Pakistan Oilfields Limited

Exp[o]loration defines us.

ANNUAL REPORT 2019

Pakistan Oilfields Limited is a leading oil and gas exploration and production Company listed on Pakistan Stock Exchange (PSX). The Company's prime focus is to deliver performance through excellence in the field of exploration, drilling and production of crude oil and gas. Pakistan Oilfields Limited (POL), a subsidiary of The Attock Oil Company Limited (AOC), was incorporated on November 25, 1950.

AOC was founded in 1913 and made its first oil discovery in 1915 at Khaur, District Attock. AOC has, therefore, pioneered exploration and production of oil and gas in this region nearly a century ago. In 1978, POL took over the exploration and production business of AOC. Since then, POL has been investing independently and in joint venture with various exploration and production companies for the search of oil and gas in the country.

In addition to exploration and production of oil and gas, POL plants also manufacture LPG, solvent oil and sulphur. POL markets LPG under its own brand named POLGAS as well as through its subsidiary CAPGAS (Private) Limited. POL also operates a network of pipelines for transportation of its own as well as other companies' crude oil to Attock Refinery Limited. In 2005, the Company acquired a 25% share in National Refinery Limited, which is the only refining complex in the country producing fuel products as well as lube base oils.

POL, since it's inception in 1915 is driven to explore. In 104 years of operations, this undiminished drive has moved POL as the top E&P Company of Pakistan.

The resolute spirit of POL to explore and exploit defines us in its entirety.

CONTENTS

FINANCIAL HIGHLIGHTS

THE COMPANY CONTINUES TO PLAY A VITAL ROLE IN THE OIL AND GAS SECTOR OF THE COUNTRY

(2018: US $ 465 MILLION)

SAVED FOREIGN EXCHANGE

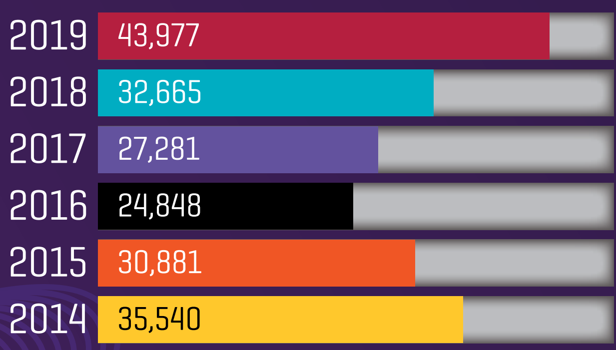
US $ 520
MILLION
during the year

(2018: RS. 10,981 MILLION)

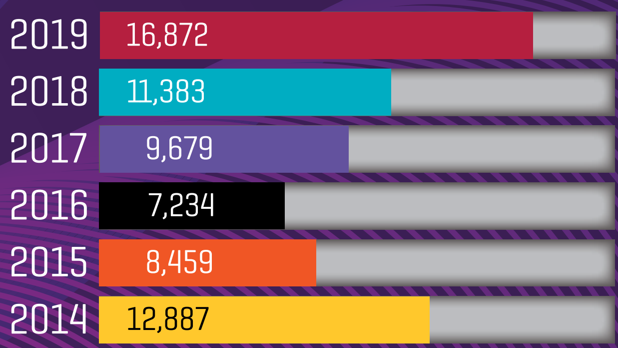
CONTRIBUTION TO THE NATIONAL EXCHEQUER

Rs. 18,601
MILLION
in the shape of royalty and other goverment levies

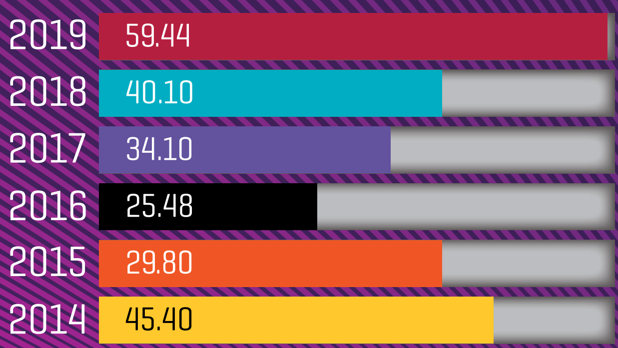
NET SALES
(Rs in million)



PROFIT AFTER TAX
(Rs in million)



EARNINGS PER SHARE (Restated)
(Rs)



EXPLORATION COST
Rs. 2,049 MILLION

DEVELOPMENT COST
Rs. 3,202 MILLION

CASH DIVIDEND
Rs. 14,193 MILLION

PROFIT AFTER TAX
Rs. 16,872 MILLION

EARNINGS PER SHARE
QUARTERLY

	QUARTER 01	QUARTER 02	QUARTER 03	QUARTER 04
2019	13.62	14.17	11.58	20.07
2018	8.93	7.85	10.94	12.38

June 30,2019 - Total = 59.44

June 30,2018 - Total = 40.10

VISION

To be the leading oil and gas exploration and production Company of Pakistan with the highest proven hydrocarbon reserves and production, and which provides optimum value to all stakeholders.

MISSION

We aim to discover and develop new hydrocarbon reserves and enhance production from existing reserves through the application of the best available technologies and expertise. In achieving our aim, we will maximize the return to our shareholders, fully protect the environment, enhance the wellbeing of our employees and contribute to the national economy.

STRATEGY

Pakistan Oilfields Limited is a growth oriented leading exploration and production company of Pakistan. Our prime focus is to deliver performance through excellence in the field of exploration and exploitation. We plan to increase our current level of oil and gas production through the application of innovative technology to obtain maximum productivity. Our long term goal is to sustain production by regularly adding new reserves. Our ultimate goal is to maximize returns to our shareholders and provide optimum value to all stakeholders.

CORE VALUES

Leadership

POL values leadership qualities with the necessary managerial and professional competence coupled with integrity, energy and the drive to challenge the status quo.

Continuous Quality Improvement

We strongly believe that quality and an unyielding commitment to continuous improvement are indispensable ingredients to achieving success. At POL, we encourage and promote an environment conducive to the development of breakthrough ideas leading to innovative solutions.

Ethics and Integrity

Honesty, ethical behaviour and integrity combined with the highest professional and personal standards form the cornerstone of all our activities.

Profitability

We believe in maximizing the return to our shareholders and enhancing the long term profitability of the Company through the application of the best available technology and expertise.

Employees’ Growth & Development

We believe in the creation of an environment focused on encouraging and empowering employees to contribute to the Company’s success through personal growth and development.

Community Involvement

We strongly believe actively involving the communities in which we operate for the advancement of their cultural and social life.

Safety, Health & Environment

We care about the health and safety of our employees and of the communities in which we conduct our business. We remain deeply committed to respect and protect the environment.

STRATEGIC FOCUS AND FUTURE ORIENTATION

> "Our focus is to grow shareholder value by leveraging our development capabilities

Pakistan Oilfields Limited is a full cycle exploration and production company. Our focus is to grow shareholder value by leveraging our development capabilities and balance sheet to deliver high quality projects while maintaining exposure to upside from successful exploration.

The company's strategic objectives were reviewed in the meeting of Directors. A process is already in place whereby long term strategies and annual operational plans established by management are regularly reviewed by the Directors in line with the Company's overall business objectives. Following are the strategic and management objectives:

1. **Exploration & Production:** The main focus in this area is on enhancement of reserves, increase in production and expansion of exploration activities.
2. **POLGAS Marketing:** Focus is on delivering a quality LPG to end consumer in all parts of Pakistan.
3. **Financial:** Focus is on increasing revenues through production enhancement, cost cutting and budgetary control measures along with increasing return to the shareholders.
4. **Internal Controls:** Company's focus in this area is Business process re-engineering to ensure effective controls are in place and enriched management reporting system to improve visibility over key operational areas and to assist the management in strategic decision making.
5. **Stakeholders:** Company is determined to meet expectations of its stakeholders including shareholders, JV partners, employees and Corporate Social Responsibility works for local communities in areas of the Company's operations.

The objectives and targets in each focus area are also classified into;

- short term (<2 years)
- medium term (2-7 years)
- long term (7-12 years)

Management Strategies to Meet the Objectives

For effective monitoring, following measures are adopted by the Management:

- Monthly review meetings of the senior management are held to make adjustments or alterations in course of actions, to achieve the targets within specified time.
- BEACON HR, a POL specific Self Service System has been where Supervisors can manage and develop their teams, assign tasks and record feedback for management review.
- Our strategy and legal obligation is to generate value for our shareholders. Taking consideration the capital needs of the company, offering higher return in the shape of cash dividend to our shareholders from current year profits.
- Key Performance Indicators (KPIs) are used and monitored to compare the overall performance of the Company.

Resource Allocation

Company believes in efficient allocation of all available resources at hand including financial capital, human capital, manufactured capital, intellectual capital and social capital in order to implement and achieve desired strategic / management objectives.

Key Performance Indicators

POL measures its performance in line with its strategic objectives of growing the value of the underlying assets of the business and creating significant returns for shareholders in a safe and responsible manner.

Financial Capital Planning

There are no liquidity issues for the company and POL is in strong financial position due to effective strategic management.

Future Orientation

a) In-depth evaluation of granted Exploration Blocks to identify drillable prospects.

b) Exploit full potential of own and operated fields and delineation any possible / drillable potential in the already granted D & P Leases.

c) Evaluation of open acreage to apply for new prospective blocks in the forth coming bidding round.

d) Search for possible farm-in after in-depth review of Exploration Blocks, with credible companies.

e) Efforts to farm-out high risk Exploration Blocks.

f) Extend hydrocarbon exploration activities overseas where technically and economically viable.

g) Evaluate producing blocks which are being offered for sale in Pakistan and overseas.

Significant Changes in Objectives and Strategies from the Previous Year

There has been no significant change in the Company's objectives as strategies are well planned by management. However, actual measureable targets are revised each year taking into consideration different internal and external factors.

FORWARD LOOKING STATEMENT AND FUTURE PLAN

We are committed to increase the reserves of hydrocarbons and to explore all possible options to optimally produce the proven reserves in economically viable manner. Driven by our vision to be the leading oil and gas Exploration Company of Pakistan. The Company is investing substantial amount on exploration/development activities.

Drilling activities are under way to appraise last year discoveries of Jhandial and Adhi South. The Company is continuously investing in seismic data acquisition, processing and interpretation. Presently 3D/2D Seismic data acquisition, processing and interpretations are under way at Ikhlas, TAL West area and Gurgalot blocks which is a prerequisite for the decisions of new wells.

Presently, five development wells are under drilling. In the year 2019-20 ten more wells will be spudded out of which three wells are exploratory. The Company is investing a substantial amount to increase its reserve base and with the Grace of Allah we are pretty much hopeful to get new successes.

At Ikhlas Block Jhandial – 2 well has been approved and expected to be spudded in the second quarter of our financial year 2020. At DG. Khan, DGK-1 well has been finalized and presently road to well location and well site construction is in progress. At Ratana, Ratana-5 well has been approved by the Joint Venture Partners and expected to be drilled during this year. In TAL Block, drilling of exploratory well Mamikhel South-01 is planned during the year 2019-20.

> “Driven by our vision to be the leading oil and gas Exploration Company of Pakistan.

Trends and Uncertainties Affecting the Company's Revenue and Operations

Oil prices in international market and exchange rates have significant impact on the Company's revenue which cannot be predicted reliably as it is based on variable factors not in controllable by the Company. Law and order situation especially in remote areas of KPK and interior Sindh has resulted in delayed completion of several projects and same challenge would remain in the coming year.

Performance Related to Forward Looking Disclosure Made in Last Year.

Mardankhel-2 well was connected on September 18, 2018 to the production line and Mardankhel-3 has also been connected to the production line on July 05, 2019. Adhi South X-1 well has been connected to the production line and producing around 1,200 barrels of oil per day and 1.4 million standard cubic feet of gas per day. Drilling of Adhi 33 and 34 and Adhi South-4 also started during the year and drilling in in progress

At Gurgalot block 3D seismic data acquisition of 320 Square kilometers has been completed and data processing is in progress. At Ikhlas block, 3D Seismic acquisition over Langrial prospect is in progress. At Margalla block, out of 2D Seismic acquisition of 228.26 line kilometers, acquisition of 92 line kilometers have been completed. At TAL block, KOT area 3D Seismic data acquisition is in progress.

Jhal Magsi been stopped as decision regarding laying of pipeline by SSGCL is not finalised. At Hisal block, drilling of first exploratory well Misrial-X1 and Mamikhel deep-1 were not successful and wells have been plugged and abandoned.

YEAR AT A GLANCE

01

26 JULY 2018

Well Khaur North-01

Dicovered hydrocarbons from Exploratory Well Khaur North-01, located in District Attock

02

15 AUGUST 2018

Board of Directors Meeting

508th Board of Directors Meeting and announcement of yearly results

03

25 SEPTEMBER 2018

Annual General Meeting

67th Annual General Meeting

04

12 OCTOBER 2018

Board of Directors Meeting

509th Board of Directors Meeting and announcement of 1st quarter results

05

04 OCTOBER 2018

Issuance of Bonus Share

Issuance of Bonus Shares @ 20% i.e. one share on every five shares

06

15 OCTOBER 2018

Payment of Dividend

Payment of Final Dividend 2017-18

07

22 JANUARY 2019

Board of Directors Meeting

510th Board of Directors Meeting and announcement of 2nd quarter results

08

09 APRIL 2019

Payment of Dividend 2018-19

Payment of Interim Dividend 2018-19

09

11 APRIL 2019

Board of Directors Meeting

511th Board of Directors Meeting and announcement of 3rd quarter results

10

18 JUNE 2019

Board of Directors Meeting

512th Board of Directors Meeting for Budget 2019-20 approval

Our Legacy

- **1915** Discovered first commercial oil field at Khaur on the Indian subcontinent
- **1936** Oil Discovered at Dhulian
- **1944** Oil Discovered at Joyamair
- **1946** Oil Discovered at Balkassar
- **1950** POL was incorporated as a Pakistan Oil & Gas Exploration and Production Company on November 25, 1950
- **1968** Oil Discovered at Meyal
- **1978** Pakistan Oilfields Limited took over AOC's entire exploration, production, processing and oil transmission on November 7, 1978

Well No.1-Khaur 1915

1994 Oil and Gas discovered at Pariwal

1995 Re-estabilished Hydrocarbon production at Pindori

1996 Oil and Gas discovered at Minwal

1997 Oil and Gas Discovered at Turkwal

2005 Acquired National Refinery Limted with 25% share.

2017 Oil and Gas discovered at Ikhlas

2018 Hydrocarbons discovered in
- Jhandial Well-1, The Largest Oil & Gas Discovery in Punjab
- Joyamair Deep-1 Well

LPG bottling facility at Dhullian

Code of Conduct

Pakistan Oilfields Limited will support a precautionary approach to environmental challenges, within its sphere of influence, undertake initiatives to promote greater environmental responsibility

- The Company's activities and operations will be carried out in strict compliance with all applicable laws and the highest ethical standards. The directors and employees will ensure that the Company deals in all fairness with its customers, suppliers and competitors.
- Employees, irrespective of their function, grade or standing, and the directors must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.
- Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board, and will be disclosed to the shareholders.
- The directors and employees may not take advantage of the Company's information or property, or their position with the Company, to develop inappropriate personal gains or opportunities. They may, however, receive gifts of token value or accept invitations only if such gifts or invitations have no influence on their decision making and are not illegal under any applicable law. No director or employee may receive from any customer, supplier or business

associate of Pakistan Oilfields Limited cash, gifts or invitations with other than nominal monetary value.

- Trading by directors and employees of the Company in Pakistan Oilfields Limited shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.
- In its relations with governmental agencies, customers and suppliers, the Company will not, directly or indirectly, engage in bribery, kickbacks, payoffs, or any other corrupt business practices.
- The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.
- No false or artificial entries shall be made in the Company's books and records for any reason, and all financial transactions must be accurately and properly accounted for in the books and records.
- All benefits provided to the directors and employees of Pakistan Oilfields Limited in addition to their standard remuneration will be awarded in full compliance with the Company official policies.
- Pakistan Oilfields Limited will respect the privacy of data relating to individual persons (whether employees or third parties) which it may hold or handle as part of its information processing activities or otherwise.
- Employees will maintain the confidentiality of the Company and its customers' confidential information which is disclosed to them.
- Pakistan Oilfields Limited will support a precautionary approach to environmental challenges, within its sphere of influence, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.
- Pakistan Oilfields Limited will support and respect the protection of international human rights within its sphere of influence, in particular the effective elimination of all sorts of compulsory labour and child labour, and it will make this a criterion in the choice and management of its suppliers and sub-contractors.
- Pakistan Oilfields Limited will not discriminate against any employee for any reason such as race, religion, political convictions or gender, and will treat everyone with dignity and with full respect for their private lives. This is expected also to apply to relations between members of personnel.

POLICY FOR PROTECTION AGAINST HARASSMENT

Employees, who have been subjected to harassment, may write directly to the chief executive for resolution of their cases.

Policy

Pakistan Oilfields Limited (POL) is committed to creating a working environment where people can achieve their full potential. The Company's policy on protection against harassment is designed to provide:

an environment where it is clear that harassment is unacceptable, thereby reducing the chance that harassment will occur in the first instance; and a mechanism to resolve complaints where it is felt that harassment has taken place.

Disciplinary action will be taken to deal with actions or behavior, intentional or unintentional, which results in a breach of this policy.

Disciplinary action may also be taken if allegations of harassment are found to be made with a malicious intent. Harassment is not necessarily confined to the behavior of seniors towards juniors;it can take place between colleagues at the same level or involve staff behaving in appropriately towards more senior staff.

It should be noted that harassment can also lead to civil and criminal claims beyond the Company's own disciplinary proceedings.

Explanation

Definition of harassment

For the purpose of this policy, harassment is defined as any unwelcome conduct or comments which:

violates an individual's dignity, and / or creates an intimidating, hostile, degrading,humiliating or offensive environment.

Responsibility of all employees

All employees can help to:

prevent harassment by being sensitive to the reactions and needs of others, and ensuring that their conduct does not cause offence;

discourage harassment by others through making it clear that such conduct is unacceptable, and supporting colleagues and peers who are taking steps to stop the harassment.

The examples given below, which include unacceptable physical and verbal conduct,are not exhaustive.

Gender-related harassment

Examples include displaying unacceptable behavior to a man or a woman due to their gender through disparaging gender- related remarks and threatening behavior.

Sexual harassment

Examples include physical contact, unwelcome gender related jokes, inappropriate use of suggestive visual display unit material,Intimidating behavior such as asking for,or offering,gender-based favors In return for issues relating to employment.

Racial harassment

Examples Include inappropriate questioning and/or jokes about racial or ethnic origin, offensive comments and intimidating behavior,including threatening gestures .

Personal harassment

Examples include making fun of personal circumstances or appearance.

Bullying

This can be physical or psychological. Examples of psychological bullying include unmerited criticism, isolation, gossip, essential information withheld,or behavior that is intimidating or demeaning.

Harassment of disabled people

Examples include discussion of the effects of a disability on an individual's personal life, uninvited touching or staring, and inappropriate questioning about the impact of someone's disability.

Age harassment

Examples include derogatory age-related remarks and unjustifiable dismissal of suggestions on the grounds of the age of the person.

Stalking

This can be physical or psychological. Examples include leaving repeated or alarming messages on voice mail or e-mail, following people home, or approaching others to ask for personal information.

GRIEVANCES POLICY

A grievance is defined, as a condition of employment, which the employee feels, is unjust or inequitable. It is the policy of the Company to provide all employees with an opportunity for full consideration of their cases in a situation where the grievance procedure could be applied. A grievance may be presented orally or in writing.

Procedure:

1. In case of any grievance relating to employment, the employee should raise the matter initially with his / her immediate supervisor within a maximum of five (5) working days of the event prompting the grievance. In no case, should the grievance be raised after the expiry of thirty (30) days of the event.
2. Having inquired into an employee's grievance, the immediate supervisor should discuss the issue and make an effort to resolve the matter at the initial level.
3. If the grievance is not or cannot be settled by the immediate supervisor, the employee or the immediate supervisor should, within three (3) working days, present the case to the departmental head. The departmental head should discuss the matter and make all efforts to resolve the issue. A written report is required to be filed with the P&A department as to whether the grievance was resolved or not and confirming the steps taken toward resolution.
4. If the grievance is not or cannot be settled by the departmental head within three (3) working days, the grievance should be presented to the Management Committee, which shall consider all relevant information and take a decision to resolve the problem or give a ruling within three (3) working days of the case being forwarded by P&A.
5. If the decision of the Management Committee is not acceptable to " the employee and any other party concerned, they may then refer the matter in writing to the Chief Executive, who shall decide whether or not to review the case. The CEO's decision shall be final and binding.
6. It should be noted that in the process of attempting to resolve any employee grievance, it is also the obligation of the employee, as a mature individual, to be receptive to suggestions and to make a serious effort to resolve the matter.
7. Employees are expected to exercise this right in a sensible and judicious manner. Misuse of this policy is strongly discouraged.

WHISTLE BLOWING POLICY

This Policy addresses the commitment of the Company to integrity and ethical behavior by helping to foster and maintain an environment where employees can act appropriately, without fear of retaliation.

To maintain these standards, the Company encourages its employees who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express these concerns without fear of punishment or unfair treatment.

The Company conducts business based on the principles of fairness, honesty, openness, decency, integrity and respect.

It is the Company's policy to support and encourage its employees to report and disclose improper or illegal activities, and to fully investigate such reports and disclosures.

It is also the policy of the Company to address any complaints that allege acts or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against employees who report, disclose or investigate improper or illegal activities (the "Whistleblowers") and to protect those who come forward to report such activities. Company assures that all reports will be treated strictly confidentially and promptly investigated and that reports can be made anonymously, if desired.

The internal control and operating procedures of the Company are in place to detect and to prevent or deter improper activities. However, even the best systems of controls cannot provide absolute safeguards against irregularities. The Company has the responsibility to investigate and report to appropriate parties, allegations of suspected improper activities and to take appropriate actions.

Employees and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected misconduct or improper activities.

General Guidance

This policy presumes that employees will act in good faith and will not make false accusations when reporting of misconduct . An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to disciplinary procedures, which may include termination. Employees who report acts of misconduct pursuant to this policy can and will continue to be held to the Company's general job performance standards and adherence to the Company's policies and procedures.

In case of reports sent through e-mail, it is recommended to mark the subject as Whistleblower' for ease of identification.

Although the whistleblower is not expected to prove the truth of an allegation, he/she needs to demonstrate to the person contacted that there are sufficient grounds for concern.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

POL believes that to be successful as a company it must act responsibly and with integrity in all areas of its activities. POL is committed to its business operations being conducted in a manner that is consistent with relevant good practice in relation to social responsibility.

It is the responsibility of everyone working within the company to ensure that wherever we operate:

- We will work within the standards in our Code of Ethics to ensure that all our business practices are conducted with integrity.
- We will treat our employees fairly, complying with the Fundamental Principles and Rights at Work and providing a rewarding environment in which our employees are engaged and developed.
- We will respect our customers and suppliers and aim to treat them honestly and responsibly with consistent standards wherever we operate.
- We will minimize any negative impact on the environment that might be associated with our operations or our products, searching out new ways to conserve natural resources and innovating to improve our products and processes.
- We will be a good neighbor. Not just keeping our own house in order but also reaching out to support aid and relate to those in our neighborhood. In particular we will focus on providing educational and academic support and engaging in projects that will benefit our local communities.
- We will seek out opportunities for dialogue with all our stakeholders.
- We will monitor and record our achievements under this policy so that we may continuously improve.

HSE POLICY

Pakistan Oilfields Limited (POL) is fully committed to ensure and promote the highest degree of safe and healthy working environment in the entire organization. Our employees are our most important asset and we consider them the critical element for the success of our safety programme. POL recognizes that safe operations depend not only on technically sound plant and equipment but also on competent people and an active HSE culture, and that no activity is so important that it cannot be done safely.

To achieve this objective; we aim to

- Ensure that all relevant health, safety and environment procedures/work instructions are developed and implemented.
- Strive to prevent injuries, ill health and property loss through hazards identification, risk assessments of all activities and processes.
- Ensure that all safety rules and regulations are obeyed and protective equipment is used wherever it is necessary and specified.
- Manage our operations in compliance with all applicable environmental laws and regulations
- Manage hazardous gas emissions, effluents and waste materials through the latest equipment and technologies to ensure a conducive environment for our employees and the local inhabitants including flora and fauna.
- Adhere to health practices which match international standards. Accordingly we invest in improving health facilities and eliminate occupational health hazards for our employees, neighbors, costumer and markets where we operate.
- This policy shall be reviewed periodically to ensure that it remains relevant and appropriate to Pakistan Oilfields Limited.

> “Our employees are our most important asset and we consider them the critical element for the success of our safety programme.

CORPORATE INFORMATION

Directors

MR. LAITH G. PHARAON
Chairman
Attock Group of Companies

Alternate director:
Mr. Shuaib A. Malik

MR. WAEL G. PHARAON
Alternate Director:
Mr. Babar Bashir Nawaz

MR. SAJID NAWAZ

MR. ABDUS SATTAR

MR. TARIQ IQBAL KHAN

MR. NIHAL CASSIM

MR. SHUAIB A. MALIK
Chairman & Chief Executive

Human Resource & Remuneration (HR&R) Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. Shuaib A. Malik
Member

Mr. Abdus Sattar
Member

Audit Committee

Mr. Abdus Sattar
Chairman

Mr. Babar Bashir Nawaz
Member

Mr. Nihal Cassim
Member

Mr. Tariq Iqbal Khan
Member

Company Secretary / CFO

Mr. Khalid Nafees

Auditors & Tax Advisor

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Khan & Piracha
Ali Sibtain Fazli & Associates

Head Office

Pakistan Oilfields Limited
P.O.L. House, Morgah,
Rawalpindi

Telephone: +92 51 5487589-97

Fax: + 92 51 5487598-99

E-mail: polcms@pakoil.com.pk

Website: www.pakoil.com.pk

Field Office

Khaur Office, Tehsil Pindigheb,
District Attock.

Shareholders Enquiries

For enquiries about your shareholding, including information relating to dividends or share certificates, please E-mail to: cs@pakoil.com.pk or write to:

The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah,
Rawalpindi, Pakistan

Share Registrar

CDC Share Registrar Services Limited

CDC House 99-B, Block 'B'
S.M.C.H.S, Main Shahra-e-Faisal,
Karachi.

Toll Free: 0800 23275 (CDCPL)

Fax: +92 21 34326040

Annual Report

The annual report may be downloaded from the Company's website: www.pakoil.com.pk or printed copies may be obtained by writing to:

The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah,
Rawalpindi, Pakistan

The annual report may be downloaded by scanning this QR Code.

GROUP STRUCTURE

Holding Company

Subsidary Company

CAPGAS

Associate Companies

National Refinery Limited

Attock Petroleum Limted

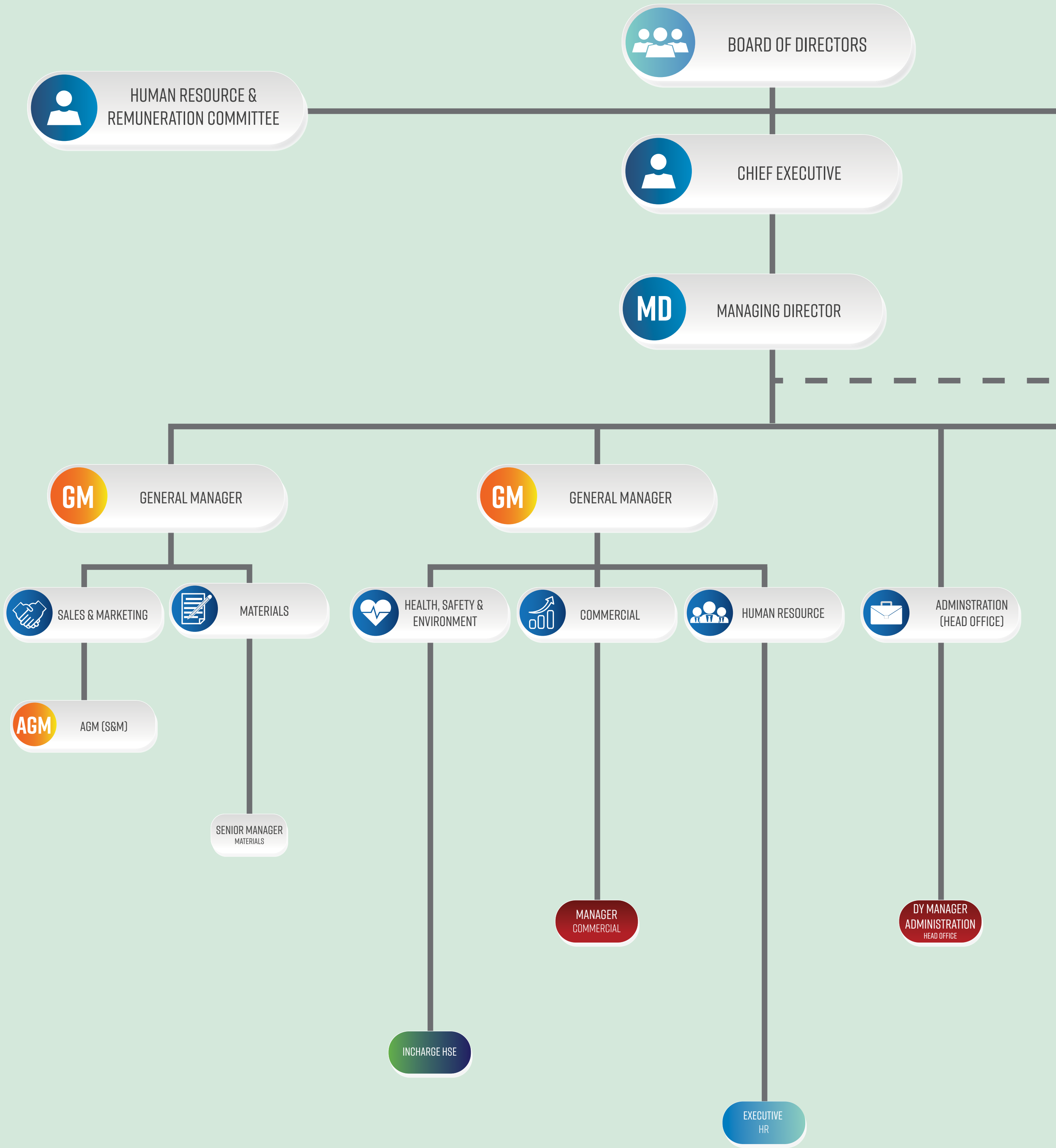
Attock Refinery Limited

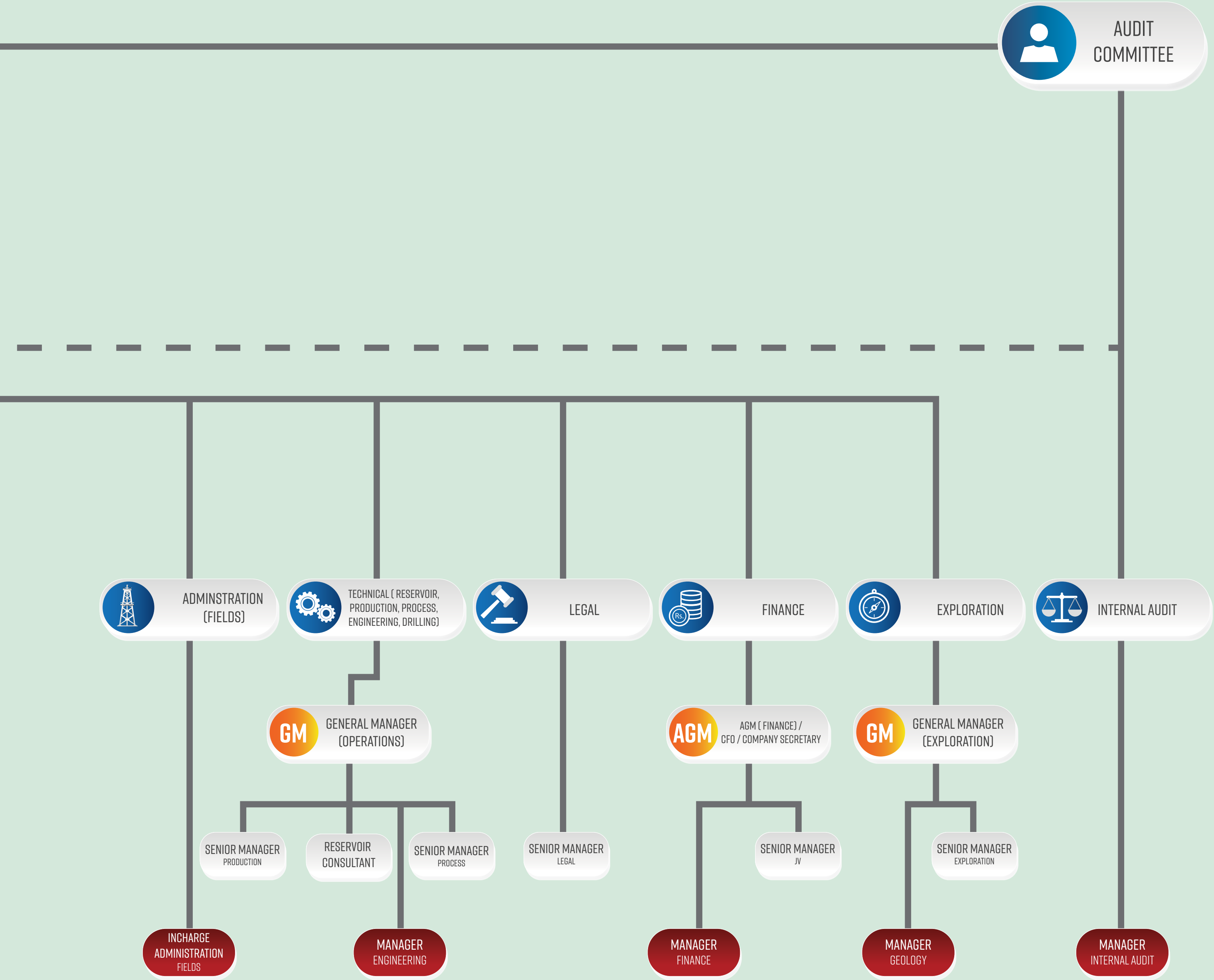
Attock Cement Pakistan Limited

Attock Information Technology Services Limited

Attock Gen Limited

ORGANOGRAM


BOARD OF DIRECTORS
HUMAN RESOURCE & REMUNERATION COMMITTEE
CHIEF EXECUTIVE
MD
MANAGING DIRECTOR
GM
GENERAL MANAGER
GM
GENERAL MANAGER
SALES & MARKETING
MATERIALS
HEALTH, SAFETY & ENVIRONMENT
COMMERCIAL
HUMAN RESOURCE
ADMINSTRATION (HEAD OFFICE)
AGM
AGM (S&M)
SENIOR MANAGER
MATERIALS
MANAGER
COMMERCIAL
DY MANAGER
ADMINISTRATION
HEAD OFFICE
INCHARGE HSE
EXECUTIVE
HR



AUDIT COMMITTEE
ADMINSTRATION (FIELDS)
TECHNICAL (RESERVOIR, PRODUCTION, PROCESS, ENGINEERING, DRILLING)
LEGAL
FINANCE
EXPLORATION
INTERNAL AUDIT
GM
GENERAL MANAGER (OPERATIONS)
AGM
AGM (FINANCE) / CFO / COMPANY SECRETARY
GM
GENERAL MANAGER (EXPLORATION)
SENIOR MANAGER PRODUCTION
RESERVOIR CONSULTANT
SENIOR MANAGER PROCESS
SENIOR MANAGER LEGAL
SENIOR MANAGER JV
SENIOR MANAGER EXPLORATION
INCHARGE ADMINISTRATION FIELDS
MANAGER ENGINEERING
MANAGER FINANCE
MANAGER GEOLOGY
MANAGER INTERNAL AUDIT

Chairman Attock Group of Companies

Board of Directors

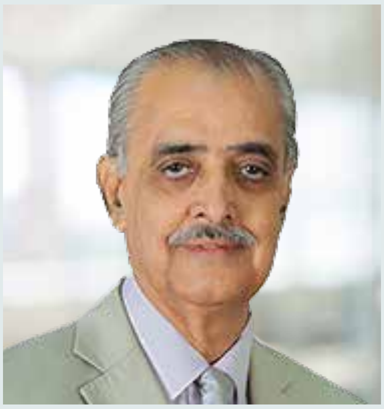
MR. LAITH G. PHARAON

MR. WAEL G. PHARAON

MR. SHUAIB A. MALIK
ALSO ALTERNATE DIRECTOR TO
MR. LAITH G. PHARAON

MR. SAJID NAWAZ

MR. ABDUS SATTAR



MR. TARIQ IQBAL KHAN

MR. NIHAL CASSIM

MR. BABAR BASHIR NAWAZ
ALTERNATE DIRECTOR TO
MR. WAEL G. PHARAON

PROFILE OF THE BOARD OF DIRECTORS

MR. LAITH G. PHARAON

DIRECTOR - NON-EXECUTIVE

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Laith holds a graduate degree from the University of Southern California. He is also Director on Board of various Companies in the Group.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMTED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED

MR. WAEL G. PHARAON

DIRECTOR - NON-EXECUTIVE

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Wael holds a graduate degree. He is a Director on the Board of various Companies in the Attock Group of Companies.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMTED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED

MR. SHUAIB A. MALIK

DIRECTOR - EXECUTIVE, CHAIRMAN & CHIEF EXECUTIVE, ALSO ALTERNATE DIRECTOR TO MR. LAITH G. PHARAON

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around four decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA. Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies, Chairman and Chief Executive of Pakistan Oilfields Limited, Chairman Attock Refinery Limited besides being the Director on the Board of all the Companies in the Group.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMTED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED

PROFILE OF THE BOARD OF DIRECTORS

MR. SAJID NAWAZ

DIRECTOR - EXECUTIVE, MANAGING DIRECTOR

Mr. Sajid Nawaz is presently holding position of Managing Director of Pakistan Oilfields Limited (POL). He has almost 12 years work experience with the Company in Senior Management positions. He is currently serving on Board of Directors of POL, National Refinery Limited and Attock Cement Pakistan Limited. Previously he also served as Chief Executive Officer of POL as well as Director on a number of Boards like, Attock Petroleum Limited, Attock Refinery Limited, Attock Hospital (Pvt.) Limited, and Attock Information Technology Services (Pvt.) Limited. He has over 30 years of work experience in service with Government of Pakistan at various management posts both within country and abroad. Due to the nature of posts and assignments he carries considerable experience of working in different environments.

He has attended various management courses abroad and in Pakistan, including course on International Petroleum Management at Canadian Petroleum Institute, Canada.

OTHER ENGAGEMENTS:

DIRECTOR:

ATTOCK CEMENT PAKISTAN LIMITED

NATIONAL REFINERY LIMITED

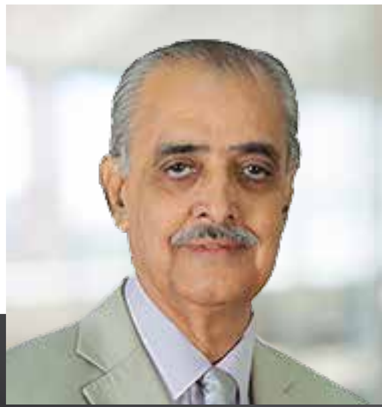
MR. ABDUS SATTAR

DIRECTOR - NON EXECUTIVE

Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations / ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses / leakages and fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board, while working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountant of Pakistan (ICMAP) and was also nominated as council member of ICMAP for three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad. Presently, he is on the Board of ARL, POL, ACPL, APL and NRL and a visiting faculty member of a number of reputed universities and professional institutions.

OTHER ENGAGEMENTS:

DIRECTOR:
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED



MR. TARIQ IQBAL KHAN

DIRECTOR - INDEPENDENT

Mr. Tariq Iqbal Khan is a fellow member of Institute of Chartered Accountants Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He served on prominent national level committees like Committee for formulation of Take Over law. CLA Committee for review of Security & Exchange Ordinance 1969, Committee for formulation of CDC law & regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank, Bank Al-Habib, GSK, ICI, Siemens, and Packages etc. Presently he is a member of the Boards of Gillette Pakistan Limited, International Steels Limited, Lucky Cement Limited, National Refinery Limited, Packages Limited, Silk Bank Limited and PICIC Insurance Limited.

