Pakistan Petroleum Limited

Mapping New Frontiers

Annual Report 2017

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

Promote Leadership, Empowerment and Accountability.

Pursue Highest Standards of Integrity.

Value people as the most important resource.

Promote innovation and value creation.

Ensure excellence in all spheres of performance.

Advocate Teamwork aligned with business objectives.

Conserve Environment by minimising carbon footprint.

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

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

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

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

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

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

- The Company places great emphasis on investing in people to build a world-class work-force, 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 offshore region as operator, explore technologies to develop shale gas potential in Pakistan, grow its operations internationally and become a regional E&P leader.

ORGANOGRAM

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

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

Company Information

Board of Directors *

- Mr. Syed Wamiq Bokhari
  (Chief Executive Officer
  / Managing Director)

- Mr. Abid Saeed
  (Independent, Non-Executive
  Director)

- Mr. Agha Jan Akhtar
  (Non-Executive Director)

- Mr. Hassan Nasir Jamy
  (Non-Executive Director)

- Dr. Ibne Hassan
  (Independent, Non-Executive
  Director)

- Mr. Mohammad Jalal Sikandar
  Sultan
  (Non-Executive Director)

- Mr. Muhammad Sajid Farooqi
  (Independent, Non-Executive
  Director)

- Mr. Nadeem Mumtaz Qureshi
  (Independent, Non-Executive
  Director)

- Mr. Saeed Ullah Shah
  (Independent, Non-Executive
  Director)

- Mr. Sabino Sikandar Jalal
  (Non-Executive Director)

- Mr. Salman Akhtar
  (Independent, Non-Executive
  Director)

Company Secretary

Ms. Shahana Ahmed Ali

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Registered Office

P.I.D.C. House
Dr. Ziauddin Ahmed Road,
P.O. Box 3942.
Karachi-75530.

* New Board of Directors was elected on 16th September 2017. The names of Directors, holding office during the year ended 30th June 2017, are given in the section titled "Attendance of Board and Committee Meetings".

Registration Number

CUIN: 0000378

Contact Details

UAN: +92 (21) 111 568 568
Fax: +92 (021) 35680005 & 35682125
Email: info@ppl.com.pk
Web Site: www.ppl.com.pk

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah 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

Shares Registrar

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

Legal Advisors

Surridge & Beecheno

Code of Conduct

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

Salient Features of the Code for Directors

1. Conflict of Interest

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

2. Corporate Opportunities

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

3. Confidentiality

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

4. Honesty, Integrity and 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 and Regulations

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

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

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

7. Trading in Company Shares

   Certain restrictions / reporting requirements apply to trading by the Directors in Company 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 unauthorised dissemination or use of any inside information, directly or indirectly, is insider trading and is strictly prohibited and actionable under law.

Salient Features of the Code for Employees

1. Conflict of Interests

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 and Disclosure of Information

Staff is expected to safeguard confidential information and must not, without authority, disclose such information about 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 and 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 Company business to an outside agency.

6. Proper Recording of Funds, Assets, Receipts and 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 rendered.

8. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and 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 co-operate 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 motor cycle.

12. Other Employment, Outside Interests, Civic Activities

PPL does not allow any of its staff member 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 and Personal Property

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

17. Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all Company 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 ensure 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 Company policies and procedures or the misuse or pilferage of Company assets and property or endangers the public or the environment.

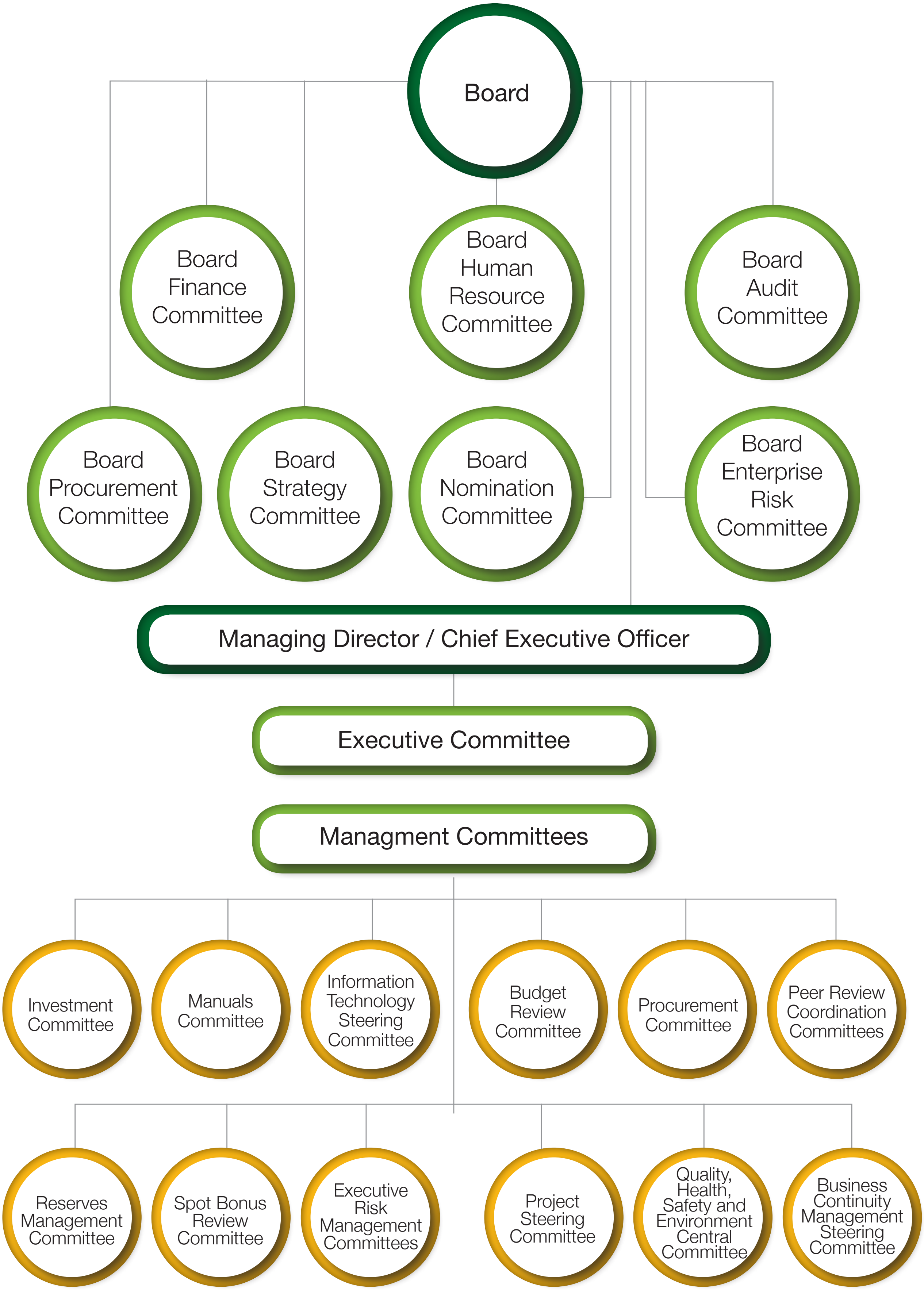
23. General Discipline

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.

Governance Framework



Profile of the Board of Directors

Mr. Syed Wamiq Bokhari
Managing Director / Chief Executive Officer

Syed Wamiq Bokhari joined Pakistan Petroleum Limited as Managing Director and Chief Executive Officer on March 16, 2015. He is a director on the board of PPL's wholly-owned subsidiaries PPL Asia E&P B.V. and PPL Europe E&P Limited.

A seasoned oil and gas professional, Mr. Bokhari has over 32 years of experience, mainly with three international majors: Kuwait Foreign Petroleum Exploration Company (a subsidiary of Kuwait Petroleum Corporation), Eni S.p.A. and Atlantic Richfield Company, USA.

His professional tenure has entailed assignments in several countries, spanning five continents, the last as Regional Manager, KUFPEC, overseeing the Canada and South East Asia Region. He has also held several other senior executive positions in the oil and gas industry during the last 16 years.

Mr. Bokhari has a Bachelor's and Master's in Petroleum Engineering from University of Texas, USA and has attended numerous executive management programmes at prestigious institutions, including Green Templeton College, University of Oxford, UK. He also has a BS in Aerosciences and served in Pakistan Air Force GD (P) Branch.

Besides his responsibilities at PPL, Mr. Bokhari is the Chairman of Society of Petroleum Engineers (SPE), Pakistan Chapter and is on the Board of Governors of Lahore University of Management Sciences (LUMS).

Earlier, Mr. Bokhari has served as Chairman, Pakistan Association of Petroleum Geoscientists, Senior Vice Chairman, Pakistan Petroleum Exploration and Production Companies Association and director of Petroleum Institute of Pakistan. He has also been on the advisory board of the Petroleum Engineering Department at NED University of Engineering and Technology, Karachi.

Mr. Abid Saeed
Independent, Non-Executive Director

Mr. Abid Saeed was elected a member of the Board of Directors on 16th September 2017. After doing Master's in Economics from Government College, Lahore in 1979, he joined civil service of Pakistan in District Management Group in the Year 1980 (8th CTP).

He has vast experience of Public Administration. He served as Assistant Commissioner, Khairpur, Jacobabad and Moro, Government of Sindh. He proceeded to USA for higher training and obtained M.A. (Administrative Sciences) degree from George Washington University, USA in 1987.

He served as Deputy Commissioner in Bhakhar, Lodhran, Kasur and Faisalabad Districts. He served in various capacities in the Government of Punjab i.e. Secretary, Punjab Literacy & Non-Formal Basic Education Department, Forestry, Wildlife, Fisheries and Tourism Department, Special Secretary, Local Government and Rural Department, Chief Executive Officer, Punjab Rural Support Programme etc. He was transferred to Federal Government and posted as Additional Secretary, Ministry of Food and Agriculture. He served as Additional Secretary and Secretary, Ministry of Petroleum and Natural Resources from 24th August, 2011 to 22nd January 2015. He also served as Secretary Ministry of Kashmir Affairs and Gligit-Baltistan up to September 2016. He assumed charge as Chief Secretary KPK in October 2016 and retired in August 2017.

He was a member on the Boards of Oil and Gas Development Company Limited, Inter-State Gas Systems (Pvt) Limited, Sui Northern Gas Pipelines Limited, Pak Arab Refinery Limited.

Mr. Agha Jan Akhtar
Non-Executive Director

Mr. Agha Jan Akhtar was elected a member of the Board of Directors on 16th September 2017. He is an officer of the Pakistan Administrative Service. He has a Bachelor's degree in Electrical Engineering from the University of Southern California and holds a Masters in Business Administration in Management from Pepperdine University, California. He is an Alumnus of the Kennedy School of Government, Harvard University, the Asia Pacific Center of Security Studies, Hawaii and the Near East South Asia Center for Strategic studies (NESA), USA. His specialisation is in the fields of Management and Strategic Studies. Presently, he is the chairman of Port Qasim Authority.

Mr. Hassan Nasir Jamy
Non-Executive Director

Mr. Hassan Nasir Jamy was elected a member of the Board of Directors on 16th September 2017. He is a member of Pakistan's Civil Services since 1989. He did his MBA from Quaid-i-Azam University, Islamabad in 1986. Later on he also completed his MA in Rural Development from University of Sussex, UK (1995-96) and the Hubert H. Humphrey Fellowship Program (in Public Policy) from the University of North Carolina, USA (2003-04).

He has more than 27 years of work experience in administration and project management in a variety of core disciplines in the public sector. Exposure in policy planning and implementation, local governance structures and reforms, service delivery mechanisms in social and energy sectors, and establishment of perform ace evaluation systems are some of his areas of strength.

Before joining the Petroleum Division in August, 2017 he worked as Additional Secretary, Ministry of Water and Power, Government of Pakistan from October 2014 to August, 2017. He was responsible for providing Monitoring, Coordination and Policy support in development of mega projects like Tarbela-IV and Diamer-Basha Dams, Dasu and Neelum Jhelum Hydropower projects etc. He also supervised the administrative, financial and development matters of the Ministry of Water & Power, IRSA, CEA/CFFC, WCAP , NPCC, NESPAK and PCIW.

During his time in the Ministry of Water & Power, he was also assigned the position of Managing Director, National Energy Conservation Centre (ENERCON). The organisation deals with matters relating to energy conservation and energy efficiency in all sectors of the economy (industry, agriculture, transport, building and domestic).

Presently he is working as Additional Secretary, Ministry of Energy, Petroleum Division. He is supervising the Regulatory / Policy formulation functions which are performed by the Policy Wing of the Petroleum Division consisting of five Directorates i.e. Directorate Generals of Petroleum Concessions, Oil, Gas, Liquefied Gases and Special Projects / Admn.

Dr. Ibne Hassan
Independent, Non-Executive Director

Dr. Ibne Hassan was elected a member of the Board of Directors on 16th September 2017. Dr. Hassan earned his Ph.D. from King's College London, United Kingdom in Management Studies with specialization in International Business, in 2013. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP). He is the first Chartered Accountant in Pakistan who also has a Ph.D in International Business.

After qualifying as a Chartered Accountant in 1989, he was Senior Partner in a leading chartered accountancy firm until 2006 and established his own firm UHY Hassan Naeem & Co., Chartered Accountants, and is its Managing Partner. He has extensive experience of more than two decades in carrying out assignments pertaining to audit, corporate taxation, business valuation, mergers and acquisitions, system designing and implementation, credit risk advisory, feasibilities studies and project appraisals. His experience includes investigation assignments of national repute and engagements by the High Courts and Securities and Exchange Commission of Pakistan.

Dr. Hassan has vast experience of conducting research studies independently as well as in collaboration with renowned international scholars on international business. As a financial consultant, his expertise includes restructuring of organizations, and designing of system and operational procedures for a wide range of industrial and service sectors. He has been engaged with various consultancy and financial advisory assignments funded by donor agencies such as the World Bank.

Dr. Hassan has authored a book entitled 'Evaluating Companies for Mergers and Acquisitions and has contributed various research articles in high impact journals. Dr. Hassan has also been a faculty member at ICAP.

He is a certified director under the Director Education Programme of Pakistan Institute of Corporate Governance, a member of the Senate of the Pakistan Institute of Fashion and Design, Lahore and a former director of Lahore Electric Supply Company Limited.

Mr. Mohammad Jalal Sikandar Sultan
Non-Executive Director

Mr. Mohammad Jalal Sikandar Sultan was elected a member of the Board of Directors on 16th September 2017. Mr. Sultan did his FSc from Cadet College Hassan Abdal and then went on to King Edward Medical College Lahore to earn a bachelor's degree in medicine. After completing Federal Public Service Commission competitive exams (DMG/PAS) in 1987, he started off his career with the civil services as Assistant Commissioner, Islamabad in 1989.

During the last 28 years, Sultan has served on key positions, including Deputy Commissioner, Islamabad, Director General Excise and Taxation Punjab, Secretary with Communications and Work, Services and General Administration and Local Government departments in the Punjab. He introduced various reforms for the benefit of general public. Some of his major achievements include curbing corruption while serving as Director General Immigration and Passport and ensuring good governance in Gilgit Baltistan as Chief Secretary. He also played a key role in holding peaceful and fair elections in Azad Jammu and Kashmir (AJK) as Chief Secretary AJK, the post he held before assuming the charge as Secretary Petroleum with Ministry of Energy, Petroleum Division on April 18, 2017.

He is also a member of the Board of Directors of Oil and Gas Development Company Limited, Pak Arab Refinery Limited and Sui Northern Gas Pipelines Limited.

Mr. Muhammad Sajid Farooqi
Independent, Non-Executive Director

Mr. Muhammad Sajid Farooqi was elected a member of the Board of Directors on 16th September 2017. Mr. Farooqi has diversified experience in business and investment advisory, asset management, corporate finance, regulatory affairs, consulting and entrepreneurship. He is CEO of a Fin-Tech company working for financial inclusion and digitisation. Besides, he also advises a select group of companies on strategic matters.

He has worked with public-private partnership department of International Finance Corporation (IFC), a member of the World Bank Group, focusing on Middle East and North African (MENA) region. As part of the MENA team he worked closely with various federal and provincial departments as well as assignments involving transactions outside Pakistan.

Prior to joining IFC, Farooqi worked with various reputable organisations, including JS Group, Pakistan Telecommunication Authority (PTA), International Asset Management Company and Assurance and Business Advisory group of A. F. Ferguson & Co. During this time, his notable achievements include: more than 30 transactions, with a cumulative deal size of about USD 2 billion as part of the JS Group and co-authoring an award-winning report on Pakistan's mobile sector, during his association with PTA, that paved the way for issuance of two new mobile licenses and foreign direct investment of more than USD 5 billion.

Mr. Farooqi is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan and a Chartered Financial Analyst (CFA Institute, USA). He was the founding board member of CFA Society Pakistan.

Mr. Nadeem Mumtaz Qureshi
Independent, Non-Executive Director

Mr. Nadeem Mumtaz Qureshi was elected a member of the Board of Directors on 16th September 2017. In his career spanning more than 37 years, Mr. Qureshi has been involved in many entrepreneurial ventures. He started and managed several companies in the Gulf region, as Chairman and CEO. These companies were mainly involved in supply of oilfield equipment and chemicals.

Mr. Qureshi has deep understanding of the Oil & Gas industry, having been closely associated with major oil companies, such as Saudi Aramco.

Mr. Qureshi earned the BS and MS degrees in Civil Engineering from the Massachusetts Institute of Technology, and the MBA degree from the Harvard Business School. He also has an MA degree in Arabic from the University of Karachi.

Mr. Saeed Ullah Shah
Independent, Non-Executive Director

Mr. Saeed Ullah Shah was elected a member of the Board of Directors on 16th September 2017. Mr. Shah is a petroleum geologist by profession with vast experience in the industry. He holds a master's degree in Petroleum Geology and has received training in a number of relevant disciplines from prestigious institutions in Canada, Norway and USA.

Mr. Shah has been associated with the Ministry of Petroleum and Natural Resources for the last 32 years in different capacities, including Director General Petroleum Concessions, Director General (Gas), Director General (Oil) and Director General (Administration/ Special Projects).

He has represented Pakistan in various international conferences and been an active member of the country's delegation for energy related bilateral dialogue with Iran, India, Turkmenistan, Turkey, Ukraine and Algeria.

Mr. Shah has also served on the boards of Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Inter State Gas Systems (Private) Limited and Hydrocarbon Development Institute of Pakistan.

Mr. Sabino Sikandar Jalal
Non-Executive Director

Mr. Sabino Sikandar Jalal was elected a member of the Board of Directors on 16th September 2017. Mr. Jalal is the Joint Secretary, Ministry of Energy (Petroleum Division), Government of Pakistan. Being a senior Civil Servant, he possesses over 20 years of experience of working in Federal Government and various agencies including appointments as Joint Secretary-Ministry of Communications, Director General (Corporate Affairs)-Competition Commission of Pakistan, Joint Secretary-Ministry of Defense, Director Finance-Heavy Industries Taxila and Deputy Financial Advisor-Defense Production & Procurement.

He holds a master's degree in English Literature (silver medalist) from University of the Punjab. He has also attended numerous courses and trainings pertaining to governance. management, public policy, public administration, and public finance, in Pakistan and abroad.

Mr. Salman Akhtar

Independent, Non-Executive Director

Mr. Salman Akhtar was elected a member of the Board of Directors on 16th September 2017. Mr. Akhtar is a founder and co-CEO of Techlogix, an information technology services company. He has led the company's growth as a methodology driven organisation focused on delivering engineering excellence, using an evolving mix of technologies. He is also co-CEO of three product focused companies in mobility, healthcare and higher education verticals.

His current technical interests include SaaS models of solution delivery for enterprise systems, innovative technologies for solving large scale problems and merging of BPM/SOA, operational Business Intelligence and event driven business systems.

He did his bachelors as well as masters in Electrical Engineering from Massachusetts Institute of Technology.

Board Committees

The Board has established seven committees namely Board Strategy Committee, Board Finance Committee, Board Human Resource Committee, Board Audit Committee, Board Enterprise Risk Committee, Board Procurement Committee and Board Nomination Committee for effective governance of the Company.

The compositions, role and responsibilities of the Board Committees are clearly defined in their respective Terms of Reference.

Board Strategy Committee

Composition

The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

Terms of Reference

The Terms of Reference of the Board Strategy Committee include the following:

1. Review proposals for:

   i. Long Term Strategic Vision and Plan.

   ii. Annual Strategy Plan and its alignment with the Long Term Strategic Plan.

   iii. Updates on the execution of the Annual Strategy Plan by reporting on the Annual Operations Work Programme in respect of all the Company operated and non-operated areas, on a quarterly basis including:

      (a) the status of implementation of the work programme;

      (b) the progress of implementation of projects; and

      (c) the progress of drilling of wells and seismic surveys.

   iv. The Company's Petroleum exploration operations in respect of:

      (a) the selection of new areas;

      (b) farm-ins and farm-outs; and

      (c) the surrender of licences and areas.

   v. Development of the existing as well new petroleum discoveries and reporting of progress.

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

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

4. Review and evaluation of propositions relating to investments in operational assets and businesses or the entering into partnerships or joint ventures with any parties for the purpose.

The Board Strategy Committee met once during the year.

Board Finance Committee

Composition

The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

Terms of Reference

The Terms of Reference of the Board Finance Committee include the following:

i. Evaluation and recommendation of the Annual Operating and Capital Budget and periodically performance evaluation of its utilisation.

ii. Review of policies relating to financial matters and major financial commitments.

iii. Periodic review of the financial position of the Company and its operational segments.

iv. Scrutiny / evaluation of matters relating to the treasury function and review of the borrowing plans of the Company.

v. Evaluation of proposals for enlistment / approval of banks in the Company's approved panel of banks.

vi. 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.

The Board Finance Committee met once during the year.

Board Human Resource Committee

Composition

The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

Terms of Reference

The Committee is responsible for effective governance of matters relating to Human Resource Management by ensuring 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 the following:

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

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

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

The Board Human Resource Committee met five times during the year.

Board Audit Committee

Composition

The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Mr. Fazal Hussain, Head of Internal Audit is the Secretary of the Committee.

Terms of Reference

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

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

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

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

iv. Recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and any question of resignation or removal of external auditors, audit fees and provision by external auditor of any service to the Company in addition to the audit of its financial statements.

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

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

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

The Board Audit Committee met nine times during the year.

Board Enterprise Risk Committee

Composition

The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

Terms of Reference

The Board Enterprise Risk Committee advises the Board on 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 Committee include the following:

i. Monitor organisation's risk profile;

ii. In relation to risk assessment:

- Review and approve the risk management infrastructure and the critical risk management policies adopted by the Company
- Review regularly and approve the parameters used in these measures and the methodology adopted.
- Set a standard for accurate and timely monitoring of large exposures and certain risk type of critical importance.

iii. Overseeing that 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 management's definition of risk related reports to the committee regarding 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.

The Board Enterprise Risk Committee met once during the year.

Board Procurement Committee:

Composition
The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

Terms of Reference
The Board Procurement Committee ensures transparency in procurement transactions and in dealing with suppliers / service providers and compliance with the provisions of the Public Procurement Regulatory Authority (PPRA) Rules.

The Terms of Reference of the Committee include the following:

i. Serves as an advisory forum to suggest measures to streamline and simplify procurement of goods and services.

ii. Review special cases of procurement referred by procurement committee of the management for seeking directives of the Committee.

iii. Identify, review and approve new and innovative procurement practices/ strategies to strengthen, streamline and speedup the procurement process and ensure that procurement process achieves value for money in delivering the Corporate strategy and strategic priorities.

iv. Review the Company's policies/ procedures for procurement of goods/ services / works and recommend changes for improvement.

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 / changes made in the Materials and Contracts Manual.

The Board Procurement Committee did not meet during the year.

Board Nomination Committee:

Composition
The Board of Directors was elected at the extraordinary general meeting held on 16th September 2017 and Board Committees will be re-composed in due course. Ms. Shahana Ahmed Ali, Company Secretary is the Secretary of the Committee.

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

The Terms of Reference of the Committee include the following:

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 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 for approval of the Board, candidates to fill 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.

The Board Nomination Committee met twice during the year.

Attendance of Board and Committee Meetings

During Financial Year 2016-17

	Board of Directors		Board Strategy & Operations Committee [b]		Board Human Resource Committee	
	Meetings [a]	Attendance	Meetings [a]	Attendance	Meetings [a]	Attendance
Dr. Ibne Hassan	4	4	-	-	-	-
Syed Wamiq Bokhari (CEO)	8	7	2	2	3	3
Aftab Nabi	8	8	-	-	2	2
Arshad Mirza	5	4	2	2	3	0
Asif Baigmohamed	8	6	2	2	2	2
Imtiaz Hussain Zaidi	8	8	-	-	3	3
Mohammad Jalal Sikandar Sultan	2	2	-	-	2	2
Muhammad Ashraf Iqbal Baluch	8	8	-	-	-	-
Muhammad Sajid Farooqi	4	4	-	-	-	-
Nadeem Mumtaz Qureshi	8	8	-	-	3	3
Saeed Ullah Shah	8	7	2	2	-	-
Salman Akhtar	4	4	-	-	2	2

	Board Enterprise Risk Commitee		Board Audit Committee		Board Finance Committee [c]	
	Meetings [a]	Attendance	Meetings [a]	Attendance	Meetings [a]	Attendance
Dr. Ibne Hassan	-	-	-	-	1	1
Syed Wamiq Bokhari (CEO)	1	1	-	-	-	-
Aftab Nabi	1	1	8	5	-	-
Arshad Mirza	-	-	-	-	-	-
Asif Baigmohamed	-	-	-	-	-	-
Imtiaz Hussain Zaidi	1	1	2	2	-	-
Mohammad Jalal Sikandar Sultan	-	-	1	0	-	-
Muhammad Ashraf Iqbal Baluch	-	-	9	9	1	1
Muhammad Sajid Farooqi	1	1	1	1	-	-
Nadeem Mumtaz Qureshi	-	-	8	8	1	1
Saeed Ullah Shah	-	-	8	6	1	1
Salman Akhtar	-	-	-	-	-	-

Attendance of Board and Committee Meetings

During Financial Year 2016-17

	Board Strategy Committee [c]		Board Nomination Committee		Total Fee Charged in Financial Statements	Fee Deposited in Govt. Treasury	Net Fee Paid to the Directors
	Meetings [a]	Attendance	Meetings [a]	Attendance	Rupees		
Dr. Ibne Hassan	1	1	-	-	510,000	-	510,000
Syed Wamiq Bokhari (CEO)	1	1	-	-	-	-	-
Aftab Nabi	-	-	2	2	1,530,000	-	1,530,000
Arshad Mirza	-	-	-	-	935,000	93,500	841,500
Asif Baigmohamed	1	1	-	-	935,000	-	935,000
Imtiaz Hussain Zaidi	-	-	2	2	1,360,000	-	1,360,000
Mohammad Jalal Sikandar Sultan	-	-	-	-	340,000	34,000	306,000
Muhammad Ashraf Iqbal Baluch	-	-	2	2	1,700,000	-	1,700,000
Muhammad Sajid Farooqi	-	-	-	-	510,000	-	510,000
Nadeem Mumtaz Qureshi [d]	-	-	-	-	-	-	-
Saeed Ullah Shah	-	-	-	-	1,360,000	136,000	1,224,000
Salman Akhtar	1	1	-	-	595,000	-	595,000

Notes:

a. Meeting held during the period concerned Director was on the Board / Committee.
b. The Committee was dissolved during the year.
c. The Committee was formed during the year.
d. He has waived off his directors fee.

Management Team

Mr. Syed Wamiq Bokhari
Managing Director / Chief Executive Officer

ASSET OPERATIONS

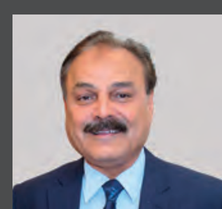
Mr. M. Rafiq Vohra
DMD, Assets Operations

Mr. Shahbaz Khan
GM Sui

Mr. Ghulam Farooq Maniar
GM Kandhkot

Mr. Khalid Raza
GM Hala/ Gambat South/ Mazarani

Mr. Abid Ashfaque Malick
GM Adhi



Mr. Rehan Mohiuddin Ahmed
GM Partner Operated

EXPLORATION AND BUSINESS DEVELOPMENT

Mr. Moin Raza Khan
DMD Exploration/ Business Development

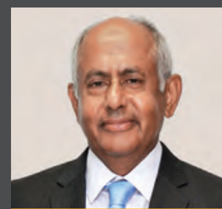
Mr. Hayat Ahmad
GM Exploration (South)

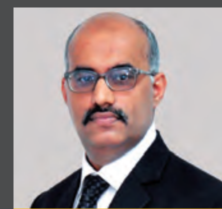
Mr. Syed Firasat Shah
GM Exploration (Frontier)

TECHNICAL SERVICES


Dr. Fareed Iqbal Siddiqui
DMD Technical Services

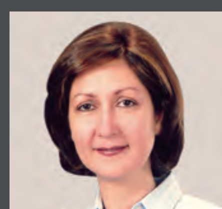

Mr. Amer Mahmood
GM Production Technology


Mr. Nauman Hussain Tirmizi
GM Projects


Mr. Muhammad Ali
GM Drilling Operations

STATUTORY FUNCTIONS


Mr. Kamran Wahab Khan
Chief Financial Officer


Ms. Shahana Ahmed Ali
Company Secretary


Mr. Fazal Hussain Gaffoor
GM Internal Audit

SUPPORT SERVICES


Mr. Syed Ehtesham Ahmad
GM Finance


Mr. Masroor Ahmad
GM Human Resources


Mr. Sohaib Qadar
GM Legal & Commercial


Mr. Furqanuddin Sheikh
GM Corporate Services


Mr. Farooq Ahmed Mahmood
GM Procurement


Mr. Mohammad Ahmed Kauser
GM Information Technology

Global Compact

PPL has proudly completed a decade of its association with the United Nations Global Compact (UNGC). UNGC was developed in year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With over 12,000 corporate participants and other stakeholders, including business and civil society from over 170 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 reiterate its commitment and share continuous progress on United Nations Global Compact (UNGC)'s 10 principles in its ongoing efforts to further strengthen its corporate governance, human resource development, quality, health, safety and environment (QHSE) and corporate social responsibility (CSR) programmes.

It is a pleasure to mention that PPL has made substantial progress during the year towards widening the scope and outreach of its CSR programme in line with its commitment to uphold the dignity of basic human rights for communities residing around its operational areas as well as in urban settings. PPL has set-up a dedicated corporate donation programme to support development organizations working for education, healthcare, gender mainstreaming, environmental and cultural conservation and sports for increasing their outreach to underserved population living in large urban areas. On the QHSE front, PPL's operations remained compliant to the international standards with 10 fields and facilities certified for ISO 9001, ISO 14001 and OHSAS 18001. PPL has made substantial progress towards implementation of Process Safety Management to ensure safe operations and preventing incidental environmental releases.

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 HSE 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 all employees. The Company has zero tolerance to all forms of corrupt practices including bribery, extortion and other forms of corruption.

Chairman's Review

Profits and Returns

The audited financial statements for the year reveal the following about the operational performance of the Company, when compared with last year:

	Rs in Billion	
	FY 2016-2017	FY 2015-2016
Sales – net	116.99	80.15
Profit before tax	48.13	26.71
Profit after tax	35.68	17.24

Sales and profits before and after tax recorded a growth of 46%, 80% and 107% respectively as compared to FY 2016, which is good news for the shareholders as well as for the employees and creditors of the Company. The substantial increase in profits was one of the major reasons for the declaration of 60% final dividend, in addition to the interim dividend of 30% on ordinary and preference shares.

During the year the Company received gas price adjustment of Rs. 31.12 billion for 25 months starting June 2015 to June 2017. This amount as per standard accounting practices has been included in the current year's sales figures, and its effect trickled down to net profit before and after tax. Even without this adjustment sales and profit before tax figures come to Rs. 85.87 billion and Rs. 29.11 billion respectively as compared to Rs. 80.15 billion and Rs. 26.71 billion respectively in the corresponding period.

Also during the year write-offs of Rs. 5.97 billion against exploratory wells and Rs. 4.57 billion against investment in subsidiary, PPL Asia E&P B.V. (PPLA), which operates an exploration license in Iraq, were made. The impact of such adjustments notwithstanding the price differential windfall are quite significant in nature but, on the positive side, there has been reduction in the administrative expenses, and exploration cost, care has to be taken though to ensure that it is not at the expense of reduction in exploration activity.

Operations

Currently, the Company operates 10 producing fields and has working interest in 17 fields which are operated by its partners. The Company also has an operating interest in Bolan Mining Enterprise, which is a joint operation between the Government of Balochistan and the Company for extracting mineral resources in the province of Balochistan.

The production of hydrocarbons, including from joint operations with partners, averaged 902 MMscfd of gas, 16,299 barrels per day of oil, natural gas liquids and condensate, and 223 metric tonnes of liquefied petroleum gas per day. Of 28 development wells drilled during the year, 15 were drilled in areas operated exclusively by the Company and 13 wells were drilled in areas operated by the Company's partners.

Drilling

25 wells were drilled in blocks operated by the Company and 18 wells were spud in blocks operated by the Company's partners, including 15 development wells and 10 exploratory wells in the North, South and Frontier areas across the country. Two hydrocarbon discoveries were made in blocks operated by the Company and one discovery was made in a partner operated block.

Exploration

The Company and its subsidiaries together hold a portfolio of 44 exploration blocks. 26 blocks are operated by the Company (including one in Iraq operated by PPLA) and 18 are operated by the Company's partners including three offshore blocks in Pakistan and two on-shore blocks in Yemen. The Company holds a strategically diversified exploratory portfolio consisting of assets ranging from high-risk, high-reward to low-risk, low to medium-reward.

The seismic operations of the Company increased after acquisition of blocks during the 2009 and 2013 bidding rounds. After conducting seismic surveys in the blocks, drilling of wells commenced in 2012-13. 42 exploration wells in total have been drilled which resulted in 16 discoveries in the Company's operated areas with a success ratio of 1:2.6.

336 L Km 2D seismic data in three blocks and 1,987 Sq. Km 3D seismic data in another seven blocks were acquired in operated areas during the year.

Board and its Committees

A casual vacancy that had occurred on the board by the resignation of Mr. Waqar A. Malik as of 1st August 2016 was filled by the directors on 21st March 2017. Two other vacancies existing on the board since 29th January 2015 and 23rd December 2015 were also filled on 21st March 2017. Well qualified and professionally sound independent directors were appointed to fill the casual vacancies to complete the term. A casual vacancy that occurred as of 17th April 2017 by the resignation of Mr. Arshad Mirza was filled on 27th April 2017 by the appointment of Mr. Mohammad Jalal Sikandar Sultan. The Board was thus finally restored to its full strength of eleven members (including the chief executive). Eight meetings of the Board were held during the year, seven of which were held during the third and fourth quarters between 1st January 2017 to 30th June 2017.

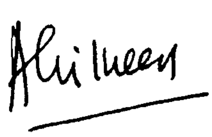
In February 2017, the Board Strategy and Operations Committee was dissolved. However, upon restoration of the Board to its full strength, a need was felt at the board level for finance and strategy committees and accordingly two new Board Committees were constituted, a Board Finance Committee and a Board Strategy Committee according to the composition proportion required by the Public Sector Companies (Corporate Governance) Rules, 2013 as revised and notified on 21st April 2017. The existing Board Committees were also reconstituted according to the composition proportion requirements of the Public Sector Companies (Corporate Governance) Rules, 2013. In addition to the preparation of the Terms of Reference of the new Board Committees, the Terms of Reference of the Board Human Resource Committee were revised in keeping with the requirements of the Code of Corporate Governance and the Public Sector Companies (Corporate Governance) Rules, 2013.

The Board Committees remained active and met frequently during the third and fourth quarters of the year in particular.

Appreciation

Finally, on behalf of the Board and myself personally, I would like to thank the employees of the Company for their perseverance in difficult times for the oil and gas industry. They should keep up their spirits and strive to achieve improvement in their respective areas and in the Company as a whole.

I would like to express the Company's appreciation for the concerted efforts made by Mr. Arshad Mirza for the betterment of the Company and its employees, and his valuable contributions as a driven and dedicated member of the Board. I would also like to take this opportunity to express the Company's gratitude to Mr. Shahid Khaqan Abbasi, who as Minister for Petroleum, took a personal interest in the Company and graciously extended his fullest support and cooperation.



Abid Saeed

Chairman

Karachi, 24th October, 2017

Managing Director's Outlook

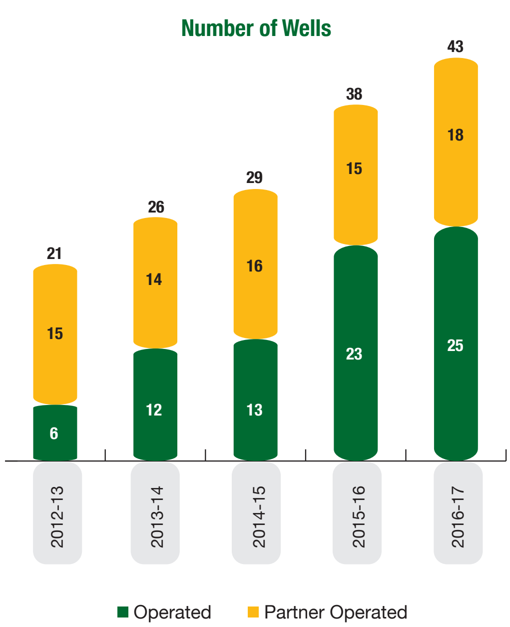
It gives me great privilege to share another outstanding year in the Company's history which I hope would go a long way in contributing to Pakistan's success.

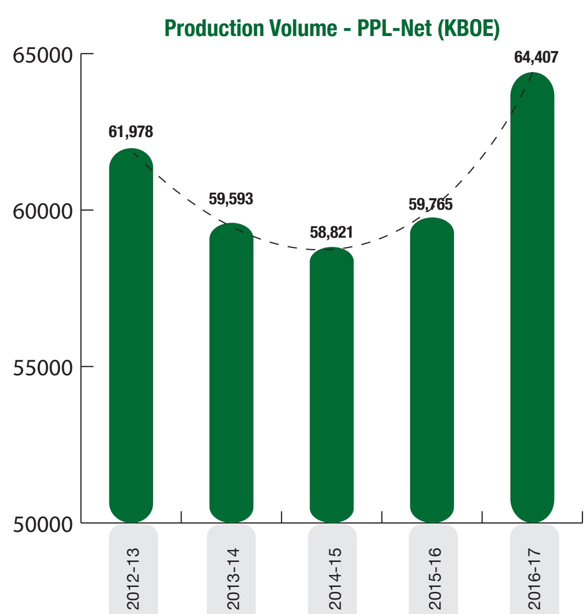
Developing countries like Pakistan require substantial energy to propel growth and keep the pace of economic development. Recent energy projects in the country would help in bridging the supply demand gap in the short term, but more energy resources will be required in future for sustained economic growth. With the recovery of oil prices in 2016-17 and its positive outlook, it is envisioned that E&P sector in general and PPL in particular will continue to be a major player in fulfilling Pakistan's energy requirements.

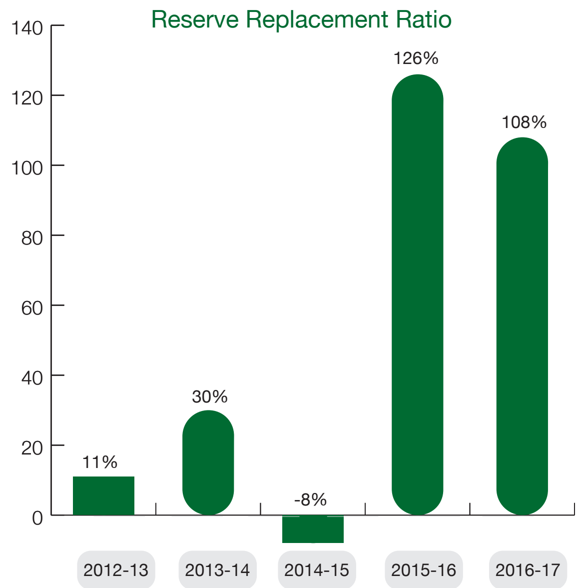
Having this vision, the Company continued its aggressive exploration and development strategy, deploying a record number of 13 rigs simultaneously while ensuring highest safety standards and sanctity of our environment. Remarkable reduction in drilling time and cost has helped to create history with the highest number of wells, both at Company level (43 wells) and as an operator (25 wells) in this year.

The thrust in development activities maintained the reversal trend in the Company's production as it exceeded an average of 1 Bcfde in 2016-17, registering a growth of 8% over previous year. All major operated fields have contributed to achieve this feat. Kandhkot's production exceeded 250 MMscfd in June 2017 while Adhi was also at its highest ever with 24% increase over previous year. Sui's production also grew by 1% y-o-y despite a natural decline of 6%. The results are testament to the benefits of the asset based organisation introduced earlier. Further rise in overall production is expected through commissioning of GPF III & GPF IV in Gambat South along with the enhanced development activities at Adhi and Kandhkot. The reserve replacement also stood at 108% indicating the Company has added more reserves than it produced during the entire year.

Exploration activities remain the corner stone of the Company's work program with emphasis on frontier areas and newer technologies to tap in vast resource potential. Results from recent drilling activities in Balochistan have provided a new knowledge base of petroleum systems, unavailable previously due to low activity in the region. We have also setup a Research & Development (R&D) function to facilitate testing of new technologies like tight gas. Under its umbrella, Naushahro Firoz well (NF Hor-1) was drilled, being one of the deepest and longest horizontal wells in Pakistan and the first one to be completed with the provision for 10 stage multi-frac. With respect to international operations, the overall security in Iraq block has improved and the company is maturing prospects to drill the first well.







Development of human resource is a core element of our business philosophy, and PPL continues to invest in technical and leadership capacity building of its staff. Our commitment and shared responsibilities towards the society and communities where we operate are duly honoured. This is exemplified by the recognition which PPL received from Pakistan Centre of Philanthropy as a top contributor on regular basis.

Moving ahead, we will carry on the accelerated development of discoveries and enhancement of output from mature fields. The exploration program focuses on more wells in frontier areas with an aim of 100 percent reserve replacement ratio, as well as deployment of tested technologies in tight gas. We plan to strengthen our portfolio through acquiring new blocks, renewing efforts in offshore areas and sharing of risks by means of joint ventures. The Company also aims to expand operations internationally through partnerships with strong global players while evaluating diversification in energy sector to augment its portfolio.

Lastly, I would like to acknowledge our employees whose commitment and hard-work have realised our challenging targets and positioned the Company to aspire for an ambitious future.

Syed Wamiq Bokhari
Managing Director / Chief Executive Officer

Karachi: 15th September 2017

Directors' Report

Your directors are pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended 30th June, 2017 together with Auditors' Report thereon.

1. COMPANY INTRODUCTION

Pakistan Petroleum Limited is a pioneer in the natural gas industry in Pakistan and has been a frontline player in the fields of exploration, development and production of oil and natural gas resources since 1950. As major supplier of natural gas, the Company supplies approximately twenty-two per cent of the country's total natural gas in addition to producing substantial quantities of crude oil, natural gas liquids, liquefied petroleum gas and barytes.

2. COMPANY'S BUSINESS STRATEGY

The Company is following an ambitious growth programme to strengthen its position as one of the leading E&P companies in Pakistan and ensuring a healthy long term return to all stakeholders. The Company is focusing on the following areas:

- Ensuring all activities meet high standards of QHSE.
- Increased exploration and production activity across the country.
- Increased focus on frontier areas where prospects of bigger discoveries are better.
- Optimising production and recovery from current producing assets.
- Bringing discoveries under production in the shortest time.
- Pursuing technologies to produce Tight Gas Sands at commercial rates.
- Developing and retaining key professional resources.
- Being recognised by local communities as a good corporate citizen.
- Expanding operations in the mining industry through Bolan Mining Enterprises (BME).

The Company intends in the long term to:

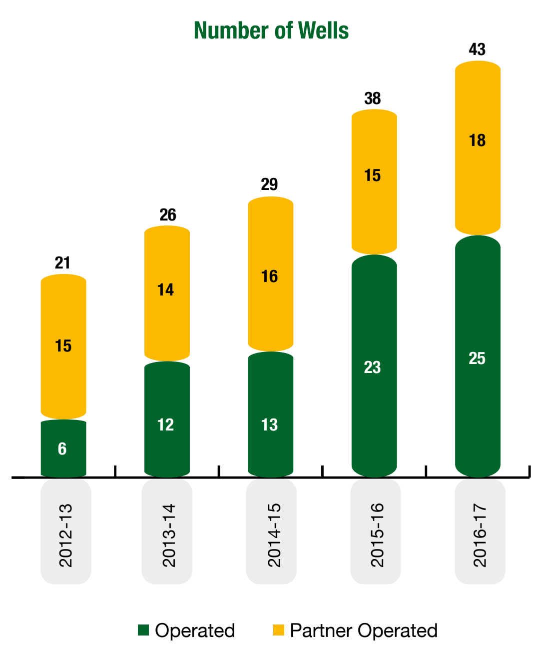
- Explore opportunities to grow internationally and become a regional leader in E&P.
- Pursue Pakistan's offshore region as an operator.
- Explore technologies to develop shale gas potential in Pakistan.
- Evaluate diversification in the energy sector.

3. MAJOR ACHIEVEMENTS

2016-17 has been another exceptional year for the Company with the following major achievements, some of which are discussed in detail in this report:

- The highest ever 43 wells drilled in 2016-17, breaking the record of 38 wells set last year.
- A record number of 25 wells drilled in PPL operated fields during the year, breaking the previous year's record of 23 wells.
- Second consecutive year of production increase, crossed the mark of 1 Bcfde (annual average), 8% increase over the previous year despite natural decline in major producing fields.
- 5 new development and production leases were granted.

- Successfully finalised with OGRA notification of revised gas price of Sui field resulting in Rs. 31.124 billion incremental revenues (cumulative since June 2015).
- Achieved 108% Reserve Replacement Ratio, adding 8% more reserves than the entire year's production.
- Three oil and gas discoveries, two in the Company-operated blocks (Zafir X-1 and Bashar X-1 ST) and one in partner-operated block (Khanan X-1).
- Continuous improvement in drilling efficiency; new records made for fastest wells drilled at Gambat South, Adhi, Kandhkot and Sui fields. Zafir X-1 in Gambat South block was the fastest well (14.3 days) drilled in the Lower Indus basin.
- Drilled one of the longest and deepest horizontal well in Naushahro Firoz tight gas reservoir, the Country's first well to be completed with provision for 10 stage multi-frac.
- Added production of 50 MMscfd gas from the Company's Gambat South Gas Processing Facility-II.
- Successfully obtained formal allocation of gas sales from Kandhkot gas field to Guddu Power Plant, based on 200 MMscfd sales with 72.5% Take or Pay. Thereafter, delivered additional demand from Kandhkot through aggressive infill drilling and facility upgrade resulting in increased field deliverability from 200 to 250 MMscfd.
- Acquired 70 MMscfd capacity Rehmat gas plant for production enhancement in Gambat South.
- Finalised agreement to sell gas from Kabir-X1, Gambat South block to third party through virtual pipeline technology (compressed gas transportation through trucks), first time in the Company's history.
- Acquired 336 line Km 2D and 1,987 Sq Km 3D seismic data in operated blocks.
- First ever in-house 3D depth imaging completed with good quality processing results.
- In-house processing of 1,111 line Km 2D and 539 Sq Km 3D.
- Introduced e-Procurement portal providing web based platform for integrated procurement workflow, reducing processing time and simplifying process.
- Delivered over 60,000 man hours of training with more than 200 in-house sessions, including 40 sessions conducted by foreign facilitators.
- Initiated Corporate Donation Programme to further strengthen the Company's CSR efforts for deserving communities in the urban areas of the country Organized the biggest ever sponsored football tournament of the country, PPL-Balochistan Football Cup 2017, to nurture local talent at the grassroots.
- Implemented an HSE related software for efficient Incident Reporting and Risk Management.
- Set up a Legal Compliance system for the Company.



4. BUSINESS OVERVIEW

4.1 External Factors

Crude Oil Prices

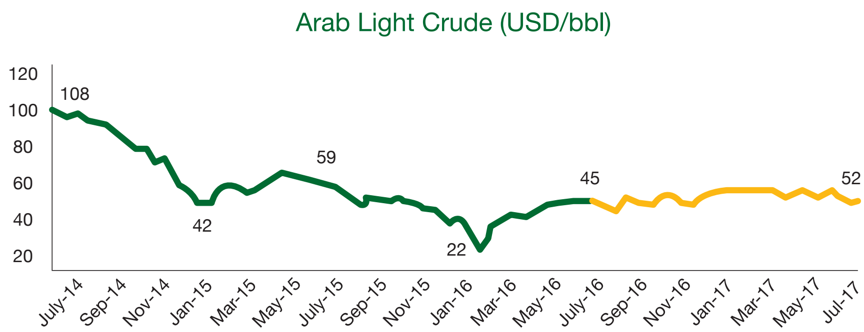
The Arab Light crude oil price recovered in 2016-17 from the earlier crash when it bottomed out at USD 22/ bbl last year. The current year witnessed relatively low volatility as the prices remained mostly in the range of USD 40-50 /bbl. The trend supports the analysts' views

Mapping new frontiers
with

Exploration & Production


CCDC-32

about the recovery in oil prices and provides an upside to the Company's revenues as majority of them are linked to international crude oil prices. The forecasts are being closely monitored as the volatility in oil prices will remain a risk for E&P companies.



Security Challenges

Securing the Company's installations and ongoing operations from terrorist activities remained a challenge in view of the enhanced work programme's focus on the frontier region.

The other key challenges are explained in the Enterprise Risk Table appearing in Section 6.2.

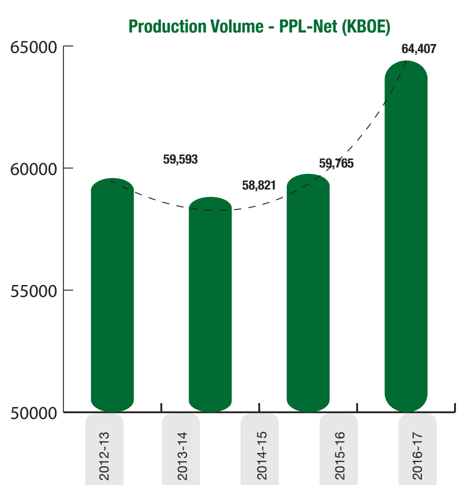
4.2. OPERATIONAL OVERVIEW

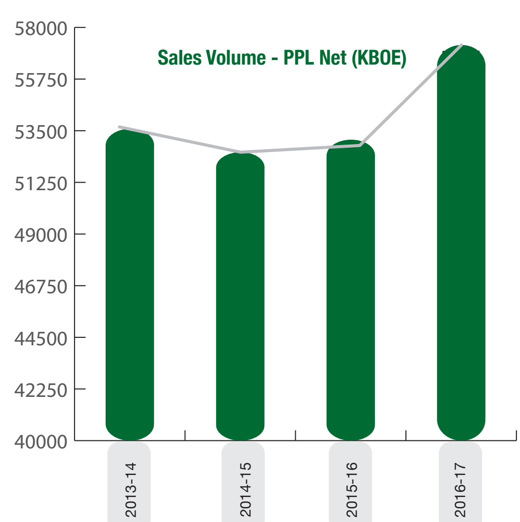
Operations

The Company currently operates ten producing fields, i.e. Sui, Kandhkot, Adhi, Mazarani, Chachar, Adam, Adam West, Shahdadpur, Shahdadpur East and Shahdadpur West. In addition, the Company has working interests in 17 partner-operated producing fields. The Company strives to play its role in meeting the country's energy requirements by focusing on production enhancement through the use of advance technology and management skills. Furthermore, the Company has an operated interest in Bolan Mining Enterprise (BME), which is a joint operation between the Company and Government of Balochistan for extracting mineral resources in Balochistan.

The Company recorded a notable increase in production of hydrocarbons as compared to the previous year. A comparison of the current year's production (net to PPL) to the previous year is given below:

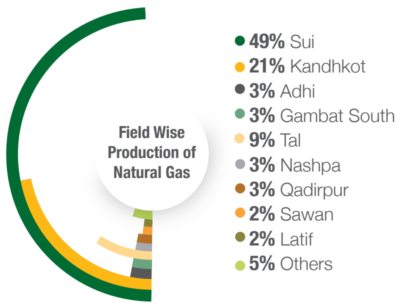
	2016-17	2015-16
Natural Gas (MMcf)	329,367	306,604
Crude Oil / NGL / Condensate (Thousand Barrels)	5,949	5,424
LPG (Metric Tonnes)	81,267	66,597

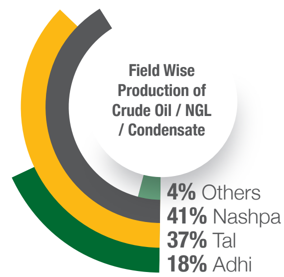




Production of hydrocarbons during the year including the Company's share from joint operations averaged at about 902 MMscfd of gas, 16,299 bbl per day of oil / NGL / condensate and 223 metric tonnes of LPG per day.

The Company's major clients comprise of Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Central Power Generation Company Limited and Attock Refinery Limited.





Overall, 28 development wells were drilled during 2016-17. It includes 15 wells in PPL operated areas and 13 wells in partner operated areas. Asset-wise key initiatives taken by the Company during the year are given below:

Operated Fields

Sui

- ECC's approval obtained for grant of Development and Production Lease (D&PL) to the Company with effect from 1 June 2015. Revised Gas price has been notified by the Oil and Gas Regulatory Authority (OGRA) in accordance with the ECC's approval. The cumulative increase in revenue since June 2015 is Rs 31.124 billion, which is subject to additional levies and taxes. The finalisation of the Petroleum Concession Agreement, D&PL and Field Development Plan is in process.
- Two development wells drilled and completed and one workover undertaken during 2016-17 adding 6 MMscfd. Development well, Sui-95 (P) was also successfully commissioned during 2016-17 adding 10 MMscfd.
- Thirteen production optimisation jobs (including workover, water shut-off and stimulation) were carried out during the year. Rig-less well intervention jobs including production logging and pressure build-up testing were carried out on thirty-five wells.
- Production in 2016-17 remained 1% above 2015-16 in addition to arresting 6-7% natural annual decline, the total impact being greater than 8%.

Kandhkot

- Successfully got formal allocation of gas sales from Kandhkot gas field to Guddu Power Plant, based on 200 MMscfd sales with 72.5% Take or Pay arrangement. Gas sales agreement is finalised and will be signed this year.
- Highest ever production of 250 MMscfd recorded in June 2017. Full year production increased by 30% from last year due to aggressive field development campaign coupled with better offtakes by the customer during the second half of 2016-17.
- Five development wells were successfully completed and commissioned, enhancing field deliverability by 50 MMscfd. Further, three development wells were spud-in during the last quarter of 2016-17. Subsequent to the year-end, these wells have been commissioned adding another 30 MMscfd.
- Workover of one well was carried out enhancing 6 MMscfd. Well intervention jobs performed at five wells resulted in gas flow increase of 15 MMscfd.

- Underground loop lines were commissioned resulting in increased gas deliverability of 15-20 MMscfd.
- In-house full field simulation models were updated which assisted in the finalisation of optimum locations for future wells.
- Additional compressors are being installed to increase gas compression capacity of the field.

Adhi

- Adhi field achieved highest ever production of gas: 78 MMscfd, oil: 8,500 BBL/day and LPG: 270 MT/day.
- Three development wells Adhi-26 (T/K), 27(T/K) and 17 (T/K/S) were completed and commissioned, adding 15 MMscfd of gas and 2,100 bbl/day of oil.
- Development well Adhi-28 was drilled and completed. Commissioning is in progress.
- Workovers of wells Adhi-15 (T/K/S) and Adhi-9 (T/K) were successfully completed, adding 14 MMscfd gas and 1,000 bbl/day oil.
- Development wells Adhi-29 (T/K) and Adhi-30 (T/K) and exploratory well Adhi South X-1 were spud-in and their drilling is progressing successfully.
- Adhi Plant-III completed with average production of gas: 30 MMscfd, oil: 3,000 BBL/day and 120 MT/day.
- FEED study of Adhi compression project was completed and contract for project execution was awarded.
- Process initiated for the extension of Adhi Mining Lease beyond its expiry i.e. 2024.

Gambat South, Hala and Mazarani

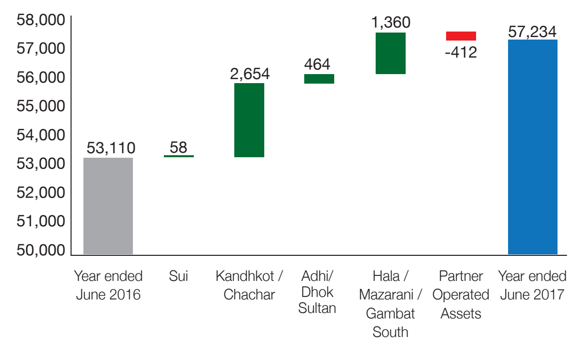
- Successful commissioning of 50 MMscfd GPF-II at Gambat South.
- Tie-in of Sharf-2 well and increase of 50 Bcf reserves in Gambat South.
- Completion of third party reserves certification of five fields of Gambat South (Shahdadpur, Shahdadpur West, Shahdadpur East, Hatim-Faiz and Kabir) and three fields of Hala (Adam, Adam West and Fazl).
- D&PLs granted for three Gambat South fields (Shahdadpur, Shahdadpur West and Shahdadpur East) and one Hala field (Adam West).
- LOA was signed for third party EWT sale of Kabir-X1 gas through virtual pipeline (compressed gas transportation through trucks).
- Acquired 70 MMscfd capacity Rehmat plant for capacity enhancement from Gambat South as GPF-IV.
- Agreement reached with SSGCL to sell gas from Gambat South fields.
- An LPG Sale Purchase Agreement was signed with marketing companies for the first year of sale from Gambat South block fields.
- Added 2 MMscfd gas to production in Mazarani field through drilling of development well Maz-5.
- During January 2017, the Company's Board approved the proposal for settlement agreements (SA) with Asia Resources Oil Limited (AROL), which entailed withdrawal of a civil suit filed by AROL before the SHC and payment of all past cash calls and late payment surcharge by AROL in respect of Gambat South, Naushahro Firoz and Kotri North blocks. Resultantly, on March 17, 2017 SA were signed for each of the three blocks. The Civil Suit was decreed in terms of the SA executed between PPL, AROL and GHPL in the aforementioned blocks while it was unconditionally withdrawn by AROL against all other defendants. Upon completion of certain milestones under the SA, the Company has withdrawn the default and forfeiture notices in all three blocks against AROL allowing it to participate as a normal joint operation partner in the said blocks. Since execution of the SA, AROL has so far paid a sum of Rs 114.37 million in lieu of cash calls for the months of January to May, 2017. In case AROL fails to make payment of its outstanding cash calls and late payment surcharge within a period of six months stipulated in the SA, its working interest in the aforesaid blocks would stand irrevocably forfeited. Further details are disclosed in note 36.1 to the unconsolidated financial statements and note 37.1 to the consolidated financial statements.

Bolan Mining Enterprises

Barytes production and sales remained relatively less viz-a-viz previous year primarily due to reduced drilling activity in the region. Efforts are under-way to increase sales by offering competitive prices. Export orders are gradually picking up as a result of competitive prices and improvement in drilling activity.

In addition to barytes production, major enhancement in the scope of BME operations is being considered through Baryte Lead Zinc (BLZ) project and installation of an iron ore beneficiation plant.

Variance in Sales Volume - PPL Net (KBOE)



Partner Operated Fields

Tal Block (operated by MOL Pakistan)

- Exploratory well Mardankhel-1, a recent discovery, was successfully commissioned. The well flowed at 40 MMscfd of gas with 4,000 bbl/d of condensate.
- Development well Makori East–5 was drilled, completed and commissioned. The well flowed at 8 MMscfd of gas with 1,400 bbl/d of oil.
- Appraisal wells Mardankhel-2 and 3 were tested at 13 & 14 MMscfd of gas with 1,770 and 450 bbl/d of condensate respectively.
- Development well Maramzai-4 was also completed and tested with flow rate of 23.5 MMscfd of Gas and 600 bbl/d of condensate.
- Drilling of Tolanj East-1 exploratory well is in progress.
- Drilling of Makori East-6 appraisal well has been completed and well logging is in progress.

Kirthar Block (operated by POGC Pakistan)

- Development and Production Lease granted for Rehman field.
- Exploratory well Rizq-1, a recent discovery, was successfully commissioned. The well flowed at 11 MMscfd.
- Development well Rehman-2 was also commissioned with flow-rate of 4 MMscfd.
- Development well Rehman-3 was successfully completed and tested as a gas producer with 13 MMscfd.
- Drilling of development well Rizq-2 is in progress.

Qadirpur Gas field (operated by OGDCL)

- Development wells QP-56, QP-57, HRL-11 and HRL-12 were successfully drilled, completed and commissioned. Incremental production of 20 MMscfd was achieved from these wells.
- Development well QP 58 was spud in 2016-17 and well completion is in progress.

Sawan Gas Field (operated by OMV Pakistan)

- Rig-less workover / stimulation jobs were carried out at five wells that resulted in incremental production of 15 MMscfd gas, arresting the overall natural decline.

Nashpa Oil Field (operated by OGDCL)

- Development wells Nashpa-6 and Nashpa-7 were commissioned in 2016. Incremental production from these wells were 23 MMscfd of gas with 4,430 bbl/d of oil.

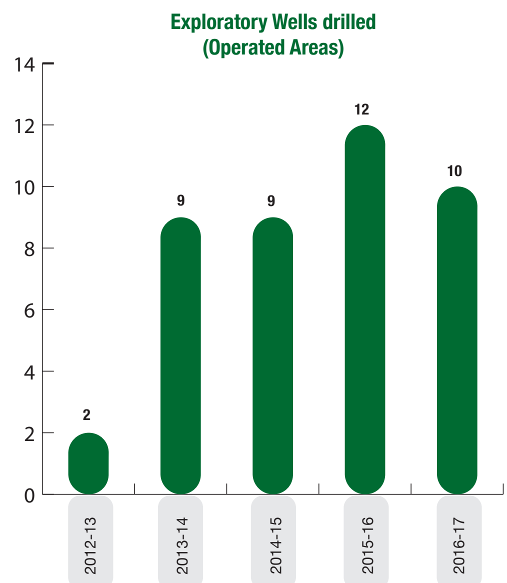
- Drilling of development wells Mela-5 and Nashpa-8 is in progress.
- Drilling of exploratory wells Khanjar-1 and Kachakhel-1 is in progress.

Miano Gas Field (operated by OMV Pakistan)

Development well Miano-20 was plugged and suspended due to tight sands while development well Miano-21 was plugged and abandoned due to water bearing sands.

Exploration

The Company along with its subsidiaries has a portfolio of 44 exploration blocks, of which 26 are operated blocks, including one in Iraq, and 18 are partner-operated including three off-shore blocks in Pakistan and two onshore blocks in Yemen.



The Company strategically holds a diversified exploratory portfolio with a mix of high-risk, high-reward and low-risk, low/medium-reward assets. Furthermore, as evident historically, from the Company's business cycle, with production starting within a few years of exploration investment, this strategy will position the Company on the frontline in reaping benefits when oil prices rebound in future.

The Company's seismic operations increased several-fold after addition of blocks acquired during the 2009 and 2013 bidding rounds. During the last six years, the Company as an operator acquired 7,405 L Km 2D seismic data and 8,740 Sq Km 3D seismic data, including 318 Sq Km 3D seismic in Block-8, Iraq. After the seismic surveys in these blocks, drilling of wells started from 2012-13 and a total of 42 exploration wells have been drilled resulting in 16 discoveries in the Company's operated areas with a success ratio of 1:2.6.

During the year, the Company acquired 336 L Km 2D seismic data in three blocks – Khipro East, Malir and Dhok Sultan – and 1,987 Sq Km 3D seismic data in another seven blocks: Dhok Sultan, Gambat South, Shah Bandar, Sirani, Kotri, Kotri North and Block-8 (Iraq).

The Company spudded ten exploratory wells in North, South and Frontier areas across the country during the year and made two hydrocarbon discoveries in the Company operated blocks, while one discovery was made in a partner-operated block.

Company Operated		Partner Operated	
Blocks	Discoveries	Blocks	Discoveries
Gambat South	Zafir X-1	Latif	Khanan X-1
Hala	Bashar X-1 ST		

Block-wise details of exploratory work programme delivered during the year in the Company's operated as well as partner-operated blocks are summarised in the following tables.

Company operated Frontier blocks:

Kharan, Kharan East, and Kharan West	• First exploration well, Kharan X-1 was plugged and abandoned. • Acquisition of 500 L Km 2D seismic is in progress.
Kalat	• Drilling of first exploration well, Kalat X-1 is in progress. • Acquisition of 300 L Km 2D seismic is planned to mature additional leads into drillable prospects.
Hub	• Rig mobilisation for drilling of first exploration well Hub X-1 is in progress. • Land acquisition for second exploration well Hub X-2 is in progress • Microbial Geo-chemical Exploration (MGCE) survey completed.
Bela West	• Land acquisition for first exploration well, Bela West X-1 is in progress.
Nausherwani	• Site construction for first exploration well Nausherwani X-1 is in progress.
Khuzdar	• Acquisition of 100 L Km 2D seismic data is planned to mature remaining leads into drillable prospects.
Margand	• Acquisition of 225 L Km 2D seismic data is planned from September 2017. • OMV assigned its working interest of 50% to the Company with effect from July 1, 2016.

Company operated South blocks:

Gambat South	• 13th exploration well Samar X-1 was plugged and suspended for further evaluation. • 14th exploration well, Zafir X-1 completed as gas / condensate producer. During testing, well flowed 34.2 MMscfd of gas and 358 bbl/d condensate. • 3D seismic acquisition of 800 Sq Km completed. • Evaluation of tight gas potential for appraisal of Hadi X-1A discovery is in progress.
Hala	• 5th exploration well Bashar X-1 ST was completed as gas producer. During testing, well flowed 8.7 MMscfd of gas. • Drilling of 6th exploration well Zarbab X-1 completed and testing is underway.
Kotri	• 2nd exploration well Kotri X-2 was plugged and abandoned. • 3D seismic data acquisition of 375 Sq Km completed • Evaluation of Tight Gas potential for appraisal of Kotri X-1 discovery is in progress.
Kotri North	• 3D seismic data acquisition of 475 Sq Km completed. • Operatorship with 50% working interest of the block transferred to UEPL.
Sirani	• 3D seismic data acquisition of 312 Sq Km completed.

Zamzama South	•	1st exploration well Manchar X-1 was plugged and suspended for further evaluation.
Naushahro Firoz	•	Drilling of NF X-1 appraisal well was completed by re-entry in to the existing well. Horizontal section of 1,300m was completed with 10 stages open hole multi stage frac completion. During initial testing, the last stage interval with natural fractures flowed 1.3 MMscfd. Further testing, including multistage frac is in progress..
Malir	•	In-fill 2D seismic data acquisition of 34 L Km completed.
	•	Reprocessing of 2D seismic data over Malir X-1 structure is planned to confirm any leftover potential.
Shah Bandar	•	3D seismic data acquisition of 372 Sq Km completed. One prospect matured for drilling.
Jungshahi	•	NoC from MoD for northern part of the block and DGPC approval for extension in EL is awaited.
Khipro East	•	In fill 2D seismic data acquisition of 110 L Km completed. One prospect matured for drilling.

Company operated North blocks:

Dhok Sultan	•	3D seismic data acquisition of 350 Sq Km for appraisal area and 2D seismic data acquisition of 261 L Km for exploration completed.
	•	Plan to sidetrack the existing Dhok Sultan X-1 due to suspension in production from original well.
	•	Another prospect is being matured for drilling of 2nd exploration well.
Hisal	•	Location of 1st exploration well is staked on ground with possible spud-in during February 2018.
Sadiqabad	•	Petroleum Modelling study and 3D seismic interpretation is in progress to de-risk the deeper prospects.
Karsal	•	Location of 1st exploration well Talagang X-1 finalised and land acquisition is being pursued with Punjab Forest Department.
Zindan	•	Due to remaining low prospectivity of the area, block has been relinquished w.e.f. 15 Nov, 2016.

