July 01, 2020			
Cost	442,164	1,623,113	2,065,277
Accumulated amortisation	(381,762)	(1,391,254)	(1,773,016)
NBV	**60,402**	**231,859**	**292,261**
Year ended June 30, 2021			
Additions (at cost)	775	48,845	49,620
Adjustments / reclassifications	-	(144)	(144)
Amortisation charge - note 31	(21,171)	(128,289)	(149,460)
NBV	**40,006**	**152,271**	**192,277**
As at June 30, 2021			
Cost	442,939	1,671,814	2,114,753
Accumulated amortisation	(402,933)	(1,519,543)	(1,922,476)
NBV	**40,006**	**152,271**	**192,277**
Rate of amortisation (%)	20	33	

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
7. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 7.1	**1**	1
Other investments		
- At amortised cost		
Foreign currency term deposits with banks - note 7.2	**4,194,324**	-
	4,194,325	1

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, 2021. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

7.2 Foreign currency term deposits with banks

These represent term deposits with banks amounting to USD 26.580 million (June 30, 2020: Nil) having effective interest rate ranging from 2.1% to 2.25% (2020: Nil) per annum. These investments are due to mature in July 2022.

8. LONG-TERM LOANS

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Unsecured and considered good		
Long-term loans - staff - note 8.1		
- Executive staff - note 8.2	**20,564**	19,358
- Other employees	**55,309**	42,282
	75,873	61,640
Less: Current maturities		
- Executive staff	**(6,846)**	(7,047)
- Other employees	**(15,868)**	(12,873)
	(22,714)	(19,920)
	53,159	41,720

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% (2020: 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, 2021	June 30, 2020
	(Rupees in thousand)	
Balance as on July 01	**19,358**	20,682
Disbursements	**35,068**	6,585
Repayments / adjustments	**(33,862)**	(7,909)
Balance as on June 30	**20,564**	19,358

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 20.944 million (2020: Rs 20.863 million).

9. LONG-TERM DEPOSITS

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Cash margin:		
- For guarantee to International Bank of Yemen - note 9.1	**1,205,357**	1,175,250
- Others	**7,676**	7,676
	1,213,033	1,182,926
Less: Current maturity of long-term deposits	**(1,205,357)**	(1,175,250)
	7,676	7,676

9.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the 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 Letter of Credit (LC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited against 100% cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Holding Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016. The Ministry of Yemen objected to the notice of termination vide its letter dated September 06, 2016.

Pursuant to the above, the Ministry of Yemen vide letter dated February 01, 2018 addressed to the Operator gave its "no objection" to its notice of termination. The said letter has placed certain conditions primarily relating to the payment of outstanding financial obligations before the Operator's bank guarantee could be released. PPLE, vide letter dated February 26, 2018, also requested Ministry of Yemen for the release of the Holding Company's bank guarantee/ LC. The Operator, vide letter dated May 20, 2018, confirmed fulfilment of the conditions and requested Ministry of Yemen for release of its as well as the Holding Company's bank guarantee / LC.

The Operator, vide letter dated February 06, 2019, communicated to the Ministry of Yemen that it understands that the Ministry of Yemen may face difficulties in releasing the original bank guarantees due to security situation in Sanaa (at which Ministry of Yemen's office is located and where the original bank guarantees of both the Operator and the Holding Company exist) and suggested to the Ministry of Yemen that it may confirm in writing to its bank, IBoY, that the Block 29 PSA has been terminated and no further commitments/ obligations against Operator's and PPLE's bank guarantee exist and further request IBoY to issue authenticated swift message to the Operator and PPLE's respective banks to release their guarantee obligations.

The Ministry of Yemen vide letter dated March 24, 2019 again gave its "no objection" to the Operator's request for release of guarantee / LC, subject to fulfilment of certain requirements. The Operator vide letter dated August 07, 2019 responded to the Ministry of Yemen, thereby providing the required clarification / information. Although the Operator is regularly following up for the release of guarantee / LC with Yemen authorities, progress remains slow due to the turbulent political scenario.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
10. LONG-TERM RECEIVABLES		
Unsecured and considered good		
- Government Holdings (Private) Limited (GHPL) - note 10.1	**138,560**	194,746
Less: Current maturity of long-term receivables from GHPL	**(138,560)**	(152,841)
	-	41,905

10.1 This represents share of carried cost borne by the Holding Company, in respect of Tal and Gambat fields, which is recoverable from GHPL in accordance with the terms set out under the relevant Petroleum Concession Agreements (PCAs). The receivable has not been discounted as required under IFRS 9 as the amount involved is not significant.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
11. STORES AND SPARES		
Stores and spares	**4,944,087**	4,496,569
Stores and spares - in transit	**51,745**	9,755
	4,995,832	4,506,324
Less: Provision for obsolete / slow moving stores and spares - note 11.1	**(427,348)**	(445,589)
	4,568,484	4,060,735
11.1 Reconciliation of provision for obsolete / slow moving stores and spares:		
Balance as on July 01	**445,589**	316,026
(Reversal) / charge for the year - note 34	**(18,241)**	129,563
Balance as on June 30	**427,348**	445,589

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
12. TRADE DEBTS		
Unsecured and considered good		
Related parties (note 12.1)		
Central Power Generation Company Limited (GENCO-II) - Note 12.4	**6,305,294**	3,833,469
Sui Northern Gas Pipelines Limited (SNGPL)	**151,225,754**	152,669,744
Sui Southern Gas Company Limited (SSGCL)	**110,126,963**	97,048,476
Pakistan Refinery Limited (PRL)	**1,196,389**	1,091,468
Pak-Arab Refinery Limited (PARCO)	**2,416,363**	698,988
Oil & Gas Development Company Limited (OGDCL)	**439,174**	803,313
	271,709,937	256,145,458
Non-related parties		
Attock Refinery Limited (ARL)	**10,247,211**	6,894,695
National Refinery Limited (NRL)	**490,831**	676,249
Others	**223,106**	503,246
	10,961,148	8,074,190
	282,671,085	264,219,648
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco) - note 12.5	**253,002**	1,156,220
EGAS Pvt. Ltd. (EGAS) - note 12.6	**211,383**	-
Less: Provision for doubtful debts	**(464,385)**	(1,156,220)
	-	-
	282,671,085	264,219,648

12.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance is as follows:

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
GENCO-II	**6,305,294**	6,464,450
SNGPL	**161,101,718**	152,669,744
SSGCL	**110,126,963**	98,001,321
PARCO	**2,416,363**	2,225,087
PRL	**1,196,389**	1,278,894
OGDCL	**902,985**	927,689
	282,049,712	261,567,185

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
12.2 The ageing of trade debts as at June 30 is as follows:		
Neither past due nor impaired	**25,966,802**	25,401,006
Past due but not impaired:		
Related parties		
- within 90 days	**22,300,682**	23,858,359
- 91 to 180 days	**24,270,381**	22,398,723
- over 180 days	**205,955,360**	187,380,575
	252,526,423	233,637,657
Non-related parties		
- within 90 days	**2,360,976**	2,711,071
- 91 to 180 days	**60,339**	985,550
- over 180 days	**1,756,545**	1,484,364
	4,177,860	5,180,985
	282,671,085	264,219,648

12.3 Trade debts include overdue amount of Rs 251,285 million (2020: Rs 232,696 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 5,883 million (2020: Rs 7,268 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG / other customers.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from Byco and EGAS.

12.4 Trade debts, as fully explained in note 3.6.2, do not include GDS and GIDC amounting to Rs 52,949 million (2020: Rs 38,278 million) and Rs 7,399 million (2020: Rs 10,249 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Holding Company as at the date of statement of financial position.

12.5 The Holding Company has filed a suit in the Sindh High Court (SHC) against 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 Byco 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 Byco which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of Byco, filed his plea bargain application by submitting an amount that covers the outstanding principal amount due to the Holding Company, which was allowed by the Accountability Court on October 24, 2020. Resultantly, the Holding Company has received an amount of Rs 903.218 million from NAB against long outstanding receivables from Byco. The provision for doubtful debts has been reversed to the extent of recovery. In the meanwhile, the Holding Company continues to pursue the authorities for the remaining overdue amount.

12.6 The Holding Company has filed winding up petitions 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.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
13. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff	**61,748**	112,173
Advances to suppliers and others	**275,839**	252,869
Advance payment of cash calls to joint operations – note 37	**361,404**	304,227
	698,991	669,269
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	**70,339**	129,960
Prepayments	**190,700**	410,457
	261,039	540,417
15. INTEREST ACCRUED		
Interest receivable on:		
- long-term investments	**2,283**	-
- short-term investments	**468,134**	410,473
- bank deposits	**45,927**	63,722
	516,344	474,195
16. OTHER RECEIVABLES		
Receivable from:		
SNGPL for Sui field services	**35,133**	28,270
SSGCL for Sui field services	**5,105**	4,045
Workers' Profits Participation Fund (WPPF) - note 16.1	**75,069**	35,768
Staff retirement benefit plans - note 32.1.1 and 16.2	**1,140,024**	802,564
Current accounts with joint operations - note 37	**1,415,827**	2,228,085
Indemnification asset	**479,239**	510,216
Others - note 16.3	**258,234**	90,052
	3,408,631	3,699,000
16.1 WPPF		
Balance as on July 01	**35,768**	521,349
Allocation for the year - note 34	**(3,424,931)**	(3,506,885)
Interest on funds utilised in the Holding Company's business - note 33	**(93)**	(1,741)
	(3,389,256)	(2,987,277)
Net amount paid during the year	**3,464,325**	3,023,045
Balance as on June 30	**75,069**	35,768

16.2 It includes an amount of Rs 692.774 million on account of payment made by the Holding Company on behalf of staff retirement benefit funds.