OTHER ENGAGEMENTS:

DIRECTOR:
NATIONAL REFINERY LIMITED
INTERNATIONAL STEEL MILLS
PACKAGES LIMITED
SILKBANK LIMITED

PROFILE OF THE BOARD OF DIRECTORS

MR. NIHAL CASSIM

DIRECTOR - INDEPENDENT

Mr. Nihal Cassim is the Chief Executive of Safeway Fund Limited, an asset management company managing two equity funds in Karachi. Before taking this position, he was engaged in his own corporate finance practice in Pakistan and concluded various assignments including advisory services to the seller of Crescent Leasing and certain sellers of PICIC including NIT. In Canada, Mr. Nihal was Vice-President and Head of small-cap Investment Banking for First Associates (now Blackmont Capital, a CI Financial Company) eastern Canadian operations and he conducted several transactions in M&A, equity financing and corporate finance advisory. Prior to this, Mr. Nihal was responsible for the corporate development of TVX Gold Inc. and was involved in its C$4 billion merger with Kinross Gold. He began his investment banking career at HSBC Securities, Canada.

Mr. Nihal is an MBA (Finance & MIS) from McGill University. He is currently a Director on the Boards of Safeway Fund Limited, Pakistan Oilfields Limited and Ferozsons laboratories Limited. He is member of Pakistan Oilfields Limited's Audit Committee. He is also member of Ferozsons Laboratories Limited's Investment Committee, Remuneration Committee and Chairs their Audit Committee. Mr. Nihal has served two terms as director on the Board of Mutual Funds Association of Pakistan. He takes particular interest in facilitating the development of the capital market and the protection of minority shareholders through improvements to the regulatory framework.

OTHER ENGAGEMENTS:

DIRECTOR:

SAFEWAY FUND LIMTED
FEROZESONS LABORATORIES LIMITED
NIFT (PVT.) LIMITED

MR. BABAR BASHIR NAWAZ

ALTERNATE DIRECTOR TO
MR. WAEL G. PHARAON

He has over 30 years of experience with the Attock Group. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a Master's degree in Business Administration from the Quaid-e-Azam University in Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management.

OTHER ENGAGEMENTS:

DIRECTOR:

ATTOCK CEMENT LIMTED

ATTOCK PETROLEUM LIMTED

BOARD COMMITTEES

Human Resource and Remuneration (HR&R) Committee

COMPOSITION

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

TERMS OF REFERENCE

THE COMMITTEE SHALL BE RESPONSIBLE FOR:

I. The Terms of reference of committee shall be determined by the board of directors which may include the following:

II. recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;

III. recommending human resource management policies to the board;

IV. recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

V. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

VI. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

Audit Committee

COMPOSITION

Mr. Abdus Sattar	- Chairman
Mr. Babar Bashir Nawaz	- Member
Mr. Tariq Iqbal Khan	- Member
Mr. Nihal Cassim	- Member

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee include the following:

a) determination of appropriate measures to safeguard the company's assets;

b) review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:

  (i) major judgmental areas;

  (ii) significant adjustments resulting from the audit;

  (iii) going concern assumption;

  (iv) any changes in accounting policies and practices;

  (v) compliance with applicable accounting standards;

  (vi) compliance with these regulations and other statutory and regulatory requirements; and

  (vii) all related party transactions.

c) review of preliminary announcements of results prior to external communication and publication;

d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) review of management letter issued by external auditors and management's response thereto;

f) ensuring coordination between the internal and external auditors of the company;

g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;

h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;

l) determination of compliance with relevant statutory requirements;

m) monitoring compliance with the these regulations and identification of significant violations thereof;

n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

p) consideration of any other issue or matter as may be assigned by the board of directors.


POL

MANAGEMENT COMMITTEES

Various committees have been constituted to look after the operational and financial matters of the Company. A brief description of the composition and terms of reference of the various committees are as follows:

Executive Committee

The Committee meets under the chairmanship of the Chief Executive to coordinate the activities and operations of the Company.

Review and Appraisal Committee

The Review and Appraisal Committee is responsible for ensuring that procurement of assets, goods and services is made in accordance with Company policies and procedures on competitive and transparent terms.

Risk Management Committee

The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

Business Strategy Committee

The Business Strategy Committee is responsible for preparing the strategic plan for the future growth of the Company. The Committee also reviews major projects and formulates recommendations after evaluation from technical and commercial aspects.

Systems and Technology Committee

The Systems and Technology Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee

The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee

The Safety Committee reviews and monitors Company's wide safety practices. It oversees the safety planning function of the Company and is responsible for safety training and awareness initiatives. The Committee is also responsible for publishing the Company's monthly safety newsletter "Safety Bulletin".

THROUGH THE POWER OF COLLECTIVE ACTION, GLOBAL COMPACT SEEKS TO ADVANCE RESPONSIBLE CORPORATE CITIZENSHIP SO THAT BUSINESS CAN BE PART OF THE SOLUTION TO THE CHALLENGES OF GLOBALIZATION. TODAY, HUNDREDS OF COMPANIES FROM ALL REGIONS OF THE WORLD, INTERNATIONAL LABOUR AND CIVIL ORGANIZATIONS ARE ENGAGED IN GLOBAL COMPACT.

HUMAN RIGHTS

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

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

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

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

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

PRODUCTS

CRUDE OIL

An oily, flammable liquid that occurs naturally in deposits, usually beneath the surface of the earth. It consists principally of a mixture of hydrocarbons, with traces of various nitrogenous and sulphurous compounds. During the past 600 million years, incompletely decayed plant and animal remains have become buried under thick layers of rock. It is believed that petroleum consists of the remains of these organisms but it is the small microscopic plankton organism remains that are largely responsible for the relatively high organic carbon content of fine-grained sediments which are the principle source rocks for petroleum.

Little use other than as lamp fuel was made of petroleum until the development of the gasoline engine and its application to automobiles, trucks, tractors and airplanes. Today the world is heavily dependent on petroleum for motive power, lubrication, fuel, dyes, drugs and many synthetics.

NATURAL GAS

Natural mixture of gaseous hydrocarbons found issuing from the ground or obtained from specially driven wells. The composition of natural gas varies in different localities. Its chief component, methane, usually makes up from 70% to 95% and the balance is composed of varying amounts of ethane, propane, butane and other hydrocarbon compounds. Although commonly associated with deposits, it also occurs separately in sand, sandstone and limestone deposits. Some geologists theorize that natural gas is a byproduct of decaying vegetable matter in underground strata, while others think it may be primordial gases that rise up from the mantle. Because of its flammability and high calorific value, natural gas is used extensively as an illuminant and a fuel.

LPG

LPG is a mixture of gases, chiefly propane and butane, produced commercially from petroleum and stored under pressure to keep it in a liquid state. The boiling point of liquefied petroleum gas varies from about -44°C to 0°C, so that the pressure required to liquefy it is considerable and the containers for it must be of heavy steel. Common uses are for cooking and heating and lighting. It is also used for powering automotive vehicles. LPG is an attractive fuel for internal- combustion engines because it burns with little air pollution and little solid residue.

SOLVENT OIL

Solvent oil is one of the five major oil products closely related to people's daily life. Its application sectors also have a constant expansion. There are also extensive uses in rubber, leather and adhesive sectors.

SULPHUR

Solid Sulphur occurs principally in three forms, all of which are brittle, yellow in color, odorless, tasteless, and insoluble in water. It is a chemically active element and forms many compounds, both by itself (sulfides) and in combination with other elements. It is part of many organic compounds.

Sulphur is used in black gunpowder, matches and fireworks; in the vulcanization of rubber; as a fungicide and insecticide; and in the treatment of certain skin diseases. The principal use of Sulphur is in the preparation of its compounds. The most important Sulphur compound is Sulphuric acid.

“It gives me great pleasure to welcome you to the 68th Annual General Meeting of the Company and to present the Company’s Annual Report and Audited Financial Statements for the year ended June 30, 2019.

CHAIRMAN'S STATEMENT

> "We are driven by our vision to be the leading oil and gas exploration and production company of Pakistan

Results

In this year the Company has earned highest ever profit after tax of Rs. 16.871 billion (2018: Rs.11.384 billion) which is higher by 48.2 % in comparison to last year. The Earnings per share is Rs.59.44 (2018: Rs. 40.10). Increase in profit is mainly because of higher crude oil & gas prices and favorable US.$/Rupee parity.

The results of the Company's operations are dealt with in further detail in the annexed Directors' Report and Financial Statements.

Outlook

Drilling activities are under way to appraise last year discoveries of Jhandial and Adhi South. The Company is continuously investing in seismic data acquisition, processing and interpretation. Presently,3D/2D Seismic data acquisition, processing and interpretations are under way at Ikhlas, TAL and Gurgalot blocks which is a prerequisite for the decisions of new wells.

Presently, five development wells are under drilling. In the year 2019-20 ten more wells will be spudded out of which three wells are exploratory. The Company is investing a substantial amount to increase its reserve base and with the Grace of Allah we are pretty much hopeful to get new successes.

We are driven by our vision to be the leading oil and gas exploration and production company of Pakistan with ever increasing proven hydrocarbon reserves and continuous and improved production. As we move forward, we have a number of factors in our favor; the strength of our balance sheet, our strong cash generation, our expertise and most of all, the dedication and will of our people.

Acknowledgment

On behalf of the Board, I would like to acknowledge with thanks the contributions made by the management staff, employees, regulatory authorities and various Government functionaries. Without their support these results would not have been possible.

I would also like to thank all the shareholders for their continued support.

Laith G. Pharaon

Chairman
Attock Group of Companies

Dubai, UAE

July 29, 2019

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

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the year ended June 30, 2019.

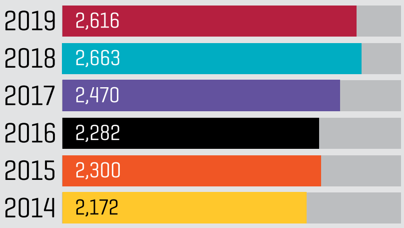
Financial results

These are summarized below:	Rs (000)
Profit for the year after providing for all expenses including depreciation, exploration, amortization and workers' funds.	24,854,693
Less: provision for taxation	(7,982,986)
Profit after tax	16,871,707

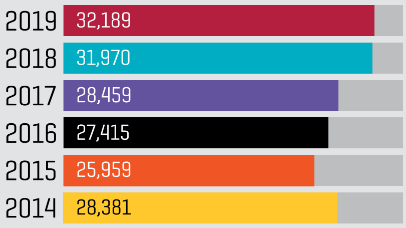
In this year, the Company sales and profit are the highest ever in Company's history, the Company has made profit after tax of Rs 16,871.7 million (2018: Rs.11,383.9 million), which is higher by 48.20 % as compared to last year. The profit translates into earnings per share of Rs 59.44 (2018: Rs 40.10 per share). Overall net sales are higher by Rs 11,312 million (34.63%), which is mainly because of 5.5% increase in average price of crude oil and favourable US. $/ rupee parity. Cost of sale has increased by 19.56% mainly because of higher operating cost, workover cost, POLGAS cost, royalty and amortization. Exploration cost decreased by Rs. 941 million as lesser seismic activities carried out during the year and also include cost of Misrial X-1 and Mamikhel Deep-1 wells as dry and abandoned

DIRECTORS' REPORT

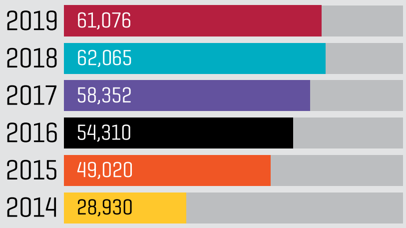
CRUDE OIL PRODUCTION
(barrels thousand)



GAS PRODUCTION
(million cubic feet)



LPG PRODUCTION
(metric tons)



charged to expense. Finance cost increased due to exchange loss (due to rupee devaluation) on decommissioning cost. Other income increased Rs. 3,914 million by 120%, mainly because of higher income on bank deposits and exchange gain on foreign currency accounts.

During the year the Company has made a consolidated profit after tax of Rs.13,282 million (June 30, 2018: Rs. 11,704 million) which translate into consolidated earnings per share of Rs.46.77 (June 30, 2018: Rs. 41.15 per share).

The details of the exploration activities are covered in detail by each geographical area later in this report.

CASH FLOWS

Cash and cash equivalents increased by Rs 15,036 million during the year (2018: increased by Rs 7,351 million). Cash flows provided from operating activities were Rs 21,428 million higher by 10.9% as compared to last year.

CONTRIBUTION TOWARDS THE ECONOMY

The Company continues to play a vital role in the oil and gas sector of the Country. During the year the Company saved foreign exchange in excess of US$ 520 million (2018: US$ 465 million) for the country. The contribution to the national exchequer, in the shape of royalty and other government levies, was Rs 18,601 million (2018: Rs 10,981 million).

DIVIDEND

The Directors have recommended a final cash dividend @ 300 % (Rs 30 per share). This is in addition to the interim cash dividend @ 200 % (Rs 20 per share) already declared and paid to the shareholders thereby making it a total cash dividend of Rs 50.00 per share for the year 2018-19 (2017-18: Bonus Share: 20% and total cash dividend of Rs 42.5 per share).

PRODUCTION

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

The Company's share in production, including that from joint ventures, for the period under review averaged 7,167 barrels per day (bpd) of crude, 88.20 million standard cubic feet per day (mmscfd) of gas, 167.33 metric tonnes per day (MTD) of LPG, 1.77 MTD of Sulphur and 64 bpd of solvent oil.

> "The Company sales and profit are the highest ever in Company's history, the Company has made profit after tax of Rs 16,871.7 million

Products	Units	June 30, 2019	June 30,2018
Crude Oil/Condensate	(US Barrels)	2,615,981	2,663,252
Gas	(Million Cubic Feet)	32,189	31,970
LPG	(Metric Tonnes)	61,076	62,065
Sulphur	(Metric Tonnes)	645	667
Solvent Oil	(US Barrels)	23,452	22,129

EXPLORATION AND DEVELOPMENT ACTIVITIES

Producing Fields

At Balkassar Lease (100% owned by POL), after 3D seismic data acquisition, processing and study POL-1 well was side tracked and drilled to the target depth, presently the well is on production through jet pump to establish production rates which are around an average of 25 barrels per day. Balkassar Deep as exploratory well has been planned during this year to explore deeper horizons.

At Pindori Lease (operated by POL with a 35% share), Pindori-10 was under drilling at depth of 6,100 ft string got stuck, several attempts were made to release but no success. Decided to place cement plug at top of fish at 4,948 ft and kick off well for side track. Presently, drilling of 17" side track-1 hole is in progress.

At Pariwali Lease (operated by POL with 82.50% share), work over on Pariwali-2 was not successful. Work to explore the remaining potential in Pariwali Field by incorporating the Simulation study is in progress.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Mardankhel-2 well was connected on September 18, 2018 to the production line and presently producing around 8.65 million standard cubic feet of gas per day and 972 barrels of oil per day. Mardankhel-3 has also been connected to the production line on July 05, 2019 and producing around 12.30 million standard cubic feet of gas per day and 275 barrels of oil per day. Mardankhel-4 and Makori East-7 locations are under review.

Makori Deep-2 well was started on May 01, 2019, well has been reached to its target depth and well testing is in progress.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share).

Adhi-31: The well was spudded on March 31, 2018 and drilled down to its target depth. The well tested and produced 120 barrels of oil per day and 0.67 million standard cubic feet of gas per day.

Adhi-32: The well was spudded on June 23, 2018, and drilled down to its target depth. The well tested and produced around 1,141 barrels of oil per day and 1.17 million standard cubic feet of gas per day. The well will be connected to the production line within this month.

Adhi South X: This well has been connected to the production line and producing around 1,200 barrels of oil per day and 1.4 million standard cubic feet of gas per day.

Adhi-33: Well was spudded on June 30, 2019, drilling at 3,157 ft is in progress.

Adhi 34: Well was spudded on June 27, 2019 and drilling down to 2,624ft in progress.

Adhi South-4: Well was spudded on 28th June, 2019 and drilled down to 5,134ft is in progress.

Jhal Magsi been stopped as decision regarding laying of pipeline by SSGCL is not finalised.

At Ratana Field (Operated by Ocean Pakistan Limited, where POL has 4.545% share), based on 3D seismic based fractured study Ratana-5 well has been approved by the Joint Venture Partners and expected to be drilled during this year.

Exploration Blocks

At Ikhlas block (operated by POL with an 80% share), Working on way forward of Ikhlas concession is in progress. 3D Seismic acquisition over Langrial prospect is in progress. Presently, "Jhandial – 2" **well** has been approved and expected to be spudded in the second quarter of our financial year 2020.

At DG Khan block (operated by POL with a 70% share), based on 2D Seismic date a DGK-1well has been finalized and presently road to well location and well site construction is under evaluation.

At Margala block (operated by MOL where POL has a 30% share), out of 2D Seismic acquisition of 228.26 line kilometers, acquisition of 92 line kilometers have been completed.

At Tal block (operated by MOL, where POL has a pre-commerciality share of 25%), at KOT area 3D Seismic data acquisition is in progress. Presently out of total152.93 Square Kilometers area acquisition 78 square kilometers have been completed. Seismic crew to acquire 3D Seismic data of 580 square kilometers of TAL West area has been mobilized.

At Gurgalot block (operated by OGDCL where POL has a 20% share), Gurgalot 3D seismic data acquisition of 320 Square kilometers has been completed and data processing is in progress

At Hisal block (operated by PPL where POL has a share of 25%), drilling of first exploratory well Misrial-X1 was not successful and well has been plugged and abandoned. G & G work on future way forward is in progress.

Subsidiary

CAPGAS (PRIVATE) LIMITED (CAPGAS)

CAPGAS earned a profit after tax of Rs 9.6 million during the year (2018: Rs. 49.78 million). It has declared a total dividend of 300% for the year 2019 (2018: 250%). The Company received an average of 24.11 metric tons per day LPG from the Adhi plants and an average of 3.55 metric tons per day of LPG from PARCO.

Crude Oil Transportation

Khaur Crude Oil Decanting Facility (KCDF) continued to operate satisfactorily. During the year, a total of 9.5 million barrels (2018: 9.5 million barrels) of crude oil from Nashpa, TAL Blocks and others were pumped to Attock Refinery Limited through this facility and pipeline.

RISK MANAGEMENT

The Board remains committed to the philosophy of effective business risk management as a core managerial competency. The Board has established a structured approach to risk management through the formulation of a risk management policy. The Company is in a continuous process to implement, monitor and improve its risk management. The Company's risk management system requires approaching risk identification in a systematic manner by developing an understanding of the Company's strategic and operational objectives, opportunities and threats related to the achievement of these objectives as well as analyzing the significant functions undertaken within the Company to identify significant risks which flow from these activities. Risks are required to be formally identified, prioritized and incorporated into a risk management response to effectively address risks.

The following is an outline of some of the material risks being faced by the Company and steps being taken to mitigate these risks:

Financial

	MAJOR RISKS & CHALLENGES	MITIGATING FACTORS
Oil price volatility	The pricing for the company's oil and gas production is benchmarked with international prices of crude oil and related products. Any unfavorable variance in the international prices is likely to adversely affect the Company's profitability.	The pricing for the company's oil and gas production is benchmarked with international prices of crude oil and related products. Any unfavorable variance in the international prices is likely to adversely affect the Company's profitability. The Company has expanded its LPG marketing business as a strategy of diversification.
Economic and political risks	Volatile economic and financial market conditions resulting from economic or political instability.	The company is mitigating this risk by continuous monitoring of politico-economic factors in area of operations and detailed risk assessment for informed decision making.
Lost in hole/damage beyond repair	During drilling costly equipment are run in the hole for several jobs at different depths.	Only certified tools are run into the well and where ever possible insurance cover is obtained for these tools.

Operational

	MAJOR RISKS & CHALLENGES	MITIGATING FACTORS
Under performance of major oil and gas fields	The Company's future earnings and profitability is dependent upon the production and reserves of its oil and gas fields. The actual production from fields may differ materially from estimates due to possible underperformance of the oil and gas reservoirs related to mechanical issues or other production related factors, like unforeseen appearance of water, increase in water cut and reservoir performance.	The company is mitigating this risk through rigorous monitoring of production fluids, conducting regular pressure surveys and use of PSPs to monitor individual fluid contribution of different producing horizons. Based on the result of above monitoring techniques, workovers, acidization / stimulation jobs and other appropriate mitigation measures are undertaken to arrest the decline in production.
Procurement planning related risk	Managing risk in business is not a new phenomenon, but managing it well in a changing global environment is producing some significant challenges, especially for the procurement function. Vulnerability in the procurement process can be seen as a weakness or possible threat to the Company's profitability. The vulnerability can give rise to the following risks • Commercial risks • Operational - not having materials • Contractual – exposure to liquidated damages	Procurement department is closely aligned with the drilling, engineering and production departments. Orders are placed and contracts are executed / renewed in time so that all the relevant materials and services are available when required.
Reservoir engineering and process	The over estimation of reserves and production can lead to investment of significant capital in the form of plant design by the engineering function.	The company is mitigating this risk by obtaining third party reserve certification and reservoir simulation studies for proper estimation of reserves.
Exploration risk	Exploration activity is prone to the risk of not finding commercial quantities of hydrocarbons due to number of reasons such as incorrect selection of exploration acreage, error in processing or interpretation of seismic data, incorrect selection of drilling site.	The Company is mitigating exploration risks by using latest technologies; hiring experienced professional. The company is in a continuous process to explore new opportunities and enter into joint venture agreements to dilute risks. Consultation with external experts is also done whenever required.

RISK MANAGEMENT

Operational

	MAJOR RISKS & CHALLENGES	MITIGATING FACTORS
Information technology failures	The Company's operations may be adversely affected due to information technology failures especially in today's environment of reliance on IT systems, regulation and reporting deadlines.	The company has a separate IT wing to control and monitor all related functions including policies for back-up and business continuity.
Security risks	A terrorist attack could have a material and adverse effect on our business	POL's fields are located in areas where security situation is generally satisfactory, yet strict security controls are implemented at our areas of operations. The company has also taken a terrorist insurance cover for all its material installations to mitigate this risk.
Third party liability	A third party liability could have a material and adverse effect on our business	HSE department closely monitors regular operations and new jobs in order to prevent accidents. Company has also taken a third party liability insurance which covers its drilling areas, pipelines and material installations
Drilling risk	Oil and gas drilling inherently is a high risk activity. The Company is exposed to a number of hazards during drilling of wells including well blow out, fishing, mechanical failure, fire hazards and personal injury. In addition, the risk of not reaching the target depth would have adverse effect on earnings.	The Company identifies and then mitigates this risk by using appropriate risk management tools, training and techniques that facilitate and enhance the quality of decision-making. Risk control measures are implemented to avoid or reduce undesired exposures to loss or unwanted volatility. Strict criterion is in place for selecting staff, rig and other allied services/equipment. Staff is regularly nominated to relevant training programs. The Company also obtains control of well insurance cover for all wells under drilling.

Strategic

	MAJOR RISKS & CHALLENGES	MITIGATING FACTORS
Environmental regulations	The Company is subject to laws and regulations relating to health, safety and the environment. Changes to these laws and regulations may result in increased costs of compliance as well as penalties for non-compliance.	The company has deployed dedicated resources to ensure compliance with laws and regulations relating to health, safety and environment.
Increased competition	With increased competition in the oil and gas exploration and production sector, particularly in relation to the application and award of exploration concessions, the Company may be faced with higher competition than before. In addition, the Company's LPG marketing business may be adversely affected due to increased competition, decline in margins or disruption to LPG supply sources.	The Company is mitigating this risk through a continuous process to explore new opportunities by joining hands with other E & P companies by way of farm-in and farm-out agreements. In LPG marketing business, the Company has established a good storage capacity for continuous supply to keep margins intact and continues exploring for sustainable cost-effective sources of further supplies.
Joint Venture Partners	We are also operating in a joint venture environment and many of our projects are operated by other partners. Our ability to influence partners is sometimes limited, due to our small share in non-operated ventures. Non-alignment on various strategic decisions in joint ventures may result in operational and production inefficiencies or delay.	The company is mitigating this risk by continuously and regular engagement of joint venture partners in operated and non-operated projects.

BUSINESS PROCESS RE–ENGINEERING (BPR) / DEVELOPMENT ACTIVITIES

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

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

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

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

Human Resource Performance Appraisal

A new Succession Planning Feature has been developed and implemented with following enhancements:

- To provide better Performance Analysis
- Quick processing of Appraisal data
- Identification of Successor

Hospital Management (HMS)

Centralized Web based Hospital Management system has been developed with following features:

- Online data entry of all patients
- Diagnosis information of patients with complete history
- Cash Collection and Billing
- Integrated with GL and HR System
- Real time reporting

Transfer Request System (TR)

An integrated Online Transfer Request System has been developed and implemented with the following features:

- A Centralized System available to POL Users at all locations
- Online Transfer and movement of Inventory Items, Fixed Assets and official correspondence
- Work Order and Purchase Order auto data input
- Integrated with POL HRMS and Fleet Management
- Notifications and Alerts at each step to enable tracking
- Online Receipt Acknowledgement with Receipt Print-out Control

Work Permit Approval System through SharePoint

A new system has been developed and incorporated in the existing SharePoint environment for managing approvals of work permits:

- Centralized Work Permit record management
- Automated initiation of approvals workflow
- e-mail driven workflows
- Approval tracking
- Alerts, notifications and reporting

“ continuous improvement are indispensable ingredients to achieve success.

DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We at POL believe that we are an integral part of a community wherever we work. Investing in the communities in which we operate is not just a demand that must be met; it is a philosophy that we buy into.

“Education is a leading instrument of nation building and economic growth of people. At POL, our key focus lies in education, which we are keenly supporting

As part of its core values, the Company places tremendous importance towards contributing to the wellbeing of the communities in which it operates.

Our commitment to being a good corporate citizen includes:

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

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

Education

Education is a leading instrument of nation building and economic growth of people. Here, at POL, our key focus lies in education, which we are keenly supporting in number of ways. POL focuses on education at the basic, primary, secondary and higher secondary levels.

Since inception POL has spent Rs 81.5 million to improve the infrastructure of government schools through up gradation of schools & colleges of the vicinity by constructing class rooms, toilets provides computers and science laboratory apparatuses and also providing them furniture and fixtures that caters to about more than 30,000 students.

POL is not only spending on social welfare activities of its areas of operation but we are also running our own Technical Institute, Higher Secondary Schools and Degree College Khaur aided by well-equipped lab facilities, modern library, highly qualified teaching staff and promoting extracurricular activities.

DR. RASHAD INSTITUTE OF TECHNICAL EDUCATION

Dr. Rashad Institute of Technical Education Khaur started in 2015 is now growing to become a full-fledged institute of Technical Education. At present there are 80 students studying in Electrical and Petroleum technologies in 3 classes i.e. first, second and third year.

Now it is aiming to start Drilling classes so that the local students can have a diploma in Drilling and Petroleum .The main reason behind this is that people of Khaur and its adjacent areas are employed in Petroleum and other technical fields of Petroleum technology.

Early 2015 registration with TEVTA, Lahore was acquired in the Electrical and Electronics technologies. Affiliation with Punjab Board of Technical Education, Lahore was attained to start the Diploma in Associate Engineering (03 years course) in the above mentioned two fields in September, 2015. People of Khaur and its adjacent areas are employed in petroleum and other technical fields of petroleum technology. Therefore, syllabus of petroleum was sent to TEVTA board for review / approval and then registration and affiliation was attained from TEVTA and PBTE, Lahore. In the year 2016 DAE in petroleum technology was also started in Dr. Rashad Institute of Technical Education Khaur to help the local people.

Under the banner ship of technical college, the college managed to get a "Vocational Training Provision Contract" with the Punjab Skills Development Fund (PSDF), which was signed on December 14, 2016.

Students get free training besides getting free books and equipment. They are also given stipend @ Rs. 1,500 / 3,000 per month.

Up till now following technicians have been produced:

a)	Industrial Electrician	70
b)	Motor Winding	100
c)	CCTV Technician	100
d)	Computer Applications	100
e)	Computer Hardware Technician	50
f)	Computer Software Technician	50
g)	Solar System & UPS Assembly Technician	25

Five (05) students from the technical institute were selected on merit for the apprenticeship program at POL.

DR. RASHAD DEGREE COLLEGE

- POL has established Dr. Rashad Degree College at Khaur with an aim to provide quality education to the youngsters of the Khaur and surrounding areas.
- Initially it was an intermediate college but later on it was upgraded to include degree classes as well by affiliating it with the Punjab University, Lahore.
- The college has 300 students in different faculties.
- The teaching faculty consists of highly qualified staff with a drive to deliver quality education among the students.
- This year a teacher training was held on "Effective Teaching" from which the teaching staff benefited. The teaching staff also availed training

CORPORATE SOCIAL RESPONSIBILITY (CSR)

from NAVTTC along with emoluments of Rs. 5,000/- per day. Five teachers availed this facility.

- With the help of COMSATS Attock campus preparatory classes for NTS (GAT & NAT) is being arranged at Dr. Rashad Degree College campus.

Dr. Rashad Degree College-Khaur which started 2 Years degree classes in the year 2010 has now started its BS program (4 Years) in Computer studies. This 4 Year Program will help the local female students. Efforts are being done to start BS (4 Years) in Mathematics as well.

This year again like last year Dr. Rashad Degree College, Khaur participated in NCPC Environment Mela held at National Ayub Park Rawalpindi and won the 1st prize. More than 50 institutions (schools & universities) participated in this Mela.

This year Dr. Rashad Degree College, Khaur also managed to get affiliation from Punjab University, Lahore in BSCS in 4 years program.

Dr. Rashad Degree College got the first prize in its stall decoration and other competitions.

POL MODEL SCHOOL

POL Model Secondary School Khaur was started and registered with Punjab Education Department w.e.f. 1st January, 1994 to impart quality of education to the wards POL Employees, later on which was extended for local community as well. It has now grown with a population of 760 students both girls and boys.

- The school not only focuses the academic but also aim the spiritual, social, moral and physical growth of its students.
- The school provides to its students a healthy safe and conducive environment for learning.
- For the purpose of providing quality education "training workshop for continuous professional development of teachers" was arranged last year in the month of July, 2017 and in July, 2018 it is again in pipeline. It helps the teachers to enhance their skills and methodology for effective teaching learning process.
- Annual Competition of English and Urdu speeches is held to build confidence and proficiencies as good and effective speakers. School has developed proper extracurricular activities in calendar year separately for Montessori Section & Secondary School Section. Its Montessori Section has proper Montessori trained teachers to handle the students of tender age.
- School holds Parents & Teachers' Association Meetings after the exam to ensure involvement of Parents for the success & progress of their ward at the end of monthly and terminal exams.
- The SSC results of 2017 have been 100% for last three years with 31 A+ grade and 9 A grades out of 49 students appeared. The highest marks achieved by our student were 1060 (96%). The school has won 6 laptops in Chief Minister's Scholarship scheme. 8 students won merit scholarships from Board.

School is putting consistent efforts to reach still higher levels. The school curriculum has been changed to make it a dynamic process due to the changes in the society.

POL VOCATIONAL TRAINING CENTER

- POL has established a vocational training center for women.
- The aim of establishing a vocational center is the development of attitudes, knowledge, and skills for entrepreneurship and self-employment among women of the local community.
- Up till now, more than 1000 women & girls have been trained over the period.
- On July 2016, POL established Safety Coveralls stitching unit at VTC Khaur. Stitching unit

is conceived to ensure its viability being cost effective and also make VTC staff members and students proficient in stitching skills.

> “The aim of establishing a vocational center is the development of attitudes, knowledge, and skills for entrepreneurship and self-employment among women of the local community.

Sports and Cultural Activities

In pursuance of belief that in addition to improved physical health, sport plays a primarily positive role in youth development, including improved academic achievement, higher self-esteem, reduction in behavioral problems and better psychosocial concerns, POL has always promoted sports activities among the community with the provision of facilities e.g. cricket, hockey and football grounds, badminton and volley ball courts etc.

POL also has organized and sponsored many tournaments e.g.

- Cricket Tournament (Hard ball and Tennis ball)
- Hockey Tournament
- Volleyball Tournament
- Badminton Tournament

Apart from these games, POL also organizes and support traditional/folk games for the entertainment of local community and to be part of their culture. These games include;

- Tent Pegging
- Bull Race
- Tug of war

The ceremony of 14th August (Independence Day) is also celebrated with great pomp & show at Khaur Workers Club. People from all walks of life including company employees and local community participate in the events conducted on the occasion.

Infrastructure Development

Living standards of local inhabitants can only be improved if they have access to the bigger markets.

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

Provision of “Clean Water” for Local Community

Basic needs of the rural people are met by POL by making the access to safe drinking water easy and less time consuming. Several projects have been undertaken in this regard.

POL has spent money and time on the development of water supply schemes in different villages located around its Pariwali and Meyal fields. These projects range from installation of motor pumps and construction of overhead water tanks to setting up a wide distribution network to supply clean drinking water to more than 6,500 households in several villages. The community has participated well by taking ownership of these projects for maintenance & sustainability through village based water management committees.

In Pariwali field, inhabitant of Ahmadal village were facing major problem of ‘Safe Drinking Water Facility’ as the available water supply structure was not enough to fulfill their basic need. In order to facilitate the local community of Ahmadal village, POL management constructed underground water storage tank that estimated cost of Rs. 3.5 million having capacity of 150,000 gallons and size of (60’x30’). More than 17,000 inhabitants of the local community are directly and indirectly enjoying this clean water facility.

POL was supplying water to Khaur production facility and local community from Sohan River since long through 14.5 KM, 06 inch diameter pipeline. With the passage of time the source dried out and the quality of water was also suffered due to contamination.

Considering the increased demand of water supply and to improve the quality of water, POL drilled 04 Nos. 250 feet deep water wells near

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sil River at Ikhlas. Water is supplied through 15.3 KM, 06 inch diameter pipeline with an uninterrupted supply of 250,000 Gallons/ Day to meet the extensive demand of water of local community at Khaur and company requirements. The project was completed with a cost of Rs. 82.6 Million and now it is contributing in development of local community and eliminating long halt water problem. Open water connections have been given to households & mosques and maintenance cost is shared by the Company.

At Meyal, 42 water connections have been provided benefiting more than 500 households. To further our support, two million rupees have been donated to the Union Council of Kharpa for provision of water facility to the locals.

Human Resource

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

POL considers its employees the most valuable asset. The selection procedures and employment policies are geared to attract and retain capable and qualified employees who are willing to contribute their best efforts to accomplish the objectives of the Company.

Employees are trained on soft and technical skills to narrow the gap between actual and required performance. Trainings are conducted regularly to provide employees with opportunities to acquire knowledge and develop skills through training and self-development to the mutual advantage of the employees and the company.

> "POL considers its employees the most valuable asset.

POL considers it a social responsibility to assist the universities of the country in improving its human resources pool, and therefore actively participates in any scheme that trains the professional youth of the country. For this purpose internships are offered to students from various universities.

Khaur Hospital

The Company is maintaining an end-to-end smart hospital with state of the art medical technologies at Khaur with a mission to provide quality patient care, establish a collaborative working environment and promote informed participation in decisions related to care, quality of life and optimal level of wellness. The hospital provides quality medical care, vital health services and free emergency assistance round the clock.

Presently the hospital is manned by specialists in the field of Medicine, Surgery, Gynecology and Obstetrics, Pediatrics, Anesthesiology, Family Medicine aided by visiting specialist in field on ENT, Eye, Gastroenterology, Skin and Ultrasonolgy.

The primary care structure comprise of six medical residents giving round the clock medical coverage to outdoor and indoor patients.

Khaur hospital provides residents greater accessibility to medical expertise and clinical services that typically would not be available in a rural community. The hospital is equipped with state of the art operation theatre, fixed and mobile X-ray machines, sophisticated medical laboratory and latest facilities. The hospital has indoor facilities of 40 beds air conditioned wards and provides services of consultants and specialist doctors. Modern emergency services are provided free of cost to road accident injured persons which helps to save lives. It is the only hospital in the area providing such facilities to the general public.

DENTAL UNIT

A state of the art dental unit has been added recently which started functioning on 27th April, 2019. Qualified dental surgeon and technician are providing all types of dental treatment and prosthesis etc to POL employees and local population.

OTHER HEALTHCARE FACILITIES

Other healthcare facilities provided by the Company at fields are:

- Regular free dispensaries have been organized for the local community of the

Pindori and Balkassar area.

- Field hospital / Free dispensaries at Meyal.
- Annual vaccination program launched in collaboration with district health department.
- POL is running a Poor Patient Fund (Contributed by Chairman and employees) catering for about 250 plus registered persons providing day to day medical care.

COMMUNITY HEALTH PROGRAM

In addition to facilitating the general public through POL Hospital, medical camps in different areas were also arranged where medical check up's and medicines were distributed free of cost at their door steps.

a. Total Poor patients treated at POL hospital during the year : 2,693

b. Total patients treated during the year at Free dispensary Pindori :3,087

c. Total patients treated during the year at Free dispensary Balkassar:1,302

d. Total patients treated during the year at Free dispensary Meyal:2,748

> "POL is maintaining an end-to-end smart hospital with state of the art medical technologies at Khaur with a mission to provide quality patient care

During the year the Company has managed to setup several free eye camps for the community, details is as follows:

a. Total patient treated at Free eye camps : 403

b. Total Eye Operations done during free camps : 37

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

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

HSE department oversees health, safety and environment within the under International OHSAS 18001:2007 and ISO 14001:2015 certifications. It is added that recently POL has certified Khaur facilities in compliance to ISO 45001:2018. We are thankful to Allah Almighty that we are pioneers among the Oil & Gas Sector in Pakistan for achieving ISO 45001:2018 certification. With the team spirit HSE department ensures & regularly monitors the effectiveness of OH & S systems, policies and programs to reduce workplace risks and promote safe and healthy working environments, address key OH & S issues and performance with the help of service departments.

In addition to regulatory requirements and international standards occupational HSE activities at POL are also guided by internal policies. Department heads and managers all have the responsibility to develop, implement and maintain all elements of the occupational health, safety and environmental programs.

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

Comparison of workplace accidents, during last three years given below:

Incident	2017	2018	2019
Fatal	00	00	00
Fire	03	05	02
Reportable Incident (Serious Injury)	02	00	00
Reportable Incident (Minor Injury)	01	00	01
Major Environment	00	00	00
First Aid Cases	07	05	10
Near Misses	05	02	00

Safety

We are committed to providing a safe and healthy work environment and preventing accidents. Employees are accountable for observing the safety and health rules and practices that apply to their jobs. They are expected to take precautions necessary to protect themselves and their co-workers, including immediate reporting of accidents, injuries and unsafe practices or conditions. Employees are also expected to work free from the influence of any substance that could prevent or impair them from performing their jobs safely and effectively.

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

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

Emergency drills for different scenarios are carried out regularly to ensure the state of preparedness is well maintained. Safety planning is carried out for each concession area of the company separately.

Tool box talks and on Field training sessions are conducted by HSE department in each field on regular basis.

Following is the comparison of the trainings given by HSE department in last three years.

Year 2017		Year 2018		Year 2019	
No. of Trainings	No. of Participants	No. of Trainings	No. of Participants	No. of Trainings	No. of Participants
894	14,915	1,169	18,540	1,258	21,178

Helping Our Environment

We are committed to minimize and manage Environmental impacts of our operational activities on our employees, contractors, surrounding neighborhood and earth's resources without affecting ecosystems. Keeping in view of our continual environment friendly activities, POL has been acknowledged and awarded for Environmental awards through National Forum for Environment and Health and achieved ISO 14001:2015 certification for LPG plant site Meyal.

The mitigation measures taken to defy environmental impacts include technology, Management and physical controls, up gradation of systems, increased monitoring level of environmental parameters keeping in view environmental receptors, applicable legislative controls, good industrial practices and waste management etc.

PROJECTS COMPLETED

- Installation and commissioning for Automation of foam sprinkling system at old KCDF bays
- Installation of addressable smoke detection system panel at POL house Morgah.
- Surveillance audit of Khaur Facilities and transition of management system from OHSAS 18001:2007 to ISO 45001:2015
- Recertification of OHSAS 18001:2007 for POL SCR Rig
- Surveillance audits of ISO 14001:2015 for LPG plant Meyal
- Surveillance audits of OHSAS 18001:2007 for Meyal, Balkassar
- Environmental monitoring of all POL fields and SCR rig.
- ISO 45001:2015 lead auditor course
- Recently we have prepared Balkassar as a Model Field and carried out extensive

CORPORATE GOVERNANCE

activities for healthy working environment.

- Initial Environmental Examination for Pindori-10 well & 3-D seismic survey for Langrial-Ikhlas Block
- Defensive driving training of all POL field pool drivers through Motorway police.