Partner operated blocks:

Offshore Indus G (Operator: Eni)	•	Drilling of exploration well Kekra-1 is further deferred till January, 2019 due to low oil price
Offshore Indus C and N (Operator: Eni)	•	Activities in Blocks C and N linked with possible discovery in Block G.
Baska (Operator: Zhenhua)	•	Efforts being made to persuade the operator to fulfill remaining work commitment.
Kuhan (Operator: OMV)	•	NOC from Government of Balochistan, awaited to conduct seismic survey.
Tal (Operator: MOL)	•	Remaining 30% of gravity survey completed successfully.
	•	Appraisal wells Mardankhel-2 and 3 completed as gas and condensate producers.
	•	Drilling of Exploration well Tolanj East-1 is in progress.

Nashpa (Operator: OGDCL)	•	Exploratory well Shawa-1 was P&A due to mechanical failure.
	•	Drilling of exploration wells Kacha Khel-1 and Khanjar-1 is in progress.
Gambat (Operator: OMV)	•	The licence was due to expire on December 02, 2016. The other working interest owners i.e. OMV and ENI wish to surrender their respective interests as per the PCA provisions w.e.f. December 03, 2016. The Company intends to acquire working interests of OMV and ENI without any consideration, subject to the approval of Board of Directors. Accordingly, the Company has requested the operator i.e., OMV to file an application for seeking one year licence extension from December 03, 2016 till December 02, 2017, after which the farm-out agreement will be formalised.
Latif (Operator: OMV)	•	Exploration well Khanan-1 has tested gas. However well is suspended in view of unsuccessful water shut-off job.
Kirthar (Operator: POGC)	•	A prospect has been matured for drilling of exploration well Roshan-1 and civil works is in progress.
	•	Drilling of appraisal well Rizq-2 is in progress.
Ghauri (Operator: MPCL)	•	Location of 2nd exploratory well Dharian-1 has been finalised.
Digri (Operator: UEPL)	•	Exploration well Sadar-1 was plugged and abandoned.
	•	Based on Regional Petroleum System study, both exploration wells, Lutf-1 and Nehal-1 have been plugged and abandoned after being initially suspended.
Sukhpur (Operator: Eni)	•	Preparations are underway to spud-in 2nd exploration well by December 2017.
Jherruck (Operator: NHEPL)	•	All activities are on hold as operator is unwilling to work.

Projects

The following key projects were executed in the Company's operated areas:

Projects	Status
Adhi LPG /NGL Plant III	Commissioning and performance test of 30 MMscfd Adhi Plant III has been completed and the plant is operating satisfactorily.
Adhi Gas Compression Project	The project involves installation of five well head compressors of 5 and 10 MMscfd capacity and is expected to be completed by the end of 2017-18.
Kandhkot Expansion Project	In line with its commitment to the Government of Pakistan, to enhance gas production from Kandhkot Gas Field by May 2017, an internal assessment was carried out to identify the plant bottlenecks to produce the incremental volume of gas expected by drilling of additional wells. In this regard, debottlenecking of facilities and revamping and relocating HRL Compressors to Kandhkot Gas Field commenced. Commitment to the Government of Pakistan was timely met, as debottlenecking of the facilities was completed ahead of schedule along with relocation of compressors. Revamping of compressors is expected to be completed by October 2017.

50 MMscfd GPF-II, at Sharf, Gambat South	Installation, commissioning and Performance Test of Gambat South GPF-II has been completed and the plant is operating satisfactorily.
60 MMscfd GPF-III at Wafiq, Gambat South	Manufacturing and procurement activities for the projects are currently on going along with site construction activities. Contractor is being pursued to complete the project on fast track.
Relocation of Rehmat Gas Plant to Gambat South GPF-IV	To meet the production requirements of new discoveries at Gambat South, the Company acquired a used gas processing plant of 70 MMscfd (Rehmat Gas Plant). The plant is now being relocated to Gambat South field and is being reinstated as GPF-IV. Selection of contractor for relocation has been completed through a competitive bidding process. The plant is expected to be commissioned in the year 2017-18. A second phase of GPF-IV for further enhancement in production is also being planned, expected to be completed by the end of the year 2018.
Barytes, Lead and Zinc (BLZ) Project, Bolan Mining Enterprises	An exploration license for Lead and Zinc, covering an area of 177,597 acres, in Khuzdar was granted to BME in March 2008. BME is involved in assessment of this asset since the past few years. Exploratory drilling has been completed and, based on its encouraging results, infill drilling is in progress which is also expected to be completed by the end of the 3rd quarter of 2017. After completion of the ongoing feasibility study and associated tasks, tender will be issued for the processing facility by early 2018 for producing marketable lead and zinc concentrates in addition to processed baryte. Commercial production from subject project is expected in 2021.
Nokkundi Iron Ore Project, Bolan Mining Enterprises	BME has reviewed its strategy to aggressively explore the potential zones of iron ore in litigation free areas at Chigendik. In view of the same, magnetic survey of two selected zones at Chigendik was carried out. Based on the results of magnetic survey by GSP, exploratory drilling commenced on 8th August, 2017 on two drill holes and so far, 135 meters drilling completed. Subject to positive results of the said drilling and feasibility, an iron ore beneficiation plant is planned at Chigendik.

The following key projects were executed in partner-operated areas:

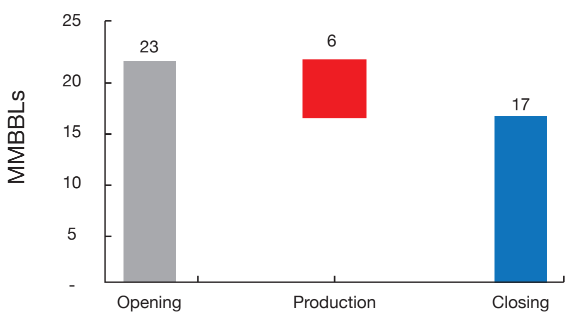
Projects	Status
Nashpa Field: EPCC LPG Plant	75% of construction and procurement activities were completed. Remaining work in progress.
Tal: Makori EPF Relocation to Tolanj	75% of engineering, procurement and construction has been completed. Remaining work in progress.
Tal: Makori East Compression	Procurement completed. 60% of construction and fabrication activities were completed. Remaining work in progress.
Tal: Mamikhel Compression	50% construction work has been completed, the remaining work is in progress.
Sawan Gas Field: Revamping of Front End Compression	Construction work is in progress.
Latif Field: De-bottlenecking of Latif-Sawan flow-line project	Engineering works have been completed, procurement is in progress.

Nashpa: Mela Development Project	Third party feasibility study is ongoing for development option of LPG recovery.
Kirthar: De-bottlenecking project	Rehman debottlenecking study is being initiated.

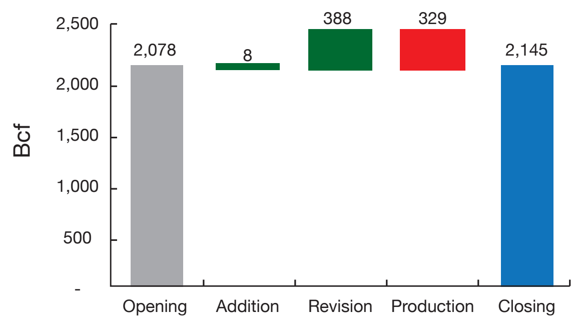
Reserves Management

Movement in the Company's net proven (1P) hydrocarbon reserves as of 30th June 2017

Movement in Oil / NGL / Condensate Reserves



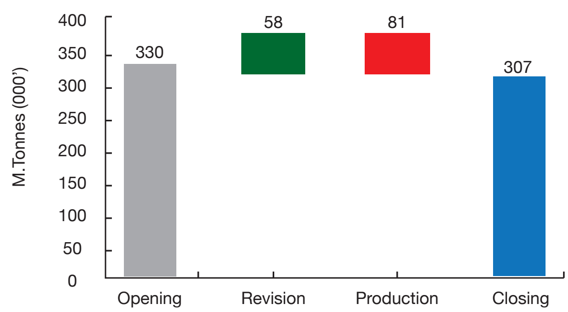
Movement in Natural Gas Reserves



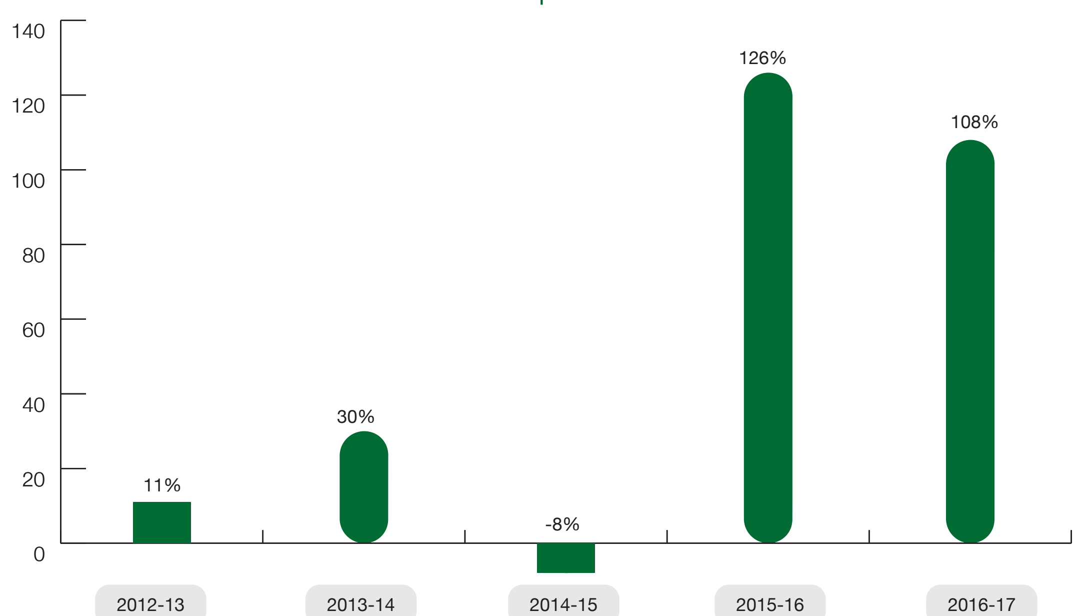
Based on hydrocarbon reserves revisions, additions and production for the year, the Company's Reserves Replacement Ratio (RRR) stands at 108 percent, indicating not only that total production for the year has been replaced but also additional 8 percent reserves against the total production have been added to the Company's reserves base. The revisions have come primarily due to reservoir studies of Kandhkot and Sui fields.

Note: There were no significant additions or revisions in Oil / NGL / Condensate reserves.

Movement in LPG Reserves



Reserve Replacement Ratio



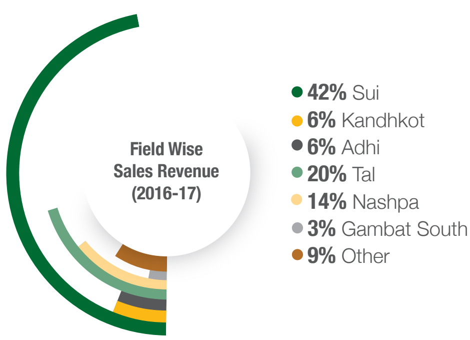
4.3 FINANCIAL OVERVIEW

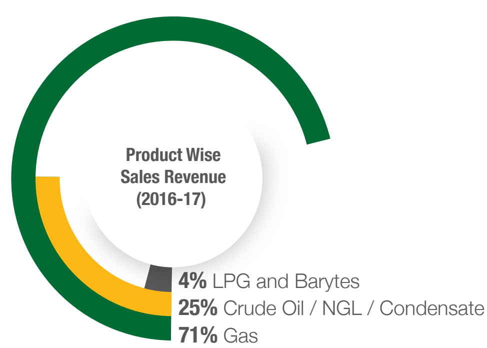
The Directors propose the following appropriations out of the profit for the current year:

	2016-17 Rs. Million	2015-16 Rs. Million
Profit before Taxation	48,128.675	26,706.716
Taxation	(12,450.032)	(9,464.697)
Profit after Taxation	35,678.643	17,242.019
Unappropriated Profit as at 1st July 2016/2015	110,086.579	105,707.866
Dividend Equalisation Reserve as at 1st July 2016/2015	5,000.000	5,000.000
	150,765.222	127,949.885
Appropriations during the year		
Final dividend for the year 2015-16 on Ordinary Shares @ 35% (2014-15: 40%) and on Convertible Preference Shares @ 7.5% (2014-15: nil)	(6,901.019)	(7,886.868)
Interim dividend for the year 2016-17 on Ordinary and Convertible Preference Shares @ 30% (2015-16: 22.5%)	(5,915.189)	(4,436.392)
Other Comprehensive Income (re-measurement gains and losses)	557.505	(540.046)
Balance as at 30th June 2017/2016	138,506.519	115,086.579
Subsequent Effects		
The Board of Directors of the Company at their meeting held on 15th September 2017 have proposed:		
Final dividend on Ordinary Shares @ 60% (2015-16: 35%) and nil on Convertible Preference Shares (2015-16: 7.5%)	11,830.305	6,901.019
	11,830.305	6,901.019

Sales Revenue

Sales revenue has increased by Rs 36,835 million during the current year as compared to the corresponding year, mainly due to revision in wellhead gas price of Sui gas field notified by OGRA as per the terms of the Memorandum of Agreement (MoA) executed in May 2016 between the Government of Pakistan (GoP) and the Government of Balochistan for granting D&PL to the Company over Sui gas field, with effect from 1st June 2015. The MoA was approved by the Economic Coordination Committee (ECC) of the GoP Cabinet on 13th December 2016.





Accordingly, the revenue from the Sui gas field amounting to Rs 31,124 million was recognised as per the OGRA notification. Furthermore, positive volume variance amounting to Rs 7,400 million was partially offset by negative price variance (net of exchange rate variance) of Rs 1,689 million.

Positive volume variance is attributable to the combined effect of 7%, 13% and 22% increase in gas, oil and LPG sales volumes respectively, partially offset by decline in barytes sales volumes.

A comparison of the Company's share of sales volume from all operated and partner-operated fields is given below:

	Unit	Year ended 30 June 2017	Year ended 30 June 2016
Natural Gas	MMcf	288,483	269,476
Crude Oil / NGL / Condensate	BBL	5,948,460	5,281,886
LPG	Metric Tonnes	81,038	66,482
Barytes *	Tonnes	39,963	47,584

* Total gross sales volume of baryte powder and baryte ore made by BME aggregated to 110,274 tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, the net volume is reported as 39,963 tonnes.

Profitability

Earnings per share (EPS) of the Company for the year stood at Rs 18.10 against Rs 8.74 for 2015-16, posting a sizeable increase of 107%. The main reason for the higher profitability is an increase in sales revenue as explained above and reduced exploration cost charged in the profit and loss account, partially offset by an increase in operating expenditures by 21% mainly due to increase in depreciation and amortisation of wells and facilities.

Increased profitability was also partially offset by recognition of impairment loss of Rs 4,574 million on the Company's investment in its wholly owned subsidiary, PPL Asia E&P B.V (PPLA). Impairment loss was recognised after evaluation of recently completed seismic survey processing / interpretations results in the Block-8, Iraq (for details please see note 6.3.2 to the unconsolidated financial statements and note 5.8 to the consolidated financial statements).

Liquidity Management and Cash Flow Strategy

During the year, liquidity situation of the Company remained steady as the internal cash generation was sufficient to fully meet work program and capital expenditure requirements. As the total funds remained stable on a year-on year basis, Cash and cash equivalents have registered an increase on account of pre-disposal of maturing long-term investments.

A robust investment management framework is in place whereby detailed financial projections are prepared on a regular basis to ensure availability of liquid funds to efficiently meet operational requirements. The Company also has an Investment Committee, which reviews all existing and new investments regularly to ensure consistent alignment with overall investment objectives of the Company.

Dividend

The Directors have recommended a final cash dividend on Ordinary Shares at 60% (2015-16: 35%). This is in addition to an interim dividend of 30% (2015-16: 22.5%) on Ordinary Shares and Convertible Preference Shares distributed during the year.

Contribution to National Economy

The Company is a significant contributor to the national economy. The Company's share of production of natural gas, oil and LPG from operated and partner-operated fields for the financial year 2016-17 in terms of energy was equivalent to around 176,459 barrels of crude oil per day, resulting in foreign exchange savings of around US$ 3.1 billion for the current year, assuming an average crude oil price of US$ 47.67 per barrel prevalent during the year.

In addition, payments to the national exchequer by the Company were approximately Rs 46 billion during the year (Rs 45 billion during 2015-16) on account of income tax, royalties, excise duty, sales tax, GDS, GIDC, WPPF and dividends.

Mapping new frontiers
with

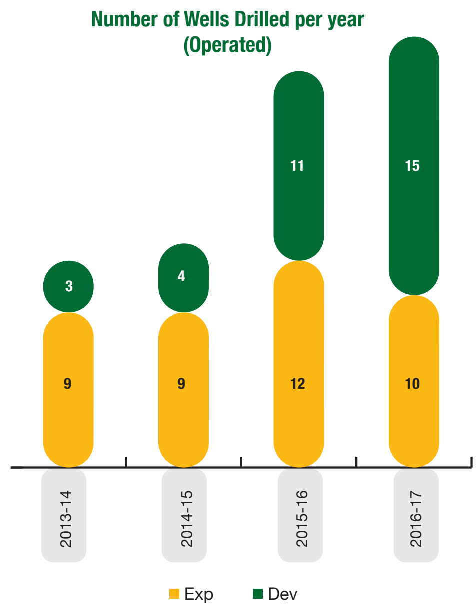
Technology & Innovation

4.4 COST EFFICIENCIES

Drilling Efficiencies

In pursuit to its aggressive drilling campaign, the company spud a record number of 43 exploratory and development wells during 2016-17 in both company and partner-operated blocks thereby breaking previous records while keeping cost effectiveness and safety as a prime goal. The earlier number was 38 wells spud during 2015-16.

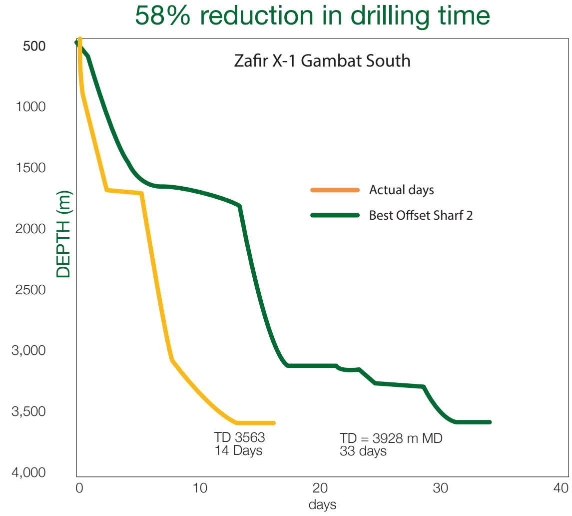
Among the 43 wells, 25 were drilled in PPL-operated blocks, while the remaining 18 were spud in partner-operated blocks. Company operated 13 rigs to drill a record 25 wells, including 15 development and 10 exploratory wells, and conducted five rig workovers in one fiscal year. Besides carrying out extensive drilling campaign PPL has achieved around 40% time reduction in development Wells whereas more than 5% cost has been reduced as compared to last year despite of more challenging Wells in year 2016-17 as compared to previous year. It is pertinent to mention that 20% cost reduction was achieved in 2015-16.



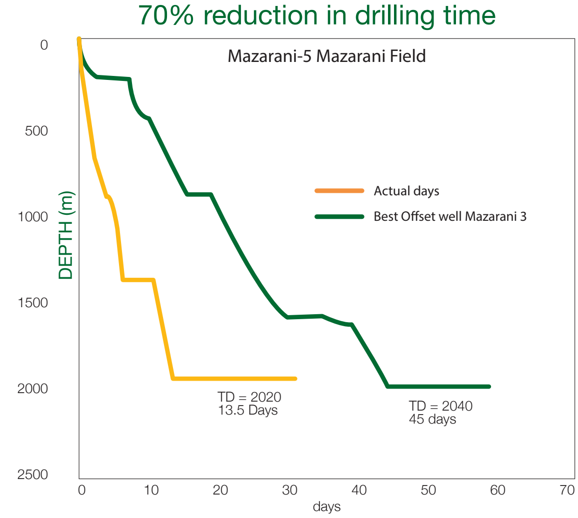
The most challenging task in drilling optimisation is timely drilling of cost-effective and safe wells. During the year, performance records were achieved in all PPL-operated blocks as evident from time depth curves given below, conclusively breaking fastest wells records in the company's drilling history.

This record performance was achieved by using state-of-the-art technology, optimised drilling operational procedures and vigilant monitoring, a trend the company is determined to continue in its current and future drilling plans.

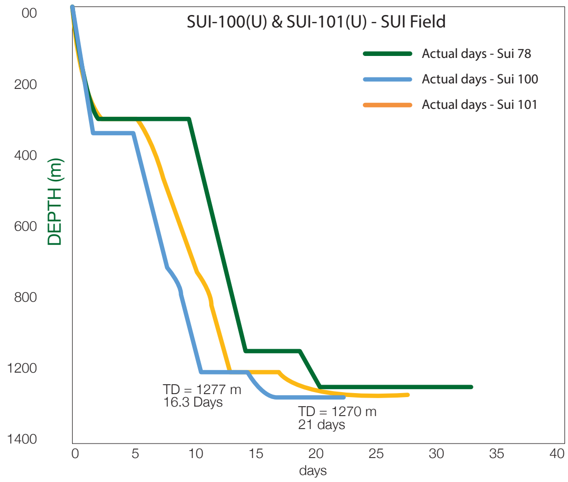
Gambat South Wells
58% reduction in drilling time



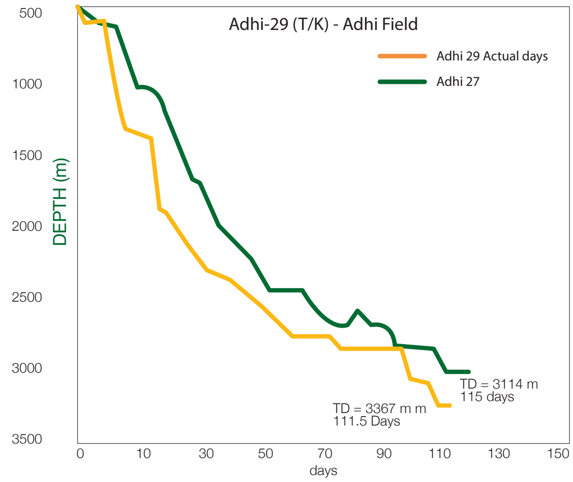
Mazarani Development Wells
70% reduction in drilling time



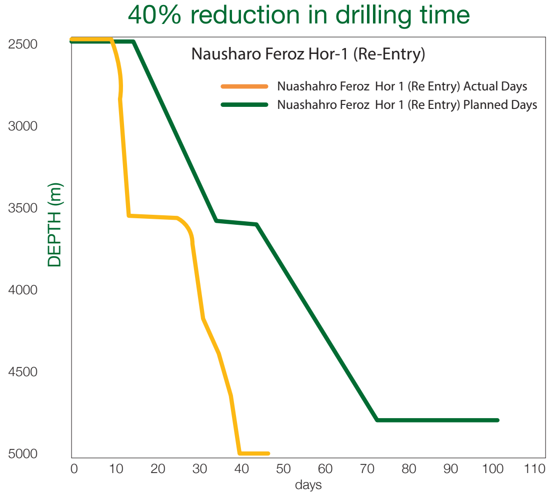
Sui SUL Field Wells
23% reduction in drilling time



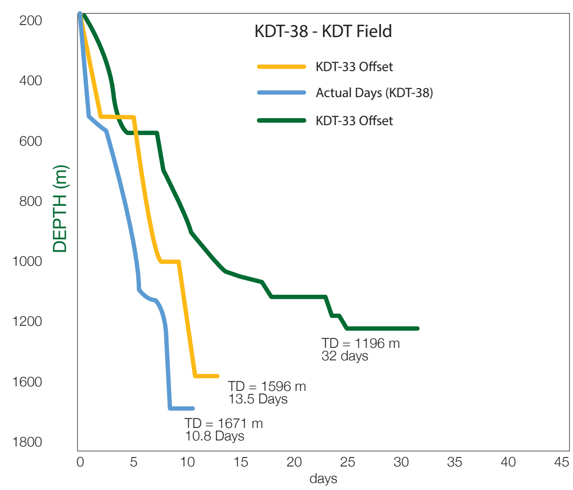
Adhi Field Wells
20% reduction in drilling time



Naushahro Feroz Longest Horizontal Well
40% reduction in drilling time



Kandhkot Field Wells
65% reduction in drilling time of 2 consecutive Wells



Cost Efficiencies in Seismic Surveys

The Company achieved further cost efficiency in seismic acquisition during 2016-17 through competitive bidding with reduced rates. 3D seismic surveys in Gambat South, Kotri and Kotri North were completed at an average cost of about USD 16,000/ Sq Km, USD 19,000/ Sq Km, and USD 18,000/ Sq Km respectively, whereas average cost per Sq Km of similar surveys in the block during 2011-12 and 2013- 14 were about USD 25,000/ Sq Km.

Cost efficiency was also achieved in Dhok Sultan through reduced 2D and 3D rates of USD 13,000/ L Km and USD 25,000/ Sq Km, compared to initial estimates of USD 15,000/ L Km. and USD 28,000/ Sq Km, respectively.

Cost Efficiencies in Opex

Efforts to optimise the operating cost were carried out throughout the year with aim to deliver operational and maintenance work program in optimum manner without compromising on the gas volumes, specification and HSE aspects. The rationalisation of expenditure has enabled the Company to maintain its opex (USD) per boe despite inflation and increase in activities. The Company aims to continue to build cost optimisation in its work programs.

Efficiencies in Head Office costs

Company-wide focus on cost optimisation initiatives continued during the year by ensuring efficient and effective use of available resources. Efficiencies were witnessed in areas of software maintenance, insurance and outsourced services. The company enhanced its focus on human capital development by ensuring delivery of robust training programs whereas CSR spending was focused on initiatives with maximum impact for the community.

5. ORGANISATIONAL OVERVIEW

5.1. QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

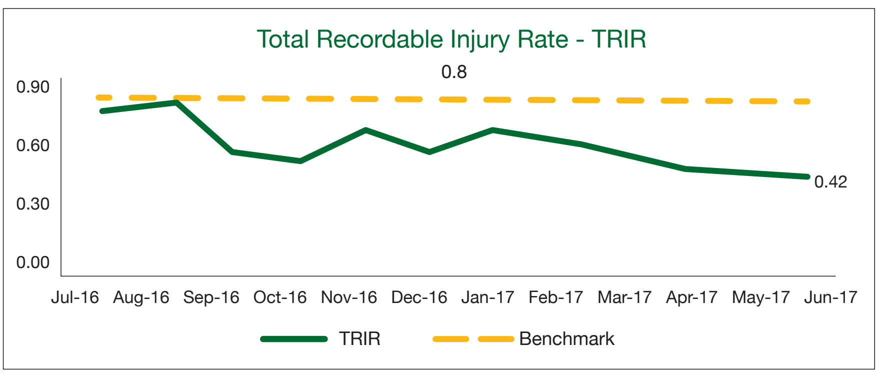
Occupational Health and Process Safety

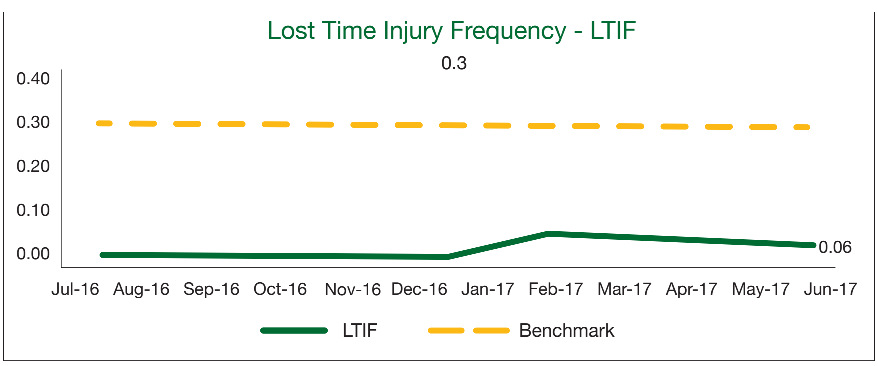
With management commitment at all levels, there has been significant improvement in QHSE risk management through advanced risk recognition and intervention schemes.

Key Performance Indicators

The monitoring mechanism of QHSE performance is gradually improving through automation of QHSE processes. The Company successfully launched user friendly software for incident reporting and risk management respectively. The software is capable of tracking corrective actions and generating live HSE statistics dashboards.

Total Recordable Injury Rate (TRIR) and Lost Time Injury Frequency (LTIF) for the Company and contractors for the 2016-17 were below the threshold as shown below:





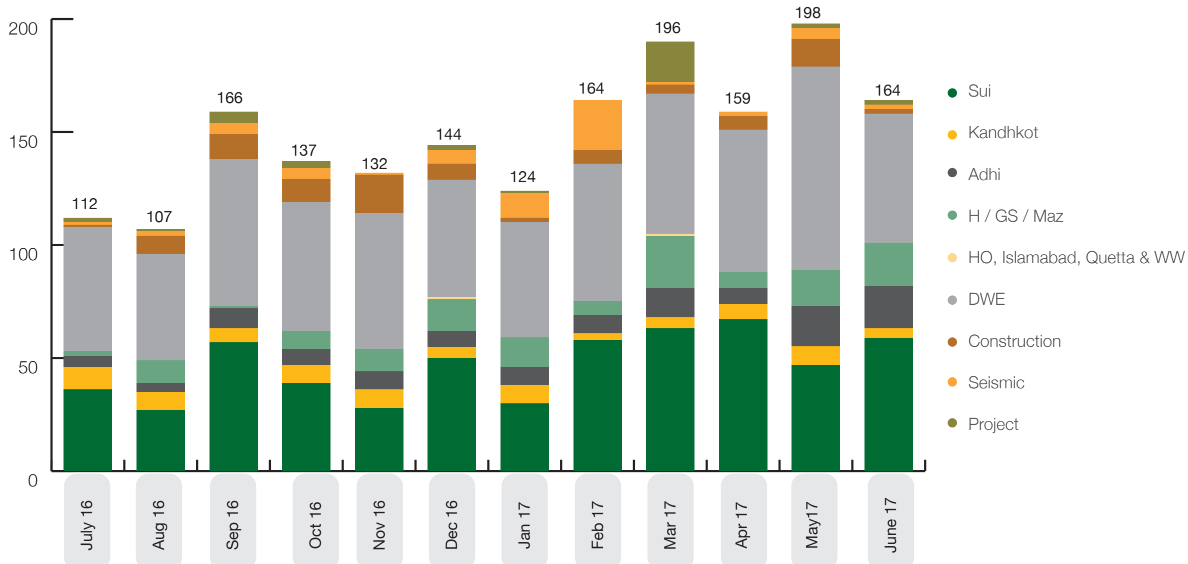
All high potential incidents were investigated in depth by teams including members of the Company's senior management and remedial measures were taken immediately to prevent recurrence.

During the year an unfortunate incident happened at one of the seismic sites resulting in the fatality of one of contractor's cable crew worker due to drowning in a fish pond. Independent investigation of the incident was carried out by the Company in addition to the incident reports submitted by the seismic contractor. Risk assessments and controls of the Contractor were reviewed thoroughly and Contractor was asked for immediate implementation of the recommendations of the investigation report. Other initiatives for ensuring safety in activities of all the Contractors are summarised under in the Contractor's Safety section.

Near-Miss Reporting

Corporate drive to enhance near-miss reporting on a year-on-year basis continues with the objective to identify and address systemic deficiencies at the initial stage before it potentially converts into any major accident.

Number of Near Miss Incidents Reported



Keeping pace with the industry at large, the Company has developed and promulgated comprehensive guidelines on Road Transport Safety Management System (RTSMS) which is applicable across the Company. Data gathering and monitoring structure has been developed and gap assessments are planned in the next financial year. Defensive driving trainings and refresher courses are arranged with improved course contents across the Company.

Customer Satisfaction and QHSE Certifications

The Company operated fields and selected departments successfully sustained QHSE management system international certifications, i.e. ISO 9001 (Quality), 14001 (Environment) and OHSAS 18001 (Occupational Health and Safety). This provides assurance on availability of QHSE foundations and in-built customer satisfaction processes.

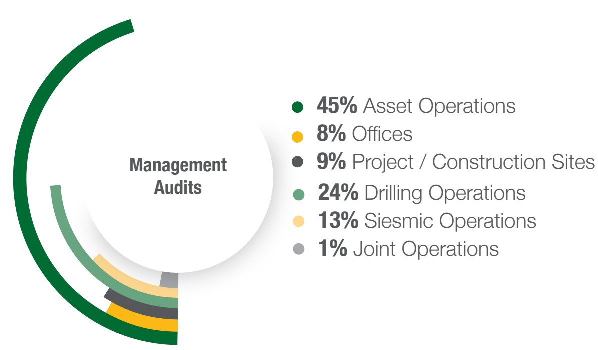
Process Safety (PS)

In line with recommendations of the process safety benchmarking conducted by M/s DuPont in the financial year 2015-16 the Company developed Process Safety Management (PSM) governance structure, risk based priorities and corporate strategy in consultation with all the stakeholder. Three high priority dimensions are being worked upon as follows:

a. Process Safety (PS) Leadership and Culture

Management Audits

The Company's senior management staff regularly conduct site audits in order to demonstrate safety leadership. Stretched target of 114 audits was achieved during the year which demonstrates the management's commitment to process safety cultural improvement.



Leadership Workshops

The Company arranged internationally recognised process safety leadership excellence workshops for the senior most management staff. Effectiveness of these workshops is visible in enhanced quality of management audits and active participation in process safety management activities.

Mapping new frontiers
in
QHSE

b. Process Safety Competence

As a result of close coordination amongst internal stakeholders, a detailed process safety management competence framework and skill matrix were developed. This concerted effort helped in identifying focus areas for target staff in delivering process safety trainings. Major areas included process hazard analysis (PHA), process safety incident investigation and process safety management (PSM).

A number of events were celebrated including PSM Competence Weeks and World Safety Day at the fields and offices to create awareness of the fundamentals principles of process safety.

c. Process Safety Information (PSI) and Hazard Analysis (PHA)

Existing PSI packages at plants have been reviewed for alignment with international best practices. Hazard Identification (HAZID) technique was made live across the operated fields with engagement of relevant staff. Similarly, on the monitoring and inspection front, implementation of phased plan is continuing with the initiatives of risk-based inspection (RBI) studies, non-intrusive inspection (NII) of critical vessels at operating plants and third party inspections of plant piping

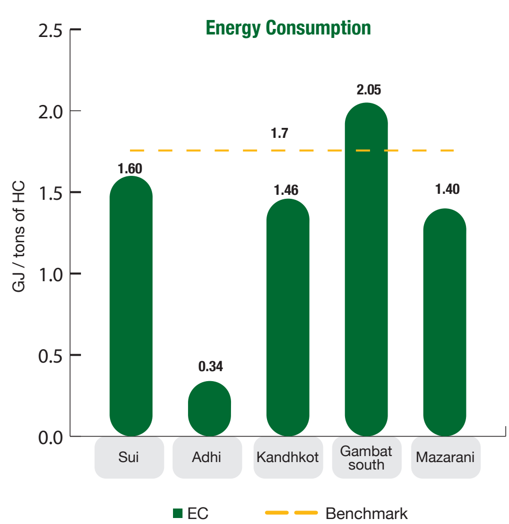
Environmental Footprint

a. Legal Compliance

The Company is committed to reduce the environmental footprint of its operations by strictly complying with all the related legal and statutory requirements. Initial Environmental Examination (IEE) studies were arranged and NOCs were acquired for twelve development projects within set timelines for smooth progress on the Company's strategic work plans. Independent Monitoring

Consultants (IMCs) were deployed in seismic, drilling and construction activities for effective monitoring and reporting of compliance against agreed project specific environment management plans.

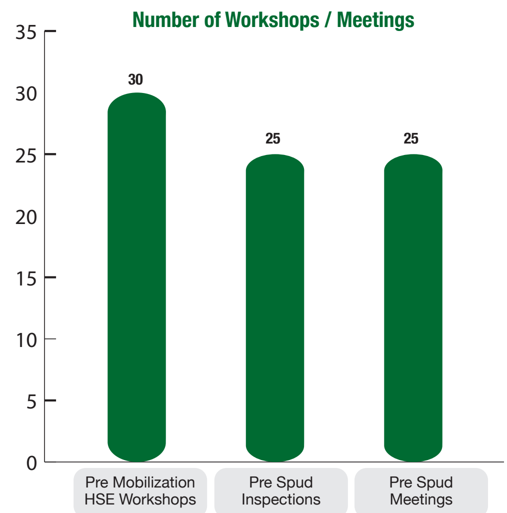
There were in-house improvements to conserve energy during the Company's operations. As a result of objective planning and compliance monitoring the overall energy consumption was kept below the international benchmark limit. During the year, the energy consumption was higher at the Gambat South field due to plant commissioning activities, which will reduce once plant operations normalise.

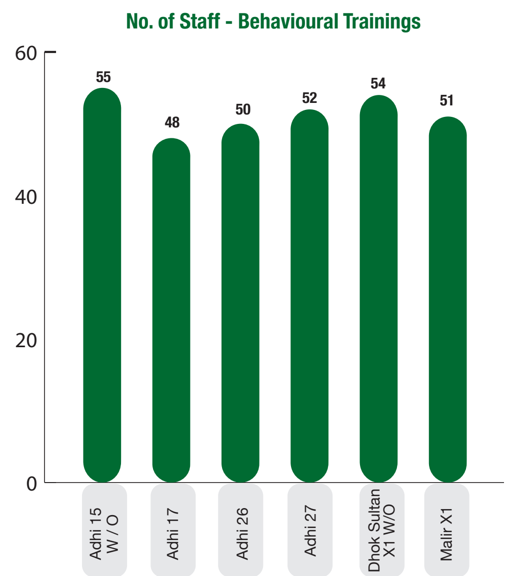


Contractor Safety

Contractor's safety is one of the high-risk area all over the oil and gas industry and is recognised as a corporate risk by the Company. Because of the recent increase in Company's activities in pursuance of its aggressive growth plans there is an unprecedented increase in contractor activities and associated safety risks. Accordingly, the following key measures are undertaken:

- Upgradation of Contractor's Prequalification Criteria
- Inclusion of QHSE clauses in contracts
- Pre mobilisation workshops
- Pre-spud inspections
- Independent monitoring
- Contractor trainings
- In-depth assessment / audit of Management of Change (MOC) proposed by contractors
- Regular meetings with contractors' Management regarding outstanding QHSE issues
- Behavioral intervention and modification programme at drilling rigs
- Safety membership and safety captain programmes
- HSE experience sharing with joint venture partners





Energy Conservation

The Company observed Earth Hour (EH) 2017 to reiterate its support for energy conservation. EH was strictly observed by switching off all non-essential lights and electronic devices at the head and regional offices as well as field locations during the designated hour. As a key national energy provider, PPL stands committed to energy conservation to bridge the widening gap between demand and supply to ensure future energy security for the Country.

5.2 HUMAN RESOURCES

The Company's human resources strategy is geared for recruitment, development and retention of high-caliber staff through an enabling corporate environment, competitive remuneration and timely acknowledgement of commitment, initiative and performance.

Employment

To support aggressive exploration, drilling and production optimisation plans, the Company capitalised on market conditions and hired seasoned professionals on merit through a transparent and multi-tiered screening process from reputable companies including E&P majors.

For baseline recruitment the Company implemented a merit based associates scheme, under which second batch of 38 top class graduates in different disciplines was inducted.

As a CSR initiative the Company announced a special two-year on-the-job training opportunity for capacity building of young professional engineers and diploma holders belonging to the Company's producing fields.

Policies, Procedures and Reward System

HR played a significant role in supporting the management's drive for organisational transformation. A number of human resource management policies and procedures were streamlined resulting in simplification, better controls, cost saving and alignment with industry practices:

Mapping new frontiers with People & Capacity Building

- Strengthened Pay-for-Performance scheme to promote culture of merit for recognising and rewarding high performing employees.
- For ensuring continuity of leadership for critical positions, assessment of senior staff was carried out through a leading consultancy firm for assessing their leadership potential and defining a plan for bridging individual gaps.
- In order to ensure that the Company's remuneration is in line with the market, a comprehensive salary survey of benchmark companies in the oil and gas sector was conducted.
- Successfully implemented health care module for staff and families for OPD.
- In line with market best practices, retirement benefits were restructured by primarily offering an option to all eligible staff to move from the existing Defined Benefit (DB) pension scheme to Defined Contribution (DC) pension scheme.
- Implemented cross-functional, inter and intra-locational rotation of staff for diversified work exposure, better business insight and succession planning.
- Staff appraisal system was further revamped and automated in SAP with self-appraisal and mid-year appraisal utility resulting in improved transparency of the appraisal process.

Major Initiatives in Learning and Development
Continuous efforts were made in respect of employee development and capacity building.

With a purpose-built training center in place, staff have been provided increased opportunities to develop themselves as professionals while ensuring their technical skills are also upgraded. At the same time, focus on QHSE remained a priority with 60 awareness sessions conducted on keeping staff and facilities safe.

With an enhanced focus on learning from international experts, a total of 40 technical training programmes by foreign faculty were conducted during the year.

Since the Company's leaders have the highest impact on the Company's success the Company invested heavily in their development and all senior management went through modular leadership development programmes at Pakistan's best academic institutes.

The Company introduced e-learning and over 200 employees benefitted from the Company's e-learning portal in collaboration with International Human Resources Development Corporation (IHRDC).

The Company offered special on-job training opportunity for young engineers and diploma holders who are domiciled residents of areas around its producing fields. The scheme enabled candidates from underdeveloped areas to compete on merit and help upliftment of local communities where the Company operates.

Industrial Relations
Overall working environment and industrial relations remained cordial at all locations of the Company including the Sui gas field.

Consequent to the issuance of CBA certificate to the Union by the National Industrial Relations Commission, negotiations on the Charter of Demands commenced in June 2017 and are currently in progress.

Employment of Special Persons
The Company is complying with the mandatory requirement of employment under the special person's quota in accordance with Section 10 of the Disabled Persons (Employment and Rehabilitation) Ordinance, 1981, whereby one percent special people are required to be employed.

5.3 CORPORATE SOCIAL RESPONSIBILITY (CSR)
As a responsible corporate entity, PPL remains committed to serving the nation and bringing a positive change in the lives of deserving communities residing in and around its operational areas as well as other

parts of the country. To this end, the Company has invested, directly or indirectly, in initiatives in education, healthcare, livelihood generation and infrastructure development for over six decades.

As such, the Company engages with relevant stakeholders, including area notables and civil society organisations, to plan and implement projects for meaningful impact in line with local needs, ensuring transparency, reach and sustainability through on-ground monitoring and evaluation.

To further strengthen its CSR portfolio and access the underserved in the urban areas, the Company initiated the Corporate Donations Programme during 2016-2017. With an annual budget of approximately Rs. 82 million, the programme focuses on working with credible development organizations extending quality healthcare, education, capacity building for livelihood generation and promoting sports and cultural conservation in urban areas.

During the year in review, the Company initiated and continued support to a number of projects around operational and urban areas. These include scholarships schemes for local students, support to educational facilities catering to children with special needs, provision of free-of-cost healthcare services through mobile medical dispensaries and ophthalmic camps, development, operationalization and upgradation of educational, healthcare and skill development institutions, initiation of potable water supply schemes, roads and other infrastructure projects.

Corporate Philanthropy

Though the Company has dedicated 1.5 percent of its annual pre-tax profit as mandatory spend on CSR initiatives, actual spending is over double the allocated funds.

During 2016-17, for instance, the Company spent around Rs. 1.29 billion on CSR initiatives, a bulk of which was spent on projects in Balochistan and Sindh, the heartland of its operations. In recognition of its integrated and result-oriented CSR programme, the Company is adjudged one of the largest corporate givers in terms of volume of donations for 12 consecutive years from 2004 to 2015 by Pakistan Centre for Philanthropy.

Employment Opportunities for Local Communities

The Company provides equitable employment opportunities on merit and suitability regardless of gender, race, ethnicity, religion or social background. 70 percent of which are drawn from local stakeholder communities.

The Company offers a special two-year on-job training scheme based on relaxed eligibility criteria for young engineers and diploma holders belonging to its producing fields.

EDUCATION

- Continued to operate Sui Model School & Girls College, Dera Bugti, Balochistan, benefitting over 3,000 local students, including over 60 female students at the girls college as well as three PPL-TCF primary and one secondary school at Kandhkot, Sindh, catering to over 600 students. Besides, continued to provide operational expenses for two primary schools near Mazarani Gas Field, District Kambar Shahdadkot.
- Established Virtual University campus and assisted FC Girls College at Sui, Dera Bugti.
- Over 130 students from Balochistan, including 40 from District Dera Bugti, benefitted from 4-year secondary and higher secondary scholarship scheme. Similarly, awarded scholarships to 130 students from District Dera Bugti, Kashmore, Rawalpindi, Kambar-Shahdadkot and Sanghar for higher professional education as well as provided 4 scholarship to students from Balochistan and Khyber Pakhtunkhwa under National Talent Hunt Programme / Institute of Business Administration, Karachi. Besides, sponsored 100 students belonging to District Dera Bugti at FC School and College, Sui, formerly Balochistan Public School as well as supported Quaid-e-Azam Rangers Special Children School for monthly fees of 10 deserving students for as many years and FESF Deaf School Rashidabad, District Tando Allahyar for 30 specially-abled local children of districts Matiari and Sanghar.

Mapping new frontiers with Community Development

- Constructed and furnished library and computer room at Government Girls College, Kharan, District Kharan.
- Constructed academic blocks at various government schools and colleges in districts Dera Bugti, Barkhan, Rawalpindi, Kharan and Khuzdar.
- Established PPL Chair in Petroleum Engineering at NED University of Engineering and Technology, Karachi and continued support for PPL Chair in Geophysics at Bahria University, Karachi Campus to promote research and development activities and train human resource to serve E&P industry.

HEALTHCARE

- Continued support for operational expenses of PPL Public Welfare Hospital, Sui, Medical Dispensary, Mastala near Adhi Field as well as Marie Adelaide Triple Merger Centre at Turbat-Kech for treatment of leprosy, ophthalmic diseases and tuberculosis.
- Continued to operate free mobile medical dispensaries at Kandhkot, Mazarani, Sui as well as around producing assets in Hala and Gambat South blocks.
- Provided free treatment to local patients at Sui Field Hospital.
- Held 7 free-of-cost surgical eye camps at districts Dera Bugti, Kashmore, Kambar Shahdadkot, Sanghar and Rawalpindi, benefitting nearly 12,000 patients.
- Constructed Thalassemia Diagnostic, Treatment and Research Centre at District Badin.
- Installed 40-kw solar energy system at District Headquarters Hospital, Kalat, Balochistan.
- Provided 100-kw generators to Shahdadpur Institute of Medical Sciences, District Sanghar, Sindh.
- Provided support to Indus Hospital for purchase of equipment for Neonatal Intensive Care Unit as well as six anesthesia machines for emergency unit at Mayo Hospital and operation theatre equipment at Koohi Goth Hospital.
- Supported rehabilitation of Tehsil Headquarters Hospital, Tehsil Gujjar Khan, District Rawalpindi.

SKILL DEVELOPMENT FOR LIVELIHOOD GENERATION

- Continued to support Women Vocational Training Centre at Mastala, near Adhi Field as well as Vocational Training Institute and Computer Training Centre and Public Library at Sui Town.
- Constructed and furnished Women Vocational Training and Skill Development Centre at Kotri, District Jamshoro.
- Provided 15 scholarships to youth from districts Dera Bugti, Matiari and Sanghar for 1-year diploma at Hunnar Foundation recognized by City and Guilds, UK.
- Provided support to Pakistan Association of the Deaf for construction and purchase of furniture and equipment at Centre of Excellence for Deaf.

PUBLIC WELFARE AND ENVIRONMENTAL UPGRADATION

- Provided 3 to 4 MMscfd free-of-cost gas to over 65,000 residents of Sui Town on a daily basis.

WATER SUPPLY SCHEMES RECENT INITIATIVES

- Continued daily supply of about 2 million gallons potable water to Sui town, District Dera Bugti as well as continued to provide potable water for residents of Ghaibi Dero village, District Kambar, Shahdadkot.
- Completed solar powered water supply schemes at districts Kharan and Lasbela, Balochistan as well as other water supply schemes at districts Kharan and Kashmore.

INFRASTRUCTURE DEVELOPMENT

Completed construction of 2.1 km dual-carriage Shahdadpur Bypass, near Shahdadpur Field, District Sanghar, Sindh as well as 2.8 kilometer jeepable road at Lohi, District Lasbela, Balochistan.

CULTURAL CONSERVATION

Sponsored Islamabad Literature Festival 2017 organised by Oxford University Press to promote learning.

SPORTS

Organized largest-ever sponsored football tournament in Pakistan, PPL Balochistan Football Cup 2017, engaging 6 provincial divisions with 74 matches played between 37 teams, to nurture local talent and promote healthy recreation and sportsmanship among youth at grassroots level.

5.4 INFORMATION TECHNOLOGY

Strategic initiatives taken aimed at business value addition and increased productivities to maximize automation, organisational performance, information security, governance and risk mitigation through adoption of latest technology solutions.

Data Center / Disaster Recovery Site is being setup at Islamabad office to further enhance resilience, ensure high availability and support Business Continuity, while significantly optimizing cost.

SAP Utilisation Enhancement

SAP Revamping project has been completed, providing significant benefits to the organisation through implementation of add-ons and enhancements to several business processes. Key processes implemented during the year include Sales and Distribution, Payment Automation with partner Banks, Travel Management, Medical OPD and SAP Enterprise Portal enabling Employee Self Services.

Major IT Projects

A state-of-the-art 3D Visualisation and Collaboration Center has been established that provides geoscientists and engineers an opportunity to visualise earth models in virtual 3D environment and plays a critical role in gaining insights from technical data, increasing accuracy, reducing risks and facilitating collaboration amongst teams. Seismic Depth Imaging High Performance Clustered Computing Facility established in 2016 for in-house data processing requirements is now being upgraded to 800 cores to cater for increasing demand.

Regulatory Reporting process has been automated through Production Data Centralisation which comprises of Operated and Partner Operated field data with secure access to multidisciplinary teams.

As part of continuous process improvement initiatives, IT Infrastructure and Support Services have been enhanced through implementation of secure and cost-effective measures such as Managed Printing, Data Loss Prevention, Advanced Threat Protection and optimal utilisation of Computing, Storage and Network resources. VoIP facilities have also been established between head office, field locations and well sites.

IT Governance

To further strengthen information security, ISO 27001:2013 based Information Security Management Systems have been implemented to enhance management of Information Assets, and Risks. Leading solutions have been deployed for Technical Vulnerability Management, Events and Logs Management to minimise Information Systems risk and beef up security.

Some of the key projects planned for implementation includes Sui Hospital Management System, Enterprise Content Management, Unified Communication and IT Service Management based on ISO/IEC 20001:2011 standards.

5.5 BUSINESS CONTINUITY PLAN (BCP)

To improve resilience of the organisation against disruptive events, training session of focal points nominated by all assets and support functions / departments and in-house awareness sessions on Business Continuity Management (BCM) policies and procedures have been conducted. Business Response Plans have been updated and shared on company intranet. To assure BCM system is in line with organisational needs, review of Business Impact Analysis and other BCM policies is conducted on periodic basis.

6. GOVERNANCE AND RISK MANAGEMENT

6.1 GOVERNANCE

Governance Framework

Board Committees

The composition, functions, and the Terms of Reference of the Board committees are appearing in the section titled 'Board Committees'.

Internal Audit

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

Board Meetings

There were eight meetings of the Board of Directors during the year under review, with an average attendance of 93%. The attendance details of respective directors are given in the Annual Report in the section titled "Attendance of Board and Committee Meetings".

Board Committee Meetings

There were twenty one meetings of Board committees during the year under review. The attendance details of the respective members are given in the Annual Report in the section titled "Attendance of Board and Committee Meetings".

Significant Policies

The following significant policies are in place:

- Car Seat Belt Policy
- Code of Conduct
- Communication Policy
- Enterprise Risk Management Framework
- 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
- Smoking Policy
- Whistle Blowing Policy

Business Ethics and Anti-Corruption Measures

It is the Company's fundamental policy to conduct business with honesty, integrity and according to the highest ethical and legal standards. The employees of the Company are required to give an annual compliance certificate in acknowledgement of their understanding and acceptance of the Company's Code of Conduct.

The Company does not discriminate on the basis of race, gender, religion, language, social origin, birth or other status, in the recruitment, training or advancement of employees.

Corporate Governance Initiatives

Letter of Representation
The Board has implemented a systematic approach to the periodic assessment and review by management of key internal controls and assertions in respect of the financial statements and operations of the Company. The results of the exercise are submitted to the Board and appropriate measures are taken to resolve any noted exceptions.

Whistle Blowing Policy
The Company is committed to achieving and maintaining the highest standards of integrity, ethical values and accountability. A robust whistle blowing policy has been implemented by the Board along with measures for protecting the identity of whistle blowers and confidentiality in the complaint handling process, thus enabling all stakeholders to speak up confidently.

Compliance
Compliance function was created as part of Legal & Commercial Department. Legal Compliance monitoring system has been set-up.

CORPORATE GOVERNANCE
The Board assigns great importance to best practices of good governance. The Board is committed to nurturing a healthy corporate culture and environment, ethical business practices, transparent and reliable financial reporting, open communication channels with stakeholders, and doing business according to law. The principles of good corporate governance are reflected in the Company's decision making, operating, and monitoring processes.

Composition of the Board
The board is composed of eight independent, two non-executive, and one executive director.

Casual Vacancy
Casual vacancies occurring on the board as of 1st August 2016, 23rd December 2015, and 29th January 2015, due to resignation by Mr. Waqar A. Malik, Mr. Shahbaz Yasin Malik, and Mr. Osman Khalid Waheed as of those dates were filled on 21st March 2017. Another casual vacancy occurring on 17th April 2017 due to resignation by Mr. Arshad Mirza as of that date was filled on 27th April 2017.

Directors' Fiduciary Responsibilities and Training
The directors are aware of their duties and strive to discharge them according to the highest standards.

Six of the eleven directors are certified under various directors' training programmes.

Codes of Conduct for Directors and Employees
The Codes of Conduct formulated by the Board for directors and employees set out high standards of professional and ethical behaviour. The Codes have been disseminated to the directors and employees.

Recognition of Stakeholders' Interests
The Company recognises and respects the interests of all stakeholders, including shareholders, employees, financiers, creditors, business partners, and local communities. The Company encourages participation by shareholders in general meetings and values the views expressed by them.

Closed Periods and Share Transactions
Closed periods are declared by the Company as appropriate prior to board meetings, during which the directors, chief executive officer and other employees of the Company as stipulated by the Code or falling within the threshold set by the board pursuant to the Code cannot, whether directly or indirectly, deal in the shares of the Company. Share transactions by directors, chief executive officer, chief financial officer, company secretary, and "executives" who fall within the threshold set by the Board, their spouses and minor children, are also duly disclosed.
The threshold for 'executives' set by the Board is reviewed annually.

Performance Evaluation of the Board and Chief Executive
Evaluation of the performance of the Board was not done during the year. Pursuant to revisions in the Public Sector Companies (Corporate Governance) Rules (the "Rules") in the month of April 2017, the evaluation of the performance of the Board will be undertaken by the Government of Pakistan.

The performance of the Chief Executive Officer was evaluated by the Board during the year against predetermined operational, tactical and strategic objectives. Pursuant to the aforesaid revisions in the Rules, the Government of Pakistan will also undertake an evaluation of the performance of the chief executive.

Statement of Compliance with the Code and Rules

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 account 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. The accounting estimates are based on reasonable and prudent judgment.

v. The International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed and explained.

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

vii. There are no significant doubts as to the Company's ability to continue as a going concern.

viii. The reasons for significant deviations from the preceding year's operating results have been explained in the relevant sections of the directors' report.

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

x. Information about outstanding taxes, duties, levies, and charges, is given in the notes to the accounts.

xi. Significant plans and decisions in respect of corporate restructuring, business expansion, and discontinuation of operations have been outlined in the Annual Report. Future prospects, risks, and uncertainties have been disclosed in the relevant sections of the directors' report.

xii. The appointment of the Chairman and other members of the Board, the terms of their appointment and the remuneration policy, are in the best interests of the Company and in line with best practices.

xiii. The key performance indicators relating to the Company's social objectives and outcomes have been disclosed in the relevant sections of the directors' report.

xiv. The value of investments in employee retirement funds based on the latest audited accounts as at 30th June 2016 are:

	Rs. Million
Senior Provident Fund	2,546.148
Junior Provident Fund	1,305.810
Executive Staff Gratuity Fund	715.119
Non-Executive Staff Gratuity Fund	950.010
Executive Staff Pension Fund	7,770.157
Non-Executive Staff Pension Fund	1,963.069

xv. The number of meetings of the board of directors and committees held during the year and attendance by the respective members have been disclosed in the Annual Report in the section titled “Attendance of Board and Committee Meetings”. Leaves of absence were given by the Board to directors who were unable to attend meetings.

xvi. The directors only receive directors’ fees for attending Board and committee meetings. Details of the fees paid to each director are given in the Annual Report in the section titled “Attendance of Board and Committee Meetings”.A statement of the pattern of shareholding in the Company as at 30th June 2017 of certain classes of shareholders, disclosure whereof is required by the Code and Rules and statements of sale and purchase of shares during the year by the directors, executives, their spouses and minor children, are given in the Annual Report in the section titled “Pattern of Shareholding”.

6.2 Risk Management

Enterprise Risk Management Framework

Effective risk management enhances the Company’s ability to achieve strategic objectives besides safeguarding its business, people and reputation. The Board through Board Enterprise Risk Committee (BERC), as part of its role in providing strategic oversight and stewardship, is responsible for maintaining sound risk management and internal control systems.

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

This promotes a culture of risk ownership, where risk owners at the directorate/functional head level are responsible and accountable for monitoring and managing risks, duly supported by response owners and other participants within the Company.

An ERM framework has been approved by the board which provides an organised and comprehensive risk management standard to mandate a consistent approach to managing risk for all activities across the business. The framework also rolls out an integrated risk management process with clear governance and reporting requirements.

The risk register identifies all key enterprise-level inherent 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 mitigating actions.

Going forward, the Company’s focus will be on automation of risk management process for greater efficiency and improved coordination. This automation solution promises to bring company’s risk management program at par with the international benchmarks. Furthermore, risk culture will be the subject of renewed focus with specially designed risk sessions catering to the specific requirements of various functions of the company. All in all, the company is making headways in maturing its risk management program and is committed to putting risk management at the center of strategic decision-making process.

Key Risks:

The following table represents the key identified risks which may adversely affect the Company’s ability to achieve strategic targets.

	Risk	Impact	Existing controls and policies	Future mitigation plan	Performance during the year
1.	HSE Failure	• Major failure in PPL operated assets may result in multiple fatalities or serious injuries; environmental damage or pollution; production loss; asset or reputational damage.	• HSE management system. • Process safety management system. • Mechanical integrity program. • HSE internal and external audits. • Management audits. • Automation of processes related to incident investigation and risk assessment. • Behaviour modification campaign launched.	• Vendor performance management. • Enhanced contractor HSE engagement.	LTIs for PPL and contractors remained within limits. The company continues to be committed to highest HSE standards.
2.	Inability to replenish reserves and portfolio optimisation	• Declining recoverable reserves. • Sustainability of operations.	• Aggressive local exploration program. • Re-assessment of existing producing assets for optimisation. • Asset based organisation. • Prospect ranking	• Aggressive pursuit of farm-in/ farm-out opportunities. • Participation in bidding round,	This year 397 Bcfe proven reserves were added/ re-classified. This represents 1.08 times of PPL's share of hydrocarbons produced during the year.
3.	Project execution as per defined cost, scope and timelines	• Performance issues, delays and cost overruns.	• Formal internal review and risk assessment processes. • Implementation of lesson learned.	• Improvement in contracting and project management strategy for future projects.	During the year two projects were completed. One project has been delayed due to certain external uncontrollable reasons. The company is pursuing recovery plans to ensure completion of outstanding project without further delay.

	Risk	Impact	Existing controls and policies	Future mitigation plan	Performance during the year
4.	Non-extension of mining leases	• Suboptimal recovery of hydrocarbons resulting in loss of economic benefits.	• Lease extension strategy devised.	• Optimise recovery of hydrocarbons from mining leases due to expire in the foreseeable future. • Active follow-up of grant of lease extension from regulatory authorities where required.	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. Accelerated production plan has been executed at Kandhkot.
5.	Security incidents at locations disrupting operations and exploratory efforts	• Potential loss of life or injury, delays in business activity, damage to reputation.	• Improved security infrastructure at well sites. • Continuous liaison with authorities. • Implementation of Hybrid Security model.	• Risk assessment and continuous monitoring. • Bridge security gaps in identified areas.	The overall security conditions at PPL operated locations has improved during the year 2016 – 17 as compared to previous years. There has been no security incident that has resulted in loss of life.

	Risk	Impact	Existing controls and policies	Future mitigation plan	Performance during the year
6.	Availability and development of required manpower	• Skill gaps impacting business performance.	• Development of skills matrix for each discipline and job level. • Mentoring programs for senior staff. • Asset based structure for greater autonomy. • Staff rotation & succession planning.	• Employee engagement survey to be conducted to decide way forward.	During the year, PPL was able to attract qualified and competent professionals in all key areas. The company continued to provide focused learning opportunities for development of staff. Attrition rate remained below 2%
7.	Decline in crude oil prices	• Lower corporate profitability, adverse project economics.	• Investment authorisation process with peer reviews and gate approvals. • Oil price forecasting. • Stress testing.	• Capture market opportunities created in current oil price scenario. • Cost optimisation & efficiency.	Crude oil prices were closely monitored on continuous basis along with potential impact on short-term and long-term profitability. Necessary actions are taken for cost and portfolio optimization, where required.
8.	Default or delay in settlement of Company's bills by customers	• Adverse cash-flows.	• Systematic escalation strategy for follow-up. • Active follow-up at all levels. • Actively pursue for resolution of technical disputes. • Periodic debtor's assessment.	• Maintain rigorous follow-up at all levels.	Extensive efforts were made for improvement in overdue balances from both Government and Non-Government customers.
9.	Loss / tempering of critical information	• Loss of sensitive information, damage to reputation and threat of adverse legal/ regulatory action.	• Implementation of ISMS policy. • Network based licensing. • Disaster recovery plans and data back-ups.	• Implement content management solution companywide. • Integration and testing of DRP, BCP and EMT plan.	ISMS is implemented. Information classification of data is planned this year.

7. GROUP PERFORMANCE

The Company has three wholly owned subsidiaries, PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and the Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC) (collectively referred to as 'the Group').

Financial statements of the Group reflected increase in consolidated profitability by 116%. Group sales revenue was recorded at Rs 117,429 million while profit-after-tax stands at Rs 34,699 million in 2016-17, compared to Rs 80,809 million and Rs 16,065 million, respectively, in 2015-16.

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the subsidiary companies are given below:

PPL Asia E&P B.V.

The Company incorporated this wholly owned subsidiary on 22nd July 2013, in Amsterdam, Kingdom of Netherlands. PPLA is an oil and natural gas exploration and production company which currently owns 100 percent working interest in Block-8, Iraq, under an Exploration, Development and Production Service Contract (EDPSC) with Midland Oil Company, Iraq. The Block is managed by PPLA's Iraq branch office registered in Baghdad on February 26, 2014.

During the year, impairment loss amounting to Rs 4,574 million has been recognised by the Company in respect of its investment in PPLA. For details, please refer note 6.3.2 to the unconsolidated financial statements and note 5.8 to the consolidated financial statements).

PPL Europe E&P Limited

The Company acquired 100 percent shareholding of MND Exploration and Production Limited on 21st March 2013, a company incorporated in England and Wales. Subsequent to the acquisition by the Company the name of the company was appropriately changed to PPL Europe E&P Limited (PPLE).

PPLE currently holds working interest in one producing field in Pakistan, Sawan, and five exploratory blocks, three of which, Harnai, Ziarat and Barkhan, are in Pakistan and two, Block-3 and Block-29, are in Yemen.

During the year, PPLE contributed approximately Rs 443 million to the Group's revenue.

As disclosed in the financial statements for the year ended June 30, 2016, the differences highlighted in the valuation of PPLE at the time of acquisition, as a result of consultant's report of independent technical valuation, were being investigated.

In this connection, the Company appointed forensic consultants, who have submitted their report on April 25, 2017, which has been forwarded to the National Accountability Bureau and the Securities and Exchange Commission of Pakistan.

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC) was incorporated in Pakistan as a private limited company on 7th November 1955. The company is engaged in administrating the trusts formed for the benefit of the employees of the Company.

Exploration

PPL Asia E&P B.V.	
Block-8, Iraq	• 3D seismic acquisition of 318 Sq Km completed. • Preparations are underway to drill 1st exploration well through IPM.
PPL Europe E&P Limited	
Block 29 - Yemen (Operator: OMV Yemen)	• The block was under Force Majeure since 21 April 2015 due to civil unrest. • PSA is terminated in accordance with its terms which is being contested by Ministry of Oil, Yemen.
Block 3 – Yemen (Operator: Total)	• The block is under Force Majeure since 23 April, 2015 due to civil unrest • Reprocessing of 240 Sq Km 3D data is in progress.
Ziarat (Operator: MPCL)	• Location of exploratory well Bolan East-1 has been finalized.
Harnai (Operator: MPCL)	• G&G activities on hold due to security issues.

8. POST BALANCE SHEET EVENTS

- Subsequent to the year end, assignment of PPL's 50% working interest, in Kotri North block along with Operatorship, to United Energy Pakistan Limited was approved by GoP.
- The retiring auditors of the Company, Messrs. A. F. Ferguson & Co. Chartered Accountants, are eligible for re-appointment for the year 2017-18. The Board Audit Committee has recommended the re-appointment of the retiring auditors.
- OGRA has notified the revised prices (as per the terms of MoA) vide notification dated July 04, 2017 in respect of wellhead gas price of Sui gas field for the period from June 01, 2015 to June 30, 2017. Accordingly, the financial impact of the price revision has been duly incorporated in the financial statements. This subsequent event has been treated as an "Adjusting Event" in accordance with the International Accounting Standard (IAS)-10 'Events after the Reporting Period. The above is explained in detail in note 1.3 to the unconsolidated financial statements and note 1.1.1 to the consolidated financial statements.