16.3 It includes an amount of Rs 34.02 million receivable from OGDCL, GHPL & MPCL (Rs 11.34 million receivable from each party) with respect to the payments made by the Holding Company on their behalf for incorporation of an entity in Abu Dhabi.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
17. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 17.1	**32,142,500**	2,592,500
- Foreign currency term deposits with banks - note 17.2	**35,294,890**	39,490,919
- Local currency treasury bills - note 17.3	**2,349,399**	1,099,756
	69,786,789	43,183,175
At fair value through profit or loss		
- Mutual Funds - note 17.4	**17,609,193**	10,364,718
	87,395,982	53,547,893

17.1 These carry profit ranging from 7.65% to 8.00% (2020: from 7.70% to 12.00%) per annum and are due to mature latest by September 2021.

17.2 These represent foreign currency term deposits with banks amounting to USD 223.669 million (June 30, 2020: USD 235.065 million) having effective interest rate ranging from 0.35% to 2.01% (June 30, 2020: 1.80% to 5.30%) per annum and are due to mature latest by December 2021.

17.3 These carry profit ranging from 7.25% to 7.56% (2020: 7.70%) per annum and are due to mature latest by September 2021.

	June 30, 2021	June 30, 2020
17.4 Mutual Funds	(Rupees in thousand)	
Name of Fund		
MCB Cash Management Optimizer	**3,280,845**	1,800,132
ABL Cash Fund	**2,944,636**	2,020,138
UBL Liquidity Plus Fund	**2,587,959**	1,161,256
Atlas Money Market Fund	**2,399,375**	1,088,844
Alfalah GHP Money Market Fund	**2,009,753**	-
First Habib Cash Fund	**1,321,537**	-
JS Cash Fund	**870,315**	-
Lakson Money Market Fund	**816,168**	-
Alfalah GHP Cash Fund	**776,767**	-
UBL Cash Fund	**396,874**	260,241
Pakistan Cash Management Fund	**204,964**	-
NBP Money Market Fund	**-**	2,431,354
HBL Cash Fund	**-**	1,602,753
	17,609,193	10,364,718

This investment has been categorised under Level 1 of the fair value hierarchy. IFRS-7, 'Financial Instruments: Disclosure' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

18. CASH AND BANK BALANCES

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
At banks		
Saving accounts		
- Local currency - note 18.1	**3,475,182**	4,585,154
- Foreign currency - note 18.2	**543,420**	1,061,328
	4,018,602	5,646,482
Current accounts		
- Local currency	**532,460**	319,037
- Foreign currency	**179,037**	500,551
	711,497	819,588
Cash and cheques in hand	**21,346**	59,205
	4,751,445	6,525,275

18.1 These carry profit at the rate ranging from 2.75% to 7.21% (2020: 2.25% to 13.60%) per annum. Further, it includes Rs 8.331 million (2020: Rs 12.980 million) placed under an arrangement permissible under Shariah.

18.2 These carry profit at the rate ranging from 0.01% to 0.25% (2020: from 0.05% to 1.75%) per annum.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
19. SHARE CAPITAL		
Authorised		
3,500,000,000 (2020: 3,500,000,000) ordinary shares of Rs 10 each	**35,000,000**	35,000,000
26,510 (2020: 26,510) convertible preference shares of Rs 10 each	**265**	265
	35,000,265	35,000,265
Issued		
2,721,161,792 (2020: 2,721,161,259) ordinary shares of Rs 10 each - note 19.2	**27,211,617**	27,211,612
11,283 (2020: 11,816) convertible preference shares of Rs 10 each - note 19.3	**113**	118
	27,211,730	27,211,730
Subscribed and paid-up		
683,077,434 (2020: 683,076,901) ordinary shares of Rs 10 each for cash - note 19.2	**6,830,774**	6,830,769
2,035,144,811 (2020: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	**20,351,449**	20,351,449
2,750,000 (2020: 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
	27,209,723	27,209,718
10,209 (2020: 10,742) convertible preference shares of Rs 10 each for cash - note 19.3	**102**	107
1,074 (2020: 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, 2021	June 30, 2020		June 30, 2021	June 30, 2020
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10/- each		
2,720,971,712	2,267,476,377	At the beginning of the year	**27,209,718**	22,674,764
-	453,495,285	Issued as bonus shares	**-**	4,534,953
533	50	Conversion of preference shares	**5**	1
2,720,972,245	2,720,971,712		**27,209,723**	27,209,718

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 (2020: 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, 533 (2020: 50) 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.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	

20. RESERVES

	June 30, 2021	June 30, 2020
Capital reserve - note 20.1	**1,428**	1,428
Revenue reserves		
- General and contingency reserve - note 20.2	**69,761**	69,761
- Insurance reserve - note 20.3	**34,021,894**	34,021,894
- Assets acquisition reserve - note 20.4	**23,751,980**	23,751,980
- Dividend equalisation reserve - note 20.5	**2,535,354**	2,535,354
- Unappropriated Profit	**297,462,678**	251,681,079
- Translation reserves- note 4.23	**3,878,894**	4,036,691
	361,720,561	316,096,759
	361,721,989	316,098,187

20.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

20.2 General and contingency reserve

The balance in general and contingency reserve account is constant since December 31, 1981. The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon the coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the 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 Holding Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Holding Company has built-up an insurance reserve for self-insurance cover against these risks.

The Holding Company has arranged terrorism cover from the international market upto the limit of liability of US$ 100 million (Rs 15,830 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.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	

21. PROVISION FOR DECOMMISSIONING OBLIGATION

Balance at beginning of the year	**28,066,373**	25,164,640
- Provision during the year	**480,024**	1,116,323
- Revision due to change in estimates	**(2,246,399)**	1,020,997
- Adjustment / payment during the year	**(98,751)**	(313,243)
- Unwinding of discount - note 33	**1,117,010**	1,077,656
Balance at end of the year	**27,318,257**	28,066,373

The above provision for decommissioning obligation is analysed as follows:

Wells		
Share in operated assets	**17,986,795**	19,198,818
Share in partner operated assets	**3,872,298**	3,912,932
Production facilities		
Share in operated assets	**3,458,709**	2,965,501
Share in partner operated assets	**2,000,455**	1,989,122
	27,318,257	28,066,373

21.1 The provision has been discounted using a US Dollar based real discount rate of 4.39% (2020: 4.30%) per annum.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	

22. LEASE LIABILITIES

Present value of minimum lease payments - note 22.1	**433**	19,775
Less: current maturity	**(433)**	(19,361)
	-	414

22.1 This represents the leases entered into with leasing companies for rolling stock. The periodic lease payments include rates of mark-up of 12.78% (2020: 9.78% to 13.28%) per annum. The Holding Company has the option to purchase the assets upon expiry of the respective lease terms. There are no financial restrictions in the lease agreements.

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, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
	---(Rupees in thousand)---					
Year ended June 30,						
2021	**-**	20,290	**-**	929	**-**	19,361
2022	**440**	440	**7**	26	**433**	414
Total	**440**	20,730	**7**	955	**433**	19,775

22.2 Lease rental payments including financial charges thereon for the year ended June 30, 2021, amount to Rs 19.342 million (2020: Rs 48.361 million).

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
23. DEFERRED LIABILITIES		
Post-retirement medical benefits - note 32.2.1	**2,297,102**	2,134,229
Leave preparatory to retirement - note 32.3	**785,448**	706,623
	3,082,550	2,840,852
24. DEFERRED TAXATION - NET		
(Deductible) / taxable temporary differences on:		
Exploration expenditure	**(2,026,191)**	(2,082,062)
Provision for staff retirement and other benefits	**(893,422)**	(823,445)
Provision for obsolete / slow moving stores	**(123,931)**	(129,221)
Provision for doubtful debts	**(185,754)**	(462,488)
Provision for windfall levy on oil / condensate	**(5,377,542)**	(4,145,892)
Provision for decommissioning obligation	**2,394,474**	3,304,147
Accelerated tax depreciation allowances	**3,492,302**	3,983,407
Exploratory wells cost	**12,636,541**	14,425,712
Development and production expenditure	**19,926,792**	22,453,734
Others	**(13,210)**	880
	29,830,059	36,524,772

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
25. TRADE AND OTHER PAYABLES		
Creditors	**799,192**	978,867
Accrued liabilities	**7,528,834**	9,260,462
Security deposits / advances from LPG distributors - note 25.2	**224,614**	451,236
Retention money	**81,770**	117,964
Federal excise duty (net)	**111,777**	101,064
Sales tax (net)	**999,734**	1,602,103
Royalties	**8,499,301**	9,385,306
Lease extension bonus	**24,932,829**	20,585,132
Current accounts with joint operations - note 37	**11,497,300**	16,769,871
Staff retirement benefit plans 32.1.2	**1,310,902**	1,033,050
Provision for windfall levy on oil / condensate - note 26.1.7	**10,242,937**	7,896,937
Contractual obligations for Iraq EDPSC - note 25.3	**692,056**	719,368
Others	**290,916**	189,728
	67,212,162	69,091,088

25.1 Trade and other payables, as fully explained in note 3.6.2, do not include GDS and GIDC amounting to Rs 52,949 million (June 30, 2020: Rs 38,278 million) and Rs 7,399 million (June 30, 2020: Rs 10,249 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

25.2 The security deposits of Rs 10.855 million (2020: Rs 148.855 million) are kept in a separate bank account.

25.3 These represent Infrastructure Fund amounting to Rs 175.697 million (2020: Rs 338.690 million) and Training, Technology & Scholarship Fund amounting to Rs 516.360 million (2020: Rs 380.678 million) payable under the EDPSC with MdOC.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
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.	**22,817**	31,657

26.1.2 Sales tax

The Holding Company has received various orders from the tax authorities raising demand of Rs 184 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Holding Company is contesting the matter before different appellate forums.