ONGOING/NEW TARGETS

- Procurement of New fire truck for Khaur field
- Recertification and migration audits of ISO 45001:2018 for Meyal, Balkassar
- Surveillance & migration audit as per ISO 45001:2018 for POL SCR Rig
- Surveillance audits of ISO 14001:2015 for LPG plant Meyal
- Surveillance audit of ISO 45001:2015 for Khaur Facilities
- Environmental monitoring of all POL fields and SCR rig.
- H2S level-II training through external trainer
- Initial Environmental Examination for Balkassar Deep-1, DG Khan-1 and Jhandial-2 well
- Process Safety Management training (Propose plan)

Codes of Practice

Company maintains a leadership position in the industry, being one of the first Pakistani Exploration and Production Company, we have developed effective policies and procedures over the period of time in all areas of our activities. The Company has codes of practice in place for each of its divisions and where appropriate for businesses within a division.

The concept of corporate governance has unquestionably climbed up the corporate agenda. Across the globe we have witnessed a proliferation of regulations, codes, recommendations and principles on the subject. On adopting the current code of corporate governance, the Board determined that the appropriate approach to governance was to adopt a framework that drew on the governance requirements and best practices across the globe.

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

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Significant deviations from last year's operating results have been disclosed as appropriate in the Directors' Report / Chairman's review and in the notes to the accounts, annexed to this report.

i) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.

j) Key operating and financial data of the last six years in summarized form is annexed.

k) All major Government levies in the normal course of business, payable as at June 30, 2019, have been cleared subsequent to the year-end.

l) The values of investments in employee retirement funds based on the latest accounts as of June 30, 2019 are as follows:

Management Staff Pension Fund	Rs 1,077 million
Gratuity Fund	Rs 428 million
Staff Provident Fund	Rs 417 million
General Staff Provident Fund	Rs 172 million

Directors and Board Meetings

Total number of directors is seven as per the following:

a. Male: 7

b. Female: Nil

The composition of board is as follows:

Category	Names
Independent Directors *	Mr. Tariq Iqbal Khan Mr. Nihal Cassim
Other non-executive directors	Mr. Laith G. Pharaon ** Mr. Wael G. Pharaon*** Mr. Abdus Sattar
Executive Directors	Mr. Shuaib A Malik Mr. Sajid Nawaz

* Independent Directors qualify criteria of independence under regulation 6(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

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

*** Alternate Director - Mr. Babar Bashir Nawaz

The board has formed committees comprising of members given below:

a) Audit Committee

Name	Role
Mr. Abdus Sattar	Chairman
Mr. Babar Bashir Nawaz	Member
Mr. Tariq Iqbal Khan	Member
Mr. Nihal Cassim	Member

b) HR and Remuneration Committee

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

CORPORATE GOVERNANCE

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

Sr. No.	Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & R Committee Meetings
1	Mr. Laith G. Pharaon	5*	1*	1*
2	Mr. Wael G. Pharaon	5*	4*	1*
3	Mr. Shuaib A. Malik	5		1
4	Mr. Abdus Sattar	5	4	1
5	Mr. Sajid Nawaz	5		
6	Mr. Tariq Iqbal Khan	5	3	
7	Mr. Nihal Cassim	5	3	

* Overseas directors attended the meetings either in person or through alternate directors.

Board Meetings held outside Pakistan

All Board meetings were held in Pakistan except for two Board meetings (508th & 510th) which were held in Dubai on August 15, 2018 and in Istanbul, Turkey on January 22, 2019 respectively.

Directors' Remuneration

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

Security Clearance of Foreign Directors

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

Other Corporate Governance

Other matters related to Corporate Governance are annexed to the Directors' report.

Trading in Shares by Directors and Executives

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

Conflict of Interest among Board Members

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

Role of Chairman & Chief Executive

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

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

Performance Evaluation of the Board

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

Under requirement of Listed Companies (Code of Corporate Governance) Regulations, 2017, a formal and effective mechanism is put in place for an annual evaluation of the board's own performance, members of board and of its committees.

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

a. Review of the strategic plans and business risks, monitor Company's performance against the planned objectives and advise the management on strategic initiatives.

b. Working as a team, the Board has the right blend of skills, expertise and the appropriate degree of diversity. Board Meetings are properly focused on significant matters such as strategy and policy.

c. Establishing adequate internal control system in the Company and its regular assessment through self assessment mechanism and internal audit activities.

d. Relations with key Stakeholders like Regulators, Employers, Shareholders and CBA are productive and supported by regular and open communication.

e. Building interaction with the Management to seek and obtain sufficient input from management to support effective Board decision-making.

f. Ensuring that the Directors have full & common understanding of their role and responsibilities in the light of Memorandum & Articles of Association of the Company and as per prevailing laws.

g. Monitoring and evaluating the management's performance.

Performance Evaluation of the Chief Executive

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

Formal Orientation at Induction

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

DIRECTORS' REPORT

CORPORATE GOVERNANCE

Directors Training Programme

The Company ensures that it congregates requirements of Securities & Exchange Commission of Pakistan (SECP) and meets the terms of criteria of Directors' Training Programme (DTP) by attaining certification. Most of the directors of POL meet the exemption requirement of the directors' training program. The remaining directors have obtained certification under directors' training program.

Related Party Transactions

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

Issues raised at Last AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 67th Annual General Meeting held on September 25, 2018, no other issue was raised.

Addressing Investors Grievances

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

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

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

Access of Shareholders on Company's Website

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

Share Price Sensitivity

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

Auditors

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

Pattern of Shareholding

The pattern of shareholding as at June 30, 2019 is also annexed.

Holding Company

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

Consolidated Financial Statements

The consolidated accounts of the Company and its subsidiary are annexed.

Acknowledgement

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

On behalf of the Board

Shuaib A. Malik
Chairman &
Chief Executive

Abdus Sattar
Director

Dubai, UAE
July 29,2019

اعتراف

ملازمین کی وفاداری، محبت، جانفشانی اور بلند عزائم کے بغیر سالانہ نتائج حاصل نہیں کیے جا سکتے تھے۔ بورڈ آف ڈائریکٹرز کمپنی کے مقاصد کو حاصل کرنے کے لئے ان کی کاوش کو خراجِ تحسین پیش کرتا ہے۔

منجانب بورڈ:

شعیب اے ملک
چیئرمین و چیف ایگزیکٹو
دبئی، یو اے ای
۲۹ جولائی ۲۰۱۹ء

عبدالستّار
ڈائریکٹر

ڈائریکٹرز رپورٹ

آخری سالانہ عمومی اجلاس میں اُٹھائے گئے اُمور

۲۵ ستمبر ۲۰۱۸ء کو منعقدہ ۶۷ ویں سالانہ عمومی اجلاس کے دوران کمپنی کی مالی کارکردگی اور شائع شدہ مالی بیانات کے بارے میں حصص داران کی جانب سے عام وضاحتوں کے علاوہ کوئی اور مسئلہ نہیں اُٹھایا گیا۔

سرمایہ کاروں کے تحفظات

چھوٹے سرمایہ کاروں اور اقلیتی حصص یافتگان کی دلچسپی کمپنی کے لئے انتہائی اہم ہے۔ سرمایہ کاروں کے تحفظات پر گہری نظر رکھتے ہوئے ان کے تحفظات کمپنی تک پہنچانے کے لئے کارپوریٹ سیکشن میں ایک ٹیم مقرر کی گئی ہے تاکہ وہ سرمایہ کاروں کے تحفظات / شکایات کو سنے اور ان کا فوری ازالہ کرے۔

شکایات / معاملات کو درج کرانے کے لئے کمپنی کی ویب سائٹ پر طریقہ کار وضح کر دیا گیا ہے۔ کمپنی ریگولیٹرز کے متعلقہ فون نمبرز اور برقی پتے بھی کمپنی کے ذرائع سے سرمایہ کاروں کو دیئے گئے ہیں۔ سرمایہ کاروں کے ساتھ تعلقات بڑھانے اور اُن کے تحفظات بآسانی کمپنی تک پہنچانے کے لئے "Investors Relations" کا شعبہ بھی پی او ایل کی ویب سائٹ www.pakoil.com.pk میں بنا دیا گیا ہے۔

کمپنی ویب سائیٹ پر حصص داران کی رسائی

ہمارے تمام حصص داران اور عوام الناس کمپنی کی ویب سائیٹ "www.pakoil.com.pk" ملاحضہ کر سکتے ہیں۔ جس میں سرمایہ کاروں کے لئے سالانہ، نصف سالانہ اور سہ ماہی مالی بیانات اور حصص داران سے متعلق معلومات فراہم کی گئی ہیں۔

حصص کی قیمت کی حساسیت

کمپنی پاکستان سٹاک ایکسچینج (PSX) کو تمام مادی اور قیمتوں سے متعلق معلومات کو پاکستان یونیفائیڈ کارپوریٹ ایکشن رپورٹنگ سسٹم (PUCARS) کے ذریعے آگاہ کرتی ہے۔

آڈیٹرز

آڈیٹرز، اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

حصہ داران

۳۰ جون ۲۰۱۹ء کو حصہ داران کی تفصیلی رپورٹ منسلک کر دی گئی ہے۔

ہولڈنگ کمپنی

دی اٹک آئل کمپنی لمیٹڈ برطانیہ میں تشکیل شدہ، پاکستان آئل فیلڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

یکجا مالیاتی بیانات

کمپنی اور اس کے ماتحت ادارے کے یکجا اکاؤنٹس اس رپورٹ کے ساتھ منسلک ہیں۔

۳۔ کمپنی میں اندرونی کنٹرول کا مناسب نظام تشکیل دینا اور انٹرنل آڈٹ اور خود احتسابی نظام کے ذریعے اس کی مسلسل جانچ پڑتال کرنا۔

۴۔ ریگولیٹرز، آجر، حصص یافتگان اور سی بی اے جیسے اہم اسٹیک ہولڈرز کے ساتھ مستقل اور کھلی مواصلت بہت مفید ہے۔

۵۔ انتظامیہ سے مفید تجاویز لینے کے لئے اس کے ساتھ بہتر روابط قائم کرنا تاکہ فیصلے کرنے میں وہ بورڈ کی مدد کر سکے۔

۶۔ اس بات کو یقینی بنانا کہ ڈائریکٹرز میمورینڈم اور آرٹیکل آف ایسوسی ایشن کی روشنی میں موجودہ قوانین کے مطابق پنے کردار کے متعلق پوری طرح آگاہ ہوں۔

۷۔ انتظامیہ کی کارکردگی کی نگرانی اور جانچ پڑتال کرنا۔

چیف ایگزیکٹو کی کارکردگی کا اندازہ

چیف ایگزیکٹو (CE) بورڈ کا حصہ ہونے کے ناطے، بورڈ کے ہر اجلاس میں موجود ہوتا ہے۔ چیف ایگزیکٹو بورڈ کو کمپنی کی کارکردگی کا ایک جائزہ پیش کرتا ہے اور بورڈ کے اراکین کے سوالوں کا ازالہ کرتا ہے۔ چیف ایگزیکٹو کی کارکردگی کا ندازہ پی او ایل کے ذریعے مقرر کردہ تشخیصی نظام کے ذریعے کیا جاتا ہے۔ تشخیص کے اصولی عوامل میں مالی کارکردگی، کاروباری عمل، تعمیل، کاروباری فضیلت اور لوگوں کا انتظام شامل ہے۔

تقرری میں باضابطہ واقفیت

جب کوئی بورڈ کا نیا رکن بنتا ہے تو اس بات کو یقینی بنایا جاتا ہے کہ اسے کمپنی سے متعلق تمام تر تفصیلات سے آگاہ کیا جاتا ہے۔ یہ واقفیت بنیادی طور پر کمپنی کے نقطہ نظر، حکمت عملی، بنیادی قابلیت، تنظیمی ڈھانچے، متعلقہ فریقوں، بڑے خطرات (بیرونی اور اندرونی دونوں) بشمول قانونی اور تجارتی خطرات اور پاکستان میں نافذ قوانین کی روشنی میں حکمت عملی، کاروباری تجزیات، پیشن گوئی اور کاروباری منصوبہ کے متعلق ڈائریکٹرز کے کردار اور ذمہ داریوں پر مشتمل ہوتی ہے۔

ڈائریکٹر کا تربیتی پروگرام

کمپنی اس بات کو یقینی بناتی ہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن (SECP) کے قواعد وضوابط پر پوری طرح عمل کرے اور سند حاصل کر کے ڈائریکٹرز کے تربیتی پروگرام (ڈی ٹی پی) کے معیار کی شرائط کو پورا کرے۔ پی او ایل کے بیشتر ڈائریکٹرز، ڈائریکٹرز کے تربیتی پروگرام کے استثنیٰ کی شرط کو پورا کرتے ہیں۔ بقیہ ڈائریکٹرز نے ڈائریکٹرز کے تربیتی پروگرام کے تحت سند حاصل کی ہوئی ہے۔

متعلقہ پارٹی سے لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین کا آڈٹ کمیٹی کے ذریعے جائزہ لیا جاتا ہے اور کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۰۸ کے تحت سہ ماہی کی بنیاد پر منظوری کے لئے بورڈ کو سفارش کی جاتی ہے۔

ڈائریکٹرز رپورٹ

بورڈ اراکین کے مابین مفادات کا تضاد

کمپنی کے بورڈ اراکین کے مابین اصل یا سمجھے جانے والے تضاد کو ختم کرنے کے لئے ایک ضابطہ بنایا گیا ہے۔ اس ضابطے کے تحت ہر ڈائریکٹر کو کسی معاہدے یا تقرری وغیرہ میں اپنی دلچسپی ظاہر کرنا ہوتی ہے۔ اس بارے میں دیگر بورڈ اراکین کو آگاہ کیا جاتا ہے اور اس بات کو یقینی بنایا جاتا ہے کہ دلچسپی رکھنے والا ڈائریکٹر اس فیصلے میں نہ تو حصہ لے اور نہ ہی ووٹ دے۔ مزکورہ حقائق کے نتائج (اگر کوئی ہیں) تو اجلاس کے نکات میں درج کئے جاتے ہیں۔ مفادات کے اس طرح کے کسی بھی تضاد کو کمپنی کے قانونی رجسٹر میں درج کیا جاتا ہے۔ جبکہ متعلقہ فریقوں کے معاملات کے انکشافات مالی بیانات میں فراہم کیے جاتے ہیں۔

چیئرمین اور چیف ایگزیکٹو کا کردار

چیئرمین بورڈ کے اجلاسوں کی سربراہی کرتے ہیں اور مجلسِ ادارت (بورڈ) کے کام کو موثر بنانے کو یقینی بناتے ہیں۔ چیئرمین انتظامیہ اور بورڈ کے مابین رابطے کا ذریعہ ہیں ان کے پاس ایجنڈا طے کرنے، ہدایات جاری کرنے اور بورڈ کے اجلاس کی تفصیلات پر دستخط کرنے کے اختیارات ہیں۔

چیئرمین اس بات کو یقینی بناتے ہیں کہ ڈائریکٹر کو باضابطہ آگاہ کر دیا گیا ہے اور انہیں اہم معلومات فراہم کر دی گئی ہیں تاکہ وہ مناسب فیصلے کرنے کے قابل ہوسکیں۔ چیئرمین بورڈ کی سالانہ افادیت کا بحیثیت مجموعی جائزہ لیتے ہیں۔

چیف ایگزیکٹو (سی ای) ایگزیکٹو ڈائریکٹر ہیں جو کمپنی کے انتظامی سربراہ کے طور پر بھی کام کرتے ہیں۔ وہ کمپنی کی طویل المدتی حکمت عملی کی تیاری اور اس کے اس طرح نفاذ کے ذمہ دار ہیں کہ اس سے حصص یافتگان کے اعتماد میں اضافہ ہو۔ چیف ایگزیکٹو کی قائدانہ ذمہ داریوں میں یہ بات بھی شامل ہے کہ وہ کمپنی کے یومیہ انتظامی فیصلوں اور طویل اور قلیل المدتی منصوبوں پر عمل درآمد کے ذمہ دار ہیں وہ کمپنی کی طرف سے حصص یافتگان، ملازمین، سرکاری حکام اور دیگر متعلقین کو معلومات فراہم کرتے ہیں۔

بورڈ کی کارکردگی کا اندازہ

مجلس ادارت (بورڈ آف ڈائریکٹرز) کمپنی کے مقاصد اور اہداف کو مدِنظر رکھتے ہوئے حصص یافتگان کی جانب سے کمپنی کے گورننگ ٹرسٹی کے طور پر کام کرتی ہے۔
لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) کے ریگولیشن ۲۰۱۷ء کے تحت، ایک باضابطہ اور موثر نظام تشکیل دیا گیا ہے تاکہ بورڈ کی اپنی سالانہ کارکردگی، بورڈ ممبران اور اس کی کمیٹیوں کو جانچا جا سکے۔

مجلس ادارت نے اپنی کارکردگی جانچنے کے لئے درج ذیل معیار مقرر کیا ہے۔

۱۔ حکمت عملی سے متعلق منصوبوں اور کاروباری خطرات کا جائزہ لینا کمپنی کے مستقبل کے منصوبوں کی نگرانی کرنا اور انتظامیہ کو اس بارے میں مشورے دینا۔
۲۔ ایک ٹیم کے طور پر کام کرتے ہوئے بورڈ کے پاس درست صلاحیت مہارت اور جدت اپنانے کی مناسب صلاحیت ہے بورڈ کے اجلاسوں میں حکمت عملی اور پالیسی جیسے اہم معاملات پر باقاعدہ توجہ مرکوز رکھی جاتی ہے۔

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے سال کے دوران ہر ڈائریکٹر کی اجلاس میں شرکت کی تعداد درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے اسمائے گرامی	بورڈ اف ڈائریکٹرز اجلاس	آڈٹ کمیٹی اجلاس	ایچ آر اور آر کمیٹی اجلاس
۱	جناب لیث جی فرعون	۵*	۱*	۱*
۲	جناب وائیل جی فرعون	۵*	۴*	۱*
۳	جناب شعیب اے ملک	۵		۱
۴	جناب عبدالستار	۵	۴	۱
۵	جناب ساجد نواز	۵		
۶	جناب طارق اقبال خان	۵	۳	
۷	جناب نہال قاسم	۵	۳	

* اوورسیز ڈائریکٹرز نے ذاتی طور پر یا متبادل ڈائریکٹرز کے ذریعے اجلاسوں میں شرکت کی۔

پاکستان سے باہر بورڈ کے منعقدہ اجلاس

بورڈ کے تمام اجلاس پاکستان میں ہوئے سوائے دو اجلاس کے (۵۰۸ اور ۵۱۰) جو بالترتیب ۱۵ اگست ۲۰۱۸ کو دبئی اور ۲۲ جنوری ۲۰۱۹ کو ترکی استنبول میں منعقد ہوئے۔

ڈائریکٹرز کا معاوضہ

بورڈ کے ڈائریکٹرز کو بورڈ یا ڈائیریکٹرز کی کسی بھی کمیٹی کے اجلاسوں میں شرکت کے لئے فیس کا ڈھانچہ وقتاً فوقتاً طے کرنے، جائزہ لینے اور اس میں ترمیم کرنے کا اختیار ہے۔ ڈائریکٹرز یا کمپنیوں کے کسی بھی کمیٹی یا عام اجلاس میں شریک ہونے اور واپس آنے میں ڈائریکٹرز کو تمام سفری ہوٹلوں اور دیگر اخراجات کی مناسب ادائیگی بھی کی جاسکتی ہے۔

غیر ملکی ڈائریکٹرز کا حفاظتی اجازت نامہ

پی او ایل کے بورڈ میں منتخب ہونے والے غیر ملکی ڈائریکٹرز کو SECP کے ذریعے وزارت داخلہ سے حفاظتی اجازت نامہ کی ضرورت ہوتی ہے۔ اس بابت تمام قانونی تقاضوں اور ضروریات کو پورا کیا گیا ہے۔

دیگر کارپوریٹ گورننس

کارپوریٹ گورننس سے متعلق دیگر امُور ڈائریکٹرز کی رپورٹ سے منسلک ہیں۔

ڈائریکٹرز اور ایگزیکٹوز کی حصص میں تجارت

ڈائریکٹرز اور ایگزیکٹوز یا ان کے شریک حیات کے ذریعے کمپنی کے حصص کی ساری بلواسطہ یا بلاواسطہ تجارت کمپنی سیکریٹری کو قیمت، حصص کی تعداد، حصص کی شکل اور لین دین کی نوعیت کے ساتھ تحریری آگاہ کیا جاتا ہے، جو کہ کمپنی سیکریٹری بورڈ کو مقررہ وقت کے اندر مطلع کرتا ہے۔ اس طرح کی تمام ہولڈنگ کا انکشاف پیٹرن آف شیئر ہولڈنگ میں کر دیا گیا ہے۔

ڈائریکٹرز رپورٹ

۱۰۔ گذشتہ چھ سال کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔

۱۱۔ ۳۰ جون ۲۰۱۹ء میں قابلِ ادائیگی تمام اہم سرکاری محصولات کی سال کے آخر کے بعد منظوری دے دی گئی ہے۔

۱۲۔ ۳۰ جون ۲۰۱۹ء کے تازہ ترین اکاؤنٹس کی بنیاد پر ملازم کی ریٹائرمنٹ فنڈز میں سرمایہ کاری کی اقدار مندرجہ ذیل ہیں:

مینجمنٹ سٹاف پنشن فنڈ	۱،۰۷۷	ملین روپے
گریجوئیٹی فنڈ	۴۲۸	ملین روپے
سٹاف پراویڈینٹ فنڈ	۴۱۷	ملین روپے
جنرل سٹاف پراویڈینٹ فنڈ	۱۷۲	ملین روپے

ڈائریکٹرز اور بورڈ کے اجلاس

بورڈ کے کُل اراکین کی تعداد مندرجہ ذیل ہے :

الف) مرد ۷

ب) مستورات ۔

بورڈ کی تشکیل یوں کی گئی ہے۔

قسم	اسمائے گرامی
آزاد ڈائیریکٹرز	جناب طارق اقبال خان*
	جناب نہال قاسم
دوسرے غیر انتظامی ڈائریکٹرز	جناب لیث جی فرعون**
	جناب وائیل جی فرعون***
	جناب عبدالستار
انتظامی ڈائریکٹرز	جناب شعیب اے ملک
	جناب ساجد نواز

* آزاد ڈائریکٹرز لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ۲۰۱۷ کے ضابطہ (۲)۶ کے معیار پر پورا اترتے ہیں۔

** متبادل ڈائریکٹر جناب شعیب اے ملک، چیئرمین اور چیف ایگزیکٹو

*** متبادل ڈائریکٹر جناب بابر بشیر نواز

بورڈ نے درج ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں :

الف) آڈٹ کمیٹی:

جناب عبدالستار (چیئرمین)

جناب بابر بشیر نواز (رکن)

جناب طارق اقبال خان (رکن)

جناب نہال قاسم (رکن)

ب) انسانی وسائل اور مشاہدہ کمیٹی (HR&R):

جناب بابر بشیر نواز (چیئرمین)

جناب شعیب اے ملک (رکن)

جناب عبدالستار (رکن)

- پی او ایل SCR رِگ کا ISO 45001:2018 نگرانی اور منتقلی کا آڈٹ
- LPG میاں پلانٹ کے لئے ISO14001:2015 نگرانی کا آڈٹ
- کھوڑ سہولتوں کے لئے ISO14001:2015 نگرانی کا آڈٹ
- تمام پی او ایل فیلڈز اور SCR رگ کی ماحولیاتی نگرانی
- بیرونی اُستاد کے ذریعے H2S لیول۔11 کی تربیت
- بلکسر ڈیپ۔1، ڈی جی خان۔1 اور جنڈیال
- 2 کنووں کے لئے ابتدائی ماحولیاتی امتحان
- حفاظت کے عملی انتظام کی تربیت (منصوبہ زیرِ غور ہے)

ضابطہِ عمل:

کمپنی کی صنعت میں قائدانہ حیثیت برقرار ہے، پاکستان کی پہلی دریافتی اور پیداواری کمپنی ہونے کی بناء پر اقت گزرنے کے ساتھ ساتھ ہم نے زیرِ سرگرمی تمام علاقوں میں موثر حکمت عملی اور طریقہ کار کو ترقی دی ہے۔ کمپنی کے پاس اپنے ہر شعبے کے لئے مناسب طریقہ کار موجود ہے۔

کارپوریٹ گورننس

کارپوریٹ گورننس کا تصور بلاشبہ کارپوریٹ ایجنڈہ بن چکا ہے۔ دنیا بھر میں ہم دیکھ رہے ہیں کہ ریگولیشنز، کوڈ، سفارشات اور موضوع پر اصولوں کے پھیلاؤ کا مشاہدہ ہو رہا ہے۔ موجودہ کارپوریٹ گورننس کو ڈاپنانے پر بورڈ سمجھتا ہے کہ گورننس کا مناسب نقطہ نظر دنیا بھر میں گورننس کی ضروریات اور بہترین طریقوں پر مبنی ہے جو کہ ایک فریم ورک کو اپنانے کے لئے تھا۔

۱۔ مالی بیانات، جو کہ کمپنی انتظامیہ کی جانب سے تیار کی گئی ہیں جو منصفانہ امور کی نشاندہی، اپنے آپریشنز، نقدی کا بہاؤ اور ایکوئٹی میں تبدیلیاں ظاہر کرتی ہیں۔

۲۔ کمپنی کے کھاتوں کی باقاعدہ دستاویزات مرتب کی گئی ہیں۔

۳۔ مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ مالی بیانات کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہیں

۴۔ بین الاقوامی اکاؤنٹنگ کے معیار جو کہ پاکستان میں نافذ العمل ہیں کی مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

۵۔ اندرونی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر مؤثر طریقے سے عمل درآمد اور اس کی نگرانی کی گئی ہے۔

۶۔ کمپنی کو جاری رکھنے کی صلاحیت پر کوئی شکوک وشبہات نہیں ہیں۔

۷۔ کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہیں۔

۸۔ گذشتہ سال کے آپریٹنگ نتائج سے اہم انحراف کو (اگر کوئی ہے تو) ڈائریکٹرز رپورٹ / چیئرمین کے جائزہ میں مناسب طور پر اکاؤنٹس کی تفصیل (Notes) میں بتایا گیا ہے۔

۹۔ کمپنی مستقبل میں اپنے آپریشنز کی کارپوریٹ تنظیمِ نو کو ختم کرنے یا روکنے کے لئے غور نہیں کر رہی۔

ڈائریکٹرز رپورٹ

گذشتہ تین سالوں میں HSE ڈیپارٹمنٹ کی جانب سے دی گئی تربیّت کا موازنہ درج ذیل ہے:

سال ۲۰۱۷		سال ۲۰۱۸		سال ۲۰۱۹	
تعداد تربیت	شرکاء کی تعداد	تعداد تربیت	شرکاء کی تعداد	تعداد تربیت	شرکاء کی تعداد
۸۹۴	۱۴،۹۱۵	۱،۱۶۹	۱۸،۵۴۰	۱،۲۵۸	۲۱،۱۷۸

اپنے ماحول کی مدد۔

ہم اپنی سرگرمیوں کو اپنے ملازمین، ٹھیکیداروں، قریبی آبادی، زمینی وسائل اور ماحول کو کم سے کم متاثر کئے بغیر جاری رکھنے کے لئے پُرعزم ہیں۔ ہماری مسلسل دوستانہ ماحول

سرگرمیوں کو سراہتے ہوئے قومی فورم برائے ماحول اور صحت نے میال ایل پی جی پلانٹ کو ISO14001:2015 ایوارڈ سے نوازا۔

ماحولیاتی اثرات کو متاثر ہونے سے بچانے کے لئے نئی ٹیکنالوجی کا استعمال، سسٹم کی بہتری، انتظامی کنٹرول، ماحولیاتی لیولز پر نظر، قابلِ اطلاق قانون سازی اور اچھے صنعتی عمل وغیرہ شامل ہیں۔

- کھوڑ سہولیات اور انتظامی نظام کی OHSAS18001:2007 سے ISO45001 2015: میں منتقلی کے لئے نگرانی کا آڈٹ
- پی او ایل SCR رِگ کے لئے OHSAS 18001:2007 کی تجدید
- مائع پٹرولیم گیس پلانٹ میال کے 14001: 2015 نگرانی کے آڈٹ
- میال اور بلکسر کے OHSAS 18001: 2007 نگرانی کے آڈٹ
- پی او ایل کے تمام حصوں اور SCR رِگ کی ماحولیاتی نگرانی
- ISO45001 : 2015 لیڈ آڈیٹر کورس
- حال ہی میں ہم نے بلکسر کو بطور نمونہ تیار کیا اور کام کرنے کے صحت مند ماحول کے لئے وسیع سرگرمیاں انجام دیں
- پنڈوری۔۱۰ کے لئے ابتدائی ماحولیاتی امتحان اور لنگڑیال۔اخلاس بلاک میں 3D ارضیاتی سروے
- موٹروے پولیس کے تعاون سے پی او ایل فیلڈ پُول ڈرائیوروں کی دفاعی ڈرائیونگ کی تربیت

تکمیل شدہ منصوبے:

- کے سی ڈی ایف کے پرانے حصوں میں جھاگ چھڑکنے کے خودکار نظام کی تنصیب اور کام کا آغاز۔
- پی او ایل ہاؤس مورگاہ میں دھویں کا پتہ لگانے والے قابلِ اعتماد نظام کی تنصیب۔

زیرِ تکمیل / نئے اہداف:

- کھوڑ فیلڈ کے لئے نئے فائر ٹرک کی خریداری
- میال، بلکسر کے لئے ISO 45001: 2018 کی منظوری اور منتقلی کا آڈٹ

مواصلات کا منصوبہ اور سرگرمیوں کی ترتیب دی گئی ہے تاکہ صورت حال کا مقابلہ کیا جا سکے۔

گذشتہ تین سالوں میں کام کی جگہ پر حادثات کا موازنہ درج ذیل ہے:

حادثات	۲۰۱۷	۲۰۱۸	۲۰۱۹
سنگین	۰۰	۰۰	۰۰
آگ	۰۳	۰۵	۰۲
قابلِ ذکر حادثات (اہم زخم)	۰۲	۰۰	۰۰
قابلِ ذکر معمولی حادثات (معمولی زخم)	۰۱	۰۰	۰۱
اہم ماحولیاتی	۰۰	۰۰	۰۰
ابتدائی طبی امداد	۰۷	۰۵	۱۰
اہم ماحولیاتی	۰۵	۰۲	۰۰

تحفظ۔

محفوظ اور صحت مند کام کا ماحول فراہم کرنا اور حادثات کی روک تھام کرنا ہمارا عزم ہے۔ ملازمین تحفظ اور صحت کے ان اصولوں پر عمل کے لئے جواب دہ ہیں جو دوران ملازمت اُن پر لاگو ہوتے ہیں۔ ان سے توقع کی جاتی ہے کہ وہ اپنے آپ کو اور اپنے ساتھیوں کو حادثات سے بچانے کیلئے ضروری احتیاطی تدابیر اختیار کریں گے اور حادثات، چوٹوں اور غیر محفوظ طریقوں اور حالات کے بارے میں فوراً آگاہ کریں گے۔ ملازمین سے توقع کی جاتی ہے کہ وہ کسی بھی ایسے اثر ورسوخ سے آزاد رہ کر کام کریں جوان کے مؤثر اور محفوظ طریقے سے کام کرنے کی راہ میں حائل ہوں۔

ضابطوں اور طریقہء کار کا باقاعدگی سے اس لئے جائزہ لیا جاتا ہے تاکہ یقین کیا جائے کہ ہمارے ضابطے صنعت کی بہترین پالیسیوں سے منسلک ہیں۔ ملازمین کو صحت اور تحفظ کی تربیت بھی اس لئے فراہم کی جاتی ہے تاکہ یہ یقین کر لیا جائے کہ وہ کمپنی کے ضابطوں اور اہداف کے مطابق کام کر رہے ہیں اِس مقصد کے لئے اپنے ہاں ہی آگ سے تحفظ، ابتدائی طبی امداد، محفوظ ڈرائیونگ اور پیشہ ورانہ صحت اور تحفظ کے بارے میں باقاعدگی سے تربیّت بھی دی جاتی ہے۔

کمپنی اس بات کو یقینی بناتی ہے کہ ملازمین اور جہاں نافذ العمل ہو ٹھیکیدار بھی کمپنی کے ممکنہ خطرات برائے صحت مند، محفوظ اور دوستانہ کام کے طریقوں کے متعلق آگاہ ہوں۔ پی او ایل تمام ملازمین کے لئے ماہانہ "سیفٹی بلیٹن" بھی جاری کرتی ہے۔ یہ اقدامات کام کی جگہ پر چوٹوں کو روکنے میں مددگار ثابت ہوئے ہیں۔

باقاعدگی سے تحفظ کی مشقیں بھی یہ یقین کرنے کے لئے کرائی جاتی ہیں کہ ہنگامی حالات کے لئے تمام تیاریاں مکمل ہیں۔ کمپنی کے ہر Concession کے تحفظ کے لئے الگ منصوبہ بندی کی گئی ہے۔

HSE ڈیپارٹمنٹ کی جانب سے Tool box talks اور فیلڈ تجرباتی اجلاس ہر فیلڈ میں باقاعدگی سے منعقد کئے جاتے ہیں۔

ڈائریکٹرز رپورٹ

کمیونٹی ہیلتھ پروگرام۔

عوام کو پی او ایل ہسپتال کے ذریعے سہولت فراہم کرنے کے علاوہ مختلف علاقوں میں طبی کیمپ لگائے گئے ہیں جن میں طبی امداد اور ادویات عوام کی دہلیز پر مفت تقسیم کی گئیں۔

سال کے دوران پی او ای ایل ہسپتال میں غریب مریضوں کے علاج کی تعداد	۲،۶۹۳
سال کے دوران پنڈوری ڈسپینسری میں مریضوں کے مفت علاج کی تعداد	۳،۰۸۷
سال کے دوران بلکسر ڈسپینسری میں مریضوں کے مفت علاج کی تعداد	۱،۳۰۲
سال کے دوران میال ڈسپینسری میں مریضوں کے مفت علاج کی تعداد	۲،۷۴۸

دورانِ سال کمپنی نے مقامی آبادی کے لئے آنکھوں کے معائنے کے متعدد مفت آئی کیمپ کا انتظام کیا۔ جن کی تفصیل درج ذیل ہے :

آنکھوں کے فری کیمپ میں مریضوں کے مفت علاج کی تعداد	۴۰۳
مفت کیمپوں کے دوران آنکھوں کے آپریشن کی تعداد	۳۷

پیشہ ورانہ صحت اور تحفظ (O H & S)۔

ہمارا بنیادی مقصد پیشہ وارانہ اور عملیاتی ماحول میں اپنے لوگوں کی حفاظت اور کام کے دوران بچاؤ کے الات کے استعمال کے علم کو یقینی بنانا ہے۔

محکمہ ایچ ایس سی بین الاقوامی O H S A S ۱۸۰۰۱:۲۰۰۷ اور آئی ایس او ۱۴۰۰۱:۲۰۱۵ سندوں کے تحت صحت، حفاظت اور ماحول کی نگرانی کر رہا ہے۔ مذید یہ کہ حال ہی میں ہی پی او ایل نے آئی ایس او ۴۵۰۰۱:۲۰۱۸ کی تعمیل میں کھوڑ سہولیات کی سند لی ہے۔

ہم اللہ تعالی کے شکر گذار ہیں کہ ہم پاکستان کے تیل اور گیس کے شعبے میں آئی ایس او ۴۵۰۰۱:۲۰۱۸ سند حاصل کرنے کے بانی ہیں۔ سیفٹی کمیٹی کام والی جگہ میں حفاظت، صحت اور مناسب ماحول کی نگرانی کرتی ہے۔ کمیٹی باقاعدگی سے O H & S نظام، پالیسیوں، کام کی جگہ کے خطرات کو کم کرنے، محفوظ اور صحت مند کام کے ماحول اور اہم O H & S مسائل اور کارکردگی کو فروغ دینے کے پروگراموں پر نظر رکھتی ہے۔

قانونی ضروریات کے علاوہ پی او ایل میں پیشہ ورانہ اور تحقیقی سرگرمیاں داخلی پالیسیوں کے تحت چلائی جاتی ہیں۔ شعبہ جاتی سربراہوں اور تمام مُدیران (Managers) کی ذمہ داری ہے کہ وہ تحفظ کے پروگرام تیار کریں انہیں لاگو کریں اور برقرار رکھیں۔

کمپنی نے تمام مقامات پر حادثات کو کم کرنے اور ہنگامی صورتحال سے نمٹنے کے لیے ایک جامع حفاظتی انتظامی نظام بنایا ہے۔ "ایمرجنسی رسپانس ٹیم" کا قیام عمل میں لایا گیا ہے جس نے ہنگامی صورتحال سے نمٹنے کے لئے ایک جامع طریقہ کار وضع کیا ہے۔ جس کے تحت ہنگامی تنظیم، ذمہ داریاں، کلیدی ذمہ داران کی فہرست، اہم ٹیلی فون نمبرز،

پی او ایل انسانی وسائل کو بہتر بنانے کے لئے ملک کی یونیورسٹیوں کی مدد ایک سماجی ذمہ داری سمجھتی ہے، اور اس وجہ سے فعال طور پر ملک کے پیشہ ور نوجوانوں کو تربیّت دیتی ہے۔ اس مقصد کے لئے مختلف یونیورسٹیوں کے طلباء و طالبات کے لئے انٹرن شپ پیش کی جاتی ہیں۔

کھوڑ ہسپتال۔

کمپنی مریض کی بہتر نگہداشت، باہمی تعاون کا ماحول اور صحت سے متعلق فیصلوں میں مزید بہتری، بہتر معیارِ زندگی اور اعلیٰ فلاح و بہبود کے مقاصد کے لئے کھوڑ میں جدید ترین ٹیکنالوجی کا حامل ہسپتال چلا رہی ہے۔ ہسپتال ۲۴ گھنٹے معیاری طبی دیکھ بھال، اہم بنیادی صحت کی خدمات اور مفت ہنگامی امداد فراہم کرتا ہے۔

اس وقت ہسپتال میں میڈیسن، جراحی، زچہ بچہ، شعبہ اطفال، اینستھیزیا کے ماہرین کو تعینات کیا گیا ہے، فیملی میڈیسن کان، ناک اور گلہ (ENT)، آنکھ، معدہ، جلد اور Ultrasonology کے شعبوں میں ماہرین سے مدد لی جاتی ہے۔

بنیادی طبی سہولتیں ی ۲۴ گھنٹے فراہم کرنے کے لئے چھ میڈیکل آفیسر ہر وقت موجود رہتے ہیں۔

کھوڑ ہسپتال رہائشیوں کو ماہرین طب اور کلینیکل خدمات کی زبردست سہولت مہیّا کرتا ہے جو مقامی لوگوں کو میّسر نہیں۔ ہسپتال جدید ترین آلات کے ساتھ آپریشن تھیٹر، منجمد اور متحرک ایکس رے مشینیں، بہترین طبی تجربہ گاہ اور جدید ترین سہولتیں رکھتا ہے۔ ہسپتال میں چالیس بستروں پر مشتمل ائیر کنڈیشنڈ وارڈز ہیں اور یہ مشیروں اور ماہر ڈاکٹروں کی سہولتیں بھی فراہم کرتا ہے۔ زندگی بچانے کے لئے ہنگامی حالات میں یا سڑک پر حادثہ کی صورت میں زخمی افراد کو فی سبیل اللہ جدید ترین طبی امداد فراہم کی جاتی ہیں۔ عوام کے لیے اس طرح کی سہولیات فراہم کرنے والا یہ اپنے علاقے کا واحد ہسپتال ہے۔

دانتوں کا ہسپتال۔

حال ہی میں ایک جدید ڈینٹل یونٹ قائم کیا گیا ہے جس نے ۲۷ اپریل ۲۰۱۹ء کو کام کرنا شروع کیا۔ اعلیٰ تعلیم یافتہ دندان ساز اور ماہر فن (Technician)، پی او ایل ملازمین اور مقامی آبادی کو ہر قسم کے دانتوں کا علاج اور مصنوعی اعضاء فراہم کر رہے ہیں۔

صحت کی دیگر سہولیات۔

کمپنی کی طرف سے فیلڈ میں فراہم کی جانے والی دیگر طبی نگہداشت کی سہولیات درج ذیل ہیں:

- باقاعدہ مفت ڈسپنسریوں کو پنڈوری اور بلکسر کے علاقوں کی مقامی آبادی کے لئے منظّم کیا گیا ہے۔
- میال میں فیلڈ ہسپتال اور ڈسپنسریوں کا قیام۔
- محکمہ ڈسٹرکٹ ہیلتھ کے تعاون سے سالانہ ویکسینیشن پروگرام شروع کیا گیا ہے۔
- پی او ایل طبی دیکھ بھال فراہم کرنے کے بارے میں تقریباً ۲۵۰ سے زائد رجسٹرڈ افراد کے لیے ایک غریب مریض فنڈ چلا رہا ہے جو کہ جناب چیئرمین نے قائم کیا ہے اور اس میں وہ خود اور ملازمین اپنا حصہ ڈالتے ہیں۔

ڈائریکٹرز رپورٹ

میں ۶۵۰۰ سے زائد گھرانوں کو پینے کے صاف پانی کی فراہمی کے لئے ایک وسیع تقسیم کے نیٹ ورک قائم کرنے کے لئے موٹر پمپس کی تنصیب اور اوور ہیڈ پانی کے ٹینکوں کی تعمیر کی گئی ہے۔ علاقے کے لوگوں نے گاؤں کی بنیاد پر پانی کی انتظامیہ کمیٹیوں کے ذریعے بحالی اور پائیداری کے ان منصوبوں کو سنبھالنے میں مدد کی ہے۔

پری والی میں احمدال گاؤں کے رہنے والوں کو پینے کے صاف پانی کی سہولت کا بڑا مسئلہ درپیش تھا کیونکہ دستیاب پانی کی فراہمی ان کی بنیادی ضرورت کو پورا کرنے کے لئے ناکافی تھا۔ کمپنی نے احمدال گاؤں کی مقامی آبادی کی سہولت کے لئے زیرِ زمین پانی سٹوریج ٹینک ۵.۳ ملین روپے کی لاگت سے (۳۰'x۶۰') سائز کا ۱۵۰،۰۰۰ گیلن سٹوریج کا حامل ٹینک تعمیر کیا۔ مقامی آبادی کے ۱۷،۰۰۰ سے زائد باشندے براہِ راست اور بالواسطہ طور پر اس کے صاف پانی کی سہولت سے مستفید ہورہے ہیں۔
پی او ایل ۱۴.۵ کلومیٹر طویل ۶ انچ قُطر کی پائپ لائن کے ذریعے کھوڑ پیداواری سہولت اور مقامی آبادی کو طویل عرصہ سے پانی مُہیّا کررہی تھی۔ وقت گزرنے کے ساتھ ساتھ پانی کا ذریعہ خُشک ہوگیا اور آلودگی کی وجہ سے پانی کا معیار بھی مُتاثر ہوگیا ہے۔

پانی کی بڑھتی ہوئی طلب اور اس کے معیار کو بہتر بنانے کے پیشِ نظر پی او ایل نے اخلاص میں دریائے سِل کے قریب ۲۵۰ فٹ گہرے پانی کے ۴ کنویں کھودے۔ ۱۵.۳ کلومیٹر طویل ۶ انچ قُطر کی پائپ لائن کے ذریعے روزانہ ۲۵۰،۰۰۰ گیلن پانی مُہیّا کیا جارہا ہے تاکہ کھوڑ کی مقامی آبادی کی بڑھتی ہوئی طلب اور کمپنی کی اپنی ضروریات کو پورا کیا جاسکے۔ اِس منصوبے پر ۸۲.۶ ملین روپے لاگت آئی تھی اور اب یہ مقامی آبادی کی ترقی اور ان کی مشکلات کو دُور کرنے میں اپنا کردار ادا کررہا ہے۔ مسجدوں میں اور گھروں میں پانی کے کنکشن دیئے جارہے ہیں اور مرمت کا خرچ بھی کمپنی برداشت کررہی ہے۔

میال میں پانی کے ۴۲ کنیکشنز دیئے گئے جن سے ۵۰۰ گھرانے فائدہ اُٹھارہے ہیں۔ مزید یہ کہ یونین کونسل کھڑپہ کو ۲ ملین روپے عطیہ کے گئےہیں تاکہ مقامی ابادی کو پانی کی سہولت فراہم کی جاسکے۔

انسانی وسائل (HR)۔

پی او ایل یقین رکھتی ہے کہ مؤثر انسانی وسائل (HR) مینجمنٹ اور ترقی کی پالیسیوں کے اپنانے سے تنظیمی مقاصد اور اس میں قابلِ ستائش اضافہ ہوتا ہے۔ پی او ایل کا نظریہ ہے کہ اس کے ملازمین اس کا سب سے قیمتی اثاثہ ہیں۔
انتخاب کے طریقہء کار اور روزگار کی پالیسیوں کو اس طرح بنایا گیا ہے کہاں قابل اور تعلیم یافتہ ملازمین کو کمپنی کے ساتھ منسلک رکھا جائے جو کمپنی مقاصد کو پورا کرنے کے لئے اپنی بہترین کوششوں سے اہم کردار ادا کرنے کے لئے تیار ہوں۔

ملازمین کی اصل اور مطلوبہ کارکردگی کے درمیان خلیج کو کم کرنے کے لئے تکنیکی مہارتوں پر تربیّت دی جاتی ہے یہ تربیّتیں ملازمین اور کمپنی کے باہمی فائدے کے لئے ہیں اور ملازمین کو ترقی کے لئے درکار مہارت حاصل کرنے کے مواقع فراہم کرتی ہیں۔ تربیّت کا یہ عمل مسلسل جاری رہتا ہے۔

پی او ایل ووکیشنل ٹریننگ سنٹر۔
پی او ایل نے خواتین کے لئے پیشہ ورانہ تربیتی مرکز قائم کیا ہے۔اس مرکز کو قائم کرنے کے مقاصد میں رویوں، علم، اور مقامی علاقے کی خواتین میں خود روزگار کے لئے مہارت کی ترقی ہے۔اب تک ۵۰۰، اسے زائد خواتین اور لڑکیوں کو تربیّت دی جا چکی ہے۔جولائی ۲۰۱۶ء میں پی او ایل نے VTC کھوڑ میں Safety Coveralls Stitching یونٹ قائم کیا ہے۔سلائی مزکر کے قیام کا مقصد احراجات میں کمی اور VTC کے عملہ اور طالبات کی سلائی کڑھائی کی مہارت میں مذید نکھار پیدا کرنا ہے۔

کھیل اور ثقافتی سرگرمیاں۔
اس بات پر یقین رکھتے ہوئے کہ کھیل نہ صرف جسمانی صحت کو بہتر بناتے ہیں بلکہ جوانوں کی ترقی میں ایک اہم کردار ادا کرتے ہیں جن میں انکی بہتر تعلیم، اعلٰی خود اعتمادی، مثبت رویوں اور بہتر نفسیاتی معاملات بھی شامل ہیں۔پی او ایل ہمیشہ معاشرے میں کھیلوں کی سرگرمیوں کو فروغ دیتا ہے اور اس کے لئے سہولیات بھی فراہم کرتا ہے جن میں کرکٹ، ہاکی اور فٹ بال کے میدان، بیڈمنٹن اور والی بال کورٹس شامل ہیں۔

پی او ایل نے کئی ٹورنامنٹ منعقد اور سپانسر کئے جو درج ذیل ہیں:

۔کرکٹ ٹورنامنٹ (ہارڈ گیند اور ٹینس گیند)

۔ہاکی ٹورنامنٹ

۔والی بال ٹورنامنٹ

۔بیڈمنٹن ٹورنامنٹ

ان کھیلوں کے علاوہ پی او ایل مقامی علاقے کی تفریح کے لئے روایتی/لوک کھیلوں کی حمایت اور انکی ثقافت کا حصہ بنتا ہے۔ان میں درج ذیل کھیل شامل ہیں:

۔نیزہ بازی

۔بیل دوڑ

۔رسہ کشی

۱۴اگست (یوم آزادی) کی تقریب کو کھوڑ ورکرز کلب میں بڑے جوش و جزبے سے منایا جاتا ہے۔کمپنی کے ملازمین اور مقامی علاقے سے زندگی کے تمام شعبہ ہائے جات کے لوگ اس میں شرکت کرتے ہیں۔

بنیادی ڈھانچہ کی ترقی
مقامی باشندوں کے معیار زندگی کو تب ہی بہتر بنایا جاسکتا ہے جب انہیں بڑی منڈیوں تک یکسانی رسائی میسر ہو۔آپریشن کے علاقوں میں مقامی باشندوں کے معیارِ زندگی کو بلند کرنے کے لئے پی او ایل نے نہ صرف سڑکوں کے نیٹ ورک کی تعمیر پر خرچ کیا بلکہ ہم نے گھروں تک پختہ گلیوں، پلیوں اور نکاسی آب کے نظام میں بہتری لانے کے لئے اپنی خدمات پیش کی ہیں۔

مقامی آبادی کے لئے صاف پانی کی سہولت۔
دیہی لوگوں کی بنیادی ضروریات کو پورا کیا گیا جن میں پینے کے صاف پانی تک آسان اور کم وقت میں رسائی کی کوششوں میں مدد فراہم کرنا ہے۔اس سلسلے میں کئی منصوبوں پر کام شروع کر دیا گیا ہے۔

پی او ایل، پری والی اور میال کے ارد گرد واقع مختلف دیہاتوں میں پانی کی فراہمی کے منصوبوں کی ترقی پر رقم اور وقت صرف کر چکی ہے۔ان منصوبوں کے تحت کئی دیہات

ڈائریکٹرز رپورٹ

بی ایس (۴ سالہ) شروع کرنے کی کوشش کی جا رہی ہے۔

گزشتہ برس کی طرح امسال ڈاکٹر رشاد ڈگری کالج، کھوڑ نے ایوب نیشنل پارک میں منعقد ہونے والے NCPC ماحولیاتی میلے میں شرکت کی اور اوّل انعام حاصل کیا۔

پچاس سے زائد اداروں (سکولز اور یونیورسٹیوں) نے اس میلے میں شرکت کی تھی۔

اس سال ڈاکٹر رشاد ڈگری کالج کھوڑ نے کا BSCS کے چار سالہ پروگرام کے لئے پنجاب یونیورسٹی سے الحاق کا انتظام کیا ہے۔

ڈاکٹر رشاد ڈگری کالج نے سٹال کی سجاوٹ اور دیگر مقابلوں میں پہلا انعام حاصل کیا۔

پی او ایل ماڈل سکول۔

پی او ایل کے ملازمین کے بچوں کو معیاری تعلیم دینے کے لئے یکم جنوری ۱۹۹۴ء کو پی او ایل ماڈل سیکنڈری سکول کا آغاز کیا گیا۔ جسے پنجاب ایجوکیشن ڈیپارٹمنٹ سے رجسٹرڈ کرایا گیا۔ بعدازاں مقامی آبادی کو بھی مستفید ہونے کی سہولت دے دی گئی۔ اِس وقت ۷۶۰ طلباء و طالبات زیورِ علم سے آراستہ ہو رہے ہیں۔

☆ سکول نہ صرف بچوں کی تعلیم پر توجہ مرکوز کرتا ہے بلکہ اُن کی روحانی سماجی اِخلاقی اور جسمانی ترقی اس کا مطمعِ نظر ہے۔

☆ سکول اپنے طلباء و طالبات کو سیکھنے کے لئے صحتمند محفوظ اور سازگار ماحول فراہم کرتا ہے۔

☆ معیاری تعلیم مہیا کرنے کے لئے گذشتہ برس جولائی ۲۰۱۸ء میں اساتذہ کی مسلسل پیشہ ورانہ ترقی کے لئے ورکشاپ ترتیب دی گئی اور اب ۲۰۱۹ء میں دوبارہ زیرِ غور ہے۔ یہ موثر تدریسی عمل کو سیکھنے اور اساتذہ کی مہارت اور طریقہء کار کو مزید بہتر بنانے میں معاون ثابت ہوئی ہے ۔

☆ سکول میں انگریزی اور اُردو تقاریر کے سالانہ مقابلے منعقد کیے جاتے ہیں تاکہ بچوں کے اندر اعتماد پیدا ہو اور انہیں بہترین مقرر بنانے کے لئے اُن کی صلاحیّتوں کو اجاگر کیا جا سکے۔ سکول نے مونٹیسری اور ثانوی سکول سیکشن کے لئے سال بھر میں باقاعدہ الگ غیر نصابی سرگرمیاں ترتیب دی ہیں۔ سکول میں ننھے بچوں کو سنبھالنے کے لئے مونٹیسری کے باقاعدہ تربیّت یافتہ اساتذہ رکھے گئے ہیں۔

☆ سکول میں ماہانہ اور ٹرمینل امتحانات کے بعد والدین اور اساتذہ کی ملاقات کا اہتمام کیا جاتا ہے۔ تاکہ والدین اپنے بچوں کی کامیابی اور ترقی کے بارے میں آگاہ ہو سکیں۔

☆ گزشتہ تین برسوں کی طرح امسال میٹرک ۲۰۱۹ء کا نتیجہ بھی ۱۰۰ فی صد رہا۔ اس سال ۵۴ طلبہ نے امتحان دیا جن میں سے ۳۰ نے +A گریڈ جب کہ ۱۵ نے A گریڈ حاصل کیا۔ ہمارے جس طالب علم نے سب سے زیادہ نمبر لئے وہ ۱۰۷۲ (۹۷ فی صد) تھے۔

سکول مزید اعلٰی کامیابیاں حاصل کرنے کے لئے مُستقل کوشاں ہے۔ معاشرے میں ہونے والی تبدیلیوں کے پیشِ نظر سکول کے نصاب کو مزید بہتر بنانے کے لئے تبدیل کیا گیا ہے۔

۲۰۱۵ء کی ابتداء میں ٹیوٹا لاہور کے ساتھ الیکٹریکل اور الیکٹرانکس ٹیکنالوجیز میں رجسٹریشن کرائی گئی۔ستمبر ۲۰۱۵ میں پنجاب بورڈ آف ٹیکنیکل ایجوکیشن لاہور کے ساتھ وابستگی ایسوسی ایٹ انجینئرنگ میں ڈپلومہ (۳ سالہ کورس) شروع کرنے کے لئے حاصل کی گئی۔کھوڑ اور گردونواح کے لوگ پٹرولیم اور پٹرولیم کے دیگر ٹیکنالوجیکل شعبوں میں کام کرتے ہیں تاہم پٹرولیم کا نصاب TEVTA Board کو جائزے/منظوری کے لئے بھیجا گیا اور پھر ٹیوٹا بورڈ اور PBTE، لاہور سے منسلک کیا گیا۔۲۰۱۶ء میں مقامی افراد کی مدد کے لئے ڈاکٹر راشد انسٹیٹیوٹ آف ٹیکنیکل ایجوکیشن میں پٹرولیم ٹیکنالوجی میں DAE کا آغاز کیا گیا۔ ٹیکنیکل کالج کے بینر کے تحت، ۱۴دسمبر ۲۰۱۶ء کو پنجاب سکلز ڈویلپمنٹ فنڈ (PSDF) کے ساتھ ایک "پیشہ وارانہ تربیت مہیّا کرنے کا معاہدہ" کیا گیا ہے۔

یہاں طلباء مفت سامان اور کتابوں کے ساتھ بلا معاوضہ تربیّت حاصل کرتے ہیں۔اُنہیں ۱،۵۰۰ سے ۳،۰۰۰ روپے ماہوار وظیفہ بھی دیا جاتا ہے۔اس وقت تک مندرجہ ذیل ماہرین تیار کئے گئے :

۱۔ صنعتی الیکٹریشن	۷۰
۲۔ موٹر وائنڈنگ	۱۰۰
۳۔ سی سی ٹی وی ٹیکنیشن	۱۰۰
۴۔ کمپیوٹر ایپلیکیشن	۱۰۰
۵۔ کمپیوٹر ہارڈ ویئر ٹیکنیشن	۵۰
۶۔ کمپیوٹر سافٹ ویئر ٹیکنیشن	۵۰
۷۔ نظامِ شمسی اور یو پی ایس بنانے والے ٹیکنیشن	۲۵

تکنیکی انسٹی ٹیوٹ کے پانچ طلباء کو پی او ایل میں اپرینٹس شپ پروگرام کے لیے میرٹ پر منتخب کیا گیا ہے۔

ڈاکٹر رشاد ڈگری کالج۔

پی او ایل نے کھوڑ اور گردونواح کے علاقوں کے نوجوانوں کو معیاری تعلیم فراہم کرنے کے مقصد کے تحت کھوڑ میں ڈاکٹر رشاد ڈگری کالج قائم کیا ہے۔ ابتدائی طور پر یہ انٹرمیڈیٹ کالج تھا لیکن بعد میں ڈگری کلاسز شامل کرنے کے لئے اس کا الحاق پنجاب یونیورسٹی لاہور کے ساتھ کر دیا گیا۔کالج کے مختلف شعبوں میں ۳۰۰ طالبعلم تعلیم حاصل کر رہے ہیں ۔تدریسی شعبہ طالبعلموں کو تسلسل کے ساتھ معیاری تعلیم کی فراہمی کے لئے اعلیٰ تعلیم یافتہ عملے پر مشتمل ہے۔

اس سال Effective Teaching کے ذریعے اساتذہ کی تربیت کا انتظام کیا گیا جس سے اساتذہ نے استفادہ کیا۔اساتذہ نے NAVTTC سے پانچ ہزار روپے یومیہ کے ساتھ تربیت حاصل کی۔پانچ اساتزہ نے اس سہولت سے استفادہ حاصل کیا۔

Comsats اٹک کیمپس کے تعاون سے ڈاکٹر رشاد ڈگری کالج میں NTS(GAT&NAT) کی تیاری کے لیے کلاسز کا انتظام کیا جا رہا ہے۔

ڈاکٹر رشاد ڈگری کالج کھوڑ جس نے سال ۲۰۱۰ میں ۲ سالہ ڈگری کلاسز شروع کیں، اب کمپیوٹر کی تعلیم میں بی ایس پروگرام (۴ سالہ) شروع کیا ہے۔ یہ چار سالہ پروگرام مقامی طالبات کے لئے بہت مفید رہے گا۔ ریاضی میں بھی

ڈائریکٹرز رپورٹ

فلاح و بہبود میں حصہ لے۔
ایک اچھے کارپوریٹ شہری بننے کے لئے ہماری وابستگی میں شامل ہے کہ

۔اپنے ماحول کی حفاظت

۔ذمہ داری سے کام کرنا

۔جن علاقوں میں ہم کام کریں ان کی ترقی میں حصہ ڈالیں

۔اپنے کام کے معیار کو برقرار رکھنا اور صحتمند طرزِ زندگی کی وکالت

۔دیانتداری کے ساتھ کام اور اعلیٰ ترین اخلاقی معیارات کو برقرار رکھنا

۔کام کے تنوع کو فروغ دینا اور متنوع سپلائرز کے ساتھ شراکت داری

۔ایک محفوظ، صحت مند کام کی جگہ کو یقینی بنانا۔

ہمارا CSR وسیع سرگرمیوں پر مشتمل ہے جن میں سکولوں، کالجوں اور صحت کے مراکز کی تعمیر، سڑکوں اور پلوں کی تعمیر انسانی اور سماجی کام کرنے والی تنظیموں کی حمایت اور کھیلوں کا انعقاد ہیں۔ ہمیں اپنی ترقی پر فخر ہے، لیکن پھر بھی ہمیں بہت کچھ کرنا ہے جس کی ہم منصوبہ بندی کر رہے ہیں۔

تعلیم۔

تعلیم قوم کی تعمیر اور لوگوں کی اقتصادی ترقی کا ایک بڑا ذریعہ ہے۔ یہاں، پی او ایل میں، ہماری کلیدی توجہ تعلیم ہے جس کی ہم مکمل طور پر حمایت کرتے ہیں۔ پی او ایل کی توجہ بنیادی، ثانوی اور اعلیٰ سطح کی تعلیم پر مرکوز ہے۔
قیام کے اغاز سے پی او ایل ۸۱.۵ ملین روپے سرکاری سکولوں اور کالجوں کے بنیادی ڈھانچے کو بہتر بنانے، کلاس رومز اور بیت الاخلاؤں کی تعمیر، کمپیوٹرز، سائنس لیبارٹری، فرنیچر اور فکسچر فراہم کرنے میں خرچ کر چکی ہے جس سے ۳۰،۰۰۰ سے زائد طلباء مستفید ہو رہے ہیں۔
پی او ایل نہ صرف کام کے علاقوں میں سماجی بہبود کی سرگرمیوں پر خرچ کرتا ہے بلکہ ہمارے اپنے تکنیکی ادارے، ہائر سیکنڈری سکولز اور ڈگری کالج کھوڑ چل رہے ہیں جو پوری طرح سے لیب کی سہولیات، جدید کتب خانے، انتہائی مستند تدریسی عملے پر مشتمل ہیں۔ ہم غیر نصابی سرگرمیوں کو بھی فروغ دے رہے ہیں۔

ڈاکٹر رشاد ٹیکنیکل ایجوکیشن انسٹیٹوٹ۔

۲۰۱۵ء میں قائم ہونے والا ڈاکٹر رشاد انسٹیٹیوٹ آف ٹیکنیکل ایجوکیشن ترقی کرتے ہوئے اَب با قاعدہ فنی تعلیم مہیّا کرنے والا ادارہ بن گیا ہے۔ اِس وقت الیکٹریکل اور پٹرولیم ٹیکنالوجیز کے پہلے، دوسرے اور تیسرے سال میں ۸۰ طلباء زیورِ علم سے آراستہ ہو رہے ہیں۔
اب ہمارا ارادہ ڈرلنگ کی تعلیم دینے کا ہے تاکہ مقامی طلباء ڈرلنگ اور پٹرولیم میں ڈپلومہ حاصل کر سکیں۔ اس کی بنیادی وجہ یہ ہے کہ کھوڑ اور اس کے مضافات کے لوگ پٹرولیم ٹیکنالوجی میں پٹرولیم اور دوسرے فنی شعبوں میں ملازمت کر رہے ہیں۔

تا کہ فیلڈز سے حاصل ہونے والی پیداوار کو نہ صرف برقرار رکھا جائے بلکہ اس میں مزید اضافہ کیا جائے۔
ان ترقیاتی کنوؤں کی کھدائی کے ساتھ ساتھ جو پہلے جغرافیائی محلِ وقوع میں بیان کر دیئے گئے۔ اس سال درج ذیل بڑے کاروباری ترقیاتی منصوبے شروع کئے گئے ہیں۔

انسانی وسائل کی کارکردگی کا اندازہ:

کامیابی کی منصوبہ بندی کا نیا نظام درج ذیل اصلاحات کے ساتھ تیار اور نافذ کیا گیا ہے۔
(الف) کارکردگی کا بہتر تجزیہ فراہم کرنا
(ب) تشخیصی اعداد و شمار پر فوری عمل
(پ) جانشین کی شناخت

ہسپتال انتظامیہ:

سینٹرلائزڈ ویب پر مبنی ہسپتال کی انتظامیہ کے نظام کو مندرجہ ذیل خصوصیت کے تیار کیا گیا ہے۔
(الف) تمام مریضوں کا آن لائن اندراج
(ب) مریضوں کی مکمل تاریخ کے ساتھ تشخص کی معلومات
(پ) رقم کی وصولی اور بلنگ
(پ) جی ایل اور ایچ آر سسٹم کے ساتھ مربوط
(ت) رئیل ٹائم رپورٹنگ

منتقلی کی درخواست کا نظام:

ایک مربوط آن لائن منتقلی کی درخواست کا ایک مربوط نظام مندرجہ ذیل خصوصیات کے ساتھ تیار اور نافذ کیا گیا ہے۔
(الف) POL صارفین کے لئے تمام مقامات پر ایک مرکزی نظام دستیاب ہے۔
(ب) انوینٹری اشیاء، منجمد اثاثے اور سرکاری خط و کتابت کی آن لائن منتقلی اور نقل و حرکت
(پ) ورک آرڈر اور خریداری آرڈر کا خودکار اندراج
(ت) POL، HRMS اور فلیٹ انتظامیہ کے ساتھ مربوط
(ٹ) باخبر رکھنے کے لئے ہر مرحلے پر اطلاعات اور انتباہات
(ث) رسیدی پرنٹ آؤٹ کنٹرول کے ساتھ آن لائن رسیدی اعتراف

شیئر پوائنٹ کے ذریعے ورک پرمٹ کی منظوری کا نظام:

شیئر پوائنٹ کے موجودہ نظام میں کام کے اجازت ناموں کی منظوری کے لئے ایک نیا نظام متعارف اور نافذ کیا گیا ہے۔
(الف) کام کے اجازت ناموں کا ریکارڈ رکھنے کا مرکزی نظام
(ب) کام کے بہاؤ کی منظوری سے خودکار نظام کے ذریعے آگاہی
(پ) برقی ڈاک کے ذریعے کام کا بہاؤ
(ت) منظوری سے باخبر رہنا
(ٹ) انتباہات، اطلاعات اور رپورٹنگ

کارپوریٹ سماجی ذمہ داری

پی او ایل میں ہم یقین رکھتے ہیں کہ ہم جہاں بھی کام کریں ہم اس معاشرے کا لازمی حصہ ہیں۔ معاشرے میں سرمایہ کاری صرف ایک مطالبہ نہیں جس کو ہم نے پورا کرنا ہے بلکہ یہ ایک فلسفہ ہے۔ جس پر ہم نے عمل کرنا ہے۔ اس کی بنیادی اقدار کے حصے کے طور پر کمپنی اس بات کو زبردست اہمیت دیتی ہے کہ جس معاشرے میں کمپنی کام کر رہی ہے اس کی

ڈائریکٹرز رپورٹ

۹۔انفارمیشن ٹیکنالوجی (آئی ٹی) کی ناکامی:

آج کے ماحول میں جہاں آئی ٹی پر انحصار، قوانین اور رپورٹنگ کی حتمی معیاد پوری کرنی ہوں وہاں آئی ٹی کی ناکامی سے کمپنی کی سرگرمیوں پر منفی اثرات پڑھنے کا اندیشہ ہے۔تمام متعلقہ معاملات کے کنٹرول اور نگرانی خاص طور پر تمام اعدادشمار کی حفاظت کے لئے ایک علیحدہ IT کا شعبہ بنایا گیا ہے۔

۱۰۔معاشی اور سیاسی خطرات:

معاشی اور سیاسی عدم استحکام کے نتیجے میں اقتصادی اور مالیاتی بازاروں کا غیر محفوظ ہونا۔

۱۱۔باہمی شراکت دار:

ہم باہمی اشتراک کے ماحول میں کام کررہے ہیں اور ہمارے کئی منصوبے دیگر شراکت دار چلاتے ہیں۔ ہمارے تھوڑے حصے کی وجہ سے کئی دفعہ شراکت داروں پر اثرانداز ہونے کی صلاحیت محدود ہوجاتی ہے۔کئی اہم فیصلوں پر ہم آہنگی نہ ہونے کی بناء پر ان منصوبوں کے انتظامی اور پیداواری معاملات بگڑ یا تاخیر کا باعث بن سکتے ہیں۔اس کے تدارک کے لئے ہم انتظامی اور غیر انتظامی شراکت داروں سے باہم رابطے میں رہتے ہیں۔

۱۲۔دہشت گردوں کے حملے:

دہشت گردوں کا حملہ ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کرسکتا ہے۔اس خطرے کے تدارک کے لئے کمپنی نے اپنی تمام اہم تنصیبات کے لئے دہشت گردی کی صورت میں نقصان پورا کرنے کے لئے باقاعدہ اِنشورنس کرائی ہوئی ہے۔

۱۳۔تیسرے فریق کی حیثّیت سے ذمہ داری:

تیسرے فریق کی حیثیت سے ذمہ داری ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کرسکتی ہے۔اس خطرے کے تدارک کے لئے کمپنی مسلسل ایسے معاملات کا جائزہ لیتی رہتی ہے جہاں انشورنس کی ضرورت ہے، کمپنی نے اپنے کنوؤں کی کھدائی کے علاقوں، پائپ لائنوں اور اہم تنصیبات کے لئے تیسرے فریق کی حیثیت سے ذمہ داری کی انشورنس کروائی ہوئی ہے۔

۱۴۔کنووں میں کھوجانا یا مرمت کے قابل نہ رہنا:

کھدائی کے دوران بہت سے مہنگے آلات کنووں میں مختلف گہرائیوں میں داخل کیے جاتے ہیں۔اس خطرے کے تدارک کے لئے کمپنی بھرپور نظر رکھتی ہے۔اوران آلات کی انشورنس بھی کراتی ہے۔

کاروباری عمل/ترقیاتی سرگرمیاں

کمپنی کا خیال ہے کہ معیاراور مسلسل بہتری اور مضبوط عزم کامیابی حاصل کرنے کے لئے ناگزیر اجزاء ہیں۔تمام عمل مسلسل تشخیص اور بہتری سے مشروط ہے۔تیل وگیس کی دریافتی اور پیداواری کمپنی کی حیثیت سے تحقیق بنیادی کام ہے۔ارضیاتی اعدادوشمار کا حصول، عمل اور جیالوجیکل سرگرمیوں کے دوران اِن کی تشریح زیادہ سے زیادہ اعدادو شمار کے پیمانوں کا انتخاب محتاط تجرباتی تحقیق کے ذریعے ہی ممکن ہے۔کمپنی کسی بھی جگہ میں ہائیڈروکاربن کے حجم کو ماپنے کے لئے جامع تجزیہ کرتی ہے، کسی بھی جگہ کھدائی سے پہلے ذیلی سطح کی جدید ذرائع سے منظر کشی بھی کرتی ہے۔یہ تحقیق اپنے اور بیرونی G&G ذرائع اور ذخائر کے مطالعہ کے ذریعے کی جاتی ہے۔تحقیق اس لئے بھی کی جاتی ہے

ہے۔اس کے علاوہ تمام کنوؤں کے لیے دورانِ کھدائی کنویں کی کنٹرول کی انشورنس کرائی جاتی ہے۔

۴۔تیل اور گیس کے اہم فیلڈز (قطعات) کی کارکردگی میں کمی:

کمپنی کی مستقبل کی آمدنی اور منافع اس کے تیل اور گیس کی فیلڈز کی پیداوار اور ذخائر پر منحصر ہے۔فیلڈز کی اصل پیداوار تیل اور گیس کے ذخائر کی کارکردگی میں کمی یا پیداوار سے متعلقہ دیگر عوامل کی وجہ سے اندازوں سے یکسر مختلف ہو سکتی ہے۔

۵۔منصوبہ بندی سے متعلق ممکنہ خطرات:

کاروبار میں ممکنہ خطرات سے نمٹنے کا بندوبست کرنا کوئی نیا رجحان نہیں مگر بدلتے ہوئے عالمی ماحول میں اچھے طریقے سے تدارک کرنا ایک اہم چیلنج ہے۔خریداری کے عمل میں کمزوری کو کمپنی کے منافع کے لیے ممکنہ خطرے کے طور پر دیکھا جاسکتا ہے۔

یہ کمزوری مندرجہ ذیل ممکنہ خطرات کو جنم دے سکتی ہے:

۔کاروباری خطرات

۔انتظامی سامان کا وقت پر نہ موجود ہونا

۔معاہدوں سے متعلق جرمانوں کا امکان ہونا

کمپنی ان ممکنہ خطرات کے تدارک کے لیے کھدائی شروع کرنے سے پہلے کنویں کا تفصیلی خاکہ تیار کرتی ہے اور جس سامان کے پہنچنے میں طویل مدت درکار ہوتی ہے، ان کی خریداری کا پہلے آرڈر دے دیا جاتا ہے۔

۶۔ذخائر کے متعلق خطرات:

ذخائر اور پیداوار کے غلط زائد تخمینہ کے نتیجہ میں سرمایہ ضائع ہوسکتا ہے۔اس لیے اس خطرے کو کم کرنے کے لیے جہاں تک ممکن ہو کمپنی ایک خودمختار ادارے سے ذخائر کی تصدیق کرواتی ہے۔

۷۔ماحولیاتی قواعد وضوابط:

کمپنی پر صحت، محفوظ طریقہ کار اور ماحول کے قواعد وضوابط لاگو ہوتے ہیں۔تبدیل شدہ قوانین پر عمل درآمد کے نتیجے میں اخراجات میں اضافہ اور عدم تعمیل کی صورت میں جرمانہ عائد ہوسکتا ہے۔

۸۔بڑھتا ہوا مقابلہ:

تیل اور گیس کی تلاش اور پیداوار کے شعبے میں بڑھتے ہوئے مقابلے اور خاص طور پر تیل کی تلاش کے concession کے حصول کے بڑھتے ہوئے مقابلے کی صورتِ حال کا سامنا ہوسکتا ہے۔اس کے علاوہ مقابلے میں اضافہ، مارجن میں کمی اور ایل پی جی کی فراہمی میں خلل سے کمپنی کے ایل پی جی کے کاروبار پر منفی اثرات پڑ سکتے ہیں۔

کمپنی فارم اِن اور فارم آؤٹ معاہدوں کے ذریعے اور E&P کمپنیوں سے شراکت قائم کرنے کے لئے مسلسل کوشاں ہے۔ایل پی جی کے کاروبار میں مارجن کو برقرار رکھنے کی غرض سے کمپنی نے ایل پی جی ذخیرہ کرنے کی مناسب صلاحیت حاصل کرلی ہے اور مزید ایل پی جی کی پائیدار اور مناسب قیمت پر فراہمی کے لیے کوشاں ہے۔

ڈائریکٹرز رپورٹ

ذیلی ادارہ

کیپ گیس (پرائیویٹ) لمیٹڈ

اِمسال کیپ گیس نے بعداز ٹیکس ۹.۶ ملین روپے نفع کمایا (۲۰۱۸ : ۴۹.۷۸ ملین روپے) اس سال کُل ۳۰۰ فی صد منافع کا اعلان کیا گیا ہے۔(۲۰۱۸: ۲۵۰ فی صد) کمپنی نے یومیہ اوسطاً ۲۴.۱۱ میٹرک ٹن مائع پٹرولیم گیس آہدی پلانٹس سے اور اوسطاً ۳.۵۵ میٹرک ٹن پارکو سے حاصل کی۔

خام تیل کی نقل وحمل

کھوڑ خام تیل ڈیکنٹنگ کی سہولت پراطمینان بخش طریقے سے کام ہورہا ہے۔ دورانِ سال اس سہولت اور پائپ لائن کے ذریعے ۹.۵ ملین بیرل خام تیل (۲۰۱۸ :۹.۵ ملین بیرل) نشپہ (Nashpa)، تل بلاک اور دیگر مقامات سے اٹک ریفائنری لمیٹڈ کو پمپ کیا گیا۔

کمپنی کو درپیش خطرات اور ان کا تدارک

بورڈ ایک اہم انتظامی مہارت کے طور پر کاروباری رسک مینجمنٹ کے بنیادی فلسفہ پر کاربند ہے۔ بورڈ نے ممکنہ خطرات کی نشاندہی اور تدارک کے لئے منظّم منصوبہ بندی کی ہے۔ کمپنی اپنی رسک مینجمنٹ پالیسی پر نہ صرف عمل درآمد کرتی ہے بلکہ اس کی مسلسل نگرانی اور اس میں بہتری لانے کے لیے کوشاں رہتی ہے اس کے لئے ضروری ہے کہ کمپنی کے سٹریٹیجک اور آپریشنل مقاصد سے آگاہی حاصل کی جائے اور کمپنی کو میّسر مواقع اور اس کو درپیش خطرات کی نشاندہی کی جائے۔

کمپنی کو درپیش کچھ بڑے ممکنہ خطرات مندرجہ ذیل ہیں:

۱۔ تیل کی قیمت میں اتار چڑھاؤ:

کمپنی کی تیل اور گیس کی قیمتیں بین الاقوامی خام تیل اور متعلقہ مصنوعات سے منسلک ہیں۔ بین الاقوامی قیمتوں میں ناموافق تبدیلی کمپنی کے منافع پر منفی اثر ڈالتی ہے۔

۲۔ تیل کے ذخائر کا دریافت نہ ہونا:

دریافتی عمل کے دوران ہائیڈروکاربنز کے مناسب مقدار میں نہ ملنے کا قوی امکان رہتا ہے۔ اس کی بڑی وجوہات میں رقبے یا کھدائی کی جگہ کا غلط انتخاب، غیر معیاری ارضیاتی اعداد و شمار یا اس کی پروسسنگ میں غلطیاں شامل ہیں۔ ان ممکنہ خطرات کا تدارک کرنے کے لیے کمپنی تجربہ کار ماہرین کی خدمات حاصل کرتے ہوئے جدید ترین ٹیکنالوجی کا استعمال یقینی بناتی ہے۔ کمپنی نئے مواقع تلاش کرنے کے لئے مسلسل کوشاں رہتی ہے اور کامیابی کے امکانات کو بڑھانے کے لئے دیگر E & P کمپنیوں کے ساتھ مختلف معاہدوں کے زریعے دست تعاون بڑھاتی ہے۔

۳۔ کھدائی کے دوران درپیش ممکنہ خطرات:

تیل اور گیس کے لیے کھدائی فطری طور پر خطرات سے پُر ہے جن میں کنویں کا نذرِ آتش ہونا، پائپ یا دیگر آلات کا پھنس جانا، آگ کے حادثات اور کام کے دوران چوٹ لگ جانا شامل ہیں۔ اس کے علاوہ مناسب مقدار میں تیل یا گیس نہ دریافت ہونے سے کمپنی کی آمدنی پر منفی اثر پڑتا ہے ۔ ان خطرات کے تدارک کے لیے کمپنی موثر اور پیشہ ور ٹیموں کا انتخاب کرتی ہے اور رِگ اور اس سے وابستہ خدمات اور آلات کے لیے بھی اعلیٰ معیار کو یقینی بنایا جاتا

آہدی۔۳۴ کنویں کا آغاز ۲۷ جون ۲۰۱۹ء کو ہوا، ۶۲۴، ۲ فٹ پر کھدائی جاری ہے۔
آہدی جنوبی۔۴ کنویں کا آغاز ۲۸ جون ۲۰۱۹ء کو ہوا، ۱۳۴، ۵ فٹ پر کھدائی جاری ہے۔

جھل مگسی ۔ سوئی سدرن گیس کمپنی لمیٹڈ (SSGCL) کی جانب سے پائپ لائن بچھانے کے فیصلے کو حتمی شکل نہ دینے کی بناء پر کام روک دیا گیا ہے۔

رتانہ (زیرِ انتظام اوشن پاکستان لمیٹڈ جہاں پی او ایل کا حصہ ۴.۵۴۵ فی صد ہے) 3D ارضیاتی اعداد و شمار پر عمل اور تشریح کی بنیاد پر مشترکہ منصوبے کے شراکت داروں نے رتانہ۔۵ کی منظوری دے دی ہے، امید ہے کہ سال کے دوران اس کی کھدائی کا آغاز ہو جائے گا۔

دریافتی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیرِ انتظام پی او ایل) میں مزید کام جاری ہے۔ لنگڑیال کے سلسلے میں 3D ارضیاتی اعداد و شمار پر کام ہو رہا ہے۔ فی الوقت "جنڈیال۔۲" کنویں کی منظوری دی جا چکی ہے اور امکان ہے کہ مالی سال ۲۰۲۰ء کی دوسری سہ ماہی میں یہاں کھدائی کا آغاز ہو جائے گا۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ زیرِ انتظام پی او ایل) 2D ارضیاتی اعداد و شمار کی بنیاد پر ڈی جی کے۔۱ کنویں کو حتمی شکل دے دی گئی ہے اور کنویں کے علاقے اور کنویں کی جگہ تک سڑک کی تعمیر کا جائزہ لیا جا رہا ہے۔

مارگلہ بلاک (زیرِ انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) ۲۲۸.۲۶ لائن کلومیٹر میں سے ۹۲ لائن کلومیٹرز کے 2D ارضیاتی اعداد و شمار مکمل کر لیے گئے ہیں۔

تل بلاک (زیرِ انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) KOT کے علاقے میں 3D ارضیاتی اعداد و شمار حاصل کئے جا رہے ہیں۔ فی الوقت ۱۵۲.۹۳ مربع کلومیٹرز میں سے ۸۷ مربع کلومیٹرز کے اعداد و شمار حاصل کئے جا چکے ہیں۔ تل کے مغربی علاقے سے ۵۸۰ مربع کلومیٹرز کے 3D ارضیاتی اعداد و شمار حاصل کرنے کے لئے عملہ روانہ کر دیا گیا ہے۔

گرگلوٹ بلاک (زیرِ انتظام او جی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) گرگلوٹ میں ۳۲۰ مربع کلو میٹرز کے 3D ارضیاتی اعداد و شمار مکمل کر کے حاصل ہونے والے اعداد و شمار پر عمل جاری ہے۔