On behalf of the Board

NADEEM MUMTAZ QURESHI
DIRECTOR

SYED WAMIQ BOKHARI
MANAGING DIRECTOR
/ CHIEF EXECUTIVE OFFICER

Karachi: 15th September 2017

پاکستان پیٹرولیم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ

پاکستان پیٹرولیم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ (پی پی ایف ٹی سی) ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر 7 نومبر 1955 کو پاکستان میں رجسٹرڈ ہوئی۔ یہ ذیلی ادارہ ملازمین کے مفاد کے لئے کمپنی کے قائم کئے گئے ٹرسٹ کی انتظام کاری انجام دیتا ہے

ایکسپلوریشن

پی پی ایل ایشیا ای اور پی بی وی

بلاک 8 عراق (آپریٹر پی پی ایل ایشیا)	3D سائزمک سروے کو اگست 2016 میں 316 مربع کلومیٹرز ڈیٹا کے حصول کے ساتھ مکمل کیا گیا۔ آئی پی ایم کے ذریعے پہلے دریافتی کنوئیں کی کھدائی کی تیاریاں جاری ہیں

پی پی ایل یورپ ای و پی لمیٹڈ

بلاک 29 یمن (آپریٹر: اوایم وی، یمن)	۔ جنگ کی بنا پر 21 اپریل 2015 سے بلاک کی تمام سرگرمیاں (Force Majeure) کے تحت بند ہیں۔ ۔ وزارت تیل ومعدنیات، حکومت یمن کو (پیٹرولیم سروسز) معاہدہ کی تنسیخ کے لئے نوٹس بھجوادیا گیا تھا جس کے خلاف حکومتِ یمن نے دعوہ دائر کردیا ہے
بلاک 3 یمن (آپریٹر ٹوٹل)	۔ جنگ کی وجہ سے (Force Majcure) کے تحت 23 اپریل 2015 سے بلاک میں کام بند ہے۔ ۔ 240 مربع کلومیٹر 3D سائزمک ڈیٹا کی پروسیسنگ جاری ہے۔
زیارت (آپریٹر = ایم پی سی ایل)	۔ دریافتی کنوئیں بولان ایسٹ۔1 کی کھدائی کے لئے مقام کا تعین کرلیا گیا ہے۔
ہرنائی (آپریٹر ایم پی سی ایل)	ارضیاتی وارضی طبعیاتی تحقیق سیکیورٹی کے مسائل کی وجہ سے تعطل کا شکار ہے۔

8۔ بیلنس شیٹ مکمل ہونے کے بعد واقعات

زیر جائزہ سال کے اختتام کے بعد حکومتِ پاکستان نے کوٹری نارتھ بلاک میں 50 فیصد کاروباری شراکت اور آپریٹر شپ یونائیٹڈ انرجی پاکستان لمیٹڈ کو منتقل کرنے کی منظوری دے دی۔

سبکدوش ہونے والے آڈیٹر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 2018-2017 کے لئے دوبارہ بھرتی ہونے کے اہل ہیں۔ بورڈ کی آڈٹ کمیٹی نے ریٹائرڈ ہونے والے آڈیٹر کی دوبارہ نامزدگی کی سفارش کی ہے۔

اوگرا نے مفاہمتی یادداشت کے تحت 4 جولائی 2017 کے نوٹیفیکیشن کے ذریعے سوئی گیس فیلڈ کی ویل ہیڈ گیس کی ترمیم شدہ قیمت کی یکم جون 2015 سے 30 جون 2017 تک کی مدت کے لئے منظوری دے دی ہے۔ اس کے مطابق، قیمت میں ہونے والی ترمیم کے مالیاتی اثرات گوشواروں میں بیان کیا گیا ہے۔ بعد میں وقوع پزیر ہونے والی اس تبدیلی کو اکاؤنٹنگ کے عالمی معیار 10-(IAS) کی رُو سے زیر جائزہ مدت کے بعد "ایڈجسٹنگ ایونٹ" کے طور پر شامل کیا گیا ہے۔ مندرجہ بالا کی تفصیلات غیر اشتمالی مالیاتی گوشواروں کے نوٹ 1.3 اور اشتمالی گوشواروں کے نوٹ 1.1.1 میں بیان کی گئی ہیں۔

حسب الحکم بورڈ

ندیم ممتاز قریشی
ڈائریکٹر

سید وامق بخاری
مینیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

کراچی: 15 ستمبر 2017

8۔گاہکوں کی جانب سے کمپنی کے بلوں کی ادائیگی میں تاخیر یا عدم ادائیگی	نقد رقم کی فراہمی میں منفی اثر	۔متعلقہ حکام کو شامل کرتے ہوئے (بلوں کی ادائیگی کے لئے) رابطے کی حکمت عملی ۔ہر مرحلے پر مسلسل رابطہ کرنا ۔تکنیکی مسائل کو حل کرنے کے لئے سرگرم کوششیں	۔حکام بالا کو شامل کرتے ہوئے (بلوں کی ادائیگی کے لئے) رابطے ۔نادہندگان کی فہرست کا وقفے وقفے سے جائزہ	بلوں کی ادائیگی میں، خصوصاً حکومتی اداروں کی جانب سے کی جانے والی تاخیر کے معاملات کو حل کرنے کے لئے مسلسل کوششیں کی گئیں۔ ۔متعلقہ و غیر متعلقہ اداروں کے عدم ادا شدہ واجبات جون 30، 2016 کو کل واجبات کا 72 فیصد رہے۔
9۔انتہائی ضروری معلومات/اعداد و شمار کا گم ہو جانا یا کسی کا اس میں رد و بدل کر دینا	حساس معلومات کا گم ہو جانا، ساکھ کو نقصان پہنچنا اور سخت قانونی وضابطے کی کاروائی کا خطرہ	۔آئی ایس ایم ایس پالیسی کا اطلاق ۔نیٹ ورک کی بنیاد پر لائسینسنگ ۔کسی حادثے کی صورت میں ڈیٹا کی بحالی اور بیک اپ کا انتظام	۔معلومات کی درجہ بندی کی پالیسی کا اطلاق ۔حادثے کی صورت میں معلومات کی بحالی اور سسٹم کے جاری رہنے کی آزمائشی مشق	۔تکنیکی ڈیٹا اور ایپلیکیشنز کو ایک مرکز پر مجتمع کر دیا گیا ہے اور بیک اپ کی پالیسی کو اپ ڈیٹ کرنے کے بعد منظوری کے لئے بھیج دیا گیا ہے۔ حادثے کی صورت میں معلومات کی بحالی اور سسٹم کے جاری رہنے کی آزمائشی مشق کی گئی اور اس کی جانچ پڑتال بھی کی گئی۔

7۔ گروپ کی کارکردگی

پی پی ایل کے تین مکمل ملکیتی ذیلی ادارے ہیں: پی پی ایل یورپ ای اینڈ پی لمیٹڈ (پی پی ایل ای)، پی پی ایل ایشیا ای اینڈ پی بی وی (پی پی ایل اے) اور پاکستان پیٹرولیم پروویڈنٹ فنڈ ٹرسٹ کمپنی (پرائیویٹ) لمیٹڈ (پی پی پی ایف ٹی سی) (جنہیں مجموعی طور پر دی گروپ کہا گیا ہے)

گروپ کے مالیاتی گوشوارے مستحکم منافع میں 116 فیصد اضافہ ظاہر کر رہے ہیں۔ 2017-2016 میں گروپ کی فروخت آمدن 117,429 ملین روپے جبکہ بعد از ٹیکس منافع 34,699 ملین روپے ریکارڈ کیا گیا جبکہ 2016-2015 میں بالترتیب 80,809 ملین روپے اور 16,065 ملین روپے تھا۔

پی پی پی ایف ٹی سی کے علاوہ گروپ، تیل و گیس کے ذخائر کی ترقی و پیداوار، دریافت اور نئے ذخائر کی تلاش میں مصروف ہیں۔ ذیلی اداروں کے مختصر پروفائل حسبِ ذیل ہیں:

پی پی ایل ایشیا ای اینڈ پی بی وی

پی پی ایل نے 22 جولائی 2013 کو مکمل ملکیتی ذیلی ادارہ، پی پی ایل ایشیا ای اینڈ پی بی وی (پی پی ایل اے) کی بنیاد رکھی جسے ایمسٹرڈم، ہالینڈ میں رجسٹرڈ کرایا گیا۔ پی پی ایل اے تیل و گیس کی دریافت و پیداوار کی کمپنی ہے جو عراق کی مڈلینڈ آئل کمپنی کے ساتھ دریافتی، ترقی و پیداواری خدمات معاہدے (ای ڈی پی ایس سی) تحت بلاک 8، عراق میں 100 فیصد کاروباری حصہ داری کی حامل ہے۔ بلاک 8 پی پی ایل اے کے عراق برانچ آفس کے زیر انتظام ہے جسے 26 فروری 2014 کو بغداد میں رجسٹرڈ کرایا گیا تھا۔

پی پی ایل یورپ ای اینڈ پی لمیٹڈ

پی پی ایل نے 21 مارچ 2013 کو ایم این ڈی ایکسپلوریشن و پروڈکشن لمیٹڈ کی 100 فیصد شراکت داری حاصل کر لی تھی اور کمپنی کو برطانیہ اور ویلز میں رجسٹرڈ کرایا گیا۔ ملکیت حاصل کرنے کے بعد، ذیلی ادارے کا نام تبدیل کر کے پی پی ایل یورپ ای اینڈ پی لمیٹڈ (پی پی ایل ای) رکھ دیا گیا۔

تیل و گیس کی دریافتی و پیداواری کمپنی، پی پی ایل ای اس وقت پاکستان میں ایک پیداواری فیلڈ ساون جبکہ پانچ دریافتی بلاکس میں شراکت دار ہے جن میں سے تین ہرنائی، زیارت اور بارکھان۔ پاکستان میں ہیں اور دو بلاک ۔3 اور بلاک ۔29 یمن میں ہیں۔ سال کے دوران، پی پی ایل ای نے گروپ کی آمدنی میں 443 ملین روپے کا حصہ ملایا۔

پی پی ایل ای کی خریداری کے وقت اس کے لگائے گئے تخمینے میں ہونے والے فرق کو جسے اس حوالے سے آزادانہ تکنیکی تخمینہ لگانے والی رپورٹ میں مشیر نے واضح کیا ہے، 30 جون 2016 کو ختم ہونے والے مالیاتی سال کے گوشواروں میں بھی ظاہر کیا گیا ہے۔ اس سلسلے میں مزید تحقیقات جاری ہیں۔

اس ضمن میں کمپنی نے فرانسک مشیروں کا تقرر کیا ہے جنہوں نے اپنی رپورٹ 25 اپریل 2017 کو جمع کرا دی ہے۔ اس رپورٹ کو قومی احتساب بیورو اور سیکیوریٹی وایکسچینج کمیشن پاکستان کو بھیج دیا گیا ہے۔

4۔ مائننگ لیز کی مدت میں توسیع نہ ہونا	ذخائر سے پیداوار کے نامکمل حصول پر معاشی خسارہ	لیز میں توسیع کی حکمتِ عملی وضع کی گئی	۔مستقبل قریب میں ختم ہونے والی مائننگ لیز ز سے ممکنہ حد تک پیداوار کا حصول لیز میں وسعت حاصل کرنے کے لئے متعلقہ حکام سے بات چیت میں تحریک	حکومتِ پاکستان اور حکومتِ بلوچستان کے مابین یکم جون، 2015 سے سوئی گیس فیلڈ کے لئے ڈی اینڈ پی لیز کے لئے ایک مفاہمتی یاداشت پر دستخط ہوئے۔ 13 دسمبر 2016 کو اس معاہدہ پر وفاقی کابینہ کی اقتصادی رابطہ کمیٹی نے منظوری دے دی ہے۔ اور جلد ہی پی پی ایل سوئی سے پیداوار جاری رکھنے کے لئے ڈی این پی لیز دی جائے گی۔ کندھ کوٹ سے پیداوار میں تیز تر اضافے کے لئے منصوبے پر کام شروع ہو گیا ہے۔
5۔ کمپنی کے مقامات پر سیکیورٹی کے ایسے حادثات وقوع پزیر ہونا جن سے آپریشنز اور دریافتی سرگرمیاں متاثر ہوں	ممکنہ اموات اور زخمی، آپریشنز میں تاخیر، ساکھ کو نقصان	۔ویل سائٹ پر سیکیورٹی کے نظام میں بہتری ۔متعلقہ حکام سے مسلسل رابطہ ۔مربوط سیکیورٹی ماڈل کا اطلاق	۔متعلقہ سیکیورٹی اداروں اور شراکت داروں سے مسلسل رابطہ ۔خطرات کا جائزہ اور اس پر قابو پانے کے لئے مسلسل کوششیں ۔متعلقہ علاقوں میں سیکیورٹی کو بہتر بنانے کے لئے نشاندہی کئے گئے خلاء کو پر کرنا	پی پی ایل کے آپریٹڈ علاقوں میں پچھلے سالوں کی نسبت 2015-2016 کے دوران مجموعی طور پر سیکیورٹی کی صورتِ حال بہتر ہوئی ہے، ماسوائے ایک واقعہ کے جس میں ٹھیکے دار کے ایک کارکن کی موت واقع ہوئی
6۔ مطلوبہ انسانی وسائل کی فراہمی اور انکی تربیت و ترقی	مطلوبہ صلاحیتوں کی کمی جو کاروباری کارکردگی کو متاثر کرے	۔ہر جاب گروپ اور شعبے کے لئے صلاحیتوں کے میٹرکس کی تیاری ۔سینیئر عملے کے لئے رہنمائی پروگرام ۔وسیع تر خودمختاری کے لئے اثاثہ جاتی ڈھانچہ ۔عملے کے ہیڈ آفس اور فیلڈز کے درمیان تبادلے اور سینئر سطح پر ذمہ داریاں لینے کے لئے عملے کی تربیت	تکنیکی مہارت کے حامل افراد کی ٹیم کے نمائندوں کے ذریعے مختلف اثاثوں سے مستقبل میں کمپنی کے ورک پروگرام کے حوالے سے مطلوبہ مہارت کے بارے میں رائے لیں گے، صلاحیتوں کے موجودہ خلا کی نشاندہی کریں گے	۔پی پی ایل رواں سال کے دوران قابل، پیشہ ور افراد کو عملے کا حصہ بنانے میں کامیاب رہی ہے۔ ساتھ ہی کمپنی نے عملے کی ترقی کے لئے خصوصی تربیتی پروگرام منعقد کئے ۔کمپنی کو چھوڑ کر جانے والے عملے کی شرح 5 فیصد سے کم رہی
7۔ خام تیل کی قیمتوں میں کمی	کاروباری منافع میں کمی جو معاشی منصوبہ بندی کو متاثر کرے	سرمایہ کاری کے منصوبوں کی منظوری کے لئے دو یا زائد عملے/ممبران کو جائزہ لینے کے لئے شامل کرنا (peer review) ساتھ ہی مرحلہ وار منظوری (Gate approval) کے طریقہء کار کا اطلاق ۔تیل کی قیمتوں کا پیشگی اندازہ لگانا	۔تیل کی قیمتوں کی موجودہ صورت حال کے پس منظر میں مارکیٹ میں موجود امکانات سے فائدہ اٹھانا ۔مطلوبہ قیمت میں بہترین کارکردگی اور نتائج کا حصول	۔عالمی سطح پر خام تیل کی قیمت میں کمی سے 2015-2016 کے لئے طے شدہ اہداف کے مقابلے میں آمدنِ فروخت میں 1.2 بلین روپے اور بعد از ٹیکس منافع میں 0.6 بلین روپے کی کمی واقع ہوئی ہے۔

اہم خطرات

مندرجہ ذیل جدول میں ان اہم خدشات کی نشاندہی پر کی گئی ہے جو کہ کمپنی کی اپنی حکمت عملی کے اہداف کے حصول کی صلاحیت کو بری طرح متاثر کرسکتی ہے۔

خطرہ	اثر اندازی	مروجہ کنٹرول اور پالیسیز	تخفیف کے لئے منصوبہ بندی	سال کے دوران کارکردگی
1۔ کیو ایچ ایس ای کی ناکامی	پی پی ایل کے آپریٹڈ اثاثوں میں ہونے والی بڑی خرابی کثرتِ اموات یا زخمیوں کی بڑی تعداد، ماحولیاتی تباہکاری یا آلودگی، پیداواری خسارہ، اثاثے یا ساکھ کو نقصان پہنچانے کا باعث بن سکتی ہے۔	۔کیو ایچ ایس ای کا انتظامی نظام ۔طریقۂ کار میں تحفظ کا انتظامی نظام ۔میکینیکل انٹیگریٹی پروگرام ۔کیو ایچ ایس ای پروگرام کی جانچ کے لئے عملے اور بیرونی ماہرین کے ذریعے آڈٹ ۔انتظامی عملے کا آڈٹ ۔حادثے کی تحقیقات اور خدشات کے جائزے کا خودکار نظام ۔روّیوں میں تبدیلی کی مہم کا آغاز	۔فروخت کنندہ کی کارکردگی کی انتظام کاری ۔ٹھیکیدار اور کیو ایچ ایس ای کی ملاقات میں اضافہ	پی پی ایل اور ٹھیکے داروں کی سرگرمیوں کے دوران حادثات کے باعث ضائع ہونے والے کام کے وقت ایل ٹی آئز (LTIs) دی گئی حدود کے اندر رہے۔ کمپنی کیو ایچ ایس ای کے بہترین معیار کے نفاذ کی پابند رہی ہے
2۔ ذخائر کی بحالی اور دریافتی و پیداواری اساسوں سے موثر طور پر فائدہ اٹھانے میں ناکامی	۔قابلِ حصول ذخائر کی تخفیف ۔آپریشنز کی پائیداری	۔مقامی وسائل سے دریافت کا جارحانہ پروگرام ۔حالیہ پیداواری اساسوں بہتر نتائج حاصل کرنے کے لئے ان کی ازسرِنو جانچ ۔اساسوں کی بنیاد پر مبنی ادارے کا فریم ورک ۔امکانات کی ترتیب	فارم-ان (اساسوں میں کاروباری شراکت حاصل کرنے) فارم-آؤٹ (دیگر کمپنیوں کو اثاثوں کی کاروباری شراکت میں شامل کرنے) اور اثاثے حاصل کرنے کی تیز تر کوششیں ۔بولی کے مرحلے میں شرکت	۔اس سال 397 بلین کیوبک فٹ ای تصدیق شدہ ذخائر شامل/ازسرِنو ترتیب دئے گئے جو اس بات کا مظہر ہے کہ پی پی ایل نے اس سال اپنے پیداواری حصے سے 1.08 گنا زیادہ پیداوار حاصل کی
3۔ لاگت، گنجائش اور ٹائم لائنز کے مطابق پروجیکٹ پر عملدرآمد	کارکردگی کے معاملات، تاخیر اور قیمت کے اضافے	۔اندرونی جائزہ اور خطرے کی تشخیص کا عمل ۔سیکھے ہوئے پر عمل درآمد	۔مستقبل کے منصوبوں کے معاہدے اور پروجیکٹ مینجمنٹ کی حکمت عملی میں بہتری	سال کے دوران دو اہم منصوبے مکمل ہوئے۔ ایک منصوبہ بیرونی عوامل کی وجہ سے تاخیر کا شکار ہوا۔ کمپنی مزید تاخیر کے بغیر بقایا منصوبوں کی تکمیل کو یقینی بنانے کی منصوبہ بندی کر رہی ہے

11۔کارپوریٹ سطح، پر کاروبار کو از سرنو منظم کرنے، وسعت دینے اور امور کو جاری نہ رکھنے کے حوالے سے اہم منصوبوں اور فیصلوں کو واضح طور پر ظاہر کیا گیا ہے۔ مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال کے بارے میں ڈائریکٹرز رپورٹ کا مطلوبہ سیکشن میں اظہار کر دیا گیا ہے۔

12۔چیئر مین اور بورڈ کے دیگر ممبران کی تقرری ان کی تقرری کی شرائط اور مقرر کردہ معاوضے کی پالیسی کمپنی کے بہترین مفاد میں اور بہترین اصولوں پر استوار ہیں۔

13۔کمپنی کے سماجی مقاصد اور اس حوالے سے کئے گئے اقدامات سے متعلق کارکردگی کے اظہار کے اہم اعشاریے ڈائریکٹرز رپورٹ کے مطلوبہ سیکشن میں بیان کئے گئے ہیں

14۔آخری آڈٹ شدہ اکاؤنٹس مورخہ 30 جون 2016 کو ملازمین کے ریٹائرمنٹ فنڈز میں سرمایہ کاری کی قدر حسب ذیل ہے:

	رقم (ملین میں)
سینیئر پروویڈنٹ فنڈ	2,546.148
جونیئر پروویڈنٹ فنڈ	1,305.810
ایگزیکٹو اسٹاف گریجویٹی فنڈ	715.119
نان ایگزیکٹو اسٹاف گریجویٹی فنڈ	950.010
ایگزیکٹو اسٹاف پینشن فنڈ	7,770.157
نان ایگزیکٹو اسٹاف پینشن فنڈ	1,963.069

15۔سال کے دوران بورڈ آف ڈائریکٹرز اور کمیٹیوں کی میٹنگ کی تعداد اور ہر ڈائریکٹر کی حاضری سالانہ رپورٹ میں "بورڈ کی حاضری اور کمیٹی میٹنگز" کے عنوان کے تحت بیان کی گئی ہیں۔ بورڈ کے وہ ممبران جو کسی عذر کے باعث اجلاس میں شرکت نہ کر سکے تھے ان کی رخصت دی گئی تھی۔

16۔ڈائریکٹر صرف بورڈ یا کمیٹی میٹنگ میں شرکت کرنے کی فیس وصول کرتے ہیں۔ ہر ڈائریکٹر کو ادا کی گئی فیس کی تفصیل سالانہ رپورٹ میں "بورڈ کی حاضری اور کمیٹی میٹنگز" کے عنوان کے تحت بیان کی گئی ہیں۔ 30 جون 2017 تک سال کے دوران کچھ ایسے حصص یافتگان جن کے کمپنی میں حصص کے (خرید وفروخت) کے طرز کو جیسے قواعد وضوابط کے لحاظ سے ظاہر کرنا ضروری ہے، ساتھ ہی ڈائریکٹرز، ایگزیکٹو کے بچوں کی جانب سے حصص کی خرید وفروخت کی تفصیل سالانہ رپورٹ میں " حصص رکھنے کا طریقہ کار" پر دی گئی ہے۔

6.2 خطرات کی انتظام کاری

انٹرپرائز رسک مینجمنٹ فریم ورک

خطرات کی موثر انتظام کاری کمپنی کو اپنے حکمت عملی کے مقاصد کے حصول میں مدد دیتی ہے اور اپنے کاروبار اپنے افراد اور ساکھ کو بھی تحفظ فراہم کرتی ہے بورڈ بذریعہ بورڈ انٹرپرائز رسک کمیٹی (BERC) کی جانب سے حکمت عملی کے تحت نگرانی کی ذمہ دار ہے اور کمپنی کے خطرات کی انتظام کاری اور اندرونی کنٹرول سسٹم کو برقرار رکھنے کی ذمہ دار ہے۔

یہ انتظام کاری ایگزیکیٹو رسک مینجمنٹ کمیٹی جو چیف فنانشل آفیسر کے زیر صدارت ہوتی ہے اس میں ایسے معاون فنکشنز کی واضح کیا جاتا ہے جو خطرات کی انتظام کاری کی حکمت عملی اور طریقہ کار پر عملدرآمد کی سہولت دیتا ہے اور پوری کمپنی میں خطرات کی قبل از وقت نشاندہی کیلئے آگاہی فراہم کرتا ہے۔

اس سے خطرے کی ذمہ داری لینے کے کلچر کے فروغ میں مدد ملے گی۔ جہاں ڈائریکٹریٹ/فنکشنل سربراہ کی سطح کر کام کرنے والے خطرات کے ذمہ داری اس کے جوابدہ ہونگے۔ جس کی معاونت ریسپانس اونرز اور کمپنی میں موجود دیگر شرکاء کریں گے۔

ایک ERM فریم ورک بورڈ کی جانب سے منظور ہوا ہے جو ایک منظم اور جامع رسک مینجمنٹ کا معیار کو برقرار رکھتے ہوئے بزنس میں ہونے والی تمام سرگرمیوں کیلئے خطرات کے لئے مسلسل نگرانی کی سہولت فراہم کرتا ہے۔ اس فریم ورک کی مدد سے مشترکہ رسک مینجمنٹ کے پروسس کی بھی ترتیب دیا جاتا ہے تاکہ رپورٹنگ اور گورننس کی تمام تر ضروریات پوری ہوسکیں۔

رسک رجسٹر کمپنی کے پرخطر معاملات کے تمام اہم خطرات کی شناخت کرتا ہے اس کے بعد ابتدائی اور آخری سطح پر اس کی جانچ پڑتال کی جاتی ہے تاکہ موجودہ کنٹرول اور اس میں اقدامات کی کمی کا تعین ہوسکے۔

مزید یہ کہ اعلیٰ استعداد اور بہتر معاونت کیلئے رسک مینجمنٹ کو خودکار کرنے کیلئے کمپنی کی توجہ مرکوز رہے گی۔ یہ خودکاری نظام کمپنی کے رسک مینجمنٹ کو بین الاقوامی معیار پر لے جائے گا اس کے علاوہ کمپنی اپنے رسک مینجمنٹ پروگرام کو مزید مستحکم بنا رہی ہے اور رسک مینجمنٹ کو اپنی حکمت عملی پر مبنی فیصلہ سازی میں اہم حیثیت دینے کا عزم رکھتی ہے۔

ڈائریکٹران اپنے فرائض سے آگاہ ہیں اور اعلیٰ معیار کے مطابق ان فرائض کو بخوبی انجام دے رہے ہیں۔
11 میں سے 6 ڈائریکٹران متعدد ڈائریکٹرز ٹریننگ پروگرام کے تحت سند یافتہ ہیں۔

ڈائریکٹرز اور ملازمین کیلئے قوانین وضوابط

بورڈ کی جانب سے بورڈ آف ڈائریکٹرز اور ملازمین کے لئے ترتیب دیئے گئے قوانین وضوابط پیشہ وارانہ معیار اور اخلاقی اقدار کے عین مطابق ہیں یہ قوانین وضوابط ڈائریکٹرز اور ملازمین کو وضع کردیئے گئے ہیں۔

اسٹیک ہولڈرز کے مفادات کو تسلیم کرنا

کمپنی تمام اسٹیک ہولڈرز کے مفادات کو تسلیم کرتی ہے اور انہیں عزت کی نگاہ سے دیکھتی ہے جن میں شیئر ہولڈرز ملازمین، سرمایہ کار، کریڈیٹرز کاروباری شراکت دار اور مقامی کمیونٹی شامل ہیں۔ کمپنی اجلاس عام میں شیئر ہولڈرز کی شراکت کی حوصلہ افزائی کرتی ہے اور ان کی جانب سے اظہار خیال کو قدر کی نگاہ سے دیکھتی ہے۔

اختتامی مدت اور شیئر ٹرانزیکشنز

بورڈ کے اجلاس سے قبل جب بھی مناسب ہو کمپنی کی جانب سے اختتامی مدت کا اعلان کیا جاتا ہے اس کے دوران ڈائریکٹران، چیف ایگزیکٹیو آفیسر اور کمپنی کے دیگر ملازمین جو اصول وضوابط کے تحت بیان کئے گئے ہیں یا ان ضوابط کے تحت بورڈ کی جانب سے متعین حد کے اندر وضاحت کردہ ہوں، براہ راست یا بالواسطہ کمپنی کے حصص کی خرید فروخت نہیں کرسکتے۔ ڈائریکٹرز، چیف ایگزیکٹیو آفیسر، چیف فنانشل آفیسر، کمپنی سیکٹری اور افسران کی شریک حیات اور نابالغ بچے جن کی بورڈ نے متعین حدود میں وضاحت کی ہے، کی جانب سے کی جانے والی شیئر ٹرانزیکشنز شامل ہیں۔ ایگزیکٹیوز کیلئے متعین حدود کی سالانہ نظر ثانی کی جاتی ہے۔

بورڈ اور چیف ایگزیکٹو کی کارکردگی کی جانچ پڑتال

سال کے دوران بورڈ کی کارکردگی کی جانچ پڑتال نہیں کی گئی۔ اپریل 2017 میں پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین (دی رولز) میں اعادے کے تحت بورڈ اور چیف ایگزیکٹیو کی جانچ پڑتال کی ذمہ داری حکومت پاکستان نے لی ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کی جانچ متعین کردہ آپریشنل ٹیکٹیکل اور حکمتِ عملی کے مقاصد سے کی جائے گی۔ قوانین میں مندرجہ بالا تبدیلیوں کے پیش نظر حکومت پاکستان بھی چیف ایگزیکٹو کی کارکردگی کی جانچ پڑتال کرے گی۔

قوائد وضوابط کے مطابق تعمیلی بیانیہ

بورڈ آف ڈائریکٹرز بتاتے ہوئے مسرت محسوس کرتے ہیں کہ:

1۔ بورڈ نے کارپوریٹ گورننس کے اصول کی پاسداری کی ہے
2۔ کمپنی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات، آپریشنز کے نتائج، نقدی کی نقل وحمل اور کمپنی کے عمومی حصص میں تبدیلی کا حقیقی اور واضح منظر پیش کرتے ہیں
3۔ کمپنی نے کھاتہ داری کی کتب کو باقاعدگی سے منظم کیا ہے۔
4۔ مالیاتی گوشوارے بنانے میں درست اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ پالیسی میں کسی بھی قسم کی تبدیلی گوشوارے میں ظاہر کی گئی ہے۔ اکاؤنٹنگ کے تخمینوں کو فہم اور دانش مندانہ فیصلہ سازی کے تحت تیار کیا گیا ہے۔
5۔ پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ کے معیار کو مالیاتی گوشواروں کی تیاری میں مدِنظر رکھا گیا ہے اور اس سے کسی بھی قسم کے انحراف کو باقاعدہ طریقے سے آشکار کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
6۔ انٹرنل کنٹرول کے نظام ڈیزائن کے اعتبار سے مستند ہیں اور ان کا مثبت اطلاق، باقاعدگی سے جائزہ اور نگرانی کی جاتی رہی ہے۔
7۔ کمپنی کے ایک جاری کاروباری ادارے ہونے کی صلاحیت کے تسلسل میں کوئی ابہام نہیں ہے۔
8۔ گذشتہ سال کے آپریٹنگ نتائج سے واضح انحراف کی وجوہات کو ڈائریکٹر رپورٹ کے متعلق سیکشن میں وضاحت کے ساتھ بیان کیا گیا ہے۔
9۔ گذشتہ چھ سال کے اہم آپریٹنگ اور مالی ڈیٹا سالانہ رپورٹ میں "چھ سال کا خلاصہ" کے عنوان سے بیان کیا گیا ہے۔
10۔ واجب الادہ ٹیکس، ڈیوٹیز، لیویز اور چارجز Notes to the Account میں دیئے گئے ہیں۔

حادثاتی رپورٹنگ کی پالیسی
سرمایہ کاری کے انتظام کی پالیسی
بیرونی آڈیٹروں کی گردشی پالیسی
بیرونی آڈیٹروں کی طرف سے اضافی خدمات کی فراہمی کے لئے پالیسی
QHSE پالیسی
جنسی ہراساں کی پالیسی
سگریٹ نوشی کی پالیسی
سیٹی بجانے کی پالیسی

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

کمپنی کی بنیادی پالیسی ایمانداری، سالمیت اور اعلیٰ اخلاقی اور قانونی معیار کے مطابق کاروبار کرنے کے لئے ہے۔ کمپنی کے ملازمین کو کمپنی کی ضابطہ اخلاق کو سمجھنے اور قبول کرنے کی منظوری کے لیے سالانہ تعمیلی سٹرفکیٹ دینا ضروری ہے۔

کمپنی ملازمتوں کی بھرتی، تربیت اور ترقی میں رنگ، نسل، صنف، مذہب، زبان، سماج، پیدائش یا دیگر حیثیت کی بنیاد پر امتیازی سلوک نہیں کرتی۔

کارپوریٹ انتظامی اقدامات

خطِ نمائندگی

بورڈ نے مالیاتی بیانات اور کمپنی کے آپریشنز کے سلسلے میں کلیدی اندرونی کنٹرول اور دعوی کے انتظام کی طرف سے دورانیہ کی تشخیص اور جائزہ لینے کے لئے ایک منظّم اصول تشکیل دیا ہے۔ مشق کے نتائج بورڈ میں جمع کرائے جاتے ہیں اور کسی بھی درج شدہ استثنا کو حل کرنے کے لئے مناسب اقدامات کئے جاتے ہیں۔

وسل بلوئنگ پالیسی

کمپنی مطمئن، اخلاقی اقدار اور احتساب کے اعلیٰ معیار کو حاصل کرنے اور برقرار رکھنے کے لئے پرعزم ہے۔ بورڈ کی طرف سے ایک مضبوط وسل بلوئنگ پالیسی کو بورڈ کے ذریعہ نافذ کیا گیا ہے اور شکایت ہینڈلنگ کے عمل میں وسل بلورز اور رازداری کی شناخت کی حفاظت کے اقدامات کئے گئے ہیں، اس طرح تمام متعلقین کو اعتماد سے بات کرنے میں مدد ملتی ہے۔

کمپلائنس

کمپلائنس فنکشن کو لیگل و کمرشل شعبے کے حصے کے طور پر تشکیل دیا گیا تھا۔ لیگل کمپلائنس مانیٹرنگ سسٹم تشکیل دیا گیا۔

کارپوریٹ گورننس

بورڈ اچھی حکمرانی کے بہترین طریقوں کو بہت اہمیت دیتا ہے۔ بورڈ ایک صحت مند کارپوریٹ کلچر اور ماحول، کاروبار کے اخلاقی طریقوں، شفاف اور قابل اعتماد مالیاتی رپورٹنگ، اسٹیک ہولڈرز کے ساتھ مواصلاتی رابطے اور قانون کے مطابق کاروباری امور کی انجام دہی کو فروغ دینے کے لئے پرعزم ہے۔ اچھی کارپوریٹ گورننس کے اصول کمپنی کی فیصلہ سازی، عمل درآمد اور نگرانی کے عمل میں ظاہر ہوتے ہیں۔

بورڈ کی تشکیل

بورڈ 8 آزاد، دو غیر ایگزیکٹو، اور ایک ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

اتفاقیہ اسامی

بورڈ میں یکم اگست 2016، 23 دسمبر 2015 اور 29 جنوری 2015 کو بالترتیب جناب وقار اے ملک، جناب شہباز یاسین ملک اور عثمان خالد وحید کے استعفوں کی وجہ سے اتفاقیہ اسامیاں پیدا ہوئیں جنہیں 21 مارچ 2017 کو پُر کیا گیا۔ ایک اور اتفاقی اسامی 17 اپریل 2017 کو جناب ارشد مرزا کے استعفیٰ سے سامنے آئی جسے 27 اپریل 2017 کو پُر کیا گیا۔

ڈائریکٹران کی قابل بھروسہ ذمہ داریاں اور تربیت

آئی ٹی گورننس

معلومات کی حفاظت کو مزید مضبوط بنانے کے لئے، آئی ایس او 2013:27001 کی بنیاد پر انفارمیشن سیکورٹی مینجمنٹ سسٹم کو انفارمیشن اثاثوں اور خطرات کے انتظام کو بڑھانے کے لئے لاگو کیا گیا ہے۔ تکنیکی وسائل کی اہلیت، واقعات اور لاگز مینجمنٹ کے لئے اعلیٰ درجے کے حل کے بارے میں معلومات کے نظام کو خطرے سے کم کرنے اور سلامتی سے بچنے کے لئے لیولنگ حل کیے گئے ہیں۔ آئی ایس او/ IEC20001:2011 کے معیار پر مبنی اہم کلیدی منصوبوں میں سوئی ہسپتال مینجمنٹ سسٹم، انٹرپرائز مواد مینجمنٹ، متحد مواصلات اور آئی ٹی سروس مینجمنٹ شامل ہیں۔

کاروباری تسلسل کے منصوبے (بی سی پی)

ادارے کے بارے میں تشویشناک واقعات کی لچک کو بہتر بنانے کے لئے، کاروباری ادارہ مینجمنٹ (BCM) کی پالیسیوں اور طریقہ کار پر تمام اثاثوں اور معاون افعال/محکموں اور کمپنی میں آگاہی کے لئے نامزد مرکزی افراد کی تربیتی نشستوں کا انعقاد کیا گیا۔ کاروباری رسپونس کے منصوبوں کو اپ ڈیٹ کر کے کمپنی انٹرانیٹ پر شیئر کر دیا گیا ہے۔ بی ایم ایم کے نظام کو یقینی بنانا کے لئے تنظیمی اداروں کے ساتھ ہے، بزنس امپیکٹ تجزیہ کا جائزہ اور باقاعدگی سے دیگر بی ایم ایم کی پالیسیوں کو منعقد کیا جاتا ہے۔

6 گورننس اور رسک مینجمنٹ

6.1 انتظامیہ/حکومت/گورننس

انتظامی ڈھانچہ

بورڈ کمیٹیز

بورڈ ڈائریکٹرز نے سات کمیٹیاں تشکیل دی ہیں۔ کمیٹیوں کی ترکیب وافعال "بورڈ کمیٹی" کے عنوان سے سالانہ رپورٹ میں ظاہر کئے گئے ہیں۔

انٹرنل آڈٹ

کمپنی ایک انٹرنل آڈٹ فنکشن ہے جس میں براہ راست بورڈ آڈٹ کمیشن کو رپورٹ کرتا ہے۔ ڈیپارٹمنٹ کی سربراہی ایک جنرل مینیجر کرتا ہے، جو فنکشن کے اعتبار سے بورڈ کے آڈٹ کمیشن کو رپورٹ کرتا ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ کے عملے کو اپنے فرائض کو مؤثر طریقے سے انجام دینے کے لئے اپنے ریکارڈوں تک مؤثر طریقے سے لامحدود رسائی حاصل ہے۔ انٹرنل آڈٹ کا دائرہ کار واضح طور پر انٹرنل آڈٹ چارٹر میں بیان کیا گیا ہے جس کی منظوری بورڈ کی طرف سے دی جاتی ہے۔

بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے آٹھ اجلاس ہوئے جن میں اوسط حاضری 93 فیصد تھی۔ متعلقہ ڈائریکٹرز کی حاضری کی تفصیلات "بورڈ اور کمیٹی کے اجلاسوں میں حاضری" کے عنوان سے سالانہ رپورٹ میں دی گئی ہے۔

بورڈ کمیٹی اجلاس

زیرِ جائزہ سال کے دوران بورڈ کمیٹی کی اکیس نشستیں ہوئیں۔ متعلقہ اراکین کی حاضری کی تفصیلات "بورڈ اور کمیٹی کے اجلاسوں میں حاضری" کے عنوان سے سالانہ رپورٹ میں دی گئی ہے۔

اہم پالیسیاں

مندرجہ ذیل اہم پالسیاں درج ہیں:

- کارسیٹ بیلٹ کی پالیسی
- ضابطہ اخلاق
- مواصلات کی پالیسی
- انٹرپرائز خطرے کا انتظامی ڈھانچہ
- دریافت و پیداوار میں پائیدار ترقی کے لئے فارم ان/ فارم آؤٹ حکمت عملی
- انسانی وسائل کی انتظامی پالیسی

رفاحِ عامہ اور ماحولیات کو بہتر بنانا

• روزانہ کی بنیاد پر سوئی ٹاؤن کے 65000 رہائشیوں کے لیے 3 سے 4 ایم ایم ایس سی ایف مفت گیس کی فراہمی۔

پانی کی فراہمی کے حالیہ منصوبے

• سوئی ٹاؤن، ڈسٹرکٹ ڈیرہ بگٹی میں تقریباً 2 ملین گیلن پینے کے پانی کی روزانہ مسلسل فراہمی کے ساتھ ساتھ ضلع قمبر شہدادکوٹ کے غیبی ڈیرو گاؤں کے باشندوں کے لئے بھی پینے کے پانی کی فراہمی۔

• بلوچستان کیکھاران، لسبیلہ اور کشمور ڈسٹرکٹ میں شمسی توانائی سے چلنے والے پانی کی فراہمی کے منصوبوں کی تکمیل۔

انفراسٹرکچر ڈیولپمنٹ

صوبہ بلوچستان کے ڈسٹرکٹ لسبیلہ میں جیپ کی گزرگاہ کے طور پر لوہی پر 2.8 کلومیٹر طویل روڈ کی تعمیر کے ساتھ ساتھ شہداد پور کے نزدیک شہداد پور بائی پاس پر 2.1 کلومیٹر دوہری روڈ کی تکمیل۔

ثقافت کی بقا

• علم کے فروغ کے لیے اسلام آباد میں آکسفورڈ یونیورسٹی پریس کی جانب سے ہونے والے لیٹریچر فیسٹیول 2017 کے لئے تعاون۔

کھیلوں کی سرگرمیاں

مقامی سطح پر صحت مند افراد و تفریح سے بھرپور کھیلوں کی سرگرمیوں کے ذریعے نئے ٹیلنٹ کو فروغ دینے کے لئے پاکستان میں اب تک کا سب سے بڑا فٹ بال ٹورنامنٹ پی پی ایل فٹ بال کپ 2017 کا انعقاد کیا جس میں 6 صوبائی ڈویژن نے حصہ لیا اور 37 ٹیموں کے درمیان 74 میچ کھیلے گئے۔

5.4 انفارمیشن ٹیکنالوجی

انفارمیشن ٹیکنالوجی کی کارکردگی ترسیلی خدمات میں اضافے اور اپنی پیش قدم حکمت عملی کے ذریعے اسے مزید فروغ دینے کے مشن پر رواں دواں ہے جس کا مقصد بزنس کی قدر میں اضافہ، اور پیداوار کو بڑھانا ہے تاکہ جدید ٹیکنالوجی کو بروئے کار لاتے ہوئے تنظیمی کارکردگی، معلومات کا تحفظ، گورننس اور خطرات کم کرنے کے فوائد حاصل کئے جاسکیں۔

لاگت میں اہم کمی کرتے ہوئے کاروبار کو جاری رکھنے اور کاروباری شکایات پر قابو پانے کیلئے اسلام آباد آفس میں آئی ٹی کے تحت یا ڈیٹا سینٹر/ حادثات کے حوالے سے بحالی کی سائٹ تیار کی جارہی ہے۔

SAP کا بہتر استعمال

SAP کو بہتر بنانے کا منصوبہ پائے تکمیل تک پہنچ گیا ہے اور ایڈز۔ آن اور کئی کاروباری مراحل کی توسیع کے ذریعے آرگنائزیشن کو خاطر خواہ فائدہ پہنچایا ہے دوران سال اہم مراحل پر عملدرآمد ہوا جن میں سیلز اور ڈسٹری بیوشن کے شراکت دار بینکوں کے ساتھ خودکار ادائیگی، ٹریول مینجمنٹ، میڈیکل او پی ڈی اور SAP اور انٹرپرائز پورٹل شامل ہیں جو ملازمین کو اپنی مدد آپ کے تحت کام کرنے میں معاون ہوتا ہے۔

آئی ٹی کے اہم منصوبہ جات

ایک انتہائی جدید 3D ویژولائزیشن اور ریکلائزیشن سینٹر تشکیل دیا گیا ہے جو جیوسائنٹس اور انجینئرز کو زمین کی حالت کو 3D انداز میں دیکھنے میں بھرپور مدد دے گا جو تکنیکی معلومات کے حصول میں ایک اہم کردار ادا کررہا ہے جس سے درستگی میں اضافہ خطرات میں کمی اور عملے کے اندر باہم اشتراک میں اضافہ ہورہا ہے۔ سائزمک گہرائی کو دیکھنے کے لئے ہائی پرفارمنس کلسٹرڈ کمپیوٹنگ فیسلٹی 2016 میں قائم ہوئی تاکہ اندرونی طور پر ڈیٹا پروسیسنگ کی درکار ضروریات پوری ہوسکیں اور اب اسے بڑھتی ہوئی طلب کیلئے 800 کورز تک بہتر کیا جارہا ہے۔

پروڈکشن ڈیٹا سینٹر لائزیشن کے ذریعے معلومات کو رپورٹ کرنے کے مرحلے کی خودکار ترسیل بنیادی گئی ہے جو کمپنی آپریٹڈ اور فیلڈ ڈیٹا پر مشتمل ہے اور مختلف عملہ محفوظ طریقے سے آسان رسائی حاصل کرسکتا ہے۔

مسلسل بہتری کے اقدامات کو جاری رکھتے ہوئے آئی ٹی انفرا اسٹرکچر اور سپورٹ سروسز میں محفوظ اور استعدادی لاگت کے اقدامات پر عملدرآمد کے ذریعے اضافہ کیا گیا ہے ان اقداماست میں مینجڈ پرنٹنگ، ڈیٹا ضائع ہونے کی روک تھام، خطرات سے پیشگی تحفظ اور کمپیوٹنگ کا مؤثر استعمال، اسٹوریج اور نیٹ ورک وذرائع شامل ہیں۔ ہیڈ آفس، فیلڈ کے مقامات اور کنوؤں کی سائٹس پر مقامات کی بھی تشکیل دی گئی ہے۔

مقامی کمیونٹی کے لئے روزگار کے مواقع

کمپنی نسل، قومیت، مذہب یا سماجی پس منظر سے قطع نظر منصفانہ روزگار کے مواقع فراہم کرتی ہے۔ جس میں سے 70 فیصد مقامی شراکت دار کمیونٹیوں کا حصہ ہوتا ہے۔

کمپنی نے اپنی پیداواری فیلڈز سے تعلق رکھنے والے نوجوان انجینئرز وں اور ڈپلومہ ہولڈرز کو اہلیت کے معیار میں رعایت دیتے ہوئے دورانِ کام تربیت کا دوسالہ پروگرام پیش کیا ہے۔

تعلیم

• سوئی ماڈل اسکول اور گرلز کالج، ڈیرہ بگٹی، بلوچستان اپنی خدمات جاری رکھتے ہوئے 3000 مقامی طالب علموں کو فائدہ پہنچا رہا ہے، جس میں لڑکیوں کے کالج میں 60 سے زائد طالبات بھی شامل ہیں۔ ساتھ ہی کندھکوٹ، سندھ میں تین پی پی ایل-ٹی سی ایف پرائمری اور ایک سیکنڈری اسکول میں بھی 600 سے زائد طالب علم زیرِ تعلیم ہیں اس کے علاوہ، مزارانی گیس فیلڈ کے قریب ضلع قمبر شہداد کوٹ میں دو پرائمری اسکولوں کے لئے آپریشنل اخراجات جاری ہیں۔

• ورچوئل یونیورسٹی کے کیمپس کا قیام اور سوئی ڈیرہ بگٹی میں ایف سی گرلز کالج کی معاونت کی۔

• بلوچستان کے 130 سے زائد طالب علموں، بشمول ڈسٹرکٹ ڈیرہ بگٹی کے 40 طالبعلموں نے 4 سالہ ثانوی اور اعلی ثانوی اسکالرشپ اسکیم سے استفادہ حاصل کیا۔ اسی طرح ضلع ڈیرہ بگٹی، کشمیر، راولپنڈی، قمبر شہداد کوٹ اور سانگھڑ سے 130 طالب علموں کو اعلی پیشہ ورانہ تعلیم کے ساتھ ساتھ بلوچستان اور خیبر پختونخواہ کے طالب علموں کو انسٹی ٹیوٹ آپ بزنس ایڈمنسٹریشن، کراچی (IBA) میں نیشنل ٹیلینٹ ہنٹ پروگرام کے تحت 4 اسکالرشپ فراہم کی گئیں۔ اس کے علاوہ، ضلع ڈیرہ بگٹی میں ایف سی اسکول اور کالج، سابق بلوچستان پبلک اسکول، سوئی میں 100 طالب علموں کو اسپانسر کیا گیا اس کے ساتھ ساتھ قائداعظم رینجرز خصوصی بچوں کے سکول میں کئی سالوں کے لئے دس مستحق طالب علموں کی ماہانہ فیس اور ایف ای ایس ایف ڈیف اسکول رشید آباد، ضلع ٹیاری اور سانگھڑ کے 30 خصوصی مقامی بچوں کے لئے اقدامات کیے گئے۔

• گورنمنٹ گرلز کالج، کھاران، ڈسٹرکٹ کھاران میں لائبریری اور کمپیوٹر روم کی تعمیر کی گئی۔

• ضلع ڈیرہ بگٹی، برخان، راولپنڈی، کھاران اور خضدار میں مختلف سرکاری اسکولوں اور کالجوں میں تعلیمی بلاکس کی تعمیر کی گئی۔

• این ای ڈی یونیورسٹی برائے انجینئرنگ وٹیکنالوجی میں پیٹرولیم کے شعبے میں پی پی ایل چیئر کا قیام اور تحقیقاتی ترقی کے فروغ اور ای اینڈ پی انڈسٹری میں اپنی خدمات انجام دینے کے لیے انسانی وسائل کی تربیت کے لیے اپنا مسلسل تعاون جاری رکھتے ہوئے بحریہ یونیورسٹی کراچی کے شعبہ جیو فیزکس میں پی پی ایل چیئر کا قیام۔

صحت کی دیکھ بھال

• پی پی ایل پبلک ویلفیئر ہسپتال، سوئی میڈیکل ڈسپنسری متالہ نزد آدہی فیلڈ کے انتظامی اخراجات کے ساتھ ساتھ تربت کچھ پرمیری اڈیلائڈ میں Leprosy,ophthalmic اور teberculosis کے مریضوں کے علاج کے لیے خصوصی معاونت۔

• کندھکوٹ، مزرانی، سوئی کے ساتھ ساتھ پیداواری اثاثوں ہالا اور گمبٹ کے جنوبی بلاک میں مفت موبائل میڈیکل ڈسپنسریاں چلانے کے لیے معاونت۔

• سوئی فیلڈ ہسپتال میں مقامی مریضوں کو مفت علاج کی سہولت۔

• ڈسٹرکٹ ڈیرہ بگٹی، کاشمور، قمبر شہداد کوٹ، سانگھڑ اور راولپنڈی میں 7 مفت آنکھوں کی سرجری کے کیمپوں کے قیام سے 12,000 مریضوں کو فائدہ پہنچایا گیا۔

• ڈسٹرکٹ بدین میں تھیلیسیمیا تشخیصی، علاج اور ریسرچ سینٹر کی تعمیر۔

• ضلع ہیڈ کوارٹر ہسپتال، قلات، بلوچستان میں 40 کلوواٹ شمسی توانائی کا نظام نصب کیا۔

• شہداد پور انسٹی ٹیوٹ آف میڈیکل سائنسز، ضلع سانگھڑ، سندھ کو 100 کلوواٹ کے جنریٹرز کی فراہمی۔

• انڈس ہسپتال کے بچوں کے انتہائی نگہداشت کے یونٹ کے لیے سامان کی خریداری کے ساتھ ساتھ میو ہسپتال اور کوہی گوٹھ ہسپتال کے آپریشن تھیٹر کے لیے بیہوشی کی 6 مشینوں کی فراہمی۔

• تحصیل ہیڈ کوارٹر ہسپتال تحصیل گجر خان، ضلع راولپنڈی کی بحالی میں معاونت۔

روزگار کے مواقع پیدا کرنے کے لئے ہنرمندی میں اضافہ

• متالا نزد آدہی فیلڈ میں پیشہ ورانہ تربیتی مرکز کی امداد کے ساتھ ساتھ سوئی ٹاؤن میں پیشہ ورانہ ٹریننگ انسٹی ٹیوٹ، کمپیوٹر ٹریننگ سینٹر اور پبلک لائبریری کے لیے تعاون۔

• کوٹری ڈسٹرکٹ جامشورو میں خواتین کے لئے پیشہ ورانہ تربیت اور ہنرمندی میں اضافے کے مراکز کی تعمیر۔

• سٹی اینڈ گلڈز برطانیہ سے تسلیم شدہ ہنر فاؤنڈیشن، کی جانب سے ڈسٹرکٹ ڈیرہ بگٹی، ٹیاری اور سانگھڑ کے نوجوانوں کے لیے 1 سال ڈپلومہ کے 5 وظائف کی فراہمی۔

• پاکستان کے ایسوسی ایشن آف ڈیف کی اعانت کے لیے سینٹر آف ایکسیلینس برائے ڈیف کے لیے فرنیچر اور سامان کی خریداری۔

اعلیٰ تربیتی مرکز کے قیام کے ذریعے عملےکوان کی تکنیکی مہارتوں میں اضافے کے لئے انہیں پیشہ ورانہ صلاحیتوں کے حصول کیلئے بہترین مواقع فراہم کئے گئےاسی دوران QHSE کے حوالے سے عملے اور مقامات کےتحفظ پرخصوصی توجہ مرکوزکرتے ہوئے تربیتی نشستیں منعقد کی گئیں۔ مجموعی طور پر60 نشستیں منعقد کی گئیں۔

دوران سال غیر ملکی ماہرین سے تربیت حاصل کرنے پر ان توجہ مرکوز کرتے ہوئے غیر ملکی فیکلٹی کی جانب سے 40 تکنیکی تربیتی پروگرام منعقد کئے گئے۔

چونکہ کمپنی کے قائدین کا کمپنی کی کامیابی پر بڑا گہرا اثر ہوتا ہےاس لئے کمپنی نے ان کی اضافی مہارتوں کیلئے وسیع پیمانے پر سرمایہ کاری ہےاوراعلیٰ انتظامی افراد کو پاکستان کے بہترین تعلیمی اداروں موڈولر لیڈر شپ ڈیویلپمنٹ پروگرام کی تعلیم دی گئی۔

کمپنی نے ای لرننگ متعارف کرایااور بین الاقوامی ہیومن ری سوسز ڈویلپمنٹ کارپوریشن (آئی ایچ آر ڈی سی) کے اشتراک کمپنی کے ای لرننگ پورٹل سے 200 ملازمین کو تربیت فراہم کی گئی۔

اپنے پیداواری فیلڈز کے علاقے کے رہائشی اور ڈومیسائل کے حامل فریش انجینئرز اور ڈپلومہ ہولڈرز کو کمپنی نے دوران ملازمت ٹریننگ کے مواقع فراہم کرنے کی پیشکش کی ہے۔اس اسکیم سے ترقی پذیر علاقوں سے امیدواروں کو میرٹ کی بنیاد پر آگے بڑھنے میں مدد ملے گی بلکہ مقامی کمیونیٹیز کو بھی بہتر سطح پر لانے میں معاون ثابت ہوگی جہاں کمپنی آپریٹ کرتی ہے۔

انڈسٹریل ریلیشنز

کام سے متعلقہ مجموعی ماحول اور صنعتی حوالے تعلقات بشمول سوئی گیس فیلڈ کمپنی کے تمام مقامات پر بہتر اور دوستانہ رہے۔

نیشنل انڈسٹریل ریلیشنز کمیشن کی جانب سے یونین کو جاری کئے جانے والے CBA سرٹیفکیٹ کے نتیجے میں جون 2017 میں چارٹر آف ڈیمانڈز پر گفت وشنید کے سلسلے کا آغاز کیا گیا جو ابھی جاری ہیں۔

خصوصی افراد کی ملازمت

کمپنی معذور افراد (ملازمت اور بحالی) آرڈیننس، 1981 کے سیکشن 10 کے مطابق پیشہ ورانہ کوٹے کے تحت ملازمت کی لازمی ضرورت کے مطابق عمل کر رہی ہے، جس میں ایک فیصد خصوصی افراد کو ملازمت دینا ضروری ہے۔

کارپوریٹ سماجی ذمہ داری (سی ایس آر)

ایک ذمہ دار کارپوریٹ ادارے کے طور پر، پی پی ایل ملک کے دیگر علاقوں کے علاوہ اپنے آپریشنل علاقوں کے اردگرد رہنے والی مستحق کمیونٹیوں کی زندگیوں میں مثبت تبدیلی لانے میں اپنی خدمات انجام دے رہا ہے۔اس کے نتیجے میں، کمپنی نے گزشتہ چھ دہائیوں کے دوران، براہ راست یا بالواسطہ طور پر تعلیم، صحت کی دیکھ بھال، معیشت کی پیداوار اور انفراسٹرکچر کی ترقی میں اقدامات کیے ہیں۔

اس طرح، کمپنی مقامی متعلقہ ضروریات کے ساتھ معقول اثرات کے لئے منصوبوں کی منصوبہ بندی اور لاگو کرنے کے لئے، زمین کی نگرانی اور تشخیص کے ذریعے شفافیت، تک پہنچنے اور پائیدار کو یقینی بنانے کے منصوبوں کی منصوبہ بندی اور لاگو کرنے کے لئے، متعلقہ متعلقہ اسٹیک ہولڈرز کے ساتھ مشغول ہے۔

اپنے سی ایس آر پورٹ فولیو کو مزید مضبوط بنانے اور شہری علاقوں میں غیر محفوظ رکھنے کے لئے کمپنی نے 2016-2017 کے دوران کارپوریٹ عطیہ پروگرام شروع کیا۔تقریباً 82 لاکھ روپے کا سالانہ بجٹ کے ساتھ، پروگرام کو معیار کی صحت کی دیکھ بھال، تعلیم، معیشت کی نسل کے لئے صلاحیت کی تعمیر اور شہری علاقوں میں کھیلوں اور ثقافتی تحفظ کو فروغ دینے کے قابل اعتماد ترقیاتی تنظیموں کے ساتھ کام کرنے پر توجہ مرکوز ہے۔

سال میں جائزہ لینے کے دوران، کمپنی نے آپریشنل اور شہری علاقوں کے اردگرد کئی منصوبوں کا آغاز کیا اور انہیں جاری رکھا۔ان میں مقامی طالب علموں کے لئے اسکالرشپ اسکیم، خصوصی توجہ کے متقاضی بچوں کی ضروریات کو پورا کرنا، موبائل میڈیکل ڈسپینسر وں اور آنکھوں کے علاج کے لئے کیمپوں کے قیام کے ذریعے مفت علاج کی سہولت فراہم کرنا، تعلیم، صحت کی دیکھ بھال اور مہارت کی ترقی کے اداروں کی ترقی، آپریشنلائزیشن اور انہیں بہتر بنانا، خدمات کی فراہمی، پینے کے پانی کی فراہمی کے منصوبوں، سڑکوں اور دیگر بنیادی ڈھانچے کے منصوبوں کی شروعات شامل ہیں۔

کارپوریٹ فیلنتھراپی

اگرچہ اس کمپنی نے اپنے قبل ازٹیکس منافع کا 1.5 فیصد سی ایس آر کے قدامات پر لازماً خرچ کے لئے مختص کئے ہیں تاہم اصل اخراجات مختص شدہ فنڈز سے دوگنا ہیں۔

مثال کے طور پر، 2016-17 کے دوران، کمپنی نے CSR کی سرگرمیوں پر تقریباً 29 بلین روپے خرچ کیے، جن میں سے ایک کا بلوچستان بلوچستان اور سندھ، اس کے عملے کے دلائل میں خرچ کیا گیا تھا۔

اس کے مربوط اور نتائج پر مبنی CSR پروگرام کے اعتراف میں، کمپنی کو پاکستان سینٹر برائے فیلنتھراپی کی جانب سے 2004ء سے 2015 تک 12 برسوں سے لگاتار عطیات کے حجم کے لحاظ سے سب سے بڑے کارپوریٹ عطیات دہندہ کی حیثیت سے تسلیم کیا گیا ہے۔

- ہیڈ آفس کی جانب سے کانٹریکٹرز کی انتظامیہ کے ساتھ QHSE سے متعلق اہم معاملات کے حوالے سے باقاعدگی سے میٹنگز
- ڈرلنگ رگز پر عمومی رکاوٹوں اور تجدیدی پروگرام
- سیفٹی ممبر شپ اور سیفٹی کیپٹن پروگرامز
- شراکتی کاروباری پارٹنرز کے ساتھ HSE تجربات کی شیئرنگ

توانائی کی بچت

توانائی کی بقا میں معاونت کا اعادہ کرنے کے لئے کمپنی نے 2017 میں ارتھ آور منایا۔ ہیڈ آفس اور ریجنل آفسز اور فیلڈ کے مقامات پر مخصوص گھنٹے کے دوران غیر ضروری لائٹس کو بند کر کے ارتھ آور منایا گیا۔ قومی سطح پر توانائی فراہم کرنے والے اہم ادارے کی حیثیت سے پی پی ایل پُرعزم ہے کہ وہ توانائی کی زیادہ سے زیادہ بچت کرے تا کہ طلب اور رسد کے فرق کو ختم کیا جا سکے اور ملک میں مستقبل کے اندر توانائی کے تحفظ کو یقینی بنایا جا سکے۔

5.2 انسانی وسائل

کمپنی کی انسانی وسائل پر بنی حکمت عملی اعلیٰ صلاحیتوں کے حامل افراد کو ادارے میں بھرتی کرنے ترقی دینے اور برقرار رکھنے کیلئے سازگار کاروباری ماحول، مسابقتی اجرت، عملے کی ادارے سے وابستگی، کام میں پہل اور کارکردگی کو وقت پر سراہنے پر مرکوز ہے۔

ملازمت

سرگرم ایکسپلوریشن، کھدائی اور پیداوار میں اضافے کے منصوبوں کی معاونت کیلئے، پی پی ایل نے مارکیٹ کی صورتحال کا فائدہ اٹھاتے ہوئے اچھی شہرت کی حامل کمپنیوں بشمول بڑی عالمی ای اینڈ پی کمپنیز سے قابل، تجربے کار پیشہ ورانہ افراد کو ایک شفاف اور کثیر الاسطحی جانچ کے عمل سے گزار کر میرٹ کی بنیاد پر ملازمت دی۔

بنیادی سطح پر بھرتیوں کیلئے میرٹ کی بنیاد پر ایسوسی ایٹس اسکیم متعارف کرائی گئی جس کے پہلے بیچ میں 76 بہترین گریجویٹس کو مختلف شعبوں میں شامل کیا گیا ہے۔

سی ایس آر اقدامات کے تحت کمپنی کی پیداواری فیلڈز سے تعلق رکھنے والے نوجوان ڈپلومہ ہولڈرز اور انجینئرز کی استعداد میں اضافے کیلئے دوران ملازمت دوسالہ تربیتی پروگرام کا اعلان کیا گیا۔

پالیسیاں، طریقہ کار اور اجرت کا نظام

تنظیمی تبدیلی کے سلسلے میں ایچ آر نے انتظامی اقدامات سے تعاون میں اہم کردار ادا کیا ہے۔ سی ایچ آر پالیسیوں اور طریقہ کار کو درست اور کارگر بنایا گیا ہے، جس کے نتیجے میں یہ سادہ، بہتر کنٹرول اور لاگت میں کمی کے ساتھ صنعت سے ہم آہنگ ہو گئے

- کارکردگی کے لحاظ سے مالی فوائد دینے کی اسکیم کو شروع کیا گیا تا کہ میرٹ کی روایت کو فروغ دیا جائے، عملے کی کارکردگی کو بہتر بنانے کیلئے بہترین کارکردگی کا مظاہرہ کرنے والے ملازمین کو سراہا جائے اور مسابقتی لحاظ سے عملے کو نفع دینے کے عمل کو رائج کیا جائے۔
- ترجیحات کیلئے اسی قیادت کے جاری رہنے کو یقینی بنانے کیلئے اعلیٰ عملے کی جانچ پڑتال ایک ممتاز کنسلٹیشن فرم کے ذریعے کی گئی تا کہ ان کی لیڈر شپ استعداد کے مطابق انہیں ذمہ داریاں سونپی جائیں اور انفرادی حوالے سے یکساں مہارت کا حصول ہو۔
- اس بات کو یقینی بنانے کیلئے کمپنی کی جانب سے دی جانے والی تنخواہیں موجودہ مارکیٹ سے ہم آہنگ ہیں۔ آئل اور گیس کے شعبہ جات متعلقہ نمایاں و ممتا کمپنیز میں تنخواہ کا سروے کیا گیا۔
- اسٹاف اور ان کی فیملیز کی او پی ڈی کیلئے ہیلتھ کیئر ماڈیول پر کامیابی سے عملدرآمد کیا گیا۔
- مارکیٹ کی بہترین حکمتِ عملی کو برقرار رکھتے ہوئے ریٹائرمنٹ بینیفٹس تمام اہل عملے کو بنیادی طور پر ایک پلان پیش کر کے از سرنو ترتیب دیا گیا ہے اہل عملے کو موجودہ وضاحت کردہ بینیفٹس کی پنشن اسکیم سے ڈیفائنڈ کنٹری بیوشن پینشن اسکیم میں تبدیلی کی پیشکش کا انتخاب دیا ہے۔
- متعلقہ کمپنی کے مختلف امور کی انجام دہی کرنے والے ہر سطح کے ملازمین پر مشتمل عملے کو دیگر امور کے لئے بھی مشغول کیا گیا اور ان کے مقامات کو بھی تبدیل کیا گیا تا کہ وہ مختلف النوع اور کام کی انجام دہی بھی سیکھیں اور بہتر منصوبہ بندی میں معاون ثابت ہوں۔

عملے کے نظام میں مزید بہتری لائی گئی اور خود تشخیص اور ششماہی تشخیص کو اس کی افادیت کے ساتھ SAP کے خود کار طریقے سے منسلک کیا گیا جس سے تشخیصی عمل کی شفافیت میں بہتری آئی۔

لرننگ اینڈ ڈیولپمنٹ میں اہم اقدامات

ملازمین کی ترقی اور ان کی استعدادی صلاحیت میں اضافے کیلئے مسلسل کوششیں کی گئیں۔

انتظامی آڈٹس

کمپنی کا اعلیٰ انتظامی عملہ باقاعدگی سے سائٹ آڈٹس انجام دیتا ہے تاکہ سیفٹی لیڈر شپ کا عملی مظاہرہ ہو سکے، دوران سال آڈٹس کے 114 اہداف کا حصول ہوا جو سیفٹی کلچر کے فروغ اور اس کی بہتری کیلئے انتظامیہ کے عزم کو ظاہر کرتا ہے۔

لیڈرشپ ورک شاپس

کمپنی کے انتہائی اعلیٰ انتظامی عملے کیلئے کمپنی نے بین الاقوامی تسلیم شدہ پروسس سیفٹی لیڈرشپ پر مشتمل اعلیٰ ورک شاپس کا انتظام کیا ہے۔ ان ورک شاپس کا اثر مینجمنٹ آڈٹس کے اعلیٰ معیار اور پروسس سیفٹی پر مشتمل انتظامی سرگرمیوں میں دیکھا جا سکتا ہے۔

b پروسس سیفٹی کی استعداد

اسٹیک ہولڈرز کے مابین قریبی تعلق کے نتیجے میں ایک تفصیلی پروسس سیفٹی انتظامی استعداد پر مبنی فریم ورک اور اسکل میٹرکس ترتیب دیا گیا ہے۔ پروسس سیفٹی ٹریننگز کے انعقاد میں مطلوبہ عملے کیلئے قابل توجہ امور کی شناخت میں یہ مشترکہ اور باہم کوشش معاون ثابت ہوئی ہے ان اہم امور میں خطرات کے تجزیئے پیش آنے والے حادثات کی تفتیش پروسس اور پروسس سیفٹی مینجمنٹ شامل ہیں۔

پی ایس ایم استعدادی ویکس اور عالمی یوم صحت پر مشتمل فیلڈز اور آفسز میں کئی تقاریب منعقد کی گئیں تاکہ سیفٹی پروسس سے متعلقہ اصولوں سے تمام عملہ کو آگاہی دی جائے۔

C حفاظتی معلومات (PSI) اور خطرات کا تجزیہ

پلانٹس پر موجودہ پی ایس آئی پیکجز پر بین الاقوامی معیار کے مطابق نظر ثانی کی گئی ہے آپریٹڈ فیلڈز میں متعلقہ اسٹاف کو مشغول کر کے خطرات کی نشاندہی کی تکنیک (HAZID) بتائی گئی۔ اس طرح نگرانی اور معائنے کے حوالے سے خطرات پر مبنی معائنے کے مطالعے RBI) آپریٹنگ پلانٹس اور پلانٹ پائپنگ کی تھرڈ پارٹی اسپیکشنز کے آپریٹنگ پلانٹس پر منصوبہ بندی کا عملدرآمد جاری ہے۔

ماحول دوست اقدامات

a قانونی پیروی

کمپنی کا عزم ہے کہ وہ تمام متعلقہ قوانین وضوابط پر سختی سے عمل کرتے ہوئے اپنے آپریشنز سے ہونے والے ماحولیاتی اثرات کو کم سے کم کردے۔ کمپنی کے حکمت عملی پر مبنی ورک پلانز پر ہموار سطح پر ترقی کیلئے دیئے گئے متعین وقت کے اندر 12 ترقیاتی منصوبوں کیلئے ماحولیات کے معائنے سے متعلق مطالعہ کو ترتیب دیا گیا ہے۔ سائز مک۔ کھدائی، اور تعمیری سرگرمیوں میں غیر جانبدار نگراں ماہرین کی خدمات حاصل کی گئیں تاکہ ماحول سے متعلق متفقہ طور پر مخصوص انتظامی منصوبوں کی مد میں اس کی پابندی کیلئے موثر مانیٹرنگ اور رپورٹنگ ہو سکے۔