26.1.3 Income tax

The tax authorities have amended the assessments of the Holding Company for the tax years 2003 to 2020 raising an aggregate demand of Rs 35,810 million, which primarily relates to rate issue, depletion allowance, decommissioning cost and tax credits under sections 65A, 65B and 65E of the Income Tax Ordinance, 2001. The Holding Company has paid / adjusted an amount of Rs 34,035 million out of the said aggregate demand. The outstanding demand relates to tax years 2003 to 2009 which has been stayed by the Honourable Sindh High Court (SHC). The appeals in respect of assessments made by the tax authorities are pending at the following appellate fora:

Tax Year	Appellate Forum
2003 to 2012	Sindh High Court
2013 and 2018	Appellate Tribunal Inland Revenue
2019 and 2020	Commissioner Inland Revenue (Appeals)

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, the Holding Company as a matter of abundant caution, has continued to provide for tax liabilities primarily in respect of tax rates, depletion allowance and tax credits under sections 65A, 65B and 65E relating to Agreement Areas in the books of accounts. In case the appeals relating to the said issues are decided in favor of the Holding Company, an amount of Rs 33,794 million will be credited to the Profit or Loss for that year.

During the year ended June 30, 2020, the Holding Company's case was selected for audit proceedings in respect of tax year 2018. The Holding Company, on the basis of the advice of legal counsel, has challenged the said proceedings before the Honourable SHC. The Honourable SHC vide order dated November 5, 2019 has granted interim stay. Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Holding Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax relating to both Non-Agreement and Agreement Areas. Based on the advice of the legal counsel, the Holding Company filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable SHC. The Honourable SHC vide an interim order dated January 23, 2020 has directed the tax authorities not to pass an adverse final order in respect of the said show-cause notice.

Moreover, during the current year, the Holding Company, based on the advice of legal counsel, has filed a Constitutional Petition before the Honourable SHC challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide Finance Act, 2019. The said petition was filed primarily on the ground that an enactment which prejudicially affects the vested rights or the legality of past transactions or impair contracts cannot be given a retrospective application. The Honourable SHC vide an interim order dated December 24, 2020 has directed the tax authorities (a) for allowing the Holding Company to claim the said tax credit in its return of income for the year 2020 either manually or by making adjustment on the FBR electronic portal and (b) not to take any adverse action against the Holding Company in respect of the said matter.

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.

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 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

The Honourable SHC vide its order dated August 3, 2017, wherein the Holding Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Holding Company under the original civil jurisdiction of the Honourable SHC that are pending adjudication and wherein interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Holding Company, on the advice of its legal counsel, had challenged the said judgement in the Honourable Supreme Court of Pakistan (SCP). The Honourable SCP vide its order dated June 27, 2018 has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, 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.

26.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

There has been no change in the status of the matter as disclosed in note 27.1.9 to the consolidated financial statements for the year ended June 30, 2018, except that the case lastly came up for hearing on March 17, 2021 on which date the Honorable Islamabad High Court (IHC) inquired from the Federation that whether the matter was placed before Council of Common Interests (CCI) (as earlier directed by this Court). Upon negative response, the IHC ordered Secretary Petroleum to appear in person on next date and apprise the court as to why the Federation is reluctant to re-approach CCI. The stay order already in effect was extended till next date which was April 20, 2021. However, on April 20, 2021, the case was delisted and hence adjourned to a date in office.

The Windfall Levy on oil (WLO) if also applicable on oil / condensate will amount to approximately Rs 28,190 million for the period up to June 30, 2021. Further, WLO provided for in the books of accounts from December 27, 2017 till June 30, 2021 amounts to Rs 10,243 million.

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 24,100 million and Rs 12,607 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 defense 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 1,847.616 million (2020: Rs 2,598.847 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 Islamabad High Court or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have also amended the assessment of PPLE for the tax years 2015 and 2019 raising an aggregate demand of Rs 644 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest; resultantly, the remaining demand is stayed till the decision of CIR (A). The appeals of the said tax years are pending at various appellate forums.

PPLE based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue, depletion allowance and decommissioning cost which amounts to Rs 1,008 million for the tax years 2004 to 2021.

d) The Holding Company has guaranteed to the MdOC, the performance and fulfilment of obligations by PPLA under the EDPSC (note 26.2.1).

26.2 Commitments

26.2.1 The Holding Company has guaranteed to the Midland Oil Company Iraq, the performance and fulfilment of obligations by PPLA under the EDPSC. Total financial commitment of PPLA is USD 100 million (Rs 15,830 million) {2020: USD 100 million (Rs 16,830 million)}, out of which USD 30.861 million (Rs 4,885 million) {2020: USD 32.581 million (Rs 5,483 million)} is outstanding.

26.2.2 The Holding Company has provided parent company guarantee amounting to USD 5.3 million (Rs 839 million) {2020: USD 5.3 million (Rs 892 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

26.2.3 The Group's total commitments for capital expenditure (net share) as at June 30, 2021 are Rs 793 million. Further, total amount outstanding under letters of credit (net share) as at June 30, 2021 is Rs 870 million.

	Year ended June 30, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
27. Revenue from contracts with customers		
Local sales	**172,715,643**	182,558,647
Federal excise duty	**(1,704,370)**	(1,788,254)
Sales tax	**(21,853,633)**	(24,003,258)
Petroleum Levy	**(539,742)**	(501,664)
Discounts (barytes)	**(32,978)**	(34,296)
	(24,130,723)	(26,327,472)
Export sales - note 27.1	**693,658**	1,768,312
	149,278,578	157,999,487
Product wise break-up of sales is as follows:		
Natural gas	**119,658,533**	133,327,796
Federal excise duty	**(1,672,921)**	(1,758,564)
Sales tax	**(20,204,870)**	(22,502,178)
	(21,877,791)	(24,260,742)
	97,780,742	109,067,054
Gas supplied to Sui villages - note 28	**716,902**	748,006
Federal excise duty	**(14,520)**	(13,377)
Sales tax	**(104,165)**	(108,685)
	(118,685)	(122,062)
	598,217	625,944
Internal consumption of gas	**353,067**	409,959
Federal excise duty	**(7,103)**	(7,294
Sales tax	**(51,051)**	(59,371)
	(58,154)	(66,665)
	294,913	343,294
Crude oil / Natural gas liquids / Condensate	**41,943,205**	40,083,837
LPG	**10,000,452**	8,846,659
Federal excise duty	**(9,826)**	(9,019)
Sales tax	**(1,456,842)**	(1,292,823)
Petroleum levy	**(539,742)**	(501,664)
	(2,006,410)	(1,803,506)
	7,994,042	7,043,153
Barytes	**737,142**	910,702
Sales tax	**(36,705)**	(40,201)
Discounts	**(32,978)**	(34,296)
	(69,683)	(74,497)
	667,459	836,205
	149,278,578	157,999,487

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	

27.1 Break up of export sales is as follows:

Barytes	**489,294**	596,014
Crude oil / Condensate	**204,364**	1,172,298
	693,658	1,768,312

28. OPERATING EXPENSES

Salaries, wages, welfare and other benefits - note 31.1	**9,388,218**	8,631,049
Operator's personnel	**2,481,530**	2,439,908
Depreciation	**7,312,148**	7,970,556
Amortisation of decommissioning assets - note 5.1	**1,003,469**	1,646,552
Amortisation of D&P assets - note 5.1	**9,609,277**	11,341,036
Plant operations	**3,707,236**	3,760,516
Well interventions	**1,046,595**	1,115,463
Field services	**2,260,288**	2,277,769
Crude oil transportation	**1,062,240**	1,183,638
Travelling and conveyance	**657,682**	651,537
Training & development	**70,382**	35,839
PCA overheads	**238,229**	198,296
Insurance expenses	**722,657**	661,773
Free supply of gas to Sui villages - note 27	**716,902**	748,006
Social welfare / community development	**498,730**	419,729
	40,775,583	43,081,667

29. ROYALTIES AND OTHER LEVIES

Royalties – note 29.1	**17,306,245**	18,288,063
Lease extension bonus	**4,347,697**	5,103,374
Windfall levy - note 29.2	**573,330**	446,412
Export development charges	**483**	3,825
	22,227,755	23,841,674

29.1 The Group has paid royalties to the GoP.

29.2 This pertains to production from Gambat South, Hala, Dhok Sultan, Digri, Ghauri, Kirthar and Shah Bandar fields.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	

30. EXPLORATION EXPENSES

Dry and abandoned wells	**6,224,497**	11,479,783
Other exploration expenditures	**4,409,085**	6,471,724
	10,633,582	17,951,507

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	

31. ADMINISTRATIVE EXPENSES

Salaries, wages, welfare and other benefits - note 31.1	**6,040,222**	5,758,432
Amortisation of intangible assets - note 6.1	**149,460**	169,495
Depreciation of leased & HO assets	**172,350**	208,813
Rent, rates and taxes	**226,232**	210,994
Utilities & communication	**101,023**	110,364
Travelling and conveyance	**43,578**	117,176
Training and development	**40,714**	51,847
Insurance expenses	**26,021**	23,581
Repairs, maintenance and supplies	**762,363**	712,160
Professional services	**148,135**	119,521
Auditors' remuneration - note 31.2	**25,338**	42,979
Donations and sponsorship - notes 31.3 & 31.4	**87,972**	85,168
Contract services	**96,342**	90,660
Compliance and regulatory expenses	**54,582**	87,157
Advertisement, publicity and public relations	**51,938**	68,135
Other expenses	**66,407**	31,383
	8,092,677	7,887,865
Allocation to capital and operating expenditure	**(4,306,950)**	(4,801,788)
	3,785,727	3,086,077

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 336.471 million, Rs 362.331 million, Rs 176.891 million, Rs 109.376 million and Rs 238.195 million, respectively (2020: Rs 271.828 million, Rs 489.688 million, Rs 623.208 million, Rs 121.231 million and Rs 363.731 million, respectively).