حسال بلاک (زیرِ انتظام پی پی ایل جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) پہلا دریافتی کنواں مصریال X - 1 ناکامی کی بناء پر بند کر دیا گیا ہے۔ مستقبل میں بہتری کے لئے G & G کا کام جاری ہے۔

ڈائریکٹرز رپورٹ

گئی، اس وقت جیٹ پمپ کے ذریعے کنویں سے پیداوار حاصل کی جارہی ہے تاکہ پیداوار کی مقدار کا تعیّن کیا جاسکے جو فی الوقت ۲۵ بیرلز یومیہ ہے۔ سال کے دوران بلکسر ڈیپ کی دریافتی کنویں کے طور پر زیادہ گہرے اُفق تلاش کرنے کے لئے منصوبہ بندی کی گئی ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیرِ انتظام) پنڈوری۔۱۰ کی ۱۰۰،۶ فٹ کی گہرائی پر کھدائی ہو رہی تھی مگر تار (String) کے پھنس جانے کے بعد اسے نکالنے کی متعدد کوششیں رائیگاں گئیں۔ سیمنٹ پلگ کو ۹۴۸،۴ فٹ پر فِش کے اوپر لگانے کے بعد ضمنی ٹریک کا فیصلہ کیا گیا ہے۔ فی الوقت ً ۱۷ ضمنی ٹریک کی کھدائی جاری ہے۔

پری والی (۸۲.۵ فی صد حصص کے ساتھ پی او ایل کے زیرِ انتظام) پری والی۔۲ پر اضافی کام کامیاب نہیں ہوا۔ تخزوین مطالعہ کے ذریعے پری والی میں بقیہ صلاحیّتوں کی تلاش کا کام جاری ہے۔

تَل بلاک (زیرِ انتظام مول، جہاں قبل از تجارتی پیداوار پی او ایل کا حصہ ۲۵ فی صد ہے)
مردان خیل۔۲ ۱۸، ستمبر ۲۰۱۸ء کو پیداواری لائن سے منسلک کیا گیا تھا اور اس وقت یہاں سے یومیہ ۸.۶۵ ملین مکعب فٹ گیس اور ۲۷۹ بیرلز خام تیل حاصل ہو رہا ہے۔

مردان خیل۔۳ بھی ۵، جولائی ۲۰۱۹ء کو پیداواری لائن سے منسلک کر دیا گیا ہے۔ یہاں سے یومیہ ۱۲.۳۰ ملین مکعب فٹ گیس اور ۲۷۵ بیرلز خام تیل کی پیداوار حاصل ہو رہی ہے۔
مردان خیل۔۴ اور مکوڑی شرقی۔۷ کی جگہوں کا جائزہ لیا جا رہا ہے۔
مکوڑی ڈیپ۔۲ کا آغاز یکم مئی ۲۰۱۹ء کو ہوا، کنویں کی اپنے حتمی ہدف تک کھدائی مکمل ہو چکی ہے اور کنویں کی جانچ کا عمل جاری ہے۔

آہدی فیلڈ (زیرِ انتظام پاکستان پٹرولیم لمیٹڈ جہاں پی او ایل کا حصہ ۱۱ فی صد ہے)
آہدی۔۳۱ : کنویں کا آغاز ۳۱ مارچ ۲۰۱۸ء کو ہوا تھا۔ اس کی اپنے ہدف تک کھدائی مکمل ہو چکی ہے۔ کنویں کی جانچ کے بعد یومیہ ۱۲۰ بیرلز تیل اور ۰.۶۷ ملیّن مکعب فٹ گیس حاصل ہوئی۔

آہدی۔۳۲ : کنویں کا آغاز ۲۳ جون، ۲۰۱۸ء کو ہوا تھا اس کی اپنے ہدف تک کھدائی مکمل ہو چکی ہے۔ کنویں کی جانچ کے بعد یومیہ تقریباً ۱۴۱، ابیرلز تیل اور ۱.۱۷ ملیّن مکعب فٹ گیس حاصل ہوئی۔ کنواں اس ماہ پیداواری لائن سے منسلک کر دیا جائے گا۔
آہدی جنوبی X : یہ کنواں پیداواری لائن سے منسلک کر دیا گیا ہے۔ اور یہاں سے یومیہ ۲۰۰، ابیرلز تیل اور ۱.۴ ملیّن مکعب فٹ گیس حاصل ہو رہی ہے۔
آہدی۔۳۳ کنویں کا آغاز ۳۰ جون ۲۰۱۹ء کو ہوا، ۳،۱۵۷ فٹ پر کھدائی جاری ہے۔

معیشت میں شراکت

کمپنی مُلک کے تیل وگیس کے شعبے میں اہم کردار جاری رکھے ہوئے ہے۔ دورانِ سال کمپنی نے مُلک کے لئے ۵۲۰ ملیّن ڈالرز کا زرِمبادلہ بچایا (۲۰۱۸ : ۴۶۵ ملین ڈالرز)، رائلٹی اور دیگر حکومتی مالیات کی مَد میں ۱۸،۶۰۱ ملیّن روپے (۲۰۱۸ : ۱۰،۹۸۱ ملیّن روپے) مُلکی خزانے میں شامل کیے گئے ہیں۔

منافع

ڈائریکٹرز نے حتمی نقد منافع ۳۰۰% (۳۰ روپے فی حصص) تجویز کیا ہے۔ یہ منافع پہلے سے اعلان کردہ اور

حصص داران کو ادا شدہ عبوری نقد منافع ۲۰۰% (۲۰ روپے فی حصص) کے علاوہ ہے یوں برائے سال ۱۹۔۲۰۱۸ء فی حصص کُل نقد منافع ۵۰ روپے فی حصص رہا (۱۸۔۲۰۱۷ : اضافی حصص : ۲۰ فی صد اور کُل نقد منافع ۴۲.۵۰ روپے فی حصص)۔

پیداوار

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل ہونے والی پیداوار کا موازنہ درج ذیل ہے:

		جون ۳۰، ۲۰۱۹	جون ۳۰، ۲۰۱۸
خام تیل/ Condensate	یو ایس بیرل	۲،۶۱۵،۹۸۱	۲،۶۶۳،۲۵۲
گیس	ملین کیوبک فٹ	۳۲،۱۸۹	۳۱،۹۷۰
مائع پٹرولیم گیس	میٹرک ٹن	۶۱،۰۷۶	۶۲،۰۶۵
سلفر	میٹرک ٹن	۶۴۵	۶۶۷
سالونٹ آئل	یو ایس بیرل	۲۳،۴۵۲	۲۲،۱۲۹

زیرِ جائزہ مدّت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۷،۱۶۷ بیرلز، گیس ۸۸.۲۰ ملیّن سٹینڈرڈ کیوبک فٹ، مائع پٹرولیم گیس ۱۶۷.۳۳ میٹرک ٹن، سلفر ۱.۷۷ میٹرک ٹن اور سالونٹ آئل ۶۴ بیرلز۔

دریافتی اور ترقیاتی سرگرمیاں

پیداواری فیلڈز:

بلکسر (پی او ایل ۱۰۰ فی صد ملکیّت) 3D ارضیاتی تشریحات، عمل اور ان کے مطالعہ کے بعد پی او ایل۔ اکی ضمنی ٹریک کے ذریعے حتمی گہرائی کے ہدف تک کھدائی کی

ڈائریکٹرز رپورٹ

اللہ کے نام سے شروع جو بڑا مہربان نہایت رحم والا ہے۔

السّلام علیکم! ڈائریکٹرز کو ۳۰ جون ۲۰۱۹ء کو ختم ہونے والے سال کے لئے کمپنی کی سرگرمیوں اور مالیاتی نتائج کا ایک مختصر جائزہ پیش کرنے میں خوشی محسوس ہو رہی ہے۔

مالیاتی نتائج

خلاصہ درج ذیل ہے:

	رقم ('۰۰۰')
منافع تمام اخراجات کے بعد	۲۴،۸۵۴،۶۹۳
ٹیکسیشن	(۷،۹۸۲،۹۸۶)
منافع بعد از ٹیکس	۱۶،۸۷۱،۷۰۷

الحمدُ للہ اِمسال کمپنی کی فروخت اور منافع کمپنی کی تاریخ میں سب سے زیادہ رہا۔ کمپنی نے بعد از ٹیکس ۱۶،۸۷۱.۷ ملیّن روپے نفع کمایا جو گذشتہ برس (۲۰۱۸ء: ۱۱،۳۸۳.۹ ملین روپے) کے مقابلے میں ۴۸.۲۰ فی صد زائد ہے۔ یہ منافع ظاہر کرتا ہے کہ اِس سال فی حصص آمدنی ۵۹.۴۴ روپے رہی (۲۰۱۸ء: ۴۰.۱۰ روپے فی حصص)۔ بحیثیت مجموعی خالص فروخت (Net Sales) ۱۱،۳۱۲ ملین روپے (۳۴.۶۳ فی صد) بڑھی۔ اس کی بڑی وجہ خام تیل کی قیمت میں اوسطاً ۵.۵ فی صد اور روپے کے مقابل امریکی ڈالر کی قیمت میں اضافہ رہا۔ قیمتِ فروخت ۱۹.۵۶ فی صد بڑھی جس کی بڑی وجہ عمل کی لاگت (Operating Cost) اضافی کام، پول گیس، رائلٹی اور Amortisation کی لاگت میں اضافہ ہے۔ دریافتی لاگت دورانِ سال ارضیاتی سرگرمیوں میں کمی کی وجہ سے ۹۴۱ ملین روپے سے کم ہوئی۔ اور اس میں مصریال x - 1 اور مامی خیل ڈیپ-۱ کے کنووں کی لاگت بھی شامل ہیں۔ جو خشک ہونے کی بناء پر بند کر دیئے گئے تھے۔ ان کی لاگت اخراجات میں شامل کر دی گئی ہے۔ مالی لاگت روپے کی قدر میں کمی اور Decommissioning کی لاگت کی وجہ سے بڑھ گئی۔ دیگر آمدنی میں بینکوں کے منافع میں اضافے اور غیر ملکی کرنسی کے کھاتوں میں بہتر زرِمبادلہ کی وجہ سے ۳،۹۱۴ ملین روپے کا اضافہ ہوا یہ اضافہ ۱۲۰ فی صد زائد رہا۔

دورانِ سال کمپنی کا بعد از ٹیکس مجموعی منافع ۱۳،۲۸۲ ملیّن روپے رہا (۲۰۱۸ : ۱۱،۷۰۴ ملین روپے) جو ظاہر کرتا ہے کہ فی حصص مجموعی منافع ۴۶.۷۷ روپے (۲۰۱۸ : ۴۱.۱۵ روپے فی حِصص) رہا۔

دریافتی سرگرمیوں کو ہر جغرافیائی علاقے کی تفصیل کے ساتھ اس رپورٹ میں آگے بیان کیا گیا ہے۔

کیش کا بہاؤ

اِمسال کیش اور کیش کے مساوی میں ۱۵،۰۳۶ ملیّن روپے کا اضافہ ہوا (۲۰۱۸ : یہ اضافہ ۷،۳۵۱ ملیّن روپے رہا)۔ انتظامی سرگرمیوں کی وجہ ۲۱،۴۲۸ ملیّن روپے مہیّا ہوئے جو کہ گذشتہ برس کی نسبت ۱۰.۹ فی صد زائد تھے۔

OTHER CORPORATE GOVERNANCE

> "Ensuring that the Directors have full & common understanding of their role and responsibilities

Stakeholders' Engagement

At POL, a vigorous engagement takes place to understand and respond to our legitimate stakeholder concerns. Our key stakeholders are:

- Shareholders
- Customers (POLGAS distributors)
- Suppliers
- Banks
- Employees
- General public
- Government and Regulatory Authorities

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

Safeguarding of Records of the Company

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

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

Information Technology (IT) Governance Policy

POL has implemented an IT Governance Policy. The Policy forms the operating guidelines for securing the Company's IT resources and also reduces Company's exposure to information practices that may compromise data availability, confidentiality and integrity.

Board Review of Business Continuity / Disaster Recovery Plan

The board ensure that effective Business Continuity / Disaster Recovery plan for the Company's is in place which provides a structured approach to minimize the impact of a disaster and an efficient way for continuation of company's activities.

Operating Segments

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note-34 of the financial statement.

Revenue from two major customers of the Company constitutes 71% of the total revenue during the year ended June 30, 2019 (June 30, 2018: 68%).

Performance Indicators

Ratios for Six Years

(Rupees millions unless otherwise stated)

	2014	2015	2016	2017	2018	2019
PROFIT & LOSS SUMMARY						
Net sales						
Crude oil	21,451	16,266	9,652	12,036	17,598	22,374
Gas	8,945	7,760	9,627	9,500	8,573	13,922
POLGAS-Refill of cylinders	4,831	6,654	5,373	5,608	6,306	7,425
Solvent oil	273	189	186	131	180	246
Sulphur	40	12	10	6	8	10
Total Net Sales	35,540	30,881	24,848	27,281	32,665	43,977
Cost of sales	16,531	14,614	13,605	13,209	15,529	18,567
Gross profit	19,009	16,267	11,243	14,072	17,136	25,410
Exploration costs	1,710	4,729	2,052	1,468	2,990	2,049
Administration expenses	122	140	140	109	170	181
Finance costs	654	987	1,022	746	1,919	3,774
Other charges	1,140	485	560	809	967	1,728
Other income	1,823	1,563	1,411	1,473	3,262	7,177
Operating profit	17,206	11,489	8,880	12,413	14,352	24,855
Profit before taxation	17,206	11,489	8,880	12,413	14,352	24,855
Provision for taxation	4,319	3,030	1,646	2,734	2,969	7,983
Profit for the year	12,887	8,459	7,234	9,679	11,383	16,872
Earnings before interest, taxes, depreciation and amortization (EBITDA)	23,351	15,789	12,751	16,200	18,897	29,798
Dividends	12,419	9,462	8,279	9,462	10,053	14,193
BALANCE SHEET SUMMARY						
Paid-up capital	2,365	2,365	2,365	2,365	2,365	2,839
Reserves	1,760	1,760	1,760	1,760	1,760	1,758
Unappropriated profit	31,071	28,239	26,028	27,373	28,643	33,475
Deferred liabilities	13,701	13,819	15,637	14,999	15,643	17,057
Long term deposits	638	725	831	847	837	845
Current liabilities	8,334	8,536	9,096	10,307	20,917	25,516
Fixed assets (less depreciation)	9,306	10,489	10,421	9,855	9,405	8,499
Development & decommissioning costs	13,161	12,412	14,585	13,373	12,597	11,054
Exploration & evaluation assets	4,667	2,661	901	1,884	2,591	53
Long term investment	9,616	9,616	9,616	9,616	9,616	9,616
Other long term assets	16	15	12	17	15	26
Curent assets	21,103	20,251	20,182	22,906	35,943	52,242
CASH FLOWS						
Operating activities	18,248	13,035	12,467	15,674	19,327	21,425
Investing activities	(4,276)	(2,172)	(3,071)	(3,916)	(3,361)	137
Financing activities	(10,624)	(11,240)	(9,444)	(8,275)	(10,022)	(11,570)
Exchange rate effect	229	165	197	(65)	1,407	4,236
Cash and cash equivalents at year end	10,826	10,614	10,764	14,182	21,533	35,761
Free Cash Flows	12,849	10,000	8,604	10,661	14,551	20,025

(Rupees millions unless otherwise stated)

		2014	2015	2016	2017	2018	2019
KEY FINANCIAL RATIOS							
Profitability Ratios							
Gross profit	%	53.49	52.68	45.25	51.58	52.46	57.78
Net profit	%	36.26	27.39	29.11	35.48	34.85	38.37
EBITDA margin to sales	%	65.70	51.13	51.32	59.38	57.85	67.76
Operating leverage	Time	0.91	0.67	0.65	0.76	0.83	1.13
Return on equity	%	36.61	26.14	23.99	30.73	34.74	47.63
Return on average capital employed	%	37.82	25.04	23.14	31.40	35.43	47.63
Liquidity Ratios							
Current ratio	Time	2.53	2.37	2.22	2.22	1.72	2.05
Quick ratio	Time	2.04	1.84	1.70	1.81	1.53	1.88
Cash to current liabilities	Time	1.30	1.24	1.18	1.38	1.03	1.40
Cash flow from operations to sales	%	51.34	42.21	50.17	57.45	59.17	48.72
Activity / Turnover Ratios							
Inventory turnover [1]	Time	-	-	-	-	-	-
Inventory turnover [1]	Days	-	-	-	-	-	-
Debtors turnover	Time	7.13	7.21	7.29	8.23	5.66	5.13
Average collection period	Days	51.19	50.62	50.07	44.35	64.49	71.15
Creditors turnover [1]	Time	-	-	-	-	-	-
Average payment period [1]	Days	-	-	-	-	-	-
Total assets turnover	Time	0.64	0.55	0.45	0.48	0.51	0.58
Fixed assets turnover	Time	1.30	1.17	0.97	1.07	1.31	1.99
Operating cycle [1]	Time	-	-	-	-	-	-
Investment / Market Ratios							
Earnings per share - basic [2]	Rs	54.48	35.76	30.58	40.92	48.13	59.44
Earnings per share - restated [3]	Rs	45.40	29.80	25.48	34.10	40.10	59.44
Price earning ratio	Times	10.54	11.29	11.36	11.20	13.96	6.83
Cash dividend yield	%	9.80	8.18	9.32	9.93	7.52	9.28
Cash dividend payout	%	96.37	111.86	114.45	97.76	88.31	84.12
Cash dividend cover	%	103.77	89.40	87.38	102.29	113.24	118.88
Cash dividend per share	Rs	52.50	40.00	35.00	40.00	42.50	50.00
Bonus shares	%	-	-	-	-	20.00	-
Market value / share at year end	Rs	574.30	403.82	347.48	458.15	671.79	405.89
Market value/share-high during the year	Rs	580.00	602.99	405.80	570.00	719.00	680.00
Market value/share-low during the year	Rs	425.00	305.57	188.65	344.55	419.90	363.51
Market value/share-average during the year	Rs	510.22	440.76	302.06	452.02	587.07	504.21
Break-up value (Net assets/shares)	Rs	148.79	136.82	127.47	133.16	138.53	134.12
Capital Structure Ratios							
Financial leverage ratio [4]	%	-	-	-	-	-	-
Weighted average cost of debt [4]	%	-	-	-	-	-	-
Debt: equity ratio [4]	%	-	-	-	-	-	-
Interest cover [4]	Time	-	-	-	-	-	-
OTHER INFORMATION							
Contributuin to national exchequer (Rs millions)		11,192	9,348	6,633	8,202	10,981	18,601
Foreign exchange savings(US $ million)		650	598	249	332	465	520
Market Capitalization (Rs millions)		135,848	95,522	82,195	108,374	158,909	115,214
No. of Shareholders		4,086	5,682	6,869	5,738	4,954	5,756

Notes:

1- Not applicable in view of the nature of the company's business.

2- Calculated on shares outstanding as at June 30, of each year

3- Calculated on shares outstanding as at June 30, 2019

4- Not applicable as the company does not have debt.

ANALYSIS OF PERFORMANCE INDICATORS

Liquidity ratio

The overall liquidity ratio of POL is satisfactory and geared towards enhanced liquidity with operating activities generating enough cash to meet majority of company needs including the investments activities. Increase in ratios from the previous year is mainly because of cash and bank balances increased by 66% due to increase in sales as compared to previous year.

Profitability ratio

The overall profitability ratio has seen regular improvement and generating healthy average growth. This growth is driven by increase in sales volume of Gas and POLGAS by 0.7% and 1.8% respectively as compared to previous year. Crude oil price has increased by 5.5%, Gas price increase by 26.4% and POLGAS price increase by 15.6% as compared to the corresponding year

Activity / Turnover Ratios

POL has seen effective utilization of its assets base to generate high multiples of revenue consistently. Operating cycle has been effectively kept in range, which has been helped by minimal credit sales and improved collection of receivables.

Investment / Market Ratios

POL core objective is to generate consistently high returns for its valued shareholders. This is reflected in steady increase in earnings of the past years and consistently dividend to its valued shareholders. POL shares are highly valued by investors and is considered as a blue chip investments due to high price earnings ratio. Share price of POL increased during the year which is testament to company ability to generate sound returns for the shareholders' and trust of investments community's in the company's ability.

Economic Added Value (EVA)

Rs. in million

	2019	2018
Net Profit after tax	16,872	11,384
Invested Capital	38,071	32,769
WACC	18%	13%
EVA	9,881	7,268

The above positive outcomes in 2018 & 2019 in EVA means that the company is creating value with its invested capital. Increase in the current year is mainly due to increased in exchange rate and sales contribution.

Free Cash Flows

Rs. in million

	2019	2018
Free Cash Flows	20,025	14,551

Free Cash Flows for the year is higher as payment was recieved (including arrears) on account of additional revenue due to enhanced gas price incentive for Tal block.

This has been explained in detailed in note 25.1 of the financial statements.

DUPONT ANALYSIS

Operating Efficiency

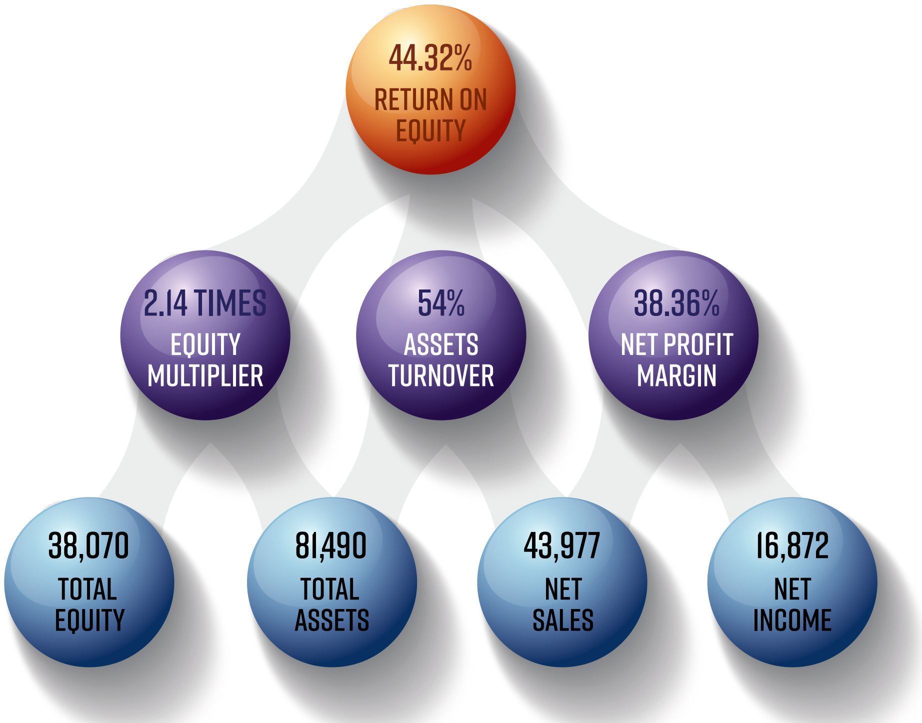
of the company measured in terms of profit margins has shown increasing trends. However. in the current year increase in volume and price variance was nullified by reversal of gas price incentive as disclosed in detail in note 24.1 of the financial statements.

Asset Turnover

remained consistent with previous years which depict that increasing revenues are being generated by effectively utilizing Company's resources.

Equity Multiplier

has remained consistent in previous years depicting that the increase in assets have effectively improved the equity of the company. However, increase in current period is mainly due to recovery on account of enhanced gas price which has not been recognized as revenue on prudent basis as detailed in note 24.1 of the Financial statements.



	2015	2016	2017	2018	2019
Net Profit Margin	27.39%	29.11%	35.48%	34.85%	38.36%
Asset Turnover	0.56	0.45	0.47	0.47	0.54
Equity Multiplier	1.71	1.85	1.83	2.14	2.14
Return on Equity	26.14%	23.99%	30.73%	34.74%	44.32%

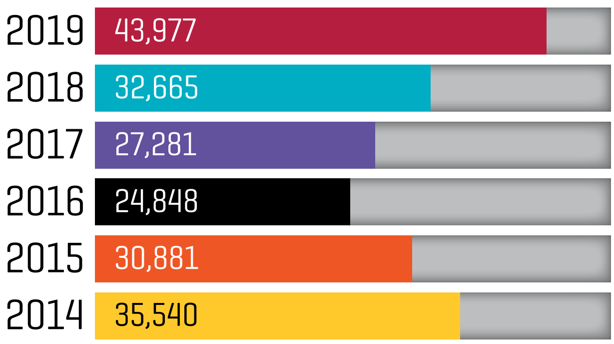
POL has been posting increasing Return on Equity (ROE)

for the last three years. For the year under review, ROE increase to 34.74 % as against 30.73% in the previous year. This is mainly because of an increase in crude oil prices resulting in an increase in net sales and profitability of the Company.

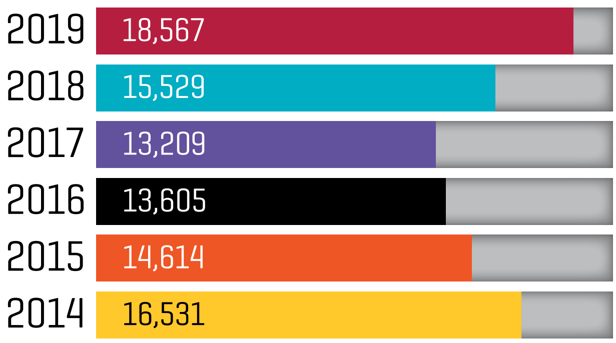
PERFORMANCE INDICATORS

Infographics

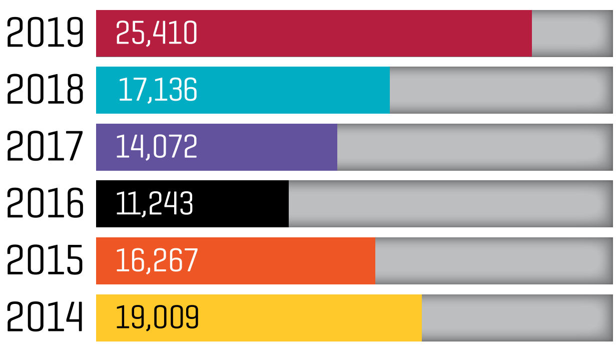
NET SALES
(Rs in million)



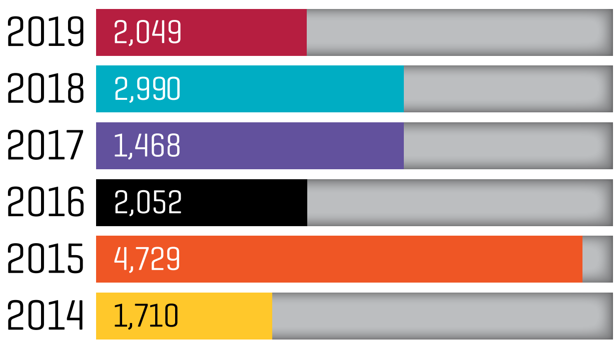
COST OF SALES
(Rs in million)



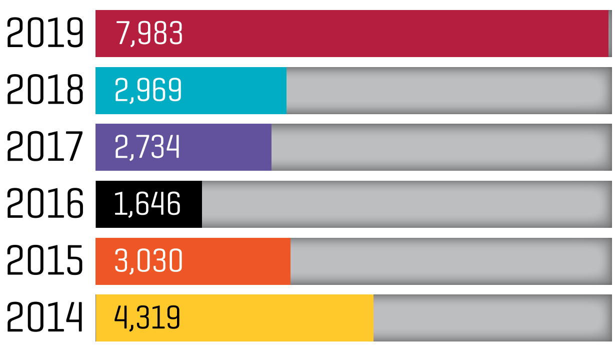
GROSS PROFIT
(Rs in million)



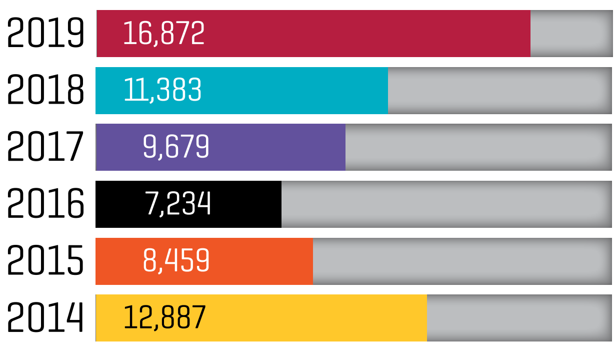
EXPLORATION COSTS
(Rs in million)



TAXATION
(Rs in million)



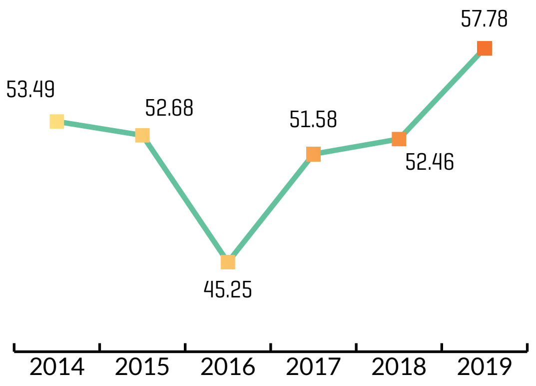
PROFIT AFTER TAX
(Rs in million)



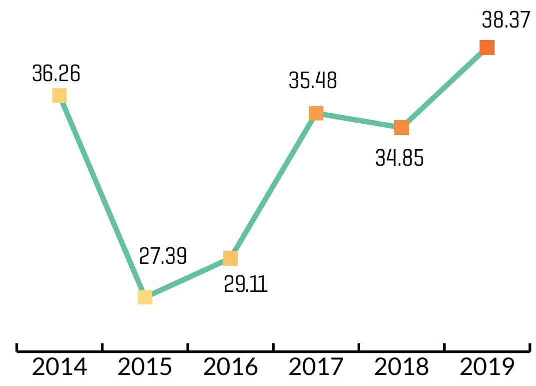
PERFORMANCE INDICATORS

Infographics

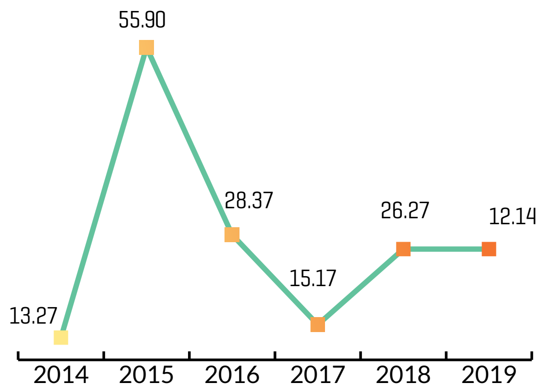
GROSS PROFIT MARGIN
(%)



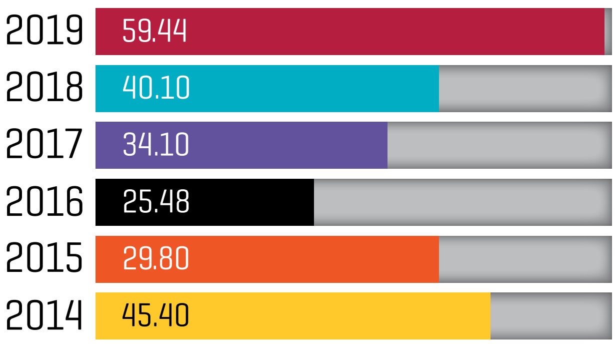
NET PROFIT MARGIN
(%)



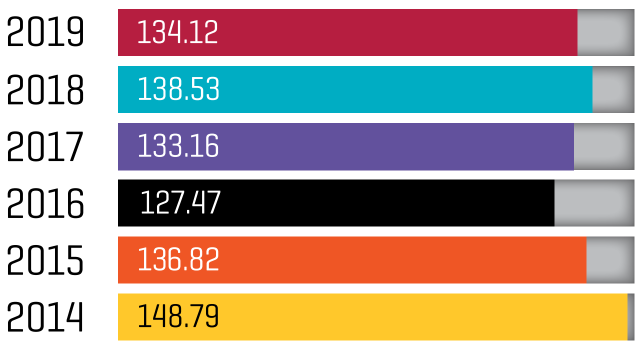
EXPLORATION COST AS % OF NET PROFIT
(%)



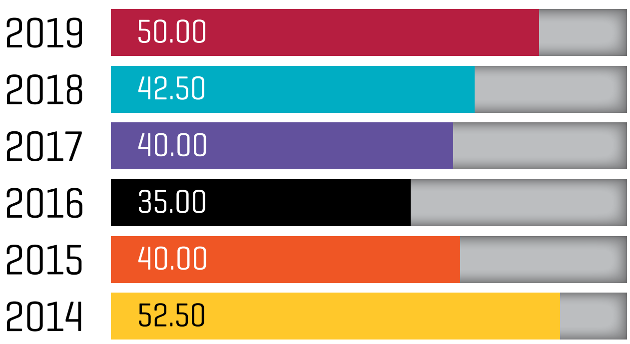
EARNINGS PER SHARE (Restated)
(Rs)



BREAK-UP VALUE PER SHARE
(Rs)



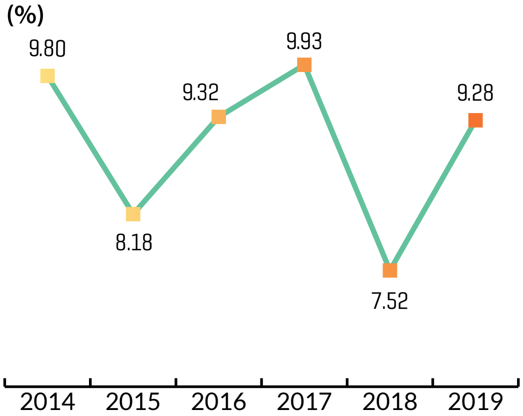
DIVIDEND PER SHARE
(Rs)



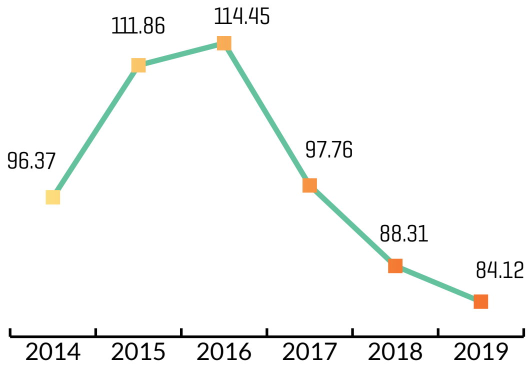
PERFORMANCE INDICATORS

Infographics

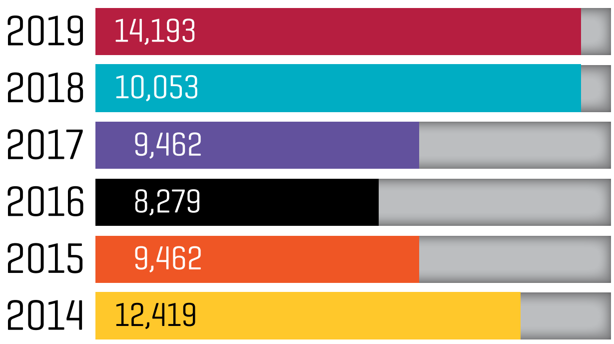
CASH DIVIDEND YIELD
(%)



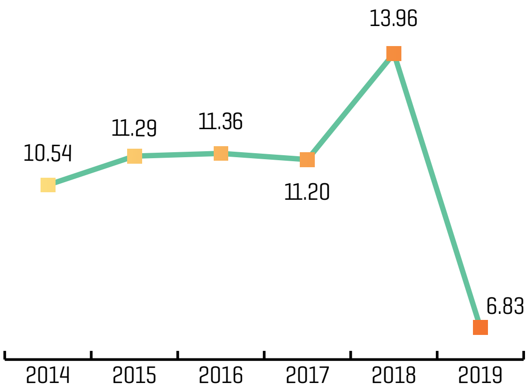
CASH DIVIDEND PAYOUT
(%)



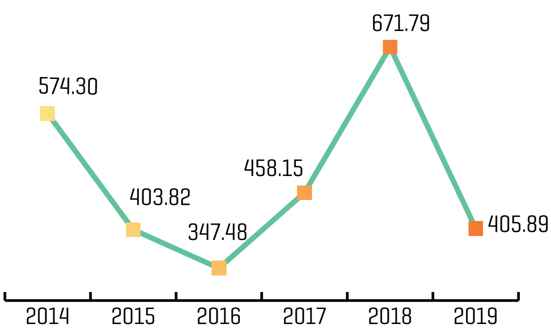
CASH DIVIDEND PAYOUT
(Rs in million)



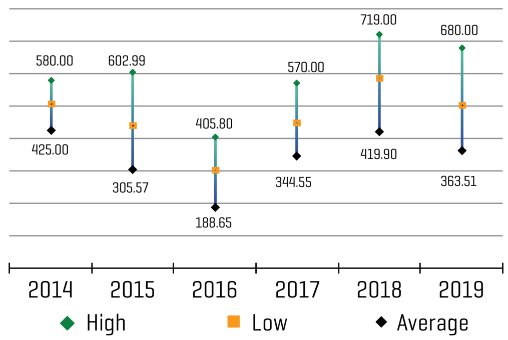
PRICE EARNING RATIO
(%)



MARKET VALUE PER SHARE - YEAR END
(Rs)



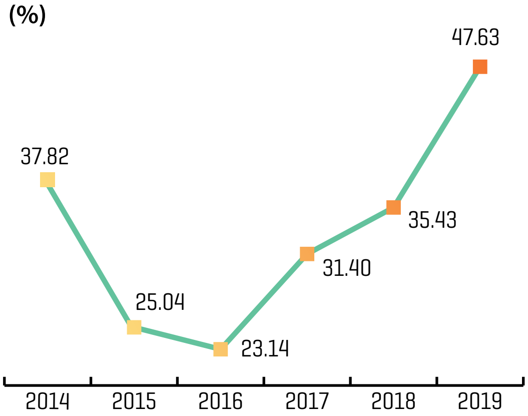
MARKET VALUE PER SHARE (HIGH-LOW)
(Rs)



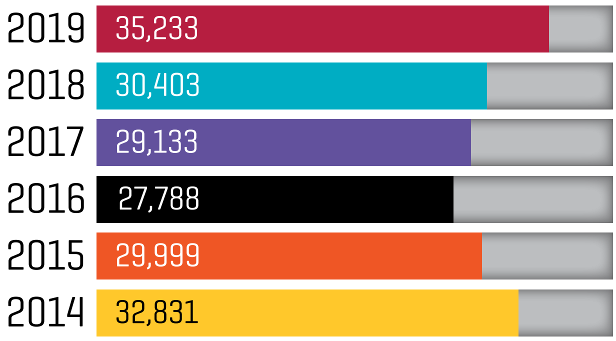
PERFORMANCE INDICATORS

Infographics

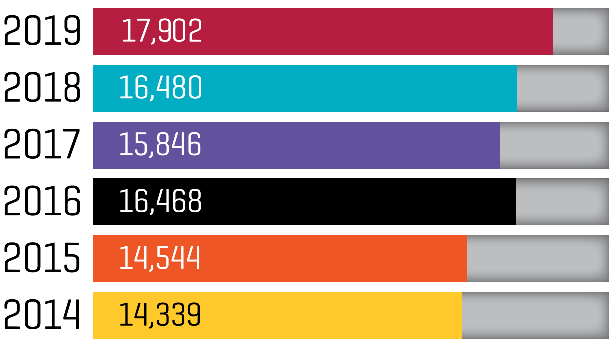
RETURN ON CAPITAL EMPLOYED
(%)



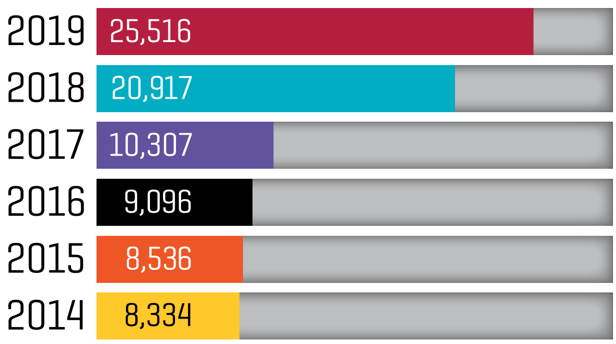
RESERVES
(Rs in million)