کمپنی کے آپریشنز کے دوران توانائی کی بچت کیلئے اندرونی طور پر بہتری لائی گئی ہے اس حوالے سے کی گئی منصوبہ بندی اور اس کی پیروں کی نگرانی کے نتیجے میں مجموعی طور پر توانائی کا خرچ بین الاقوامی متعین کردہ ہدف سے کم ہی رکھا گیا ہے۔ اس سال کے دوران گمبٹ ساؤتھ فیلڈ پر توانائی کا خرچ زیادہ ہوا جس کی وجہ پلانٹ کو فعال کرنے کیلئے کی گئیں سرگرمیاں تھیں، بعد میں پلانٹ پر آپریشن اعتدال پر آنے کے بعد یہ خرچ کم ہو جائے گا۔

ٹھیکیدار کی حفاظت

تیل اور گیس کی صنعت میں کانٹریکٹر کا تحفظ خطرات پر مبنی امور میں سے ایک ہے اور کمپنی اسے کارپوریٹ رسک کہتی ہے۔ اپنے ترقیاتی منصوبوں کی تکمیل میں کمپنی کی سرگرمیوں میں حالیہ اضافے کی وجہ سے کانٹریکٹر کی سرگرمیوں میں خلاف معمول اضافہ ہوا ہے تحفظ کے حوالے سے متعلقہ خطرات میں بھی اضافہ ہوا ہے۔ اسی بات کو مدنظر رکھتے ہوئے درج ذیل اقدامات زیر انتظم ہیں:

- کانٹریکٹر کے پری کوالیفکیشن کے معیار میں بہتری
- معاہدہ میں QHSE کلاز کو شامل کرنا
- ورک شاپس کیلئے پیشگی اقدامات
- کھدائی سے قبل پیشگی معائنے
- غیر جانبدارانہ نگرانی
- ٹھکیداروں کی تربیت
- گہرائی میں جانچ/کانٹریکٹرز کی تجویز کردہ انتظامی تبدیلی (MOC) کا آڈٹ

5۔ تنظیمی جائزہ

5.1 معیار، صحت، تحفظ اور ماحول (QHSE)

پیشہ ورانہ صحت اور طریقہ کار میں تحفظ

تمام سطح پر انتظامی عزم کے ساتھ انتظام کاری کے حوالے سے خطرات کی پیشگی جانچ کے باعث بہتری دیکھنے میں آئی ہے۔

کارکردگی کے اہم اشاریئے

QHSE مراحل کے خودکار نظام کے ذریعے QHSE کارکردگی کی نگرانی میں بتدریج بہتری آرہی ہے۔ کمپنی نے واقعات کی رپورٹنگ اور خطرات کے انتظام کیلئے استعمال میں آسان سوفٹ ویئر کامیابی سے متعارف کرایا ہے۔ یہ سوفٹ ویئر درست اقدامات اور HSE سے متعلق ایک ترک شماریاتی ڈیش بورڈ تیار کرنے میں معاونت ثابت ہوگا۔

2016-17 کے لئے کمپنی اور کانٹریکٹرز کیلئے کل ریکارڈ کی جانیوالی حادثے کی شرح اور حادثے کی وجہ سے ضائع ہونے والے کام کے وقت کا تعدد متعین کردہ حد سے کم تھا جیسا کہ ذیل میں دکھایا گیا ہے:

کمپنی کی اعلیٰ انتظامیہ کو شامل کرتے ہوئے تمام بڑے حادثوں کی تفصیل تفتیش/ چھان بین کی گئی اور ایسے حادثوں کے انسداد اور مستقبل میں دوبارہ رونما ہونے سے بچنے کیلئے فوری طور پر اقدامات کئے گئے۔

دوران سال ایک سائزمک سائٹ پر ایک ناگہانی حادثہ پیش آیا جس میں کانٹریکٹر کے کیبل کریو کا ورکر مچھلی کے تالات میں ڈوب کر جاں بحق ہوگیا۔ کمپنی نے اس واقع کی آزادانہ تفتیش کی اور سائزمک کانٹریکٹر کی جانب سے اس واقع کی تفصیلی رپورٹ طلب کی۔ خطرات کی جانچ اور کانٹریکٹر کے دائرہ اختیار کا پوری طرح جائزہ لیا گیا اور کانٹریکٹر سے تفتیشی رپورٹ کی تجاویز پر فوری عملدرآمد کرنے کیلئے کہا گیا۔ کانٹریکٹرز کی تمام سرگرمیوں میں تحفظ کو یقینی بنانے کیلئے دیگر اقدامات کانٹریکٹر کے سیفٹی سیکشن میں ترتیب دیئے گئے ہیں۔

حادثے سے بال بال بچنے کی رپورٹنگ

کسی بھی حادثے کا بڑے حادثے میں تبدیل ہونے سے قبل ابتداء میں ہی نظام میں کسی کمی پیشی کی شناخت اور اسے درست کرنے کیلئے حادثے سے بال بال بچنے کی سال بسال رپورٹنگ میں کوششیں جاری رہیں گی۔

مجموعی طور پر صنعت کے جدید تقاضوں کو پورے کرتے ہوئے کمپنی نے روڈ ٹرانسپورٹ سیفٹی مینجمنٹ سسٹم (RTMS) کا آغاز کیا ہے جو پوری کمپنی میں قابل اطلاق ہے ڈیٹا جمع کرنے اور مانیٹرنگ سسٹم بھی ترتیب دیا گیا ہے، اس کے علاوہ اگلے سال میں گیپ اسسمنٹ کی بھی منصوبہ بندی کی گئی ہے کورس میں مزید بہتر مواد شامل کر کے پوری کمپنی میں دفاعی ڈرائیونگ ٹریننگ اور ری فریشر کورسز بھی ترتیب دیئے گئے ہیں۔

کسٹمر کے اطمینان اور QHSE سرٹیفکیشنز

کمپنی آپریٹڈ فیلڈز اور منتخب ڈپارٹمنٹس نے کامیابی سے QHSE مینجمنٹ سسٹم انٹرنل سرٹیفکیشن کو برقرار رکھا ہے جیسا کہ ISO 9001 (کوالٹی)، 14001 (ماحول) اور OHSAS18001 (پیشہ ورانہ صحت اور تحفظ)۔ یہ اس بات کا ثبوت ہیں کہ کمپنی QHSE اور کسٹمر کیلئے اطمینان بخش خدمات کی فراہمی کو یقینی بناتی ہے۔

پروسس سیفٹی (پی ایس)

مالی سال 2015-16 میں میسرز DuPont کی جانب سے بنائے گئے پروسس سیفٹی بینچ مارکنگ کی تجاویز کو مدنظر رکھتے ہوئے کمپنی نے تمام اسٹیک ہولڈر کے مشورے سے پروسس سیفٹی مینجمنٹ گورننس اسٹرکچر، خطرات کی بنیاد پر ترجیحات اور کارپوریٹ حکمت عملی ترتیب دی ہیں۔

اعلیٰ ترجیح کے حامل تین امور پر درج ذیل کے مطابق کام کیا جارہا ہے۔

a۔ پروسس سیفٹی (DS) لیڈرشپ اینڈ کلچر

4.4 لاگت سے متعلق بہتر کارکردگی

کھدائی کی بہتر کارکردگی

کھدائی کیلئے اپنی بھرپور مہم کو پائے تکمیل تک پہنچانے کیلئے کمپنی نے کمپنی آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں 17-2016 کے دوران 43 دریافتی اور ترقیاتی کنوؤں کی کھدائی کی جو کہ ایک ریکارڈ ہے اور استعدادی لاگت اور حفاظتی اقدامات کو بنیاد بناتے ہوئے گزشتہ تمام ریکارڈز کو توڑ دیا ہے۔ سال 16-2015 کے دوران 38 کنوؤں کی کھدائی کی گئی تھی۔

43 کنوؤں میں 25 کنوئیں پی پی ایل کے آپریٹڈ بلاکس میں کھودے گئے جبکہ بقیہ 18 کنوؤں کی پارٹنر آپریٹڈ بلاک میں کھدائی کی گئی۔ کمپنی نے 13 رگز کی مدد سے 25 کنوؤں کی ریکارڈ کھدائی کی جن میں 15 ترقیاتی اور 10 دریافتی کنوؤں کی کھدائی شامل ہے اور ایک مالی سال میں 5 رگ ورک اوورز کئے گئے۔ کھدائی پر مبنی بھرپور مہم کے عملدرآمد کے ساتھ ساتھ پی پی ایل نے ترقیاتی کنوؤں کی کھدائی میں تقریباً 40 فیصد قیمتی وقت کی بچت کی اور گزشتہ سال کے مقابلے میں لاگت میں 5 فیصد سے زائد کمی واقع ہوئی۔ جبکہ گزشتہ سال کے مقابلے میں 17-2016 میں زیادہ چیلینجنگ کنوؤں میں کئی دشواریوں کا سامنا بھی تھا۔ لیکن سال 16-2015 میں لاگت میں 20 فیصد کمی واقع ہوئی۔

کنوؤں کی کھدائی میں سب سے زیادہ چیلینجنگ ہدف کم لاگت پر مبنی ایک محفوظ کھدائی ہے جو ٹھیک وقت کی گئیں، دوران سال تمام پی پی ایل آپریٹڈ بلاکس میں کارکردگی کے ریکارڈز قائم ہوئے جیسا کہ نیچے ٹائم ڈیپتھ گراف میں دکھایا گیا ہے۔

کارکردگی کا یہ ریکارڈ انتہائی جدید ٹیکنالوجی کا بہتر سے بہتر استعمال، کھدائی کے آپریشنل مراحل کی احسن طریقے سے انجام دہی اور محتاط نگرانی سے حاصل کیا گیا۔ اور یہ رجحان کمپنی موجودہ اور مستقبل میں کنوؤں کی کھدائی کے سلسلے میں جاری رکھے گی۔

سائزمک سروے میں لاگت کی بچت

کمپنی نے شرح میں کمی کے ساتھ مسابقتی بولیوں کے ذریعے 17-2016 کے دوران سائزمک سروے میں مزید استعدادی لاگت کا حصول کیا ہے۔ گمبٹ ساؤتھ، کوٹری اور کوٹری نارتھ میں 3D سائزمک سروے تقریباً 16,000 امریکی ڈالرز فی مربع کلومیٹر، 19,000 امریکی ڈالرز فی اسکوائر کلومیٹر اور 18,000 امریکی ڈالرز فی مربع کلومیٹر کی اوسط لاگت پر بالترتیب مکمل کئے گئے ہیں جبکہ 12-2011 اور 14-2013 کے دوران ان بلاکس میں اسی طرح کے سروسز کی اوسط فی مربع کلومیٹر کی لاگت تقریباً 25000 امریکی ڈالرز فی مربع کلومیٹر تھی یہ استعدادی لاگت امریکی ڈالرز 13,000 لائن کلومیٹر اور 25,000 امریکی ڈالرز فی مربع کلومیٹر کے حامل کم 2D اور 3D سروے میں کم شرح کے ذریعے ڈھوک سلطان میں بھی حاصل کی گئی ہے جو مقابلتاً ابتداء میں بالترتیب 15,000 امریکی ڈالر فی لائن کلومیٹر اور 28,000 امریکی ڈالرز فی مربع کلومیٹر تھی۔

آپریشنل اخراجات میں کمی

آپریشن اور مینٹیننس ورک پروگرام پر احسن طریقے سے عمل کرتے ہوئے جس میں گیس کے حجم، ضروریات اور HSE کے پہلوؤں کو نظرانداز کئے بغیر تمام سال آپریٹنگ اخراجات کو کم سے کم کرنے کی کوششیں کی گئیں۔ اخراجات کی کمی نے کمپنی کو اس قابل کر دیا ہے کہ وہ مہنگائی اور سرگرمیوں کے اضافے کے باوجود اپنے اوپیکس (امریکی ڈالرز) فی (بی او ای) کو برقرار رکھا ہے۔ کمپنی کا عزم ہے کہ وہ اپنے ورک پروگرامز میں اخراجات کا درست استعمال جاری رکھے گی۔

ہیڈ آفس کے اخراجات میں کمی

موجودہ ذرائع اور اثاثہ جات کے بہتر استعمال کو یقینی بناتے ہوئے دوران سال کمپنی کی توجہ اخراجات میں کمی کرنے پر مرکوز رہی یہ اعلیٰ استعداد سوفٹ ویئر کی مینٹیننس، انشورنس اور بیرونی خدمات کے حوالے سے دیکھی جاسکتی ہے۔ کمپنی نے مستحکم تربیتی پروگرام کی ترسیل کو یقینی بناتے ہوئے انسانی سرمائے میں ترقی کیلئے اپنی مزید توجہ مرکوز کی ہے جبکہ CSR کے اخراجات ان اقدامات پر مرکوز رہے تا کہ کمیونٹی زیادہ سے زیادہ فائدہ اٹھا سکے۔

حجم کا مثبت تغیر گیس، تیل اور ایل پی جی کی فروخت کے حجم میں بالترتیب 13،7 اور 22 فیصد کے اضافے کا باعث بنے جو جزوی طور پر بارائٹ کے فروخت کے حجم سے کم ہوا۔
تمام آپیریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کے حجم میں کمی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

	یونٹ	30 جون 2017 کو ختم ہونے والا سال	30 جون 2016 کو ختم ہونے والا سال
قدرتی گیس	ایم ایم ایس سی ایف	288,483	269,476
خام تیل/ این ایل جی/ کنڈنسیٹ	بی بی ایل	5,948,460	5,281,886
ایل پی جی	میٹرک ٹنز	81,038	66,482
بارائٹس*	ٹنز	39,963	47,584

* دوران سال BME کا تیار کردہ بارائٹ پاؤڈر اور بارائٹ اور کی مجموعی فروخت کا کل حجم 110,274 ٹنز رہا۔ پی پی ایل کو کی جانے والے فروخت کو تفریق کرنے کے بعد PPL کے 50 فیصد شیئرز کو لاگو کرتے ہوئے کل حجم 39,963 ٹنز ہے۔

منفعت

زیر جائزہ سال کیلئے کمپنی کا منافع فی حصص 18.10 روپے رہا جو کہ 16-2015 میں 8.74 روپے تھا جو 107 فیصد خاطر خواہ اضافے کو ظاہر کرتا ہے۔ رزائد منافع کیا اہم وجہ فروخت کے حجم میں اضافہ ہے اور دریافت کی لاگت میں کمی منافع پر اثر انداز ہوا جو کہ جزوی طور پر 21 فیصد آپریٹنگ کے اخراجات کے اضافے زیر اثر تھا جس کی وجہ کنوؤں اور مقامات کی ڈیپریسی ایشن و راموٹائزیشن میں اضافہ ہے۔ منافع میں کمی کی ایک اور وجہ جزوی طور پر 4,574 ملین روپے کی کمی ہے جو کہ کمپنی کو اپنی مکمل طور پر خریدی گئی۔ پی پی ایل ایشیا ای اینڈ پی بی۔وی میں سرمایہ کاری میں کمی کی وجہ سے ہوئی۔نقصان کی یہ کمی بلاک-8 عراق میں حالیہ مکمل کئے گئے سائز مک سروے کے عملدرآمد/ مد میں ہونے والے نتائج کی جانچ کے بعد معلوم ہوئی۔(تفصیلات کیلئے برائے مہربانی غیر مجموعی مالیاتی تفصیلات کے نوٹ 6.3.2 میں اور مجموعی مالیاتی تفصیلات کے نوٹ 5.8 میں ملاحظہ کریں)

سیالیت کی انتظام کاری اور نقد رقم کی حکمت عملی

سال کے دوران کمپنی کی نقد رقم کی روانی کی صورت حال مستحکم رہی کیونکہ اندرونی طور پر نقد رقم ورک پروگرام اور سرمائے کے اخراجات کو پورے کرنے کیلئے کافی تھی۔سال بسال کی بنیاد پر مجموعی فنڈز میں استحکام رہا۔ نقد رقم اور اس کے مساوی اثاثہ جات میں طویل المدتی سرمایہ کاری کی مد میں جمع کرائی گئی رقم کے باعث ان اکاؤنٹس میں اضافہ ریکارڈ ہوا ہے۔

ایک مستحکم سرمایہ کاری پر مبنی انتظامی فریم ورک کی منصوبہ بندی کی گئی جس کے تحت آپریشنل ضروریات کو بخوبی پورا کرنے کیلئے نقد رقم کو ہر وقت یقینی بنایا جاسکے۔ کمپنی کے پاس ایک سرمایہ کاری کمیٹی بھی موجود ہے جو نئی اور موجودہ کی گئی سرمایہ کاری کا مسلسل بنیاد پر جائزہ لیتی ہے تا کہ کمپنی کے مجموعی سرمایہ کاری کے مقاصد بر وقت پورے ہوسکیں۔

منافع منقسمہ

ڈائریکٹران نے عام حصص بحساب 60 فیصد حتمی نقد منافع کی تجویز دی ہے (16-2015 میں 35 فیصد) یہ عام حصص اور قابل تبدیل ترجیحی شیئرز پر 30 فیصد (16-2015:22.5) کے عبوری منافع کے علاوہ ہے، جو دوران سال تقسیم کئے گئے۔

قومی معیشت میں حصہ

کمپنی قومی معیشت میں اہم حصہ لے رہی ہے مالی سال 17-2016 میں کمپنی آپریٹڈ اور پارٹنر آپریٹڈ سے قدرتی گیس، تیل اور ایل پی جی کی پیداوار کے حوالے سے کمپنی کا ایک بڑا حصہ ہے۔کمپنی توانائی کی فراہمی کی مد میں خام تیل کی یومیہ تقریباً 176,459 بیرل فراہم کرتی ہے۔اس کے باعث رواں مالی سال میں زرمبادلہ 3.1 امریکی ڈالرز کی بچت ہوئی۔جسکی وجہ سے اس سال خام تیل کی قیمت اوسطاً 47.67 یومیہ فی بیرل تک رہنے کا اندازہ لگایا گیا۔
اس کے علاوہ اس سال کمپنی نے قومی خزانے کو تقریباً 46 ارب روپے کی ادائیگی بھی کی جو گزشتہ سال یعنی 16-2015 کے دوران 45 بلین روپے تھی۔ یہ ادائیگی انکم ٹیکس رائلٹی، ایکسائز ڈیوٹیز، سیلز ٹیکس، WPPPF, GIDC, GDC اور منافع منقسمہ کی مد میں کی گئی۔

مالیاتی جائزہ

ڈائریکٹران رواں سال کے دوران حاصل ہونے والے منافع سے کئے گئے اخراجات کی درج ذیل تفصیل پیش کرتے ہیں:

	2015-2016	2016-2017
	ملین روپے	ملین روپے
قبل از ٹیکس منافع	26,706.716	48,128.675
ٹیکس	(9,464.697)	(12,450.032)
بعد از ٹیکس منافع	17,242.019	35,678.643
1 جولائی 2016/2015 کو ہونے والا unappropriated نفع	105,707.866	110,086.579
1 جولائی 2016/2015 کو Dividend Equalisation Reserve	5,000.000	5,000.000
سال کے دوران ہونے والے اخراجات	127,949.885	150,765.222
2015-2016 کے لئے عمومی شیئرز پر 35 فیصد کے حساب سے حتمی منافعِ منقسمہ (2014-2015 میں یہ شرح 40 فیصد تھی) اور تبدیل پذیر ترجیحی شیئرز پر 7.5 فیصد (2014-2015 میں یہ شرح 0 فیصد تھی)	(7,886.868)	(6,901.019)
2016-2017 کے لئے عمومی اور تبدیل پذیر ترجیحی شیئرز پر 30 فیصد کے حساب سے عبوری منافعِ منقسمہ (2015-2016 میں یہ شرح 22.5 فیصد تھی)	(4,436.392)	(5,915.189)
دیگر مجموعی آمدن (نفع ونقصان کا ازسرِنو جائزہ)	(540.046)	(557.505)
30 جون 2016/2017 پر میزان	115,086.579	138,506.519
بعد میں ہونے والے اثرات		
کمپنی بورڈ آف ڈائریکٹران نے 15 ستمبر 2017 کو ہونے والے اجلاس میں درج ذیل کی تجویز دی ہے: عمومی حصص پر حتمی منافع بالحساب 60 فیصد (16-2015 میں 35 فیصد) اور تبدیل پذیر ترجیحی شیئرز پر کوئی منافع نہیں (16-2015 میں 7.5 فیصد)	6,901.019	11,830.305
	6,901.020	11,830.305

فروختِ آمدن

موجودہ مدت میں گزشتہ سال کے مقابلے میں فروخت آمدن میں 36,835 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ میمورنڈم آف ایگریمنٹ (MOA) کی شرائط کے تحت اوگرا کے تعین کردہ سوئی گیس فیلڈ کی ویل ہیڈ گیس کی قیمتوں میں نظر ثانی ہے جو کمپنی کو سوئی گیس فیلڈ پر D&PC کی منظوری کیلئے حکومت پاکستان اور حکومت بلوچستان کے درمیان مئی 2016 میں عملدرآمد کیا گیا اور یکم جون 2015 سے موثر ہے یہ میمورنڈم آف ایگریمنٹ 13 دسمبر 2016 کو گورنمنٹ آف پاکستان کی کابینہ کی اکنامک کوآرڈینیشن کمیٹی نے منظور کیا۔

اوگرا نوٹیفکیشن کے تحت سوئی گیس فیلڈ سے ہونے والی آمدنی 31,124 ملین روپے تک پہنچ گئی۔ مزید یہ کہ مثبت حجمِ تغیر 7400 ملین روپے رہا جو جزوی طور پر منفی تغیر (شرح مبادلہ کے تغیر کا خالص) 1,689 ملین روپے کے باعث تھا۔

واقف، گمبٹ ساؤتھ پر 60 ایم ای ایس سی ایف یومیہ گیس پروسیسنگ کی صلاحیت کا حامل GPF-III

- منصوبے پر کام اور خریداری کے حصول اور سائٹ کی تعمیراتی سرگرمیاں جاری ہیں۔ ٹھیکیدار سے اس منصوبے کو تیزی سے مکمل کروانے کی کوششیں جاری ہیں

رحمت گیس پلانٹ کی گمبٹ ساؤتھ میں بحیثیت GPF-IV منتقلی

- گمبٹ ساؤتھ پر نئی دریافتوں سے پیداوار کے حصول کیلئے کمپنی نے 70 ایم ایم ایس سی ایف یومیہ گیس پروسیسنگ کی استعداد کے حامل ایک استعمال شدہ پلانٹ (رحمت گیس پلانٹ) کا حصول کیا ہے۔ پلانٹ کو اب گمبٹ ساؤتھ فیلڈ کو منتقل کیا جارہا ہے جو GPF-IV کی حیثیت سے کام کرے گا۔

مسابقتی بولیوں کے مرحلے کے ذریعے پلانٹ کی منتقلی کیلئے ٹھیکیدار کے انتخاب کا عمل مکمل ہو چکا ہے۔ توقع کی جارہی ہے کہ پلانٹ 18-2017 میں فعال ہو جائیگا۔
پیداوار میں مزید اضافے کیلئے GPF-IV کے دوسرے مرحلے کی منصوبہ بندی کی جارہی ہے جس کی تکمیل 2018 کے اختتام تک متوقع ہے۔

بولان مائننگ انٹر پرائزز کے (بی ایم ای) بیرائٹس، لیڈ اور زنگ کا منصوبہ

- مارچ 2008 میں بی ایم ای کو خضدار میں 177,597 ایکٹر کے رقبے پر مشتمل علاقے میں لیڈ اور زنگ کی تلاش کیلئے ایک نیا لائسنس جاری کیا گیا۔ بی ایم ای گزشتہ چند سالوں سے اس اثاثے کے تجزیئے میں مصروفِ عمل تھی۔ دریافت کیلئے کھدائی کا عمل مکمل ہو چکا ہے اور اس کے مثبت نتائج کو مدنظر رکھتے ہوئے اس وقت پیداواری کھدائی کا عمل جاری ہے جو 2017 کی تیسری سہ ماہی تک مکمل ہو جائے گی۔ متوقع پروجیکٹ کی قیمت کا اندازہ لگانے اور اس سے متعلقہ خطرات کی جاری تحقیق کے مکمل ہو جانے کے بعد فروخت کے حامل لیڈ اور زنگ کی پیداوار کے ساتھ ساتھ پروسیس شدہ بیرائٹس کی پیداوار کے لئے پروسیسنگ پلانٹ لگانے کی بولی کے عمل کا آغاز (ٹینڈر کا اجراء) 2018 کے اوائل میں کیا جائے گا۔ متعلقہ منصوبے سے تجارتی پیداوار 2021 تک متوقع ہے۔

نوکنڈی خام لوہے (کی پروسیسنگ کا) منصوبہ، بولان مائننگ انٹر پرائزز

- بی ایم ای نے چگنڈک کے ان علاقوں میں جو مقدمہ سازی کے زمرے سے باہر ہیں، خام لوہے کی ممکنہ دریافت کے مقامات کی تلاش کے لئے سرگرمیوں کو تیز تر کرن کیلئے اپنی حکمت عملی پر نظر ثانی کی ہے۔ اس بات کو مدنظر رکھتے ہوئے چگنڈک میں دو منتخب شدہ مقامات کا کی ایس پی کے ذریعے مقناطیسی (magnetic) سروے کیا گیا۔ سروے کے نتائج کی بنیاد پر دو ڈرل ہولز پر دریافتی کھدائی کا آغاز 8 اگست 2017 کو شروع ہوا اور اب تک 135 میٹر تک کی کھدائی مکمل ہو چکی ہے۔

پارٹنر آپریٹڈ بلاکس اور فیلڈز میں درج ذیل اہم منصوبوں پر عملدرآمد ہوا:

منصوبے	صورتحال
ناشپا فیلڈ: ای پی سی سی ایل پی جی پلانٹ	• 75 فیصد تعمیری اور خریداری پر مبنی سرگرمیاں مکمل کی گئیں۔ بقیہ کام ابھی جاری ہے۔
ٹل: ماکوڑی ای پی ایف کی تولنج میں منتقلی	• انجینئرنگ، خریداری اور تعمیری کام 75 فیصد تک مکمل ہو چکا ہے۔ بقیہ کام ابھی جاری ہے۔
ٹل: ماکوڑی ایسٹ کمپریشن	• خریداری مکمل کی گئی۔ 60 فیصد تعمیری اور فیبریکیشن کام مکمل ہوا۔ بقیہ کام ابھی جاری ہے
ٹل: مامی خیل کمپریشن	• 50 فیصد تعمیری کام مکمل ہو چکا ہے بقیہ کام ابھی جاری ہے
ساون گیس فیلڈ: فرنٹ اینڈ کمپریشن کی بہتری/تجدید	• تعمیری کام ابھی جاری ہے
لطیف فیلڈ لطیف ساون فلولائن سے خرابیوں/خلاء کو دور کرنے کا منصوبہ:	• انجینئرنگ کام مکمل ہو چکا ہے اور خریداری کا عمل جاری ہے
ناشپا: میلہ ترقیاتی منصوبہ	• ایل پی جی کی پیداوار کا منصوبہ لگانے کے لئے تیسرے فریق کے حوالے سے قیمت کا اندازہ لگانے اور اس سے متعلقہ خطرات کا تحقیقی مطالعہ جاری ہے۔
کیرتھر: De-bottlenecking منصوبے	• رحمان کے پروسیسنگ پلانٹ سے خرابیوں/خلاء کو دور کرنے کی تحقیق شروع کی جارہی ہے

ذخائر کی انتظام کاری

سال کے دوران ہائیڈروکاربن ذخائر میں ترمیم، اضافے اور پیداوار کی بنیاد پر کمپنی کے ذخائر کی تجدید کا تناسب 108 فیصد رہا جو اس بات کی نشاندہی ہے کہ سال کی کل پیداوار میں استعمال ہونے والے ذخائر کو نئے ذخائر سے پورا کیا گیا بلکہ اضافی 8 فیصد ذخائر کو بھی کمپنی کے ذخائر کے بیس میں شامل کرلیا گیا ہے۔ یہ ترمیم کندھ کوٹ اور سوئی فیلڈز کے ذخائر کی تحقیق کی بنیاد پر ہوئی ہے۔

بورڈ آف ڈائیریکٹرز کی اجازت سے بلاک میں او ایم وی اور ای این آئی کی متعلقہ شراکت حاصل کرے۔ ساتھ ہی اس نے آپریٹر او ایم وی سے درخواست کی ہے کہ وہ دریافتی لائسنس میں 3 دسمبر 2017 تک توسیع کی کوشش کرے تا کہ اس کے بعد بلاک کی حصہ داری کی منتقلی (فارم آؤٹ) کو رسمی طور پر حتمی کیا جا سکے

لطیف
(آپریٹر: او ایم وی)
- دریافتی کنوئیں خانان-1 کی گیس کی جانچ ہو چکی ہے تاہم کنوئیں سے پانی کو بند کرنے میں ناکامی کو مدنظر رکھتے ہوئے ملتوی کر دیا گیا ہے

کیر تھر
(آپریٹر: پی او جی سی)
- دریافتی کنوئیں روشن-1 کی کھدائی کیلئے مثبت امکانات نظر آئے ہیں اور اس سلسلے میں سول ورکس جاری ہیں
- تجزیاتی کنوئیں رزق-2 کی کھدائی جاری ہے

غوری
(آپریٹر: ایم پی سی ایل)
- دوسرے دریافتی کنوئیں دھاریاں-1 کے مقام کو حتمی شکل دے دی گئی ہے

ڈگری
(آپریٹر: یو ای پی ایل)
- دریافتی کنوئیں صدر-1 کو بند کر کے ترک کر دیا گیا ہے
- ریجنل پیٹرولیئم سسٹم تحقیق کی بنیاد پر دونوں دریافتی کنوؤں لطف-1 اور نہال-1 کو ابتداء میں زیر التوا رکھنے کے بعد بند کر کے ترک کر دیا گیا ہے

سکھر
(آپریٹر: ای این آئی)
- دسمبر 2017 تک دوسرے دریافتی کنوئیں کی کھدائی کی تیاریاں کی جا رہی ہیں

جھرک
(آپریٹر: این ایچ پی ایل)
- آپریٹر کی کام میں عدم دلچسپی کے باعث تمام سرگرمیاں روک دی گئی ہیں

کمپنی آپریٹڈ علاقوں میں حسبِ ذیل اہم منصوبے شروع کئے گئے:

منصوبے	صورتحال
آدہی ایل پی جی/این ایل جی III	• 30 ایم ایم ایس سی ایف یومیہ گیس پروسیسنگ کی استعداد کا حامل آدہی پلانٹ III کی کارکردگی اور فعالیت کی جانچ مکمل ہو چکی ہے اور پلانٹ اطمینان بخش طور پر فعال ہے
آدہی گیس کمپریشن منصوبہ	• اس منصوبے میں پانچ کنوؤں پر 5 اور 10 ایم ایم ایس سی ایف یومیہ استعداد رکھنے والے ہیڈ کمپریسرز کی تنصیب شامل ہیں جسکی تکمیل 18-2017 کے اختتام تک متوقع ہے۔
کندھ کوٹ کی توسیع کا منصوبہ	• حکومت پاکستان کے ساتھ کئے گئے عزم کو پورا کرتے ہوئے مئی 2017 تک کندھ کوٹ گیس فیلڈ سے گیس کی پیداوار میں اضافے کیلئے عملے نے اپنے تئیں پلانٹ کی صلاحیت کی جانچ کی تا کہ اضافی کنوؤں کی کھدائی کے ذریعے گیس کے متوقع اضافی حجم کی پیداوار کیلئے پلانٹ کی استعداد میں کمی/خلاء کی نشاندہی ہو سکے۔ اس سلسلے میں متعلقہ پلانٹ سے کمی/خلاء کو دور کرنے اور ایچ آر ایل کمپریسرز کو بہتر بنا کر اس کی کندھ کوٹ گیس فیلڈ کو منتقل کے عمل کا آغاز کر دیا گیا ہے۔ حکومت پاکستان سے کیا گیا عزم بروقت پورا ہو چکا ہے کیونکہ پلانٹ سے کمی/خلاء کو متعین وقت سے قبل دور کر دیا گیا ہے اور ایچ آر ایل کمپریسر کو منتقل کیا گیا۔ کمپریسرز کو بہتر بنانے کا عمل/تجدید اکتوبر 2017 تک متوقع ہے۔

شرف، گمبٹ ساؤتھ پر 50 ایم ایم ایس سی ایف یومیہ گیس پروسیسنگ کی صلاحیت کا حامل GPF-II
- گمبٹ ساؤتھ GPF-II کی تنصیب، فعالیت اور کارکردگی کی جانچ کا عمل مکمل ہو چکا ہے اور پلانٹ اطمینان بخش طور پر فعال ہے۔

کھپروایسٹ	•	110 لائن کلومیٹر کے ان فل 2D سائز مک ڈیٹا کی تکمیل ہوئی۔ کھدائی کیلئے ایک امکان کو پختہ کرلیا گیا ہے

کمپنی آپریٹڈ شمالی بلاکس:

ڈھوک سلطان	•	بلاک سے ہونے والی پہلی دریافت کی جانچ کیلئے 350 مربع کلومیٹر کے 3D سائز مک ڈیٹا جبکہ دریافت کیلئے 261 لائن کلومیٹر کے 2D سائز مک ڈیٹا کی تکمیل ہوئی
	•	موجودہ کنوئیں ڈھوک سلطان X-1 سے پیداوار کے عارضی طور پر رک جانے کے باعث کنوئیں کو سائیڈ ٹریک کرنے (کھدائی کے ذریعے نئے ذخیرے سے پیداوار) کی منصوبہ بندی کی گئی ہے۔
	•	دوسرے دریافتی کنوئیں کی کھدائی کے لئے ممکنہ مقام کو پختہ کرلیا گیا ہے۔
حصال	•	پہلے دریافتی کنوئیں کے مقام کی شناخت ہوچکی ہے۔ کھدائی ممکنہ طور پر فروری 2018 کے دوران شروع ہوگی
صادق آباد	•	پٹرولیئم موڈلنگ تحقیق اور 3D سائز مک ڈیٹا کی تشریح کی جارہی ہے تاکہ کھدائی کے کم گہرے امکانات میں خطرات کو کم کیا جاسکے
کرسل	•	پہلے دریافتی کنوئیں تالاگنگ X-1 کی کھدائی کے مقام کو حتمی شکل دی گئی ہے اور پنجاب کے شعبۂ جنگلات کے تعاون سے زمین کی حصول کی کوشش جاری ہیں
زندان	•	بلاک میں باقی رہ جانے والے کم امکانات کے باعث اسے 15 نومبر 2016 سے ترک کردیا گیا ہے

پارٹنر آپریٹڈ بلاکس

آف شورانڈس G (آپریٹر: ای این آئی)	•	تیل کی کم قیمتوں کے باعث دریافتی کنوئیں کیکڑا X-II کی کھدائی کو جنوری 2019 تک مزید ملتوی کیا گیا ہے
آف شورانڈس C اور N (آپریٹر: ای این آئی)	•	بلاک C اور N میں کی جانے والی سرگرمیاں بلاک G میں ممکنہ دریافت سے منسلک ہیں
باسکہ (آپریٹر: ژین ہوا)	•	بقیہ رہ گئے کام کو مکمل کرنے کیلئے آپریٹر ژین ہوا کو فعال کرنے کی کوششیں کی جارہی ہیں
کوہان (آپریٹر: اوایم وی)	•	سائز مک سروے کیلئے حکومت بلوچستان سے NOC کا انتظار ہے
ٹل (آپریٹر: مول)	•	بقیہ 30 فیصد گریویٹی سروے کامیابی سے مکمل ہوچکا ہے
	•	تجزیاتی کنوئیں مردان خیل-2 اور 3 گیس اور کنڈینسیٹ کے پیداوار کنندہ کی حیثیت سے مکمل ہوئے
	•	دریافتی کنوئیں تولنج ایسٹ-1 کھدائی ابھی جاری ہے
ناشپا	•	دریافتی کنوئیں شاوا-1 کو میکینکل ناکامی کے باعث بند کرکے ترک کردیا ہے
(آپریٹر: او جی ڈی سی ایل)	•	دریافتی کنوئیں کچہ خیل-1 اور خنجر-1 کی کھدائی جاری ہے
گمبٹ (آپریٹر کا اوایم وی)	•	2 دسمبر 2016 سے بلاک کے لائسنس کی معیاد ختم ہونے والی تھی، ساتھ ہی بلاک کے شراکت داروں اوایم وی اور ای این آئی نے 3 دسمبر 2016 سپیٹرولیئم کنسیشن معاہدے کی شرائط کے تحت بلاک میں اپنی متعلقہ دلچسپی سے دستبردار ہونے کی خواہش ظاہر کی۔ پی پی ایل نے ارادہ ظاہر کیا کہ وہ

مارگند
- ستمبر 2017 سے 225 لائن کلومیٹر 2D سائزمک ڈیٹا کے حصول کی منصوبہ بندی کی جارہی ہے
- یکم جولائی 2016 سے او ایم وی نے بلاک میں اپنی 50 فیصد کاروباری شراکت کو پی پی ایل کو تفویض کیا

کمپنی آپریٹڈ جنوبی بلاکس:

گمبٹ ساؤتھ
- تیرہویں دریافتی کنوئیں سمر X-1 کو مزید جانچ کے لئے عارضی طور پر بند کر کے روک دیا گیا ہے
- چوہدویں دریافتی کنوئیں ظافر X-1 کو گیس/ کنڈنسیٹ کے پیداوارکنندہ کی حیثیت سے مکمل کیا گیا۔ جانچ کے دوران کنوئیں سے یومیہ 34.2 ایم ایم ایس سی ایف گیس اور 358 بیرل کنڈینسیٹ کے بہاؤ کا تجزیہ کیا گیا
- 800 مربع کلومیٹر کے 3D سائزمک حصول کی تکمیل ہوئی
- ہادی X-1 A سے ہونے والی ٹائیٹ گیس دریافت کی استعداد کی جانچ ابھی جاری ہے جو اس ضمن میں تجزیاتی (کنوئیں کی کھدائی کے حوالے سے) مدد دے گی

ہالہ
- پانچویں دریافتی کنوئیں بشر X-1 ایس ٹی کو گیس کے پیداوارکنندہ کے طور پر مکمل کیا گیا۔ تجزیے کے دوران کنوئیں سے یومیہ 8.7 ایم ایم ایس سی ایف گیس کا حصول ہوا ہے۔
- چھٹے دریافتی کنوئیں زرباب X-1 کی کھدائی مکمل ہوئی اور اس کی جانچ ابھی جاری ہے

کوٹری
- دوسرے دریافتی کنوئیں کوٹری X-2 کو بند کر کے ترک کر دیا گیا
- 375 مربع کلومیٹر کے 3D سائزمک ڈیٹا کا حصول مکمل ہوا
- کوٹری X-1 سے ٹائیٹ گیس کی استعداد کی جانچ ابھی جاری ہے جو اس ضمن میں تجزیاتی (کنوئیں کی کھدائی کے حوالے سے) مدد دے گی

کوٹری نارتھ
- 475 مربع کلومیٹر کے 3D سائزمک ڈیٹا کا حصول مکمل ہوا
- بلاک میں 50 فیصد کاروباری شراکت کے ساتھ آپریٹرشپ یو ای پی ایل کو منتقل کی گئی

سیرانی
- 312 مربع کلومیٹر کے 3D سائزمک ڈیٹا کا حصول مکمل ہوا

زمزمہ ساؤتھ
- پہلے دریافتی کنوئیں منچھر X-1 پر مزید جانچ کیلئے عارضی طور پر کام روک کر اسے بند کر دیا گیا ہے

نوشہرو فیروز
- NFX-1 تجزیاتی کنوئیں کی کھدائی کو موجودہ کنوئیں میں ری انٹری کے طور پر مکمل کیا گیا۔ 1,300 میٹر کے افقی سیکشن کو 10 مرحلہ وار اوپن ہول کثیرالسطحی (ملٹی اسٹیج) فریکچر کے ذریعے مکمل کیا گیا۔ ابتدائی جانچ کے دوران آخری مرحلہ انٹرویل سے جس میں قدرتی فریکچر تھے، یومیہ 1.3 ایم ایم ایس سی گیس کا حصول ہوا۔ اس کے علاوہ کثیرالسطحی (ملٹی اسٹیج) فریکچر پر مزید جانچ ابھی جاری ہے

ملیر
- 34 لائن کلومیٹر کے ان فل 2D سائزمک ڈیٹا کا حصول مکمل ہوا
- ملیر X-1 کنوئیں کے ڈھانچے پر 2D سائزمک ڈیٹا کی دوبارہ پروسیسنگ کی جارہی ہے تاکہ کسی بھی باقی رہنے والی استعداد کی تصدیق کی جاسکے

شاہ بندر
- 372 مربع کلومیٹر کے 3D سائزمک ڈیٹا کے حصول کی تکمیل ہوئی۔ کھدائی کیلئے ایک امکان کو پختہ کر لیا گیا ہے

جھنگ شاہی
- بلاک کے شمالی حصے کے حصول کیلئے وزارتِ دفاع اور دریافتی لیز میں توسیع کیلئے DGPC کی منظوری کا انتظار ہے

ہے کہ دریافت کے لئے کی گئی سرمایہ کاری سے چند سالوں میں پیداوار کے حصول کے ذریعے فائدہ اٹھایا جاسکتا ہے۔ چنانچہ یہ حکمتِ عملی کمپنی کو ایک مستحکم حیثیت دے گی جب تیل کی قیمتیں مستقبل میں بحال ہوجائے گی۔

2009 اور 2013 کے بولی کے مرحلے کے دوران حاصل ہونے والے بلاکس کے اضافے کے بعد کمپنی کے سائزمک آپریشنز میں متعدد بار اضافہ ہوا ہے۔ گزشتہ 6 سالوں کے دوران کمپنی نے بحیثیت آپریٹر 7,405 لائن کلومیٹر 2D سائزمک اور 8,740 مربع کلومیٹر 3D سائزمک ڈیٹا حاصل کیا جس میں بلاک 8، عراق میں 318 مربع کلومیٹر 3D سائزمک شامل ہے۔ ان سائزمک سروسز کے بعد 13-2012 سے کنوؤں کی کھدائی کا آغاز کیا گیا اور 42 دریافتی کنوئیں کھودے گئے جس کے باعث کمپنی کے آپریٹڈ بلاکس میں 1:2.6 کے تناسب سے 16 دریافت ہوئیں۔

سال کے دوران کمپنی نے تین بلاکس: کھیرو ایسٹ، ملیر اور ڈھوک سلطان میں 336 لائن کلومیٹر 2D سائزمک ڈیٹا حاصل کیا اور اس کے علاوہ دیگر 6 بلاکس جن میں ڈھوک سلطان، گمبٹ ساؤتھ، شاہ بندر، سیرانی، کوٹری، کوٹری نارتھ اور بلاک 8، عراق شامل ہیں، میں 1,987 مربع کلومیٹر 3D سائزمک ڈیٹا کا حصول ہوا۔

کمپنی نے دوران سال ملک بھر میں شمال، جنوب اور سرحدی علاقوں میں آپریٹڈ بلاکس میں 10 دریافتی کنوؤں کی کھدائی کی اور ہائیڈروکاربن کی دو دریافتیں کیں جبکہ ایک دریافت پارٹنر آپریٹڈ بلاک میں کی گئی۔

کمپنی آپریٹڈ		پارٹنر آپریٹڈ	
بلاک	دریافت	بلاک	دریافت
گمبٹ ساؤتھ	ظافر X-1	لطیف	خانان X-1
ہالہ	بشر X-1(ST)		

بلاک کے اعتبار سے سال کے دوران کمپنی آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں دریافت پر مبنی کام کی تفصیلات درج ذیل ہیں:

کمپنی آپریٹڈ فرنٹیئر بلاکس:

خاران، خاران ایسٹ اور خاران ویسٹ	• پہلے دریافتی کنوئیں، خاران X-1 کو بند کرکے ترک کردیا گیا • 500 لائن کلومیٹر 2D سائزمک ڈیٹا کا حصول جاری ہے
قلات	• پہلے دریافتی کنوئیں قلات X-1 کی کھدائی کا عمل جاری ہے • کھدائی کے اضافی امکانات کو پختہ کرنے کیلئے 300 لائن کلومیٹر 2D سائزمک کے حصول کی منصوبہ بندی کی جارہی ہے
حب	• پہلے دریافتی کنوئیں حب X-1 کی کھدائی کیلئے رگ کی ترسیل ابھی جاری ہے • دوسرے دریافتی کنوئیں حب X-2 کیلئے زمین کا حصول ابھی جاری ہے • خردحیاتیاتی ارضی کیمیائی دریافت (ایم جی سی ای) سروے مکمل کرلیا گیا ہے
بیلا ویسٹ	• پہلے دریافتی کنوئیں بیلا ویسٹ X-1 کیلئے زمین کا حصول جاری ہے
نوشیروانی خضدار	• پہلے دریافتی کنوئیں نوشیروانی X-1 کی سائٹ پر تعمیر جاری ہے • کھدائی کے بقیہ بہتر امکانات کی تلاش کیلئے 100 لائن کلومیٹر 2D سائزمک ڈیٹا کے حصول کی منصوبہ بندی کی جارہی ہے

اس کے ساتھ ساتھ بیرائٹس، لیڈ، زنک منصوبے اور خام لوہے سے معاشی طور پر مفید دھات کے حصول کے لئے بینیفکیشن پلانٹ کے ذریعے BME آپریشنز میں اہم اضافے پر غور کیا جا رہا ہے۔

پارٹنر آپریٹڈ فیلڈز

ٹل بلاک (آپریٹر: مول پاکستان)

- دریافتی کنوئیں مردان خیل-1، جس سے حالیہ دریافت ہوئی ہے، کو کامیابی سے فعال بنایا گیا۔ کنوئیں سے یومیہ 4,000 بیرل کنڈنیسٹ کے ساتھ 40MMscf گیس کا حصول ہوا۔
- پیداواری کنوئیں ماکوڑی ایسٹ-5 کی کھدائی اور تکمیل کے بعد اسے فعال کیا گیا۔ اس کنوئیں سے دورانِ جانچ یومیہ 1,400 بیرل تیل کے ساتھ 8 MMscf گیس کا حصول ہوا۔
- تجزیاتی کنوؤں مردان خیل-2 اور 3 سے یومیہ بالترتیب 13 اور 14 MMscf گیس اور 1,770 اور 450 بیرل کنڈنسیٹ کی جانچ کی گئی۔
- پیداواری کنوئیں مارم زئی-4 کو بھی مکمل کیا گیا اور اس سے یومیہ 23.5 MMscf گیس اور 600 بیرل کنڈنسیٹ کی جانچ کی گئی۔
- دریافتی کنوئیں تولنج ایسٹ-1 کی کھدائی ابھی جاری ہے۔
- تجزیاتی کنوئیں ماکوڑی ایسٹ-6 کی کھدائی مکمل ہو چکی ہے اور اس کی لاگنگ ابھی جاری ہے۔

کیرتھر بلاک (آپریٹر: پی او جی سی پاکستان)

- رحمان فیلڈ کیلئے ترقیاتی اور پیداواری لیز (D&PL) کی منظوری دی گئی۔
- دریافتی کنوئیں رزق-1 کو کامیابی سے فعال کیا گیا ہے۔ کنوئیں سے دورانِ جانچ یومیہ 11 MMscf گیس کا حصول ہوا۔
- پیداواری کنوئیں رحمان-2 کو بھی فعال کیا گیا جس سے گیس کا بہاؤ یومیہ 4 MMscf رہا۔
- پیداواری کنوئیں رحمان-3 کو کامیابی سے گیس کے پیداوار کنندہ کے طور پر مکمل کیا گیا۔ کنوئیں سے یومیہ 13.25MMscf گیس کی پیداواری استعداد کی جانچ کی گئی۔

قادرپور گیس فیلڈ (آپریٹر: او ڈی جی سی ایل)

- پیداواری کنوؤں QP-56,QP-57,HRL-11 اور HRL-12 کی کامیابی سے کھدائی کی گئی اور تکمیل کے بعد انہیں فعال کیا گیا۔ ان کنوؤں سے یومیہ 20 MMscf گیس کا حصول ہوا۔
- پیداواری کنوئیں QP-58 کی کھدائی کا عمل زیرِ جائزہ سال کے دوران شروع ہوا اور ابھی زیرِ تکمیل ہے۔

ساون گیس فیلڈ (آپریٹر: او ایم وی پاکستان)

- پانچ کنوؤں پر رگ کے بغیر ورک اوور/متحرک کرنے کے امور کی انجام دہی کی گئی جس کے نتیجے میں یومیہ 15 MMscf گیس کی اضافی پیداوار ہوئی جس سے فیلڈ کی مجموعی شرح تنزل میں کمی واقع ہوئی۔

ناشپا آئل فیلڈ (آپریٹر: او ڈی جی سی ایل)

- پیداواری کنوئیں ناشپا-6 اور ناشپا-7 کو 2016 میں فعال کیا گیا۔ ان کنوؤں سے یومیہ 4,430 بیرل تیل اور 23 MMscf گیس کی اضافی پیداوار حاصل ہوئی ہے۔
- پیداواری کنوؤں میلہ-5 اور ناشپا-8 کی کھدائی ابھی جاری ہے۔
- دریافتی کنوئیں خنجر-1 اور کچا خیل-1 کی کھدائی جاری ہے۔

میانو گیس فیلڈ (آپریٹر: او ایم وی پاکستان)

پیداواری کنوئیں میانو-20 کو ٹائیٹ سینڈ کے باعث عارضی طور پر روک کر بند کر دیا گیا ہے جبکہ پیداواری کنوئیں میانو-21 کو پانی پر مشتمل مٹی کی بناء پر بند کر کے ترک کر دیا گیا ہے۔

دریافتی سرگرمیاں

پی پی ایل اور اس کے ذیلی اداروں کے پاس مجموعی طور پر 44 دریافتی بلاکس ہیں جس میں سے 26 بلاکس کو کمپنی آپریٹ کرتی ہے جن میں سے ایک عراق میں ہے جبکہ 18 پارٹنر آپریٹڈ ہیں جن میں پاکستان میں تین آف شور بلاکس اور یمن میں 2 آن شور بلاکس شامل ہیں۔

کمپنی ترجیحی طور پر اپنے اثاثہ جات میں ہائی-رسک، ہائی-ریوارڈ اور لو-رسک اور لو/میڈیم ریوارڈ کے متنوع دریافتی بلاکس کو شامل رکھتی ہے۔ مزید یہ کہ ماضی میں کمپنی کے کاروباری سلسلے سے یہ ثابت ہو چکا

- زیریز مین لوپ لائنوں کو فعال کیا گیا جس سے گیس کی پیداوار میں یومیہ 15-20MMscf کا اضافہ ہوا۔
- عملے نے فیلڈ کی مکمل سطح پر اسٹیمولیشن موڈلز کی تجدید کی جو مستقبل میں کنوؤں کی کھدائی کے ممکنہ بہتر مقامات کو حتمی شکل دینے میں معاون رہا۔
- فیلڈ کی گیس کمپریشن کی استعداد کو بڑھانے کیلئے اضافی کمپریسرز کی تنصیب کا عمل جاری ہے۔

آدہی:

- آدہی فیلڈ میں اب تک ہونے والی سب سے زیادہ پیداوار ریکارڈ کی گئی جس میں یومیہ گیس 78 MMscf، تیل 8,500 بیرل اور ایل پی جی 270 میٹرک ٹن شامل ہیں۔
- تین پیداواری کنوئیں آدہی-26(T/K)، (T/K)27 اور (T/K)17 کی تکمیل کی گئی اور فعال کیا گیا جس سے 15MMscf یومیہ گیس اور 2,100 بیرل یومیہ تیل حاصل ہوئے۔
- پیداواری کنوئیں آدہی-28 کی کھدائی کی گئی اور اسے مکمل کیا گیا جسے فعال کرنے کا مرحلہ ابھی جاری ہے۔
- آدہی-15(T/K/S) اور آدہی-9(T/K) کے ورک اوورز کامیابی سے مکمل ہوئے جس سے پیداوار میں یومیہ 14MMscf گیس اور 1000 بیرل تیل کا اضافہ ہوا۔
- پیداواری کنوئیں آدہی-29 (T/K) اور آدہی-30(T/K) اور دریافتی کنوئیں آدہی ساؤتھ X-1 کی کھدائی کا آغاز کر دیا گیا جو ابھی جاری ہے۔
- آدہی ایل پی جی این جی ایل پلانٹ III کی تکمیل ہوئی جس سے یومیہ 30MMscf گیس، 3,000 بیرل تیل اور 120 میٹرک ٹن ایل پی جی اوسطاً پیداوار ہو رہی ہے۔
- آدہی کمپریشن منصوبہ کی فرنٹ اینڈ انجنیئرنگ تحقیق مکمل کی گئی اور منصوبہ پر عملدرآمد کے معاہدے کو ایوارڈ کر دیا گیا۔
- آدہی مائننگ لیز میں 2024 سے آگے توسیع کیلئے اقدامات شروع کر دئے گئے ہیں۔

ہالہ/مزرانی/گمبٹ ساؤتھ

- گمبٹ ساؤتھ میں یومیہ 50 MMscf گیس کو پروسیس کرنے کا حامل GPF-II کامیابی سے فعال کیا گیا۔
- شرف-2 کو پیداواری سلسلے سے جوڑنے کے نتیجے میں گمبٹ ساؤتھ میں 50 Bcf ذخائر کا اضافہ ہوا۔
- گمبٹ ساؤتھ میں 5 فیلڈز: شہداد پور، شہداد پور ویسٹ، شہداد پور ایسٹ، حاتم۔فیض اور کبیر اور ہالہ کی تین فیلڈز: آدم، آدم ویسٹ اور فضل کے ذخائر کی تیسرے فریق کے ذریعے تصدیق مکمل ہوئی۔
- گمبٹ ساؤتھ کی تین فیلڈز: شہداد پور، شہداد پور ویسٹ اور شہداد پور ایسٹ اور ہالہ کی ایک فیلڈ: آدم ویسٹ کیلئے D&PLs حاصل کر لی گئی۔
- مجازی (ورچوئل) پائپ لائن (جس میں بذریعہ ٹرک کمپریسڈ گیس کی ترسیل کی جاتی ہے) کے ذریعے کبیر X-1 کی پیداوار کی ابتدائی جانچ Testing (EWT) (Extended Well کے تحت تیسرے فریق کو گیس کی فروخت کیلئے معاہدے پر دستخط کئے گئے۔
- گمبٹ ساؤتھ کی پیداواری صلاحیت میں اضافے کیلئے یومیہ 70 MMscf گیس پروسیسنگ کرنے کی استعداد کا حامل رحمت پلانٹ خریدا گیا جو GPF -IV کی حیثیت سے کام کرے گا۔
- گمبٹ ساؤتھ کی فیلڈز سے گیس کی فروخت کیلئے سوئی سدرن گیس کمپنی لمیٹڈ سے معاہدہ طے کیا گیا ہے۔
- گمبٹ ساؤتھ کی فیلڈز سے ایل پی جی کی فروخت کیلئے مارکیٹنگ کمپنیوں کے ساتھ پہلے ایک سالہ معاہدے پر دستخط کئے گئے۔
- پیداواری کنوئیں Maz-5 کی کھدائی و تکمیل کے ذریعے مزرانی فیلڈ کی پیداوار میں یومیہ 2 MMscf گیس کا اضافہ۔
- جنوری 2017 کے دوران کمپنی کے بورڈ نے ایشیاء ری سورسز آئل لمیٹڈ (اے آر او ایل) کے ساتھ مفاہمتی معاہدے کی تجویز کی منظوری دے دی جس کی شقوں میں اے آر او ایل کو سندھ ہائی کورٹ میں جمع کرائے گئے تنازعہ دیوانی کو واپس لینا اور گمبٹ ساؤتھ، نوشہرو فیروز اور کوٹری نارتھ بلاکس سے متعلقہ بقایا جات بشمول تاخیر سے ادائیگی کے سرچارج کو ادا کرنا شامل ہیں۔
چنانچہ 17 مارچ 2017 کو تینوں بلاکس کیلئے مفاہمتی معاہدے پر دستخط کئے گئے۔جس کے نتیجے میں اے آر او ایل نے بلاک کے دیگر شراکت داروں پی پی ایل اور گورنمنٹ ہولڈنگز (پرائیوٹ) لمیٹڈ کے خلاف مقدمہ بغیر کسی شرائط کے واپس لے لیا۔اے آر او ایل کی جانب تینوں بلاکس کے مفاہمتی معاہدے کے تحت دی گئی کچھ شرائط/سنگِ میل کی تکمیل کے بعد کمپنی نے اس کے خلاف نادہندگی اور کاروباری حصہ داری ضبط کرنے کے نوٹس واپس لے لئے۔جس کے ذریعے اے آر او ایل ان تینوں بلاکس میں شراکت دار کے طور پر معمول کے فرائض انجام دے سکے گا۔۔ مفاہمتی معاہدے کے نفاذ سے اے آر او ایل نے جنوری تا مئی 2017 تک کی ادائیگیوں کی مد میں 114.37 ملین روپے کی ادائیگی کی ہے۔ مفاہمتی معاہدے کے تحت اگر چھ ماہ کی مدت تک اے آر او ایل بقایا جات اور تاخیر سے ادائیگی کے سرچارج کی ادائیگی میں ناکام رہی تو مذکورہ بلاکس میں اس کی کاروباری حصہ داری ناقابلِ تنسیخ طور پر ضبط کر لی جائے گی۔مزید تفصیلات غیر اشتمال شدہ مالیاتی گوشواروں کے نوٹ 36.1 اور اشتمال شدہ مالیاتی گوشواروں کے نوٹ 37.1 میں دی گئی ہیں۔

بولان مائننگ انٹر پرائزز

بیرائٹس کی پیداوار اور فروخت میں پچھلے سال کی نسبت معمولی کمی دیکھنے میں آئی جس کی وجہ کھدائی کی سرگرمیوں میں کمی تھی۔مسابقتی قیمتوں کی پیشکش کے ذریعے فروخت میں اضافے کی کوشش کی جاری ہیں۔ مسابقتی قیمتوں اور کھدائی کی سرگرمیوں میں بہتری کے نتیجے میں برآمد کے آرڈرز میں اضافہ ہو رہا ہے۔

کمپنی جدید ٹیکنالوجی اور انتظامی مہارتوں کو بروئے کار لاتے ہوئے پیداواری اضافے پر اپنی توجہ مرکوز کر کے ملکی سطح پر توانائی کی ضروریات کو پورا کرنے کا بھرپور عزم رکھتی ہے۔ مزید یہ کہ کمپنی بولان مائنگ انٹر پرائزز (BME) میں بلوچستان سے معدنی ذخائر نکالنے کیلئے بحیثیت آپریٹر حکومت بلوچستان کے ساتھ شراکت دار ہے۔

کمپنی نے اس سال گزشتہ سال کے مقابلے میں ہائیڈروکاربن کی پیداوار میں خاطر خواہ اضافہ کیا ہے۔ گزشتہ سال سے رواں سال کی پیداوار کا یہ موازنہ (PPL کی خالص پیداوار) درج میں واضح کیا گیا ہے:

	2016-17	2015-16
قدرتی گیس (MMscf)	329,367	306,604
خام تیل/این جی ایل/کنڈنسیٹ (ہزار بیرلز)	5,949	5,424
ایل پی جی (میٹرک ٹنز)	81,267	66,597

دوران سال ہائیڈروکاربنز کی پیداوار جس میں پارٹنر آپریٹڈ فیلڈز سے کمپنی کا حصہ بھی شامل ہے اوسطاً 902MMscf یومیہ گیس، 16,299 بیرل یومیہ تیل/این جی ایل/کنڈنسیٹ اور یومیہ 223 میٹرک ٹنز ایل پی جی رہی۔

کمپنی کے نمایاں خریداروں میں سوئی گیس کمپنی لمیٹڈ، سوئی ناردرن گیس پائپ لائنز لمیٹڈ، سینٹرل پاور جنریشن کمپنی لمیٹڈ اور اٹک ریفائنری لمیٹڈ شامل ہیں۔

مجموعی طور پر 2016-17 کے دوران 28 پیداواری کنوؤں کی کھدائی عمل میں آئی، جن میں پی پی ایل آپریٹڈ فیلڈز میں 15 اور پارٹنر آپریٹڈ فیلڈز میں 13 کنوئیں شامل ہیں۔ سال کے دوران اثاثہ جات کے حوالے سے کمپنی کے کئے جانے والے اہم اقدامات کی درج ذیل میں وضاحت کی گئی ہے:

آپریٹڈ فیلڈ

سوئی

- کمپنی کو سوئی کی ڈویلپمنٹ اور پروڈکشن لیز (D&PL) کیلئے کابینہ کی اقتصادی رابطہ کمیٹی (ECC) کی جانب سے منظوری دی گئی جو یکم جون 2015 سے مؤثر ہے۔ اوگرا نے ECC کی منظوری کے مطابق گیس کی نظر ثانی شدہ قیمت کا اعلامیہ جاری کیا۔ جون 2015 سے آمدنی میں مجموعی اضافہ 31.124 بلین روپے رہا جو اضافی محصول اور ٹیکسز سے مشروط ہے۔ D&PL، فیلڈ ڈیولپمنٹ پلان اور پیٹرولیئم کنسیشن معاہدے کو حتمی شکل دینے کا مرحلہ ابھی جاری ہے۔
- سال کے دوران دو پیداواری کنوؤں کو کھدائی کے بعد مکمل کیا گیا اور ایک پرو ورک اوور کی تکمیل ہوئی جس کے باعث 6MMscf یومیہ گیس کا اضافہ ہوا
- پیداواری کنوئیں Sui-95(P) بھی کامیابی سے فعال کیا گیا جس نے 10MMscf یومیہ گیس کا اضافہ کیا۔
- زیر نظر عرصے میں پیداوار میں اضافے کے 13 امور پر کام کیا گیا جن میں (کنوؤں کا) ورک اوور، پانی کے بہاؤ کو روکنا اور متحرک کرنا) شامل ہیں۔ رگ کے بغیر کئے جانے والے امور جن میں پروڈکشن لاگنگ اور دباؤ میں اضافے کی جانچ شامل ہے، 35 کنوؤں پر انجام دیئے گئے۔
- 2016-17 میں پیداوار 2015-16 کے مقابلے میں 1 فیصد زائد رہی۔ ساتھ ہی 6-7 فیصد سالانہ قدرتی تنزل کو روکتے ہوئے مجموعی اثر 8 فیصد سے زائد رہا۔

کندھ کوٹ

- کندکوٹ گیس فیلڈ سے گدو بجلی گھر کو گیس کی فروخت کی رسمی تخصیص کامیابی سے عمل میں آئی۔ جس میں معاہدے کی رو سے یومیہ 200MMscf فروخت گیس کے 72.5 فیصد کا حصول یا ادائیگی لازمی قرار دی گئی۔ گیس کی فروخت کے معاہدے کو حتمی شکل دی جارہی ہے اور اس سال اس پر دستخط کئے جائیں گے۔
- جون 2017 میں 250MMscf یومیہ کی اب تک کی سب سے زائد پیداوار ریکارڈ ہوئی۔ 2016-17 کی دوسری ششماہی کے دوران صارفین کی جانب سے بہتر خرید کے ساتھ ساتھ فیلڈ میں سرگرم ترقیاتی مہم کے باعث گزشتہ سال کے مقابلے میں تمام سال کی پیداوار میں 30 فیصد اضافہ ہوا۔
- 5 پیداواری کنوؤں کو کامیابی سے مکمل کیا گیا اور انہیں فعال کیا گیا جس سے فیلڈ کی پیداوار میں 50MMscf یومیہ گیس کا اضافہ ہوا۔ مزید یہ کہ 2016-17 کی آخری سہ ماہی کے دوران تین پیداواری کنوؤں کی کھدائی کا آغاز کیا گیا۔ سال کے اختتام کے بعد یہ کنوئیں فعال کئے گئے اور مزید 30MMscf یومیہ گیس کا اضافہ ہوا۔
- ایک کنوئیں پر ورک اوور کے نتیجے میں 6 MMscf کا اضافہ ہوا۔ ساتھ ہی دیگر کنوؤں پر انجام دیئے گئے مختلف امور کے ذریعے گیس کی پیداوار میں یومیہ 15MMscf کا اضافہ ہوا۔

- تیل اور گیس کی تین دریافتیں ہوئیں جن میں 2 کمپنی آپریٹڈ بلاکس میں ظافر X-1 اور بشرا X-I(ST) اور ایک پارٹنر آپریٹڈ بلاک میں خانان X-1 ہیں
- کھدائی کی استعداد میں مسلسل بہتری ہوئی اور گمبٹ ساؤتھ، آدھی، کندھ کوٹ اور سوئی میں کنوؤں کی تیزترین کھدائی میں نئے ریکارڈ قائم ہوئے۔ گمبٹ ساؤتھ بلاک میں ظافر X-1 کی سب سے تیزترین کھدائی صرف 14.3 دنوں میں کی گئی جو سندھ کے زیریں بیسن میں واقع ہے
- نوشہرو فیروز میں ٹائیٹ گیس کے ذخیرے میں سب سے لمبے اور گہرے افقی کنوئیں کی کھدائی عمل میں آئی جو کہ ملک کا سب سے پہلا کنواں ہے جو 10 Stage Multi-Frac کے ساتھ مکمل کیا گیا
- گمبٹ ساؤتھ گیس پروسیسنگ فیسلٹی II سے 50 MMscf یومیہ گیس کی اضافی پیداوار ہوئی
- کندکوٹ گیس فیلڈ سے گدو بجلی گھر کو گیس کی فروخت کی رسمی تخصیص کامیابی سے عمل میں آئی۔ جس میں معاہدے کی رو سے یومیہ 200MMscf فروخت گیس کے 72.5 فیصد کا حصول یا ادائیگی لازمی قرار دی گئی۔ اس ضمن میں ایک سرگرم پروگرام کے تحت پیداواری کنوؤں کی کھدائی کے ساتھ ساتھ پروسیسنگ فیسیلیٹی کو اپ گریڈ کرنے کے ذریعے کندھ کوٹ سے اضافی طلب کو پورا کیا گیا
- گمبٹ ساؤتھ سے پیداوار میں اضافے کیلئے 70MMscf یومیہ کی استعداد کا حامل رحمت گیس پلانٹ حاصل کیا گیا۔
- کمپنی کی تاریخ میں پہلی مرتبہ ورچوئل پائپ لائن ٹیکنالوجی (بذریعہ ٹرک کمپریسڈ گیس کی ترسیل) کے ذریعے تیسرے فریق کو کبیرا X-1، گمبٹ ساؤتھ بلاک سے گیس کی فروخت کیلئے معاہدہ کو حتمی شکل دی گئی
- آپریٹڈ بلاکس میں 336 لائن کلومیٹر 2D اور 1,987 مربع کلومیٹر 3D کا سائزمک ڈیٹا حاصل کیا گیا
- کمپنی میں پہلی مرتبہ 3D سائزمک ڈیٹا کی گہرائی میں دیکھنے کی (depth imaging) استعداد حاصل کی گئی اور پروسیسنگ کے اعلیٰ نتائج حاصل ہوئے
- عملے نے 1,111 لائن کلومیٹر 2D اور 53 مربع کلومیٹر 3D سائزمک ڈیٹا کی پروسیسنگ کی
- الیکٹرانک پروکیورمنٹ پورٹل متعارف کرایا گیا جس کے تحت سامان/آلات کی خریداری میں لگنے والے پروسیسنگ کے وقت کو کم کرکے طریقۂ کار کو آسان بنانے کے لئے ویب کی بنیاد پر ایک ہم جہتی پروکیورمنٹ ورک فلو کا پلیٹ فارم فراہم کیا گیا
- 60,000 سے زائد انسانی گھنٹوں پر مشتمل تربیت دی گئی۔ جس میں 200 سے زیادہ تربیتی سیشنز شامل ہیں جس میں سے 40 نشستیں غیرملکی ماہرین کی جانب سے منعقد کی گئیں
- ملک کے شہری علاقوں میں مستحق آبادیوں کیلئے کمپنی کی CSR کی کوششوں کو مزید مستحکم کرنے کیلئے کارپوریٹ ڈونیشن پروگرام کا آغاز کیا گیا۔ ملک کے سب سے بڑے اسپانسرڈ فٹبال ٹورنامنٹ پی پی ایل-بلوچستان فٹبال کپ 2017 کی معاونت کی تاکہ مقامی سطح پر نئے ٹیلنٹ کو ابھارا جائے
- واقعات کی بروقت رپورٹنگ اور خطرات کی انتظام کاری کے لئے صحت، تحفظ اور ماحول کے سوفٹ ویئر کو رائج کیا گیا
- کمپنی کیلئے قانون کی عملدرداری سے متعلق نظام تشکیل دیا گیا