31.2 Auditors' remuneration is as under:

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Annual audit fee		
- Holding Company	**4,473**	4,473
- Subsidiary Companies	**17,232**	14,673
Limited review, special certifications & advisory services	**2,396**	21,334
Out of pocket expenses & others	**1,237**	2,499
	25,338	42,979

31.3 Party wise details of donations in excess of Rs 1 million are given below:

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Name of Donees		
Mehran University of Engineering	**16,134**	16,700
Koohi Goth Hospital	**8,500**	8,641
National Institute of Child Hospital Trust	**6,000**	-
Friends Of Burns Centre	**5,714**	-
The Layton Rehmatullah Benevolent Trust	**4,333**	-
Tehzibul Akhlaq Trust	**4,100**	3,821
Bait-ul-Sukoon	**4,000**	-
Goth Seengar Foundation	**3,000**	-
NED University of Engineering & Technology (NED)	**2,915**	2,000
University of Engineering & Technology Lahore	**2,432**	-
Balochistan University of Information Technology, Engineering & Management Science	**1,786**	-
Establishment of PPL Chair (NED)	**1,200**	-
Sindh Radiant Organisation	**1,000**	-
Karachi Institute Of Kidney Diseases	**1,000**	-
Sindh Institute of Urology & Transplantation	**-**	10,000
Lady Dufferin Hospital	**-**	10,000
The Kidney Centre	**-**	5,000
Darut Tasnif (Private) Limited	**-**	5,000
Karwan-e-Hayat (Institute of Mental Health)	**-**	4,860
Saran Educational Trust	**-**	1,000
	62,114	67,022

31.4 There are no donations in which the directors of the Holding Company and subsidiary companies are interested.

32. STAFF RETIREMENT BENEFITS

32.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.14 to these consolidated financial statements, the Holding Company operates approved funded pension and gratuity schemes for its executive and non-executive permanent employees.

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, 2021					June 30, 2020
	--------(Rupees in thousand)--------					
Present value of defined benefit obligations - note 32.1.6	**9,492,796**	**1,625,203**	**3,587,681**	**1,541,266**	**16,246,946**	14,630,246
Fair value of plan assets - note 32.1.5	**(9,940,046)**	**(1,105,314)**	**(3,118,967)**	**(1,218,966)**	**(15,383,293)**	(14,010,735)
(Asset) / Liability recognised in the statement of financial position	**(447,250)**	**519,889**	**468,714**	**322,300**	**863,653**	619,511

32.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	--------(Rupees in thousand)--------					
Balances as on July 01	**380,984**	**652,066**	**(328,140)**	**(85,399)**	**619,511**	823,193
Charge for the year - note 32.1.3	**317,384**	**144,482**	**44,947**	**32,409**	**539,222**	1,112,896
(Payments) / Refund during the year	**(234,325)**	**(102,436)**	**246,955**	**121,701**	**31,895**	(1,323,146)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 32.1.4	**(911,293)**	**(174,223)**	**504,952**	**253,589**	**(326,975)**	6,568
Balances as on June 30	**(447,250)**	**519,889**	**468,714**	**322,300**	**863,653**	619,511

32.1.3 Amounts recognised in profit or loss

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	--------(Rupees in thousand)--------					
Current service cost	**286,295**	**91,271**	**71,725**	**39,378**	**488,669**	441,058
Past service cost	**-**	**-**	**-**	**-**	-	561,749
Interest cost	**765,727**	**135,912**	**230,867**	**96,948**	**1,229,454**	1,806,000
Interest income on plan assets	**(734,638)**	**(82,701)**	**(257,645)**	**(103,917)**	**(1,178,901)**	(1,695,911)
Charge for the year recognised in profit or loss	**317,384**	**144,482**	**44,947**	**32,409**	**539,222**	1,112,896
Actual return on plan assets	**1,474,781**	**147,742**	**489,638**	**194,896**	**2,307,057**	1,431,136

32.1.4 Remeasurement recognised in other comprehensive income

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	--------------------(Rupees in thousand)--------------------					
Actuarial (gain) / loss on obligation	(171,150)	(109,182)	736,945	344,568	801,181	(258,207)
Actuarial (gain) / loss on assets	(740,143)	(65,041)	(231,993)	(90,979)	(1,128,156)	264,775
Total remeasurements	(911,293)	(174,223)	504,952	253,589	(326,975)	6,568

32.1.5 Changes in fair value of plan assets

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	--------------------(Rupees in thousand)--------------------					
Fair value of plan assets at the beginning of the year*	8,688,767	959,192	3,100,098	1,262,678	14,010,735	12,066,870
Interest income on plan assets	734,638	82,701	257,645	103,917	1,178,901	1,695,911
Transferred to Defined Contribution Pension Fund	-	-	-	-	-	(20,493)
Contributions / adjustments by the Holding Company	234,325	102,436	(246,955)	(121,701)	(31,895)	1,323,146
Benefits paid	(457,827)	(104,056)	(223,814)	(116,907)	(902,604)	(789,924)
Amount recognised in OCI for the year	740,143	65,041	231,993	90,979	1,128,156	(264,775)
Fair value of plan assets at the end of the year	9,940,046	1,105,314	3,118,967	1,218,966	15,383,293	14,010,735

**This represents unaudited fair value of plan assets as at June 30, 2020*

32.1.6 Changes in present value of pension and gratuity obligations

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2021					June 30, 2020
	--------------------(Rupees in thousand)--------------------					
Present value of obligations at the beginning of the year	9,069,751	1,611,258	2,771,958	1,177,279	14,630,246	12,890,063
Current service cost	286,295	91,271	71,725	39,378	488,669	441,058
Past service cost	-	-	-	-	-	561,749
Interest cost	765,727	135,912	230,867	96,948	1,229,454	1,806,000
Transferred to Defined Contribution Pension Fund	-	-	-	-	-	(20,493)
Benefits paid	(457,827)	(104,056)	(223,814)	(116,907)	(902,604)	(789,924)
Amount recognised in OCI for the year	(171,150)	(109,182)	736,945	344,568	801,181	(258,207)
Present value of obligations at the end of the year	9,492,796	1,625,203	3,587,681	1,541,266	16,246,946	14,630,246

32.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executives Rs '000	%	Non-Executives Rs '000	%	Executives Rs '000	%	Non-Executives Rs '000	%
		June 30, 2021 (Unaudited)				June 30, 2020 (Audited)			
Pension Fund									
Government securities	7.14 - 9.50	**1,753,230**	**18**	**790,273**	**26**	1,200,156	14	693,419	23
Shares / Mutual Funds	-	**1,675,799**	**17**	**690,631**	**22**	1,257,883	14	493,541	16
SUKUK	8.40 - 10.13	**214,410**	**2**	**88,017**	**3**	79,360	1	34,119	1
Term Finance Certificates	9.04 - 9.09	**225,450**	**2**	**102,520**	**3**	164,656	2	76,387	2
National Saving Certificates	8.00 - 13.01	**3,750,000**	**38**	**613,500**	**20**	3,750,000	43	613,500	20
Cash and bank deposits	6.25 - 8.05	**2,321,157**	**23**	**834,026**	**26**	2,236,712	26	1,189,132	38
Total		**9,940,046**	**100**	**3,118,967**	**100**	8,688,767	100	3,100,098	100
Gratuity Fund									
Government securities	7.05 - 12.32	**283,348**	**26**	**245,781**	**20**	224,179	23	227,188	18
Shares	-	**207,854**	**19**	**276,636**	**23**	125,658	13	192,199	15
SUKUK	9.15 - 9.31	**27,577**	**2**	**28,548**	**2**	11,404	1	9,819	1
Term Finance Certificates	8.62 - 14.65	**48,138**	**4**	**67,187**	**6**	52,799	6	59,491	5
National Savings Certificates	8.00 - 13.01	**300,000**	**27**	**321,000**	**26**	300,000	31	321,000	25
Cash and bank deposits	6.35 - 14.35	**238,397**	**22**	**279,814**	**23**	245,152	26	452,981	36
Total		**1,105,314**	**100**	**1,218,966**	**100**	959,192	100	1,262,678	100

32.1.8 Sensitivity analysis

	June 30, 2021				June 30, 2020			
	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	**441,805**	**(392,744)**	**121,059**	**(111,426)**	441,037	(392,180)	101,054	(92,702)
Pension rate sensitivity	**65,402**	**37,140**	**116,862**	**(98,631)**	721,450	(617,884)	139,350	(117,750)
Discount rate sensitivity	**(986,444)**	**1,203,105**	**(223,608)**	**264,279**	(977,477)	1,195,044	(210,901)	249,614
Gratuity								
Salary rate sensitivity	**24,506**	**(23,768)**	**52,498**	**(48,436)**	26,430	(28,356)	24,684	(22,796)
Discount rate sensitivity	**(101,650)**	**115,365**	**(58,114)**	**64,200**	(109,501)	124,803	(44,656)	49,386