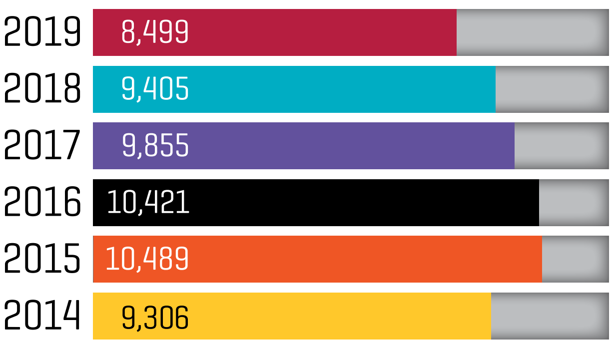
LONG TERM LIABILITIES
(Rs in million)



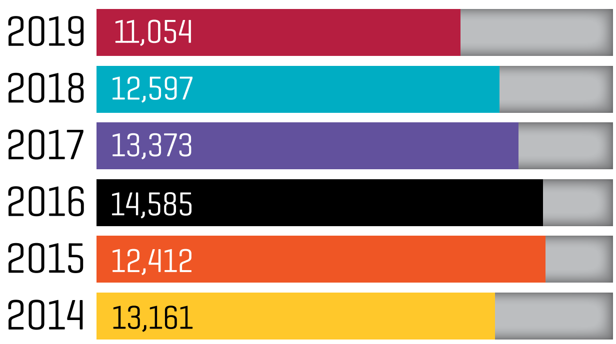
CURRENT LIABILITIES
(Rs in million)



FIXED ASSETS LESS DEPRECIATION
(Rs in million)



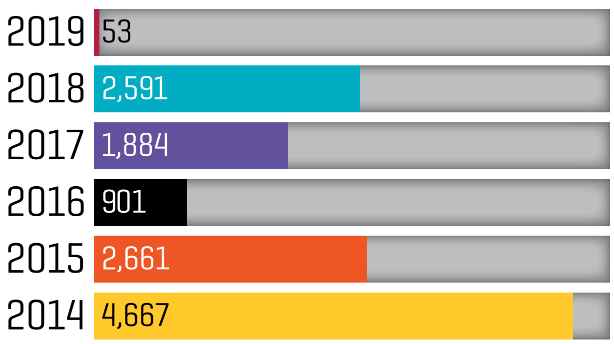
DEVELOPMENT & DECOMMISSIONING COSTS
(Rs in million)



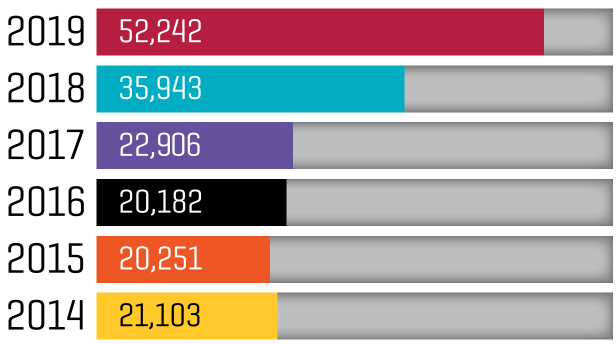
PERFORMANCE INDICATORS

Infographics

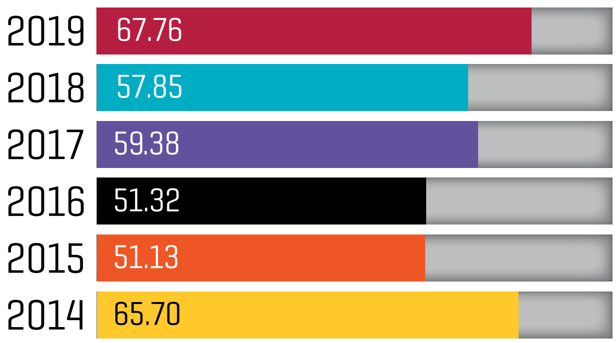
EXPLORATION & EVALUTION ASSETS
(Rs in million)



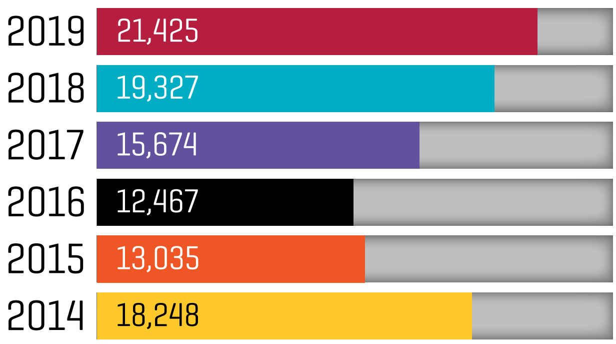
CURRENT ASSETS
(Rs in million)



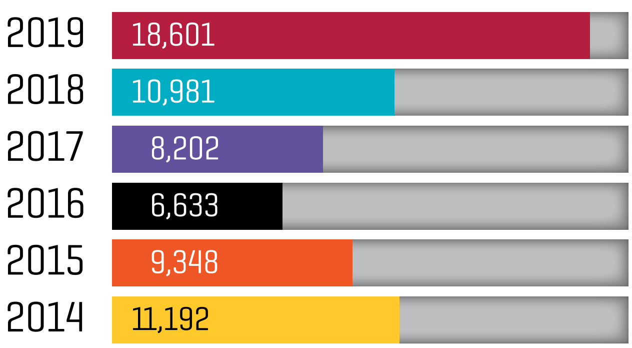
EBITDA MARGIN TO SALES
(%)



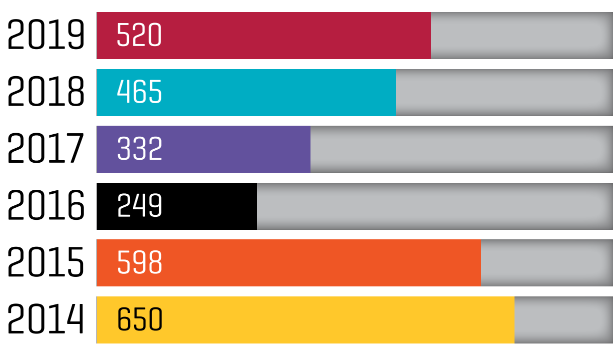
OPERATING CASH FLOWS
(Rs in million)



CONTRIBUTION TO NATIONAL EXCHEQUER
(Rs in million)



FOREIGN EXCHANGE SAVINGS
(US$ million)



QUARTER ANALYSIS

		1Q	2Q	3Q	4Q	12A
	Net Sales Rs. in Billions	10.57	11.64	10.68	11.09	43.98
Sale Volumes	Crude Oil millions barrels	0.630	0.682	0.656	0.622	2.590
Sale Volumes	Gas million mmbtu	8.528	8.760	8.598	8.494	34.380
Sale Volumes	POLGAS metric tons	21,213	24,270	24,439	20,721	90,643
	Cost of Sales in Rs. billions	4.71	4.99	5.00	3.87	18.57
	Gross Profit in Rs. billions	5.86	6.64	5.68	7.23	25.41
	Exploration Cost in Rs. billions	0.73	0.08	1.10	0.14	2.05
	Finance Cost in Rs. billions	0.40	1.35	0.32	1.70	3.77
	Other Income in Rs. billions	0.84	2.29	0.85	3.20	7.18
	Profit after tax in Rs. billions	3.87	4.02	3.29	5.69	16.87
	EPS in Rs.	13.62	14.17	11.58	20.07	59.44

QUARTER REVIEW

1 QUARTER

NET SALES
increased by 46% to Rs 10,570 million (Sep 30, 2017: Rs 7,241 million). Volume and price variance are favorable by Rs 142 million and Rs 3,187 million, respectively.

SALES VOLUME
of Crude Oil and POLGAS decreased by 2% and 2.6% respectively while Gas sales volume increased by 9% as compared to corresponding period.

COST OF SALES
increased 46.5% to Rs 4,714 million (Sep 30, 2017: Rs 3,218 million), mainly because of higher operating cost, amortization and higher royalty paid on increased production during the period.

GROSS PROFIT
increased by 45.6% to Rs 5,856 million (Sep 30, 2017: Rs 4,023 million).

EXPLORATION COSTS
increased by 168.4% to Rs 731 million (Sep 30, 2017: Rs 272 million) because dry and abandon well cost of Mamikhel deep 1 of Rs 645 million was charged during the period.

FINANCE COSTS
increased by 113.2% to Rs 402 million (Sep 30, 2017: Rs 188 million). Exchange difference is higher by Rs 174 million due to higher appreciation of US dollar as compared to last period by 1.8%. Unwinding cost increased by Rs 39 million as compared to the last period.

OTHER INCOME
increased by 237.9% to Rs 841 million (Sep 30, 2017: Rs 249 million), mainly because of higher income on bank deposits, exchange gain and dividend received from associated company.

PROFIT AFTER TAX
increased by 52.6% to Rs 3,867 million (Sep 30, 2017: Rs 2,534 million), due to increse in sales.

EARNINGS PER SHARE (EPS)
increased by 52.6% to Rs 13.62 (Sep 30, 2017: Rs 8.93).

2 QUARTER

NET SALES
by 10 % to Rs 11,639 million as compared to first quarter due to higher sales volume and higher exchange rate as compared to the first quarter.

SALES VOLUMES
of Crude Oil, Gas and POLGAS increased by 8.3%, 2.7% and 14.4%, respectively as compared to first quarter.

COST OF SALES
increased by 5.9% to Rs 4,993 million as compared to first quarter mainly because of higher royalty and amortization of development and decommissioning costs during the quarter.

GROSS PROFIT
decreased by 13.5% to Rs 6,646 million as compared to first quarter due to higher sales during the quarter.

EXPLORATION COSTS
decreased by 89.2% to Rs 79 million as dry and abandon well cost was charged in first quarter.

FINANCE COSTS
increased by 235.3% to Rs 1,347 million as compared to first quarter. Exchange difference is higher by Rs 945 million due to higher appreciation of US dollar as compared to last quarter.

OTHER INCOME
increased by 171.9% to Rs 2,286 million as compared to first quarter mainly because of higher dividend received from associated and subsidiary and higher exchange gain on financial assets due to higher devaluation of rupees against US $ during the quarter.

PROFIT AFTER TAX
increased by 4% to Rs 4,022 million due to increase in sales as compared to last quarter.

EARNINGS PER SHARE (EPS)
increased by 4% to Rs 14.17 as compared to first quarter.

3 QUARTER

NET SALES
decreased by 8.2 % to Rs 10,682 million as compared to second quarter due decrease in production and prices during the period.

SALES VOLUMES
of Crude Oil decreased by 4%, Gas and POLGAS increased by 1.9% and 0.7%, respectively as compared to second quarter.

COST OF SALES
increased by 0.2% to Rs 4,634 million as compared to second quarter mainly because of higher operating costs during the quarter.

GROSS PROFIT
decreased by 14.5% to Rs 5,683 million as compared to second quarter due to lower sales during the quarter.

EXPLORATION COSTS
increased by 1,291% to Rs 1,097 million as compared to second quarter as cost of dry and abandon well of Hisal block charged during the quarter.

FINANCE COSTS
decreased by 76.6% to Rs 315 million as compared to second quarter due to lesser appreciation of rupees against US $ during the quarter.

OTHER INCOME
decreased by 62.9% to Rs 849 million as compared to second quarter mainly because of lower dividend received and exchange gain during third quarter as compared to second quarter.

PROFIT AFTER TAX
decreased by 18.3% to Rs 3,287 million as compared to second quarter due to decrease in sales and higher exploration costs as compared to last quarter.

EARNINGS PER SHARE (EPS)
decreased by 18.3% to Rs 11.58 as compared to second quarter.

4 QUARTER

NET SALES
increased by 4 % to Rs 11,090 million as compared to third quarter due to increase in product prices during the quarter.

SALES VOLUMES
of Crude Oil, Gas and POLGAS decreased by 5.2%, 1.2% and 15.2%, respectively as compared to third quarter.

COST OF SALES
decreased by 22.6% to Rs 3,870 million as compared to third quarter mainly because of lower operating costs, lower royalty paid and lower amortization of development and decommissioning costs during the quarter.

GROSS PROFIT
increased by 27.3% to Rs 7,230 million as compared to third quarter due to higher sales and lower cost of sales during the quarter.

EXPLORATION COSTS
decreased by 87.3% to Rs 140 million as compared to quarter third as dry & abandoned and irrecoverable well costs were charged during third quarter.

FINANCE COSTS
increased by 235.3% to Rs 1,347 million as compared to first quarter. Exchange difference is higher by Rs 945 million due to higher appreciation of US dollar as compared to last quarter.

OTHER INCOME
increased by 80.5% to Rs 3,201 million as compared to third quarter mainly because of higher exchange gain and interest income.

PROFIT AFTER TAX
increased by 173.3% to Rs 5,696 million as compared to third quarter due to increase in sales and lower exploration costs as compared to last quarter.

EARNINGS PER SHARE (EPS)
increased by 173.3% to Rs 20.07 as compared to third quarter.

VERTICAL ANALYSIS

BALANCE SHEET	2014 (Rs in million)	%	2015 (Rs in million)	%	2016 (Rs in million)	%	2017 (Rs in million)	%	2018 (Rs in million)	%	2019 (Rs in million)	%
SHARE CAPITAL AND RESERVES												
Authorised capital	5,000		5,000		5,000		5,000		5,000		5,000	
Issued, subscribed and paid-up capital	2,365	4.09%	2,365	4.27%	2,365	4.24%	2,365	4.10%	2,365	3.37%	2,839	3.48%
Revenue reserves												
Insurance reserve	200	0.35%	200	0.36%	200	0.36%	200	0.35%	200	0.29%	200	0.25%
Investment reserve	1,558	2.69%	1,558	2.81%	1,558	2.80%	1,558	2.70%	1,558	2.22%	1,558	1.91%
Unappropriated profit	31,071	53.69%	28,239	50.93%	26,028	46.71%	27,373	47.48%	28,643	40.82%	33,475	41.08%
	32,829	56.73%	29,997	54.10%	27,786	49.87%	29,131	50.53%	30,401	43.33%	35,233	43.24%
Fair value gain on available-for-sale investments	2	0.00%	2	0.00%	2	0.00%	2	0.00%	2	0.00%	-	0.00%
	35,196	60.82%	32,364	58.37%	30,153	54.12%	31,498	54.64%	32,769	46.70%	38,072	46.72%
NON CURRENT LIABILITIES												
Long term deposits	638	1.10%	725	1.31%	831	1.49%	847	1.47%	837	1.19%	845	1.04%
Deferred liabilities	13,701	23.68%	13,819	24.92%	15,637	28.07%	14,999	26.02%	15,643	22.29%	17,057	20.93%
	14,339	24.78%	14,544	26.23%	16,468	29.56%	15,846	27.49%	16,481	23.49%	17,902	21.97%
CURRENT LIABILITIES AND PROVISIONS												
Trade and other payables	5,782	9.99%	4,876	8.79%	5,551	9.96%	5,903	10.24%	15,967	22.76%	19,329	23.72%
Unclaimed dividend									171	0.24%	191	0.23%
Provision for income tax	2,552	4.41%	3,660	6.60%	3,545	6.36%	4,404	7.64%	4,779	6.81%	5,996	7.36%
	8,334	14.40%	8,536	15.40%	9,096	16.33%	10,307	17.88%	20,917	29.81%	25,516	31.31%
TOTAL EQUITY AND LIABILITIES	57,869	100.00%	55,444	100.00%	55,717	100.00%	57,651	100.00%	70,167	100.00%	81,490	100.00%
FIXED ASSETS												
Property, plant and equipment	9,306	16.08%	10,489	18.92%	10,421	18.70%	9,855	17.09%	9,405	13.40%	8,499	10.43%
Development & decommissioning costs	13,161	22.74%	12,412	22.39%	14,585	26.18%	13,373	23.20%	12,597	17.95%	11,054	13.56%
Exploration & evaluation assets	4,667	8.06%	2,661	4.80%	901	1.62%	1,884	3.27%	2,591	3.69%	53	0.07%
	27,134	46.89%	25,562	46.10%	25,907	46.50%	25,112	43.56%	24,593	35.05%	19,606	24.06%
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES	9,616	16.62%	9,616	17.34%	9,616	17.26%	9,616	16.68%	9,616	13.70%	9,616	11.80%
LONG TERM LOANS AND ADVANCES	16	0.03%	15	0.03%	12	0.02%	17	0.03%	15	0.02%	26	0.03%
CURRENT ASSETS												
Stores and spares	3,663	6.33%	4,276	7.71%	4,236	7.60%	3,897	6.76%	3,572	5.09%	3,918	4.81%
Stock in trade	264	0.46%	148	0.27%	376	0.67%	222	0.39%	293	0.42%	297	0.36%
Trade debts	5,094	8.80%	3,477	6.27%	3,336	5.99%	3,293	5.71%	8,242	11.75%	8,908	10.93%
Advances, deposits, prepayments and other receivables	1,251	2.16%	1,730	3.12%	1,464	2.63%	1,306	2.27%	2,296	3.27%	2,545	3.12%
Other financial assets	5	0.01%	6	0.01%	6	0.01%	6	0.01%	6	0.01%	813	1.00%
Cash and bank balances	10,826	18.71%	10,614	19.14%	10,764	19.32%	14,182	24.60%	21,533	30.69%	35,761	43.88%
	21,103	36.47%	20,251	36.53%	20,182	36.22%	22,906	39.73%	35,943	51.22%	52,242	64.11%
TOTAL ASSETS	57,869	100.00%	55,444	100.00%	55,717	100.00%	57,651	100.00%	70,167	100.00%	81,490	100.00%

	2014		2015		2016		2017		2018		2019	
PROFIT & LOSS ACCOUNT	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**
Net Sales	35,540	100.00%	30,881	100.00%	24,848	100.00%	27,281	100.00%	32,665	100.00%	43,977	100.00%
Cost of Sales	16,531	46.51%	14,614	47.32%	13,605	54.75%	13,209	48.42%	15,529	47.54%	18,567	42.22%
Gross profit	19,009	53.49%	16,267	52.68%	11,243	45.25%	14,072	51.58%	17,136	52.46%	25,410	57.78%
Exploration costs	1,710	4.81%	4,729	15.31%	2,052	8.26%	1,468	5.38%	2,990	9.15%	2,049	4.66%
	17,299	48.67%	11,538	37.36%	9,191	36.99%	12,604	46.20%	14,146	43.31%	23,361	53.12%
Administration expenses	122	0.34%	140	0.45%	140	0.56%	109	0.40%	170	0.52%	181	0.41%
Finance costs	654	1.84%	987	3.20%	1,022	4.11%	746	2.73%	1,919	5.87%	3,774	8.58%
Other charges	1,140	3.21%	485	1.57%	560	2.25%	809	2.97%	967	2.96%	1,728	3.93%
	1,916	5.39%	1,612	5.22%	1,722	6.93%	1,664	6.10%	3,056	9.36%	5,683	12.92%
	15,383	43.28%	9,926	32.14%	7,469	30.06%	10,940	40.10%	11,090	33.95%	17,678	40.20%
Other income	1,823	5.13%	1,563	5.06%	1,411	5.68%	1,473	5.40%	3,262	9.99%	7,177	16.32%
PROFIT BEFORE TAXATION	17,206	48.41%	11,489	37.20%	8,880	35.74%	12,413	45.50%	14,353	43.94%	24,855	56.52%
Provision for taxation	4,319	12.15%	3,030	9.81%	1,646	6.62%	2,734	10.02%	2,969	9.09%	7,983	18.15%
PROFIT FOR THE YEAR	12,887	36.26%	8,459	27.39%	7,234	29.11%	9,679	35.48%	11,384	34.85%	16,872	38.37%
CASH FLOWS												
Operating activities	18,248	168.56%	13,035	122.81%	12,467	115.82%	15,674	110.52%	19,327	89.76%	21,425	59.91%
Investing activities	(4,276)	-39.50%	(2,172)	-20.46%	(3,071)	-28.53%	(3,916)	-27.61%	(3,361)	-15.61%	137	0.38%
Financing activities	(10,624)	-98.13%	(11,240)	-105.90%	(9,444)	-87.74%	(8,275)	-58.35%	(10,022)	-46.54%	(11,570)	-32.35%
Effect of Exchange rate changes	229	2.12%	165	1.55%	197	1.83%	(65)	-0.46%	1,407	6.53%	4,236	11.85%
Cash and cash equivalents at year end	10,826	100.00%	10,614	100.00%	10,764	100.00%	14,182	100.00%	21,533	100.00%	35,761	100.00%

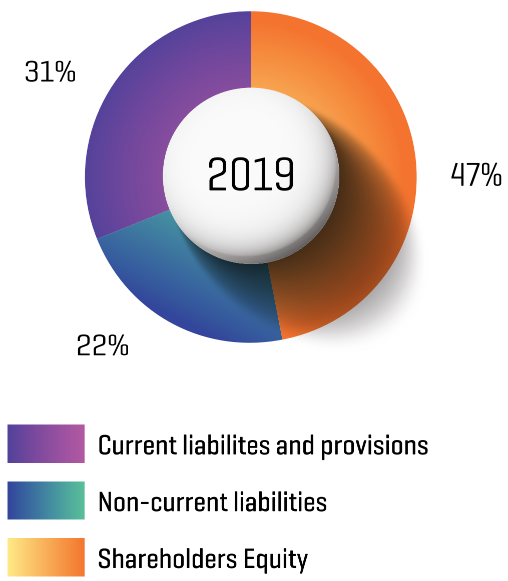
HORIZONTAL ANALYSIS

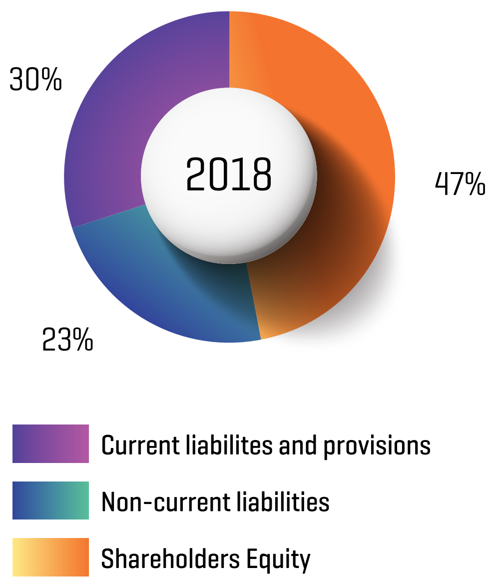
BALANCE SHEET	2014 (Rs in million)	%	2015 (Rs in million)	%	2016 (Rs in million)	%	2017 (Rs in million)	%	2018 (Rs in million)	%	2019 (Rs in million)	%
SHARE CAPITAL AND RESERVES												
Authorised capital	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%
Issued, subscribed and paid-up capital	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,839	120.04%
Revenue reserves												
Insurance reserve	200	100.00%	200	100.00%	200	100.00%	200	100.00%	200	100.00%	200	100.00%
Investment reserve	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%
Unappropriated profit	31,071	100.00%	28,239	90.89%	26,028	83.77%	27,373	88.10%	28,643	92.19%	33,475	107.74%
	32,829	100.00%	29,997	91.37%	27,786	84.64%	29,131	88.74%	30,401	92.60%	35,233	107.32%
Fair value gain on available-for-sale investments	2	100.00%	2	100.00%	2	100.00%	2	100.00%	2	100.00%	-	0.00%
	35,196	100.00%	32,364	91.95%	30,153	85.67%	31,498	89.49%	32,769	93.10%	38,072	108.17%
NON CURRENT LIABILITIES												
Long term deposits	638	100.00%	725	113.64%	831	130.25%	847	132.76%	837	131.19%	845	132.45%
Deferred liabilities	13,701	100.00%	13,819	100.86%	15,637	114.13%	14,999	109.47%	15,643	114.17%	17,057	124.49%
	14,339	100.00%	14,544	101.43%	16,468	114.85%	15,846	110.51%	16,481	114.94%	17,902	124.85%
CURRENT LIABILITIES AND PROVISIONS												
Trade and other payables	5,782	100.00%	4,876	84.33%	5,551	96.00%	5,903	102.09%	15,967	276.15%	19,329	334.30%
Unclaimed dividend									171		191	
Provision for income tax	2,552	100.00%	3,660	143.42%	3,545	138.91%	4,404	172.57%	4,779	187.26%	5,996	234.95%
	8,334	100.00%	8,536	102.42%	9,096	109.14%	10,307	123.67%	20,917	250.98%	25,516	306.17%
CONTINGENCIES AND COMMITMENTS												
TOTAL EQUITY AND LIABILITIES	57,869	100.00%	55,444	95.81%	55,717	96.28%	57,651	99.62%	70,167	121.25%	81,490	140.82%
FIXED ASSETS												
Property, plant and equipment	9,306	100.00%	10,489	112.71%	10,421	111.98%	9,855	105.90%	9,405	101.06%	8,499	91.33%
Development & decommissioning costs	13,161	100.00%	12,412	94.31%	14,585	110.82%	13,373	101.61%	12,597	95.71%	11,054	83.99%
Exploration & evaluation assets	4,667	100.00%	2,661	57.02%	901	19.31%	1,884	40.37%	2,591	55.52%	53	1.14%
	27,134	100.00%	25,562	94.21%	25,907	95.48%	25,112	92.55%	24,593	90.64%	19,606	72.26%
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%
LONG TERM LOANS AND ADVANCES	16	100.00%	15	93.75%	12	75.00%	17	106.25%	15	93.75%	26	162.50%
CURRENT ASSETS												
Stores and spares	3,663	100.00%	4,276	116.73%	4,236	115.64%	3,897	106.39%	3,572	97.52%	3,918	106.96%
Stock in trade	264	100.00%	148	56.06%	376	142.42%	222	84.09%	293	110.98%	297	112.50%
Trade debts	5,094	100.00%	3,477	68.26%	3,336	65.49%	3,293	64.64%	8,242	161.80%	8,908	174.87%
Advances, deposits, prepayments and other receivables	1,251	100.00%	1,730	138.29%	1,464	117.03%	1,306	104.40%	2,296	183.53%	2,545	203.44%
Other financial assets	5	100.00%	6	120.00%	6	120.00%	6	120.00%	6	120.00%	813	16260.00%
Cash and bank balances	10,826	100.00%	10,614	98.04%	10,764	99.43%	14,182	131.00%	21,533	198.90%	35,761	330.33%
	21,103	100.00%	20,251	95.96%	20,182	95.64%	22,906	108.54%	35,943	170.32%	52,242	247.56%
TOTAL ASSETS	57,869	100.00%	55,444	95.81%	55,717	96.28%	57,651	99.62%	70,167	121.25%	81,490	140.82%

	2014		2015		2016		2017		2018		2019	
PROFIT & LOSS ACCOUNT	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**	**(Rs in million)**	**%**
Net Sales	35,540	100.00%	30,881	86.89%	24,848	69.92%	27,281	76.76%	32,665	91.91%	43,977	123.74%
Cost of Sales	16,531	100.00%	14,614	88.40%	13,605	82.30%	13,209	79.90%	15,529	93.94%	18,567	112.32%
Gross profit	19,009	100.00%	16,267	85.58%	11,243	59.15%	14,072	74.03%	17,136	90.15%	25,410	133.67%
Exploration costs	1,710	100.00%	4,729	276.55%	2,052	120.00%	1,468	85.85%	2,990	174.85%	2,049	119.82%
	17,299	100.00%	11,538	66.70%	9,191	53.13%	12,604	72.86%	14,146	81.77%	23,361	135.04%
Administration expenses	122	100.00%	140	114.75%	140	114.75%	109	89.34%	170	139.34%	181	148.36%
Finance costs	654	100.00%	987	150.92%	1,022	156.27%	746	114.07%	1,919	293.43%	3,774	577.06%
Other charges	1,140	100.00%	485	42.54%	560	49.12%	809	70.96%	967	84.82%	1,728	151.58%
	1,916	100.00%	1,612	84.13%	1,722	89.87%	1,664	86.85%	3,056	159.50%	5,683	296.61%
	15,383	100.00%	9,926	64.53%	7,469	48.55%	10,940	71.12%	11,090	72.09%	17,678	114.92%
Other income	1,823	100.00%	1,563	85.74%	1,411	77.40%	1,473	80.80%	3,262	178.94%	7,177	393.69%
PROFIT BEFORE TAXATION	17,206	100.00%	11,489	66.77%	8,880	51.61%	12,413	72.14%	14,353	83.42%	24,855	144.46%
Provision for taxation	4,319	100.00%	3,030	70.16%	1,646	38.11%	2,734	63.30%	2,969	68.74%	7,983	184.83%
PROFIT FOR THE YEAR	12,887	100.00%	8,459	65.64%	7,234	56.13%	9,679	75.11%	11,384	88.34%	16,872	130.92%
CASH FLOWS												
Operating activities	18,248	100.00%	13,035	71.43%	12,467	68.32%	15,674	85.89%	19,327	105.91%	21,425	117.41%
Investing activities	(4,276)	100.00%	(2,172)	50.80%	(3,071)	71.82%	(3,916)	91.58%	(3,361)	78.60%	137	-3.20%
Financing activities	(10,624)	100.00%	(11,240)	105.80%	(9,444)	88.89%	(8,275)	77.89%	(10,022)	94.33%	(11,570)	108.90%
Effect of Exchange rate changes	229	100.00%	165	72.05%	197	86.03%	(65)	-28.38%	1,407	614.41%	4,236	1849.78%
Cash and cash equivalents at year end	10,826	100.00%	10,614	98.04%	10,764	99.43%	14,182	131.00%	21,533	198.90%	35,761	330.33%

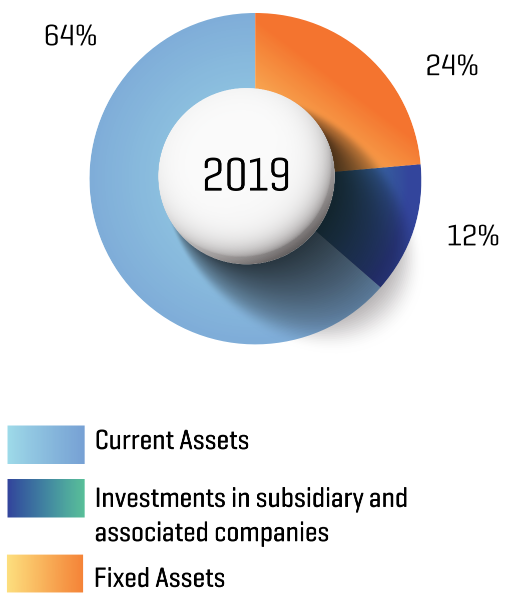
BALANCE SHEET COMPOSTION

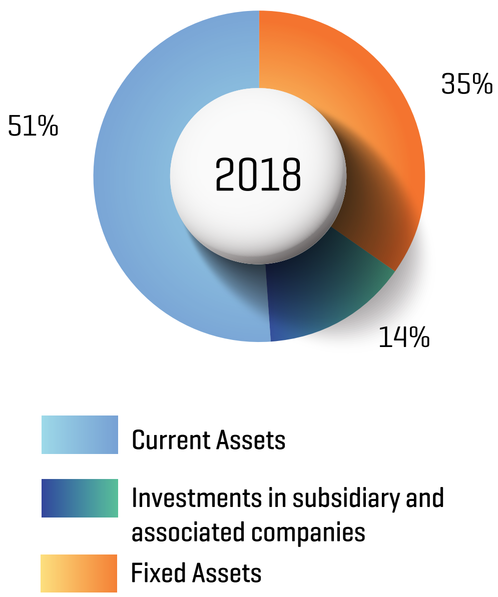
SHARE CAPITAL RESERVES





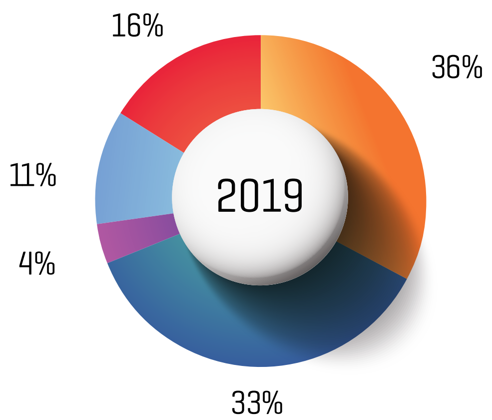
ASSETS



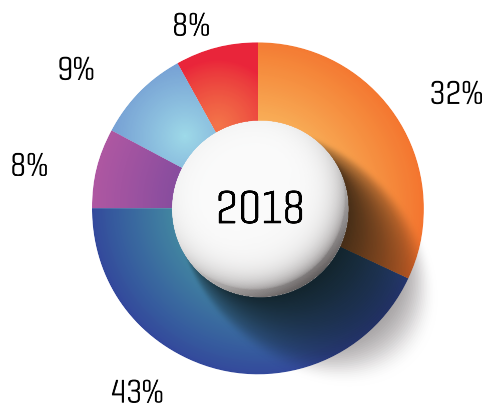


PROFIT & LOSS AND CASH FLOW ANALYSIS

ANALYSIS OF REVENUES



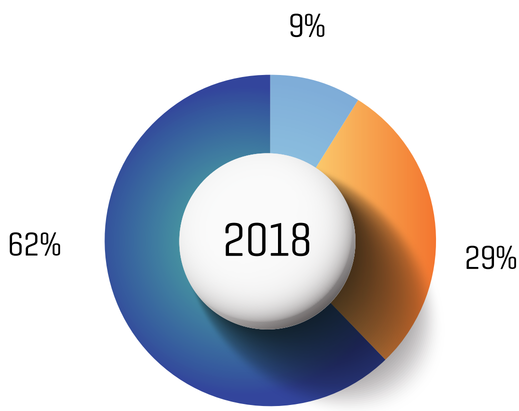
- Provision for taxations
- Administration and other expenses
- Exploration Costs
- Cost of Sales
- Profit for the year



- Provision for taxations
- Administration and other expenses
- Exploration Costs
- Cost of Sales
- Profit for the year

ANALYSIS OF CASHFLOW

- Cash and cash equivalents at the end of year
- Financing activities



- Cash and cash equivalents at the end of year
- Financing activities
- Investing Activities

ANNUAL FINANCIAL REVIEW

Analysis of Statement of Profit and Loss

SALES

Net sales increased by 34.6%. Analyzing the net sales increase of Rs 11,312 million from a product perspective, Crude Oil contributes Rs 4,777 million, Gas contributes Rs 5,349 million and POLGAS Rs 1,119 million. Sales volumes of Crude Oil decreased by 3.5%, Gas and POLGAS increased by 0.7% and 1.8% respectively as compared to corresponding year. Prices for Crude Oil, Gas and POLGAS increased by 5.5%, 26.4% and 15.6% respectively as compared to corresponding year. Price variance is positive by Rs 11,742 million. Price variance has two components, one is exchange rate which is positive by Rs 8,007 million (decline in Rupee against US $ from Rs 111.48 to Rs 139.18 per US $) and other is price variance which is positive by Rs 3,735 million. Last year there was an adjustment of Rs 2,200 million in Gas sales due to reversal of Gas price incentive relating to TAL block from July 01, 2015 to June 30, 2017. Volume variance is negative by Rs 430 million.

COST OF SALES

Cost of sales increased by 19.6% to Rs 18,567 million (2018: Rs 15,529 million), mainly because of higher operating cost, amortization and higher royalty paid on increased sales during the year.

EXPLORATION COSTS

Exploration costs decreased by 31.5% to Rs 2,049 million (2018: Rs 2,990 million) due to less dry and abandon well cost charged during the year (Mamikhel deep-1 Rs 645 million and Hisal Rs 1,033 million).

OTHER INCOME

Other income increased by Rs 3,905 million. Income from bank deposits increased by Rs 1,285 million due to higher funds placed at better rates as compared to corresponding year. Exchange gain increased by Rs 2,829 million due to higher appreciation of US $ as compared to last corresponding year. Dividend on available for sale investment increased by Rs 27 million as nil was received during corresponding year. Crude transportation income increased by Rs 44 million mainly due to increase in throughput from Naspha field. Sale of scrap increased by Rs 53 million.

The above increases were offset by decreases aggregating to Rs 337 million mainly due to lower dividend from subsidiary & associated companies is lower by Rs 280 million and reduction in gas processing fee by Rs 34 million due to reduction in quantity of Ratana gas processed.

TAXATION

Increase in tax is due to higher profits and lower exploration & development cost. Provision for Super tax amounting to Rs 1,179 billion pertaining to current and previous years has also been booked during the year after decision of Islamabad High Court on November 16, 2018. The Company has filed intra-court appeal against the said decision.

PROFIT FOR THE YEAR

Profit after tax increased by 48.2% to Rs 16,872 million (2018: Rs 11,384 million).

Analysis of Statement of Financial Position

ASSETS:

During the year, the additions to Property, Plant & Equipment are of Rs 736 million (2018 Rs 1,109 million). During the year development cost incurred by Rs 3,202 million mainly due to transfer of Rs 1,680 million of Khaur North - 01 well from exploration and evaluation assets and addition of Rs 1,523 million. Also there is decrease of Rs 1,020 million due to revision in decommissioning estimates. Decommissioning cost was also increased by Rs 48 million due to additional decommissioning liability of Khaur North - 01 and Adhi-32 wells. Further amortization for the year of Rs 3,312 million resulted in a net decreases of Rs 1,543 million.

LIABILITIES:

Issued, subscribed capital increased by Rs 416 million as 20% bonus shares were issued during the year. Provision for decommissioning cost increased by Rs 2,264 million which is offset by decrease in deferred income tax by Rs 849 million.

Analysis of Cash flow Statement

OPERATING ACTIVITIES:

A total of Rs 21,533 million was available as cash and cash equivalents at the beginning of the year. Cash generated from operations in 2019 higher by 11% to Rs 21,425 million (2018: Rs 19,327 million) mainly due to higher sales.

INVESTING ACTIVITIES:

A total of Rs 137 million cash was expended on investing activities (2018: Rs 3,361 million) which consists outlay for addition in fixed assets of Rs 1,400 million and mutual funds of Rs 804 million. It was reduced by inflow from income on bank deposits of Rs 1,883 million and dividend income of Rs 453 million.

FINANCING ACTIVITIES:

Dividend paid was Rs 11,570 million (2018: 10,022 million). Cash & cash equivalent at end of the year were Rs 35,761 million (2018: Rs 21,533 million).

Analysis of variation in interim results as compared to full year results

Production volumes were higher in Q-2, Q-3 as compared to Q-1, and Q-4. This was mainly due to lower production from Makori East. Makori deep, Mamikhel and Pariwali fields.

Price showed an increasing trend in Q-1, Q-2 and Q-4 due to appreciation of US $ against rupees. In Q-3 price decreased due to reduction in crude price.

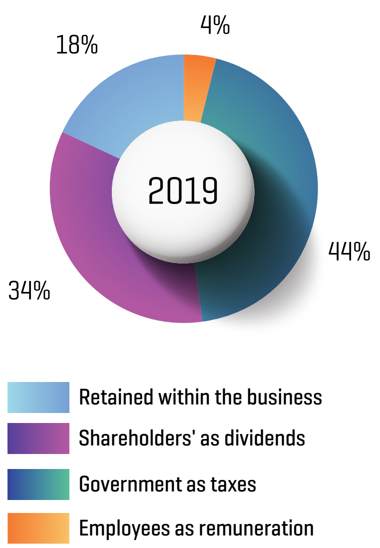
Gas volumes and prices were on increasing trend each quarter.