4۔ کاروباری جائزہ

4.1 بیرونی عناصر

خام تیل کی قیمتیں

2016-17 میں عرب لائٹ خام تیل کی قیمتیں گزشتہ ابتر صورتحال سے دوبارہ بحال ہوئیں جو کہ گزشتہ سال 22/bbl امریکی ڈالر تک کی سطح تک آ گیا تھا۔ رواں سال کے دوران قیمتوں کے اتار چڑھاؤ میں نسبتاً کمی واقع ہوئی جو زیادہ تر 40-50/bbl امریکی ڈالر کی سطح پر رہیں۔ یہ رجحان تیل کی قیمتوں میں بحالی کے حوالے سے تجزیہ کاروں کے جائزے کو مثبت ثابت کر رہا ہے۔ اس بناء پر کمپنی کے مالی سرمائے میں اضافے کی توقع ہے جن میں سے زیادہ تر بین الاقوامی خام تیل کی قیمتوں سے منسلک ہیں۔ ان پیشن گوئیوں پر نظر رکھی جا رہی ہے کیونکہ تیل کی قیمتوں میں غیرمتوقع اتار چڑھاؤ E&P کمپنیز کیلئے خطرہ رہے گا۔

سیکیورٹیز کے چیلنجز

سرحدی علاقوں میں اپنے پروگرام میں توسیع کرنے پر توجہ مرکوز کرنے کے حوالے سے کمپنی کیلئے اپنی تنصیبات اور جاری آپریشنز کو دہشت گرد سرگرمیوں سے محفوظ رکھنا ایک چیلنج رہا ہے۔

دیگر اہم چیلنجز انٹرپرائز رسک سیکشن 6.2 میں بیان کئے گئے ہیں۔

4.2 آپریشنل جائزہ

آپریشنز

کمپنی اس وقت 10 پیداواری فیلڈ کو آپریٹ کرتی ہے جن میں سوئی، کندھ کوٹ، آدھی، مزارانی، چاچڑ، آدم، آدم ویسٹ، شہداد پور، شہداد پور ایسٹ اور شہداد پور ویسٹ شامل ہیں۔ مزید یہ کہ کمپنی 17 پارٹنر آپریٹڈ پیداواری فیلڈز میں شراکت دار ہے۔

ڈائریکٹرز رپورٹ

30 جون 2017 کو ختم ہونے والے سال کیلئے آپ کے ڈائریکٹرز کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں مع آڈیٹرز کی رپورٹ پیش کرتے مسرت محسوس کرتے ہیں۔

1۔ کمپنی کا تعارف

پاکستان پیٹرولیم لمیٹڈ ملک میں قدرتی گیس کی صنعت میں بانی کی حیثیت رکھتا ہے اور 1950 سے تیل اور قدرتی گیس کے ذخائر کی دریافت اور پیداوار میں انتہائی اہم کردار ادا کر رہا ہے۔ قدرتی گیس کے سب سے بڑے فراہم کنندہ کی حیثیت سے کمپنی ملک کی مجموعی گیس کے تقریباً 22 فیصد حصے کی فراہمی کرتی ہے، اس کے علاوہ کمپنی وافر مقدار میں خام تیل، مائع قدرتی گیس، مائع پیٹرولیم گیس اور بیرائیٹس کی پیداوار بھی کرتی ہے۔

2۔ کمپنی کی کاروباری حکمت عملی

پی پی ایل پاکستان میں ایک نمایاں وممتاز دریافتی وپیداواری کمپنی کی حیثیت سے اپنی پوزیشن کو مستحکم کرنے کے عزم کے ساتھ اعلیٰ کارکردگی کیلئے مسلسل کوشاں ہے اور تمام شراکت داروں کے خاطر خواہ طویل المدتی منافع کو یقینی بنا رہی ہے۔ کمپنی درج ذیل امور پر اپنی توجہ مرکوز کر رہی ہے:

- اس بات کو یقینی بنا رہی ہے کہ اس کی تمام تر سرگرمیاں معیار، صحت، تحفظ اور ماحول کے اعلیٰ معیار کے عین مطابق ہوں
- ملک میں نئے ذخائر کی تلاش اور اس کی پیداوار میں اضافے کا عزم رکھتی ہے
- سرحدی علاقے جہاں بڑی دریافتیں متوقع ہیں، پر خصوصی توجہ مرکوز کرنا ہے
- موجودہ پیداواری اثاثوں سے ممکنہ حد تک پیداوار کے حصول کو ممکن بنانا
- دریافتوں کو تیزی سے پیداوار پر لانا
- ٹیکنالوجی کے استعمال کے ذریعے ٹائیٹ گیس سینڈز کے ذخائر سے تجارتی نرخوں پر پیداوار کا حصول
- اہم پیشہ ورانہ عملے کی صلاحیتوں میں اضافہ کرنا اور انہیں برقرار رکھنا
- مقامی آبادیوں کی رائے میں ایک اچھے کارپوریٹ شہری کی حیثیت سے پذیرائی
- بولان مائننگ انٹرپرائزز (بی ایم ای) کے ذریعے مائننگ کی صنعت میں اپنے دائرہ کار میں توسیع لانا

کمپنی اپنے طویل منصوبہ جات میں درج ذیل امور کا عزم رکھتی ہے:

- بین الاقوامی سطح پر اپنے کاروبار کو فروغ دینے کے مواقع تلاش کرنا جو اسے دریافتی وپیداواری شعبے میں ریجنل قیادت کے حصول میں مدد دے
- آپریٹر کی حیثیت سے پاکستان کے آف شور علاقوں میں دریافتی وپیداواری سرگرمیوں کا حصول
- پاکستان میں شیل گیس کے ذخائر سے پیداوار کے لئے ٹیکنالوجی کا حصول
- توانائی کے شعبے میں متنوع طریقے سے پیداوار کی جانچ کرنا

3۔ اہم کامیابیاں

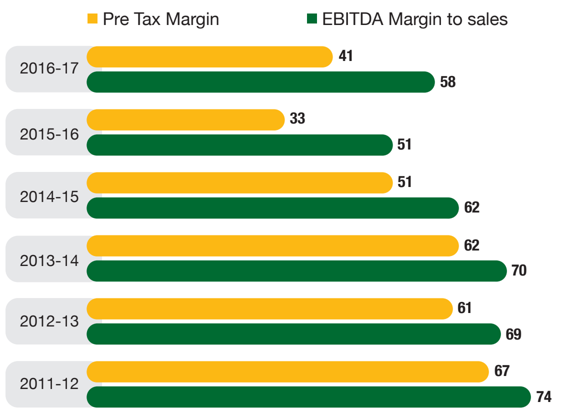
2016-17 بھی کمپنی کے لئے دوسرا اہم سال رہا ہے جس میں درج ذیل کامیابیاں حاصل کی گئیں۔ ان میں سے چند کی تفصیل رپوٹ میں بیان کی گئی ہے:

- پی پی ایل میں اب تک کسی بھی سال کے دوران سب سے زیادہ 43 کنوؤں کی کھدائی کی گئی جس نے گزشتہ سال کے 38 کنوؤں کی کھدائی کے ریکارڈ کو توڑ دیا
- دورانِ سال پی پی ایل کے آپریٹڈ اثاثوں میں 25 کنوؤں کی کھدائی عمل میں آئی جس نے گزشتہ سال 23 کنوؤں کی کھدائی کا ریکارڈ توڑ دیا
- مسلسل دوسرے سال بھی پیداوار میں اضافہ ہوا جو 1 بلین کیوبک فیٹ یومیہ (سالانہ اوسط) سے بھی تجاوز کر گئی۔ اہم فیلڈز کی پیداوار میں قدرتی تنزل کے باوجود گزشتہ سال کے مقابلے میں پیداوار 8 فیصد زیادہ رہی
- کمپنی کو 5 نئی فیلڈز کے لئے ترقیاتی وپیداواری معاہدوں کی منظوری دی گئی ہے
- آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) کی جانب سے سوئی گیس کی قیمت کی نظرِ ثانی کرنے کے نوٹیفکیشن کے حوالے سے قیمتوں کے حتمی تعین کے نتیجے میں 31.124 بلین روپے کی اضافی آمدنی ہوئی (جو کہ جون 2015 سے اب تک باقی تھی)
- تیل وگیس کے ذخائر کی تجدید کا تناسب 108 فیصد رہا، سالانہ پیداوار کے مقابلے میں 8 فیصد زیادہ ذخائر شامل کئے گئے

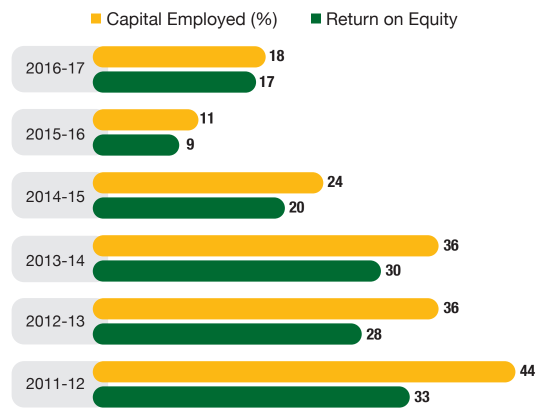
Six Years' Summary

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Financial Performance						
Profitability						
EBITDA Margin to sales (%) [1]	74	69	70	62	51	58
Operating Leverage	145	(41)	111	222	209	169
Pre tax Margin (%)	67	61	62	51	33	41
Net profit to sales (%)	43	41	43	37	22	30
Return on Equity (%)	33	28	30	20	9	17
Return on Capital Employed (%)	44	36	36	24	11	18
Operating Performance / Liquidity						
Total assets turnover (times)	0.65	0.53	0.54	0.44	0.31	0.39
Fixed assets turnover (times)	1.87	1.61	1.57	1.18	0.72	0.87
Debtor turnover (times)	2.91	2.74	3.18	2.42	1.81	1.95
Debtor turnover (days)	125	133	115	151	202	187
Current ratio	4.05	2.29	3.82	4.28	2.88	2.89
Quick ratio	3.95	2.22	3.66	4.11	2.75	2.81
Cash to Current Liabilities	1.63	0.94	1.02	1.02	0.70	0.79
Cash flow from Operation to Sales	0.33	0.66	0.27	0.35	0.65	0.36
Creditors turnover (times) [2]	-	-	-	-	-	-
Creditors turnover (days) [2]	-	-	-	-	-	-
Inventory turnover [2]	-	-	-	-	-	-
Operating Cycle [2]	-	-	-	-	-	-
Capital Market / Capital Structure Analysis Ratios						
Market value per share as at June 30 (Rs.)	188.29	211.58	224.34	164.26	155.05	148.14
- Low during the year (Rs)	160.00	170.10	188.00	145.56	98.42	137.80
- High during the year (Rs)	217.49	229.75	261.80	237.50	168.25	194.87
Breakup value per share (Rs)	63.38	75.75	88.29	95.49	97.71	109.58
Basic and Diluted EPS (Rs) [3 & 6]	31.13	25.53	26.25	19.47	8.74	18.10
Basic and Diluted EPS - Restated (Rs) [3 & 6]	20.76	21.28	26.25	19.47	8.74	18.10
Price earning ratio [7]	6.05	8.29	8.55	8.44	17.74	8.18
Cash Dividend Yield (%)	6.11	4.96	5.57	5.17	3.71	6.08
Cash Dividend Cover Ratio	2.71	2.43	2.10	2.29	1.52	2.01
Debt Equity Ratio [4]	-	-	-	-	-	-
Weighted average cost of debt [4]	-	-	-	-	-	-
Interest Cover Ratio [4]	-	-	-	-	-	-
Financial Leverage Ratio [4]	-	-	-	-	-	-
Summary of Profit & Loss			Rs million			
Sales - Gross (including Govt. levies)	119,646	123,938	143,528	131,681	105,630	153,463
Sales - Net (excluding Govt. levies)	96,222	102,357	120,292	104,838	80,151	116,986
Profit before Tax	64,555	62,628	74,880	53,315	26,707	48,129
Profit after Tax	40,926	41,951	51,751	38,399	17,242	35,679
EBITDA [1]	71,632	70,720	83,692	64,671	40,768	68,228

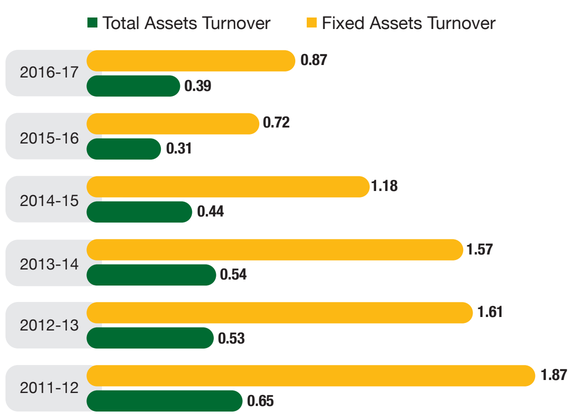
EBITDA Margin / Pre-tax Margin (%)



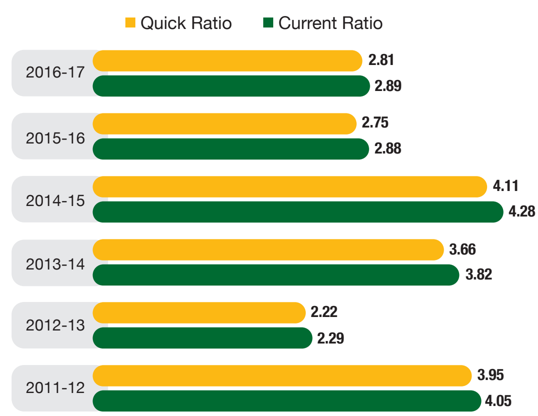
Return on Equity / Capital Employed (%)



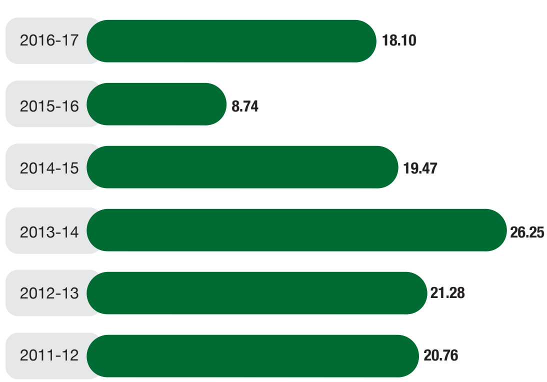
Total Assets / Fixed Assets Turnover



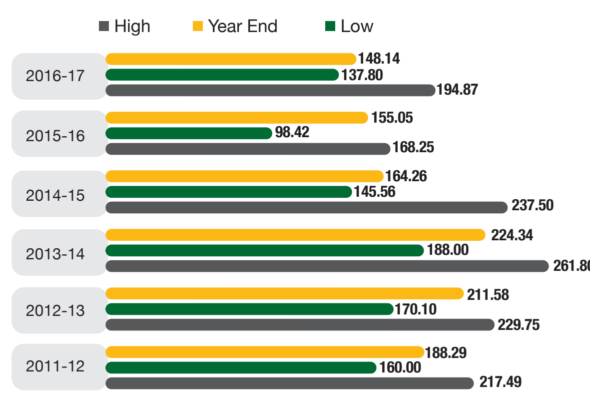
Current / Quick Ratio



Earnings Per Share - Restated (Rs)



Share Prices Low / Year End / High (Rs)



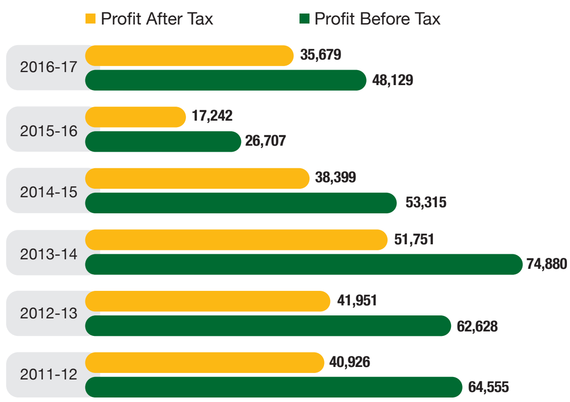
Six Years' Summary

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Corporate Distribution						
Dividend - Interim (Rs million)	6,572	8,215	9,859	8,873	4,436	5,915
- Final (Rs million)	8,544	9,037	14,788	7,887	6,901	11,830
Cash Dividend per share (Rs) [5]	11.50	10.50	12.50	8.50	5.75	9.00
Cash Dividend Payout Ratio (%) [5]	36.94	41.13	47.93	48.93	65.79	49.72
Bonus [5]	3,286	3,286	-	-	-	-
Bonus Issue (%) [5]	25	20	-	-	-	-
Summary of Balance Sheet			Rs million			
Share Capital	13,145	16,431	19,717	19,717	19,717	19,717
Reserves	111,816	132,923	154,370	168,553	172,932	196,352
Long-term / Deferred Liabilities	22,433	26,875	32,686	32,732	48,018	54,433
Current Assets	92,240	84,159	83,516	98,609	91,604	155,451
Current Liabilities	22,760	36,672	21,867	23,026	31,795	53,782
Property, Plant & Equipment	56,327	70,079	82,731	93,867	127,920	139,295
Fixed Assets	56,761	70,481	83,010	94,127	128,335	139,700
Long Term Investments	20,361	55,707	59,987	49,040	50,979	27,661
Stores and Spares	2,454	2,835	3,559	3,904	4,140	4,337
Trade Debts	50,159	40,337	49,989	58,778	57,835	99,284
Short term investments	35,265	28,339	19,915	22,290	19,013	36,493
Cash and bank balances	1,675	6,184	2,297	1,279	3,273	6,081
Summary of Cashflows			Rs million			
Cash and Cash equivalents at the beginning of the year	22,354	36,940	34,964	22,212	23,569	22,286
Cash generated from operating activities	31,354	67,142	31,969	36,446	52,422	42,222
Net Cash used in investing activities	(7,726)	(52,698)	(25,673)	(11,349)	(41,275)	(9,105)
Net Cash used in financing activities	(9,042)	(16,866)	(19,048)	(23,740)	(12,430)	(12,829)
Net change in cash and cash equivalents	14,586	(2,422)	12,752)	1,357	(1,283)	20,288
Cash and Cash equivalents at the end of the year	36,940	34,518	22,212	23,569	22,286	42,574
Others			Rs million			
Payments to Government Exchequer	49,615	52,355	79,297	67,884	44,684	45,527
Market Capitalisation	247,503	347,646	442,335	323,874	305,715	292,090

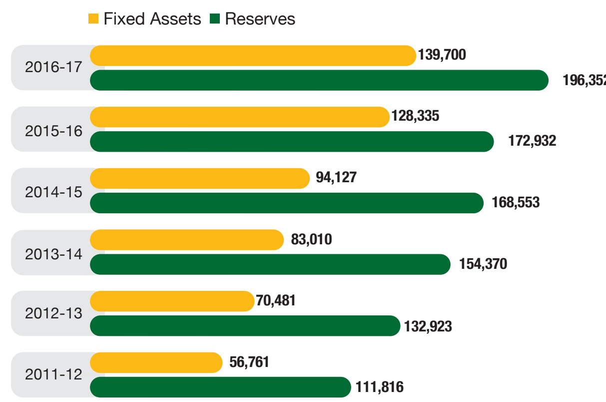
Notes:

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 from 2006-07 to 2012-13.
4. Not applicable as the Company does not have debt besides lease financing for procurement of vehicles and computer equipment which forms a very small 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 Company's total share capital therefore it has negligible dilution effect on EPS.
7. Price earning ratio and cash dividend payout ratio have been calculated on basic EPS.

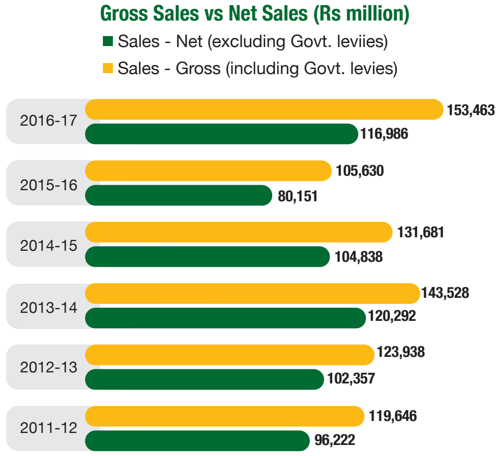
Profit Before & After Tax (Rs million)



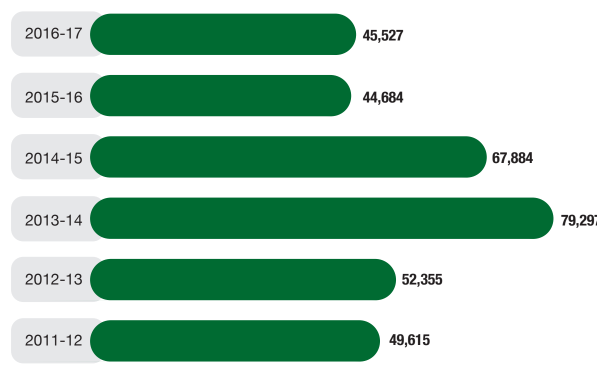
Reserves vs Fixed Assets (Rs million)



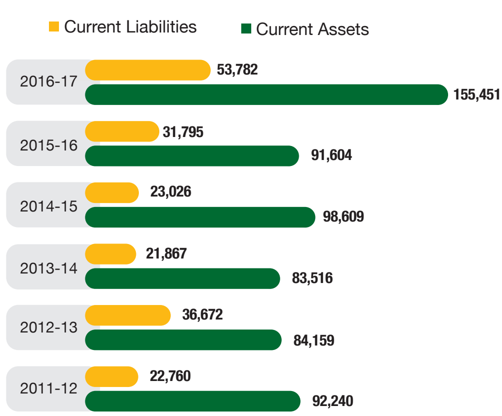
Gross Sales vs Net Sales (Rs million)



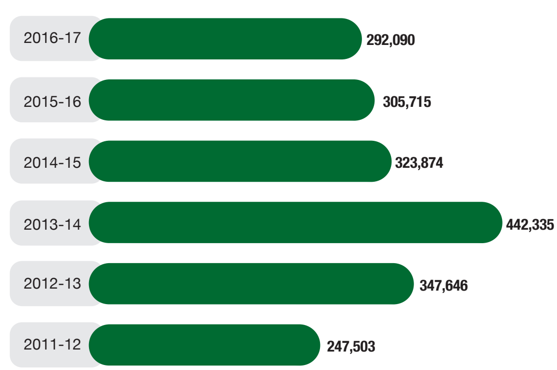
Payment to Government Exchequer (Rs million)



Current Assets vs Current Liabilities (Rs million)



Market Capitalisation (Rs million)



Movement of Estimated Reserves

	Natural Gas (MMSCF)	Oil / NGL (Mbbls)	LPG (Tonnes)
Original proven recoverable reserves			
At 1st July 2016	15,313,134	61,326	757,932
Change during the year			
-Addition	7,979 [2]	205 [2]	-
-Revision	388,387 [3]	(507) [4]	57,904 [5]
At 30th June 2017	15,709,500	61,024	815,836
Production			
Accumulated on 1st July 2016	13,234,827 [1]	38,402 [1]	427,959 [1]
Production during the year	329,367 [1]	5,949 [1]	81,267 [1]
Accumulated upto 30th June 2017	13,564,194	44,351	509,226
Net Reserves 30th June 2017	2,145,306	16,673	306,610
Net Reserves 30th June 2016	2,078,307	22,924	329,973
Daily Average Production	902.4	16.3	222.6

Notes:

1. Accumulated Production and Net Reserves numbers as at 30 June 2016 have been updated to account for actual production of the month of June 2016.

2. Additional Gas and Oil/NGL reserves due to Kabir (Gambat South Block), Tolanj West (Tal Block) and Makori Deep (Tal Block) discoveries.

3. Revision in field recoverable gas reserves estimates of Sui, Kandhkot, Shahdadpur (Gambat South), Shahdadpur West (Gambat South), Faiz (Gambat South), Adam (Hala), Adam West (Hala), Fazl (Hala), Makori (Tal), Maramzai (Tal) and Sawan fields.

4. Revision in field recoverable Oil / NGL reserves estimates of Kandhkot, Shahdadpur (Gambat South), Shahdadpur West (Gambat South), Faiz (Gambat South), Adam (Hala), Adam West (Hala), Fazl (Hala), Makori (Tal), Maramzai (Tal) and Ghauri fields.

5. Revision in field recoverable LPG reserves estimates of Shahdadpur (Gambat South), Makori (Tal), Maramzai (Tal) and Mamikhel (Tal) fields.

Statement of Compliance with the Code of Corporate Governance

Name of Company: Pakistan Petroleum Limited
For the year ended 30th June 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Rule 5.19 of the Rulebook of the Pakistan Stock Exchange, for the purpose of establishing a framework of good governance whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

Category	Names
Independent Directors	(i) Dr. Ibne Hassan (ii) Mr. Aftab Nabi * (iii) Mr. Asif Baigmohamed (iv) Mr. Imtiaz Hussain Zaidi (v) Mr. Mohammad Ashraf Iqbal Baluch (vi) Mr. Muhammad Sajid Faroooqi (vii) Mr. Nadeem Mumtaz Qureshi (viii) Mr. Salman Akhtar
Executive Director	(i) Mr. Syed Wamiq Bokhari
Non-Executive Directors	(i) Mr. Muhammad Jalal Sikandar Sultan (ii) Mr. Saeed Ullah Shah **

* Represents minority shareholders.
** Represents PPL Employees Empowerment Trust formed under the Benazir Employees Stock Option Scheme (BESOS).

The independent directors meet the criteria of independence pursuant to Clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on the board of more than seven listed companies, including PPL (excluding the listed subsidiaries of listed holding companies).

3. All resident directors of the Company are registered as taxpayers and none of them has defaulted in the payment of any loan to a banking company, a Development Financial Institution, or a Non–Banking Financial Institution. None of the directors is a member of the Stock Exchange.

4. Casual vacancies occurring on the Board since 29th January 2015, 23rd December 2015 and 1st August 2016 due to resignations by Mr. Osman Khalid Waheed, Mr. Shahbaz Yasin Malik, and Mr. Waqar A. Malik, were filled by the directors on 21st March 2017. Another casual vacancy occurring on 17th April 2017 due to resignation by Mr. Arshad Mirza was filled by the directors on 27th April 2017 (within 10 days).

5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it through out the Company along with its supporting policies and procedures.

6. The Board has developed a Vision / Mission statement, overall corporate strategy, and significant policies of the Company. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment of non-executive directors, the determination of their remuneration for attending board and committee meetings and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman of the Board and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of board meetings along with their agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year no training programmes were arranged for the directors. However, the Company remains compliant with the requirements of mandatory directors' training.

10. The Board appointed a new Head of Internal Audit and his remuneration and terms and conditions of employment were approved by the Board. No new appointments of Chief Financial Officer and Company Secretary were made during the year.

11. The directors' report is prepared in compliance with the requirements of the CCG d fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer and before approval by the Board.

13. The directors, Chief Executive Officer, and executives do not hold any interest in the shares of the Company other than as disclosed in the pattern of shareholding.

14. The Company complied with all corporate and financial reporting requirements of the CCG.

15. The Board Audit Committee comprises of four members, all of whom are non-executive directors, and the Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results of the Company as required by the CCG. The Terms of Reference of the Committee are in place and advised to the Committee members for compliance.

17. The Board Human Resource Committee comprised of four members who are non-executive directors and the chairman of the committee is an independent director.

18. An effective internal audit function exists which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the ICAP.

20. The statutory auditors or persons associated with them have not been appointed to provide other services except in accordance with the Rules of the Pakistan Stock Exchange and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The closed period, prior to the announcement of interim / final results and business decisions which may materially affect the market price of the Company's securities, was determined and intimated to the directors, employees and the Stock Exchange.

22. Material / price sensitive information has been disseminated amongst all the market participants at once through the Stock Exchange.

23. The Company has compiled with the requirements relating to the maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with, except for the following, :

    a. A casual vacancy that occurred on the Board due to resignation by Mr. Waqar Malik as of 1st August 2016 was filled on 21st March 2017 and not within 90 days thereof as required by Rule 5.19.3 of the CCG. Further, two causal vacancies that occurred due to resignations by Mr. Osman Khalid Waheed and Mr. Shahbaz Yasin Malik on 29th January 2015 and 23rd December 2015 were filled on 21st March 2017.

    b. The independent directors on the Board meet the criteria of independence pursuant to Clause 5.19.1(b) of the CCG. While there is no requirement for obtaining a representation from the independent directors in respect of their independent status the Company will endeavour to obtain representations from the independent directors on the Board in the future to adopt best practice, as recommended by the auditors.

Syed Wamiq Bokhari
Managing Director / Chief Executive

Karachi: 15th September 2017

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: 30th June 2017

This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules") 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 requirements of the Rules as follows:

1. The independent directors on the board of the Company meet the criteria of independence as defined by the Rules. While there is no requirement for obtaining a representation from the independent directors in respect of their independent status the Company will endeavour to obtain representations from the independent directors on the Board in the future to adopt best practice, as recommended by the auditors.

2. The requisite proportion of independent directors is represented in the composition of the board and the board currently includes:

Category		Names	Date of Appointment
Independent Directors	(i)	Dr. Ibne Hassan	21st March 2017
	(ii)	Mr. Aftab Nabi *	16th September 2014
	(iii)	Mr. Asif Baigmohamed	16th September 2014
	(iv)	Mr. Imtiaz Hussain Zaidi	16th September 2014
	(v)	Mr. Mohammad Ashraf Iqbal Baluch	16th September 2014
	(vi)	Mr. Muhammad Sajid Faroooqi	21st March 2017
	(vii)	Mr. Nadeem Mumtaz Qureshi	16th September 2014
	(viii)	Mr. Salman Akhtar	21st March 2017
Executive Director	(i)	Mr. Syed Wamiq Bokhari	16th March 2015
Non-Executive Directors	(i)	Mr. Muhammad Jalal Sikandar Sultan	27th April 2017
	(ii)	Mr. Saeed Ullah Shah **	16th September 2014

* Represents minority interest.
** Represents PPL Employees Empowerment Trust formed under Benazir Employees Stock Option Scheme (BESOS).

3. Casual vacancies occurring on the board since 23rd December 2015, 29th January 2015 and 1st August 2016 due to resignations by Mr. Osman Khalid Waheed, Mr. Shahbaz Yasin Malik and Mr. Waqar A. Malik, respectively,were filled by the directors on 21st March 2017. Another casual vacancy occurring on 17th April 2017 due to resignation by Mr. Arshad Mirza was filled by the directors on 27th April 2017.

   The fit and proper criteria set out in the annexure to the Rules has been followed in selecting and recommending persons for appointment as board members.

4. The directors have confirmed that none of them is serving as a director on the board of more than five public sector companies and public listed companies.

5. No election of directors has been held since 16th September 2014. The term of the present board will expire on 15th September 2017.

6. The Chairman of the Board functions separately from the Chief Executive Officer of the Company.

7. The Chairman was elected from amongst the independent directors.

8. The Chief Executive Officer was appointed on 16th March 2015 based on fit and proper criteria and the guidelines specified by the Securities and Exchange Commission of Pakistan.

9. The Company prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it through out the Company along with supporting policies and procedures, including posting them on the Company's website: www.ppl.com.pk.

   The board has established adequate systems and controls for the identification and redressal of grievances arising from unethical practices.

10. The board has established a system of sound internal control to ensure compliance with the fundamental principles of probity and propriety, objectivity, integrity and honesty, and relationship with the stakeholders, as prescribed by the Rules.

11. 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 an actual or potential conflict of interest and the procedure for disclosing such interest.

12. The board has developed and implemented a policy on anti-corruption which is set out in the Code of Conduct of the Company to minimize actual or perceived corruption in the Company.

13. The board has ensured equality of opportunity by establishing open and fair procedures for making senior appointments and for determining the terms and conditions of their service.

    The Board Human Resource Committee reviews deviations from the Company's Code of Conduct on a continuous basis.

14. The board has ensured compliance with the law including Public Procurement Regulatory Authority Rules and 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.

15. The board has developed a vision and mission statement, corporate strategy and significant policies of the Company. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.

16. The Company did not deliver any services or sell any goods as public service obligation and no requests for compensation were submitted made to the Government.

17. The board met at least once in every quarter. Written notices of board meetings together with their agenda and working papers were circulated at least seven days before the meetings and minutes of the meetings were appropriately recorded and circulated.

18. The performance evaluation of members of the board including the chairman and chief executive will be undertaken by the Government of Pakistan. The board has monitored and assessed the performance of senior management of the Company on an annual basis.

19. The board has reviewed and approved related party transactions recommended by the board audit committee. A party-wise record of transactions entered into with related parties during the year has been maintained.

20. The profit and loss account and balance sheet for the first, second and third quarters and the financial year have been approved by the board. The annual financial statements of the Company were posted on its website.

21. All committees as required by the Rules have been formed. The written terms of reference of board committees were prepared, defining the duties and authority of the committees and composition thereof. The minutes of the meetings of the committees were circulated to the Board. The committees were chaired by the following non-executive directors:

Committee	Number of Members	Name of Chair
Audit Committee	Four	Mr. Muhammad Sajid Farooqi Mr. Nadeem Mumtaz Qureshi *
Enterprise Risk Committee	Four	Mr. Imtiaz Hussain Zaidi Mr. Asif Baigmohamed *
Human Resources Committee	Four	Mr. Asif Baigmohamed Mr. Imtiaz Hussain Zaidi *
Procurement Committee	Four	Mr. Nadeem Mumtaz Qureshi Mr. Imtiaz Hussain Zaidi *
Nomination Committee	Four	Mr. Aftab Nabi Mr. Muhammad Ashraf Iqbal Baluch *

* Changed during the year.

22. The board appointed a new head of internal audit and his remuneration and terms and conditions of employment were approved by the board. The new head of internal audit is considered fit and proper for the position by the Audit Committee. No new appointments of the Chief Financial Officer and the Company Secretary were made during the year.

23. The Company adopted International Financial Reporting Standards (IFRSs) and other standards as required by the Companies Ordinance, 1984.

24. The directors' report is prepared in accordance with the requirements of the Ordinance and the Rules; and fully describes the salient matters required to be disclosed.

25. The directors, chief executive and executives do not hold any interest in the shares of the Company other than as disclosed in the pattern of shareholding.

26. The non-executive directors of the Company are paid director's fees in accordance with the Articles of Association of the Company for attending board and committee meetings.

27. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

28. The board audit committee has written terms of reference. Its members are:

Name of the Member	Category	Professional Background
Mr. Muhammad Sajid Farooqi Chairman	Independent Director	Chartered Accountant from The Institute of Chartered Accountants of Pakistan and Chartered Financial Analyst (CFA Institute, USA).
Mr. Imtiaz Hussain Zaidi	Independent Director	Civil Engineering graduate from UET, Lahore and alumnus of Kellogg School of Management at Evanston Chicago, Southern Methodist University at Dallas and Cranfield School of Management UK.
Mr. Muhammad Ashraf Iqbal Baluch	Independent Director	Commerce Graduate
Mr. Mohammad Jalal Sikandar Sultan	Non-executive Director	Civil servant with a Bachelor degree in Medicine from King Edward Medical College, Lahore.

The chief executive and chairman of the board are not members of the board audit committee.

29. The board has established an effective internal audit function whose charter is duly approved by the audit committee which functioned in accordance with applicable standards.

30. The Company appointed external auditors according to the requirements pursuant to the Rules.

31. 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 the code of ethics as applicable in Pakistan.

32. The external auditors were not appointed to provide prohibited non-audit services and the auditors have confirmed that they have followed applicable guidelines issued by IFAC in this regard.

33. The Company has complied with all corporate and financial reporting requirements of the Rules.

Syed Wamiq Bokhari
Managing Director
& Chief Executive

Nadeem Mumtaz Qureshi
Independent Director

Karachi: 15th September 2017

Explanation of Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of the next accounting year:

S.No	Rule / Sub Rule No.	Reason for Non-Compliance	Future Course of Action
1	11(3)	Annual orientation course for all the directors was not held in during the year. However, the new directors appointed during the year received a briefing / introductory session in this regard.	Information required by the Rules came to the knowledge of the Board from time to time during the year. However a formal orientation course of the Board of Directors will be conducted annually to ensure compliance with the Rules.

Syed Wamiq Bokhari
Managing Director
& Chief Executive

Nadeem Mumtaz Qureshi
Independent Director

Karachi: 15th September 2017

Review Report to the member
on the Statement of Compliance with the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statements of Compliance with the best practices contained in the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein referred to as 'Codes') prepared by the Board of Directors of Pakistan Petroleum Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule book of Pakistan Stock Exchange Limited where the Company is listed and provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statements of Compliance reflect the status of the Company's compliance with the provisions of the Codes and report if they do 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 Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Moreover, the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) also require the Board 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. Compliance with the above stated requirements of PPRA Rules has been checked, on a test basis, as part of the audit of the financial statements of the Company for the purpose of expressing an opinion on those financial statements.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statements of Compliance' 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, 2017.

Further, we draw attention towards instances of non-compliance with the requirements of the Codes as reflected in Paragraph 24 to the Statement of Compliance with the Code of Corporate Governance and in the last section to the Statement of Compliance with the Rules, under the Heading 'Explanation of Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013'. Further, we also draw attention towards Paragraph 2 of the Statement of Compliance with the Rules which inter alia states that the Company shall endeavour to obtain representations from the independent directors on the board in respect of the independence requirements.

Chartered Accountants
Karachi
Dated: September 15, 2017

Report of the Board Audit Committee

Summary of Key Activities

During the Financial Year ended 2017 (FY17), the Board Audit Committee (BAC) discharged its functions and carried out its duties as set out in the Terms of Reference (TOR). Key activities undertaken by the BAC include the following:

- Reviewed the financial results quarterly, half yearly and annually prior to the Board for approval.
- Reviewed the potential impairment exposure of major investments including the impairment loss recorded during the year.
- Reviewed related party transactions entered into by the Company on quarterly basis.
- Reviewed and approved annual internal audit plan.
- Reviewed the Management Representation Letter issued by the external auditors and the management responses thereto.
- Reviewed the complaints received under Whistle Blowing Policy and take necessary actions.
- Reviewed the management's proposed plan for revamping the structure of Company's financial control framework and provided its input and recommendations.
- Reviewed judgmental areas which include provision for decommissioning cost for which Internal Audit also undertakes detail reviews on a periodic basis.
- Obtained confirmation from the Management that the understanding and compliance of Company's codes and policies has been affirmed by the Management and employees of the Company individually.
- Obtained Letter of Representation (LOR) / Internal Control Assurance Letter from the Management for the financial year ended 30th June 2016. The objective is to improve and strengthen the control environment, fill the gaps identified and to align with industry best practices. The BAC is further conducting review of the LOR program for inclusion of additional assertions in the checklist.
- Obtained business process understanding from various operational segments of the Company during the year, with regards to the reasonability of internal controls being exercised in those business areas.
- Deliberated and reported on the Internal Audit findings having business and internal control implications on a quarterly basis. The BAC took notice of key observations and discussed the findings directly with the business process owners for ensuring that appropriate steps are being taken.
- Obtained an independent review of Company's tax liabilities by an external expert to get an independent view on tax related matters.
- Recommended the formation of a Compliance function in the Company to the Board which was accepted and a Compliance function was established. The Function is taking roots at the moment and should yield value in due course.

Composition and Meetings

During FY17, the BAC met nine (9) times. The BAC was reconstituted by the Board on 8 May 2017. The aforesaid reconstitution was conducted following the filling of the vacant positions in the Board. The composition and the attendance record of the BAC is as follows:

Name of Directors	No. of Meetings Attended
Mr. Muhammad Sajid Farooqi (Chairman BAC)**	1
Mr. Nadeem Mumtaz Qureshi (Former Chairman BAC)*	8
Mr. Aftab Nabi*	5
Mr. Saeed Ullah Shah*	7
Mr. Muhammad Ashraf Iqbal Baluch	9
Mr. Mohammad Jalal Sikandar Sultan**	-
Mr. Imtiaz Hussain Zaidi**	1

* Replaced with new members with effect from May 08 2017
** New members of the reconstituted BAC

The reconstituted Committee would like to put on record its acknowledgment of the work conducted by following Directors during their membership of the BAC:

a) Mr. Nadeem Mumtaz Qureshi (former Chair BAC)
b) Mr. Aftab Nabi
c) Mr. Saeed Ullah Shah

INTERNAL AUDIT

- The Company's system of internal control is designed to have sound and effective controls in place. These controls are continuously evaluated for reliability, accuracy and adequacy. The internal control framework is systematically evaluated by an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- BAC has defined the role of Internal Audit function in its Charter and has provided necessary powers to the Function to achieve its objectives without any avoidable constraint. Internal Audit Function is also being equipped with the latest technological tools, such as Audit Management Software and Data Analytical tools etc., to assist the Function in effective discharge of its duties.
- The Head of Internal Audit is independent and reports directly to the BAC.
- Coordination between the External and Internal Auditors has been encouraged and Internal Audit Reports are provided for the review of External Auditors.
- BAC also met with the staff of Internal Audit Department as required by the Corporate Governance Rules.
- A total of 31 reviews were conducted and key reviews and audit completed in FY17 are:
  - Evaluation of selected E&P Assets acquired through acquisition with the assistance of an external consultant.
  - Review of Statutory compliance by PPL under various applicable Laws, rules and regulations.
  - Several Non-Operator's Audit of Joint Ventures where PPL holds Working Interest.
  - Review of IT Data Center and selected IT infrastructure.
- Internal Audit Function is comprised of 18 auditors. The level of expertise within Internal Audit Function at the end FY17 is as follows:

  Finance: 78%

  IT/MIS: 22%

EXTERNAL AUDITORS

- The BAC recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, the BAC evaluates the qualifications, performance and independence of the Company's External Auditor.
- The statutory Auditors of the Company, M/s. A. F. Ferguson & Co., Chartered Accountants, have completed their Audit of the "Company's Financial Statements", the "Consolidated Financial Statements", the "Statement of Compliance with the Code of Corporate Governance" and the "Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013" for the financial year ended 30 June 2017.
- The BAC reviewed the scope of work and fee of all services obtained by the Management from the External Auditors of the Company in addition to the audit of its financial statements.
- 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 BAC met four (4) times with the External Auditors during the year to discuss matters relating to the statutory audit of PPL. The BAC made sure that External Auditors have access to all the records and personnel which they require to conduct their work in an independent and efficient manner.

MUHAMMAD SAJID FAROOQI
CHAIRMAN - BOARD AUDIT COMMITTEE

KARACHI
12th SEPTEMBER 2017

Auditors' Report

To the Members

We have audited the annexed balance sheet of Pakistan Petroleum Limited ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, 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.

A.F. Ferguson & Co.

Chartered Accountants
Karachi, September 15, 2017

Audit Engagement Partner: Khurshid Hasan

Unconsolidated Balance Sheet

As At June 30, 2017

	Note	June 30, 2017	June 30, 2016
		------------- Rs '000	--------------
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	**139,294,643**	127,920,186
Intangible assets	5	**405,249**	414,876
		139,699,892	128,335,062
Long-term investments	6	**27,661,070**	50,978,610
Long-term loans	7	**1,203,104**	1,203,901
Long-term deposits	8	**7,676**	7,676
Long-term receivables	9	**261,119**	333,000
		168,832,861	180,858,249
CURRENT ASSETS			
Stores and spares	10	**4,337,207**	4,140,258
Trade debts	11	**99,283,854**	57,835,214
Loans and advances	12	**3,982,991**	1,328,228
Trade deposits and short-term prepayments	13	**443,761**	572,510
Interest accrued	14	**422,330**	1,459,316
Current maturity of long-term investments	6	**581,824**	66,493
Current maturity of long-term deposits	8	**787,500**	787,500
Current maturity of long-term receivables	9	**88,858**	81,978
Other receivables	15	**2,948,428**	2,978,845
Short-term investments	16	**36,493,072**	19,012,500
Taxation - net		**-**	68,206
Cash and bank balances	17	**6,080,890**	3,273,024
		155,450,715	91,604,072
TOTAL ASSETS		**324,283,576**	272,462,321
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	18	**19,717,295**	19,717,295
Reserves	19	**196,351,582**	172,931,642
		216,068,877	192,648,937
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	20	**20,104,544**	20,201,454
Liabilities against assets subject to finance lease	21	**143,323**	238,385
Deferred liabilities	22	**2,363,123**	2,366,677
Deferred taxation	23	**31,821,922**	25,211,616
		54,432,912	48,018,132
CURRENT LIABILITIES			
Trade and other payables	24	**48,602,277**	31,669,572
Current maturity of liabilities against assets subject to finance lease	21	**112,564**	125,680
Taxation - net		**5,066,946**	-
		53,781,787	31,795,252
TOTAL LIABILITIES		**108,214,699**	79,813,384
TOTAL EQUITY AND LIABILITIES		**324,283,576**	272,462,321
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

Unconsolidated Profit and Loss Account

For The Year Ended June 30, 2017

	Note	Year ended June 30, 2017	Year ended June 30, 2016
		---------------- Rs '000	------------
Sales - net	26	**116,986,307**	80,151,211
Operating expenses	27	**(31,246,938)**	(25,906,633)
Royalties and other levies	28	**(21,257,451)**	(9,298,070)
		(52,504,389)	(35,204,703)
Gross profit		**64,481,918**	44,946,508
Exploration expenses	29	**(10,788,063)**	(15,678,270)
Administrative expenses	30	**(2,771,558)**	(3,288,242)
Finance costs	32	**(461,081)**	(658,967)
Other charges	33	**(7,136,775)**	(4,032,440)
		43,324,441	21,288,589
Other income	34	**4,804,234**	5,418,127
Profit before taxation		**48,128,675**	26,706,716
Taxation	35	**(12,450,032)**	(9,464,697)
Profit after taxation		**35,678,643**	17,242,019
Basic and diluted earnings per share (Rs)	41	**18.10**	8.74

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Director

Chief Executive

Unconsolidated Statement of Comprehensive Income

For The Year Ended June 30, 2017

	Year ended June 30, 2017	Year ended June 30, 2016
	------------- Rs '000	--------------
Profit after taxation	**35,678,643**	17,242,019
Other comprehensive income		
Items not to be reclassified to profit and loss account in subsequent years		
Remeasurement gains / (losses) on defined benefit plans - net	**798,129**	(782,826)
Deferred taxation	**(240,624)**	242,780
	557,505	(540,046)
Total comprehensive income for the year	**36,236,148**	16,701,973

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Director | Chief Executive

Unconsolidated Cash Flow Statement

For The Year Ended June 30, 2017

	Note	Year ended June 30, 2017	Year ended June 30, 2016
		---------------- Rs '000	------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		111,988,434	106,538,110
Receipts of other income		339,725	748,838
Cash paid to suppliers / service providers and employees - net		(29,475,712)	(15,583,287)
Payment of indirect taxes and Government levies including royalties		(39,651,430)	(37,395,854)
Income tax paid		(945,198)	(1,846,647)
Finance costs paid		(37,546)	(41,119)
Long-term loans - net		4,183	2,097
Net cash generated from operating activities		42,222,456	52,422,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - net		(32,824,114)	(42,255,196)
Proceeds from sale of property, plant and equipment		27,701	37,175
Purchase of long-term investments		(11,158,725)	(25,873,627)
Disposal / redemption of long-term investments		29,432,825	22,358,585
Long-term deposits		-	(30,000)
Long-term receivables		65,001	60,632
Finance income received		5,352,480	4,426,983
Net cash used in investing activities		(9,104,832)	(41,275,448)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(128,159)	(122,402)
Dividends paid		(12,701,027)	(12,307,735)
Net cash used in financing activities		(12,829,186)	(12,430,137)
Net increase / (decrease) in cash and cash equivalents		20,288,438	(1,283,447)
Cash and cash equivalents at the beginning of the year		22,285,524	23,568,971
Cash and cash equivalents at the end of the year	39	42,573,962	22,285,524

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Director

Chief Executive

Unconsolidated Statement of Changes in Equity

For The Year Ended June 30, 2017

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves						Total reserves	Total
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropri-ated profit	Total		
	--- Rs'000 ---										
Balance as at June 30, 2015	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	105,707,866	168,551,501	168,552,929	188,270,224
Comprehensive income for the year											
Profit after taxation	-	-	-	-	-	-	-	17,242,019	17,242,019	17,242,019	17,242,019
Other comprehensive loss for the year ended June 30, 2016, net of tax	-	-	-	-	-	-	-	(540,046)	(540,046)	(540,046)	(540,046)
Total comprehensive income for the year ended June 30, 2016	-	-	-	-	-	-	-	16,701,973	16,701,973	16,701,973	16,701,973
Transactions with owners											
Final dividend on ordinary shares @ 40% for the year ended June 30, 2015	-	-	-	-	-	-	-	(7,886,868)	(7,886,868)	(7,886,868)	(7,886,868)
Interim dividend for the year ended June 30, 2016											
- Ordinary shares - 22.5%	-	-	-	-	-	-	-	(4,436,364)	(4,436,364)	(4,436,364)	(4,436,364)
- Convertible preference shares - 22.5%	-	-	-	-	-	-	-	(28)	(28)	(28)	(28)
Conversion of preference shares into ordinary shares	2	(2)	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	**19,717,173**	**122**	**1,428**	**69,761**	**34,021,894**	**23,751,980**	**5,000,000**	**110,086,579**	**172,930,214**	**172,931,642**	**192,648,937**
Comprehensive income for the year											
Profit after taxation	-	-	-	-	-	-	-	35,678,643	35,678,643	35,678,643	35,678,643
Other comprehensive income for the year ended June 30, 2017, net of tax	-	-	-	-	-	-	-	557,505	557,505	557,505	557,505
Total comprehensive income for the year ended June 30, 2017	-	-	-	-	-	-	-	36,236,148	36,236,148	36,236,148	36,236,148
Transactions with owners											
Final dividend for the year ended June 30, 2016											
- Ordinary shares - 35%	-	-	-	-	-	-	(2,464,646)	(4,436,364)	(6,901,010)	(6,901,010)	(6,901,010)
- Convertible preference shares - 7.5%	-	-	-	-	-	-	-	(9)	(9)	(9)	(9)
Interim dividend for the year ended June 30, 2017											
- Ordinary shares - 30%	-	-	-	-	-	-	-	(5,915,153)	(5,915,153)	(5,915,153)	(5,915,153)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(36)	(36)	(36)	(36)
Conversion of preference shares into ordinary shares	2	(2)	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	**19,717,175**	**120**	**1,428**	**69,761**	**34,021,894**	**23,751,980**	**2,535,354**	**135,971,165**	**196,350,154**	**196,351,582**	**216,068,877**

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Director

Chief Executive

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.

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 balance sheet date, 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 31, 2017, whereby allowing the Company to continue producing from Sui gas field for a further period of six months with effect from June 01, 2017.

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.

Further, Oil and Gas Regulatory Authority (OGRA) has notified the revised prices (as per the terms of MoA) vide notification No. 10-9 (158)/2017 dated July 04, 2017 in respect of wellhead gas price of Sui gas field for the period from June 01, 2015 to June 30, 2017. Accordingly, the financial impact of the price revision has been duly incorporated in these unconsolidated financial statements. This subsequent event has been treated as an "Adjusting Event" in accordance with the International Accounting Standard (IAS)-10 ‘Events after the Reporting Period’.

1.4 During the year ended June 30, 2016, the Company has signed the ‘Supplemental Agreement’ with the GoP for conversion of Petroleum Concession Agreement (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of Mamikhel, Maramzai & Makori East discoveries in Tal block. Under the said arrangement, price regime of Petroleum Policy (PP) 2007 will be applicable for Mamikhel, whereas, for Maramzai and Makori East, average of price regime PP 2001 and PP 2009 will be applicable. The Ministry of Petroleum & Natural Resources has advised OGRA to revise the notifications of wellhead gas prices in accordance with the Tal block Supplemental Agreement for the period from the commencement of production from respective discoveries till June 30, 2015.

Accordingly, the operator of Tal Block has submitted the request for revision in notifications to OGRA. Further, the revised prices, under the above mentioned price regimes, have only been notified for six months effective from July 01, 2015, whereas, for the remaining periods price notifications are still awaited. Accordingly, these unconsolidated financial statements have been prepared without taking into account the effect of price revision for the period from the commencement of production of respective discoveries till June 30, 2015.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies with financial year closing on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 shall prevail.

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 balance sheet:

a) Financial assets at fair value through profit or loss, have been measured at fair value.
b) Obligations in respect of certain employee benefits and decommissioning have been measured at present value.
c) Held-to-maturity investments and loans and receivables, have been measured at amortised cost.

2.3 Amendments to approved accounting standards which became effective during the year ended June 30, 2017

There were certain amendments to the approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not disclosed in these unconsolidated financial statements.

2.4 Standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 01, 2017

There are certain new standards and amendments to the approved accounting standards that will become effective for the Company's annual accounting periods beginning on or after July 01, 2017. However, these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act, 2017 which is not effective on these unconsolidated financial statements, has added certain disclosure requirements which will be applicable in future.

2.5 Implications of revised IFRS-2 (Share-based Payment) on Benazir Employees' Stock Option Scheme

On August 14, 2009, the GoP launched Benazir Employees' Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs), including the Company, and Non-State Owned Enterprises (Non-SOEs), where GoP holds significant investments. The Scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP has transferred 12% of its investment in such SOEs and Non-SOEs to a Trust Fund, established under a Trust Deed, created for the purpose by each of such entities. The eligible employees are entitled to be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination, such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units, as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund, managed by the Privatisation

Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of empowerment of employees of SOEs, needs to be accounted for by the covered entities, including the Company, under the provisions of IFRS-2, 'Share-based Payments'. However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP, on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan, has granted exemption vide SRO 587(I)/2011 dated June 07, 2011 to such entities from the application of IFRS 2 to the Scheme.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2016: Rs 18,879 million).

Further, the Scheme is being revamped by the GoP and all claims and disbursements to unit holders are kept in abeyance by the Privatisation Commission since June 2010.

2.6 Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting 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 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 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 transferred to the profit and loss account in the period when 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 as 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 written off to the profit and loss account.

d) Estimation of proven oil and natural gas reserves

Evaluation of oil and gas reserves is important to the effective management of upstream assets. They are an integral part of investment decisions about oil and gas properties such as whether development should proceed. Oil and gas reserve quantities are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to evaluate impairment.

Oil and gas reserves include both proved and unproved reserves. Proved oil and gas reserves are those quantities of oil and gas which, by analyses of geoscientific and engineering data, can be estimated with reasonable certainty to be economically producible. Unproved reserves are those with less than reasonable certainty of recoverability. The estimation of proved reserves is an ongoing process based on rigorous technical evaluations, commercial and market assessment, and detailed analyses of well information such as flow rates and reservoir pressure declines.

Although the Company is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals and significant changes in long-term oil and gas price levels. Revisions can include upward or downward changes in previously estimated volumes of proved reserves for 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 can also result from significant changes in development strategy or capacity of production equipment / facilities.

Changes to the estimates of proved reserves affect the amount of amortisation recorded and impairment, if any, in the 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 income 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.

During the year, the Company revised its estimates of outflows or resources 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	1,525
Property, plant and equipment would have been higher by	1,333
Amortisation charge would have been higher by	192
Profit after tax would have been lower by	143

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 independent actuaries on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase 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. Calculations are sensitive to changes in the underlying assumptions.

h) Taxation

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 written off. No provision is made in respect of the active customers who are considered good.

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 acquisition and other directly attributable costs and decommissioning cost. 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 and loss account 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 and loss account.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At each year end, an assessment is made to determine whether there are any indications of impairment. The Company conducts annually 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 the profit and loss account 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) Assets subject to finance lease

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease.

Assets held under finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease, net of financial charges allocated to future periods, are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding 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 against income 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. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit and loss account.

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, the point at which a determination is made as to whether or not commercial reserves exist, 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, substantive expenditure on further exploration and evaluation activities is not planned or budgeted, 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 the profit and loss account.

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, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

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 property, plant and equipment, except freehold land, leasehold land, capital work-in-progress, development and production assets and decommissioning cost, is charged on a straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements and depreciation on capital stores in operating assets is charged over the useful lives of the related items of plant and machinery to which these stores relate.

   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.

   Depreciation on leased assets is charged at the same rates as charged on the Company's owned assets.

ii. Capitalised development and production expenditure, including cost to acquire producing reserves, production bonus and decommissioning costs are amortised and charged to profit and loss account on the basis of unit of production method.

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 and loss account.

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 the profit and loss account 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 tested annually and whenever, there is an indication of impairment. Impairment loss in respect of goodwill is recognised in the profit and loss account.

3.7 Investment in subsidiaries

Subsidiaries are all entities over which the Company has power 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:

- 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 the profit and loss account for the year.

3.8 Impairment of non-financial assets, goodwill and investments 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.

Intangible assets with indefinite useful lives are tested for impairment annually at year end 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 the profit and loss account.

Impairment losses relating to goodwill are not reversed in future periods.

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 and loss account.

3.10 Financial instruments

a) Financial assets

Classification

Financial assets are classified in the following categories: held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. 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 balance sheet date.

i. Held-to-maturity

These are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

ii. At fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired principally for the purpose of selling and repurchasing in the near term.

These are classified as current or non-current assets in accordance with criteria set out by IFRSs. The Company has not classified any financial asset as held for trading.

iii. Available-for-sale

Available-for-sale financial assets are non-derivatives (being equity or debt securities) that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment is maturing or management intends to dispose it off within 12 months of the end of the reporting date.

The Company does not have available-for-sale investments as of balance sheet date.

iv. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Held-to-maturity and loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in statement of comprehensive income are included in the profit and loss account.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset ('loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

b) Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of an instrument. Financial liabilities are extinguished when these are discharged or cancelled or expire or when there is substantial modification in the terms and conditions of the original financial liability or part of it. If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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 balance sheet date. 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 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of cash flow statement, cash and cash equivalents 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.

3.13 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 and loss account.

3.14 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The 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.

Remeasurements in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income 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 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 balance sheet 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, except for those inducted after December 31, 2010 and non-executive permanent staff. 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 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 are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2017 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 and loss account 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. 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.

During the year, the Company made an irrevocable offer to eligible executive staff for conversion from defined benefit pension plan to defined contribution pension plan. The acceptance to the offer was at the option of executives. Accordingly, separate funds have been established with effect from January 01, 2017 for this purpose by the Company. The Company contributes at the rate of 13.44% and 12% of basic salary, according to the eligibility of executive staff to the defined contribution pension fund.

3.15 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, 2017.

3.16 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 balance sheet date and adjusted to reflect the current best estimate.

3.17 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data 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.

3.18 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the profit and loss account except to the extent that it relates to items recognised outside profit and loss account (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognised outside profit and loss account.

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 balance sheet date 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 method, on all temporary differences at the balance sheet date 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 balance sheet date 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 balance sheet date.
Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss account.

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.

3.19 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the balance sheet date, 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.

3.20 Revenue recognition

Sales are recorded on transfer of significant risks and rewards of ownership of gas, other petroleum products and barytes (the Products), when the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control, the amount of revenue can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale is measured at the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by 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.

3.21 Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain 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 held-to-maturity investments 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.

Foreign currency gains and losses are reported on a net basis.

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 and loss account in the period in which they are incurred.

3.22 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 balance sheet date. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

3.23 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 the balance sheet date and exchange differences, are recognised in the profit and loss account.

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.

3.24 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

3.25 Related party transactions

Related party transactions are carried out on commercial terms, as approved by the Board of Directors, substantiated in the manner given in note 42 to these unconsolidated financial statements.

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 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.

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2017	June 30, 2016
	--------------- Rs '000	------------
Operating assets - note 4.1	**92,948,876**	93,267,558
Capital work-in-progress - note 4.5	**46,345,767**	34,652,628
	139,294,643	127,920,186

4.1 Operating assets

	Owned assets												Assets subject to finance lease			
	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	Decommiss-ioning cost	Sub total	Computers and allied equipment	Rolling stock*	Sub total	Total
	Rs'000															
As at July 01, 2015																
Cost	111,068	1,357,151	2,231,327	4,309	46,627,079	710,135	7,260,631	630,807	533,587	44,886,841	9,972,449	114,325,384	137,026	441,780	578,806	114,904,190
Accumulated depreciation / amortisation	-	-	(1,033,906)	(2,299)	(26,036,461)	(447,921)	(3,110,350)	(572,650)	(377,805)	(17,718,593)	(6,466,657)	(55,766,642)	(64,809)	(179,176)	(243,985)	(56,010,627)
Net Book Value (NBV)	111,068	1,357,151	1,197,421	2,010	20,590,618	262,214	4,150,281	58,157	155,782	27,168,248	3,505,792	58,558,742	72,217	262,604	334,821	58,893,563
Year ended June 30, 2016																
Additions (at cost)	-	-	263,755	-	17,925,466	119,616	799,943	162,907	41,662	18,036,589	1,665,927	39,015,865	78,764	97,112	175,876	39,191,741
Adjustments / reclassifications	(3,255)	3,255	(996)	-	(106,453)	-	-	6,195	-	(205,971)	6,186,215	5,878,990	(6,195)	(981)	(7,176)	5,871,814
Disposals (at NBV)	-	-	(1,264)	-	(1,309)	(547)	-	-	-	-	-	(3,120)	(65)	(9,220)	(9,285)	(12,405)
Depreciation / amortisation charge	-	-	(89,678)	(133)	(3,407,894)	(44,273)	(625,420)	(43,196)	(52,925)	(4,739,606)	(1,555,196)	(10,558,321)	(37,674)	(81,160)	(118,834)	(10,677,155)
NBV	107,813	1,360,406	1,369,238	1,877	35,000,428	337,010	4,324,804	184,063	144,519	40,259,260	9,802,738	92,892,156	107,047	268,355	375,402	93,267,558
As at July 01, 2016																
Cost	107,813	1,360,406	2,488,643	4,309	64,427,116	822,460	8,060,574	787,977	556,457	62,717,459	17,824,591	159,157,805	209,337	489,262	698,599	159,856,404
Accumulated depreciation / amortisation	-	-	(1,119,405)	(2,432)	(29,426,688)	(485,450)	(3,735,770)	(603,914)	(411,938)	(22,458,199)	(8,021,853)	(66,265,649)	(102,290)	(220,907)	(323,197)	(66,588,846)
NBV	107,813	1,360,406	1,369,238	1,877	35,000,428	337,010	4,324,804	184,063	144,519	40,259,260	9,802,738	92,892,156	107,047	268,355	375,402	93,267,558
Year ended June 30, 2017																
Additions (at cost)	-	40,214	84,607	-	1,913,752	40,887	97,076	119,649	21,399	14,022,307	847,235	17,187,126	23,763	2,418	26,181	17,213,307
Adjustments / reclassifications	-	-	-	-	(49,778)	-	(64,525)	2,101	4,100	(871,345)	(1,618,721)	(2,598,168)	(2,101)	(4,100)	(6,201)	(2,604,369)
Disposals (at NBV)	-	-	(412)	-	(86)	(635)	-	-	-	-	-	(1,133)	(251)	(15,147)	(15,398)	(16,531)
Depreciation / amortisation charge	-	-	(99,585)	(100)	(5,052,877)	(52,947)	(679,091)	(69,694)	(55,940)	(7,611,776)	(1,160,219)	(14,782,229)	(46,122)	(82,738)	(128,860)	(14,911,089)
NBV	**107,813**	**1,400,620**	**1,353,848**	**1,777**	**31,811,439**	**324,315**	**3,678,264**	**236,119**	**114,078**	**45,798,446**	**7,871,033**	**92,697,752**	**82,336**	**168,788**	**251,124**	**92,948,876**
As at June 30, 2017																
Cost	107,813	1,400,620	2,572,614	4,309	66,278,586	859,473	8,093,125	901,281	581,940	75,868,421	17,053,105	173,721,287	230,003	428,239	658,242	174,379,529
Accumulated depreciation / amortisation	-	-	(1,218,766)	(2,532)	(34,467,147)	(535,158)	(4,414,861)	(665,162)	(467,862)	(30,069,975)	(9,182,072)	(81,023,535)	(147,667)	(259,451)	(407,118)	(81,430,653)
NBV	**107,813**	**1,400,620**	**1,353,848**	**1,777**	**31,811,439**	**324,315**	**3,678,264**	**236,119**	**114,078**	**45,798,446**	**7,871,033**	**92,697,752**	**82,336**	**168,788**	**251,124**	**92,948,876**
Rate of depreciation / amortisation (%)			5 & 10	5	10 & 100**	10	10	30	20	***	***		30	20		

* Represents light and heavy vehicles.