32.1.9 Maturity profile of the defined benefit obligations

	June 30, 2021			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.39	6.81	6.23	4.76
	----------(Rupees in thousand)----------			
Distribution of timing of benefit payments (time in years)				
1	622,993	175,533	230,073	143,292
2	560,005	190,343	705,621	440,478
3	716,290	219,221	355,408	218,698
4	697,830	179,579	341,368	193,698
5	655,095	175,845	314,714	177,205
6-10	4,771,975	1,171,915	1,833,736	1,002,231

32.1.10 The Holding Company expects to contribute Rs 597.284 million (2020: 539.222 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 4.14 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2021, results of which are as follows:

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Present value of defined benefit obligations - notes 23 and 32.2.4	**2,297,102**	2,134,229

32.2.2 Movement in the liability recognised in the statement of financial position is as follows:

	June 30, 2021	June 30, 2020
Balance as at July 01	**2,134,229**	2,130,362
Charge for the year - notes 31.1 & 32.2.3	**238,195**	363,731
Payments during the year	**(101,433)**	(85,660)
Amounts charged / (credited) to OCI	**26,111**	(274,204)
Balance as at June 30	**2,297,102**	2,134,229

32.2.3 Amounts recognised in profit or loss

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Current service cost	**57,795**	61,410
Interest cost	**180,400**	302,321
	238,195	363,731

32.2.4 Changes in present value of post-retirement medical obligations

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
Opening balance	**2,134,229**	2,130,362
Current service cost	**57,795**	61,410
Interest cost	**180,400**	302,321
Benefits paid	**(101,433)**	(85,660)
Amounts charged / (credited) to OCI	**26,111**	(274,204)
Balance as at June 30	**2,297,102**	2,134,229

32.2.5 Sensitivity analysis

	1% increase	**1% decrease**
	(Rupees in thousand)	
Medical cost trend rate sensitivity	**267,933**	**(227,062)**
Discount rate sensitivity	**(276,045)**	**341,883**

32.2.6 The Holding Company expects to contribute Rs 284.472 million (2020: Rs 238.195 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 11.89 years (2020: 12.32 years) in respect of executive and 12.20 years (2020: 12.55 years) in respect of non-executive retired employees.

	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
32.3 Leave preparatory to retirement		
Balance as at July 01	**706,623**	623,913
Charge for the year - note 31.1	**109,376**	121,231
	815,999	745,144
Payments / adjustments during the year	**(30,551)**	(38,521)
Balance as at June 30 - note 23	**785,448**	706,623

	Per annum	
	June 30, 2021	June 30, 2020
32.4 Principal actuarial assumptions		
- discount rate	**10.00%**	8.50%
- expected rate of increase in salaries	**10.00%**	8.50%
- expected rate of increase in pension	**5.00%**	3.50%
- expected rate of escalation in medical cost	**6.00%**	4.50%
- 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.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
33. FINANCE COSTS		
Financial charges for lease liabilities	**864**	4,666
Unwinding of discount on decommissioning obligation - note 21	**1,117,010**	1,077,656
Interest on WPPF - note 16.1	**93**	1,741
Others	**28,885**	28,521
	1,146,852	1,112,584
34. OTHER CHARGES		
WPPF charge / adjustment - note 16.1	**3,424,931**	3,506,885
Provision for windfall levy on oil / condensate - note 26.1.7	**2,346,000**	2,178,000
Exchange loss on foreign currency (net)	**1,272,517**	-
(Reversal) / provision for obsolete / slow moving stores & spares - note 11.1	**(18,241)**	129,563
Loss on disposal / write-off of stores & spares (net)	**17,852**	29,161
Others	**-**	22,344
	7,043,059	5,865,953
35. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 35.1	**445,521**	875,027
Income on local currency term deposits	**986,197**	420,912
Income on foreign currency term deposits	**843,498**	1,807,348
Income from investment in treasury bills	**622,989**	433,961
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss	**908,780**	297,080
	3,806,985	3,834,328
Income from assets other than financial assets		
Rental income on assets	**5,081**	5,870
Profit on sale of property, plant and equipment (net)	**27,231**	18,143
Exchange gain on foreign currency (net)	**-**	528,550
Share of profit on sale of LPG	**-**	4,785
Insurance Income	**84,121**	-
Others	**156,673**	2,190,904
	273,106	2,748,252
	4,080,091	6,582,580

35.1 This includes profit amounting to Rs 0.440 million (2020: Rs 1.344 million) under a Shariah compliant arrangement.

36. TAXATION

Provision for taxation for the year ended June 30, 2021 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas, including Sui gas field. The head office and BME income is taxed at 29% being non-agreement areas.

	Year ended June 30, 2021	Year ended June 30, 2020
	(Rupees in thousand)	
Current		
- for the year	**23,884,267**	21,311,853
- for prior years (net)	**(1,034,802)**	(484,244)
	22,849,465	20,827,609
Deferred	**(6,694,713)**	(609,629)
	16,154,752	20,217,980

36.1 Relationship between accounting profit and taxation

	Year ended June 30, 2021	Year ended June 30, 2020
Accounting profit for the year before taxation	**68,437,946**	69,642,605
Tax on accounting profit at applicable rate of 43.86% (2020: 43.49%)	**30,016,883**	30,287,569
Tax effect of:		
- Depletion allowance	**(8,614,273)**	(9,093,520)
- Royalty allowed for tax purposes	**(3,066,285)**	(3,257,309)
- Exploration expenses of PPLA	**65,153**	897,703
- Unwinding of discount on decommissioning obligation	**513,673**	491,742
- Tax income relating to prior years	**(1,034,804)**	(484,244)
- Decommissioning cost	**(881,633)**	969,062
- Dividend income / gain on remeasurement of investments	**(263,546)**	(86,153)
- Tax credits and others	**(580,416)**	493,130
	16,154,752	20,217,980
Effective tax rate %	**23.60%**	29.03%

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, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2020
	Producing Fields				
1	Adhi	PPL	39.00	(596,013)	(1,644,701)
2	Dhok Sultan (EWT Phase)	PPL	75.00	(462,820)	(1,519,341)
3	Gambat South	PPL	65.00	(1,750,362)	(1,204,725)
4	Hala	PPL	65.00	(8,336)	(201,576)
5	Kandhkot	PPL	100.00	-	-
6	Kandhkot East (Chachar)	PPL	75.00	(60,707)	(59,071)
7	Mazarani	PPL	87.50	132,440	164,056
8	Shah Bandar	PPL	63.00	(62,357)	66,326
9	Sui	PPL	100.00	-	-
10	Block 22	PEL	35.53	(38,942)	(127,019)
11	Digri (Gulsher EWT Phase)	UEPL	25.00	(28,851)	(40,586)
12	Gambat	UEP-BETA	23.68	31,160	40,277
13	Ghauri (Dharian EWT Phase)	MPCL	35.00	(37,956)	(700,586)
14	Kirthar	POGC	30.00	(512,792)	(899,278)
15	Kotri North (Unarpur EWT Phase)	UEPL	40.00	(430,749)	(1,211,776)
16	Latif	UEP-BETA	33.30	(379,409)	(586,956)
17	Miano	UEP-BETA	15.16	(130,602)	(374,934)
18	Nashpa	OGDCL	28.55	(1,803,698)	(2,148,541)
19	Qadirpur	OGDCL	7.00	(422,641)	(229,918)
20	Sawan	UEP-BETA	34.07	(103,683)	(210,371)
21	Tal	MOL	27.76	(619,725)	(1,374,330)
22	Ziarat (Bolan East EWT Phase)	MPCL	40.00	(178,459)	(64,053)
	Exploration Blocks				
1	Block 2969-8 (Barkhan)	PPL	85.00	5,004	(14,761)
2	Block 2566-6 (Bela West) - note 37.1	PPL	37.50	165,652	290,153
3	Block 3371-15 (Dhok Sultan) - note 37.2	PPL	75.00	-	-
4	Block 2568-18 (Gambat South) - note 37.2	PPL	65.00	-	-
5	Block 2566-4 (Hab)	PPL	97.35	25,965	(23,472)
6	Block 2568-13 (Hala) - note 37.2	PPL	65.00	-	-
7	Block 3372-23 (Hisal)	PPL	62.50	21,743	26,713
8	Block 2467-12 (Jungshahi)	PPL	100.00	(1,328)	2,132
9	Block 2866-2 (Kalat)	PPL	100.00	(446,757)	15,479
10	Block 3272-18 (Karsal)	PPL	100.00	(6,082)	(48,106)
11	Block 2763-3 (Kharan)	PPL	100.00	6,056	5,236
12	Block 2764-4 (Kharan-East)	PPL	100.00	(2,160)	(9,407)
13	Block 2763-4 (Kharan-West) - note 37.3	PPL	100.00	6,672	409
14	Block 2569-5 (Khipro East)	PPL	97.50	(530,150)	(150,875)
15	Block 2766-1 (Khuzdar)	PPL	100.00	(23,167)	20,666
16	Block 2468-12 (Kotri)	PPL	100.00	(30,111)	(22,771)
17	Block 2467-13 (Malir) - note 37.3	PPL	95.00	(4,556)	(909)
18	Block 2866-4 (Margand)	PPL	100.00	(8,229)	(522,513)
19	Block 3069-10 (Musakhel) - note 37.4	PPL	37.20	81,725	59,111
20	Block 2668-9 (Naushahro Firoz)	PPL	100.00	15,735	(23,483)
21	Block 2864-2 (Nausherwani)	PPL	97.50	631	111
22	Block 3073-5 (Punjab) - note 37.5	PPL	47.50	26,675	(5,806)

	Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2021	Net Balance (Payable) / Receivable (Rupees in thousand) June 30, 2020
23	Block 2870-5 (Sadiqabad) - note 37.3	PPL	97.50	93,603	(112,559)
24	Block 2467-16 (Shah Bandar) - note 37.2	PPL	63.00	-	-
25	Block 2468-10 (Sirani)	PPL	75.00	(6,422)	960
26	Block 2768-13 (Sorah)	PPL	100.00	(861)	19,969
27	Block 2763-5 (South Kharan)	PPL	51.00	99,247	18,875
28	Block 3070-13 (Baska) - note 37.6	ZHEN HUA	49.00	589	9,349
29	Block 2568-19 (Digri) note 37.2	UEPL	25.00	-	-
30	Block 3273-3 (Ghauri) - note 37.2	MPCL	35.00	-	-
31	Block 2468-9 (Jherruck)	NHEPL	30.00	(59,317)	(59,317)
32	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(16,697)	(258,253)
33	Block 2667-7 (Kirthar) - note 37.2	POGC	30.00	-	-
34	Block 2568-21 (Kotri North) - note 37.2	UEPL	40.00	-	-
35	Block 2867-5 (Kuhan)	UEP-BETA	47.50	(59,786)	(16,494)
36	Block 2669-3 (Latif) - note 37.2	UEP-BETA	33.30	-	-
37	Block 3370-10 (Nashpa) - note 37.2	OGDCL	30.00	-	-
38	Block 3070-16 (Pezu)	OGDCL	30.00	(5,638)	(765,028)
39	Block 3072-8 (Shakarganj West) - note 37.7	OGDCL	50.00	(1,404,809)	-
40	Block 2568-20 (Sukhpur) - note 37.8	ENI	30.00	(6,683)	(6,684)
41	Block 3069-9 (Suleiman) - note 37.9	OGDCL	50.00	-	-
42	Block 3370-3 (Tal) - note 37.2	MOL	30.00	-	-
43	Block 2967-2 (Ziarat) - note 37.2	MPCL	40.00	-	-
44	Block 3067-3 (Harnai)	MPCL	40.00	(10,895)	(78,574)
	Offshore Blocks				
45	Block 2366-7 (Indus-C)	ENI	40.00	10,523	(14,096)
46	Block 2366-5 (Indus-N) - note 37.3	ENI	30.00	(13,315)	(9,081)
	Exploration Blocks (Outside Pakistan)				
1	Block-3 (Yemen)	TOTAL	20.00	(84,529)	(81,032)
2	Block-8 (Iraq)	PPLA	100.00	-	-
	Other areas - note 37.10			(92,928)	65,710

37.1 In Bela West block, KUFPEC has submitted a notice to surrender its entire 35% working interest as of February 09, 2021. Letter to transfer KUFPEC's working interest to other JV partners (the Holding Company & MPCL) was submitted to GoP on August 02, 2021.

37.2 The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing fields", since the balances are settled on a net basis.

37.3 Notices for relinquishment have been submitted to GoP for Kharan West on July 12, 2020, Malir on November 11, 2020, Sadiqabad on April 06, 2021 and Indus N on June 29, 2021.

37.4 Deed of Assignments with Polish Oil & Gas Company for 25% working interest (12.5% each from the Holding Company and OGDCL) and GHPL for 2.5% working interest (1.3% from the Holding Company and 1.2% from OGDCL) have been signed on May 03, 2021. Accordingly, the Holding Company's working interest in Musakhel block has reduced to 37.2%.

37.5 Deed of Assignment for transfer of working interest to GHPL (2.5%) and OGDCL (50%) has been signed on January 28, 2021. Accordingly, the Holding Company's working interest has reduced to 47.5% in Punjab block.

37.6 China Zhen Hua Oil Company Limited has submitted an application to GoP for assignment of Zhen Hua Oil's 33.5% working interest along with operatorship of the block to the Holding Company. Approval from GoP is awaited.

37.7 Deed of Assignment for transfer of OGDCL's 50% working interest to the Holding Company was executed on January 26, 2021.

37.8 In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations, the Operator approached GoP (in June 2021) for approval of further well testing.

37.9 Suleiman block was awarded to the Holding Company and OGDCL with 50% working interest each. Petroleum concession agreement and exploration license were signed on April 23, 2021.

37.10 This mainly includes amounts receivable / (payable) under the various blocks against which the Holding Company applied to GoP for relinquishment.

37.11 The balances appearing in the above table 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 Group and transactions with the Joint Operations.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES		
Financial assets as per statement of financial position		
- At amortised cost		
Long-term investments	**4,194,324**	-
Long-term loans	**53,159**	41,720
Long-term deposits	**7,676**	7,676
Long-term receivables	**-**	41,905
Trade debts	**282,671,085**	264,219,648
Loans and advances	**698,991**	669,269
Trade deposits	**70,339**	129,960
Interest accrued	**516,344**	474,195
Current maturity of long-term deposits	**1,205,357**	1,175,250
Current maturity of long term loans	**22,714**	19,920
Current maturity of long-term receivables	**138,560**	152,841
Other receivables	**2,886,312**	3,211,409
Short-term investments	**69,786,789**	43,183,175
Cash and bank balances	**4,751,445**	6,525,275
	367,003,095	319,852,243
- At fair value through profit or loss - Mutual Funds	**17,609,193**	10,364,718
Non-financial assets	**152,895,490**	165,212,285
Total assets	**537,507,778**	495,429,246

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Trade and other payables	**22,425,583**	29,520,546
Unclaimed dividends	**521,910**	299,912
Non-financial liabilities	**125,628,460**	122,300,765
Total liabilities	**148,575,953**	152,121,223

38.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

As at June 30, 2021, only mutual funds are carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 17.4 of these consolidated financial statements.

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 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, 2021.

The Group oversees the management of the financial risks, reflecting changes in the market conditions and Group risk-taking activities, which are governed by appropriate policies and procedures. Financial risks are identified, measured and managed in accordance with the Group's policies 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 control market risk exposures within acceptable parameters, while optimising the return on financial instruments.

i) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group manages its interest rates risk by closely monitoring the duration of fixed rate investments and placements.

ii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Group's revenue, foreign procurement costs or the value of its financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimising the return on financial instruments. Any impact of change in foreign currency rate on foreign currency liabilities is offset by the impact on Group's foreign currency assets.

Exposure to foreign currency risk

The Group's exposure to currency risk mainly comprises:

	June 30, 2021	June 30, 2020
	(US Dollars)	
Investments at amortised cost	**250,248,501**	235,064,994
Cash and bank balances	**4,578,306**	9,296,661
Current maturity of long-term deposits	**7,500,000**	7,500,000
Trade and other payables	**(9,130,387)**	(12,957,288)
	253,196,420	238,904,367

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2021	2020	**2021**	2020
	(Rupees)			
USD 1	**160.47**	158.45	**158.30**	168.30

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	**262,327**	**(262,327)**
Foreign currency financial liabilities	**23,254**	**(23,254)**

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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Group.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Natural Gas (Mcf)	**237,797**	**(237,797)**
Crude Oil / Condensate / NGL (BBL)	**5,219**	**(5,219)**
LPG (M.Ton)	**116**	**(116)**
Barytes (M.Ton)	**64**	**(64)**

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:

Trade debts

Trade debts are essentially due from gas transmission and distribution, power generation, oil and gas marketing and oil refining companies. The Group's major portion of sales is to GENCO-II, SNGPL and SSGCL, however, it does not consider itself to be exposed to any substantial credit risk since these companies are State Owned Entities (SOEs).

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.

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, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Long-term investments	**4,194,324**	-
Long-term loans	**53,159**	41,720
Long-term deposits	**7,676**	7,676
Long-term receivables	**-**	41,905
Trade debts	**282,671,085**	264,219,648
Loans	**61,748**	112,173
Trade deposits	**70,339**	129,960
Interest accrued	**516,344**	474,195
Current maturity of long-term loans	**22,714**	19,920
Current maturity of long-term deposits	**1,205,357**	1,175,250
Current maturity of long-term receivables	**138,560**	152,841
Other receivables	**2,886,312**	3,211,409
Short-term investments	**87,395,982**	53,547,893
Bank balances	**4,730,099**	6,466,070
	383,953,699	329,600,660

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, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
Long-term investments		
AA	**4,194,324**	-
Trade debts		
Customers with defaults in past one year which have not yet been recovered	**25,966,802**	25,401,006
Short-term investments		
AAA	**49,452,131**	19,893,171
AA	**37,943,851**	33,654,722
	87,395,982	53,547,893
Cash at banks		
AAA	**3,185,155**	3,597,282
AA	**1,544,944**	2,868,788
	4,730,099	6,466,070

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 267,658 million of the trade debts as at June 30, 2021 (2020: Rs 253,552 million).

The aging of trade debts at the reporting date is provided in note 12.2.

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 a pre-defined threshold 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 to Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Group follows effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Lease liabilities	-	433	-	-	-	433
Trade and other payables	4,625,055	14,674,895	3,125,633	-	-	22,425,583
Unclaimed Dividend	521,910	-	-	-	-	521,910
Year ended June 30, 2021	**5,146,965**	**14,675,328**	**3,125,633**	**-**	**-**	**22,947,926**
Lease liabilities	-	4,522	14,839	414	-	19,775
Trade and other payables	2,186,701	23,463,978	3,869,867	-	-	29,520,546
Unclaimed Dividend	299,912	-	-	-	-	299,912
Year ended June 30, 2020	**2,486,613**	**23,468,500**	**3,884,706**	**414**	**-**	**29,840,233**

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.