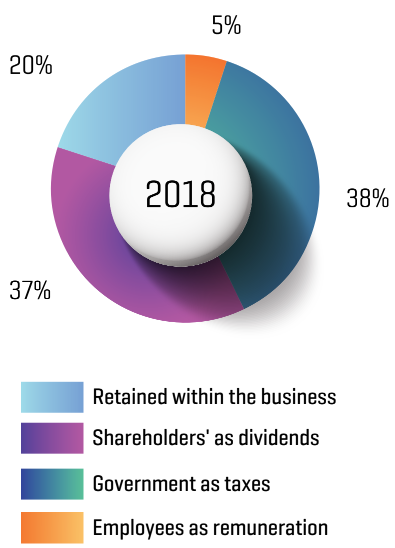
Higher sales and higher other income due to higher bank deposit and exchange gain resulted profit after tax of Rs 16,872 million (2018: 11,384 million)

STATEMENT OF VALUE ADDED

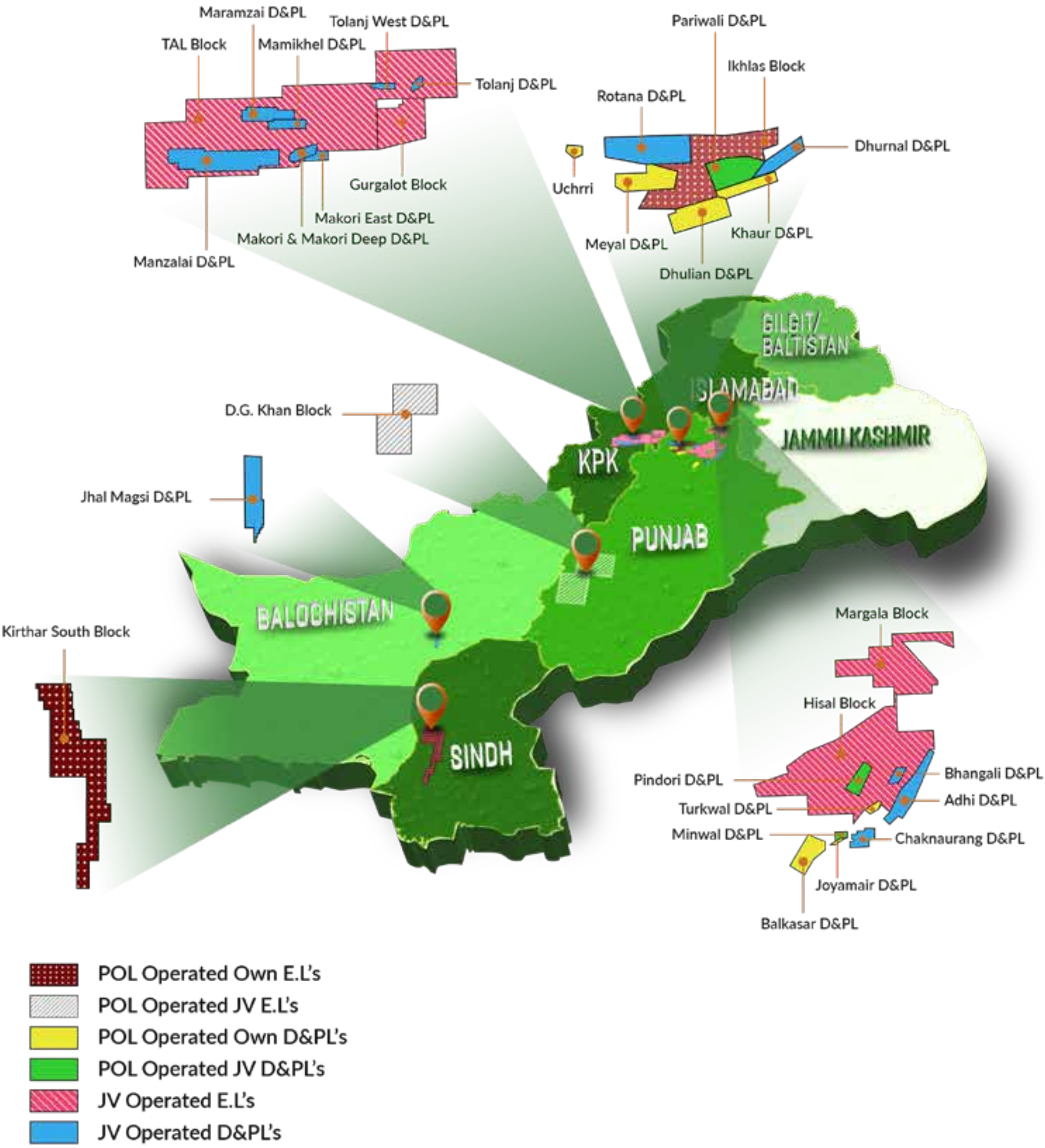
	2019	2018
	Rupees (‘000)	
Gross revenue	47,505,549	34,988,129
Less: Operating and exploration expenses	13,317,683	10,650,036
	34,187,866	24,338,093
Add: Income from investments	2,469,779	1,465,350
Other income	4,793,673	1,873,231
Total value added	41,451,318	27,676,674
Distributed as follows:		
Employees remuneration	1,534,556	1,403,393
Government as:		
Company taxation	7,982,986	2,968,815
Sales tax	3,528,242	2,323,147
Excise duty & development surcharge	309,251	307,703
Royalty	4,553,641	3,778,297
Workers' funds	1,727,994	966,703
	18,102,114	10,344,665
Shareholders as:		
Dividend	14,192,755	10,053,202
Retained in business:		
Depreciation	1,631,392	1,557,858
Amortization	3,311,549	2,986,824
Net earnings	2,678,952	857,641
	7,621,893	5,402,323
	41,451,318	27,203,582

DISTRIBUTION OF VALUE ADDITION





GEOGRAPHICAL PRESENCE



REPORT OF THE AUDIT COMMITTEE

for the year ended June 30, 2019

The Committee comprises of members possessing appropriate financial acumen and relevant Oil & Gas experience. The Audit Committee has concluded its annual review of the conduct and operations of the Company during 2018-19, and reports that:

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the A. F. Ferguson & Co (external auditors) of the Company.

- Appropriate accounting policies have been consistently applied. All core & other applicable International financial reporting standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2019, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.

- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The external reporting is consistent with management processes and adequate for shareholder needs.

- The Audit Committee has reviewed all related party transactions and has recommended to the board for approval.

- The Chief Executive and the Chief Financial Officer have endorsed the financial statements of the Company, Consolidated financial statements and related party transactions. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.

- All directors have access to the Company Secretary. All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.

- Closed periods were duly determined and announced by the Company, precluding Directors, Chief Executive and executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

- The internal control framework has been effectively complemented by an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.

- The Internal Audit function has carried out its duties as defined by the Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention, where required.

- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to management and the right to seek information and explanations.

- Coordination between the external and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

- The Chairman Audit Committee is a Fellow member of the Institute of Cost and Management Accountants of Pakistan.

- The external auditors of the Company have completed the audit of the Company's financial statements, the consolidated financial statements" and the statement of compliance with the Code of Corporate Governance for the financial year ended June 30, 2019 and shall retire on the conclusion of the 68^{th} Annual General Meeting (AGM).

- The Audit Committee has reviewed and discussed Internal Control Memorandum (ICM) with external auditors.

- The external auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the auditors has thereby been ensured. The auditors attended the AGM of the Company during the year and have confirmed attendance for the 68^{th} AGM scheduled for September 17, 2019.

- The external auditors have indicated their willingness to continue as external auditors of the Company and have confirmed their compliance with the code of ethics issued by International Federation of Accountants and adopted by Institute of Chartered Accountants of Pakistan (ICAP). Further they have also confirmed that they have satisfactory rating under the Quality Control Review Program of ICAP and are registered with Audit Oversight Board of Pakistan. The external auditors have no financial or other relationship of any kind with the Company except that of external auditors.

- Being eligible for reappointment as external auditors of the Company, the Audit Committee has recommended the appointment of A. F. Ferguson & Co., Chartered Accountants as external auditors of the Company for the year ending June 30, 2020.

Abdus Sattar

Chairman Audit Committee

Islamabad

July 26, 2019

A·F·FERGUSON&Co.

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pakistan Oilfields Limited, (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before, the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight contents of the paragraph 12 of the statement where the matter of company's constitutional petition pending in the Sindh High Court relating to compliance with certain provisions of the Companies Act, 2017 and the regulations has been explained.

S. No.	Note Reference	Description
(i)	12	Constitutional petition pending in the Sindh High Court relating to compliance with certain provisions of the Companies Act, 2017 and the regulations.
(ii)	18	Chief Financial Officer and Company Secretary are the same person.

Affergusons Co.

Chartered Accountants

Islamabad

Date: July 29, 2019
Engagement partner: Asim Masood Iqbal

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

for the year ended June 30, 2019

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

1. The total number of directors are seven (7) as per the following:

    a. Male: Seven

    b. Female: None

2. The composition of board is as follows:

Category	Names
a) Independent Directors	Mr. Tariq Iqbal Khan Mr. Nihal Cassim
b) Other Non-Executive Directors	Mr. Laith G. Pharaon * Mr. Wael G. Pharaon** Mr. Abdus Sattar
c) Executive Directors	Mr. Shuaib A. Malik Mr. Sajid Nawaz

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

** Alternate Director Mr. Babar Bashir Nawaz

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Most of the directors meet the exemption requirement of the directors' training program. The remaining directors have obtained certification under directors' training program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However, the Company Secretary and CFO is the same person. SECP vide SRO 485(I)/2019 dated April 23, 2019 issued draft of Listed Companies (Code of Corporate Governance) Regulations, 2019 and has relaxed the mandatory requirement by proposing a "comply or explain approach" for the requirement of separation of offices of CFO and Company Secretary, effective July 01, 2019.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

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

    a) Audit Committee

Name	Role
Mr. Abdus Sattar	Chairman
Mr. Babar Bashir Nawaz	Member
Mr. Tariq Iqbal Khan	Member
Mr. Nihal Cassim	Member

b) HR and Remuneration Committee

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

A constitutional petition filed by the Company is currently pending in the Sindh High Court challenging compliance with below mentioned requirements and to declare that the impugned provisions, namely Section 166, proviso to Section 154 of the Companies Act 2017; Regulations 6,7,9,16,28 and 29 of the Listed Companies Code of Corporate Governance Regulations, 2017; S.R.O 556(i)/2018; and S.R.O 73(i)/2018 relating to appointment of independent directors on the Board of Directors, appointment of independent director as Chairman of the Audit Committee and Human Resource & Remuneration Committee, appointment of female director on the Board and appointment of separate persons as Chairman of the Board and Chief Executive of the Company are illegal and unconstitutional and to strike them down; and to further declare that shareholders are lawfully entitled to elect Directors and to elect a Chairman of the Board of Directors without reference to the impugned provisions. The law officer of Securities and Exchange Commission of Pakistan has undertaken that no action contrary to the law would be taken against the Company.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. Frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

Committee	Frequency
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function. Further, the Company is in the process of filling the casual vacancy created for the position of Head of Internal Audit.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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 International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

SHUAIB A. MALIK
Chairman & Chief Executive

Dubai, UAE
July 29, 2019

Financial Statements

For the year ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Pakistan Oilfields Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Oilfields Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012** *(Refer note 25 to the financial statements)* The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which requires that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification has been issued after the approval of Council of Common Interest (CCI) dated 24 November 2017. The Company has challenged the said notification in the Islamabad High Court and the matter is pending before the court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Honourable Court has restrained the Government for any action under the impugned notification and to maintain status quo. Company's contention is duly supported by the legal advice on the matter. The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounts to taking away the vested rights already accrued in favour of the Company. As per the legal opinion Government has no authority to give any law or policy a retrospective effect. The Company has not recognised the revenue to the extent of Rs 10,856 million since inception to June 30, 2019 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.	Our audit procedures in relation to the matter included: • Reviewed Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan. • Reviewed SRO issued by the Ministry of Energy. • Reviewed relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO. • Discussed the matter with directors, management and internal legal department of the Company. • Obtained confirmation from the Company's external legal advisor and reviewed legal opinion obtained by the Company and the order issued by the Islamabad High Court. • Evaluated technical ability of the internal and external legal advisors used by the Company. • Assessed the matter under applicable accounting frame work. • Reviewed the disclosures made in the financial statements in respect of this matter.

S.No.	Key Audit Matters	How the matter was addressed in our audit
	We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.	
(ii)	**Analysis of impairment of development and decommissioning costs** *(Refer note 15 to the financial statements)* As at June 30, 2019, the development and decommissioning costs amounted to Rs 11,054 million. The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired. Where impairment indicator is triggered for any CGU, an impairment test is performed by the Company based on estimates of the value in use of that CGU. The calculation of value in use of development and decommissioning costs requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates and (v) discount rates. We considered this matter as key audit matter due to significant value of development and decommissioning costs at reporting date and due to significance of judgements used by management.	Our audit procedures in relation to management's impairment test included: · Assessed the methodology used by management to estimate value in use of each CGU. · Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data. · Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices and discount rate.

S.No.	Key Audit Matters	How the matter was addressed in our audit
(iii)	**Investment in associated company** *(Refer note 17 to the financial statements)* The Company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2019, the carrying amount of investment in above referred associated company amounted to Rs 8,047 million which carrying value is higher by Rs 5,778 million in relation to the quoted market value of such shares. The Company carries out impairment assessment of the value of Investment where there are indicators of impairment. The Company has assessed the recoverable amount of the investment in associated companies based on the higher of the value-in-use ("VIU") and fair value. VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows. In view of significant management judgement involved in the estimation of value in use we consider this as a key audit matter.	Our audit procedures in relation to assessment of carrying value of investment in associated company included: • Assessed the appropriateness of management's accounting for investment in associated company. • Considered management's process for identifying the existence of impairment indicators in respect of investment in associated company. • Evaluated the independent external investment advisor's competence, capabilities and objectivity. • Assessed the valuation methodology used by the independent external investment advisor. • Checked, on sample basis the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence. • Assessed the reasonableness of cash flow projection, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior forecast and other relevant information. • Tested mathematical accuracy of cash flows projection. • Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

AF Ferguson & Co.

Chartered Accountants
Islamabad
Date: July 29, 2019

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorized capital	8	5,000,000	5,000,000
Issued, subscribed and paid up capital	8	2,838,551	2,365,459
Revenue reserves	9	35,232,446	30,401,053
Fair value gain on available-for-sale investments		-	2,227
		38,070,997	32,768,739
NON CURRENT LIABILITIES			
Long term deposits	10	844,756	837,325
Deferred liabilities	11	17,057,400	15,643,277
		17,902,156	16,480,602
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	12	19,329,256	15,967,452
Unclaimed dividend		191,166	170,717
Provision for income tax		5,996,250	4,779,273
		25,516,672	20,917,442
CONTINGENCIES AND COMMITMENTS	13		
		81,489,825	70,166,783

	Note	2019	2018
		Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	14	8,498,830	9,405,451
Development and decommissioning costs	15	11,053,586	12,596,720
Exploration and evaluation assets	16	52,761	2,590,790
		19,605,177	24,592,961
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	17	9,615,603	9,615,603
LONG TERM LOANS AND ADVANCES	18	26,273	15,072
CURRENT ASSETS			
Stores and spares	19	3,917,736	3,571,970
Stock in trade	20	297,331	292,981
Trade debts	21	8,908,128	8,242,487
Advances, deposits, prepayments and other receivables	22	2,544,659	2,296,389
Other financial assets	23	813,478	6,479
Cash and bank balances	24	35,761,440	21,532,841
		52,242,772	35,943,147
		81,489,825	70,166,783

The annexed notes 1 to 45 form an integral part of these financial statements.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
SALES		47,505,549	34,988,129
Sales tax		(3,528,242)	(2,323,147)
NET SALES	25	43,977,307	32,664,982
Operating costs	26	(10,392,914)	(8,456,447)
Excise duty		(309,251)	(307,703)
Royalty		(4,553,641)	(3,778,297)
Amortization of development and decommissioning costs	27	(3,311,549)	(2,986,824)
		(18,567,355)	(15,529,271)
GROSS PROFIT		25,409,952	17,135,711
Exploration costs	28	(2,048,986)	(2,990,153)
		23,360,966	14,145,558
Administration expenses	29	(181,253)	(169,569)
Finance costs	30	(3,773,626)	(1,919,008)
Other charges	31	(1,727,994)	(966,703)
		(5,682,873)	(3,055,280)
		17,678,093	11,090,278
Other income	32	7,176,600	3,262,471
PROFIT BEFORE TAXATION		24,854,693	14,352,749
Provision for taxation	33	(7,982,986)	(2,968,815)
PROFIT FOR THE YEAR		16,871,707	11,383,934
			(Restated)
Earnings per share - Basic and diluted (Rupees)	39	59.44	40.10

The annexed notes 1 to 45 form an integral part of these financial statements.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees ('000)	
Profit for the year	16,871,707	11,383,934
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) on staff retirement benefit plans	33,612	(85,922)
Tax (charge)/credit relating to remeasurement gain/(loss) on staff retirement benefit plans	(10,084)	25,777
	23,528	(60,145)
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available for sale investments	-	224
Other comprehensive income/ (loss) for the year, net of tax	23,528	(59,921)
Total comprehensive income for the year	16,895,235	11,324,013

The annexed notes 1 to 45 form an integral part of these financial statements.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	Capital Reserves	Revenue reserves			Fair value gain/ (loss) on available-for-sale investments	Total
		Reserve for issue of bonus shares	Insurance reserve	Investment reserve	Unappropriated profit		
	Rupees ('000)						
Balance at June 30, 2017	2,365,459	-	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	11,383,934	-	11,383,934
Other comprehensive income / (loss)	-	-	-	-	(60,145)	224	(59,921)
	-	-	-	-	11,323,789	224	11,324,013
Transactions with owners:							
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	-	(4,139,554)	-	(4,139,554)
Total transactions with owners	-	-	-	-	(10,053,202)	-	(10,053,202)
Balance at June 30, 2018	2,365,459	-	200,000	1,557,794	28,643,259	2,227	32,768,739
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	16,871,707	(2,227)	16,869,480
Other comprehensive income	-	-	-	-	23,528	-	23,528
	-		-	-	16,895,235	(2,227)	16,893,008
Transferred to reserve for issue of bonus shares	-	473,092	-	-	(473,092)	-	-
Transactions with owners:							
Bonus shares issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 20 per share - Year ended June 30, 2019	-	-	-	-	(5,677,102)	-	(5,677,102)
Total transactions with owners	473,092	(473,092)	-	-	(11,590,750)	-	(11,590,750)
Balance at June 30, 2019	2,838,551	-	200,000	1,557,794	33,474,652	-	38,070,997

The annexed notes 1 to 45 form an integral part of these financial statements.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		43,808,591	36,704,740
Operating and exploration costs paid		(10,317,707)	(10,935,401)
Royalty paid		(4,440,890)	(3,550,234)
Taxes paid		(7,624,810)	(2,892,028)
Cash provided by operating activities	35	21,425,184	19,327,077
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Expenditure		(1,400,076)	(4,775,526)
Proceeds from disposal of property, plant and equipment		5,847	5,476
Income on bank deposits and held-to-maturity investments		1,882,951	703,486
Investment in mutual funds		(804,198)	-
Dividend income received		452,965	705,793
Cash generated/ (used) in investing activities		137,489	(3,360,771)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(11,570,301)	(10,022,207)
EFFECT OF EXCHANGE RATE CHANGES		4,236,227	1,407,214
INCREASE IN CASH AND CASH EQUIVALENTS		14,228,599	7,351,313
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		21,532,841	14,181,528
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		35,761,440	21,532,841

Cash and cash equivalents comprise cash and bank balances.

The annexed notes 1 to 45 form an integral part of these financial statements.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

1. LEGAL STATUS AND OPERATIONS

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

Geographical location and addresses of all other business units of the Company have been disclosed in note 43.

2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 The Company has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" w.e.f July 1, 2018. For related changes in accounting policies and impact on Company's financial statements refer note 4 to these financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 12	Income Taxes (Amendments)	January 1, 2019
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 23	Borrowing Costs (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3	Business Combinations (Amendments)	January 1, 2020
IFRS 9	Financial Instruments (Amendments)	January 1, 2019
IFRS 11	Joint Arrangements (Amendments)	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019

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

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The management is in the process of assessing the impact of changes laid down by IFRS 16 on its financial statements.

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance contracts

3.4 The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

4 CHANGES IN ACCOUNTING POLICIES

The Company has adopted of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" w.e.f July 1, 2018. Related changes in accounting policies and impact on Company's financial statements are explained below:

4.1 Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities ii) impairment for financial assets and iii) hedge accounting.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

i) Classification and measurement of financial assets and financial liabilities

The new standard requires the Company to assess the classification of financial assets on its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" (AFS) classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the profit or loss upon disposal of the financial asset (FVTOCI); or
- Fair value through profit or loss (FVTPL)

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

- Fair value through other comprehensive income, with no subsequent recycling to the profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at July 1, 2018 is as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs'000	New Rs'000	Difference Rs'000
Non Current financial assets					
Long term loans and advances	Amortised cost	Amortised cost	15,072	15,072	-
Current financial assets					
Trade debts	Amortised cost	Amortised cost	8,242,487	8,242,487	-
Advances, deposits and other receivables	Amortised cost	Amortised cost	414,337	414,337	-
Cash and bank balances	Amortised cost	Amortised cost	21,532,841	21,532,841	-
Other financial assets	AFS	FVTPL	6,479	6,479	-
Non Current financial liabilities					
Long term deposits	Amortised cost	Amortised cost	837,325	837,325	-
Provision for decommissioning costs	Amortised cost	Amortised cost	9,548,018	9,548,018	-
Provision for staff compensated absences	Amortised cost	Amortised cost	8,475	8,475	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	14,535,635	14,535,635	-
Unclaimed dividend	Amortised cost	Amortised cost	170,717	170,717	-

ii) Impairment of financial assets

IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

4.2 Revenue from Contracts with Customers

Effective July 1, 2018, the Company has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 “Construction Contracts” and related interpretations. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach, which means that the cumulative impact of the adoption, if any, is recognized in unappropriated profit in the period of initial application and comparatives are not restated.

The application of IFRS 15 does not have any material impact on revenue recognition policy of the Company and therefore, the cumulative impact of the adoption on unappropriated profit is not material and accordingly the unappropriated profit as of July 1, 2018 is not adjusted.

4.3 The following table presents the transitional impact that adoption of IFRS 9 have on the opening statement of financial position of the Company as of July 1, 2018.

	Carrying amount as reported under IAS 39-July 1, 2018	Impact of IFRS 9		Total impact of IFRS 9	Carrying amount as reported under IFRS 9-July 1, 2018
		Reclassification due to IFRS 9	Remeasurment allowance: ECL		
			Rupees in '000		
Current assets					
Trade debts - gross	8,242,487	-	-	-	8,242,487
Other financial assets					
Available for sale investments	6,479	(6,479)	-	(6,479)	-
Investments classified as fair value through profit or loss	-	6,479	-	6,479	6,479
	6,479	-	-	-	6,479
Impact on net assets	8,248,966	-	-	-	8,248,966
Capital and reserves					
Reserves					
Unappropriated profit/(loss)	28,643,259	**	-	-	28,643,259
Fair value gain on available-for-sale investments	2,227	**	-	-	2,227
	28,645,486	-	-	-	28,645,486

** The cumulative fair value gain of Rs 2,227 thousand as at June 30, 2018 previously recognised directly in other comprehensive income relating to such investments has been reclassified from equity to the statement of profit or loss in the current period, prospectively. The statement of financial position as at July 1, 2018 have not been restated for change in accounting policy due to immaterial impact.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

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

5.2 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

5.3 Functional and presentation currency

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

5.4 Foreign currency transactions and translation

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

5.5 Taxation

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

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 30% after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government.

5.6 Provisions

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

5.7 Provision for decommissioning costs

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

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

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

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

The decommissioning cost has been discounted at a discount rate ranging from 13.68% p.a. to 13.77% p.a. (2018: 7.47% p.a. to 8.48% p.a.) and using inflation rate of 9.3% p.a. (2018: 5.04% p.a.). The increase in provision due to unwinding of discount is recorded as finance cost.

5.8 Employee compensated absences

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

5.9 Staff retirement benefits

The Company operates the following staff retirement benefits plans:

(i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2019.

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

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

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 38.

(ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the company and the employee at the rate of 10% of basic salary.

5.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

5.11 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.12 Property, plant and equipment

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

Depreciation is provided on straight line method at rates specified in note 14.1 to the financial statements. Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on derecognition of assets are included in income currently.

5.13 Exploration assets/ costs and development costs

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

5.13.2 Exploration costs

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

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

5.13.3 Development costs

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

5.14 Investments in subsidiary and associated companies

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

5.15 Stores and spares

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

5.16 Stock in trade

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

5.17 Impairment of non-financial assets

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

5.18 Trade debts and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. Refer note 5.23 for a description of the Company's impairment policies.

5.19 Financial instruments

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

5.20 Financial assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:

(i) Amortised cost where the effective interest rate method will apply;
(ii) Fair value through profit or loss (FVTPL); and
(iii) Fair value through other comprehensive income (FVTOCI)

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

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

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

Recognition and derecognition

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

Measurement

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

Debt instruments

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

a) Amortised cost

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

b) Fair value through other comprehensive income (FVTOCI)

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

c) Fair value through profit or loss (FVTPL)

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

Equity instruments

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

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

5.21 Impairment of financial assets

Effective from July 1, 2018, the Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits and other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

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

- Trade debts
- Deposits and other receivables
- Cash and bank balances

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

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

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

Significant increase in credit risk

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

The following indicators are considered while assessing credit risk

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

Definition of default

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

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

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

Credit - impaired financial assets

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

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

(ii) Simplified approach for trade debts

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

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

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

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

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

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

Recognition of loss allowance

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment.

Write-off

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

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

5.22 Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

a) Fair value through profit or loss

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

b) Other financial liabilities

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

Derecognition of financial liabilities

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

5.23 Offsetting

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

5.24 Revenue recognition

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

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

Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring goods/services. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

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

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

5.25 Joint arrangements

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

5.26 Cash and cash equivalents

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

5.27 Dividend distribution

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

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 15

ii) Estimated useful life of property, plant and equipment - note 14.1

iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 5.7

iv) Estimated value of staff retirement benefits obligations - note 38

v) Provision for taxation - note 5.5

vi) Price adjustment related to crude oil sales - note 5.24

vii) Impairment of financial assets - note 5.21

7. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The financial position and performance of the Company was particularly affected by following events and transactions during the reporting period:

i) During the year sales has increased due to commencement of production from Adhi - 32 (Adhi Mining Lease) and increase in prices during the year:

ii) As described in note 25.1, additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2019 amounting to Rs 10,855,542 thousand (including Rs 7,289,169 thousand since inception to June 30, 2018) will be accounted for upon resolution of the matter disclosed in note 25.1.

iii) Other significant transactions and events have been adequately disclosed in the notes to the financial statements.

		2019	2018
		Rupees ('000)	
8.	**SHARE CAPITAL**		
	Authorized capital		
	500,000,000 (2018: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
	Issued, subscribed and paid up capital		
	Shares issued for cash		
	20,200,000 (2018: 20,200,000) ordinary shares	202,000	202,000
	Shares issued as fully paid bonus shares		
	263,655,104 (2018: 216,345,920) ordinary shares	2,636,551	2,163,459
	283,855,104 (2018: 236,545,920) ordinary shares of Rs 10 each	2,838,551	2,365,459

8.1 The Company is a subsidiary of The Attock Oil Company Limited which held 149,732,358 (2018: 124,776,965) ordinary shares at the year end.

	2019	2018
	Rupees ('000)	
9. REVENUE RESERVES		
Insurance reserve - note 9.1	200,000	200,000
Investment reserve - note 9.2	1,557,794	1,557,794
Unappropriated profit	33,474,652	28,643,259
	35,232,446	30,401,053

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

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

	2019	2018
	Rupees ('000)	
10. LONG TERM DEPOSITS		
Security deposits from distributors for cylinders/ equipment	795,084	787,334
Security deposits from distributors and others	49,672	49,991
	844,756	837,325

10.1 Amount received as security deposit is utilized/utilizable by the Company in accordance with the related agreements with customers.

	2019	2018
	Rupees ('000)	
11. DEFERRED LIABILITIES		
Provision for deferred income tax - note 11.1	5,238,067	6,086,784
Provision for decommissioning costs - note 11.2	11,811,608	9,548,018
Provision for staff compensated absences	7,725	8,475
	17,057,400	15,643,277
11.1 Provision for deferred income tax		
The provision for deferred income tax represents:		
Temporary differences between accounting and tax depreciation/ amortization	5,494,478	6,331,716
Provision for stores and spares	(161,105)	(139,544)
Provision for doubtful receivable	(93)	(93)
Deferred tax on remeasurement (loss) on staff retirement benefit plans	(95,213)	(105,295)
	5,238,067	6,086,784

		2019	2018
		Rupees ('000)	
11.2	**Provision for decommissioning costs**		
	Balance brought forward	9,548,018	8,578,227
	Revision due to change in estimates - note 11.2.1	(1,482,306)	(988,977)
	Provision made during the year	48,385	239,847
	Unwinding of discount	754,918	592,698
	Exchange loss	3,012,047	1,322,218
	Decommissioning cost incurred during the year	(69,454)	(195,995)
		11,811,608	9,548,018
11.2.1	**Revision due to change in estimates**		
	Credited to related asset - note 15	(1,019,522)	(685,553)
	Revision in excess of related asset credited to statement of profit or loss - note 27	(462,784)	(303,424)
		(1,482,306)	(988,977)
12.	**TRADE AND OTHER PAYABLES**		
	Creditors	341,011	638,924
	Due to related parties		
	Attock Hospital (Pvt) Limited	2,692	1,663
	Attock Petroleum Limited	58,308	43,336
	Capgas (Pvt) Limited	2,362	-
	Management Staff Pension Fund - note 38	44,105	95,100
	Staff Provident Fund	4,405	5,479
	General Staff Provident Fund	852	1,010
	Workers' Profit Participation Fund - note 12.1	1,329,220	214,259
	Due to joint operating partners		
	The Attock Oil Company Limited	35,772	17,219
	Others	1,710,334	2,230,567
	Accrued liabilities	2,882,099	2,967,654
	Advances from customers	49,957	90,673
	Royalty	636,991	524,240
	Excise duty	4,254	4,499
	Petroleum levy payable	28,014	23,988
	Workers' Welfare Fund	792,394	574,158
	Liability for staff compensated absences	6,066	6,443
	Other liabilities - note 12.2	11,400,420	8,528,240
		19,329,256	15,967,452

		2019	2018
		Rupees ('000)	
12.1	**Workers' Profit Participation Fund**		
	Payable/ (receivable) at beginning of the year	214,259	(38,150)
	Amount allocated during the year	1,329,392	765,724
	Amount paid to the Fund's trustees	(214,431)	(513,315)
	Payable at end of the year	1,329,220	214,259

12.2 This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 25.1.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

		2019	2018
		Rupees ('000)	
	Guarantees issued by banks on behalf of the Company	-	11,256
13.2	**Commitments**		
	Share in joint operations	12,956,173	4,993,526
	Own fields	3,879,260	1,014,509
	Letter of credit issued by banks on behalf of the Company	1,060,495	510,878
14.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets - note 14.1	7,747,259	8,754,987
	Capital work in progress - note 14.6	751,571	650,464
		8,498,830	9,405,451

14.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery		Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs					
	Rupees ('000)									
As at July 1, 2017										
Cost	20,407	502,279	2,136,506	14,042,681	686,996	769,339	501,422	150,597	459,503	19,269,730
Accumulated depreciation	-	(207,413)	(1,031,113)	(7,217,586)	(459,086)	(506,484)	(420,255)	(105,232)	(380,755)	(10,327,924)
Net book value	20,407	294,866	1,105,393	6,825,095	227,910	262,855	81,167	45,365	78,748	8,941,806
Year ended June 30, 2018										
Opening net book value	20,407	294,866	1,105,393	6,825,095	227,910	262,855	81,167	45,365	78,748	8,941,806
Additions	-	19,343	270,967	980,120	41,811	9,498	24,323	14,267	11,207	1,371,536
Disposals										
Cost	-	-	(2,007)	(1,271)	(22)	(7,263)	(9,438)	(12)	(361)	(20,374)
Accumulated depreciation	-	-	1,510	1,271	22	7,263	9,438	12	361	19,877
	-	-	(497)	-	-	-	-	-	-	(497)
Depreciation charge	-	(22,205)	(186,582)	(1,159,305)	(45,764)	(50,903)	(41,448)	(12,027)	(39,624)	(1,557,858)
Closing net book value	20,407	292,004	1,189,281	6,645,910	223,957	221,450	64,042	47,605	50,331	8,754,987
As at June 30, 2018										
Cost	20,407	521,622	2,405,466	15,021,530	728,785	771,574	516,307	164,852	470,349	20,620,892
Accumulated depreciation	-	(229,618)	(1,216,185)	(8,375,620)	(504,828)	(550,124)	(452,265)	(117,247)	(420,018)	(11,865,905)
Net book value	20,407	292,004	1,189,281	6,645,910	223,957	221,450	64,042	47,605	50,331	8,754,987
Year ended June 30, 2019										
Opening net book value	20,407	292,004	1,189,281	6,645,910	223,957	221,450	64,042	47,605	50,331	8,754,987
Additions*	-	14,298	48,036	446,644	10,113	39,521	52,760	10,442	13,472	635,286
Disposals*										
Cost	(83)	(7,520)	(32,340)	(35,752)	(393)	(6,141)	(4,865)	(1,345)	(323)	(88,762)
Accumulated depreciation	-	2,975	28,425	33,369	393	6,141	4,845	1,293	323	77,764
	(83)	(4,545)	(3,915)	(2,383)	-	-	(20)	(52)	-	(10,998)
Depreciation charge	-	(22,377)	(198,256)	(1,236,894)	(44,688)	(41,542)	(44,331)	(12,059)	(31,869)	(1,632,016)
Closing net book value	20,324	279,380	1,035,146	5,853,277	189,382	219,429	72,451	45,936	31,934	7,747,259
As at June 30, 2019										
Cost	20,324	528,400	2,421,162	15,432,422	738,505	804,954	564,202	173,949	483,498	21,167,416
Accumulated depreciation	-	(249,020)	(1,386,016)	(9,579,145)	(549,123)	(585,525)	(491,751)	(128,013)	(451,564)	(13,420,157)
Net book value	20,324	279,380	1,035,146	5,853,277	189,382	219,429	72,451	45,936	31,934	7,747,259
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5	25	

* Additions and disposals include inter-transfers of assets having book value of Rs 258 thousand, cost of Rs 882 thousand and depreciation of Rs 624 thousand (2018: book value of Rs nil; cost of Rs 442 thousand and depreciation of Rs 442 thousand).

14.2 Cost and accumulated depreciation include

	Cost		Accumulated depreciation	
	2019	2018	2019	2018
	Rupees ('000)			
Share in joint operations operated by the Company	1,446,187	1,438,457	1,273,258	1,246,781
Assets not in possession of the Company				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	10,896,974	10,554,563	6,548,887	5,515,599
Ocean Pakistan Limited	73,992	74,343	59,506	56,533
Oil and Gas Development Company Limited	69,291	67,647	41,373	35,952
Pakistan Petroleum Limited	1,930,413	1,890,699	851,172	690,686
	12,970,670	12,587,252	7,500,938	6,298,770
Gas cylinders - in possession of distributors*	735,570	726,718	534,238	499,128
	15,152,427	14,752,427	9,308,434	8,044,679

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

14.3 The depreciation charge has been allocated as follows

	2019	2018
	Rupees ('000)	
Operating cost - Note 26	1,544,540	1,481,748
Other income - Crude transportation income	86,852	76,110
Inter-transfers	624	-
	1,632,016	1,557,858

14.4 Details of property, plant and equipment sold

Vehicles sold to following in service/retiring employees as per Company's policy:

	Cost	Book value	Sale proceeds	Gain/ (loss)
	Rupees ('000)			
Mr. Asad Haider	1,589	-	159	159
Mr. Zafar Ahmed Khan	1,587	-	159	159
Mr. Kashif Ali Khan	1,587	-	159	159
	4,763	-	477	477
Others:				
National Police Foundation	102	20	70	50
	4,865	20	547	527
Property, plant and equipment sold as per Company's policy:				
Transfer from Ikhlas Joint Venture to POL	6,859	1,505	4,000	2,495
Malik Muhammad Sarfaraz	6,511	3,857	150	(3,707)
Transfer from Pindori Joint Venture to POL	206	-	83	83
Transfer to Government of Punjab for Sora Dam Project	83	83	785	702
Transfer from Ahmadal Joint Venture to POL	49	-	25	25
	13,708	5,445	5,043	(402)

14.5 Particulars of Company's immovable property including location and area of land are as follows

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

14.6 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Total
		Rupees ('000)	
Balance as at July 1, 2017	-	912,728	912,728
Additions during the year	11,610	263,215	274,825
Transfers during the year	(11,610)	(525,479)	(537,089)
Balance as at June 30, 2018	-	650,464	650,464
Balance as at July 1, 2018	-	650,464	650,464
Additions during the year	11,696	154,768	166,464
Transfers during the year	(9,769)	(55,588)	(65,357)
Balance as at June 30, 2019	1,927	749,644	751,571

14.7 Break up of capital work in progress at June 30 is as follows

		2019	2018
		Rupees ('000)	
Own fields		16,702	23,161
POLGAS plant		-	3,880
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	74,469	43,918
	- Margala Block 3372-20	269	269
Oil and Gas Development Company Limited	- Jhal Magsi D&P Lease	447,380	448,719
Pakistan Petroleum Limited	- Adhi Mining Lease	212,751	130,517
		751,571	650,464

15. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
		Rupees ('000)	
As at July 1, 2017			
Cost	37,233,098	2,673,974	39,907,072
Accumulated amortization	(24,319,270)	(2,214,948)	(26,534,218)
Net book value	12,913,828	459,026	13,372,854
Year ended June 30, 2018			
Opening net book value	12,913,828	459,026	13,372,854
Additions	407,011	239,847	646,858
Disposals			
Cost	-	(83,603)	(83,603)
Accumulated amortization	-	83,603	83,603
	-	-	-
Revision due to change in estimates - note 11.2.1	(686,974)	1,421	(685,553)
Well cost transferred from exploration and evaluation assets - note 16	2,552,809	-	2,552,809
Amortization for the year	(3,011,013)	(279,235)	(3,290,248)
Closing net book value	12,175,661	421,059	12,596,720
As at July 1, 2018			
Cost	39,505,944	2,831,639	42,337,583
Accumulated amortization	(27,330,283)	(2,410,580)	(29,740,863)
Net book value	12,175,661	421,059	12,596,720
Year ended June 30, 2019			
Opening net book value	12,175,661	421,059	12,596,720
Additions	1,522,774	48,385	1,571,159
Disposals			
Cost	-	(140,708)	(140,708)
Accumulated amortization	-	140,708	140,708
	-	-	-
Revision due to change in estimates - note 11.2.1	(748,330)	(271,192)	(1,019,522)
Well cost transferred from exploration and evaluation assets - note 16	1,679,562	-	1,679,562
Amortization for the year - note 27	(3,743,516)	(30,817)	(3,774,333)
Closing net book value	10,886,151	167,435	11,053,586
As at June 30, 2019			
Cost	41,959,950	2,468,124	44,428,074
Accumulated amortization	(31,073,799)	(2,300,689)	(33,374,488)
Net book value	10,886,151	167,435	11,053,586

	2019	2018
	Rupees ('000)	
16. EXPLORATION AND EVALUATION ASSETS		
Balance brought forward	2,590,790	1,884,356
Additions during the year	760,589	4,844,825
	3,351,379	6,729,181
Wells cost transferred to development cost - note 15	(1,679,562)	(2,552,809)
Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss - note 28	(1,619,056)	(1,585,582)
	52,761	2,590,790

16.1 Break up of exploration and evaluation assets at June 30 is as follows

		2019	2018
		Rupees ('000)	
Own fields			
	- Khaur D & Production Lease (153/PAK/2002)	-	1,599,505
Share in joint operations operated by the Company			
	- DG Khan	4,247	-
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Petroleum Concession (Block 3370-3)	48,514	582,047
Pakistan Petroleum Limited	- Hisal Petroleum Concession (3372-23)	-	409,238
		52,761	2,590,790

		2019		2018	
		Percentage holding	Amount Rs ('000)	Percentage holding	Amount Rs ('000)
17.	**LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST**				
	Subsidiary company				
	Unquoted				
	Capgas (Private) Limited 344,250 (2018: 344,250) fully paid ordinary shares including 191,250 (2018: 191,250) bonus shares of Rs 10 each	51	1,530	51	1,530
	Associated companies				
	Quoted				
	National Refinery Limited 19,991,640 (2018: 19,991,640) fully paid ordinary shares including 3,331,940 (2018: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2019: Rs 2,268,451 thousand (2018: Rs 8,856,496 thousand)	25	8,046,635	25	8,046,635
	Attock Petroleum Limited (APL) 6,984,714 (2018: 5,820,595) fully paid ordinary shares including 3,616,314 (2018: 2,452,195) bonus shares of Rs 10 each Quoted market value as at June 30, 2019: Rs 2,015,160 thousand; (2018: Rs 3,434,093 thousand)	7	1,562,938	7	1,562,938
	Unquoted				
	Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2018: 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
			9,615,603		9,615,603

17.1 All subsidiary and associated companies are incorporated in Pakistan. Although the Company has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Company has representation on their Board of Directors.

17.2 Based on a valuation analysis carried out by an external investment advisor engaged by the company, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 3.84% (2018: 5.32%), a terminal growth rate of 3.0% (2018: 3.0%) and a capital asset pricing model based discount rate of 21.16% (2018: 15.13%).