** For below ground installations in fields other than Sui Gas Field.

*** Amortised on unit of production basis.

4.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2017		June 30, 2016	
	Cost	NBV	Cost	NBV
	Rs '000			
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	**5,664,138**	**-**	5,664,138	30,815
Booster Compression Project - SML	**2,890,674**	**2,554,370**	2,882,602	2,834,560
Adhi Field				
LPG / NGL Plant III	**3,455,255**	**3,052,142**	3,455,255	3,397,667
Kandhkot Field				
Gas Compression Station	**8,634,309**	**3,094,029**	8,634,309	3,941,130
Hala Field				
Early Production Facilities (EPF) of Adam X-1	**1,252,858**	**318,801**	1,252,858	444,087
Sawan Field				
Front End Compression	**2,480,735**	**723,875**	2,480,735	971,948
Other Plant and Machinery	**1,811,767**	**-**	1,811,767	-
Tal Field				
Makori Central Processing Facility	**5,610,068**	**3,778,462**	5,610,068	4,339,469
CPF Manzalai	**3,155,195**	**755,168**	3,155,195	1,070,687
Latif Field				
Reception / Tie-in Facility	**1,165,465**	**746,238**	1,165,465	862,784
Gambat South Field				
Gas Processing Facility (GPF) II	**10,317,301**	**9,285,571**	10,317,301	10,317,301

4.3 Operating assets disposed off / written off during the year

Asset description	Method of disposal	Sold to	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds
			Rs '000			
Owned assets						
Buildings, roads and civil constructions on freehold land						
Porta Cabin	Negotiation	Adhi Joint Operation	595	183	412	414
Items having book value upto Rs. 50,000	Written-Off	Written-Off	41	41	-	-
			636	224	412	414
Plant and machinery						
Items having book value upto Rs. 50,000	Tender	Various	12,504	12,418	86	4,800
Furniture, fittings and equipment						
Garden table with chairs	Tender	Mr. Muhammad Asif	180	56	124	20
Sony Mobile Phone	Insurance claim	EFU General Insurance Ltd	67	15	52	60
Mobile-Iphone	Company policy	Mr. M. Saleem Jandula	64	7	57	37
Mobile Samsung	Company policy	Mr. Syed Kaleem Akhtar	89	4	85	47
Items having book value upto Rs. 50,000	Tender	Various	3,474	3,157	317	350
			3,874	3,239	635	514
Rolling stock						
Items having book value upto Rs. 50,000	Written-Off	Written-Off	16	16	-	-
Computer and allied equipment						
Items having book value upto Rs. 50,000	Tender / Company policy	Various	8,446	8,446	-	298
Assets subject to finance lease						
Computer and allied equipment						
Dell Notebook	Company policy	Mr. Abdul Qayyum	416	302	114	94
Dell Notebook	Company policy	Mr. Muhammad Iqbal	149	74	75	62
Items having book value upto Rs. 50,000	Tender	Various	431	369	62	66
			996	745	251	222
Rolling stock						
Honda Civic, BBH-325	Company policy	Mr. Sadiqain Haider	2,221	1,052	1,169	1,425
Honda Civic, AWD-574	Company policy	Mr. Mahboob Ali Khan	1,907	1,780	127	381
Suzuki Cultus, AWD-621	Company policy	Mr. Mir Sikandar Khan	912	851	61	182
Suzuki Cultus, AWD-625	Company policy	Mr. Muhammad Aftab	912	851	61	182
Suzuki Cultus, AWD-627	Company policy	Mrs. Zohra Aziz Kabani	907	847	60	181
Suzuki Cultus, AWD-648	Company policy	Mr. Faraz Ahmed	907	847	60	181
Suzuki Cultus, AWD-649	Company policy	Mr. Muhammad Hamdan	912	851	61	182
Suzuki Cultus, AWE-316	Company policy	Mr. Arsalan Khan Bugti	912	851	61	182
Suzuki Cultus, AWE-319	Company policy	Mr. Wasim M. Qureshi	912	851	61	182
Honda Civic, AF-693	Company policy	Mr. Abdul Qayyum	2,236	1,230	1,006	1,223
Honda City, AWH-137	Company policy	Mr. S.M. Ghufran Haider	1,540	1,463	77	308
Honda Civic, AWD-573	Company policy	Mr. Hayat Ahmed	1,907	1,812	95	381
Honda Civic, AWD-571	Company policy	Mr. Nauman Hussain Tirmizi	1,907	1,812	95	381
Honda Civic, AWD-575	Company policy	Mr. Qamar Zia Zuberi	1,907	1,812	95	381
Honda Civic, AWD-572	Company policy	Dr. Shujjat Ahmad	1,907	1,812	95	381
Honda Civic, VK-441	Company policy	Mr. Sultan Maqsood	2,178	1,960	218	397
Toyota Corolla Altis, BEK-276	Company policy	Mr. Javed Siddiqui	2,361	275	2,086	1,779
Honda City, AYJ-435	Company policy	Mr. Syed Javed Zahoor	1,677	1,369	308	472
Suzuki Cultus, BBR-442	Company policy	Dr. Khalil-Ur-Rehman	1,062	549	513	664
Toyota Corolla, BEU-939	Company policy	Mr. Syed Ghazanfar Iqbal	1,853	216	1,637	1,396
Suzuki Cultus, AYF-589	Company policy	Mr. Rashid Ahmed	998	782	216	299
Honda Civic, AYR-133	Company policy	Mr. Syed Kaleem Akhtar	2,160	1,692	468	606
Honda City, BBH-328	Company policy	Mr. Ishtiaq Hussain Shah	1,746	1,019	727	959
Suzuki Cultus, BDK-254	Company policy	Mr. Sardar Shaukat Hayat	1,052	351	701	734
Honda Civic, AXD-382	Company policy	Mr. Kamran Wahab Khan	2,091	2,022	69	418
Honda City, BBX-702	Company policy	Mr. Khalid Pervaiz Raja	1,712	885	827	928
Toyota Corolla, BAM-539	Company policy	Mr. Qaiser Ali	1,597	1,072	525	773
Suzuki Cultus, BAS-416	Company policy	Mrs. Parveen Habibullah Jung	1,032	798	234	392
Honda Civic, BCU-482	Company policy	Mr. M. Asadullah Khan Adil	2,194	1,025	1,169	1,402
Suzuki Cultus, BCX-568	Company policy	Mr. Muhammad Rafique	1,052	496	556	668
Toyota Corolla Altis, BDS-573	Company policy	Mr. Anwer Farid	2,205	882	1,323	1,335
Items having book value upto Rs. 50,000	Company policy	Various	10,465	10,079	386	2,098
			59,341	44,194	15,147	21,453
		2017	**85,813**	**69,282**	**16,531**	**27,701**
		2016	154,341	141,892	12,449	37,175

4.4 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rs '000			
Share in Company's operated joint operations	**19,491,347**	19,020,108	**4,975,272**	3,216,441
Share in partner operated joint operations	**26,379,203**	25,523,972	**14,844,839**	12,681,258
	45,870,550	44,544,080	**19,820,111**	15,897,699

4.4.1 The above figures represent assets under all areas excluding Sui and Kandhkot, since these are 100% owned areas of the Company.

	June 30, 2017	June 30, 2016
	Rs '000	
4.5 Capital work-in-progress		
Plant, machinery, fittings and pipelines	**12,896,913**	5,834,602
Exploration and Evaluation (E&E) assets	**13,797,746**	8,835,450
Development and production assets	**5,066,878**	6,413,387
Lands, buildings and civil constructions	**214,057**	119,896
Capital stores for drilling and development	**14,370,173**	13,449,293
	46,345,767	34,652,628

4.6 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	Exploration and evaluation assets	Development and production assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	Rs '000					
Balance as on July 1, 2015	10,663,290	7,418,457	4,215,884	384,023	12,291,900	34,973,554
Capital expenditure incurred / advances made during the year (net) - note 4.6.1 & 4.6.2	14,424,094	10,022,579	11,479,269	(1,734)	1,157,393	37,081,601
Adjustments/reclassifications	(223,511)	921,309	(699,445)	222	-	(1,425)
Impairment loss	-	(278,598)	-	-	-	(278,598)
Transferred to operating assets	(19,029,271)	(9,248,297)	(8,582,321)	(262,615)	-	(37,122,504)
Balance as on June 30, 2016	5,834,602	8,835,450	6,413,387	119,896	13,449,293	34,652,628
Capital expenditure incurred / advances made during the year (net) - note 4.6.1 & 4.6.2	9,245,319	4,883,951	11,885,633	133,894	927,973	27,076,770
Adjustments/reclassifications	(38,931)	78,345	(2,800)	39,817	(100)	76,331
Transferred to operating assets	(2,144,077)	-	(13,229,342)	(79,550)	(6,993)	(15,459,962)
Balance as on June 30, 2017	**12,896,913**	**13,797,746**	**5,066,878**	**214,057**	**14,370,173**	**46,345,767**

4.6.1 Amounts under E&E assets are netted off by cost of dry wells charged to profit and loss account during the year, amounting to Rs 5,971 million (2016: Rs 4,994 million).

4.6.2 Amounts under Capital stores for drilling and development are net of consumption during the year.

4.7 Property, plant and equipment includes major spare parts and standby equipment having cost of Rs 77.877 million (2016: Rs 83.353 million).

	June 30, 2017	June 30, 2016
	----------- Rs '000 -----------	
5. INTANGIBLE ASSETS		
Computer software including ERP system - note 5.1	**352,896**	335,506
Intangible assets under development	**52,353**	79,370
	405,249	414,876

5.1 Computer software including ERP system

	ERP system	Computer software	Total
	------------ Rs '000 ------------		
As at July 01, 2015			
Cost	339,408	899,326	1,238,734
Accumulated amortisation	(311,604)	(743,731)	(1,055,335)
NBV	**27,804**	**155,595**	**183,399**
Year ended June 30, 2016			
Additions (at cost)	-	257,404	257,404
Adjustment / reclassification	-	(44)	(44)
Amortisation charge - note 30	(8,669)	(96,584)	(105,253)
NBV	**19,135**	**316,371**	**335,506**
As at July 01, 2016			
Cost	339,408	1,113,730	1,453,138
Accumulated amortisation	(320,273)	(797,359)	(1,117,632)
NBV	**19,135**	**316,371**	**335,506**
Year ended June 30, 2017			
Additions (at cost)	27,996	142,314	170,310
Amortisation charge - note 30	(7,200)	(145,720)	(152,920)
NBV	**39,931**	**312,965**	**352,896**
As at June 30, 2017			
Cost	367,404	1,256,044	1,623,448
Accumulated amortisation	(327,473)	(943,079)	(1,270,552)
NBV	**39,931**	**312,965**	**352,896**
Rate of amortisation (%)	20	33	

	June 30, 2017	June 30, 2016
	Rs '000	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC - note 6.1	1	1
- PPLE (net of impairment) - note 6.2	3,324,076	3,324,076
- PPLA (net of impairment) - note 6.3	3,296,502	7,870,946
	6,620,579	11,195,023
Other investments		
- Held-to-maturity		
- Term Finance Certificates (TFCs) - note 6.4	33,247	99,740
- Pakistan Investment Bonds (PIBs) - note 6.5	548,577	22,122,574
- Local currency term deposits with bank - note 6.6	2,000,000	2,000,000
- Foreign currency term deposits with banks - note 6.7	18,955,491	15,627,766
	21,537,315	39,850,080
- Designated at fair value through profit or loss		
- Mutual Funds (UBL Al-Amin Funds) - note 6.8	85,000	-
Less: Current maturities		
- TFCs - note 6.4	(33,247)	(66,493)
- PIBs - note 6.5	(548,577)	-
	(581,824)	(66,493)
	27,661,070	50,978,610

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, 2017. 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

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 registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom. The Company holds 38,793,216 ordinary shares of £1 each, representing 100% of the share capital as of balance sheet date.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in one producing field and three exploration blocks in Pakistan, as well as two exploration blocks in Yemen as follows:

Blocks / Fields	Working Interest
Sawan	7.89%
Barkhan	50%
Ziarat	40%
Harnai	40%
Yemen - Block 3	20%
Yemen - Block 29	43.75%

6.2.1 This investment is stated net of accumulated impairment losses of Rs 12,340 million (2016: Rs 12,340 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. The registered office of PPLA is situated at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, with issued share capital of 1,000,000 ordinary shares of US$ 100 each which are allotted, called up and paid by US$ 75.5 per ordinary share. The Company holds 100% of the share capital as of the balance sheet date.

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 The Company carries out impairment testing of its assets including the investment in subsidiaries (as disclosed in note 3.8) as required under IAS-36 'Impairment of Assets'. The Company considers the impact of international oil prices, discount rate, resource estimates, chance of success, commercial terms and completion of work programme, amongst other factors, while reviewing for indicators of impairment. In addition, for E&E assets, impairment indicators as per IFRS 6 "Exploration for and Evaluation of Mineral Resources" are also evaluated.

During the year, seismic survey in the block and its processing / interpretations have been completed, which indicate a low probability for a gas discovery of a size contractually required. The Commercial terms of the block as stipulated in the EDPSC allow extraction of only gas and at present there is an uncertainty over commercial terms for oil. Accordingly, in view of the aforementioned factors, the excess of the carrying amount of the investment over its recoverable amount as at June 30, 2017 has been recorded as an impairment loss amounting to Rs 4,574 million in respect of the investment in PPLA by the Company. The carrying value of the investment after recognising the impairment loss is Rs 3,297 million.

The recoverable amount has been computed using 'value-in-use' computations. In assessing the value in use, 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 expected resources and fields' profile. The discount rate applied to cash flow projections in assessing value in use is 13.85%.

6.4 Term Finance Certificates

	Number of certificates	Nominal value of each certificate (Rs.)	Final maturity date	Implicit mark-up %	June 30, 2017	June 30, 2016
					Rs '000	
Bank Alfalah Limited	20,000	5,000	December 01, 2017	KIBOR+2.5	**33,247**	99,740
Current maturity of TFCs					**(33,247)**	(66,493)
					-	33,247

6.5 Pakistan Investment Bonds

	Final maturity date	Implicit mark-up %	June 30, 2017	June 30, 2016
			Rs '000	
Issued on:				
August 22, 2007	August 22, 2017	11.43	**99,760**	98,097
August 22, 2007	August 22, 2017	11.48	**99,752**	98,041
August 22, 2007	August 22, 2017	11.53	**99,745**	97,990
August 22, 2007	August 22, 2017	11.58	**99,739**	97,940
August 22, 2007	August 22, 2017	11.63	**99,731**	97,888
August 22, 2007	August 22, 2017	11.87	**49,850**	48,822
July 19, 2012 - note 6.5.2	July 19, 2017	10.02	-	21,583,796
			548,577	22,122,574
Current maturity of PIBs			**(548,577)**	-
			-	22,122,574

6.5.1 PIBs are in custody of various financial institutions on behalf of the Company.

6.5.2 During May 2017, these PIBs were disposed of prior to their maturity in July 2017. However, all conditions of IAS-39 'Financial Instruments: Recognition and Measurement', relating to premature disposal and derecognition were applied accordingly.

6.6 Local currency term deposits with bank

These represent term deposits with bank having interest rate of 6.1% (2016: 6.5%) per annum. These have been classified as non-current assets, as the management intends and has an ability to hold the amount for longer term.

6.7 Foreign currency term deposits with banks

These represent term deposits with banks having effective interest rate ranging from 1.20% to 3.30% (2016: 1.25% to 2.45%) per annum. These investments have been classified as non-current assets, as the management intends and has an ability to hold the amounts for longer term.

6.8 This represents 822,130 units (net share) having face value of Rs 103.39. Further, this investment is a Shariah compliant arrangement and 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).

	June 30, 2017	June 30, 2016
	Rs '000	
7. LONG-TERM LOANS		
Unsecured and considered good		
Long-term loans - staff - note 7.1		
- Executive staff - note 7.2	**24,310**	28,494
- Other employees	**6,510**	6,699
	30,820	35,193
Less: Current maturities - note 12		
- Executive staff	**(9,032)**	(9,362)
- Other employees	**(1,422)**	(1,282)
	(10,454)	(10,644)
	20,366	24,549
Long-term loan to a related party		
- PPLE - note 7.3	**1,182,738**	1,179,352
	1,203,104	1,203,901

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% (2016: 1% to 10%) per annum. Loans to employees have not been discounted as required under IAS-39 as the amount involved is not significant.

7.2 **Reconciliation of the carrying amount of long-term loans to executive staff**

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
Balance as on July 01	**28,494**	33,902
Disbursements	**10,010**	12,561
Repayments / adjustments	**(14,194)**	(17,969)
Balance as on June 30	**24,310**	28,494

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 28.347 million (2016: Rs 28.494 million).

7.3 During the year ended June 30, 2014, the Company entered into a Group Cash Facility Arrangement (agreement) with PPLE and PPLE, Pakistan Branch (Branch), wherein, with effect from October 01, 2013, the Company agrees to make payments of pending and future cash calls on behalf of PPLE and Branch for fulfillment of their commitments. The borrowed amount shall be repaid in full within three years from the effective date of this agreement or before termination of agreement, whichever occurs earlier. The loan agreement was due to expire on September 30, 2016, however, the Board in its meeting held on October 03, 2016 approved the renewal of the agreement for a further term of two years from the expiry date, with no future drawdowns to be made. The loan carries interest at the rate of 3 months LIBOR + 3% per annum.

8. LONG-TERM DEPOSITS

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
Cash margin:		
- For guarantee to International Bank of Yemen - note 8.1	**787,500**	787,500
- Others - note 25.1.3	**7,676**	7,676
	795,176	795,176
Less: Current maturity of long-term deposits	**(787,500)**	(787,500)
	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 on submission of counter guarantee through United Bank Limited against 100% cash margin of Rs 787.500 million, 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. The Operator is currently developing a case to justify to the Ministry of Yemen regarding eligibility of force majeure.

	June 30, 2017	June 30, 2016
	Rs '000	
9. LONG-TERM RECEIVABLES		
Unsecured and considered good		
Long-term receivables from:		
- Government Holdings (Private) Limited (GHPL) - note 9.1	188,419	253,420
- National Highway Authority (NHA) - note 9.2	161,558	161,558
	349,977	414,978
Current maturity of long-term receivables from GHPL	(88,858)	(81,978)
	261,119	333,000

9.1 This represents share of carrying cost borne by the Company, in respect of Tal and Nashpa 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 IAS-39 as the amount involved is not significant.

9.2 The Company, along with working interest owners, in Nashpa and Tal joint operations entered into an agreement dated October 20, 2010 with NHA for provision of interest-free loan to NHA for construction of a new bridge on River Indus, district Kohat. According to the agreement, share of Tal and Nashpa joint operations was paid to NHA in stages based on percentage completion of work. The loan is repayable by NHA in seven years in 84 equal monthly instalments, with grace period of one year, starting from one year after the commissioning of the bridge. The bridge was inaugurated on July 28, 2014 and is currently operational. As per the terms of the agreement, the Company has paid its share of costs amounting to Rs 41.531 million and Rs 120.027 million respectively to Nashpa and Tal joint operations. The receivable has not been discounted as required by IAS 39 'Financial Instruments: Recognition and Measurement' as the amount involved is not significant.

	June 30, 2017	June 30, 2016
	Rs '000	
10. STORES AND SPARES		
Stores and spares	4,093,313	3,360,704
Stores and spares in transit	393,672	913,112
	4,486,985	4,273,816
Less: Provision for obsolete / slow moving stores - note 10.1	(149,778)	(133,558)
	4,337,207	4,140,258
10.1 Reconciliation of provision for obsolete / slow moving stores:		
Balance as on July 01	133,558	130,817
Charge for the year - note 33	16,220	2,741
Balance as on June 30	149,778	133,558

	June 30, 2017	June 30, 2016
	Rs '000	
11. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	12,478,222	7,881,749
Sui Northern Gas Pipelines Limited (SNGPL)	45,528,352	22,173,798
Sui Southern Gas Company Limited (SSGCL)	35,594,097	21,634,616
Pak-Arab Refinery Limited (PARCO)	786,710	784,867
Oil & Gas Development Company Limited (OGDCL)	28,027	20,328
	94,415,408	52,495,358
Non-related parties		
Attock Refinery Limited (ARL)	3,642,162	4,451,970
National Refinery Limited (NRL)	325,767	274,111
Others	900,517	613,775
	4,868,446	5,339,856
	99,283,854	57,835,214
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 11.3	(1,156,220)	(1,156,220)
	-	-
	99,283,854	57,835,214

11.1 The ageing of trade debts as at June 30 is as follows:

	June 30, 2017	June 30, 2016
Neither past due nor impaired	53,370,553	16,307,527
Past due but not impaired:		
Related parties		
- within 90 days	14,595,959	12,304,046
- 91 to 180 days	14,232,795	13,364,024
- over 180 days	16,752,693	14,601,392
	45,581,447	40,269,462
Non-related parties		
- within 90 days	265,573	1,135,090
- 91 to 180 days	11,756	7,046
- over 180 days	54,525	116,089
	331,854	1,258,225
	99,283,854	57,835,214

11.2 Trade debts include overdue amount of Rs 45,580 million (2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 1,490 million (2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the GoP, 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.

11.3 The Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

		June 30, 2017	June 30, 2016
		Rs '000	
12.	**LOANS AND ADVANCES**		
	Unsecured and considered good		
	Loans and advances to staff - note 12.1	69,660	81,249
	Advances to suppliers and others	142,852	94,222
	Advance payment of cash calls to joint operations - note 24.1	3,760,025	1,142,113
	Current maturity of long-term loans - staff - note 7	10,454	10,644
		3,982,991	1,328,228
12.1	**Loans and advances to staff:**		
	- Executive staff	1,029	6,026
	- Other employees	68,631	75,223
		69,660	81,249
13.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**		
	Trade deposits	272,502	56,523
	Prepayments	171,259	515,987
		443,761	572,510
14.	**INTEREST ACCRUED**		
	Profit receivable on:		
	- long-term investments	188,018	1,264,420
	- long-term loan to PPLE	12,516	10,776
	- long-term bank deposits	6,126	5,596
	- short-term investments	183,351	140,572
	- bank deposits - saving accounts	32,319	37,952
		422,330	1,459,316
15.	**OTHER RECEIVABLES**		
	Receivable from:		
	SNGPL for Sui field services	11,087	12,518
	SSGCL for Sui field services	6,859	5,017
	PPLA	32,398	36,684
	PPLE	2,338	14,192
	Workers' Profits Participation Fund (WPPF) - note 24.2	-	179,324
	Staff retirement benefit plans - note 31.1.2	682,361	241,400
	Current accounts with joint operations - note 24.1	1,325,172	341,346
	Sales tax (net)	-	1,770,082
	Federal excise duty (net)	852,607	364,760
	Others	35,606	13,522
		2,948,428	2,978,845
16.	**SHORT-TERM INVESTMENTS**		
	Held-to-maturity		
	Local currency term deposits with banks - note 16.1	33,568,750	19,012,500
	Investment in treasury bills - note 16.2	2,924,322	-
		36,493,072	19,012,500

16.1 These deposits have a maximum maturity period of 363 days, carrying profit ranging from 3.85% to 7.00% (2016: from 5.50% to 7.00%) per annum.

16.2 This investment has a maturity period of 33 days, carrying profit @ 5.98% per annum.

17. CASH AND BANK BALANCES

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
At banks		
- Saving accounts		
Local currency - note 17.1	5,448,980	2,561,400
Foreign currency - note 17.2	391,551	511,744
	5,840,531	3,073,144
- Current accounts (local currency)	197,284	145,291
Cash and cheques in hand	43,075	54,589
	6,080,890	3,273,024

17.1 These carry profit at the rate ranging from 1.75% to 6.10% (2016: from 4.00% to 6.16%) per annum. Further, it includes Rs 61.264 million (2016: Rs 15.263 million) placed under an arrangement permissible under Shariah.

17.2 These carry profit at the rate ranging from 0.10% to 0.25% (2016: from 0.10% to 0.25%) per annum.

18. SHARE CAPITAL

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
Authorised		
2,500,000,000 (2016: 2,500,000,000) ordinary shares of Rs 10 each	25,000,000	25,000,000
26,510 (2016: 26,510) convertible preference shares of Rs 10 each	265	265
	25,000,265	25,000,265
Issued		
1,971,907,023 (2016: 1,971,906,826) ordinary shares of Rs 10 each - note 18.1	19,719,070	19,719,068
11,979 (2016: 12,176) convertible preference shares of Rs 10 each - note 18.2	120	122
	19,719,190	19,719,190
Subscribed and paid-up		
683,075,664 (2016: 683,075,467) ordinary shares of Rs 10 each for cash - note 18.1	6,830,756	6,830,754
1,285,891,812 (2016: 1,285,891,812) ordinary shares of Rs 10 each issued as bonus shares	12,858,919	12,858,919
2,750,000 (2016: 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
	19,717,175	19,717,173
11,979 (2016: 12,176) convertible preference shares of Rs 10 each for cash - note 18.2	120	122
	19,717,295	19,717,295

18.1 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 (2016: 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.

18.2 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, 197 (2016: 193) 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, 2017	June 30, 2016
	Rs '000	
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**	5,000,000
- Unappropriated profit	**135,971,165**	110,086,579
	196,350,154	172,930,214
	196,351,582	172,931,642

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 profit and loss account 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.

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 US$ 100 million (Rs 10,490 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 dividend equalisation reserve and transferred Rs 5,000 million to this reserve from unappropriated profit to maintain dividend declarations.

During the current year, the Company has utilised Rs 2,465 million out of this reserve, while declaring final dividend for the year ended June 30, 2016.

20. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2017	June 30, 2016
	Rs '000	Rs '000
Balance at beginning of the year	**20,201,454**	11,731,814
- Provision during the year	**1,098,276**	1,665,927
- Revision due to change in estimates	**(1,525,204)**	6,329,339
- Adjustment during the year	**(93,517)**	(143,124)
- Unwinding of discount - note 32	**423,535**	617,498
Balance at end of the year	**20,104,544**	20,201,454
The above provision for decommissioning obligation is analysed as follows:		
Wells		
Share in operated assets	**13,426,455**	12,891,857
Share in partner operated assets	**3,058,472**	2,849,327
Production facilities		
Share in operated assets	**2,016,002**	2,733,150
Share in partner operated assets	**1,603,615**	1,727,120
	20,104,544	20,201,454

20.1 The provision for decommissioning obligation in respect of the Company's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators. The provision has been discounted using a US Dollar based real discount rate of 1.9% (2016: 2.1%) per annum.

21. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2017	June 30, 2016
	Rs '000	Rs '000
Present value of minimum lease payments - note 21.1	**255,887**	364,065
Current maturity shown under current liabilities	**(112,564)**	(125,680)
	143,323	238,385

21.1 The liabilities against assets subject to finance lease represent the leases entered into with leasing companies for rolling stock, computers and allied equipment. The periodic lease payments include rates of mark-up ranging from 9.78% to 14.91% (2016: 9.78% to 15.38%) 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 (falling in next 5 years from the reporting date) 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, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rs '000					
Year ended June 30,						
2017	**-**	154,970	**-**	29,290	**-**	125,680
2018	**131,466**	127,447	**18,902**	26,173	**112,564**	101,274
2019	**87,211**	82,426	**14,881**	14,423	**72,330**	68,003
2020	**66,472**	64,932	**7,681**	7,718	**58,791**	57,214
2021	**13,109**	13,178	**1,321**	1,284	**11,788**	11,894
2022	**440**	-	**26**	-	**414**	-
Total	**298,698**	442,953	**42,811**	78,888	**255,887**	364,065

	June 30, 2017	June 30, 2016
	Rs '000	
22. DEFERRED LIABILITIES		
Post-retirement medical benefits - note 31.2.1	**1,781,636**	1,774,972
Leave preparatory to retirement - note 31.3	**581,487**	591,705
	2,363,123	2,366,677
23. DEFERRED TAXATION		
(Deductible) / taxable temporary differences on:		
Exploration expenditure	**(2,645,032)**	(2,866,000)
Provision for staff retirement and other benefits	**(468,313)**	(976,450)
Provision for obsolete / slow moving stores	**(44,933)**	(41,403)
Provision for doubtful debts	**(462,488)**	(462,488)
Provision for decommissioning obligation	**1,348,350**	1,200,946
Unused tax losses - note 23.1	**-**	(5,315,277)
Accelerated tax depreciation allowances	**5,346,334**	8,182,286
Exploratory wells cost	**10,958,994**	10,573,198
Development and production expenditure	**17,787,295**	14,897,151
Amortisation of intangible assets	**3,144**	14,218
Others	**(1,429)**	5,435
	31,821,922	25,211,616

23.1 During the year, a new proviso has been inserted under sub-section (2) of section 100 of the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2017, which recommended the taxability of Sui Gas Field in accordance with Fifth Schedule to the Ordinance from tax year 2017 and onwards. Upon conversion of Sui Gas Field to an agreement area, the deferred tax asset as at June 30, 2016 has been completely utilised in the current year against the income of Sui Gas Field and other agreement areas.

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	

24. TRADE AND OTHER PAYABLES

Creditors	458,490	498,975
Accrued liabilities	7,697,241	5,743,024
Security deposits from LPG distributors	766,180	515,450
Retention money	92,757	40,795
Unpaid and unclaimed dividends	362,360	247,179
Gas Development Surcharge (GDS)	9,845,119	5,804,283
Gas Infrastructure Development Cess (GIDC)	2,162,798	1,541,186
Sales tax - net	2,717,430	-
Royalties	7,835,813	4,036,741
Lease extension bonus - note 28.1	7,204,961	-
Current accounts with joint operations - note 24.1	8,543,136	12,124,811
Liabilities for staff retirement benefit plans - note 31.1.2	-	962,756
WPPF- note 24.2	600,542	-
Others	315,450	154,372
	48,602,277	31,669,572

24.1 Joint operations' current accounts (i.e. payable or receivable) as at June 30, 2017 and 2016 have been stated net of the respective current assets and current liabilities, as providing details for each respective joint operation separately would be very exhaustive, especially in view of the materiality of that information in the overall context of these unconsolidated financial statements.

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	

24.2 Workers' Profits Participation Fund

Balance as on July 01	179,324	305,423
Allocation for the year - note 33	(2,546,111)	(1,409,387)
Interest on funds utilised in the Company's business	(460)	(350)
	(2,367,247)	(1,104,314)
Amount paid during the year	1,766,705	1,283,638
Balance as on June 30	(600,542)	179,324

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Indemnity bonds and corporate guarantees

Indemnity bonds (including share of joint operations areas) issued to custom authorities, redeemable after submission of usage certificate within five years.	-	7,235
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.	44,487	10,195

25.1.2 Pursuant to the directives of the Price Determining Authority, Ministry of Petroleum & Natural Resources, the Company is not taking credit for interest income receivable from GENCO-II and no provision is being made for the interest payable to GoP on late payment of gas development surcharge.

25.1.3 Sales tax

The Tax Authorities have issued various letters / notices / orders for different tax periods either disallowing / intending to disallow the input sales tax claimed by the Company amounting to Rs 11.830 million, under the provisions of sections 8(1)(ca) and 8A of the Sales Tax Act, 1990 and Rule 12(5) of the Sales Tax Rules, 2006. Being aggrieved with the impugned orders, the Company has filed appeals before the Commissioner Inland Revenue (Appeals) CIR-(A). During the year ended June 30, 2013, the Company received all the three orders under appeal before the CIR-(A). In two of the three orders, the CIR-(A) has set-aside the orders passed by the Assessing Officer with directions to cross match and verify the documents in respect of each supplier submitted by the Company and pass a fresh and speaking order after providing opportunity of being heard. Since the said orders were set-aside by the CIR-(A), therefore no further action is required on this account. In one of the orders, the CIR-(A) has confirmed the action of the Assessing Officer on the ground that the Company has failed to prove that the input tax claimed was deposited in the Government treasury. Being aggrieved with the decision of the CIR-(A), the Company has filed an appeal before the ATIR, which is pending for hearing.

The Company has also filed a Constitutional Petition, along with the stay application before the SHC, challenging the above mentioned provisions. The SHC in response to the stay application filed by the Company vide order dated October 27, 2011 granted stay subject to the provision of bank guarantee amounting to Rs 7.676 million, which was duly provided. During the year ended June 30, 2013, the aforesaid order of the SHC was renewed by another order dated June 25, 2013. The original petition filed before the SHC, however, is pending for hearing.

The Company’s case was selected by the CIR and FBR for sales tax audit, for the tax periods July 2012 to June 2013 and July 2013 to June 2014, respectively. The orders in this respect were passed on December 31, 2015 and June 30, 2016 raising an aggregate demand of Rs 50 million in both the said Orders by disallowing input tax claimed by the Company during the impugned tax periods on the alleged ground that no evidence in respect of claim of such input tax (viz. valid sales tax invoices issued by the supplier and payment through banking channel) has been provided by the Company. An appeal against the said Order has already been filed before CIR-(A). The demand raised in this regard has been fully paid by the Company under protest.

25.1.4 Sindh Sales Tax

During the year ended June 30, 2017, the Sindh Sales Tax Authority has issued two notices alleging that the Company has not withheld Sindh Sales Tax amounting to Rs 2,896 million on certain services received from various service providers under the PCT Heading ‘Contractual Execution of Work and / or Furnishing Supplies’ for the tax periods July 2011 to June 2016. Based on the advice of the legal counsel, the Company has filed Suit before the Honourable SHC challenging the vires of the said PCT Heading. The Honourable SHC has granted interim stay with the direction to the Sindh Revenue Board (SRB) to maintain status quo in respect of the impugned notices.

25.1.5 Income tax

The Tax Authorities, whilst amending the Assessment Orders for the tax years 2003 to 2016 have made additions in respect of the following issues:

(i) Rate Issue [disputed by the Tax Authorities in tax years 2003 to 2016];

(ii) Depletion Allowance [disputed by the Tax Authorities in tax years 2003 to 2016];

(iii) Decommissioning Cost of Sui Area [disputed by the Tax Authorities in tax years 2004 to 2012]; and

(iv) Tax credits under sections 65A, 65B and 65E in respect of Agreement Areas [disputed by the Tax Authorities in tax years 2011 to 2016].

The Tax Authorities have raised demand of Rs 16,327 million in respect of the above issues, out of which the Company has paid / adjusted Rs 16,325 million. The demands raised by the Tax Authorities through the above assessment orders were subsequently confirmed by the CIR-(A) and Appellate Tribunal Inland Revenue (ATIR), except for tax years 2013 to 2015. Being aggrieved with the decision of the ATIR, the Company has filed Reference Applications before the SHC in respect of tax years 2003 to 2012. The appeals for tax years 2013 and 2014 have been filed before the ATIR and appeal for tax years 2015 and 2016 has been filed before CIR-(A), which are pending for adjudication.

The outstanding demands for the tax years 2003 to 2009 have been stayed by the Honourable SHC, whereas the demands raised for the tax years 2010 to 2015 have been fully paid. Moreover, the Tax Department whilst amending the assessment for the tax year 2016 has determined a refund of Rs 693 million in the amended assessment order.

During the year ended June 30, 2015, the Tax Authorities have further amended the assessments for tax years 2013 and 2014 in respect of the following issues:

(i) Prospecting and Development Expenditure [disputed by Tax Authorities in tax years 2013 and 2014];

(ii) Exchange Loss [disputed by Tax Authorities in tax year 2014];

(iii) Donations [disputed by Tax Authorities in tax years 2013 and 2014]; and

(iv) Credit of payments – short allowed [disputed by Tax Authorities in tax years 2013 and 2014].

The Tax Authorities have raised demand of Rs 500 million in respect of the above issues which has been fully paid by the Company. Being aggrieved with the aforesaid further assessment orders, the Company has filed an appeal before the CIR-(A). During the year ended June 30, 2016, the CIR-(A) has passed the appellate orders confirming the aforesaid demand raised by the Tax Authorities, except for demand raised on account of tax credit / deduction short allowed, which was set-aside by the CIR-(A). Being aggrieved with the said decision, the Company has filed an appeal before ATIR, which is pending for adjudication. Moreover, the Company has also filed an appeal effect application before the Tax Authorities requesting to give effect on the issue set-aside by the CIR-(A). As a result, the Tax Authorities have passed the appeal effect orders under section 124 of the Ordinance allowing a tax refund of Rs 18 million and Rs 40 million in tax years 2013 and 2014, respectively.

During the year ended June 30, 2015, the Company's case for tax year 2014 was selected for audit by FBR through random balloting under the Audit Policy 2015 which was initially challenged by the Company before the Court, owing to expected conclusion of the audit by the Department in haste and without providing proper opportunity of being heard. However, owing to the subsequent positive meetings with Department wherein the Company was assured provision of proper opportunity of being heard, the petition was withdrawn and proceedings were complied with. As a result, the audit was concluded by the Tax Authorities by raising a demand of Rs 375 million on account of disallowance of development and drilling expenses and non-verification of withholding taxes / payments. The demand raised in this respect has been fully paid by the Company under protest. During the year ended June 30, 2016, the CIR-(A) has passed the appellate order wherein the case was remanded back to the assessing officer for re-examination. Although the case was remanded back, however, the Company has filed an appeal before ATIR contending that the CIR-(A) should have deleted the disallowances made instead of remanding back the case for re-examination.

Further, during the year ended June 30, 2016, the return of income for the tax year 2015 was also amended in respect of above standard issues, super tax and amortisation of acquisition cost of PPLE, with tax impact in aggregate of Rs 5,447 million (resulting in net payment of Rs 800 million after adjustment of refund of Rs 4,647 million in the return of income for the tax year 2015). Appeal against the said order has already been filed with the CIR-(A), which is pending for hearing. The Company has challenged the levy of super tax before the SHC and the same is pending for adjudication. In addition to the said assessment, tax year 2015 was also selected by the Commissioner for income tax audit, however, in the said order the issue of claiming acquisition cost of PPLE was again raised and disallowed, however, it does not have any financial impact due to the reason that the said cost was already disallowed during the amendment of assessment proceedings. The Company has filed appeal before the CIR-(A) against the said Order, which is pending for adjudication.

The Company has also filed rectification applications for allowing the tax credit short allowed in the Orders dated December 31, 2015 for tax years 2014 and 2015 amounting to Rs 235 million and Rs 752 million, respectively. The Company's request for rectification has been acceded to, by the Tax Authorities and refunds amounting to Rs 276 million and Rs 752 million for tax years 2014 and 2015 respectively have been allowed to the Company.

During the year ended June 30, 2016, the Tax Authorities have further amended the assessment for the tax year 2013 raising income tax of Rs 132.467 million (which was paid by the Company under protest) on the ground that payments in respect of certain expenses were made through cash instead of banking channel. Subsequently, the CIR-(A) has also confirmed the said demand raised by the Tax Authorities. Being aggrieved with the decision of CIR-(A), the Company has filed an appeal before ATIR, which is pending for adjudication.

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the tax rate issue. The Company, as a matter of prudence, has continued to provide for tax liability at the higher tax rates, depletion allowance and tax credits under sections 65A, 65B and 65E in respect of Agreement Areas in the books of account. In case the appeals are decided in favour of the Company, an amount of Rs 16,327 million (2016: Rs 14,205 million) will be credited to the profit and loss account for that year.

The Tax Authorities have passed an order under section 147(7) of the Ordinance raising income tax demand of Rs 7,826 million on account of advance tax for the tax year 2014. The Company, through its legal counsel, filed a suit before the Honourable SHC which was decided in favour of the Company. The Tax Authorities have filed an appeal in the Honourable Supreme Court of Pakistan (SCP) against the said order of the SHC, which will be defended by the legal counsel appointed by the Company.

During the year ended June 30, 2014, the Company received a show-cause notice under sections 172(5) read with 172(3)(f) of the Ordinance intending to make the Company as the representative of M/s. MND E&P A.S. (a tax resident of Czech Republic) on the ground that it has purchased the shares from MND E&P A.S. of MND Exploration and Production Limited (now PPLE, a tax resident of United Kingdom) during the tax year 2013. Based on the advice of the legal counsel, the Company has filed a suit before the Honourable SHC challenging the impugned show-cause notice on the ground that the Company does not have a business connection with MND E&P A.S. and therefore, it could not be treated as the representative of MND E&P A.S.. The SHC has granted interim stay with the direction to the Tax Authorities to maintain status quo in respect of the impugned notice.

During the year ended June 30, 2016, the Tax Authorities have initiated the monitoring of withholding tax proceedings for the tax year 2016 wherein evidences for withholding taxes deducted were required and accordingly provided by the Company. The assessing officer, however, issued order for non-submission of evidences and raising demand of Rs 25.066 million, which was duly paid by the Company under protest. Being aggrieved with the impugned Order, subsequent to the year end the Company has filed an appeal before CIR-(A), which is pending for adjudication.

25.1.6 Sindh Workers' Welfare Fund

During the year ended June 30, 2016, the Company received a notice dated January 22, 2016 from the SRB requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for tax year 2015. The Company, on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of the SWWF Act, 2014 before the SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Company in respect of the said notice. The management, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Company in the court of law, therefore, no provision has been provided in these financial statements.

25.1.7 Subsequent to the year ended June 30, 2017, the SHC has held in its judgment dated August 03, 2017 in High Court Appeal No. 263 of 2016 and other connected appeals, wherein the Company was not a party, that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the SHC impacts a number of suits and appeals filed by the Company under the original civil jurisdiction of the 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, has challenged the said judgement in the Honourable SCP.

25.1.8 Other contingencies

The Company is defending various suits filed against it in various courts in Pakistan for sums aggregating Rs 939 million (2016: Rs 939 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 for any liability against these law suits in these unconsolidated financial statements.

The Company has guaranteed the performance and fulfilment of obligations by PPLA under the EDPSC. Total financial commitment of PPLA is US$ 100 million (Rs 10,500 million), out of which US$ 70.720 million (Rs 7,426 million) is outstanding.

The Company has provided parent company guarantee amounting to US$ 5.3 million (Rs 557 million) to DGPC 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, 2017 are Rs 967 million. Further, total amount outstanding under letter of credits (net share) as at June 30, 2017 is Rs 4,692 million.

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
26. SALES - net		
Sales	153,462,949	105,629,528
Federal excise duty	(2,094,631)	(1,881,290)
Sales tax	(18,014,048)	(12,018,785)
GIDC	(2,893,861)	(2,247,733)
GDS	(13,448,227)	(9,296,662)
Discounts (barytes)	(25,875)	(33,847)
	(36,476,642)	(25,478,317)
	116,986,307	80,151,211
Product wise break-up of sales is as follows:		
Natural gas sales	117,828,600	77,934,381
Federal excise duty	(2,075,315)	(1,861,880)
Sales tax	(17,212,955)	(11,423,171)
GIDC	(2,893,861)	(2,247,733)
GDS	(13,448,227)	(9,296,662)
	(35,630,358)	(24,829,446)
	82,198,242	53,104,935
Gas supplied to Sui villages - note 27	491,034	215,376
Federal excise duty	(10,605)	(11,280)
Sales tax	(71,347)	(31,294)
	(81,952)	(42,574)
	409,082	172,802
Internal consumption of gas	272,955	122,812
Federal excise duty	(6,117)	(6,284)
Sales tax	(39,660)	(17,844)
	(45,777)	(24,128)
	227,178	98,684
Crude oil / Natural gas liquids / Condensate	29,918,197	23,410,101
LPG sales	4,558,985	3,473,921
Federal excise duty	(2,594)	(1,846)
Sales tax	(663,004)	(505,280)
	(665,598)	(507,126)
	3,893,387	2,966,795
Barytes	393,178	472,937
Sales tax	(27,082)	(41,196)
Discounts	(25,875)	(33,847)
	(52,957)	(75,043)
	340,221	397,894
	116,986,307	80,151,211

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
27. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 30.1	6,144,654	5,534,213
Operator's personnel	1,423,864	1,434,812
Depreciation - note 4.1	6,010,234	4,263,519
Amortisation of decommissioning assets - note 4.1	1,160,219	1,555,196
Amortisation of development & production assets - note 4.1	7,611,776	4,739,606
Plant operations	2,382,468	2,535,349
Well interventions	1,292,237	882,043
Field services	2,047,237	1,653,329
Crude oil transportation	1,068,311	1,262,732
Travelling and conveyance	472,801	505,998
Training & development	14,864	24,482
PCA overheads	138,846	133,761
Insurance expenses	765,139	806,503
Free supply of gas to Sui villages - note 26	491,034	215,376
Social welfare / community development	163,496	320,022
Other expenses	59,758	39,692
	31,246,938	25,906,633
28. ROYALTIES AND OTHER LEVIES		
Royalties	13,895,143	9,218,970
Lease extension bonus - note 28.1	7,204,961	-
Windfall levy	157,347	79,100
	21,257,451	9,298,070

28.1 As a result of signing of MoA for Sui gas field (as mentioned in note 1.3), the Company is required to pay lease extension bonus to GoB @ 10% of the wellhead value.

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
29. EXPLORATION EXPENSES		
Dry and abandoned wells	5,970,815	4,994,159
Other exploration expenditures	4,817,248	10,684,111
	10,788,063	15,678,270

	Year ended June 30, 2017	Year ended June 30, 2016
	------------- Rs '000 -------------	
30. ADMINISTRATIVE EXPENSES		
Salaries, wages, welfare and other benefits - note 30.1	**5,142,796**	4,254,507
Amortisation of intangible assets - note 5.1	**152,920**	105,253
Depreciation of leased assets - note 4.1	**128,860**	118,834
Rent, rates and taxes	**151,427**	119,509
Utilities & communication	**89,454**	82,621
Travelling and conveyance	**139,327**	124,753
Training and development	**113,738**	87,927
Insurance expenses	**26,689**	33,049
Repairs, maintenance and supplies	**430,374**	441,108
Professional services	**154,670**	100,129
Auditors' remuneration - note 30.3	**23,825**	14,301
Donations - note 30.4	**69,477**	153,637
Contract services	**89,308**	86,327
Compliance and regulatory expenses	**33,749**	33,750
Advertisement, publicity and public relations	**59,820**	55,638
Other expenses	**61,010**	92,899
	6,867,444	5,904,242
Allocation to capital and operating expenditure	**(4,095,886)**	(2,616,000)
	2,771,558	3,288,242

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 240.873 million, Rs 450.803 million, Rs 81.830 million, Rs 69.750 million and Rs 187.370 million, respectively (2016: Rs 221.954 million, Rs 475.329 million, Rs 103.590 million, Rs 84.051 million and Rs 204.641 million, respectively).

30.2 During the year, "Field Expenditures", as appearing in note 27 to the unconsolidated financial statements for the year ended June 30, 2016, have been reclassified into operating expenses, exploration expenses and administrative expenses (notes 27, 29 and 30 to these unconsolidated financial statements for the year ended June 30, 2017), for the purpose of better presentation and comparison. Hence, the corresponding figures have also been reclassified accordingly.

	Year ended June 30, 2017	Year ended June 30, 2016
	------------- Rs '000 -------------	
30.3 Auditors' remuneration is as under:		
Annual audit fee - unconsolidated	**3,000**	2,500
- consolidated	**550**	450
- prior year	**1,500**	-
Limited review, special certifications and advisory services - note 30.3.1	**16,340**	10,987
Out of pocket expenses	**2,435**	364
	23,825	14,301

30.3.1 This includes tax services provided by M/s A.F. Ferguson & Co., who are also the statutory auditors of the Company.

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 3.14 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, 2017					June 30, 2016
	Rs '000					
Present value of defined benefit obligations - note 31.1.6	6,818,553	920,912	1,849,527	880,127	10,469,119	12,434,550
Fair value of plan assets - note 31.1.5	(7,355,551)	(937,393)	(1,919,671)	(938,865)	(11,151,480)	(11,713,194)
(Asset) / liability recognised in the balance sheet	(536,998)	(16,481)	(70,144)	(58,738)	(682,361)	721,356

31.1.2 Movement in amounts (receivable from) / payable to defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2017					June 30, 2016
	Rs '000					
Balances as on July 01	851,258	145,881	(154,279)	(75,826)	767,034	803,071
Refund made to the Company	-	-	110,003	53,490	163,493	-
Charge for the year - note 31.1.3	398,747	55,598	52,056	26,232	532,633	578,919
Payments during the year	(1,257,073)	(202,142)	-	-	(1,459,215)	(1,381,990)
Amount recognised in Other Comprehensive Income (OCI) for the year - note 31.1.4	(529,930)	(15,818)	(77,924)	(62,634)	(686,306)	721,356
Balances as on June 30	(536,998)	(16,481)	(70,144)	(58,738)	(682,361)	721,356

31.1.3 Amounts recognised in the profit and loss account

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	Year ended June 30, 2017					Year ended June 30, 2016
	Rs '000					
Current service cost	345,076	45,510	62,659	31,804	485,049	504,179
Interest cost	570,181	64,530	134,101	65,176	833,988	1,044,699
Interest income on plan assets	(516,510)	(54,442)	(144,704)	(70,748)	(786,404)	(969,959)
Charge for the year recognised in profit and loss account	398,747	55,598	52,056	26,232	532,633	578,919
Actual return on plan assets	671,809	56,638	142,192	70,577	941,216	831,729

31.1.4 Remeasurements recognised in other comprehensive income

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	Year ended June 30, 2017					Year ended June 30, 2016
	Rs '000					
Actuarial (gain) / loss on obligation	(374,631)	(13,622)	(80,436)	(62,805)	(531,494)	583,126
Actuarial (gain) / loss on assets	(155,299)	(2,196)	2,512	171	(154,812)	138,230
Total remeasurements	(529,930)	(15,818)	(77,924)	(62,634)	(686,306)	721,356

31.1.5 Changes in fair value of plan assets

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	June 30, 2017					June 30, 2016
	Rs '000					
Fair value of plan assets at beginning of the year	7,887,695	766,107	2,022,457	991,257	11,667,516	10,005,543
Interest income on plan assets	516,510	54,442	144,704	70,748	786,404	969,959
Refund made to the Company	-	-	(110,003)	(53,490)	(163,493)	-
Transferred to Defined Contribution Pension Fund	(1,826,031)	-	-	-	(1,826,031)	-
Contributions by the Company	1,257,073	202,142	-	-	1,459,215	1,381,990
Benefits paid	(634,995)	(87,494)	(134,975)	(69,479)	(926,943)	(506,068)
Amount recognised in OCI for the year	155,299	2,196	(2,512)	(171)	154,812	(138,230)
Fair value of plan assets at end of the year	7,355, 551	937,393	1,919,671	938,865	11,151,480	11,713,194

31.1.6 Changes in present value of pension and gratuity obligations

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	June 30, 2017					June 30, 2016
	Rs '000					
Present value of obligations at beginning of the year	8,738,953	911,988	1,868,178	915,431	12,434,550	10,808,614
Current service cost	345,076	45,510	62,659	31,804	485,049	504,179
Interest cost	570,181	64,530	134,101	65,176	833,988	1,044,699
Transferred to Defined Contribution Pension Fund	(1,826,031)	-	-	-	(1,826,031)	-
Benefits paid	(634,995)	(87,494)	(134,975)	(69,479)	(926,943)	(506,068)
Amount recognised in OCI for the year	(374,631)	(13,622)	(80,436)	(62,805)	(531,494)	583,126
Present value of obligations at end of the year	6,818,553	920,912	1,849,527	880,127	10,469,119	12,434,550

31.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return	Executives		Non-Executives		Executives		Non-Executives	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
	%	June 30, 2017 (Unaudited)				June 30, 2016 (Audited)			
Pension Fund									
Government securities	5.95 - 11.06	**1,233,564**	**17**	**201,366**	**10**	1,163,781	15	221,328	11
Shares	-	**1,137,840**	**15**	**277,467**	**15**	473,389	6	75,612	4
TFCs	7.39 - 9.72	**44,179**	**1**	**15,820**	**1**	64,264	1	23,053	1
Cash and bank balances	5.00 - 7.05	**4,939,968**	**67**	**1,425,018**	**74**	6,186,261	78	1,702,464	84
Total		**7,355,551**	**100**	**1,919,671**	**100**	7,887,695	100	2,022,457	100
Gratuity Fund									
Government securities	5.95 - 11.06	**106,199**	**11**	**152,432**	**16**	101,394	13	97,098	10
Shares	-	**106,288**	**11**	**135,688**	**15**	39,356	5	48,939	5
TFCs	7.39 - 9.72	**1,923**	**1**	**8,051**	**1**	2,788	1	11,666	1
Cash and bank balances	5.00 - 7.05	**722,983**	**77**	**642,694**	**68**	622,569	81	833,554	84
Total		**937,393**	**100**	**938,865**	**100**	766,107	100	991,257	100

31.1.8 Sensitivity analysis

	June 30, 2017				June 30, 2016			
	Executives		Non-Executives		Executives		Non-Executives	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	Rs '000							
Pension								
Salary rate sensitivity	**373,597**	**(332,058)**	**90,936**	**(82,869)**	518,856	(531,611)	124,662	(66,503)
Pension rate sensitivity	**511,933**	**(436,767)**	**85,510**	**(72,328)**	597,927	(583,003)	107,927	(46,005)
Discount rate sensitivity	**(746,829)**	**918,571**	**(149,813)**	**178,115**	(1,045,331)	1,208,201	(131,375)	210,212
Gratuity								
Salary rate sensitivity	**2,748**	**(3,357)**	**39,844**	**(36,446)**	2,579	(3,099)	39,056	(35,663)
Discount rate sensitivity	**(59,034)**	**67,161**	**(36,125)**	**40,235**	(59,088)	67,435	(38,528)	43,018

31.1.9 Maturity profile of the defined benefit obligations

	June 30, 2017			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.68	7.13	7.82	5.45
	Rs '000			
Distribution of timing of benefit payments (time in years)				
1	**342,820**	**91,896**	**108,150**	**84,568**
2	**451,715**	**93,968**	**363,230**	**226,643**
3	**461,565**	**110,866**	**136,793**	**81,948**
4	**352,047**	**76,575**	**144,606**	**85,186**
5	**556,851**	**110,019**	**154,601**	**83,897**
6-10	**2,914,778**	**552,599**	**999,430**	**557,993**

31.1.10 The Company expects to contribute Rs 343.686 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 3.14 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2017, results of which are as follows:

	June 30, 2017	June 30, 2016
	---- Rs '000 ----	
Present value of defined benefit obligations - notes 22 and 31.2.4	1,781,636	1,774,972

31.2.2 Movement in the liability recognised in the balance sheet is as follows:

	June 30, 2017	June 30, 2016
Balance as on July 01	1,774,972	1,568,791
Charge for the year - notes 30.1 & 31.2.3	187,370	204,641
Payments during the year	(64,933)	(60,264)
Amounts charged to OCI	(115,773)	61,804
Balance as on June 30	1,781,636	1,774,972

31.2.3 Amounts recognised in the profit and loss account

	Year ended June 30, 2017	Year ended June 30, 2016
	---- Rs '000 ----	
Current service cost	57,811	51,770
Interest cost	129,559	152,871
	187,370	204,641

31.2.4 Changes in present value of post-retirement medical obligations

	June 30, 2017	June 30, 2016
Opening balance	1,774,972	1,568,791
Current service cost	57,811	51,770
Interest cost	129,559	152,871
Benefits paid	(64,933)	(60,264)
Amounts charged to OCI	(115,773)	61,804
Balance as on June 30	1,781,636	1,774,972

31.2.5 Sensitivity analysis

	1% increase	1% decrease
	---- Rs '000 ----	
Medical cost trend rate sensitivity	211,941	(179,090)
Discount rate sensitivity	(229,086)	287,570

31.2.6 The Company expects to contribute Rs 193.496 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 12.69 years in respect of executive and 13.15 years in respect of non-executive retired employees.

31.3 Leave preparatory to retirement benefits

	June 30, 2017	June 30, 2016
	Rs '000	
Balance as on July 01	591,705	530,768
Charge for the year - note 30.1	69,750	84,051
	661,455	614,819
Payments during the year	(79,968)	(23,114)
Balance as on June 30 - note 22	581,487	591,705

31.4 Principal actuarial assumptions

	Per annum	
	June 30, 2017	June 30, 2016
- discount rate	7.75%	7.25%
- expected rate of increase in salaries	7.75%	7.25%
- expected rate of increase in pension	2.75%	2.25%
- expected rate of escalation in medical cost	3.75%	3.25%
- death rate / mortality rate	SLIC (2001-05)	

31.5 Description of the risks to the Company

The defined benefit plans expose the Company to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

31.6 Defined contribution funds

	Provident Fund		Pension Fund (note 3.14(b))	
	June 30, 2017 (Unaudited)	June 30, 2016 (Audited)	June 30, 2017 (Unaudited)	June 30, 2016
	Rs '000		Rs '000	
Size of the fund	5,103,881	4,823,115	1,906,417	-
Cost of investments made	3,930,227	3,487,611	1,790,000	-
Percentage of investments made	82.2%	80%	94.2%	-
Fair value of investments	4,193,482	3,851,957	1,795,745	-

31.6.1 Break-up of investments

	June 30, 2017 (Unaudited)		June 30, 2016 (Audited)	
	Investments (Rs '000)	% of Investment as size of the fund	Investments (Rs '000)	% of Investment as size of the fund
Provident Fund				
PIBs	551,624	10.8%	544,765	11.3%
Treasury Bills	-	-	148,945	3.1%
Short term deposit account	2,808,435	55.0%	2,453,064	50.9%
NIT Units	492,797	9.7%	383,398	8.0%
Shares	338,351	6.6%	318,500	6.6%
TFCs	2,275	0.1%	3,285	0.1%
	4,193,482	82.2%	3,851,957	80.0%
Pension Fund				
Mutual funds	252,474	13.2%	-	-
Short term deposit account	1,543,271	81.0%	-	-
	1,795,745	94.2%	-	-

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	Year ended June 30, 2017	Year ended June 30, 2016
	--------------- Rs '000	------------
32. FINANCE COSTS		
Financial charges for liabilities against assets subject to finance lease	37,086	41,119
Unwinding of discount on decommissioning obligation - note 20	423,535	617,498
Others	460	350
	461,081	658,967
33. OTHER CHARGES		
WPPF - note 24.2	2,546,111	1,409,387
Impairment loss on investment in subsidiaries	4,574,444	2,620,312
Provision for obsolete / slow moving stores - note 10.1	16,220	2,741
	7,136,775	4,032,440
34. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits - note 34.1	305,707	305,105
Income on term deposits	1,102,262	1,164,727
Income on long-term held-to-maturity investments	2,417,705	2,706,262
Income from investment in treasury bills	253,415	94,423
Gain on disposal of PIBs	152,000	-
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	183,153	349,060
	4,414,242	4,619,577
Income from assets other than financial assets		
Rental income on assets	1,253	225,200
Profit on sale of property, plant and equipment (net)	11,170	24,726
Profit on sale of stores and spares (net)	14,581	11,785
Exchange gain on foreign currency (net)	51,673	384,351
Share of profit on sale of LPG	107,801	142,574
Others	203,514	9,914
	389,992	798,550
	4,804,234	5,418,127

34.1 This includes profit amounting to Rs 8.874 million (2016: Rs 0.064 million) under a Shariah compliant arrangement.

35. TAXATION

Provision for taxation for the years ended June 30, 2017 and 2016 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas, including Sui gas field, however, for the year ended June 30, 2016, Sui gas field was taxed @ 32% being a non-agreement area. The head office and BME income is taxed @ 31% being non-agreement areas, as mentioned in note 3.18 to these unconsolidated financial statements. Similar to the previous year, 3% super tax has been levied for the current year on the head office and BME income as per the Finance Act, 2017.

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
Current		
- for the year	**5,675,677**	3,174,382
- for prior years (net)	**404,673**	(472,943)
	6,080,350	2,701,439
Deferred	**6,369,682**	6,763,258
	12,450,032	9,464,697

35.1 Relationship between accounting profit and taxation

	Year ended June 30, 2017	Year ended June 30, 2016
Accounting profit for the year before taxation	**48,128,675**	26,706,716
Tax on accounting profit at applicable rate of 44.13% (2016: 47.04%)	**21,239,184**	12,562,839
- Tax effect of:		
- Depletion allowance	**(6,310,371)**	(3,314,766)
- Royalty allowed for tax purposes	**(2,168,465)**	(1,896,818)
- Tax charge / (income) relating to prior years	**404,673**	(472,943)
- Decommissioning cost	**100,154**	1,822,178
- Tax credits	**(65,772)**	(491,185)
- Super tax	**132,002**	311,569
- Others	**(881,373)**	943,823
	12,450,032	9,464,697
Effective tax rate %	**25.87**	35.44

36. INTERESTS IN JOINT OPERATIONS

The joint operations in which the Company has working interest are as follows:

Name of Joint Operation	Operator	Percentage of the Company's working interest as at June 30, 2017
Producing Fields		
1 Adhi	PPL	39.00%
2 Mazarani	PPL	87.50%
3 Adam D&P (Hala Block)	PPL	65.00%

Name of Joint Operation	Operator	Percentage of the Company's working interest as at June 30, 2017
4 Adam West D&P (Hala Block)	PPL	65.00%
5 Shahdadpur D&P (Gambat South Block) - note 36.1	PPL	65.00%
6 Shahdadpur West D&P (Gambat South Block) - note 36.1	PPL	65.00%
7 Shahdadpur East D&P (Gambat South Block) - note 36.1	PPL	65.00%
8 Kandhkot East (Chachar)	PPL	75.00%
9 Qadirpur	OGDCL	7.00%
10 Miano	OMV	15.16%
11 Sawan	OMV	26.18%
12 Hasan, Sadiq & Khanpur - D&P (B-22)	PEL	35.53%
13 Manzalai D&P (Tal Block)	MOL	27.76%
14 Makori D&P (Tal Block)	MOL	27.76%
15 Makori East D&P (Tal Block)	MOL	27.76%
16 Mamikhel D&P (Tal Block)	MOL	27.76%
17 Maramzai D&P (Tal Block)	MOL	27.76%
18 Mardankhel EWT Phase (Tal Block)	MOL	27.76%
19 Mela D&P (Nashpa Block)	OGDCL	28.55%
20 Nashpa D&P (Nashpa Block)	OGDCL	28.55%
21 Tajjal EWT Phase (Gambat Block)	OMV	23.68%
22 Latif D&P (Latif Block)	OMV	33.30%
23 Rehman D&P (Kirthar Block)	POGC	30.00%
24 Rizq EWT Phase (Kirthar Block)	POGC	30.00%
25 Ghauri EWT Phase (Ghauri Block)	MPCL	35.00%
Exploration Blocks		
1 Block 2568-13 (Hala)	PPL	65.00%
2 Block 2766-1 (Khuzdar)	PPL	100.00%
3 Block 2688-2 (Kalat)	PPL	100.00%
4 Block 2969-8 (Barkhan)	PPL	35.00%
5 Block 2763-3 (Kharan)	PPL	100.00%
6 Block 2764-4 (Kharan-East)	PPL	100.00%
7 Block 2763-4 (Kharan-West)	PPL	100.00%
8 Block 3371-15 (Dhok Sultan)	PPL	75.00%
9 Block 2467-12 (Jungshahi)	PPL	100.00%
10 Block 2568-18 (Gambat South) - note 36.1	PPL	65.00%
11 Block 2468-12 (Kotri)	PPL	100.00%
12 Block 2568-21 (Kotri North) - note 36.1 & 36.4	PPL	90.00%
13 Block 2468-10 (Sirani)	PPL	75.00%
14 Block 2668-9 (Naushahro Firoz) - note 36.1	PPL	90.00%
15 Block 2667-11 (Zamzama South)	PPL	100.00%
16 Block 3272-18 (Karsal)	PPL	100.00%
17 Block 3372-23 (Hisal) - note 36.2	PPL	65.00%
18 Block 2870-5 (Sadiqabad)	PPL	97.50%
19 Block 2469-16 (Shah Bandar) - note 36.3	PPL	97.50%
20 Block 2864-4 (Nausherwani) - note 36.5	PPL	100.00%
21 Block 2566-6 (Bela West) - note 36.5	PPL	100.00%

	Name of Joint Operation	Operator	Percentage of the Company's working interest as at June 30, 2017
22	Block 2566-4 (Hab) - note 36.5	PPL	99.85%
23	Block 2569-5 (Khipro East)	PPL	97.50%
24	Block 2467-13 (Malir) - note 36.5	PPL	97.50%
25	Block 2866-4 (Margand) - note 36.6	PPL	100.00%
26	Block 2668-4 (Gambat) - note 36.7	OMV	30.00%
27	Block 2669-3 (Latif)	OMV	33.30%
28	Block 3370-10 (Nashpa)	OGDCL	30.00%
29	Block 2667-7 (Kirthar)	POGC	30.00%
30	Block 3070-13 (Baska)	ZHEN HUA	49.00%
31	Block 2366-7 (Indus-C)	ENI	40.00%
32	Block 2366-5 (Indus-N)	ENI	30.00%
33	Block 3370-3 (Tal)	MOL	30.00%
34	Block 2568-20 (Sukhpur)	ENI	30.00%
35	Block 2468-9 (Jherruck)	NHEPL	30.00%
36	Block 2568-19 (Digri)	UEPL	25.00%
37	Block 3273-3 (Ghauri)	MPCL	35.00%
38	Block 2867-5 (Kuhan) - note 36.8	OMV	47.50%
39	Block 2265-1 (Indus-G)	ENI	33.33%

36.1 During January 2017, the Company's Board approved the proposal for settlement agreements (SA) with Asia Resources Oil Limited (AROL), which entailed withdrawal of the civil suit No.530/2016 (Civil Suit) filed by AROL before the SHC and payment of all past cash calls and late payment surcharge by AROL in respect of Gambat South, Naushahro Firoz and Kotri North blocks. Resultantly, in line with the Board's approval, on March 17, 2017, the Company and AROL executed SA in respect of Naushahro Firoz and Kotri North blocks. For Gambat South block, a tri-partite SA was executed amongst the Company, AROL and GHPL. Thereafter, the Company, GHPL and AROL filed a joint compromise application in the Civil Suit filed by AROL before the SHC. Accordingly, on May 10, 2017, the Civil Suit was decreed in terms of the SA executed between PPL, AROL and GHPL in the aforementioned blocks. Further, AROL unconditionally withdrew the Civil Suit against all the other defendants. Thus, the Civil Suit filed by AROL was disposed of by the SHC on May 10, 2017.

Further, upon completion of certain milestones under the SA, the Company has withdrawn the default and forfeiture notices in all three blocks against AROL allowing it to participate as a normal joint operation partner in the said blocks. As per the SA in all three blocks, AROL is required to clear its outstanding dues within six months of signing of the same. Since execution of the SA, AROL has so far paid a sum of Rs. 114.37 million in lieu of cash calls for the months of January to May, 2017. As per terms of SA, in case AROL fails to make payment of its outstanding cash calls and late payment surcharge within the stipulated period of six months, its working interest in the aforesaid blocks would stand irrevocably forfeited in favour of the Company.

36.2 25% & 10% working interest has been assigned to Pakistan Oilfields Limited and Attock Oil Company, respectively. However, DGPC's approval for allocation of 2.5% working interest to GHPL is awaited. Once the approval is granted, the Company's working interest would reduce to 62.50%.

36.3 Assignment of the Company's 32% working interest to Mari Petroleum Company Limited and 2.5% working interest to GHPL is in progress. The Company's share will reduce to 63% after the said assignment.

36.4 On August 02, 2017, GoP approved assignment of the Company's 50% working interest along with operatorship of the block to United Energy Pakistan.

36.5 Approval of assignment of Company's 2.5% working interest to GHPL is in process. After the assignment, the Company's working interest will reduce to 97.50% in Nausherwani and Bela West blocks, 97.35% in Hab block and 95% in Malir block.

36.6 OMV assigned its working interest of 50% to the Company with effect from July 01, 2016.

36.7 Gambat EL was due to expire on December 02, 2016. The other Working Interest Owners i.e., OMV and ENI wish to surrender their respective interests as per the PCA provisions w.e.f. December 03, 2016. The Company intends to acquire working interests of OMV and ENI without any consideration, subject to the approval of its Board of Directors. Accordingly, the Company has requested the operator i.e., OMV to file an application for seeking one year licence extension from December 03, 2016 till December 02, 2017, after which the farm-out agreement will be formalised.

36.8 The Company's working interest has reduced to 47.50% after assignment of working interest to GHPL and Provincial Holding Company (PHC).

37. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2017	June 30, 2016
	Rs '000	
Financial assets as per balance sheet		
- Loans and receivables		
Long-term loans	1,203,104	1,203,901
Long-term deposits	7,676	7,676
Long-term receivables	261,119	333,000
Trade debts	99,283,854	57,835,214
Loans and advances	3,982,991	1,328,228
Trade deposits	272,502	56,523
Interest accrued	422,330	1,459,316
Current maturity of long-term deposits	787,500	787,500
Current maturity of long-term receivables	88,858	81,978
Other receivables	1,413,460	423,279
Cash and bank balances	6,080,890	3,273,024
	113,804,284	66,789,639
- Held to maturity		
Long-term investments	20,955,491	39,783,587
Current maturity of long-term investments	581,824	66,493
Short-term investments	36,493,072	19,012,500
	58,030,387	58,862,580
- Designated at fair value through profit or loss - Mutual Funds	85,000	-
Non-financial assets	152,363,905	146,810,102
Total assets	324,283,576	272,462,321
Financial liabilities as per balance sheet		
- Financial liabilities measured at amortised cost		
Trade and other payables	18,235,614	19,324,606
Non-financial liabilities	89,979,085	60,488,778
Total liabilities	108,214,699	79,813,384

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 held-to-maturity investments, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the years ended June 30, 2017 and 2016.

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 having significant investments in fixed interest bearing financial assets, like PIBs, term deposits with banks and treasury bills. As of balance sheet date, there is no exposure to interest rate risk to the Company, with all other variables held constant.

ii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of 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.

Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

	June 30, 2017	June 30, 2016
	--------------- US$	---------------
Investments held to maturity	**180,873,006**	149,262,330
Cash and bank balances	**3,736,174**	4,887,723
Current maturity of long-term deposits	**7,514,313**	7,521,490
Trade and other payables	**(1,842,479)**	(3,735,586)
	190,281,014	157,935,957

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2017	2016	2017	2016
		Rs		
US$ 1	**104.90**	104.46	**105.00**	104.70

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	Rs '000	
Foreign currency financial assets	192,123	(192,123)
Foreign currency financial liabilities	65,326	(65,326)

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Company is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Company. The Company has evaluated various commodity derivative options to hedge the risk of decline in international oil prices, keeping in view the current behaviour of oil prices together with the pricing mechanism of Company's products. However, the Company has not entered in any commodity derivative transactions due to the fact that the available instruments were not adequately providing mitigation against the relevant risks over a longer term.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	Rs '000	
Natural Gas (Mcf)	288,483	(288,483)
Crude Oil / Condensate / NGL (BBL)	5,948	(5,948)
LPG (M.Ton)	81	(81)
Barytes (Ton)	40	(40)

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. To manage this risk, the financial viability of all counterparties is regularly monitored and assessed.