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
40. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 40.1	**68,050,989**	16,703,016
Cash and bank balances - note 18	**4,751,445**	6,525,275
	72,802,434	23,228,291

40.1 Short-term investments as disclosed in note 17 amount to Rs 87,396 million (2020: Rs 53,548 million). However, mutual funds amounting to Rs 17,609 million (2020: Rs 10,365 million) and foreign currency term deposits with banks having maturity of over 90 days amounting to Rs 1,736 million (2020: Rs 26,480 million) are not considered as cash and cash equivalents in accordance with the requirements of IAS-7 "Statement of Cash Flows".

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2021	Year ended June 30, 2020	**Year ended June 30, 2021**	Year ended June 30, 2020
	(Rupees in thousand)			
Managerial remuneration	**48,646**	44,872	**8,577,521**	6,099,615
Housing, conveyance and utilities	**504**	-	**654,791**	109,098
Retirement benefits	**6,772**	6,528	**1,167,472**	1,025,199
Bonus	**7,870**	7,663	**1,407,495**	1,300,194
Medical and leave passage	**555**	715	**688,309**	604,879
Leave encashment	**-**	-	**145,572**	52,284
	64,347	59,778	**12,641,160**	9,191,269
Number, including those who worked for part of the year	**1**	1	**1,571**	1,171

41.1. Aggregate amount charged in these consolidated financial statements in respect of fees paid to fourteen non-executive directors of the Holding Company was Rs 27.625 million (2020: Rs 25.795 million to ten non-executive directors).

In addition to the above, Rs 0.438 million (2020: Rs 0.812 million) was paid to directors of PPLA and PPLE as director's fee.

	Year ended June 30, 2021	Year ended June 30, 2020
42. EARNINGS PER SHARE		
42.1 Basic earnings per share		
Profit after taxation (Rs '000)	**52,283,194**	49,424,625
Dividend on convertible preference shares (Rs '000)	**(34)**	(35)
Profit attributable to ordinary shareholders (Rs '000)	**52,283,160**	49,424,590
Weighted average number of ordinary shares in issue	**2,720,972,176**	2,720,971,700
Basic earnings per share (Rs)	**19.21**	18.16
42.2 Diluted earnings per share		
Profit after taxation (Rs '000)	**52,283,194**	49,424,625
Weighted average number of ordinary shares in issue	**2,720,972,176**	2,720,971,700
Adjustment for conversion of convertible preference shares	**11,352**	11,828
Weighted average number of ordinary shares for diluted earnings per share	**2,720,983,528**	2,720,983,528
Diluted earnings per share (Rs)	**19.21**	18.16

43. TRANSACTIONS 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. 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, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
Sales of gas / barytes to state controlled entities (including Government Levies)		
GENCO-II	**12,184,181**	14,784,417
SSGCL	**43,121,091**	43,661,188
SNGPL	**64,353,264**	74,642,057
OGDCL	**1,758,118**	1,283,383
	121,416,654	134,371,045
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	**7,967,436**	5,062,717
Sales of crude oil / condensate to PRL	**2,035,522**	2,624,384
Payment to Total PARCO Pakistan Limited (Total PARCO)	**7,542**	290,251
Payment to Petroleum Institute of Pakistan (PIP)	**975**	6,676
Payment to Sanofi-Aventis Pakistan Limited (SAPL)	**6,199**	-
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	**95**	-
Deposits with Askari Bank Limited (AKBL) as at June 30	**1,401,392**	33,130
Letters of credit placed with AKBL as at June 30	**93,605**	125,015
Transactions with Joint Operations		
Payments of cash calls to joint operations	**29,346,827**	37,489,192
Expenditures incurred by the joint operations	**24,136,686**	38,025,716
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	**5,081**	5,870
Dividend income from BME	**-**	200,000
Purchase of goods from BME (net)	**55,551**	372,515
Reimbursement of employee cost on secondment to BME	**23,909**	23,103
Other related parties		
Dividends to GoP	**4,592,159**	3,061,440
Dividends to Trust under BESOS	**200,057**	333,429
Dividend to trusts under retirement benefit funds	**2,272**	2,524

	Year ended June 30, 2021	Year ended June 30, 2020 (Restated)
	(Rupees in thousand)	
Transactions with retirement benefit funds	See notes 31.1 & 32	
Remuneration to key management personnel	See note 41	
Payment to PPL Welfare Trust	**20,000**	-
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	**150,583**	135,002
Payment of rental to Karachi Port Trust (KPT)	**8,419**	6,681
Payment to National Insurance Company Limited (NICL)	**1,036,385**	944,068
Insurance claim received from NICL	**84,121**	295
Payment to SNGPL against services obtained	**1,258**	460
Payment to Pakistan State Oil Company Limited (PSO)	**58,813**	193,118
Payment to Pakistan International Airlines Corporation Limited (PIACL)	**86,988**	95,736
Deposits with National Bank of Pakistan (NBP) as at June 30	**263,831**	246,175
Stores and spares on loan to OGDCL	**3,065**	-

43.1 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Group pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contribution to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

43.2 Following are the related parties with whom the Group has entered into transactions during the year excluding GoP, joint operations, 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, 2021	Aggregate % of Shareholding in the Group
1.	OGDCL	GOP is common shareholder / Common Directorship	Not applicable
2.	GHPL	GOP is common shareholder / Common Directorship	Not applicable
3.	PARCO	GOP is common shareholder / Common Directorship	Not applicable
4.	SSGCL	GOP is common shareholder	Not applicable
5.	SNGPL	GOP is common shareholder	Not applicable
6.	PSO	GOP is common shareholder	Not applicable
7.	GENCO - II	GOP is common shareholder	Not applicable
8.	PIDC	GOP is common shareholder	Not applicable
9.	KPT	GOP is common shareholder	Not applicable
10.	NICL	GOP is common shareholder	Not applicable

S.No.	Company Name	Basis of Relationship As at June 30, 2021	Aggregate % of Shareholding in the Group
11.	Total PARCO	GOP is common shareholder	Not applicable
12.	NBP	GOP is common shareholder	Not applicable
13.	PIACL	GOP is common shareholder	Not applicable
14.	PRL	GOP is common shareholder	Not applicable
15.	AKBL	Common Directorship	Not applicable
16.	PIP	Common Directorship	Not applicable
17.	SAPL	Common Directorship	Not applicable
18.	HDIP	Common Directorship	Not applicable
19.	MPCL	Common Directorship	Not applicable

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 revenue:

	June 30, 2021	June 30, 2020 (Restated)
	(Rupees in thousand)	
SSGCL	**43,121,091**	43,661,188
SNGPL	**64,353,264**	74,642,056
ARL	**26,763,329**	24,617,184
	134,237,684	142,920,428

45. GENERAL

45.1 Number of employees

	June 30, 2021	June 30, 2020
Total number of employees at the end of the year were as follows:		
- Regular	**2,607**	2,688
- Contractual	**84**	70
	2,691	2,758
Average number of employees during the year were as follows:		
- Regular	**2,654**	2,733
- Contractual	**76**	91
	2,730	2,824

45.2 Capacity and production

Product	Unit	Actual production for the year (Group's share) June 30, 2021	Actual production for the year (Group's share) June 30, 2020
Natural gas	MMCF	**277,460**	285,071
Crude oil / NGL / Condensate	Thousand Barrels	**5,217**	5,142
LPG	M. Ton	**115,835**	107,114
Barytes	M. Ton	**64,206**	90,853

Due to the nature of operations of the Group, installed capacity of the above products is not relevant.

45.3 Corresponding figures

Corresponding figures have been reclassified for the purposes of better presentation and comparison, wherever necessary, including those mentioned in note 3.7 to these consolidated financial statements.

45.4 Figures have been rounded off to the nearest thousand, unless otherwise stated.

46. SUBSEQUENT / NON -ADJUSTING EVENTS

46.1 Subsequent to the year end, the Holding Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Holding Company, the consortium comprises three major Pakistani E&P companies i.e., OGDCL, MPCL and GHPL. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of Abu Dhabi city. To this end, the consortium companies have established an independent company viz., Pakistan International Oil Limited (PIOL) at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. The minimum commitment of the consortium under the concession documents is USD 304.7 million during the exploration phase.

As part of the arrangement, each of the Consortium companies have also provided, joint and several, parent company guarantees to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee the obligations of PIOL.

46.2 The Board of Directors of the Holding Company in its meeting held on September 17, 2021 has recommended cash dividend @ 20% amounting to Rs 5,441.946 million (2020: @ 10% amounting to Rs 2,720.972 million) on paid-up value of ordinary share capital and @ 15% amounting to Rs 0.016 million (2020: @ 10% amounting to Rs 0.012 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, 2021.

47. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 17, 2021 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
Eni	Eni Pakistan Limited
EPCC	Engineering, Procurement, Construction and Commissioning
EPS	Earnings Per Share
EWT	Extended Well Testing
FC	Frontier Corps
FEED	Front End Engineering Design
G&G	Geological & Geophysical
GDP	Gross Domestic Product
GDS	Gas Development Surcharge
GENCO-II	Central Power Generation Company Limited
GHPL	Government Holdings (Pvt.) Limited
GIDC	Gas Infrastructure Development Cess
GoB	Government of Balochistan
GoP	Government of Pakistan
GPF	Gas Processing Facility
HESCO	Hyderabad Electric Supply Company
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT	Information Technology
KBOE	Thousands of Barrels of Oil Equivalent
KM/ LKm / Sq Km	Kilometer/ Line Kilometer/ Square Kilometer
KSE-100	KSE-100 Index
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LNG	Liquefied Natural Gas
LoA	Letter of Award
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
M	Meter
MdOC	Midland Oil Company

ABBREVIATION	DESCRIPTION
MDRL	Mineral Deposit Retention License
MMSCF	Million Standard Cubic Feet
MMSCFD	Million Standard Cubic Feet Per Day
MoD	Ministry of Defense
MOL	MOL Pakistan Oil and Gas BV
MPCL	Mari Petroleum Company Limited
MT	Metric Tones
MW	Megawatts
NGL	Natural Gas Liquids
NHEPL	New Horizon Exploration and Production Limited
NOC	No Objection Certificate
NRU	Nitrogen Rejection Unit
NTDC	National Transmission & Despatch Company
O&M	Operations & Maintenance
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment System
OPEX	Operating Expenditure
P	Pab Reservoir
P&A	Plugged and Abandoned
P&S	Plugged and Suspended
PCA	Petroleum Concession Agreement
PIOL	Pakistan International Oil Company
POGC	Polish Oil & Gas Company
PPLA	PPL Asia E&P B.V.
PPLE	PPL Europe E&P Limited
PSA	Profit Sharing Agreement
PSDM	Pre-Stack Depth Migration
PSTM	Pre-Stack Time Migration
PSX	Pakistan Stock Exchange
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RRR	Reserves Replacement Ratio
SFGCS	Sui Field Gas Compressor Station
SHC	Sindh High Court
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SSGCL	Sui Southern Gas Company Limited
ST	Sidetrack
T / K / S	Tobra/ Khewra/ Sakesar
TCF	Trillion Cubic Feet
UEPL	United Energy Pakistan Limited
USD	United States Dollar
WPPF	Worker's Profit Participation Fund
ZHENHUA	China ZhenHua Oil Co. Ltd.

pattern of shareholding

as at june 30, 2021

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	2,476	123,874
101	500	4,968	1,534,166
501	1,000	3,101	2,575,218
1,001	5,000	14,577	32,734,562
5,001	10,000	1,718	12,803,322
10,001	15,000	665	8,320,524
15,001	20,000	365	6,517,192
20,001	30,000	387	9,618,599
30,001	40,000	183	6,330,574
40,001	50,000	125	5,696,482
50,001	60,000	100	5,550,460
60,001	70,000	65	4,226,187
70,001	80,000	43	3,203,799
80,001	90,000	27	2,287,766
90,001	100,000	41	4,001,468
100,001	150,000	114	14,029,181
150,001	200,000	60	10,447,560
200,001	300,000	68	16,549,983
300,001	500,000	59	23,627,479
500,001	1,000,000	60	43,450,621
1,000,001	2,000,000	52	71,371,706
2,000,001	10,000,000	45	181,275,111
10,000,001	50,000,000	7	165,549,007
50,000,001	53,000,000	1	52,226,454
200,000,001	201,000,001	1	200,057,318
1,800,000,000	1,900,000,000	1	1,836,863,632
	TOTAL	29,309	2,720,972,245

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Ordinary Shares			
Directors, CEO and their spouse and minor children	4	35,341	*
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	2,054,018	0.08
Banks, Development Financial Institutions, Non-Banking Financial Institutions	33	73,459,598	2.70
Insurance Companies	27	65,599,182	2.40
Modarabas and Mutual Funds	110	101,980,340	3.75
Shareholders holding 10% or more			
Government of Pakistan	1	1,836,863,632	67.51
General Public			
Resident	28,370	187,121,496	6.88
Non-resident	208	377,352	0.01
Others			
Non-Resident Financial Institutions	103	92,485,036	3.40
Public Sector Companies and Corporations	6	101,907,703	3.75
Joint Stock Companies	225	25,689,885	0.94
Employee Trust / Foundations etc.v	204	31,825,971	1.17
Nazir of High Court	4	759	*
	29,309	2,720,972,245	100.00
Convertible Preference Shares			
Individuals	75	10,832	96.00
Joint Stock Companies	1	407	3.61
Nazir of High Court	1	44	0.39
	77	11,283	100.00

pattern of shareholding

as at june 30, 2021

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	1,401,886
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	57,797
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	18,471
Trustee Pakistan Petroleum Junior Provident Fund	1	18,215
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	10,011
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	8,234
Mutual Funds	104	101,765,651
Directors and their spouses and minor children		
Mian Imtiazuddin	1	1,981
Mr. Aftab Ahmad	1	3,000
Ms. Khurshid Bhaimia	1	30,360
Executives	18	30,675
Public Sector Companies & Corporations	6	101,907,703
Banks, DFIs, NBFIs, Insurance Companies, Takaful & Modarabas Companies	66	139,273,469
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

ADDITIONAL INFORMATION

Trade in the shares of the Company by Directors, Executives* and their spouses and minor children:

Name	Category	Date of Transaction	Nature of Transaction	Price Per Share (Rs)	No. of Shares
Ms. Sumera Faisal W/o Mr. Faisal Saeed	Executive's Spouse	12-Nov-20	Purchase	88.53	301
Ms. Sumera Faisal W/o Mr. Faisal Saeed	Executive's Spouse	27-Nov-20	Sale	90.33	101
Ms. Sumera Faisal W/o Mr. Faisal Saeed	Executive's Spouse	4-Dec-20	Sale	92.30	100
Ms. Sumera Faisal W/o Mr. Faisal Saeed	Executive's Spouse	4-Dec-20	Sale	91.40	100
Mr. Aftab Ahmad	Director	10-Mar-21	Purchase	86.50	1,000
Mr. Tariq Hussain	Executive	11-Mar-21	Purchase	85.50	1,000
Mr. Aftab Ahmad	Director	2 1-May-21	Purchase	83.60	1,000

* In accordance with rule 5.6.4 of the Rules of Pakistan Stock Exchange, the Board has set a threshold for categories of certain group of senior management employees as "Executives" which is reviewed annually.

notice of 70th annual general meeting

Notice is hereby given that the 70th Annual General Meeting of the Company will be held on Monday, 25th October, 2021 at 11:00 A.M. via Zoom Cloud Meetings, for transacting the following business:

Ordinary Business

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30th June 2021, together with the auditor's report thereon.

2. To approve and declare a final cash dividend of Rs. 2.00 per share (20%) on Ordinary Shares and Rs. 1.50 per share (15%) on Convertible Preference Shares for the financial year ended 30th June 2021, recommended by the Board of Directors at its meeting held on 17th September 2021.

3. To appoint auditors of the Company for the financial year 2021-22 and to fix their remuneration.

By the Order of the Board

ALI JAFFAR
Company Secretary

4th October 2021

Karachi

NOTES

1. Video Link Facility for Attending the Meeting

Due to the prevailing pandemic situation, and for the safety and wellbeing of the Members, the Company shall not hold the general meeting physically. The Company has made arrangements for Members to attend the Annual General Meeting via video-link. Interested Members are advised to register for attending and participating at the AGM via video link, latest by close of business on Friday, 22nd October 2021, 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 Friday, 22nd October 2021.

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
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 2021 until 25th October 2021 (both days inclusive). Only persons whose names appear in the register of members of the Company as at Monday, 18th October 2021 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:

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:

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 2021:

CDC Account Number	Name of Shareholders (Principal / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature

Unless the proportion of shareholding is submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

Tax Exemption Certificate

Pursuant to Section 150 of the Income Tax Ordinance, 2001 a valid tax exemption certificate is necessary for claiming exemption from the deduction of withholding tax. Members who would like to avail exemption from withholding tax should submit a copy of their valid tax exemption certificate to the Share Registrar before the date of book closure.

5. Dividend Bank Mandate

The following information should be provided to enable the electronic transfer of dividend to designated bank accounts:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (24 digit IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of Shareholder:	
Landline Number, if any, of Shareholder:	
CNIC or NTN Number (Copy to be attached):	
Signature of Member:	

Note: Signature must match specimen [signature] registered with the Company.

Members who hold shares in CDC accounts should provide their bank mandates to the concerned participants.

6. Intimation of Change of Address and Declaration for Non-Deduction of Zakat

Members who hold share certificates should submit any change in registered address as well as their declarations for the non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC and CDC sub-accounts should submit any change in address and their declarations for the non-deduction of zakat, if applicable, to the CDC or to the concerned participants.

7. CNIC

Dividend will be paid only to members who have submitted copies of their valid CNIC. The names of members who have not submitted copies of their CNIC may be viewed on the website of the Company: www.ppl.com.pk.

form of proxy

The Secretary
Pakistan Petroleum Limited
PIDC House
Dr. Ziauddin Ahmed Road
Karachi.

I/ We, ____ of ______________________, being a Member of Pakistan Petroleum Limited, holder of ______________ Ordinary Shares(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 2021 and at any adjournment thereof.

Signed under my / our hand this _____ day of October 2021.

____
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 تاکہ میری غیر موجودگی میں کمپنی کے سالانہ اجلاس عام میں جو 25 اکتوبر 2021 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 2021 ۔

____

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 بااختیار شخص یا اٹارنی کی طرف سے دینا ہوگا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہوسکتا ہو جو کمپنی کا ممبر نہ ہو ماسوائے کارپوریشن / کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کرسکتی ہے۔

2۔ پراکسی مقرر کرنے اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) جس کے ذریعے دستخط کئے جائیں یا تصدیق 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۔