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 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. 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, 2017	June 30, 2016
	Rs '000	
Long-term investments	21,040,491	39,783,587
Long-term loans	1,203,104	1,203,901
Long-term deposits	7,676	7,676
Long-term receivables	261,119	333,000
Trade debts	99,283,854	57,835,214
Loans and advances	3,982,991	1,328,228
Trade deposits	272,502	56,523
Interest accrued	422,330	1,459,316
Current maturity of long-term investments	581,824	66,493
Current maturity of long-term deposits	787,500	787,500
Current maturity of long-term receivables	88,858	81,978
Other receivables	1,413,460	423,279
Short-term investments	36,493,072	19,012,500
Bank balances	6,037,815	3,218,435
	171,876,596	125,597,630

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, 2017	June 30, 2016
	Rs '000	
Long-term investments		
AAA	2,548,577	21,926,436
AA	17,780,604	16,626,076
A	1,293,134	1,297,568
	21,622,315	39,850,080
Trade debts		
Customers with defaults in past one year which have not yet been recovered	53,370,553	16,307,527
	53,370,553	16,307,527
Short-term investments		
AAA	15,275,572	7,145,000
AA	17,392,500	11,867,500
A	3,825,000	-
	36,493,072	19,012,500
Cash at banks		
AAA	4,225,091	1,424,143
AA	1,609,194	1,695,394
A	203,530	98,898
	6,037,815	3,218,435

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties) and account for Rs 93,601 million of the trade debts as at June 30, 2017 (2016: Rs 51,691 million).

The aging of trade debts at the reporting date is provided at note 11.1.

c) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, 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.

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
	Rs '000					
Liability against assets subject to finance lease	-	16,415	96,149	143,323	-	255,887
Trade and other payables	617,477	15,570,006	2,048,131	-	-	18,235,614
Year ended June 30, 2017	**617,477**	**15,586,421**	**2,144,280**	**143,323**	**-**	**18,491,501**
Liability against assets subject to finance lease	-	17,710	107,970	238,385	-	364,065
Trade and other payables	616,750	17,309,856	1,398,000	-	-	19,324,606
Year ended June 30, 2016	616,750	17,327,566	1,505,970	238,385	-	19,688,671

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.

39. CASH AND CASH EQUIVALENTS

	June 30, 2017	June 30, 2016
	Rs '000	
Cash and bank balances - note 17	6,080,890	3,273,024
Short-term highly liquid investments - note 16	36,493,072	19,012,500
	42,573,962	22,285,524

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2017 (note 40.2)	Year ended June 30, 2016	Year ended June 30, 2017	Year ended June 30, 2016
	----------------------- Rs '000 ------------------------			
Managerial remuneration	49,000	49,000	5,702,984	5,078,159
Housing, conveyance and utilities	-	-	108,123	97,198
Retirement benefits	-	-	799,105	670,657
Bonus	-	-	1,191,374	969,681
Medical and leave passage	-	-	325,402	291,671
Leave encashment	-	-	63,963	193,625
	49,000	49,000	**8,190,951**	7,300,991
Number, including those who worked for part of the year	**1**	1	**1,523**	1,387

40.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to ten non-executive directors was Rs 9.775 million (2016: Rs 13.260 million for seven directors).

40.2 This includes performance bonus amounting to Rs 19.600 million (2016: Rs 19.600 million) paid under the employment contract.

41. EARNINGS PER SHARE

	Year ended June 30, 2017	Year ended June 30, 2016
41.1 Basic earnings per share		
Profit after taxation (Rs ‘000)	**35,678,643**	17,242,019
Dividend on convertible preference shares (Rs ‘000)	**(36)**	(37)
Profit attributable to ordinary shareholders (Rs ‘000)	**35,678,607**	17,241,982
Weighted average number of ordinary shares in issue	**1,971,717,393**	1,971,717,159
Basic earnings per share (Rs)	**18.10**	8.74
41.2 Diluted earnings per share		
Profit after taxation (Rs ‘000)	**35,678,643**	17,242,019
Weighted average number of ordinary shares in issue	**1,971,717,393**	1,971,717,159
Adjustment for conversion of convertible preference shares	**12,062**	12,296
Weighted average number of ordinary shares for diluted earnings per share	**1,971,729,455**	1,971,729,455
Diluted earnings per share (Rs)	**18.10**	8.74

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, 2017	Year ended June 30, 2016
	Rs '000	
Sales of gas / barytes to State controlled entities (including Government Levies)		
GENCO-II	24,140,882	17,865,187
SNGPL	67,280,621	44,679,505
SSGCL	26,405,788	15,389,689
OGDCL	140,178	168,687
	117,967,469	78,103,068
Long-term receivables, trade debts and other receivables from State controlled entities as at June 30	See notes 9, 11 & 15	
Transaction with subsidiaries		
Receivable from subsidiaries as at June 30	See note 7, 14 & 15	
Interest income on long-term loan to PPLE	47,428	41,434
Payment of employees cost on secondment	46,020	55,836
Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen as at June 30,	787,500	787,500
Transactions with Associated Companies		
Sales of crude oil / condensate	5,558,298	5,130,088
Expenses incurred	13,387	13,847
Transactions with Joint Operations		
Payments of cash calls to joint operations	43,157,215	45,672,098
Expenditures incurred by the joint operations	37,233,415	54,008,799
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	1,253	225,200
Dividend income from BME	25,000	25,000
Purchase of goods from BME (net)	327,239	261,831
Reimbursement of employee cost on secondment to BME	18,981	22,877
Other related parties		
Dividends to GoP	8,651,894	8,319,129
Dividends to Trust under BESOS	942,299	906,057
Transactions with retirement benefit funds	See notes 30.1 & 31	
Remuneration to key management personnel	See note 40	
Payment of rental to Pakistan Industrial Development Corporation	100,542	81,659
Payment to National Insurance Company Limited (NICL)	641,981	1,189,772
Insurance claim received from NICL	-	1,016,812
Payment to Pakistan State Oil Company Limited	496,637	511,246

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.

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 revenue.

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
GENCO-II	**24,140,882**	17,865,187
SSGCL	**26,405,788**	15,389,689
SNGPL	**67,280,621**	44,679,505
ARL	**20,234,163**	14,953,271
	138,061,454	92,887,652

44. GENERAL

44.1 Number of employees

	Year ended June 30, 2017	Year ended June 30, 2016
Total number of employees at the end of the year were as follows:		
Regular	**2,835**	2,900
Contractual	**73**	70
	2,908	2,970
Average number of employees during the year were as follows:		
Regular	**2,868**	2,839
Contractual	**72**	35
	2,940	2,874

44.2 **Capacity and production**

Product	Unit	Actual production for the year (PPL's share)
Natural gas	MMCF	329,367
Crude oil / NGL / Condensate	BBL	5,949,064
LPG	M. Ton	81,267
Barytes	Ton	46,323

Due to the nature of operations of the Company, installed capacity of above products is not relevant.

44.3 **Corresponding figures**

Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.

44.4 Figures have been rounded off to the nearest thousand, unless otherwise stated.

45. SUBSEQUENT / NON-ADJUSTING EVENTS

The Board of Directors in its meeting on September 15, 2017 recommended a final cash dividend @ 60% amounting to Rs 11,830.305 million (2016: @ 35% amounting to Rs 6,901.010 million) on the existing paid-up value of the ordinary share capital for approval of the shareholders in the Annual General Meeting to be held on October 27, 2017.

46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 15, 2017 by the Board of Directors of the Company.

Chief Financial Officer   Director   Chief Executive

Consolidated Financial Statements

Auditors' Report

On Consolidated Financial Statements to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Pakistan Petroleum Limited (the Holding Company) and its subsidiaries as at June 30, 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company whereas financial statements of PPL Europe E&P Limited and PPL Asia E&P B.V. have been audited by PricewaterhouseCoopers - UK and PricewaterhouseCoopers - Netherlands respectively, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such subsidiaries, is based solely on the reports of such auditors.

These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the auditing standards as applicable in Pakistan and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at 30 June 2017 and the results of their operations for the year then ended.

A.F. Ferguson & Co.

Chartered Accountants
Karachi, September 15, 2017

Audit Engagement Partner: Khurshid Hasan

Consolidated Balance Sheet

As At June 30, 2017

	Note	June 30, 2017	June 30, 2016
		------------- Rs '000	--------------
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	**140,034,749**	132,462,661
Intangible assets	6	**405,249**	414,876
		140,439,998	132,877,537
Long-term investments	7	**21,040,492**	39,783,588
Long-term loans	8	**20,366**	24,549
Long-term deposits	9	**7,676**	7,676
Long-term receivables	10	**261,119**	333,000
		161,769,651	173,026,350
CURRENT ASSETS			
Stores and spares	11	**4,337,207**	4,140,258
Trade debts	12	**99,419,151**	57,954,553
Loans and advances	13	**4,018,518**	1,328,228
Trade deposits and short-term prepayments	14	**447,579**	575,052
Interest accrued	15	**473,155**	1,465,949
Current maturity of long-term investments	7	**581,824**	66,493
Current maturity of long-term deposits	9	**787,500**	787,500
Current maturity of long-term receivables	10	**88,858**	81,978
Other receivables	16	**3,234,123**	3,359,096
Short-term investments	17	**43,972,753**	28,056,720
Cash and bank balances	18	**6,432,085**	3,918,383
		163,792,753	101,734,210
TOTAL ASSETS		**325,562,404**	274,760,560
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	**19,717,295**	19,717,295
Reserves	20	**195,406,111**	172,929,206
		215,123,406	192,646,501
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	21	**20,469,209**	20,482,574
Liabilities against assets subject to finance lease	22	**143,323**	238,385
Deferred liabilities	23	**2,363,123**	2,366,677
Deferred taxation	24	**31,821,922**	25,211,616
		54,797,577	48,299,252
CURRENT LIABILITIES			
Trade and other payables	25	**50,109,198**	33,385,389
Current maturity of liabilities against assets subject to finance lease	22	**112,564**	125,680
Taxation - net		**5,419,659**	303,738
		55,641,421	33,814,807
TOTAL LIABILITIES		**110,438,998**	82,114,059
TOTAL EQUITY AND LIABILITIES		**325,562,404**	274,760,560
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

Consolidated Profit and Loss Account

For The Year Ended June 30, 2017

	Note	Year ended June 30, 2017	Year ended June 30, 2016
		---------- Rs '000 ----------	
Sales - net	27	**117,428,813**	80,809,044
Operating expenses	28	**(31,561,253)**	(26,698,608)
Royalties and other levies	29	**(21,300,568)**	(9,362,455)
		(52,861,821)	(36,061,063)
Gross Profit		**64,566,992**	44,747,981
Exploration expenses	30	**(11,755,499)**	(16,073,255)
Administrative expenses	31	**(2,833,771)**	(3,369,932)
Finance costs	33	**(505,072)**	(668,970)
Other charges	34	**(7,207,351)**	(3,140,157)
		42,265,299	21,495,667
Other income	35	**4,874,410**	5,428,907
Profit before taxation		**47,139,709**	26,924,574
Taxation	36	**(12,440,570)**	(10,859,529)
Profit after taxation		**34,699,139**	16,065,045
Basic and diluted earnings per share (Rs)	42	**17.60**	8.15

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer

Director

Chief Executive

Consolidated Statement of Comprehensive Income

For The Year Ended June 30, 2017

	Year ended June 30, 2017	Year ended June 30, 2016
	------------- Rs '000	--------------
Profit after taxation	**34,699,139**	16,065,045
Other comprehensive income		
Items not to be reclassified to profit and loss account in subsequent years		
Remeasurement losses on defined benefit plans - net	**798,129**	(782,826)
Deferred taxation	**(240,624)**	242,780
	557,505	(540,046)
Items potentially reclassifiable to profit and loss account in subsequent years		
Foreign exchange differences on translation of subsidiaries	**36,469**	1,406,683
Other comprehensive income, net of tax	**593,974**	866,637
Total comprehensive income for the year	**35,293,113**	16,931,682

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer

Director

Chief Executive

Consolidated Cash Flow Statement

For The Year Ended June 30, 2017

	Note	Year ended June 30, 2017	Year ended June 30, 2016
		---------------- Rs '000	------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**112,493,157**	107,333,925
Receipts of other income		**339,725**	748,838
Cash paid to suppliers / service providers and employees - net		**(29,703,641)**	(16,118,521)
Payment of indirect taxes and Government levies including royalties		**(39,772,110)**	(37,563,473)
Income tax paid		**(955,524)**	(1,842,345)
Finance costs paid		**(36,164)**	(41,119)
Long-term loans - net		**4,183**	2,097
Net cash generated from operating activities		**42,369,626**	52,519,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - net		**(34,883,448)**	(43,016,247)
Proceeds from sale of property, plant and equipment		**27,701**	37,175
Purchase of long-term investments		**(11,158,725)**	(25,873,627)
Disposal / redemption of long-term investments		**29,432,825**	22,358,585
Long-term deposits		**-**	(30,000)
Long-term receivables		**65,001**	60,632
Finance income received		**5,376,374**	4,416,422
Net cash used in investing activities		**(11,140,272)**	(42,047,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		**(128,159)**	(122,402)
Dividends paid		**(12,701,027)**	(12,307,735)
Net cash used in financing activities		**(12,829,186)**	(12,430,137)
Net increase / (decrease) in cash and cash equivalents		**18,400,168**	(1,957,795)
Cash and cash equivalents at the beginning of the year		**31,975,103**	33,635,580
Net foreign exchange differences		**29,567**	297,318
Cash and cash equivalents at the end of the year	40	**50,404,838**	31,975,103

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer	Director	Chief Executive

Consolidated Statement of Changes in Equity

For The Year Ended June 30, 2017

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves							Total reserves	Total
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Translation reserve	Total		
	Rs'000											
Balance as at June 30, 2015	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	105,404,225	71,496	168,319,356	168,320,784	188,038,079
Comprehensive income for the year												
Profit after taxation	-	-	-	-	-	-	-	16,065,045	-	16,065,045	16,065,045	16,065,045
Other comprehensive (loss) / income for the year ended June 30, 2016, net of tax	-	-	-	-	-	-	-	(540,046)	1,406,683	866,637	866,637	866,637
Total comprehensive income for the year ended June 30, 2016	-	-	-	-	-	-	-	15,524,999	1,406,683	16,931,682	16,931,682	16,931,682
Transactions with owners												
Final dividend on ordinary shares @ 40% for the year ended June 30, 2015	-	-	-	-	-	-	-	(7,886,868)	-	(7,886,868)	(7,886,868)	(7,886,868)
Interim dividend for the year ended June 30, 2016												
- Ordinary shares - 22.5%	-	-	-	-	-	-	-	(4,436,364)	-	(4,436,364)	(4,436,364)	(4,436,364)
- Convertible preference shares - 22.5%	-	-	-	-	-	-	-	(28)	-	(28)	(28)	(28)
Conversion of preference shares into ordinary shares	2	(2)	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	**19,717,173**	**122**	**1,428**	**69,761**	**34,021,894**	**23,751,980**	**5,000,000**	**108,605,964**	**1,478,179**	**172,927,778**	**172,929,206**	**192,646,501**
Comprehensive income for the year												
Profit after taxation	-	-	-	-	-	-	-	34,699,139	-	34,699,139	34,699,139	34,699,139
Other comprehensive income for the year ended June 30, 2017, net of tax	-	-	-	-	-	-	-	557,505	36,469	593,974	593,974	593,974
Total comprehensive income for the year ended June 30, 2017	-	-	-	-	-	-	-	35,256,644	36,469	35,293,113	35,293,113	35,293,113
Transactions with owners												
Final dividend for the year ended June 30, 2016												
- Ordinary shares - 35%	-	-	-	-	-	-	(2,464,646)	(4,436,364)	-	(6,901,010)	(6,901,010)	(6,901,010)
- Convertible preference shares - 7.5%	-	-	-	-	-	-	-	(9)	-	(9)	(9)	(9)
Interim dividend for the year ended June 30, 2017												
- Ordinary shares - 30%	-	-	-	-	-	-	-	(5,915,153)	-	(5,915,153)	(5,915,153)	(5,915,153)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(36)	-	(36)	(36)	(36)
Conversion of preference shares into ordinary shares	2	(2)	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	**19,717,175**	**120**	**1,428**	**69,761**	**34,021,894**	**23,751,980**	**2,535,354**	**133,511,046**	**1,514,648**	**195,404,683**	**195,406,111**	**215,123,406**

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Chief Financial Officer

Director

Chief Executive

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 31, 2017, whereby allowing the Holding Company to continue producing from Sui gas field for a further period of six months with effect from June 01, 2017.

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.

Further, Oil and Gas Regulatory Authority (OGRA) has notified the revised prices (as per the terms of MoA) vide notification No. 10-9 (158)/2017 dated July 04, 2017 in respect of wellhead gas price of Sui gas field for the period from June 01, 2015 to June 30, 2017. Accordingly, the financial impact of the price revision has been duly incorporated in these consolidated financial statements. This subsequent event has been treated as an "Adjusting Event" in accordance with the International Accounting Standard (IAS)-10 ‘Events after the Reporting Period’.

1.1.2 During the year ended June 30, 2016, the Holding Company has signed the ‘Supplemental Agreement’ with the GoP for conversion of Petroleum Concession Agreement (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of Mamikhel, Maramzai & Makori East discoveries in Tal block. Under the said arrangement, price regime of Petroleum Policy (PP) 2007 will be applicable for Mamikhel, whereas, for Maramzai and Makori East, average of price regime PP 2001 and PP 2009 will be applicable. The Ministry of Petroleum & Natural Resources has advised OGRA to revise the notifications of wellhead gas prices in accordance with the Tal block Supplemental Agreement for the period from the commencement of production from respective discoveries till June 30, 2015.

Accordingly, the operator of Tal Block has submitted the request for revision in notifications to OGRA. Further, the revised prices, under the above mentioned price regimes, have only been notified for six months effective from July 01, 2015, whereas, for the remaining periods price notifications are still awaited. Accordingly, these consolidated financial statements have been prepared without taking into account the effect of price revision for the period from the commencement of production of respective discoveries till June 30, 2015.

1.2. PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE’s main objective is exploration and production of oil and gas and currently it has working interest in one producing field and three exploration blocks in Pakistan, as well as two exploration blocks in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

1.3. PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands.

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).

1.4. The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC) was incorporated in Pakistan as a private limited company on November 07, 1955. The subsidiary is engaged in administrating the trusts formed for the benefits of the employees of the Holding Company.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 7.1 to these consolidated financial statements, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies with financial year closing on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 shall prevail.

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 balance sheet:

a) Financial assets at fair value through profit or loss, have been measured at fair value.

b) Obligations in respect of certain employee benefits and decommissioning have been measured at present value.

c) Held-to-maturity investments and loans and receivables, have been measured at amortised cost.

3.3. Amendments to approved accounting standards which became effective during the year ended June 30, 2017

There were certain amendments to the approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Group’s financial reporting and are, therefore, not disclosed in these consolidated financial statements.

3.4. Standards and amendments to approved accounting standards that are effective for the Group’s accounting periods beginning on or after July 01, 2017

There are certain new standards and amendments to the approved accounting standards that will become effective for the Group's annual accounting periods beginning on or after July 01, 2017. However, these amendments will not have a significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act, 2017 which is not effective on these consolidated financial statements, has added certain disclosure requirements which will be applicable in future.

3.5. Implications of revised IFRS-2 (Share-based Payment) on Benazir Employees’ Stock Option Scheme

On August 14, 2009, the GoP launched Benazir Employees’ Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs), including the Holding Company, and Non-State Owned Enterprises (Non-SOEs), where GoP holds significant investments. The Scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP has transferred 12% of its investment in such SOEs and Non-SOEs to a Trust Fund, established under a Trust Deed, created for the purpose by each of such entities. The eligible employees are entitled to be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination, such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units, as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund, managed by the Privatisation Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of empowerment of employees of SOEs, needs to be accounted for by the covered entities, including the Holding Company, under the provisions of IFRS-2 ‘Share-based Payments’. However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP, on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan, has granted exemption vide SRO 587(I)/2011 dated June 07, 2011 to such entities from the application of IFRS-2 to the Scheme.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2016: Rs 18,879 million).

Further, the Scheme is being revamped by the GoP and all claims and disbursements to unit holders are kept in abeyance by the Privatisation Commission since June 2010.

3.6. Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting 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 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 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 transferred to the profit and loss account in the period when 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 as 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 written off to the profit and loss account.

d) Estimation of proven oil and natural gas reserves

Evaluation of oil and gas reserves is important to the effective management of upstream assets. They are an integral part of investment decisions about oil and gas properties such as whether development should proceed. Oil and gas reserve quantities are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to evaluate impairment.

Oil and gas reserves include both proved and unproved reserves. Proved oil and gas reserves are those quantities of oil and gas which, by analyses of geoscientific and engineering data, can be estimated with reasonable certainty to be economically producible. Unproved reserves are those with less than reasonable certainty of recoverability. The estimation of proved reserves is an ongoing process based on rigorous technical evaluations, commercial and market assessment, and detailed analyses of well information such as flow rates and reservoir pressure declines.

Although the Group is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals and significant changes in long-term oil and gas price levels. Revisions can include upward or downward changes in previously estimated volumes of proved reserves for 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 can also result from significant changes in development strategy or capacity of production equipment / facilities.

Changes to the estimates of proved reserves affect the amount of amortisation recorded and impairment, if any, in the 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 income 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.

During the year, the Group revised its estimates of outflows or resources 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	1,448
Property, plant and equipment would have been higher by	1,345
Amortisation charge would have been higher by	196
Profit after tax would have been lower by	144

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 independent actuaries on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase 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. Calculations are sensitive to changes in the underlying assumptions.

h) Taxation

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 written off. No provision is made in respect of the active customers who are considered good.

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 acquisition and other directly attributable costs and decommissioning cost. 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 and loss account 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 and loss account.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At each year end, an assessment is made to determine whether there are any indications of impairment. The Group conducts annually 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 the profit and loss account 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) Assets subject to finance lease

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease.

Assets held under finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease, net of financial charges allocated to future periods, are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding 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 against income as exploration expenditure, except for exploration costs incurred under EDPSC.

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. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit and loss account.

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, the point at which a determination is made as to whether or not commercial reserves exist, 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, substantive expenditure on further exploration and evaluation activities is not planned or budgeted, 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 the profit and loss account.

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, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

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 property, plant and equipment, except freehold land, leasehold land, capital work-in-progress, development and production assets and decommissioning cost, is charged on a straight-line basis at the rates specified in note 5.1 to these consolidated financial statements and depreciation on capital stores in operating assets is charged over the useful lives of the related items of plant and machinery to which these stores relate.

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.

Depreciation on leased assets is charged at the same rates as charged on the Group's owned assets.

ii. Capitalised development and production expenditure, including cost to acquire producing reserves, production bonus and decommissioning costs are amortised and charged to profit and loss account on the basis of unit of production method.

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 profit and loss account.

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 the profit and loss account 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 tested annually and whenever, there is an indication of impairment. Impairment loss in respect of goodwill is recognised in the profit and loss account.

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.

Intangible assets with indefinite useful lives are tested for impairment annually at year end 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 the profit and loss account.

Impairment losses relating to goodwill are not reversed in future periods.

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 and loss account.

4.9. Financial instruments

a) Financial assets

Classification

Financial assets are classified in the following categories: held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. 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 balance sheet date.

i. Held-to-maturity

These are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

ii. At fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired principally for the purpose of selling and repurchasing in the near term.

These are classified as current or non-current assets in accordance with criteria set out by IFRSs. The Group has not classified any financial asset as held for trading.

iii. Available-for-sale

Available-for-sale financial assets are non-derivatives (being equity or debt securities) that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment is maturing or management intends to dispose it off within 12 months of the end of the reporting date.

The Group does not have available-for-sale investments as of balance sheet date.

iv. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Held-to-maturity and loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of other income when the Group's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in statement of comprehensive income are included in the profit and loss account.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Group's right to receive payments is established.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset ('loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

b) Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of an instrument. Financial liabilities are extinguished when these are discharged or cancelled or expire or when there is substantial modification in the terms and conditions of the original financial liability or part of it. If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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 balance sheet date. 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. Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of cash flow statement, cash and cash equivalents 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.

4.12. 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 and loss account.

4.13. 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 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 balance sheet 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, except for those inducted after December 31, 2010, and non-executive permanent staff. 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 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 are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2017 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 and loss account 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. 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.

During the year, the Holding Company made an irrevocable offer to eligible executive staff for conversion from defined benefit pension plan to defined contribution pension plan. The acceptance to the offer was at the option of executives. Accordingly, separate funds have been established with effect from January 01, 2017 for this purpose by the Holding Company. The Holding Company contributes at the rate of 13.44% and 12% of basic salary, according to the eligibility of executive staff to the defined contribution pension fund.

4.14. 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, 2017.

4.15. 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 balance sheet date and adjusted to reflect the current best estimate.

4.16. Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group 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.

4.17. Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the profit and loss account except to the extent that it relates to items recognised outside profit and loss account (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognised outside profit and loss account.

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 balance sheet date 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 method, on all temporary differences at the balance sheet date 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 balance sheet date 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 balance sheet date.

Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss account.

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.

4.18. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost at the balance sheet date, 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.

4.19. Revenue recognition

Sales are recorded on transfer of significant risks and rewards of ownership of gas, other petroleum products and barytes (the Products), when the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control, the amount of revenue can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale is measured at the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by 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.

4.20. Other income and Finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain 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 held-to-maturity investments 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.

Foreign currency gains and losses are reported on a net basis.

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 and loss account in the period in which they are incurred.

4.21. 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 balance sheet date. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

4.22. 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 balance sheet date and exchange differences, are recognised in the profit and loss account.

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 the reporting date.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the balance sheet date 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 other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

4.23. Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

4.24. Related party transactions

Related party transactions are carried out on commercial terms, as approved by the Board of Directors, substantiated in the manner given in note 43 to these consolidated financial statements.

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 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.

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	**93,688,982**	94,279,729
Capital work-in-progress - note 5.5	**46,345,767**	38,182,932
	140,034,749	132,462,661

5.1. Operating assets

	Owned assets												Assets subject to finance lease			
	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	Decommiss-ioning cost	Sub total	Computers and allied equipment	Rolling stock*	Sub total	Total
	Rs'000															
As at July 01, 2015																
Cost	111,068	1,357,151	2,231,327	4,309	47,171,440	710,135	7,260,631	633,501	534,925	48,711,922	10,170,300	118,896,709	137,026	441,780	578,806	119,475,515
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(818,424)	-	(818,424)	-	-	-	(818,424)
Accumulated depreciation / amortisation	-	-	(1,033,906)	(2,299)	(26,230,491)	(447,921)	(3,110,350)	(574,574)	(378,670)	(19,558,678)	(6,507,904)	(57,844,793)	(64,809)	(179,176)	(243,985)	(58,088,778)
Net Book Value (NBV)	111,068	1,357,151	1,197,421	2,010	20,940,949	262,214	4,150,281	58,927	156,255	28,334,820	3,662,396	60,233,492	72,217	262,604	334,821	60,568,313
Year ended June 30, 2016																
Additions (at cost)	-	-	263,755	-	17,932,696	119,616	799,943	162,907	41,662	18,092,477	1,665,927	39,078,983	78,764	97,112	175,876	39,254,859
Adjustments / reclassifications	(3,255)	3,255	(996)	-	(110,187)	-	-	6,195	(94)	(144,838)	6,173,891	5,923,971	(6,195)	(981)	(7,176)	5,916,795
Disposals (at NBV)	-	-	(1,264)	-	(1,309)	(547)	-	-	-	-	-	(3,120)	(65)	(9,220)	(9,285)	(12,405)
Impairment loss	-	-	-	-	-	-	-	-	-	(57,537)	-	(57,537)	-	-	-	(57,537)
Depreciation / amortisation charge	-	-	(89,678)	(133)	(3,417,465)	(44,273)	(625,420)	(43,688)	(53,376)	(5,427,610)	(1,569,819)	(11,271,462)	(37,674)	(81,160)	(118,834)	(11,390,296)
NBV	107,813	1,360,406	1,369,238	1,877	35,344,684	337,010	4,324,804	184,341	144,447	40,797,312	9,932,395	93,904,327	107,047	268,355	375,402	94,279,729
As at July 01, 2016																
Cost	107,813	1,360,406	2,488,643	4,309	64,974,973	822,460	8,060,574	790,671	557,701	66,659,562	18,010,119	163,837,231	209,337	489,262	698,599	164,535,830
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,119,405)	(2,432)	(29,630,289)	(485,450)	(3,735,770)	(606,330)	(413,254)	(24,986,289)	(8,077,724)	(69,056,943)	(102,290)	(220,907)	(323,197)	(69,380,140)
NBV	107,813	1,360,406	1,369,238	1,877	35,344,684	337,010	4,324,804	184,341	144,447	40,797,312	9,932,395	93,904,327	107,047	268,355	375,402	94,279,729
Year ended June 30, 2017																
Additions (at cost)	-	40,214	84,607	-	1,908,542	40,887	97,076	119,649	21,399	14,016,788	847,235	17,176,397	23,763	2,418	26,181	17,202,578
Adjustments / reclassifications	-	-	-	-	(48,788)	-	(64,525)	2,102	4,100	(869,564)	(1,630,394)	(2,607,069)	(2,101)	(4,100)	(6,201)	(2,613,270)
Disposals (at NBV)	-	-	(412)	-	(86)	(635)	-	-	-	-	-	(1,133)	(251)	(15,147)	(15,398)	(16,531)
Depreciation / amortisation charge	-	-	(99,585)	(100)	(5,055,938)	(52,947)	(679,091)	(69,821)	(55,978)	(7,858,468)	(1,162,736)	(15,034,664)	(46,122)	(82,738)	(128,860)	(15,163,524)
NBV	**107,813**	**1,400,620**	**1,353,848**	**1,777**	**32,148,414**	**324,315**	**3,678,264**	**236,271**	**113,968**	**46,086,068**	**7,986,500**	**93,437,858**	**82,336**	**168,788**	**251,124**	**93,688,982**
As at June 30, 2017																
Cost	107,813	1,400,620	2,572,614	4,309	66,822,223	859,473	8,093,125	903,976	583,184	79,806,786	17,226,960	178,381,083	230,003	428,239	658,242	179,039,325
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	-	-	(875,961)
Accumulated depreciation / amortisation	-	-	(1,218,766)	(2,532)	(34,673,809)	(535,158)	(4,414,861)	(667,705)	(469,216)	(32,844,757)	(9,240,460)	(84,067,264)	(147,667)	(259,451)	(407,118)	(84,474,382)
NBV	**107,813**	**1,400,620**	**1,353,848**	**1,777**	**32,148,414**	**324,315**	**3,678,264**	**236,271**	**113,968**	**46,086,068**	**7,986,500**	**93,437,858**	**82,336**	**168,788**	**251,124**	**93,688,982**
Rate of depreciation / amortisation (%)			5 & 10	5	10 & 100**	10	10	30	20	***	***		30	20		

* Represents light and heavy vehicles.

** For below ground installations in fields other than Sui Gas Field.

*** Amortised on unit of production basis.

5.2. Summary of significant assets

The following assets have significant operational value to the Group:

Particulars	June 30, 2017		June 30, 2016	
	Cost	NBV	Cost	NBV
	Rs '000			
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	**5,664,138**	**-**	5,664,138	30,815
Booster Compression Project – SML	**2,890,674**	**2,554,370**	2,882,602	2,834,560
Adhi Field				
LPG / NGL Plant III	**3,455,255**	**3,052,142**	3,455,255	3,397,667
Kandhkot Field				
Gas Compression Station	**8,634,309**	**3,094,029**	8,634,309	3,941,130
Hala Field				
Early Production Facilities (EPF) of Adam X-1	**1,252,858**	**318,801**	1,252,858	444,087
Sawan Field				
Front End Compression	**3,228,253**	**942,171**	3,228,253	1,264,796
Other Plant and Machinery	**2,357,705**	**-**	2,357,705	-
Tal Field				
Makori Central Processing Facility	**5,610,068**	**3,778,462**	5,610,068	4,339,469
CPF Manzalai	**3,155,195**	**755,168**	3,155,195	1,070,687
Latif Field				
Reception / Tie-in Facility	**1,165,465**	**746,238**	1,165,465	862,784
Gambat South Field				
Gas Processing Facility (GPF) II	**10,317,301**	**9,285,571**	10,317,301	10,317,301

5.3 Operating assets disposed off / written off during the year

Asset description	Method of disposal	Sold to	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds
			Rs '000			
Owned assets						
Buildings, roads and civil constructions on freehold land						
Porta Cabin	Negotiation	Adhi Joint Operation	595	183	412	414
Items having book value upto Rs. 50,000	Written-Off	Written-Off	41	41	-	-
			636	224	412	414
Plant and machinery						
Items having book value upto Rs. 50,000	Tender	Various	12,504	12,418	86	4,800
Furniture, fittings and equipment						
Garden table with chairs	Tender	Mr. Muhammad Asif	180	56	124	20
Sony Mobile Phone	Insurance claim	EFU General Insurance Ltd	67	15	52	60
Mobile-Iphone	Company policy	Mr. M. Saleem Jandula	64	7	57	37
Mobile Samsung	Company policy	Mr. Syed Kaleem Akhtar	89	4	85	47
Items having book value upto Rs. 50,000	Tender	Various	3,474	3,157	317	350
			3,874	3,239	635	514
Rolling stock						
Items having book value upto Rs. 50,000	Written-Off	Written-Off	16	16	-	-
Computer and allied equipment						
Items having book value upto Rs. 50,000	Tender / Company policy	Various	8,446	8,446	-	298
Assets subject to finance lease						
Computer and allied equipment						
Dell Notebook	Company policy	Mr. Abdul Qayyum	416	302	114	94
Dell Notebook	Company policy	Mr. Muhammad Iqbal	149	74	75	62
Items having book value upto Rs. 50,000	Tender	Various	431	369	62	66
			996	745	251	222
Rolling stock						
Honda Civic, BBH-325	Company policy	Mr. Sadiqain Haider	2,221	1,052	1,169	1,425
Honda Civic, AWD-574	Company policy	Mr. Mahboob Ali Khan	1,907	1,780	127	381
Suzuki Cultus, AWD-621	Company policy	Mr. Mir Sikandar Khan	912	851	61	182
Suzuki Cultus, AWD-625	Company policy	Mr. Muhammad Aftab	912	851	61	182
Suzuki Cultus, AWD-627	Company policy	Mrs. Zohra Aziz Kabani	907	847	60	181
Suzuki Cultus, AWD-648	Company policy	Mr. Faraz Ahmed	907	847	60	181
Suzuki Cultus, AWD-649	Company policy	Mr. Muhammad Hamdan	912	851	61	182
Suzuki Cultus, AWE-316	Company policy	Mr. Arsalan Khan Bugti	912	851	61	182
Suzuki Cultus, AWE-319	Company policy	Mr. Wasim M. Qureshi	912	851	61	182
Honda Civic, AF-693	Company policy	Mr. Abdul Qayyum	2,236	1,230	1,006	1,223
Honda City, AWH-137	Company policy	Mr. S.M. Ghufran Haider	1,540	1,463	77	308
Honda Civic, AWD-573	Company policy	Mr. Hayat Ahmed	1,907	1,812	95	381
Honda Civic, AWD-571	Company policy	Mr. Nauman Hussain Tirmizi	1,907	1,812	95	381
Honda Civic, AWD-575	Company policy	Mr. Qamar Zia Zuberi	1,907	1,812	95	381
Honda Civic, AWD-572	Company policy	Dr. Shujjat Ahmad	1,907	1,812	95	381
Honda Civic, VK-441	Company policy	Mr. Sultan Maqsood	2,178	1,960	218	397
Toyota Corolla Altis, BEK-276	Company policy	Mr. Javed Siddiqui	2,361	275	2,086	1,779
Honda City, AYJ-435	Company policy	Mr. Syed Javed Zahoor	1,677	1,369	308	472
Suzuki Cultus, BBR-442	Company policy	Dr. Khalil-Ur-Rehman	1,062	549	513	664
Toyota Corolla, BEU-939	Company policy	Mr. Syed Ghazanfar Iqbal	1,853	216	1,637	1,396
Suzuki Cultus, AYF-589	Company policy	Mr. Rashid Ahmed	998	782	216	299
Honda Civic, AYR-133	Company policy	Mr. Syed Kaleem Akhtar	2,160	1,692	468	606
Honda City, BBH-328	Company policy	Mr. Ishtiaq Hussain Shah	1,746	1,019	727	959
Suzuki Cultus, BDK-254	Company policy	Mr. Sardar Shaukat Hayat	1,052	351	701	734
Honda Civic, AXD-382	Company policy	Mr. Kamran Wahab Khan	2,091	2,022	69	418
Honda City, BBX-702	Company policy	Mr. Khalid Pervaiz Raja	1,712	885	827	928
Toyota Corolla, BAM-539	Company policy	Mr. Qaiser Ali	1,597	1,072	525	773
Suzuki Cultus, BAS-416	Company policy	Mrs. Parveen Habibullah Jung	1,032	798	234	392
Honda Civic, BCU-482	Company policy	Mr. M. Asadullah Khan Adil	2,194	1,025	1,169	1,402
Suzuki Cultus, BCX-568	Company policy	Mr. Muhammad Rafique	1,052	496	556	668
Toyota Corolla Altis, BDS-573	Company policy	Mr. Anwer Farid	2,205	882	1,323	1,335
Items having book value upto Rs. 50,000	Company policy	Various	10,465	10,079	386	2,098
			59,341	44,194	15,147	21,453
		2017	**85,813**	**69,282**	**16,531**	**27,701**
		2016	154,341	141,892	12,449	37,175

5.4. Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rs '000			
Share in Group's operated joint operations	19,491,347	19,020,108	4,975,272	3,216,441
Share in partner operated joint operations	31,038,998	30,204,011	17,888,566	15,471,915
	50,530,345	49,224,119	22,863,838	18,688,356

5.4.1. The above figures represent assets under all areas excluding Sui and Kandhkot, since these are 100% owned areas of the Holding Company.

5.5. Capital work-in-progress

	June 30, 2017	June 30, 2016
	Rs '000	
Plant, machinery, fittings and pipelines	12,896,913	5,834,602
Exploration and Evaluation (E&E) assets	13,797,746	12,365,754
Development and production assets	5,066,878	6,413,387
Lands, buildings and civil constructions	214,057	119,896
Capital stores for drilling and development	14,370,173	13,449,293
	46,345,767	38,182,932

5.6. Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	Exploration and evaluation assets	Development and production assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Total
	Rs '000					
Balance as on July 1, 2015	10,667,528	10,771,102	4,215,884	384,023	12,608,682	38,647,219
Capital expenditure incurred/ advances made during the year (net) - note 5.6.1 & 5.6.2	14,424,094	11,669,247	11,479,269	(1,734)	1,117,120	38,687,996
Impairment loss	(5,986)	(1,386,774)	-	-	(276,509)	(1,669,269)
Adjustments / reclassifications	(221,763)	560,476	(699,445)	222	-	(360,510)
Transferred to operating assets	(19,029,271)	(9,248,297)	(8,582,321)	(262,615)	-	(37,122,504)
Balance as on June 30, 2016	5,834,602	12,365,754	6,413,387	119,896	13,449,293	38,182,932
Capital expenditure incurred/ advances made during the year (net) - note 5.6.1 & 5.6.2	9,245,319	5,984,104	11,885,633	133,894	927,973	28,176,923
Impairment loss - note 5.8	-	(4,645,020)	-	-	-	(4,645,020)
Adjustments / reclassifications	(38,931)	92,908	(2,800)	39,817	(100)	90,894
Transferred to operating assets	(2,144,077)	-	(13,229,342)	(79,550)	(6,993)	(15,459,962)
Balance as on June 30, 2017	12,896,913	13,797,746	5,066,878	214,057	14,370,173	46,345,767

5.6.1 Amounts under E&E assets are netted off by cost of dry wells charged to profit and loss account during the year, amounting to Rs 6,671 million (2016: Rs 4,994 million).

5.6.2 Amounts under Capital stores for drilling and development are net of consumption during the year.

5.7. Property, plant and equipment includes major spare parts and standby equipment having cost of Rs 77.877 million (2016: Rs 83.353 million).

5.8. The Group carries out impairment testing of its assets (as disclosed in note 4.7) as required under IAS-36 'Impairment of Assets'. The Group considers the impact of international oil prices, discount rate, resource estimates, chance of success, commercial terms and completion of work programme, amongst other factors, while reviewing for indicators of impairment. In addition, for E&E assets, impairment indicators as per IFRS-6 "Exploration for and Evaluation of Mineral Resources" are also evaluated.

During the year, seismic survey in the Block-8 Iraq, and its processing / interpretations have been completed, which indicate a low probability for a gas discovery of a size contractually required. The Commercial terms of the block as stipulated in the EDPSC allow extraction of only gas and at present there is an uncertainty over commercial terms for oil. Accordingly, in view of the aforementioned factors, the excess of the carrying amount of the E&E asset over its recoverable amount as at June 30, 2017 has been recorded as an impairment loss amounting to Rs 4,645 million.

The recoverable amount has been computed using 'value-in-use' computations. In assessing the value in use, 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 expected resources and fields' profile. The discount rate applied to cash flow projections in assessing value in use is 13.85%

6. INTANGIBLE ASSETS

	June 30, 2017	June 30, 2016
	Rs '000	
Computer software including ERP system - note 6.1	**352,896**	335,506
Intangible assets under development	**52,353**	79,370
	405,249	414,876

6.1. Computer software including ERP system

	ERP system	Computer software	Total
	Rs '000		
As at July 01, 2015			
Cost	339,408	899,326	1,238,734
Accumulated amortisation	(311,604)	(743,731)	(1,055,335)
NBV	27,804	155,595	183,399
Year ended June 30, 2016			
Additions (at cost)	-	257,404	257,404
Adjustment / reclassification	-	(44)	(44)
Amortisation charge - note 31	(8,669)	(96,584)	(105,253)
NBV	19,135	316,371	335,506
As at July 01, 2016			
Cost	339,408	1,113,730	1,453,138
Accumulated amortisation	(320,273)	(797,359)	(1,117,632)
NBV	19,135	316,371	335,506
Year ended June 30, 2017			
Additions (at cost)	**27,996**	**142,314**	**170,310**
Amortisation charge - note 31	**(7,200)**	**(145,720)**	**(152,920)**
NBV	**39,931**	**312,965**	**352,896**
As at June 30, 2017			
Cost	**367,404**	**1,256,044**	**1,623,448**
Accumulated amortisation	**(327,473)**	**(943,079)**	**(1,270,552)**
NBV	**39,931**	**312,965**	**352,896**
Rate of amortisation (%)	**20**	**33**	

	June 30, 2017	June 30, 2016
	Rs '000	
7. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC - note 7.1	1	1
Other investments		
- Held-to-maturity		
- Term Finance Certificates (TFCs) - note 7.2	33,247	99,740
- Pakistan Investment Bonds (PIBs) - note 7.3	548,577	22,122,574
- Local currency term deposits with bank - note 7.4	2,000,000	2,000,000
- Foreign currency term deposits with banks - note 7.5	18,955,491	15,627,766
	21,537,315	39,850,080
- Designated at fair value through profit or loss		
- Mutual Funds (UBL Al Amin Funds) - note 7.6	85,000	-
Less: Current maturities		
- TFCs - note 7.2	(33,247)	(66,493)
- PIBs - note 7.3	(548,577)	-
	(581,824)	(66,493)
	21,040,492	39,783,588

7.1. 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, 2017. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

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 section 237 of the Companies Ordinance, 1984. Accordingly, the Holding Company has not consolidated PPPFTC in its consolidated financial statements for the year ended June 30, 2017.

7.2. Term Finance Certificates

	Number of certificates	Nominal value of each certificate (Rs.)	Final maturity date	Implicit mark-up %	June 30, 2017	June 30, 2016
					Rs '000	
Bank Alfalah Limited	20,000	5,000	December 01, 2017	KIBOR+2.5	33,247	99,740
Current maturity of TFCs					(33,247)	(66,493)
					-	33,247

7.3. Pakistan Investment Bonds

	Final maturity date	Implicit mark-up %	June 30, 2017	June 30, 2016
			Rs '000	
Issued on:				
August 22, 2007	August 22, 2017	11.43	99,760	98,097
August 22, 2007	August 22, 2017	11.48	99,752	98,041
August 22, 2007	August 22, 2017	11.53	99,745	97,990
August 22, 2007	August 22, 2017	11.58	99,739	97,940
August 22, 2007	August 22, 2017	11.63	99,731	97,888
August 22, 2007	August 22, 2017	11.87	49,850	48,822
July 19, 2012 - note 7.3.2	July 19, 2017	10.02	-	21,583,796
			548,577	22,122,574
Current maturity of PIBs			(548,577)	-
			-	22,122,574

7.3.1. PIBs are in custody of various financial institutions on behalf of the Holding Company.

7.3.2. During May 2017, these PIBs were disposed of prior to their maturity in July 2017. However, all conditions of IAS-39 'Financial Instruments: Recognition and Measurement', relating to premature disposal and derecognition were applied accordingly.

7.4. Local currency term deposits with bank

These represent term deposits with bank having interest rate of 6.1% (2016: 6.5%) per annum. These have been classified as non-current assets, as the management intends and has an ability to hold the amount for longer term.

7.5. Foreign currency term deposits with banks

These represent term deposits with banks having effective interest rate ranging from 1.20% to 3.30% (2016: 1.25% to 2.45%) per annum. These investments have been classified as non-current assets, as the management intends and has an ability to hold the amounts for longer term.

7.6. This represents 822,130 units (net share) having face value of Rs 103.39. Further, this investment is a Shariah compliant arrangement and has been categorised under Level 1 of the fair value hierarchy. IFRS-7, 'Financial Instruments: Disclosure' requires the Holding 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).

	June 30, 2017	June 30, 2016
	-------------- Rs '000	-----------
8. LONG-TERM LOANS		
Unsecured and considered good		
Long-term loans - staff - note 8.1		
- Executive staff - note 8.2	24,310	28,494
- Other employees	6,510	6,699
	30,820	35,193
Less: Current maturities - note 13		
- Executive staff	(9,032)	(9,362)
- Other employees	(1,422)	(1,282)
	(10,454)	(10,644)
	20,366	24,549

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% (2016: 1% to 10%) per annum. Loans to employees have not been discounted as required under IAS-39 as the amount involved is not significant.

8.2. Reconciliation of the carrying amount of long-term loans to executive staff

	June 30, 2017	June 30, 2016
	Rs '000	
Balance as on July 01	**28,494**	33,902
Disbursements	**10,010**	12,561
Repayments / adjustments	**(14,194)**	(17,969)
Balance as on June 30	**24,310**	28,494

The maximum aggregate amount of loans due from the executive staff at the end of any month during the year was Rs 28.347 million (2016: Rs 28.494 million).

9. LONG-TERM DEPOSITS

	June 30, 2017	June 30, 2016
	Rs '000	
Cash margin:		
- For guarantee to International Bank of Yemen - note 9.1	**787,500**	787,500
- Others - note 26.1.3	**7,676**	7,676
	795,176	795,176
Less: Current maturity of long-term deposits	**(787,500)**	(787,500)
	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 amounting to USD 7.5 million through International Bank of Yemen on submission of counter guarantee through United Bank Limited against 100% cash margin of Rs 787.500 million, 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. The Operator is currently developing a case to justify to the Ministry of Yemen regarding eligibility of force majeure.

10. LONG-TERM RECEIVABLES

	June 30, 2017	June 30, 2016
	Rs '000	
Unsecured and considered good		
Long-term receivables from:		
- Government Holdings (Private) Limited (GHPL) - note 10.1	**188,419**	253,420
- National Highway Authority (NHA) - note 10.2	**161,558**	161,558
	349,977	414,978
Current maturity of long-term receivables from GHPL	**(88,858)**	(81,978)
	261,119	333,000

10.1. This represents share of carrying cost borne by the Holding Company, in respect of Tal and Nashpa 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 IAS-39 as the amount involved is not significant.

10.2. The Holding Company, along with working interest owners, in Nashpa and Tal joint operations entered into an agreement dated October 20, 2010 with NHA for provision of interest-free loan to NHA for construction of a new bridge on River Indus, district Kohat. According to the agreement, share of Tal and Nashpa joint operations was paid to NHA in stages based on percentage completion of work. The loan is repayable by NHA in seven years in 84 equal monthly instalments, with grace period of one year, starting from one year after the commissioning of the bridge. The bridge was inaugurated on July 28, 2014 and is currently operational. As per the terms of the agreement, the Holding Company has paid its share of costs amounting to Rs 41.531 million and Rs 120.027 million respectively to Nashpa and Tal joint operations. The receivable has not been discounted as required by IAS 39 ‘Financial Instruments: Recognition and Measurement’ as the amount involved is not significant.

	June 30, 2017	June 30, 2016
	-------------- Rs ‘000 -----------	
11. STORES AND SPARES		
Stores and spares	**4,093,313**	3,360,704
Stores and spares in transit	**393,672**	913,112
	4,486,985	4,273,816
Less: Provision for obsolete / slow moving stores - note 11.1	**(149,778)**	(133,558)
	4,337,207	4,140,258
11.1. Reconciliation of provision for obsolete / slow moving stores:		
Balance as on July 01	**133,558**	130,817
Charge for the year - note 34	**16,220**	2,741
Balance as on June 30	**149,778**	133,558
12. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	**12,478,222**	7,881,749
Sui Northern Gas Pipelines Limited (SNGPL)	**45,557,919**	22,227,581
Sui Southern Gas Company Limited (SSGCL)	**35,699,827**	21,700,172
Pak-Arab Refinery Limited (PARCO)	**786,710**	784,867
Oil & Gas Development Company Limited (OGDCL)	**28,027**	20,328
	94,550,705	52,614,697
Non-related parties		
Attock Refinery Limited (ARL)	**3,642,162**	4,451,970
National Refinery Limited (NRL)	**325,767**	274,111
Others	**900,517**	613,775
	4,868,446	5,339,856
	99,419,151	57,954,553
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	**1,156,220**	1,156,220
Less: Provision for doubtful debts - note 12.3	**(1,156,220)**	(1,156,220)
	-	
	99,419,151	57,954,553

	June 30, 2017	June 30, 2016
	------------- Rs '000 -----------	
12.1. The ageing of trade debts as at June 30 is as follows:		
Neither past due nor impaired	53,461,720	16,426,866
Past due but not impaired:		
Related parties		
- within 90 days	14,640,089	12,304,046
- 91 to 180 days	14,232,795	13,364,024
- over 180 days	16,752,693	14,601,392
	45,625,577	40,269,462
Non-related parties		
- within 90 days	265,573	1,135,090
- 91 to 180 days	11,756	7,046
- over 180 days	54,525	116,089
	331,854	1,258,225
	99,419,151	57,954,553

12.2. Trade debts include overdue amount of Rs 45,624 million (2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 1,490 million (2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the GoP, 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.

12.3. The Holding Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

	June 30, 2017	June 30, 2016
	------------- Rs '000 -----------	
13. LOANS AND ADVANCES		
Unsecured and considered good		
Loans and advances to staff - note 13.1	69,660	81,249
Advances to suppliers and others	142,852	94,222
Advance payment of cash calls to joint operations – note 25.1	3,795,552	1,142,113
Current maturity of long-term loans - staff - note 8	10,454	10,644
	4,018,518	1,328,228
13.1 Loans and advances to staff:		
- Executive staff	1,029	6,026
- Other employees	68,631	75,223
	69,660	81,249
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	274,357	58,124
Prepayments	173,222	516,928
	447,579	575,052

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	

15. INTEREST ACCRUED

	June 30, 2017	June 30, 2016
Profit receivable on:		
- long-term investments	188,018	1,264,420
- long-term bank deposits	6,126	5,596
- short-term investments	246,692	157,981
- bank deposits - saving accounts	32,319	37,952
	473,155	1,465,949

16. OTHER RECEIVABLES

	June 30, 2017	June 30, 2016
Receivable from:		
SNGPL for Sui field services	11,087	12,518
SSGCL for Sui field services	6,859	5,017
Workers' Profits Participation Fund (WPPF) - note 25.2	-	179,324
Staff retirement benefit plans - note 32.1.2	682,361	241,400
Current accounts with joint operations - note 25.1	1,325,172	441,248
Sales tax (net)	-	1,770,082
Federal excise duty (net)	852,607	364,760
Indemnification asset	318,278	317,367
Others	37,759	27,380
	3,234,123	3,359,096

17. SHORT-TERM INVESTMENTS

	June 30, 2017	June 30, 2016
Held-to-maturity		
Local currency term deposits with banks - note 17.1	33,568,750	19,012,500
Investment in treasury bills – note 17.2	2,924,322	-
Foreign currency term deposits with banks - note 17.3	7,479,681	9,044,220
	43,972,753	28,056,720

17.1. These deposits have a maximum maturity period of 363 days, carrying profit ranging from 3.85% to 7.00% (2016: from 5.50% to 7.00%) per annum.

17.2. This investment has a maturity period of 33 days, carrying profit @ 5.98% per annum.

17.3. The fixed rate foreign currency short-term deposits have a maximum maturity period of 340 days, carrying profit ranging from 1.31% to 2.20% (2016: 0.45% to 1.37%) per annum.

18. CASH AND BANK BALANCES

	June 30, 2017	June 30, 2016
	-------------- Rs '000 -----------	
At banks		
- Saving accounts		
Local currency - note 18.1	5,448,980	2,561,400
Foreign currency - note 18.2	665,754	1,114,527
	6,114,734	3,675,927
- Current accounts		
Local currency	215,618	182,891
Foreign currency	53,524	3,032
	269,142	185,923
Cash and cheques in hand	48,209	56,533
	6,432,085	3,918,383

18.1. These carry profit at the rate ranging from 1.75% to 6.10% (2016: from 4.00% to 6.16%) per annum. Further, it includes Rs 61.264 million (2016: Rs 15.263 million) placed under an arrangement permissible under Shariah.

18.2. These carry profit at the rate ranging from 0.10% to 0.25% (2016: from 0.10% to 0.25%) per annum.

19. SHARE CAPITAL

	June 30, 2017	June 30, 2016
	------ Rs '000 ------	
Authorised		
2,500,000,000 (2016: 2,500,000,000) ordinary shares of Rs 10 each	**25,000,000**	25,000,000
26,510 (2016: 26,510) convertible preference shares of Rs 10 each	**265**	265
	25,000,265	25,000,265
Issued		
1,971,907,023 (2016: 1,971,906,826) ordinary shares of Rs 10 each - note 19.1	**19,719,070**	19,719,068
11,979 (2016: 12,176) convertible preference shares of Rs 10 each - note 19.2	**120**	122
	19,719,190	19,719,190
Subscribed and paid-up		
683,075,664 (2016: 683,075,467) ordinary shares of Rs 10 each for cash - note 19.1	**6,830,756**	6,830,754
1,285,891,812 (2016: 1,285,891,812) ordinary shares of Rs 10 each issued as bonus shares	**12,858,919**	12,858,919
2,750,000 (2016: 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
	19,717,175	19,717,173
11,979 (2016: 12,176) convertible preference shares of Rs 10 each for cash - note 19.2	**120**	122
	19,717,295	19,717,295

19.1. 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 (2016: 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.

19.2. 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, 197 (2016: 193) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Holding Company do not carry any fixed return.

20. RESERVES

	June 30, 2017	June 30, 2016
	------------- Rs '000 -----------	
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**	5,000,000
- Unappropriated profit	**133,511,046**	108,605,964
- Translation reserves- note 4.22	**1,514,648**	1,478,179
	195,404,683	172,927,778
	195,406,111	172,929,206

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 profit and loss account 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.

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 10,490 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 dividend equalisation reserve and transferred Rs 5,000 million to this reserve from unappropriated profit to maintain dividend declarations.

During the current year, the Holding Company has utilised Rs 2,465 million out of this reserve, while declaring final dividend for the year ended June 30, 2016.

21. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2017	June 30, 2016
	Rs '000	
Balance at beginning of the year	20,482,574	12,068,746
- Provision during the year	1,098,276	1,665,927
- Revision due to change in estimates	(1,448,479)	6,263,523
- Adjustment during the year	(92,613)	(143,123)
- Unwinding of discount - note 33	429,451	627,501
Balance at end of the year	20,469,209	20,482,574
The above provision for decommissioning obligation is analysed as follows;		
Wells		
Share in operated assets	13,426,455	12,891,857
Share in partner operated assets	3,320,668	3,024,426
Production facilities		
Share in operated assets	2,016,002	2,733,150
Share in partner operated assets	1,706,084	1,833,141
	20,469,209	20,482,574

21.1. The provision for decommissioning obligation in respect of the Group's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators. The provision has been discounted using a US Dollar based real discount rate of 1.9% (2016: 2.1%) per annum.

22. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2017	June 30, 2016
	Rs '000	
Present value of minimum lease payments - note 22.1	255,887	364,065
Current maturity shown under current liabilities	(112,564)	(125,680)
	143,323	238,385

22.1. The liabilities against assets subject to finance lease represent the leases entered into with leasing companies for rolling stock, computers and allied equipment. The periodic lease payments include rates of mark-up ranging from 9.78% to 14.91% (2016: 9.78% to 15.38%) 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 (falling in next 5 years from the reporting date) 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, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rs '000					
Year ended June 30,						
2017	-	154,970	-	29,290	-	125,680
2018	131,466	127,447	18,902	26,173	112,564	101,274
2019	87,211	82,426	14,881	14,423	72,330	68,003
2020	66,472	64,932	7,681	7,718	58,791	57,214
2021	13,109	13,178	1,321	1,284	11,788	11,894
2022	440	-	26	-	414	-
Total	298,698	442,953	42,811	78,888	255,887	364,065

	June 30, 2017	June 30, 2016
	Rs '000	

23. DEFERRED LIABILITIES

Post-retirement medical benefits - note 32.2.1	1,781,636	1,774,972
Leave preparatory to retirement - note 32.3	581,487	591,705
	2,363,123	2,366,677

24. DEFERRED TAXATION

(Deductible) / taxable temporary differences on:		
Exploration expenditure	(2,645,032)	(2,866,000)
Provision for staff retirement and other benefits	(468,313)	(976,450)
Provision for obsolete / slow moving stores	(44,933)	(41,403)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	1,348,350	1,200,946
Unused tax losses – note 24.1	-	(5,315,277)
Accelerated tax depreciation allowances	5,346,334	8,182,286
Exploratory wells cost	10,958,994	10,573,198
Development and production expenditure	17,787,295	14,897,151
Amortisation of intangible assets	3,144	14,218
Others	(1,429)	5,435
	31,821,922	25,211,616

24.1 During the year, a new proviso has been inserted under sub-section (2) of section 100 of the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2017, which recommended the taxability of Sui Gas Field in accordance with Fifth Schedule to the Ordinance from tax year 2017 and onwards. Upon conversion of Sui Gas Field to an agreement area, the deferred tax asset as at June 30, 2016 has been completely utilised in the current year against the income of Sui Gas Field and other agreement areas.

	June 30, 2017	June 30, 2016
	Rs '000	

25. TRADE AND OTHER PAYABLES

Creditors	458,490	508,016
Accrued liabilities	7,812,291	6,443,609
Security deposits from LPG distributors	766,180	515,450
Retention money	92,757	40,795
Unpaid and unclaimed dividends	362,360	247,179
Gas Development Surcharge (GDS)	9,845,119	5,804,283
Gas Infrastructure Development Cess (GIDC)	2,162,798	1,541,186
Sales tax (net)	2,725,679	8,167
Royalties	7,840,957	4,041,453
Lease extension bonus -note 29.1	7,204,961	-
Current accounts with joint operations - note 25.1	8,886,054	12,285,840
Liabilities for staff retirement benefit plans - note 32.1.2	-	962,756
WPPF- note 25.2	600,542	-
Contractual obligations for Iraq EDPSC - note 25.3	1,031,470	832,179
Others	319,540	154,476
	50,109,198	33,385,389

25.1. Joint operations' current accounts (i.e. payable or receivable) as at June 30, 2017 and 2016 have been stated net of the respective current assets and current liabilities, as providing details for each respective joint operation separately would be very exhaustive, especially in view of the materiality of that information in the overall context of these consolidated financial statements.

	June 30, 2017	June 30, 2016
	------------- Rs '000 -----------	

25.2. Workers' Profits Participation Fund

	June 30, 2017	June 30, 2016
Balance as on July 01	**179,324**	305,423
Allocation for the year - note 34	**(2,546,111)**	(1,409,387)
Interest on funds utilised in the Holding Company's business	**(460)**	(350)
	(2,367,247)	(1,104,314)
Amount paid during the year	**1,766,705**	1,283,638
Balance as on June 30	**(600,542)**	179,324

25.3. These represent Infrastructure Fund amounting to Rs 605.228 million (2016: Rs 510.766 million) and Training, Technology & Scholarship Fund amounting to Rs 426.242 million (2016: Rs 321.413 million) payable under the EDPSC with MdOC.

26. CONTINGENCIES AND COMMITMENTS

26.1. Contingencies

26.1.1. Indemnity bonds and corporate guarantees

	June 30, 2017	June 30, 2016
	------------- Rs '000 -----------	
Indemnity bonds (including share of joint operations areas) issued to custom authorities, redeemable after submission of usage certificate within five years.	**-**	7,235
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.	**44,487**	10,195

26.1.2. Pursuant to the directives of the Price Determining Authority, Ministry of Petroleum & Natural Resources, the Holding Company is not taking credit for interest income receivable from GENCO-II and no provision is being made for the interest payable to GoP on late payment of gas development surcharge.

26.1.3. Sales tax

The Tax Authorities have issued various letters / notices / orders for different tax periods either disallowing / intending to disallow the input sales tax claimed by the Holding Company amounting to Rs 11.830 million, under the provisions of sections 8(1)(ca) and 8A of the Sales Tax Act, 1990 and Rule 12(5) of the Sales Tax Rules, 2006. Being aggrieved with the impugned orders, the Holding Company has filed appeals before the Commissioner Inland Revenue (Appeals) CIR-(A). During the year ended June 30, 2013, the Holding Company received all the three orders under appeal before the CIR-(A). In two of the three orders, the CIR-(A) has set-aside the orders passed by the Assessing Officer with directions to cross match and verify the documents in respect of each supplier submitted by the Holding Company and pass a fresh and speaking order after providing opportunity of being heard. Since the said orders were set-aside by the CIR-(A), therefore no further action is required on this account. In one of the orders, the CIR-(A) has confirmed the action of the Assessing Officer on the ground that the Holding Company has failed to prove that the input tax claimed was deposited in the Government treasury. Being aggrieved with the decision of the CIR-(A), the Holding Company has filed an appeal before the ATIR, which is pending for hearing.

The Holding Company has also filed a Constitutional Petition, along with the stay application before the SHC challenging the above mentioned provisions. The SHC in response to the stay application filed by the Holding Company vide order dated October 27, 2011 granted stay subject to the provision of bank guarantee amounting to Rs 7.676 million, which was duly provided. During the year ended June 30, 2013, the aforesaid order of the SHC was renewed by another order dated June 25, 2013. The original petition filed before the SHC, however, is pending for hearing.

The Holding Company's case was selected by the CIR and FBR for sales tax audit, for the tax periods July 2012 to June 2013 and July 2013 to June 2014, respectively. The orders in this respect were passed on December 31, 2015 and June 30, 2016 raising an aggregate demand of Rs 50 million in both the said Orders by disallowing input tax claimed by the Holding Company during the impugned tax periods on the alleged ground that no evidence in respect of claim of such input tax (viz. valid sales tax invoices issued by the supplier and payment through banking channel) has been provided by the Holding Company. An appeal against the said Order has already been filed before CIR-(A). The demand raised in this regard has been fully paid by the Holding Company under protest.

26.1.4. Sindh Sales Tax

During the year ended June 30, 2017, the Sindh Sales Tax Authority has issued two notices alleging that the Holding Company has not withheld Sindh Sales Tax amounting to Rs 2,896 million on certain services received from various service providers under the PCT Heading 'Contractual Execution of Work and / or Furnishing Supplies' for the tax periods July 2011 to June 2016. Based on the advice of the legal counsel, the Holding Company has filed Suit before the Honourable SHC challenging the vires of the said PCT Heading. The Honourable SHC has granted interim stay with the direction to the Sindh Revenue Board (SRB) to maintain status quo in respect of the impugned notices.

26.1.5. Income tax

The Tax Authorities, whilst amending the Assessment Orders for the tax years 2003 to 2016 have made additions in respect of the following issues:

(i) Rate Issue [disputed by the Tax Authorities in tax years 2003 to 2016];

(ii) Depletion Allowance [disputed by the Tax Authorities in tax years 2003 to 2016];

(iii) Decommissioning Cost of Sui Area [disputed by the Tax Authorities in tax years 2004 to 2012]; and

(iv) Tax credits under sections 65A, 65B and 65E in respect of Agreement Areas [disputed by the Tax Authorities in tax years 2011 to 2016].

The Tax Authorities have raised demand of Rs 16,327 million in respect of the above issues, out of which the Holding Company has paid / adjusted Rs 16,325 million. The demands raised by the Tax Authorities through the above assessment orders were subsequently confirmed by the CIR-(A) and Appellate Tribunal Inland Revenue (ATIR), except for tax years 2013 to 2015. Being aggrieved with the decision of the ATIR, the Holding Company has filed Reference Applications before the SHC in respect of tax years 2003 to 2012. The appeals for tax years 2013 and 2014 have been filed before the ATIR and appeal for tax years 2015 and 2016 has been filed before CIR-(A), which are pending for adjudication.

The outstanding demands for the tax years 2003 to 2009 have been stayed by the Honourable SHC, whereas the demands raised for the tax years 2010 to 2015 have been fully paid. Moreover, the Tax Department whilst amending the assessment for the tax year 2016 has determined a refund of Rs. 693 million in the amended assessment order.

During the year ended June 30, 2015, the Tax Authorities have further amended the assessments for tax years 2013 and 2014 in respect of the following issues:

(i) Prospecting and Development Expenditure [disputed by Tax Authorities in tax years 2013 and 2014];

(ii) Exchange Loss [disputed by Tax Authorities in tax year 2014];

(iii) Donations [disputed by Tax Authorities in tax years 2013 and 2014]; and

(iv) Credit of payments – short allowed [disputed by Tax Authorities in tax years 2013 and 2014].

The Tax Authorities have raised demand of Rs 500 million in respect of the above issues which has been fully paid by the Holding Company. Being aggrieved with the aforesaid further assessment orders, the Holding Company has filed an appeal before the CIR-(A). During the year ended June 30, 2016, the CIR-(A) has passed the appellate orders confirming the aforesaid demand raised by the Tax Authorities, except for demand raised on account of tax credit / deduction short allowed, which was set-aside by the CIR-(A). Being aggrieved with the said decision, the Holding Company has filed an appeal before ATIR, which is pending for adjudication. Moreover, the Holding Company has also filed an appeal effect application before the Tax Authorities requesting to give effect on the issue set-aside by the CIR-(A). As a result, the Tax Authorities have passed the appeal effect orders under section 124 of the Ordinance allowing a tax refund of Rs 18 million and Rs 40 million in tax years 2013 and 2014, respectively.

During the year ended June 30, 2015, the Holding Company's case for tax year 2014 was selected for audit by FBR through random balloting under the Audit Policy 2015 which was initially challenged by the Holding Company before the Court, owing to expected conclusion of the audit by the Department in haste and without providing proper opportunity of being heard. However, owing to the subsequent positive meetings with Department wherein the Holding Company was assured provision of proper opportunity of being heard, the petition was withdrawn and proceedings were complied with. As a result, the audit was concluded by the Tax Authorities by raising a demand of Rs 375 million on account of disallowance of development and drilling expenses and non-verification of withholding taxes / payments. The demand raised in this respect has been fully paid by the Holding Company under protest. During the year ended June 30, 2016, the CIR-(A) has passed the appellate order wherein the case was remanded back to the assessing officer for re-examination. Although the case was remanded back, however, the Holding Company has filed an appeal before ATIR contending that the CIR-(A) should have deleted the disallowances made instead of remanding back the case for re-examination.

Further, during the year ended June 30, 2016, the Holding Company's return of income for the tax year 2015 was also amended in respect of above standard issues, super tax and amortisation of acquisition cost of PPLE, with tax impact in aggregate of Rs 5,447 million (resulting in net payment of Rs 800 million after adjustment of refund of Rs 4,647 million in the return of income for the tax year 2015). Appeal against the said order has already been filed with the CIR-(A), which is pending for hearing. The Holding Company has challenged the levy of super tax before the SHC and the same is pending for adjudication. In addition to the said assessment, tax year 2015 was also selected by the Commissioner for income tax audit, however, in the said order the issue of claiming acquisition cost of PPLE was again raised and disallowed, however, it does not have any financial impact due to the reason that the said cost was already disallowed during the amendment of assessment proceedings. The Holding Company has filed appeal before the CIR-(A) against the said Order, which is pending for adjudication.

The Holding Company has also filed rectification applications for allowing the tax credit short allowed in the Orders dated December 31, 2015 for tax years 2014 and 2015 amounting to Rs 235 million and Rs 752 million, respectively. The Holding Company's request for rectification has been acceded to, by the Tax Authorities and refunds amounting to Rs 276 million and Rs 752 million for tax years 2014 and 2015 respectively have been allowed to the Holding Company.

During the year ended June 30, 2016, the Tax Authorities have further amended the assessment for the tax year 2013 raising income tax demand of Rs. 132.467 million (which was paid by the Holding Company under protest) on the ground that payments in respect of certain expenses were made through cash instead of banking channel. Subsequently, the CIR-(A) has also confirmed the said demand raised by the Tax Authorities. Being aggrieved with the decision of CIR-(A), the Holding Company has filed an appeal before ATIR, which is pending for adjudication.

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the tax rate issue. The Holding Company, as a matter of prudence, has continued to provide for tax liability at the higher tax rates, depletion allowance and tax credits under sections 65A, 65B and 65E in respect of Agreement Areas in the books of account. In case the appeals are decided in favour of the Holding Company, an amount of Rs 16,327 million (2016: Rs 14,205 million) will be credited to the profit and loss account for that year.

The Tax Authorities have passed an order under section 147(7) of the Ordinance raising income tax demand of Rs 7,826 million on account of advance tax for the tax year 2014. The Holding Company, through its legal counsel, filed a suit before the SHC which was decided in favour of the Holding Company. The Tax Authorities have filed an appeal in the Honourable Supreme Court of Pakistan (SCP) against the said order of the Honourable SHC, which will be defended by the legal counsel appointed by the Holding Company.

During the year ended June 30, 2014, the Holding Company received a show-cause notice under sections 172(5) read with 172(3)(f) of the Ordinance intending to make the Holding Company as the representative of M/s. MND E&P A.S. (a tax resident of Czech Republic) on the ground that it has purchased the shares from MND E&P A.S. of MND Exploration and Production Limited (now PPLE, a tax resident of United Kingdom) during the tax year 2013. Based on the advice of the legal counsel, the Holding Company has filed a suit before the Honourable SHC challenging the impugned show-cause notice on the ground that the Holding Company does not have a business connection with MND E&P A.S. and therefore, it could not be treated as the representative of MND E&P A.S.. The Honourable SHC has granted interim stay with the direction to the Tax Authorities to maintain status quo in respect of the impugned notice.

During the year ended June 30, 2016, the Tax Authorities have initiated the monitoring of withholding tax proceedings for the tax year 2016 wherein evidences for withholding taxes deducted were required and accordingly provided by the Holding Company. The assessing officer, however, issued order for non-submission of evidences and raising demand of Rs. 25.066 million, which was duly paid by the Holding Company under protest. Being aggrieved with the impugned Order, subsequent to the year end the Holding Company has filed an appeal before CIR-(A), which is pending for adjudication.

26.1.6. Sindh Workers' Welfare Fund

During the year ended June 30, 2016, the Holding Company received a notice dated January 22, 2016 from the SRB requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for tax year 2015. The Holding Company, on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of the SWWF Act, 2014 before the Honourable SHC. The SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Holding Company in respect of the said notice. 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 in the court of law, therefore, no provision has been provided in these financial statements.

26.1.7. Subsequent to the year ended June 30, 2017, the SHC has held in its judgment dated August 03, 2017 in High Court Appeal No. 263 of 2016 and other connected appeals, wherein the Holding Company and PPLE were not a party, that tax disputes cannot be agitated under the original civil jurisdiction of the SHC. This decision of a Division Bench of the SHC impacts a number of suits and appeals filed by the Holding Company and PPLE under the original civil jurisdiction of the 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 and PPLE, on the advice of legal counsel, has challenged the said judgement in the Honourable SCP.

26.1.8. Other contingencies

a) The Holding Company is defending various suits filed against it in various courts in Pakistan for sums, aggregating Rs 939 million (2016: Rs 939 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 for any liability against these law suits in these consolidated financial statements.

b) In respect of PPLE, the Tax Authorities have raised demands for tax years 2004-2012 amounting to Rs 588 million relating to tax rate, depletion and decommissioning cost issues. Under amnesty scheme, PPLE has paid Rs 588 million under protest and filed appeals with Islamabad High Court which are pending for hearing. The estimated tax demands for tax years 2011 to 2017 amount to Rs 382 million. Although, PPLE based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the tax rate issue, provision in respect of above mentioned issues amounting to Rs 970 million (2016: Rs 969 million) has been accounted for in these consolidated financial statements in line with the Group's policy.

c) During 2009, the Tax Authorities raised a demand of Rs 768 million on account of non-deduction of tax on the gross consideration paid by PPLE to MND E&P a.s. for obtaining the working interest of South West Miano Block (Sawan). PPLE has won its appeal against this ruling at ATIR level. However, the Tax Authorities have filed an appeal in the Islamabad High Court. MND E&P a.s. is liable to compensate the Holding Company against any unfavourable order in respect of the tax demand.

d) The Holding Company has guaranteed 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 the performance and fulfilment of obligations by PPLA under the EDPSC. Total financial commitment of PPLA is US$ 100 million (Rs 10,500 million), out of which US$ 70.720 million (Rs 7,426 million) is outstanding.

26.2.2. The Holding Company has provided parent company guarantee amounting to US$ 5.3 million (Rs 557 million) to DGPC in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

26.2.3. Group's total commitments for capital expenditure (net share) as at June 30, 2017 are Rs 967 million. Further, total amount outstanding under letter of credits (net share) as at June 30, 2017 is Rs 4,692 million.

	Year ended June 30, 2017	Year ended June 30, 2016
	---------------- Rs '000	------------

27. SALES - net

Sales	153,983,311	106,402,633
Federal excise duty	(2,094,631)	(1,881,290)
Sales tax	(18,091,904)	(12,134,057)
GIDC	(2,893,861)	(2,247,733)
GDS	(13,448,227)	(9,296,662)
Discounts (barytes)	(25,875)	(33,847)
	(36,554,498)	(25,593,589)
	117,428,813	80,809,044
Product wise break-up of sales is as follows:		
Natural gas sales	118,348,962	78,707,486
Federal excise duty	(2,075,315)	(1,861,880)
Sales tax	(17,290,811)	(11,538,443)
GIDC	(2,893,861)	(2,247,733)
GDS	(13,448,227)	(9,296,662)
	(35,708,214)	(24,944,718)
	82,640,748	53,762,768
Gas supplied to Sui villages - note 28	491,034	215,376
Federal excise duty	(10,605)	(11,280)
Sales tax	(71,347)	(31,294)
	(81,952)	(42,574)
	409,082	172,802
Internal consumption of gas	272,955	122,812
Federal excise duty	(6,117)	(6,284)
Sales tax	(39,660)	(17,844)
	(45,777)	(24,128)
	227,178	98,684
Crude oil / Natural gas liquids / Condensate	29,918,197	23,410,101
LPG sales	4,558,985	3,473,921
Federal excise duty	(2,594)	(1,846)
Sales tax	(663,004)	(505,280)
	(665,598)	(507,126)
	3,893,387	2,966,795
Barytes	393,178	472,937
Sales tax	(27,082)	(41,196)
Discounts	(25,875)	(33,847)
	(52,957)	(75,043)
	340,221	397,894
	117,428,813	80,809,044

	Year ended June 30, 2017	Year ended June 30, 2016
	---------------- Rs '000 ------------	
28. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	**6,144,654**	5,534,213
Operator's personnel	**1,441,512**	1,454,462
Depreciation - note 5.1	**6,013,460**	4,274,033
Amortisation of decommissioning assets - note 5.1	**1,162,736**	1,569,819
Amortisation of development & production assets - note 5.1	**7,858,468**	5,427,610
Plant operations	**2,396,367**	2,547,727
Well interventions	**1,316,957**	922,581
Field services	**2,048,682**	1,655,140
Crude oil transportation	**1,068,311**	1,262,732
Travelling and conveyance	**472,801**	505,998
Training & development	**15,131**	24,748
PCA overheads	**139,647**	134,934
Insurance expenses	**766,471**	808,052
Free supply of gas to Sui villages - note 27	**491,034**	215,376
Social welfare / community development	**165,168**	321,187
Other expenses	**59,854**	39,996
	31,561,253	26,698,608
29. ROYALTIES AND OTHER LEVIES		
Royalties	**13,938,260**	9,283,355
Lease extension bonus – note 29.1	**7,204,961**	-
Windfall levy	**157,347**	79,100
	21,300,568	9,362,455

29.1 As a result of signing of MoA for Sui gas field (as mentioned in note 1.1.1), the Holding Company is required to pay lease extension bonus to GoB @ 10% of the wellhead value.

	Year ended June 30, 2017	Year ended June 30, 2016
	---------------- Rs '000 ------------	
30. EXPLORATION EXPENSES		
Dry and abandoned wells	**6,671,248**	4,994,159
Other exploration expenditures	**5,084,251**	11,079,096
	11,755,499	16,073,255

	Year ended June 30, 2017	Year ended June 30, 2016
	--------------- Rs '000 ------------	

31. ADMINISTRATIVE EXPENSES

Salaries, wages, welfare and other benefits - note 31.1	5,142,796	4,259,804
Amortisation of intangible assets - note 6.1	152,920	105,253
Depreciation of leased assets - note 5.1	128,860	118,834
Rent, rates and taxes	153,282	123,096
Utilities & communication	89,454	82,680
Travelling and conveyance	139,826	126,712
Training and development	113,738	87,927
Insurance expenses	27,427	34,077
Repairs, maintenance and supplies	430,486	442,466
Professional services	212,081	160,756
Auditors' remuneration - note 31.3	32,930	25,220
Donations - note 31.4	69,477	153,637
Contract services	89,308	86,327
Compliance and regulatory expenses	33,749	33,750
Advertisement, publicity and public relations	59,820	55,638
Other expenses	53,503	89,755
	6,929,657	5,985,932
Allocation to capital and operating expenditure	(4,095,886)	(2,616,000)
	2,833,771	3,369,932

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 240.873 million, Rs 450.803 million, Rs 81.830 million, Rs 69.750 million and Rs 187.370 million, respectively (2016: Rs 221.954 million, Rs 475.329 million, Rs 103.590 million, Rs 84.051 million and Rs 204.641 million, respectively).

31.2. During the year, "Field Expenditures", as appearing in note 28 to the consolidated financial statements for the year ended June 30, 2016, have been reclassified into operating expenses, exploration expenses and administrative expenses (notes 28, 30 and 31 to these consolidated financial statements for the year ended June 30, 2017) for the purpose of better presentation and comparison. Hence, the corresponding figures have also been reclassified accordingly.

31.3. Auditors' remuneration is as under:

	Year ended June 30, 2017	Year ended June 30, 2016
	--------------- Rs '000 ------------	
Annual audit fee		
- Holding Company	3,550	2,950
- Subsidiary Companies	8,092	8,204
- prior year	1,500	-
Limited review, special certifications and advisory services - note 31.3.1	17,233	13,557
Out of pocket expenses	2,555	509
	32,930	25,220

31.3.1. This includes tax services provided by M/s A.F. Ferguson & Co, who are also the statutory auditors of the Holding Company.

31.4. There are no donations in which the Directors of the Holding Company are interested.

32. STAFF RETIREMENT BENEFITS

32.1. Funded post retirement pension and gratuity schemes

As mentioned in note 4.13 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, 2017					June 30, 2016
	Rs '000					
Present value of defined benefit obligations - note 32.1.6	6,818,553	920,912	1,849,527	880,127	10,469,119	12,434,550
Fair value of plan assets - note 32.1.5	(7,355,551)	(937,393)	(1,919,671)	(938,865)	(11,151,480)	(11,713,194)
(Asset) / liability recognised in the balance sheet	(536,998)	(16,481)	(70,144)	(58,738)	(682,361)	721,356

32.1.2. Movement in amounts (receivable from) / payable to defined benefit plans

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2017					June 30, 2016
	Rs '000					
Balances as on July 01	851,258	145,881	(154,279)	(75,826)	767,034	803,071
Refund made to the Holding Company	-	-	110,003	53,490	163,493	-
Charge for the year - note 32.1.3	398,747	55,598	52,056	26,232	532,633	578,919
Payments during the year	(1,257,073)	(202,142)	-	-	(1,459,215)	(1,381,990)
Amount recognised in Other Comprehensive Income (OCI) for the year - note 32.1.4	(529,930)	(15,818)	(77,924)	(62,634)	(686,306)	721,356
Balances as on June 30	(536,998)	(16,481)	(70,144)	(58,738)	(682,361)	721,356

32.1.3. Amount s recognised in the profit and loss account

	Executives		Non-Executives		Total	
	Pension	Gratuity	Pension	Gratuity		
	Year ended June 30, 2017					Year ended June 30, 2016
	Rs '000					
Current service cost	345,076	45,510	62,659	31,804	485,049	504,179
Interest cost	570,181	64,530	134,101	65,176	833,988	1,044,699
Interest income on plan assets	(516,510)	(54,442)	(144,704)	(70,748)	(786,404)	(969,959)
Charge for the year recognised in profit and loss account	398,747	55,598	52,056	26,232	532,633	578,919
Actual return on plan assets	671,809	56,638	142,192	70,577	941,216	831,729

32.1.4. Remeasurements recognised in other comprehensive income

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	Year ended June 30, 2017					Year ended June 30, 2016
	Rs '000					
Actuarial (gain) / loss on obligation	(374,631)	(13,622)	(80,436)	(62,805)	(531,494)	583,126
Actuarial (gain) / loss on assets	(155,299)	(2,196)	2,512	171	(154,812)	138,230
Total remeasurements	(529,930)	(15,818)	(77,924)	(62,634)	(686,306)	721,356

32.1.5. Changes in fair value of plan assets

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	June 30, 2017					June 30, 2016
	Rs '000					
Fair value of plan assets at beginning of the year	7,887,695	766,107	2,022,457	991,257	11,667,516	10,005,543
Interest income on plan assets	516,510	54,442	144,704	70,748	786,404	969,959
Refund made to the Holding Company	-	-	(110,003)	(53,490)	(163,493)	-
Transferred to Defined Contribution Pension Fund	(1,826,031)	-	-	-	(1,826,031)	-
Contributions by the Holding Company	1,257,073	202,142	-	-	1,459,215	1,381,990
Benefits paid	(634,995)	(87,494)	(134,975)	(69,479)	(926,943)	(506,068)
Amount recognised in OCI for the year	155,299	2,196	(2,512)	(171)	154,812	(138,230)
Fair value of plan assets at end of the year	7,355, 551	937,393	1,919,671	938,865	11,151,480	11,713,194

32.1.6. Changes in present value of pension and gratuity obligations

	Executives Pension	Executives Gratuity	Non-Executives Pension	Non-Executives Gratuity	Total	Total
	June 30, 2017					June 30, 2016
	Rs '000					
Present value of obligations at beginning of the year	8,738,953	911,988	1,868,178	915,431	12,434,550	10,808,614
Current service cost	345,076	45,510	62,659	31,804	485,049	504,179
Interest cost	570,181	64,530	134,101	65,176	833,988	1,044,699
Transferred to Defined Contribution Pension Fund	(1,826,031)	-	-	-	(1,826,031)	-
Benefits paid	(634,995)	(87,494)	(134,975)	(69,479)	(926,943)	(506,068)
Amount recognised in OCI for the year	(374,631)	(13,622)	(80,436)	(62,805)	(531,494)	583,126
Present value of obligations at end of the year	6,818,553	920,912	1,849,527	880,127	10,469,119	12,434,550

32.1.7. Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return	Executives		Non-Executives		Executives		Non-Executives	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
	%	June 30, 2017 (Unaudited)				June 30, 2016 (Audited)			
Pension Fund									
Government securities	5.95 - 11.06	**1,233,564**	**17**	**201,366**	**10**	1,163,781	15	221,328	11
Shares	-	**1,137,840**	**15**	**277,467**	**15**	473,389	6	75,612	4
TFCs	7.39 - 9.72	**44,179**	**1**	**15,820**	**1**	64,264	1	23,053	1
Cash and bank balances	5.00 - 7.05	**4,939,968**	**67**	**1,425,018**	**74**	6,186,261	78	1,702,464	84
Total		**7,355,551**	**100**	**1,919,671**	**100**	7,887,695	100	2,022,457	100
Gratuity Fund									
Government securities	5.95 - 11.06	**106,199**	**11**	**152,432**	**16**	101,394	13	97,098	10
Shares	-	**106,288**	**11**	**135,688**	**15**	39,356	5	48,939	5
TFCs	7.39 - 9.72	**1,923**	**1**	**8,051**	**1**	2,788	1	11,666	1
Cash and bank balances	5.00 - 7.05	**722,983**	**77**	**642,694**	**68**	622,569	81	833,554	84
Total		**937,393**	**100**	**938,865**	**100**	766,107	100	991,257	100

32.1.8. Sensitivity analysis

	June 30, 2017				June 30, 2016			
	Executives		Non-Executives		Executives		Non-Executives	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	Rs '000							
Pension								
Salary rate sensitivity	**373,597**	**(332,058)**	**90,936**	**(82,869)**	518,856	(531,611)	124,662	(66,503)
Pension rate sensitivity	**511,933**	**(436,767)**	**85,510**	**(72,328)**	597,927	(583,003)	107,927	(46,005)
Discount rate sensitivity	**(746,829)**	**918,571**	**(149,813)**	**178,115**	(1,045,331)	1,208,201	(131,375)	210,212
Gratuity								
Salary rate sensitivity	**2,748**	**(3,357)**	**39,844**	**(36,446)**	2,579	(3,099)	39,056	(35,663)
Discount rate sensitivity	**(59,034)**	**67,161**	**(36,125)**	**40,235**	(59,088)	67,435	(38,528)	43,018

32.1.9. Maturity profile of the defined benefit obligations

	June 30, 2017			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.68	7.13	7.82	5.45
	Rs '000			
Distribution of timing of benefit payments (time in years)				
1	**342,820**	**91,896**	**108,150**	**84,568**
2	**451,715**	**93,968**	**363,230**	**226,643**
3	**461,565**	**110,866**	**136,793**	**81,948**
4	**352,047**	**76,575**	**144,606**	**85,186**
5	**556,851**	**110,019**	**154,601**	**83,897**
6-10	**2,914,778**	**552,599**	**999,430**	**557,993**

32.1.10 The Holding Company expects to contribute Rs 343.686 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 4.13 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2017, results of which are as follows:

	June 30, 2017	June 30, 2016
	Rs '000	
Present value of defined benefit obligations - notes 23 and 32.2.4	1,781,636	1,774,972

32.2.2. Movement in the liability recognised in the balance sheet is as follows:

	June 30, 2017	June 30, 2016
Balance as on July 01	1,774,972	1,568,791
Charge for the year - notes 31.1 & 32.2.3	187,370	204,641
Payments during the year	(64,933)	(60,264)
Amounts charged to OCI	(115,773)	61,804
Balance as on June 30	1,781,636	1,774,972

32.2.3. Amounts recognised in the profit and loss account

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
Current service cost	57,811	51,770
Interest cost	129,559	152,871
	187,370	204,641

32.2.4. Changes in present value of post-retirement medical obligations

	Year ended June 30, 2017	Year ended June 30, 2016
Opening balance	1,774,972	1,568,791
Current service cost	57,811	51,770
Interest cost	129,559	152,871
Benefits paid	(64,933)	(60,264)
Amounts charged to OCI	(115,773)	61,804
Balance as on June 30	1,781,636	1,774,972

32.2.5. Sensitivity analysis

	1% increase	1% decrease
	Rs '000	
Medical cost trend rate sensitivity	211,941	(179,090)
Discount rate sensitivity	(229,086)	287,570

32.2.6. The Holding Company expects to contribute Rs 193.496 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 12.69 years in respect of executive and 13.15 years in respect of non-executive retired employees.

32.3. Leave preparatory to retirement benefits

	June 30, 2017	June 30, 2016
	Rs '000	
Balance as on July 01	**591,705**	530,768
Charge for the year - note 31.1	**69,750**	84,051
	661,455	614,819
Payments during the year	**(79,968)**	(23,114)
Balance as on June 30 - note 23	**581,487**	591,705

32.4. Principal actuarial assumptions

	Per annum	
	June 30, 2017	June 30, 2016
- discount rate	**7.75%**	7.25%
- expected rate of increase in salaries	**7.75%**	7.25%
- expected rate of increase in pension	**2.75%**	2.25%
- expected rate of escalation in medical cost	**3.75%**	3.25%
- death rate / mortality rate	SLIC (2001-05)	

32.5. Description of the risks to the Group

The defined benefit plans expose the Group to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

32.6. Defined contribution funds

	Provident Fund		Pension Fund (note 4.13 (b))	
	June 30, 2017 (Unaudited)	June 30, 2016 (Audited)	June 30, 2017 (Unaudited)	June 30, 2016
	Rs '000		Rs '000	
Size of the fund	**5,103,881**	4,823,115	**1,906,417**	-
Cost of investments made	**3,930,227**	3,487,611	**1,790,000**	-
Percentage of investments made	**82.2%**	80%	**94.2%**	-
Fair value of investments	**4,193,482**	3,851,957	**1,795,745**	-

32.6.1 Break-up of investments

	June 30, 2017 (Unaudited)		June 30, 2016 (Audited)	
	Investments (Rs '000)	% of Investment as size of the fund	Investments (Rs '000)	% of Investment as size of the fund
Provident Fund				
PIBs	**551,624**	**10.8%**	544,765	11.3%
Treasury Bills	**-**	**-**	148,945	3.1%
Short term deposit account	**2,808,435**	**55.0%**	2,453,064	50.9%
NIT Units	**492,797**	**9.7%**	383,398	8.0%
Shares	**338,351**	**6.6%**	318,500	6.6%
TFCs	**2,275**	**0.1%**	3,285	0.1%
	4,193,482	**82.2%**	3,851,957	80.0%
Pension Fund				
Mutual funds	**252,474**	**13.2%**	-	-
Short term deposit account	**1,543,271**	**81.0%**	-	-
	1,795,745	**94.2%**	-	-

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	Year ended June 30, 2017	Year ended June 30, 2016
	---------------- Rs '000 ------------	
33. FINANCE COSTS		
Financial charges for liabilities against assets subject to finance lease	**37,086**	41,119
Unwinding of discount on decommissioning obligation - note 21	**429,451**	627,501
Others	**38,535**	350
	505,072	668,970
34. OTHER CHARGES		
WPPF - note 25.2	**2,546,111**	1,409,387
Impairment loss - note 5.8	**4,645,020**	1,728,029
Provision for obsolete / slow moving stores - note 11.1	**16,220**	2,741
	7,207,351	3,140,157

	Year ended June 30, 2017	Year ended June 30, 2016
35. OTHER INCOME	-------------- Rs '000	------------
Income from financial assets		
Income on loans and bank deposits - note 35.1	**374,117**	329,725
Income on term deposits	**1,102,262**	1,164,727
Income on long-term held-to-maturity investments	**2,417,705**	2,706,262
Income from investment in treasury bills	**253,415**	94,423
Gain on disposal of PIBs	**152,000**	-
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	**183,153**	349,060
	4,482,652	4,644,197
Income from assets other than financial assets		
Rental income on assets	**1,253**	225,200
Profit on sale of property, plant and equipment (net)	**11,170**	24,726
Profit on sale of stores and spares (net)	**14,581**	11,785
Exchange gain on foreign currency (net)	**53,439**	370,511
Share of profit on sale of LPG	**107,801**	142,574
Others	**203,514**	9,914
	391,758	784,710
	4,874,410	5,428,907

35.1. This includes profit amounting to Rs 8.874 million (2016: Rs 0.064 million) under a Shariah compliant arrangement.

36. TAXATION

Provision for taxation for the years ended June 30, 2017 and 2016 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas, including Sui gas field, however, for the year ended June 30, 2016, Sui gas field was taxed @ 32% being a non-agreement area. The Holding Company's head office and BME income is taxed @ 31% being non-agreement areas, as mentioned in note 4.17 to these consolidated financial statements. Similar to the previous year, 3% super tax has been levied for the current year on the head office and BME income as per the Finance Act, 2017.

	Year ended June 30, 2017	Year ended June 30, 2016
	-------------- Rs '000	------------
Current		
- for the year	**5,692,481**	3,261,021
- for prior years (net)	**378,407**	624,713
	6,070,888	3,885,734
Deferred	**6,369,682**	6,973,795
	12,440,570	10,859,529
36.1. Relationship between accounting profit and taxation		
Accounting profit for the year before taxation	**47,139,709**	26,924,574
Tax on accounting profit at applicable rate of 44.13% (2016: 47.04%)	**20,802,754**	12,665,320
Tax effect of:		
- Depletion allowance	**(6,310,371)**	(3,353,375)
- Royalty allowed for tax purposes	**(2,168,465)**	(1,928,992)
- Tax charge / (income) relating to prior years	**378,407**	602,333
- Decommissioning cost	**100,154**	1,822,178
- Tax credits	**(65,772)**	(491,185)
- Super tax	**132,002**	311,569
- Others	**(428,139)**	1,231,681
	12,440,570	10,859,529
Effective tax rate %	**26.39**	40.33

37. INTERESTS IN JOINT OPERATIONS

The joint operations in which the Company has working interest are as follows:

Name of Joint Operation	Operator	Percentage of the Group's working interest as at June 30, 2017
Producing Fields		
1 Adhi	PPL	39.00%
2 Mazarani	PPL	87.50%
3 Adam D&P (Hala Block)	PPL	65.00%
4 Adam West D&P (Hala Block)	PPL	65.00%
5 Shahdadpur D&P (Gambat South Block) - note 37 .1	PPL	65.00%
6 Shahdadpur West D&P (Gambat South Block) - note 37.1	PPL	65.00%
7 Shahdadpur East D&P (Gambat South Block) - note 37.1	PPL	65.00%
8 Kandhkot East (Chachar)	PPL	75.00%
9 Qadirpur	OGDCL	7.00%
10 Miano	OMV	15.16%
11 Sawan	OMV	34.07%
12 Hasan, Sadiq & Khanpur - D&P (B-22)	PEL	35.53%
13 Manzalai D&P (Tal Block)	MOL	27.76%
14 Makori D&P (Tal Block)	MOL	27.76%
15 Makori East D&P (Tal Block)	MOL	27.76%
16 Mamikhel D&P (Tal Block)	MOL	27.76%
17 Maramzai D&P (Tal Block)	MOL	27.76%
18 Mardankhel EWT Phase (Tal Block)	MOL	27.76%
19 Mela D&P (Nashpa Block)	OGDCL	28.55%
20 Nashpa D&P (Nashpa Block)	OGDCL	28.55%
21 Tajjal EWT Phase (Gambat Block)	OMV	23.68%
22 Latif D&P (Latif Block)	OMV	33.30%
23 Rehman D&P (Kirthar Block)	POGC	30.00%
24 Rizq EWT Phase (Kirthar Block)	POGC	30.00%
25 Ghauri EWT Phase (Ghauri Block)	MPCL	35.00%
Exploration Blocks		
1 Block 2568-13 (Hala)	PPL	65.00%
2 Block 2766-1 (Khuzdar)	PPL	100.00%
3 Block 2688-2 (Kalat)	PPL	100.00%
4 Block 2969-8 (Barkhan)	PPL	85.00%
5 Block 2763-3 (Kharan)	PPL	100.00%
6 Block 2764-4 (Kharan-East)	PPL	100.00%
7 Block 2763-4 (Kharan-West)	PPL	100.00%
8 Block 3371-15 (Dhok Sultan)	PPL	75.00%
9 Block 2467-12 (Jungshahi)	PPL	100.00%
10 Block 2568-18 (Gambat South) - note 37.1	PPL	65.00%
11 Block 2468-12 (Kotri)	PPL	100.00%
12 Block 2568-21 (Kotri North) - note 37.1 & 37.4	PPL	90.00%
13 Block 2468-10 (Sirani)	PPL	75.00%
14 Block 2668-9 (Naushahro Firoz) - note 37.1	PPL	90.00%
15 Block 2667-11 (Zamzama South)	PPL	100.00%
16 Block 3272-18 (Karsal)	PPL	100.00%
17 Block 3372-23 (Hisal) - note 37.2	PPL	65.00%
18 Block 2870-5 (Sadiqabad)	PPL	97.50%
19 Block 2469-16 (Shah Bandar) - note 37.3	PPL	97.50%
20 Block 2864-4 (Nausherwani) - note 37.5	PPL	100.00%
21 Block 2566-6 (Bela West) - note 37.5	PPL	100.00%

	Name of Joint Operation	Operator	Percentage of the Group's working interest as at June 30, 2017
22	Block 2566-4 (Hab) - note 37.5	PPL	99.85%
23	Block 2569-5 (Khipro East)	PPL	97.50%
24	Block 2467-13 (Malir) - note 37.5	PPL	97.50%
25	Block 2866-4 (Margand) - note 37.6	PPL	100.00%
26	Block 2668-4 (Gambat) - note 37.7	OMV	30.00%
27	Block 2669-3 (Latif)	OMV	33.30%
28	Block 3370-10 (Nashpa)	OGDCL	30.00%
29	Block 2667-7 (Kirthar)	POGC	30.00%
30	Block 3070-13 (Baska)	ZHEN HUA	49.00%
31	Block 2366-7 (Indus-C)	ENI	40.00%
32	Block 2366-5 (Indus-N)	ENI	30.00%
33	Block 3370-3 (Tal)	MOL	30.00%
34	Block 2568-20 (Sukhpur)	ENI	30.00%
35	Block 2468-9 (Jherruck)	NHEPL	30.00%
36	Block 2568-19 (Digri)	UEPL	25.00%
37	Block 3273-3 (Ghauri)	MPCL	35.00%
38	Block 2867-5 (Kuhan) - note 37.8	OMV	47.50%
39	Block 2265-1 (Indus-G)	ENI	33.33%
40	Block 2967-2 (Ziarat)	MPCL	40.00%
41	Block 3067-3 (Harnai)	MPCL	40.00%
	Exploration Blocks (Outside Pakistan)		
1	Block-29 (Yemen)	OMV	43.75%
2	Block-8 (Iraq)	PPLA	100.00%
3	Block-3 (Yemen)	TOTAL	20.00%

37.1 During January 2017, the Holding Company's Board approved the proposal for settlement agreements (SA) with Asia Resources Oil Limited (AROL), which entailed withdrawal of the civil suit No.530/2016 (Civil Suit) filed by AROL before the SHC and payment of all past cash calls and late payment surcharge by AROL in respect of Gambat South, Naushahro Firoz and Kotri North blocks. Resultantly, in line with the Holding Company's Board's approval, on March 17, 2017, the Holding Company and AROL executed SA in respect of Naushahro Firoz and Kotri North blocks. For Gambat South block, a tri-partite SA was executed amongst the Holding Company, AROL and GHPL. Thereafter, the Holding Company, GHPL and AROL filed a joint compromise application in the Civil Suit filed by AROL before the SHC. Accordingly, on May 10, 2017, the Civil Suit was decreed in terms of the SA executed between the Holding Company, AROL and GHPL in the aforementioned blocks. Further, AROL unconditionally withdrew the Civil Suit against all the other defendants. Thus, the Civil Suit filed by AROL was disposed of by the SHC on May 10, 2017.

Further, upon completion of certain milestones under the SA, the Holding Company has withdrawn the default and forfeiture notices in all three blocks against AROL allowing it to participate as a normal joint operation partner in the said blocks. As per the SA in all three blocks, AROL is required to clear its outstanding dues within six months of signing of the same. Since execution of the SA, AROL has so far paid a sum of Rs. 114.37 million in lieu of cash calls for the months of January to May, 2017. As per terms of SA, in case AROL fails to make payment of its outstanding cash calls and late payment surcharge within the stipulated period of six months, its working interest in the aforesaid blocks would stand irrevocably forfeited in favour of the Holding Company.

37.2 25% & 10% working interest has been assigned to Pakistan Oil Fields Limited and Attock Oil Company, respectively. However, DGPC's approval for allocation of 2.5% working interest to GHPL is awaited. Once the approval is granted, the Holding Company's working interest would reduce to 62.50%.

37.3 Assignment of the Holding Company's 32% working interest to Mari Petroleum Company Limited and 2.5% working interest to GHPL is in progress. The Holding Company's share will reduce to 63% after the said assignment.

37.4 On August 02, 2017, GoP approved assignment of the Holding Company's 50% working interest along with operatorship of the block to United Energy Pakistan.

37.5 Approval of assignment of Holding Company's 2.5% working interest to GHPL is in process. After the assignment, the Holding Company's working interest will reduce to 97.50% in Nausherwani and Bela West blocks, 97.35% in Hab block and 95% in Malir block.

37.6 OMV assigned its working interest of 50% to the Holding Company with effect from July 01, 2016.

37.7 Gambat EL was due to expire on December 02, 2016. The other Working Interest Owners i.e., OMV and ENI wish to surrender their respective interests as per the PCA provisions w.e.f. December 03, 2016. The Holding Company intends to acquire working interests of OMV and ENI without any consideration, subject to the approval of its Board of Directors. Accordingly, the Holding Company has requested the operator i.e., OMV to file an application for seeking one year licence extension from December 03, 2016 till December 02, 2017, after which the farm-out agreement will be formalised.

37.8 The Holding Company's working interest has reduced to 47.50% after assignment of working interest to GHPL and Provincial Holding Company (PHC).

38. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2017	June 30, 2016
	--------------- Rs '000	------------
Financial assets as per balance sheet		
- Loans and receivables		
Long-term loans	20,366	24,549
Long-term deposits	7,676	7,676
Long-term receivables	261,119	333,000
Trade debts	99,419,151	57,954,553
Loans and advances	4,018,518	1,328,228
Trade deposits	274,357	58,124
Interest accrued	473,155	1,465,949
Current maturity of long-term deposits	787,500	81,978
Current maturity of long-term receivables	88,858	787,500
Other receivables	1,699,155	803,530
Cash and bank balances	6,432,085	3,918,383
	113,481,940	66,763,470
- Held to maturity		
Long-term investments	20,955,491	39,783,587
Current maturity of long-term investments	581,824	66,493
Short-term investments	43,972,753	28,056,720
	65,510,068	67,906,800
- Designated at fair value through profit or loss - Mutual Funds	85,000	-
Non-financial assets	146,485,396	140,090,290
Total assets	325,562,404	274,760,560
Financial liabilities as per balance sheet		
- Financial liabilities measured at amortised cost		
Trade and other payables	19,729,112	21,027,544
Non-financial liabilities	90,709,886	61,086,515
Total liabilities	110,438,998	82,114,059

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 held-to-maturity investments, which are stated at amortised cost. No changes were made in the objectives, policies or processes during the years ended June 30, 2017 and 2016.

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 rate risk by having significant investments in fixed interest bearing financial assets, like PIBs, term deposits with banks and treasury bills. As of balance sheet date, there is no exposure to interest rate risk to the Group, with all other variables held constant.

ii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Group's income or the value of its holdings of 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.

Exposure to foreign currency risk

The Groups' exposure to currency risk mainly comprises:

	June 30, 2017	June 30, 2016
	US$	
Investments held to maturity	**252,244,006**	235,809,883
Cash and bank balances	**6,910,155**	11,063,002
Current maturity of long-term deposits	**7,514,313**	7,521,490
Trade and other payables	**(15,860,867)**	(19,957,140)
	250,807,607	234,437,235

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2017	2016	2017	2016
	Rs			
US$ 1	**104.90**	104.46	**105.00**	104.70

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	Rs '000	
Foreign currency financial assets	266,668	(266,668)
Foreign currency financial liabilities	79,344	(79,344)

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Group is exposed to price risk on sale of petroleum products, as the selling prices are determined in relation to the international prices of petroleum products, which can affect the profitability of the Group. The Group has evaluated various commodity derivative options to hedge the risk of decline in international oil prices, keeping in view the current behaviour of oil prices together with the pricing mechanism of Group's products. However, the Group has not entered in any commodity derivative transactions due to the fact that the available instruments were not adequately providing mitigation against the relevant risks over a longer term.

A one rupee change in the commodity prices would have the following effect:

	One Rupee Increase	One Rupee Decrease
	Rs '000	
Natural Gas (Mcf)	290,014	(290,014)
Crude Oil / Condensate / NGL (BBL)	5,948	(5,948)
LPG (M.Ton)	81	(81)
Barytes (Ton)	40	(40)

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. To manage this risk, the financial viability of all counterparties is regularly monitored and assessed.

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 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. 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, 2017	June 30, 2016
	Rs '000	
Long-term investments	21,040,491	39,783,587
Long-term loans	20,366	24,549
Long-term deposits	7,676	7,676
Long-term receivables	261,119	333,000
Trade debts	99,419,151	57,954,553
Loans and advances	4,018,518	1,328,228
Trade deposits	274,357	58,124
Interest accrued	473,155	1,465,949
Current maturity of long-term investments	581,824	66,493
Current maturity of long-term deposits	787,500	787,500
Current maturity of long-term receivables	88,858	81,978
Other receivables	1,699,155	803,530
Short-term investments	43,972,753	28,056,720
Bank balances	6,383,876	3,861,850
	179,028,799	134,613,737

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, 2017	June 30, 2016
	Rs '000	
Long-term investments		
AAA	2,548,577	21,926,436
AA	17,780,604	16,626,076
A	1,293,134	1,297,568
	21,622,315	39,850,080
Trade debts		
Customers with defaults in past one year which have not yet been recovered	53,461,720	16,426,866
	53,461,720	16,426,866
Short-term investments		
AAA	19,611,253	7,145,000
AA	17,392,500	11,867,500
A	6,969,000	9,044,220
	43,972,753	28,056,720
Cash at banks		
AAA	4,283,502	1,424,143
AA	1,609,194	1,695,394
A	491,180	742,313
	6,383,876	3,861,850

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties) and account for Rs 93,736 million of the trade debts as at June 30, 2017 (2016: Rs 51,808 million).

The aging of trade debts at the reporting date is provided at note 12.1.

c) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, 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.

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
	Rs '000					
Liability against assets subject to finance lease	-	16,415	96,149	143,323	-	255,887
Trade and other payables	1,543,947	16,137,034	2,048,131	-	-	19,729,112
Year ended June 30, 2017	**1,543,947**	**16,153,449**	**2,144,280**	**143,323**	**-**	**19,984,999**
Liability against assets subject to finance lease	-	17,710	107,970	238,385	-	364,065
Trade and other payables	1,344,227	18,285,317	1,398,000	-	-	21,027,544
Year ended June 30, 2016	1,344,227	18,303,027	1,505,970	238,385	-	21,391,609

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.

40. CASH AND CASH EQUIVALENTS

	June 30, 2017	June 30, 2016
	Rs '000	
Cash and bank balances - note 18	6,432,085	3,918,383
Short-term highly liquid investments - note 17	43,972,753	28,056,720
	50,404,838	31,975,103

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	Year ended June 30, 2017 (note 41.2)	Year ended June 30, 2016	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000			
Managerial remuneration	49,000	49,000	5,702,984	5,078,159
Housing, conveyance and utilities	-	-	108,123	97,198
Retirement benefits	-	-	799,105	670,657
Bonus	-	-	1,191,374	969,681
Medical and leave passage	-	-	325,402	291,671
Leave encashment	-	-	63,963	193,625
	49,000	**49,000**	**8,190,951**	**7,300,991**
Number, including those who worked for part of the year	**1**	**1**	**1,523**	**1,387**

41.1. Aggregate amount charged in these consolidated financial statements in respect of fees paid to ten non-executive directors was Rs 9.775 million (2016: Rs 13.260 million for seven directors).

41.2. This includes performance bonus amounting to Rs 19.600 million (2016: Rs 19.600 million) paid under the employment contract.

42. EARNINGS PER SHARE

	Year ended June 30, 2017	Year ended June 30, 2016
42.1. Basic earnings per share		
Profit after taxation (Rs '000)	**34,699,139**	16,065,045
Dividend on convertible preference shares (Rs '000)	**(36)**	(37)
Profit attributable to ordinary shareholders (Rs '000)	**34,699,103**	16,065,008
Weighted average number of ordinary shares in issue	**1,971,717,393**	1,971,717,159
Basic earnings per share (Rs)	**17.60**	8.15
42.2. Diluted earnings per share		
Profit after taxation (Rs '000)	**34,699,139**	16,065,045
Weighted average number of ordinary shares in issue	**1,971,717,393**	1,971,717,159
Adjustment for conversion of convertible preference shares	**12,062**	12,296
Weighted average number of ordinary shares for diluted earnings per share	**1,971,729,455**	1,971,729,455
Diluted earnings per share (Rs)	**17.60**	8.15

43. 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 consolidated financial statements are as follows:

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
Sales of gas / barytes to state controlled entities (including Government Levies)		
GENCO-II	24,140,882	17,865,187
SNGPL	67,493,159	45,104,741
SSGCL	26,713,612	15,737,559
OGDCL	140,178	168,687
	118,487,831	78,876,174
Long-term receivables, trade debts and other receivables from State controlled entities as at June 30	See notes 10,12 & 16	
Transactions with Associated Companies		
Sales of crude oil / condensate	5,558,298	5,130,088
Expenses incurred	13,387	13,847
Transactions with Joint Operations		
Payments of cash calls to joint operations	43,991,465	46,432,149
Expenditures incurred by the joint operations	38,172,148	54,764,985
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	1,253	225,200
Dividend income from BME	25,000	25,000
Purchase of goods from BME (net)	327,239	261,831
Reimbursement of employee cost on secondment to BME	18,981	22,877
Other related parties		
Dividends to GoP	8,651,894	8,319,129
Dividends to Trust under BESOS	942,299	906,057
Transactions with retirement benefit funds	See notes 31.1 & 32	
Remuneration to key management personnel	See note 41	
Payment of rental to Pakistan Industrial Development Corporation	100,542	81,659
Payment to National Insurance Company Limited (NICL)	641,981	1,189,772
Insurance claim received from NICL	-	1,016,812
Payment to Pakistan State Oil Company Limited	496,637	511,246

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.

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.

	Year ended June 30, 2017	Year ended June 30, 2016
	Rs '000	
GENCO-II	**24,140,882**	17,865,187
SSGCL	**26,713,612**	15,737,559
SNGPL	**67,493,159**	45,104,741
ARL	**20,234,163**	14,953,271
	138,581,816	93,660,758

45. GENERAL

45.1. Number of employees

Total number of employees at the end of the year were as follows:

	Year ended June 30, 2017	Year ended June 30, 2016
Regular	**2,835**	2,900
Contractual	**73**	70
	2,908	2,970

Average number of employees during the year were as follows:

	Year ended June 30, 2017	Year ended June 30, 2016
Regular	**2,868**	2,839
Contractual	**72**	35
	2,940	2,874

45.2 Capacity and production

Product	Unit	Actual production for the year (Group's share)
Natural gas	MMCF	331,656
Crude oil / NGL / Condensate	BBL	5,949,064
LPG	M. Ton	81,267
Barytes	Ton	46,323

Due to the nature of operations of the Group, installed capacity of above products is not relevant.

45.3. Corresponding figures

Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.

45.4. Figures have been rounded off to the nearest thousand, unless otherwise stated.

46. SUBSEQUENT / NON -ADJUSTING EVENTS

The Board of Directors of the Holding Company in its meeting on September 15, 2017 recommended a final cash dividend @ 60% amounting to Rs 11,830.305 million (2016: @ 35% amounting to Rs 6,901.010 million) on the existing paid-up value of the ordinary share capital for approval of the shareholders in the Annual General Meeting to be held on October 27, 2017.

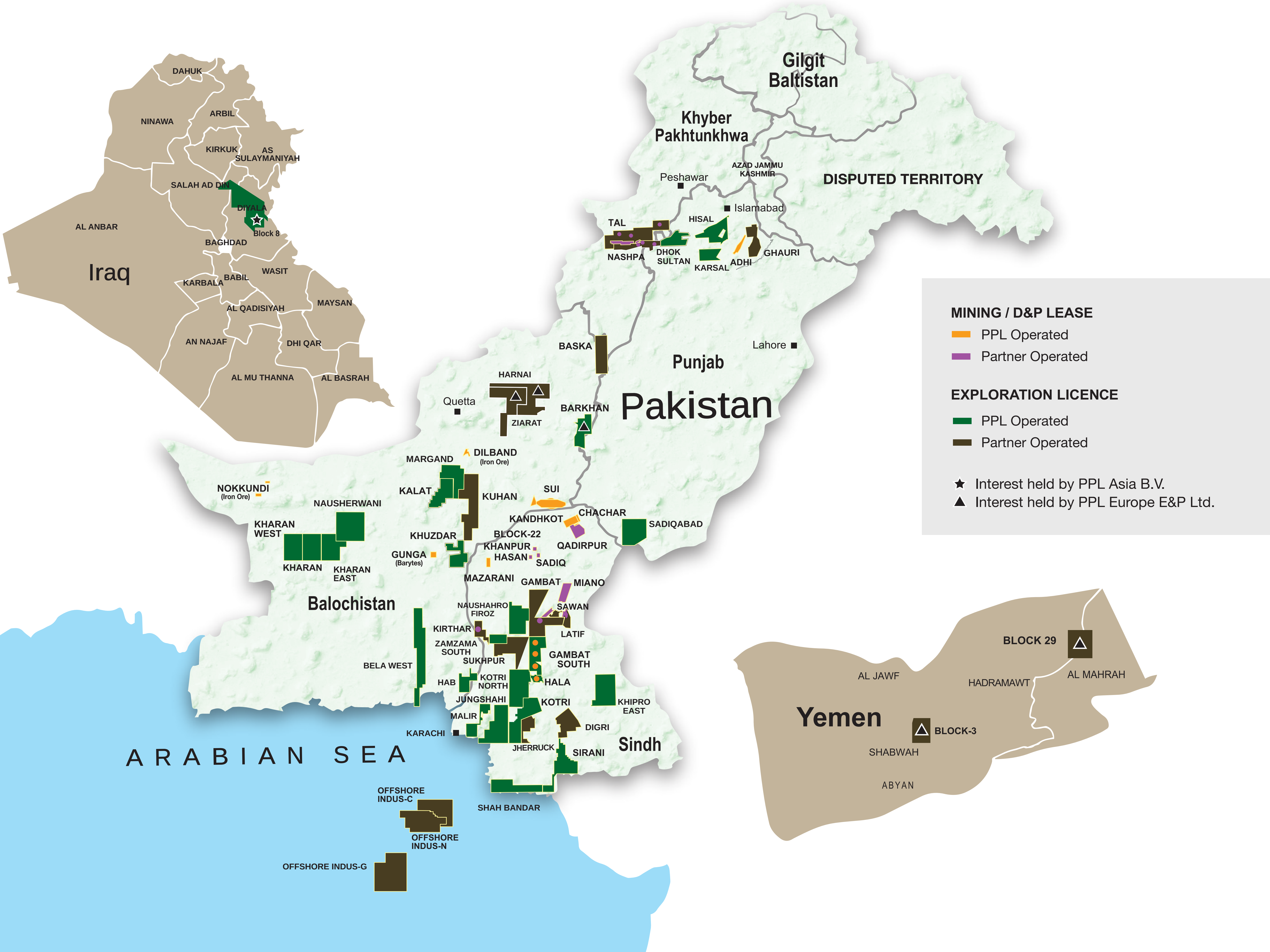
47. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 15, 2017 by the Board of Directors of the Holding Company.

Chief Financial Officer	Director	Chief Executive

List of Abbreviations

ABBREVIATION	DESCRIPTION
BBL	Barrels
BME	Bolan Mining Enterprises
BCF	Billion Cubic Feet
BCFE	Billions of Cubic Feet Equivalent
CBA	Collective Bargaining Agent
CSR	Corporate Social Responsibility
DGPC	Director General Petroleum Concessions
D&PL	Development and Production Lease
ECC	Economic Coordination Committee
EL	Exploration Lease
EPCC	Engineering, Procurement, Construction and Commissioning
EWT	Extended Well Testing
E&P	Exploration and Production
Eni	Eni Pakistan Limited
FEED	Front End Engineering Design
GDS	Gas Development Surcharge
GENCO-II	Central Power Generation Company Limited
GIDC	Gas Infrastructure Development Cess
GHPL	Government Holdings (Pvt.) Limited
G&G	Geological & Geophysical
GoB	Government of Baluchistan
GoP	Government of Pakistan
GPF	Gas Processing Facility
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technology
KBOE	Thousands of Barrel of Oil Equivalent
KM/ LKm/ Sq Km	Kilometer/ Line Kilometer/ Square Kilometer
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LoA	Letter of Award
LPG	Liquefied Petroleum Gas
LTI	Loss Time Injury



Iraq
DAHUK
ARBIL
NINAWA
KIRKUK
AS SULAYMANIYAH
SALAH AD DIN
DIYALA
Block 8
AL ANBAR
BAGHDAD
WASIT
KARBALA
BABIL
MAYSAN
AL QADISIYAH
AN NAJAF
DHI QAR
AL MU THANNA
AL BASRAH
Gilgit Baltistan
Khyber Pakhtunkhwa
Peshawar
AZAD JAMMU KASHMIR
DISPUTED TERRITORY
Islamabad
TAL
HISAL
NASHPA
DHOK SULTAN
KARSAL
ADHI
GHAURI
BASKA
Lahore
Punjab
HARNAI
Quetta
ZIARAT
BARKHAN
Pakistan
MARGAND
DILBAND (Iron Ore)
KALAT
KUHAN
SUI
NOKKUNDI (Iron Ore)
NAUSHERWANI
CHACHAR
KANDHKOT
SADIQABAD
KHARAN WEST
KHUZDAR
BLOCK-22
KHANPUR
QADIRPUR
GUNGA (Barytes)
HASAN
SADIQ
KHARAN
KHARAN EAST
MAZARANI
GAMBAT
MIANO
Balochistan
NAUSHAHRO FIROZ
SAWAN
KIRTHAR
LATIF
ZAMZAMA SOUTH
GAMBAT SOUTH
SUKHPUR
BELA WEST
HAB
KOTRI NORTH
HALA
JUNGSHAHI
KOTRI
KHIPRO EAST
MALIR
DIGRI
KARACHI
JHERRUCK
SIRANI
Sindh
ARABIAN SEA
OFFSHORE INDUS-C
SHAH BANDAR
OFFSHORE INDUS-N
OFFSHORE INDUS-G
MINING / D&P LEASE
PPL Operated
Partner Operated
EXPLORATION LICENCE
PPL Operated
Partner Operated
Interest held by PPL Asia B.V.
Interest held by PPL Europe E&P Ltd.
BLOCK 29
AL JAWF
HADRAMAWT
AL MAHRAH
Yemen
BLOCK-3
SHABWAH
ABYAN

ABBREVIATION	DESCRIPTION
M	Meter
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
NHEPL	New Horizon Exploration and Production Limited
NBFI	Non-Banking Financial Institution
NGL	Natural Gas Liquids
NOC	No Objection Certificate
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment System
OMV	OMV (Pakistan) Exploration GmbH
OPD	Out Patient Department
P&A	Plugged and Abandoned
P	Pub Reservoir
PCA	Petroleum Concession Agreement
POGC	Polish Oil & Gas Company
PPLA	PPL Asia E&P B.V.
PPLE	PPL Europe E&P Limited
PSA	Profit Sharing Agreement
QHSE	Quality, Health, Safety and Environment
SAP	System Application Products in Data Processing
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
TCF	The Citizen Foundation
T / K / S	Tobra/ Khewra/ Sakesar
UEPL	United Energy Pakistan Limited
USD `	United States Dollar
WPPF	Worker's Profit Participation Fund
ZHENHUA	China ZenHua Oil Co. Ltd.

Pattern of Shareholding

As At June 30, 2017

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	1,959	98,771
101	500	3,326	988,791
501	1,000	1,800	1,487,099
1,001	5,000	12,267	21,449,978
5,001	10,000	741	5,519,098
10,001	15,000	312	3,913,790
15,001	20,000	150	2,641,709
20,001	30,000	180	4,460,204
30,001	40,000	109	3,804,090
40,001	50,000	68	3,108,557
50,001	60,000	29	1,580,009
60,001	70,000	29	1,904,244
70,001	80,000	34	2,565,985
80,001	90,000	21	1,814,697
90,001	100,000	26	2,551,638
100,001	150,000	49	6,181,161
150,001	200,000	30	5,310,178
200,001	300,000	43	10,901,836
300,001	500,000	39	15,491,820
500,001	1,000,000	44	31,995,642
1,000,001	1,800,000	30	38,762,999
1,800,001	10,000,000	40	151,715,612
10,000,001	66,925,000	6	177,439,923
144,965,001	144,970,000	1	144,969,072
1,331,055,574	1,331,060,573	1	1,331,060,573
	TOTAL	**21,334**	**1,971,717,476**

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Ordinary shares			
Directors, CEO and their spouse and minor children	3	76,002	*
Associated companies, undertakings and related parties			
PPL Employees Empowerment Trust	1	144,969,072	7.35
PPL Employees Retirement Benefit Funds	6	1,097,551	0.06
NIT and ICP	1	1,389,374	0.07
Banks, Development Financial Institutions, Non-Banking Financial Institutions	18	19,847,468	1.01
Insurance Companies	19	3,633,423	0.18
Modarabas and Mutual Funds	90	46,572,966	2.36
Shareholders holding 10% or more			
Government of Pakistan	1	1,331,060,573	67.51
General Public			
Resident	20,577	89,052,316	4.52
Non-resident	213	282,838	0.01
Others			
Non-Resident Entities	114	228,942,544	11.61
Public Sector Companies and Corporations	10	68,152,608	3.46
Joint Stock Companies	170	12,950,447	0.66
Employee Trust / Foundations etc.	105	23,687,909	1.20
Nazir of High Court	6	2,385	*
	21,334	**1,971,717,476**	**100.00**
Convertible Preference Shares			
Individuals	81	11,569	96.58
Joint Stock Companies	1	370	3.09
Nazir of High Court	1	40	0.33
	83	**11,979**	**100.00**

* Negligible

Pattern of Shareholding

As At June 30, 2017

ADDITIONAL INFORMATION

Information on shareholding required under reporting framework of the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules is as follows:

Shareholders' Category	No. of Shareholders	No. of Shares Held
Associated Companies, undertakings and related parties		
PPL Employees Empowerment Trust	1	144,969,072
Trustees PPL Senior Provident Fund	1	1,015,860
Trustees PPL Junior Provident Fund	1	13,200
Trustees PPL Executive Staff Pension Fund	1	41,883
Trustees PPL Non-Executive Staff Pension Fund	1	13,386
Trustees PPL Executive Staff Gratuity Fund	1	7,255
Trustees PPL Non-Executive Staff Gratuity Fund	1	5,967
Mutual Funds (namewise details are given on next page)	84	46,238,738
Directors and their spouses and minor children		
Mr. Imtiaz Hussain Zaidi	1	75,000
Mr. Aftab Nabi	1	1,000
Mr. Saeedullah Shah	1	2
Executives	27	96,516
Public Sector Companies & Corporations	10	68,152,608
Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas & Pension Funds	58	35,381,318
Shareholders holding five percent or more voting rights		
President of the Islamic Republic of Pakistan	1	1,331,060,573
PPL Employees Empowerment Trust	1	144,969,072

Trade in shares of the Company by Directors, executives* and their spouses and minor children

Name	Category	Date of Transaction	Nature of Transaction	Price Per Share (Rs)	No. of Shares
Mr. Ijaz Ahmad	Executive	25-05-2017	Sale	185.5	4,400

* In accordance with the clause 5.19.11 of the Code of Corporate Governance, the Board has set a threshold for categorisation of a certain group of senior management employees as "Executives", which is reviewed annually.

NAMEWISE DETAILS OF MUTUAL FUNDS

S.NO	NAME	SHAREHOLDING
1	PRUDENTIAL STOCK FUND LTD.	50
2	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	2,423,900
3	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	45,030
4	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	200,000
5	CDC - TRUSTEE PICIC INVESTMENT FUND	425,000
6	CDC - TRUSTEE PICIC GROWTH FUND	850,000
7	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	645,300
8	CDC - TRUSTEE ATLAS STOCK MARKET FUND	649,200
9	CDC - TRUSTEE MEEZAN BALANCED FUND	493,944
10	CDC - TRUSTEE ALFALAH GHP VALUE FUND	143,000
11	CDC - TRUSTEE AKD INDEX TRACKER FUND	104,324
12	CDC - TRUSTEE PICIC ENERGY FUND	290,000
13	CDC - TRUSTEE AKD OPPORTUNITY FUND	230,000
14	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	210,800
15	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	723,233
16	CDC - TRUSTEE MEEZAN ISLAMIC FUND	3,443,550
17	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,388,500
18	PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	50,400
19	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	685,000
20	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	2,083,800
21	CDC - TRUSTEE NAFA STOCK FUND	3,745,923
22	CDC - TRUSTEE NAFA MULTI ASSET FUND	210,083
23	SAFE WAY FUND LIMITED	50,000
24	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	636,657
25	CDC - TRUSTEE APF-EQUITY SUB FUND	50,000
26	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1,837,500
27	CDC - TRUSTEE HBL - STOCK FUND	856,300
28	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1,945,070
29	CDC - TRUSTEE APIF - EQUITY SUB FUND	76,000
30	CDC - TRUSTEE HBL MULTI - ASSET FUND	150,000
31	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	260,100
32	CDC - TRUSTEE ALFALAH GHP STOCK FUND	109,100
33	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	96,100
34	CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1,279,879
35	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	2,052,538
36	CDC - TRUSTEE ABL STOCK FUND	964,600
37	CDC - TRUSTEE FIRST HABIB STOCK FUND	23,500
38	CDC - TRUSTEE LAKSON EQUITY FUND	580,880
39	CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	391,960
40	PEARL SECURITIES LIMITED - MF	400
41	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	171,800
42	CDC - TRUSTEE PICIC STOCK FUND	93,100
43	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	50,000
44	CDC - TRUSTEE HBL PF EQUITY SUB FUND	22,500
45	CDC - TRUSTEE KSE MEEZAN INDEX FUND	1,005,926
46	CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	15,500
47	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	717,280
48	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	256,178
49	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	244,632
50	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	211,400
51	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	44,500
52	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	924,700
53	MULTILINE SECURITIES (PVT) LIMITED - MF	2,500
54	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	4,800
55	ARIF HABIB LIMITED - MF	3,500
56	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	368,400
57	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	241,600
58	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	189,200
59	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	18,800
60	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	13,700
61	CDC-TRUSTEE PAKISTAN ISLAMIC PENSION FUND - EQUITY SUB FUND	121,673
62	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	125,823
63	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	2,373,800
64	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1,131,600
65	CDC-TRUSTEE NITIPF EQUITY SUB-FUND	70,000
66	CDC-TRUSTEE NITPF EQUITY SUB-FUND	40,500
67	AXIS GLOBAL LIMITED - MF	1,000
68	DIN CAPITAL LTD. - MF	3,000
69	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	3,117,500
70	CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1,163,000
71	ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	200
72	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	138,500
73	CDC - TRUSTEE MEEZAN ASSET ALLO CATION FUND	263,200
74	CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1,529,500
75	CDC - TRUSTEE LAKSON TACTICAL FUND	102,055
76	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	16,750
77	A.N. EQUITIES (PVT.) LTD. - MF	6,300
78	CDC - TRUSTEE MEEZAN ENERGY FUND	277,000
79	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	730,100
80	CDC - TRUSTEE AGIPF EQUITY SUB-FUND	10,000
81	CDC - TRUSTEE AGPF EQUITY SUB-FUND	7,400
82	MRA SECURITIES LIMITED - MF	3,000
83	BAWA SECURITIES (PVT) LTD. - MF	5,000
84	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (P) LTD - MF	200
		46,238,738

Notice of 66th Annual General Meeting

Notice is hereby given that the 66th Annual General Meeting of Pakistan Petroleum Limited will be held on Friday, 27th October 2017 at 10:30 AM at the Marquee Hall at the Pearl Continental Hotel, Karachi, to transact the following ordinary business:

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30th June 2017 together with the directors' and auditors' reports thereon.

2. To approve and declare a final dividend of Rs. 6.00 per ordinary share (60%) for the financial year ended 30th June 2017 recommended by the Board of Directors.

3. To re-appoint Messrs. A.F. Ferguson and Co. as auditors of the Company for the financial year 2017-18 and to fix their remuneration.

By the Order of the Board

Shahana Ahmed Ali
Company Secretary

5th October 2017
Karachi

NOTES

1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from 16th October 2017 until 27th October 2017 (both days inclusive).

Only persons whose names appear in the register of members of the Company as on 13th October 2017, are entitled to attend, participate in, and vote at the Meeting.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his / her behalf. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A form of proxy is included in the Company's Annual Report.

2. Guidelines for CDC Account Holders

CDC account holders should comply with the following guidelines of the SECP:

A For Attendance

(a) Individuals should be account holder(s) or sub-account holder(s) and their registration details should be uploaded according to CDC regulations and must establish their identity at the time of the Meeting by presenting their original Computerized National Identity Card (CNIC) or passport.

(b) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

B For Appointing Proxies

(a) Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded according to CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

(b) The proxy form must be attested by two persons whose names, addresses and CNIC numbers must be specified therein.

(c) Attested copies of the CNIC or passport of the beneficial owner and the proxy must be provided along with the form of proxy.

(d) Proxies must at the time of the Meeting produce their original CNIC or passport.

(e) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

3. Tax Implications on Dividends

Increased Tax Rates

Pursuant to the Finance Act 2017 an enhanced rate of withholding tax on dividend income has been stipulated in the Income Tax Ordinance, 2001.

The revised rates of tax are as follows:

(a) 15% in the case of filers of income tax returns.

(b) 20% in the case of non-filers of income tax returns.

A ‘filer’ is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a ‘non-filer’ is a person other than a filer. The FBR has uploaded the ATL on its web-site, and it may be viewed at http://fbr.gov.pk.

The tax status of members as on the first day of book closure will be ascertained by the Company. Withholding tax at the rate of 20% will apply in the case of members whose names are not in the ATL. Withholding tax at the rate of 15% will apply in the case of members who are filers.

Corporate members who hold CDC accounts should intimate their NTN to their participants. Members who hold share certificates should provide a copy of their NTN certificate along with the Company's name and their folio numbers to the Company's share registrars, Messrs. FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi (the "Share Registrars").

Tax in case of Joint Shareholders

The FBR has clarified that holders of shares held in joint names or joint accounts will be treated individually as either filers or non-filers and tax will be deducted according to the proportionate holding of each holder.

Joint shareholders should intimate the proportion of their respective joint holding to the Share Registrars latest by 13th October 2017 in the following form:

CDC Account Number	Name of Shareholders (Principle / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature

Withholding tax will be deducted according to proportionate holdings. If the proportion of joint shareholding has not been intimated each joint shareholder will be presumed to hold an equal proportion of shares.

Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid Tax Exemption Certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47 B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption should provide a copy of their valid Tax Exemption Certificate to the Shares Registrar prior to the date of book closure, otherwise tax will be deducted according to applicable law.

4. Dividend Bank Mandate

Pursuant to Section 242 of the Companies Act, 2017 cash dividend shall be paid only by electronic transfer into the bank account of the shareholder designated for the purpose. Accordingly the following information must be provided:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of shareholder:	
Landline Number of shareholder:	
CNIC / NTN Number (Attach copy):	
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 their respective participants.

5. **Intimation of Change of Address**

Members who hold share certificates should notify any change in their registered address and provide their declarations for non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC / participant accounts should update their addresses and submit their declarations for non-deduction of zakat, if applicable, to the CDC or their respective participants / stockbrokers.

6. **Submission of CNIC Copies**

The dividend warrants of members whose CNIC copies have not been received by the Company shall not be dispatched until receipt thereof. The names of the members whose CNIC copies have not been received by the Company may be viewed on the Company's website: www.ppl.com.pk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Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan
*Mobile apps are also available for download for android and ios devices

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 27th October 2017 and at any adjournment thereof.

Signed under my / our hand this _____ day of October 2017.

____
Signature should tally with the
specimen signature registered with
the Company

Signed in the presence of:

Signature of Witness:	Signature of Witness :
Name:	Name:
CNIC No.:	CNIC No.:
Address:	Address:

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorized, or if the appointer is a corporation either under the common seal or under the hand of a duly authorized official or attorney. No person shall be appointed proxy who is not a member of the Company and qualified to vote except a corporation being a member may appoint a non-member.

2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of such power of authority shall be lodged with the share registrars of the Company, Messrs. FAMCO Associates (Private) Limited, 8-F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Karachi, not less than 48 hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and if it is not so lodged the instrument of a proxy shall not be deemed valid. CDC shareholders and their proxies are required to append an attested photocopy of their computerized national identity card (CNIC) or passport with the proxy form.

پراکسی فارم

سیکریٹری
پاکستان پیٹرولیم لمیٹڈ
پی آئی ڈی سی ہاؤس
ڈاکٹر ضیاالدین احمد روڈ
کراچی

میں/ہم ____________________ پاکستان پیٹرولیم لمیٹڈ کے ممبر کی حیثیت سے کمپنی کے ________ عمومی شیئر (ز) رجسٹرڈ کنندہ رجسٹر فولیو نمبر/CDC A/c No.

__________ جناب ________________ فولیو نمبر/CDC A/c No.(اگر ممبر) ہے ________________ یا ان کے بجائے،

جناب ________________ فولیو نمبر/CDC A/c No.(اگر ممبر ہے) ________________ بذریعہ ہذا کو اپنا/ہمارا پراکسی مقرر کرتا ہوں تا کہ میری غیر موجودگی میں کمپنی کے سالانہ اجلاس عام میں جو 27 اکتوبر 2017 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 2017۔

____
دستخط، کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں

گواہ کے دستخط:	گواہ کے دستخط:
نام:	نام:
سی این آئی سی نمبر:	سی این آئی سی نمبر:
پتہ:	پتہ:

نوٹس:

1۔ پراکسی مقرر کرنے کا اختیار مجاز شخص یا اس کے اٹارنی کی طرف سے تحریری طور پر دینا ہوگا یا کارپوریشن / کمپنی ہونے کی صورت میں کامن سیل کے تحت یا با اختیار شخص یا اٹارنی کی طرف سے دینا ہوگا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہوسکتا ہو جو کمپنی کا ممبر نہ ہو ماسوائے کارپوریشن / کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کر سکتی ہے۔

2۔ پراکسی مقرر کرنے اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) جس کے ذریعے دستخط کیے جائیں یا تصدیق شدہ پاور آف اتھارٹی کی کاپی شیئر رجسٹرار 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۔

Pakistan Petroleum Limited

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