17.3 No investment was made in subsidiary and associated companies during the year.

		2019	2018
		Rupees ('000)	
18.	**LONG TERM LOANS AND ADVANCES - CONSIDRED GOOD**		
	Long term loans and advances to employees	54,076	41,320
	Less: Amount due within twelve months, shown under current loans and advances - note 22	27,803	26,248
		26,273	15,072

18.1 Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.

18.1.1 Loans to employees exceeding Rs 1 million:

		2019	2018
		Rupees ('000)	
	Name of employees		
	Mr. Jawad Razaq	1,171	-
	Mr. Aamir Waheed	1,168	-
	Mr. Shahzad Ali	1,058	-
		3,397	-
19.	**STORES AND SPARES**		
	Stores and spares - note 19.1	4,454,753	4,037,116
	Less: Provision for slow moving items - note 19.2	537,017	465,146
		3,917,736	3,571,970
19.1	**Stores and spares include**		
	Share in joint operations operated by the Company	281,475	258,933
	Share in joint operations operated by others (assets not in possession of the Company)	1,642,937	1,711,627
		1,924,412	1,970,560

		2019	2018
		Rupees ('000)	
19.2	**Provision for slow moving items**		
	Balance brought forward	465,146	405,462
	Provision for the year	71,871	59,684
		537,017	465,146

19.3 Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.

		2019	2018
		Rupees ('000)	
20.	**STOCK IN TRADE**		
	Crude oil and other products - note 20.1	297,331	292,981

20.1 These include Rs 29,292 thousand (2018: Rs 145,157 thousand) being the Company's share in joint operations.

		2019	2018
21.	**TRADE DEBTS - CONSIDERED GOOD**		
	Due from related parties - note 21.1	4,286,337	3,689,140
	Others	4,621,791	4,553,347
		8,908,128	8,242,487
21.1	**Due from related parties**		
	Associated companies		
	Attock Refinery Limited	3,862,236	3,598,061
	National Refinery Limited	424,101	91,079
		4,286,337	3,689,140

Ageing analysis of trade debts receivable from related parties is given in note 37.3.1 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 4,475,478 thousand (2018: Rs 3,689,140 thousand).

		2019	2018
		Rupees ('000)	
22.	**ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		
	Loans and advances - considered good		
	Employees - note 18	27,803	26,248
	Suppliers	150,554	200,468
		178,357	226,716
	Trade deposits and short term prepayments		
	Deposits	76,150	114,295
	Short-term prepayments	234,443	127,636
		310,593	241,931
	Interest income accrued	256,674	95,452
	Other receivables		
	Joint operating partners	134,476	47,519
	Due from related parties		
	Parent company		
	The Attock Oil Company Limited	889	40,528
	Subsidiary company		
	Capgas (Pvt) Limited	-	2,779
	Associated company		
	Attock Cement Limited	35	-
	Gratuity Fund - note 38	97,805	66,068
	Sales tax refundable	1,538,391	1,553,948
	Other receivables (net of loss allowance of Rs 310 thousand (2018: Rs 310 thousand))	27,439	21,448
		1,799,035	1,732,290
		2,544,659	2,296,389

22.1 The aggregate maximum amount due from related parties at the end of any month during the year was Rs 98,729 thousand (2018: Rs 109,375 thousand) respectively.

		2019	2018
		Rupees ('000)	
22.2	The aging analysis of receivable from related parties is as follows:		
	Upto 3 month	98,729	91,943
	3 to 6 month	-	8,719
	More than 6 month	-	8,713
		98,729	109,375

		2019	2018
		Rupees ('000)	
23.	**Other financial assets**		
	Investments in mutual funds classified as fair value through profit or loss - note 23.1	813,478	6,479
23.1	**Investments classified as fair value through profit or loss**		
	Balance at the beginning of the year	6,479	6,255
	Additions during the year	2,330,711	-
	Redemptions during the year	(1,526,513)	-
	Fair value adjustment	2,801	224
	Balance at the end of the year	813,478	6,479

23.1.1 Investments in mutual funds at June 30 include the following

	2019			2018		
	Number of units	Cost	Fair value	Number of units	Cost	Fair value
		Rupees ('000)			Rupees ('000)	
	Classified as fair value through profit or loss			Available-for-sale investments		
Listed securities						
Meezan Sovereign Fund	11,853	487	610	10,965	442	578
Pakistan Cash Management Fund	14,409	561	725	13,049	492	687
Alfalah GHP Money Market Fund	22,699	32	2,225	13,208	993	1,348
Atlas Money Market Fund	33	-	16	1,143	455	605
UBL Liquidity Plus Fund	24,333	2,450	2,452	13,318	1,004	1,339
ABL Cash Fund	49,652,602	504,602	504,808	-	-	-
HBL Cash Fund	1,007	101	102	-	-	-
NAFA Money Market Fund	30,450,979	300,000	300,511	-	-	-
Atlas Income Fund	3,952	1,056	2,029	3,581	866	1,922
	80,181,867	809,289	813,478	55,264	4,252	6,479

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

		2019	2018
		Rupees ('000)	
24.	**CASH AND BANK BALANCES**		
	Bank balance on		
	Short term deposits	32,182,288	19,994,118
	Interest/mark-up bearing saving accounts	3,519,913	1,534,695
	Current accounts	53,922	1,325
		35,756,123	21,530,138
	Cash in hand	5,317	2,703
		35,761,440	21,532,841

Balance with banks include foreign currency balances of US $ 117,967 thousand (2018: US $ 94,990 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 2.00% to 13.35% (2018: 0.10% to 7.40%).

		2019	2018
		Rupees ('000)	
25.	**NET SALES**		
	Crude oil	22,374,339	17,597,511
	Gas - note 25.1	13,921,595	8,572,856
	POLGAS - Refill of cylinders	7,425,053	6,306,240
	Solvent oil	246,295	180,425
	Sulphur	10,025	7,950
		43,977,307	32,664,982

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

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

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

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

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court has fixed September 12, 2019 as next date of hearing.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2019 amounting to Rs 10,855,542 thousand will be accounted for upon resolution of this matter (including Rs 7,289,169 thousand related to period since inception to June 30, 2018). Additional revenue on account of enhanced gas price incentive of Rs 11,400,420 thousand including sales tax of Rs 1,656,471 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

		2019	2018
		Rupees ('000)	
26.	**OPERATING COSTS**		
	Operating cost - Own fields	1,228,302	963,345
	- Share in joint operations	2,798,262	2,511,524
	Well workovers	412,067	55,790
	POLGAS - Cost of gas/LPG, carriage etc.	4,170,622	3,288,354
	Head office and insurance charges	173,376	172,718
	Pumping and transportation cost	70,095	54,056
	Depreciation	1,544,540	1,481,748
		10,397,264	8,527,535
	Opening stock of crude oil and other products	292,981	221,893
	Closing stock of crude oil and other products	(297,331)	(292,981)
		10,392,914	8,456,447
27.	**AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS**		
	Amortization charge for the year - note 15	3,774,333	3,290,248
	Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss - note 11.2.1	(462,784)	(303,424)
		3,311,549	2,986,824

		2019	2018
		Rupees ('000)	
28. EXPLORATION COSTS			
Geological and geophysical cost			
Own fields		30,194	530,122
Share in joint operations operated by the Company			
	- DG Khan	58,699	485,568
	- Ikhlas	61,873	60,409
	- Kirthar South	32,460	35,874
	-Turkwal	-	1,472
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	65,876	(20,034)
	- Margala Block	111,639	24,962
	- Margala North Block	(10,529)	97
Oil and Gas Development Company Limited	- Kotra	2,213	2,053
	- Gurgalot	64,632	230,741
Pakistan Petroleum Limited	- Hisal	18,474	35,539
Ocean Pakistan Limited	- Ratana	(5,601)	18,026
	- Dhurnal	-	(258)
		429,930	1,404,571
Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss - note 16		1,619,056	1,585,582
		2,048,986	2,990,153

		2019	2018
		Rupees ('000)	
29.	**ADMINISTRATION EXPENSES**		
	Establishment charges	282,006	258,374
	Telephone and telex	1,031	897
	Medical expenses	9,857	9,182
	Printing, stationery and publications	6,022	8,072
	Insurance	6,148	3,662
	Travelling expenses	3,845	2,304
	Motor vehicle running expenses	8,612	9,860
	Rent, repairs and maintenance	62,479	50,588
	Auditor's remuneration - note 29.1	7,146	5,773
	Legal and professional charges	9,614	23,204
	Stock exchange and CDC fee	3,233	1,544
	Computer support and maintenance charges	34,483	28,333
	Other expenses	3,436	4,869
		437,912	406,662
	Less: Amount allocated to field expenses	256,659	237,093
		181,253	169,569
29.1	**Auditor's remuneration**		
	Statutory audit	1,730	1,617
	Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	1,395	1,304
	Tax services	3,558	2,497
	Out of pocket expenses	463	355
		7,146	5,773
30.	**FINANCE COSTS**		
	Provision for decommissioning costs - note 11.2		
	- Unwinding of discount	754,918	592,698
	- Exchange loss	3,012,047	1,322,218
	Banks' commission and charges	6,661	4,092
		3,773,626	1,919,008
31.	**OTHER CHARGES**		
	Workers' Profit Participation Fund	1,329,392	765,724
	Workers' Welfare Fund	398,602	200,979
		1,727,994	966,703

	2019	2018
	Rupees ('000)	
32. OTHER INCOME		
Income from financial assets		
Income on bank deposits and treasury bills	2,044,173	759,557
Exchange gain on financial assets	4,236,227	1,407,214
Dividend on Investments classified as fair value through profit or loss- note 32.1	27,359	-
Income from investments in subsidiary and associated companies		
Dividend from subsidiary and associated companies - note 32.2	425,606	705,793
Income from assets other than financial assets		
Rental income (net of related expenses Rs 102,698 thousand; 2018: Rs 54,441 thousand)	128,005	138,285
Crude oil/gas transportation income (net of related expenses Rs 271,889 thousand; 2018: Rs 242,194 thousand)	170,244	125,865
Gas processing fee	75,243	109,382
(Loss)/profit on sale of property, plant and equipment	(5,151)	4,979
Sale of stores and scrap	59,059	2,868
Fair value adjustment on investments classified as fair value through profit or loss - note 32.3	9,287	-
Others	6,548	8,528
	7,176,600	3,262,471

32.1 Dividend on Investments classified as fair value through profit or loss

	2019	2018
Meezan Sovereign Fund	54	-
Pakistan Cash Management Fund	80	-
Alfalah GHP Money Market Fund	8,864	-
Atlas Money Market Fund	77	-
UBL Liquidity Plus Fund	10,709	-
ABL Cash Fund	5,297	-
HBL Cash Fund	2	-
NAFA Money Market Fund	2,052	-
Atlas Income Fund	224	-
	27,359	-

		2019	2018
		Rupees ('000)	
32.2	**Dividend from subsidiary and associated companies**		
	Subsidiary company		
	Capgas (Pvt) Limited	10,327	8,606
	Associated companies		
	National Refinery Limited	199,917	449,812
	Attock Petroleum Limited	215,362	247,375
		425,606	705,793

32.3 This includes Rupees 2,227 thousand as referred in note 4.3.

		2019	2018
		Rupees ('000)	
33.	**PROVISION FOR TAXATION**		
	Current		
	- for the year	8,061,876	3,267,356
	- for prior years	779,910	-
		8,841,786	3,267,356
	Deferred		
	- for the year	(1,358,262)	(298,541)
	- for prior year	499,462	-
		(858,800)	(298,541)
		7,982,986	2,968,815
33.1	**Reconciliation of tax charge for the year**		
	Accounting profit	24,854,693	14,352,749
*	Tax at applicable tax rate of 46.70% (2018: 47.82%)	11,607,141	6,863,485
	Tax effect of depletion allowance and royalty payments	(4,501,067)	(3,444,974)
	Tax effect of income that is not taxable or taxable at reduced rates	(835,082)	(332,009)
	Tax effect of prior years	1,279,372	-
	Others	432,622	(117,687)
	Tax charge for the year	7,982,986	2,968,815

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

33.2 Management assessment of sufficiency of current income tax provision

A comparison of provision on account of income taxes with most recent tax assessment for last three years is as follows:

	2018	2017	2016
		Rupees ('000)	
Tax assessed as per most recent tax assessment*	2,541,353	1,994,503	895,620
Provision in financial statements	3,267,356	2,473,400	1,212,269

Various appeals are pending at different appellate forums on the issues of depletion allowance, prospecting, exploration and development expenditure and tax rate. The Company computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

* This represents income tax payable per return of income filed by the Company. As per section 120 of the Income Tax Ordinance, 2001, the return is taken to be an assessment order issued to the tax payer by the Commissioner of the day return was filed.

34. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 25.

Revenue from two major customers of the Company constitutes 71% of the total revenue during the year ended June 30, 2019 (June 30, 2018: 68%).

	2019	2018
	Rupees ('000)	
35. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,854,693	14,352,749
Adjustments for:		
Depreciation	1,631,392	1,557,858
Fair value adjustment on investments classified as fair value through profit or loss	(5,028)	-
Amortization of development and decommissioning costs	3,311,549	2,986,824
Finance costs	3,766,965	1,914,916
Exchange (gain) on financial assets	(4,236,227)	(1,407,214)
Loss/(gain) on sale of property, plant and equipment	5,151	(4,979)
Dividend from subsidiary and associated companies	(425,606)	(705,793)
Income on bank deposits	(2,044,173)	(759,557)
Dividend on investments classified as fair value through profit or loss	(27,359)	-
Provision for staff compensated absences	(750)	(1,600)
Provision for slow moving stores and spares	71,871	59,684
Measurement gain/(loss) on staff retirement benefit plans	33,612	(85,922)
Reversal of provision for decommissioning cost in excess of actual costs incurred	(34,883)	(76,008)
Cash flows before working capital changes	26,901,207	17,830,958
Effect on cash flows due to working capital changes:		
(Increase)/ decrease in stores and spares	(417,637)	265,818
(Increase) in stock in trade	(4,350)	(71,088)
(Increase) in trade debts	(665,641)	(4,949,521)
(Increase) in advances, deposits, prepayments and other receivables	(87,048)	(933,837)
Increase in trade and other payables	3,361,804	10,203,826
	2,187,128	4,515,198
Cash flows generated from operations	29,088,335	22,346,156
(Increase)/ decrease in long term loans and advances	(11,201)	2,567
Increase/ (decrease) in long term deposits	7,431	(9,633)
Taxes paid	(7,624,810)	(2,892,028)
Actual decommissioning cost paid	(34,571)	(119,985)
Net cash generated from operating activities	21,425,184	19,327,077

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executives	
	2019	2018	2019	2018
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	7,612	7,612	84,700	91,425
Bonus	6,507	5,440	65,699	55,127
Housing, utility and conveyance	6,132	5,774	81,184	81,090
Company's contribution to pension, gratuity and provident funds	-	-	32,851	34,787
Leave passage	1,153	1,153	11,062	12,361
Other benefits	4,053	4,551	23,506	34,110
	25,457	24,530	299,002	308,900
No. of persons, including those who worked part of the year	1	1	40	42

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Company's cars and residential telephone facilities. The Company also provides medical facilities to its staff. Remuneration of executives are net of charge to subsidiary and associated companies amounting to Rs 22,051 thousand (2018: Rs 18,073 thousand).

Meeting fee of Rs 6,319 thousand (2018: Rs 4,459 thousand) was paid to Directors and Chief Executive of the Company based on actual attendance. This includes Rs 4,214 thousand (2018: Rs 2,676 thousand) paid to non-executive director of the Company.

37. FINANCIAL INSTRUMENTS

37.1 Financial assets and liabilities

	Amortised cost	Investments classified as fair value through profit or loss	Total
		Rupees ('000)	
June 30, 2019			
Financial assets			
Maturity up to one year			
Trade debts	8,908,128	-	8,908,128
Advances, deposits and other receivables	621,271	-	621,271
Other financial assets	-	813,478	813,478
Cash and bank balances	35,761,440	-	35,761,440
Maturity after one year			
Long term loans and advances	26,273	-	26,273
	45,317,112	813,478	46,130,590

	Amortised cost	Total
	Rupees ('000)	
Financial liabilities		
Maturity up to one year		
Trade and other payables	16,488,426	16,488,426
Unclaimed dividend	191,166	191,166
Maturity after one year		
Long term deposits	844,756	844,756
Provision for decommissioning costs	11,811,608	11,811,608
Provision for staff compensated absences	7,725	7,725
	29,343,681	29,343,681

	Amortised cost	Investments classified as fair value through profit or loss	Total
		Rupees ('000)	
June 30, 2018			
Financial assets			
Maturity up to one year			
Trade debts	8,242,487	-	8,242,487
Advances, deposits and other receivables	414,337	-	414,337
Other financial assets	-	6,479	6,479
Cash and bank balances	21,532,841	-	21,532,841
Maturity after one year			
Long term loans and advances	15,072	-	15,072
	30,204,737	6,479	30,211,216

	Amortised cost	Total
	Rupees ('000)	
Financial liabilities		
Maturity up to one year		
Trade and other payables	14,535,635	14,535,635
Unclaimed dividend	170,717	170,717
Maturity after one year		
Long term deposits	837,325	837,325
Provision for decommissioning costs	9,548,018	9,548,018
Provision for staff compensated absences	8,475	8,475
	25,100,170	25,100,170

37.2 Credit quality of financial assets

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

	Rating	2019	2018
		Rupees ('000)	
Trade debts			
Counterparties with external credit rating	A1+	4,565,140	4,071,482
	A1	3,783,390	3,585,716
	A2	426,890	212,130
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		132,708	373,159
		8,908,128	8,242,487
Advances, deposits and other receivables			
Counterparties with external credit rating	A1+	306,487	125,375
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		155,284	131,891
Receivable from employees/ employee benefit plans		125,608	92,316
Receivable from parent company		889	40,528
Others		33,003	24,227
		621,271	414,337
Bank balances			
Counterparties with external credit rating	A1+	35,755,890	21,529,905
	A1	233	233
		35,756,123	21,530,138
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		26,273	15,072
Investments classified as fair value through profit or loss			
Counterparties with external credit rating	AA(f)	809,919	1,944
	AA-(f)	610	578
	AA+	2,225	687
	AM2+	724	3,270
		813,478	6,479

37.3 FINANCIAL RISK MANAGEMENT

37.3.1 Financial risk factors

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

(a) Credit risk

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

As of June 30, 2019, trade debts of Rs 2,188,039 thousand (2018: Rs 2,012,420 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2019	2018
	Rupees ('000)	
Related parties		
Up to 3 months	824,827	347,979
3 to 6 months	1,525	-
6 to 12 months	1,591	-
Above 12 months	31,277	43,058
	859,220	391,037
Others		
Up to 3 months	1,314,242	637,203
3 to 6 months	773	434,534
6 to 12 months	550	280,211
Above 12 months	13,254	269,435
	1,328,819	1,621,383
	2,188,039	2,012,420

(b) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2019, the Company had financial assets of Rs 46,130,590 thousand (2018: Rs 30,211,216 thousand).

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

	Less than 1 year	Between 1 to 5 years	Over 5 years
		Rupees ('000)	
At June 30, 2019			
Long term deposits	-	844,756	-
Provision for decommissioning costs	-	15,071,323	7,733,639
Provision for staff compensated absences	-	7,725	-
Trade and other payables	16,488,426	-	-
Unclaimed dividend	191,166		
At June 30, 2018			
Long term deposits	-	837,325	-
Provision for decommissioning costs	-	9,152,559	4,837,182
Provision for staff compensated absences	-	8,475	-
Trade and other payables	14,535,635	-	-
Unclaimed dividend	170,717		

(c) Market risk

(i) Currency risk

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

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

Financial assets include Rs 36,206,859 thousand (2018: Rs 14,476,843 thousand) and financial liabilities include Rs 13,563,295 thousand (2018: Rs 11,626,803 thousand) which are subject to currency risk.

If exchange rates had been 10% lower/higher with all other variables held constant, profit after tax for the year would have been Rs 1,585,050 thousand lower/higher (2018: Rs 199,503 thousand higher/lower).

(ii) Interest rate risk

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

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

Financial assets include Rs 35,756,123 thousand (2018: Rs 21,528,813 thousand) and financial liabilities include Rs 11,811,608 thousand (2018: Rs 9,548,018 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 174,511 thousand (2018: Rs 83,866 thousand) higher/ lower, mainly as a result of higher/ lower interest income from these financial assets.

(iii) Price risk

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

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

Investments classified as fair value through profit or loss of Rs 813,478 thousand (2018: Rs 6,479 thousand) were subject to price risk.

37.3.2 Capital risk management

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

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

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

37.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

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

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
June 30, 2019				
Other financial assets classified as fair value through profit or loss	813,478	-	-	813,478
June 30, 2018				
Other financial assets classified as fair value through profit or loss	6,479	-	-	6,479

38. STAFF RETIREMENT BENEFITS

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

		2019	2018
		Rupees ('000)	
38.1	The amounts recognized in the statement of financial position are as follows:		
	Present value of defined benefit obligations	1,500,143	1,500,895
	Fair value of plan assets	(1,553,843)	(1,471,863)
		(53,700)	29,032
	Amounts in the statement of financial position:		
	Gratuity Fund-(Asset)	(97,805)	(66,068)
	Management Staff Pension Fund-Liability	44,105	95,100
	Net (Assets)/ Liability	(53,700)	29,032
38.2	The amounts recognized in the statement of profit or loss are as follows:		
	Current service cost	36,371	31,562
	Net interest cost	(1,179)	(3,704)
	Other	(2)	-
		35,190	27,858
38.3	The amounts recognized in statement of profit or loss comprehensive income are as follows:		
	Remeasurement due to:		
	Change in financial assumptions	-	(59,175)
	Experience adjustments	(9,997)	111,314
	Investment return	43,609	33,783
		33,612	85,922

		2019	2018
		Rupees ('000)	
38.4	Changes in the present value of defined benefit obligation are as follows:		
	Opening defined benefit obligation	1,500,895	1,437,088
	Current service cost	36,371	31,562
	Interest cost	127,234	112,416
	Remeasurement loss	9,997	52,139
	Benefits paid	(174,354)	(132,310)
	Closing defined benefit obligation	1,500,143	1,500,895
38.5	Changes in fair value of plan assets are as follows:		
	Opening fair value of plan assets	1,471,863	1,442,701
	Interest income	128,413	116,122
	Remeasurement gain	43,609	(33,783)
	Contribution by employer	84,312	79,134
	Benefits paid	(174,354)	(132,311)
	Closing fair value of plan assets	1,553,843	1,471,863

38.6 The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plan are as follows:

	2019		2018	
	Rupees ('000)	%	Rupees ('000)	%
Government bonds	4,761	-	343,756	23
Mutual Funds	22,027	1	28,919	2
Cash and cash equivalents	1,527,055	99	1,099,188	75
	1,553,843	100	1,471,863	100

Government bonds are valued at quoted market price and are therefore level 1. Cash equivalents and National Savings deposits include level 2 assets.

Both funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The funds have no investment in the Company's own securities.

38.7 Principal actuarial assumptions

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

	2019	2018
	%	%
Discount rate	13.7	9.0
Expected rate of salary increase	12.0	7.4
Expected rate of pension increase	7.4	3.0

38.8 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2018 and 2019.

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

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

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

38.10 Sensitivity analysis

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

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(117,557)	138,348
Salary increase	40,401	(31,252)
Pension increase	98,905	(87,088)

If life expectancy increases by 1 year, the obligation increases by Rs 46,432 thousand.

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

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

Plan Duration	Pension	Gratuity
	Years	
June 30, 2019	11.2	5.9
June 30, 2018	11.2	5.3

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

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2019	31,574	-
Benefit payments:		
FY 2020	85,731	75,142
FY 2021	99,089	51,120
FY2022	105,913	94,254
FY 2023	114,850	26,373
FY 2024	121,101	31,930
FY 2025-29	736,832	145,567

39. EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share previously reported at Rs 48.13 in the financial statements for the year ended June 30, 2018 has been restated to Rs 40.10 for 47,309,184 bonus shares issued during the year ended June 30, 2019.

	2019	2018
Profit for the year (in thousand rupees)	16,871,707	11,383,934
		(Restated)
Weighted average number of ordinary shares in issue during the year (in thousand shares)	283,855	283,855
Basic and diluted earnings per share (Rupees)	59.44	40.10

40. TRANSACTIONS WITH RELATED PARTIES

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

	Basis of Relationship	2019	2018
		Rupees ('000)	
Parent company - The Attock Oil Company Limited	Holding company		
Purchase of petroleum products		11,383	92,578
Purchase of services		41,147	35,980
Dividend paid		6,114,120	5,303,064

	Basis of Relationship	2019	2018
		Rupees ('000)	
Subsidiary company - Capgas (Private) Limited	Subsidiary with 51% shareholding		
Sale of services		12,056	12,599
Purchase of services		10,289	8,049
Dividend received		10,328	8,606
Associated companies	Common directorship		
Attock Refinery Limited			
Sale of crude oil and gas		19,052,177	15,025,298
Crude oil and gas transmission charges		3,671	4,049
Sale of services		3,459	5,968
Purchase of LPG		249,949	133,000
Purchase of fuel		14,694	9,241
Purchase of services		25,844	24,406
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		1,005,939	376,589
Purchase of LPG		685,913	336,630
Purchase of services		2,735	3,998
Dividend received		199,916	449,812
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		817,081	725,289
Sale of solvent oil		288,229	211,096
Sale of services		17,741	18,109
Purchase of services		664	943
Dividend received		215,362	247,375
Purchase of goods		178	-
Attock Information Technology (Private) Limited	Common directorship		
Purchase of services		55,545	52,426
Attock Cement Pakistan Limited	Common directorship		
Purchase of services		5	-
Attock Hospital (Private) Limited	Common directorship		
Purchase of medical services		12,617	11,882
Other associated entities			
Dividend paid		18,597	16,130

	Basis of Relationship	2019	2018
		Rupees ('000)	
Other related parties			
Dividend paid to key management personnel		117,420	101,922
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		84,311	79,134
Approved Contributory Provident Funds		30,416	29,167
Contribution to Workers' Profit Participation Fund		1,329,392	765,724

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

i)	Name of undertaking	The Attock Oil Company Limited
	Registered Address	4, Swan Street Manchester England M4 5JN
	Country of Incorporation	United Kingdom
ii)	Basis of association	Parent Company
iii)	Aggregate %age of Shareholding	52.75%
iv)	Chief Executive Officer	Shuaib Anwer Malik
v)	Operational status	Private Limited Company
vi)	Auditor's opinion on latest available financial statements	Unqualified Opinion

41. CONTRIBUTORY PROVIDENT FUND

Details of the provident funds based on unaudited financial statements of the funds are as follows:

	2019	2018
	Rupees ('000)	
Net assets	642,145	663,148
Cost of investments made	580,216	593,939
%age of investments made	90%	90%
Fair value of investments made	592,971	609,652

	2019		2018	
Breakup of investments - at cost	Rupees ('000)	%	Rupees ('000)	%
Term Finance Certificates	-	-	925	0.16
Mutual Funds	4,977	0.86	4,977	0.84
Government bonds	566,197	97.58	579,715	97.60
Cash and cash equivalents	9,042	1.56	8,322	1.40
	580,216	100.00	593,939	100.00

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

42. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

	Description	**Explanation**
i)	Loans and advances	Non-interest bearing
ii)	Deposits	Non-interest bearing
iii)	Segment revenue	Disclosed in note 34

		2019	2018
		Rupees ('000)	
iv)	**Bank Balances**		
	Placed under interest arrangements	35,697,714	21,502,651
	Placed under Shariah permissible arrangements	4,487	26,162
		35,702,201	21,528,813
v)	**Income on bank deposits**		
	Placed under interest arrangements	2,042,984	759,123
	Placed under Shariah permissible arrangements	1,189	434
		2,044,173	759,557

vi)	Gain/(loss) on investments classified as fair value through profit or loss	Disclosed in note 23.1.1
vii)	Dividend income	Disclosed in note 32.1 & 32.2
viii)	All sources of other income	Disclosed in note 32
ix)	Exchange gain	Earned from actual currency
x)	Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Meezan Bank Limited 2. Bank Islami Pakistan Limited 3. Albaraka Islamic Investment bank

43. GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS

Geographical location and addresses of all other business units of the Company are as follows:

Exploration licenses/Leases	Location and address	
	District(s)	Province(s)
Operated by the Company		
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab
D.G. Khan Petroleum Concession (2969-10)	BarKhan, DG Khan, Rajanpur	Punjab and Balochistan
Non-operated		
Operated by MOL Pakistan Oil and Gas		
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK
Maramzai Development and Production lease	Kohat, Hangu	KPK
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK
Makori D&Production lease (184/PAK/2012)	Karak	KPK
Makori East D&Production lease (205/PAK/2013)	Karak	KPK
Mamikhel Development and Production lease	Kohat	KPK

Exploration licenses/Leases	Location and address	
	District(s)	Province(s)
Operated by Oil and Gas Company Limited		
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK
Jhal Magsi Development and Production Lease (2867-4)	Jhal Magsi	Balochistan
Operated by Ocean Pakistan Limited		
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab
Dhurnal Mining Lease (59/PAKISTAN)	Attock	Punjab
Ratana D&P Lease (94/PAK/94)	Attock	Punjab
Operated by Pakistan Petroleum Limited		
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab

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

The Board of Directors in its meeting held on July 29, 2019 has proposed a final dividend for the year ended June 30, 2019 @ Rs 30 per share, amounting to Rs 8,515,653 thousand for approval of the members in the Annual General Meeting to be held on September 17, 2019.

45. GENERAL

45.1 Capacity

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

Product	Unit	2019	2018
Crude Oil/Condensate	US Barrels	2,615,981	2,663,252
Gas	Million Cubic Feet	32,189	31,970
LPG	Metric Tonnes	61,076	62,065
Sulphur	Metric Tonnes	645	667
Solvent Oil	US Barrels	23,452	22,129

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
45.2	**Number of employees**		
	Total number of employees as at June 30	752	746
	Total number of employees at fields as at June 30	568	569
	Average number of employees during the year	746	732
	Average number of employees at fields during the year	566	556

45.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on July 29, 2019.

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Financial Statements

For the year ended June 30, 2019

A·F·FERGUSON&Co.

INDEPENDENT AUDITORS' REPORT

To the Members of Pakistan Oilfields Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Oilfields Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012** *(Refer note 27 to the consolidated financial statements)* The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which requires that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification has been issued after the approval of Council of Common Interest (CCI) dated November 24, 2017. The Company has challenged the said notification in the Islamabad High Court and the matter is pending before the court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Honourable Court has restrained the Government for any action under the impugned notification and to maintain status quo. Company's contention is duly supported by the legal advice on the matter. The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounts to taking away the vested rights already accrued in favour of the Company. As per the legal opinion Government has no authority to give any law or policy a retrospective effect. The Company has not recognised the revenue to the extent of Rs 10,856 million since inception to June 30, 2019 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.	Our audit procedures in relation to the matter included: • Reviewed Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan. • Reviewed SRO issued by the Ministry of Energy. • Reviewed relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO. • Discussed the matter with directors, management and internal legal department of the Company. • Obtained confirmation from the Company's external legal advisor and reviewed legal opinion obtained by the Company and the order issued by the Islamabad High Court. • Evaluated technical ability of the internal and external legal advisors used by the Company. • Assessed the matter under applicable accounting frame work. • Reviewed the disclosures made in the consolidated financial statements in respect of this matter.

S.No.	Key Audit Matters	How the matter was addressed in our audit
	We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.	
(ii)	**Analysis of impairment of development and decommissioning costs** *(Refer note 16 to the consolidated financial statements)* As at June 30, 2019, the development and decommissioning costs amounted to Rs 11,054 million. The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired. Where impairment indicator is triggered for any CGU, an impairment test is performed by the Company based on estimates of the value in use of that CGU. The calculation of value in use of development and decommissioning costs requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates and (v) discount rates. We considered this matter as key audit matter due to the significant value of development and decommissioning costs at reporting date and due to significance of judgements used by management.	Our audit procedures in relation to management's impairment test included: · Assessed the methodology used by management to estimate value in use of each CGU. · Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data. · Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices and discount rate.

S.No.	Key Audit Matters	How the matter was addressed in our audit
(iii)	**Investment in associated companies**	
	(Refer note 19 to the consolidated financial statements) The Group has investment in its associated companies National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2019, the carrying amount of investments in above referred associated companies amounted to Rs 10,536 million (net of recognised impairment loss of Rs 4,304 million) and Rs 2,571 million respectively which carrying values are higher by Rs 8,267 million and Rs 556 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment of the value of investment where there are indicators of impairment. The Group has assessed the recoverable amounts of the investments in associated companies based on the higher of the value-in-use ("VIU") and fair value. The VIU of NRL and APL are based on valuation analysis carried out by independent external investment advisor and by the management's expert in respective cases. The VIU analysis are based on a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows. In view of significant management judgement involved in the estimation of VIU we consider this as a key audit matter.	Our procedures in relation to assessment of carrying value of investment in associated companies included: · Assessed the appropriateness of management's accounting for investment in associated companies. · Considered management's process for identifying the existence of impairment indicators in respect of investment in associated companies. · Evaluated the independent external investment advisor's competence, capabilities and objectivity. · Assessed the valuation methodology used by the independent external investment advisor. · Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence. · Assessed the reasonableness of cash flow projection, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information. · Tested mathematical accuracy of cash flows projection. · Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

- We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: August 26, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Equity attributable to owners of POL			
Authorised capital	8	5,000,000	5,000,000
Issued, subscribed and paid up capital	8	2,838,551	2,365,459
Capital reserves	9	2,027,863	2,018,310
Revenue reserves	10	36,615,085	35,389,628
Fair value gain on available-for-sale investments		-	2,227
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,337	-
		41,484,836	39,775,624
Non-Controlling Interest		117,124	122,140
		41,601,960	39,897,764
NON CURRENT LIABILITIES			
Long term deposits	11	976,516	968,140
Deferred liabilities	12	17,291,297	16,510,944
		18,267,813	17,479,084
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	13	19,344,762	15,987,140
Unclaimed dividend		191,166	170,717
Provision for income tax		6,007,343	4,790,372
		25,543,271	20,948,229
CONTINGENCIES AND COMMITMENTS	14		
		85,413,044	78,325,077

	Note	2019	2018
		Rupees ('000)	
NON-CURRENT ASSETS			
Property, plant and equipment	15	8,557,119	9,474,690
Development and decommissioning costs	16	11,053,586	12,596,720
Exploration and evaluation assets	17	52,761	2,590,790
Other intangible assets	18	151,722	217,543
Deferred income tax asset		2,652	-
		19,817,840	24,879,743
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES	19	13,135,926	17,353,491
LONG TERM LOANS AND ADVANCES	20	26,273	15,072
CURRENT ASSETS			
Stores and spares	21	3,918,405	3,572,543
Stock in trade	22	313,921	320,152
Trade debts	23	8,908,201	8,242,886
Advances, deposits, prepayments and other receivables	24	2,566,353	2,311,160
Other financial assets	25	880,749	6,479
Cash and bank balances	26	35,845,376	21,623,551
		52,433,005	36,076,771
		85,413,044	78,325,077

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

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
SALES		48,519,254	35,919,194
Sales tax		(3,680,305)	(2,462,244)
NET SALES	27	44,838,949	33,456,950
Operating costs	28	(11,230,564)	(9,189,425)
Excise duty		(309,251)	(307,703)
Royalty		(4,553,641)	(3,778,297)
Amortization of development and decommissioning costs	29	(3,311,549)	(2,986,824)
		(19,405,005)	(16,262,249)
GROSS PROFIT		25,433,944	17,194,701
Exploration costs	30	(2,048,986)	(2,990,153)
		23,384,958	14,204,548
Administration expenses	31	(202,744)	(191,279)
Finance costs	32	(3,773,657)	(1,919,041)
Other charges	33	(1,729,078)	(972,105)
		(5,705,479)	(3,082,425)
		17,679,479	11,122,123
Other income	34	6,762,805	2,595,957
		24,442,284	13,718,080
Share of (loss)/profit of associated companies	19 & 35	(1,890,241)	843,354
(Impairment)/reversal of impairment on investment in associated company	19	(1,913,703)	178,421
PROFIT BEFORE TAXATION		20,638,340	14,739,855
Provision for taxation	36	(7,356,828)	(3,036,198)
PROFIT FOR THE YEAR		13,281,512	11,703,657
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		13,276,783	11,679,267
Non - Controlling Interest		4,729	24,390
		13,281,512	11,703,657
Earnings per share attributable to owners of POL -			(Restated)
Basic and diluted (Rupees)	42	46.77	41.15

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

Khalid Nafees Chief Financial Officer	Shuaib A. Malik Chief Executive	Abdus Sattar Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees ('000)	
Profit for the year	13,281,512	11,703,657
Other comprehensive income for the year:		
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) on staff retirement benefit plans	34,125	(86,792)
Tax (charge)/credit relating to remeasurement gain/(loss) on staff retirement benefit plans	(10,233)	26,039
	23,892	(60,753)
Share of other comprehensive income/(loss) of associated companies - net of tax	24,995	(15,510)
	48,887	(76,263)
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available-for-sale investments	-	224
Other comprehensive income/(loss) for the year, net of tax	48,887	(76,039)
Total comprehensive income for the year	13,330,399	11,627,618
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	13,325,492	11,603,526
Non - Controlling Interest	4,907	24,092
	13,330,399	11,627,618

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

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Attributable to owners of Pakistan Oilfields Limited										Non-controlling interest	Total
	Share capital	Capital Reserves			Revenue reserves			Fair value gain/ (loss) on available-for-sale investments	Gain/(loss) on revaluation of investment at fair value through OCI	Total		
		Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special reserve	Insurance reserve	General reserve	Unappropriated profit					
	Rupees ('000)											
Balance at June 30, 2017	2,365,459	59,754	15,060	1,941,044	200,000	6,102,325	27,539,655	2,003	-	38,225,300	106,317	38,331,617
Total comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	11,679,267	-	-	11,679,267	24,390	11,703,657
Other comprehensive income/(loss)	-	-	-	-	-	-	(75,965)	224	-	(75,741)	(298)	(76,039)
	-	-	-	-	-	-	11,603,302	224	-	11,603,526	24,092	11,627,618
Transferred to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-	-	-
Transferred to special reserve by associated companies	-	-	2,452		-	-	(2,452)	-	-	-	-	-
POL dividends:												
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	-	-	-	(5,913,648)	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	-	-	-	(4,139,554)	-	-	(4,139,554)	-	(4,139,554)
Dividend to CAPGAS non - controlling interest holders												
Interim dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	-	-	-	(8,269)	(8,269)
Total transactions with owners	-	-	-	-	-	-	(10,053,202)	-	-	(10,053,202)	(8,269)	(10,061,471)
Balance at June 30, 2018	2,365,459	59,754	17,512	1,941,044	200,000	6,852,325	28,337,303	2,227	-	39,775,624	122,140	39,897,764
Impact of IFRS 9 transition	-	-	-	-	-	-	(26,640)	-	3,753	(22,887)	-	(22,887)
Balance as at July 1, 2018 - IFRS 9	2,365,459	59,754	17,512	1,941,044	200,000	6,852,325	28,310,663	2,227	3,753	39,752,737	122,140	39,874,877
Total comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	13,276,783	(2,227)	-	13,274,556	4,729	13,279,285
Other comprehensive income/(loss)	-	-	-	-	-	-	48,709	-	(416)	48,293	178	48,471
	-	-	-	-	-	-	13,325,492	(2,227)	(416)	13,322,849	4,907	13,327,756
Bonus shares issued by an associated company - APL	-	11,641	-	-	-	-	(11,641)	-	-	-	-	-
Transferred to general reserve by an associated company	-	-	-	-	-	225,000	(225,000)	-	-	-	-	-
Transferred from special reserve by an associated company	-	-	(2,088)	-	-	-	2,088	-	-	-	-	-
Bonus shares issued @ 20% - Year ended June 30, 2019	473,092	-	-	-	-	-	(473,092)	-	-	-	-	-
POL dividends:												
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	(5,913,648)	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 20 per share - Year ended June 30, 2019	-	-	-	-	-	-	(5,677,102)	-	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non - controlling interest holders	-	-	-	-	-	-	-	-	-	-	-	-
Interim dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	-	-	-	(9,923)	(9,923)
Total transactions with owners	-	-	-	-	-	-	(11,590,750)	-	-	(11,590,750)	(9,923)	(11,600,673)
Balance at June 30, 2019	2,838,551	71,395	15,424	1,941,044	200,000	7,077,325	29,337,760	-	3,337	41,484,836	117,124	41,601,960

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

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		44,674,776	37,511,039
Operating and exploration costs paid		(11,100,694)	(11,738,511)
Royalty paid		(4,440,890)	(3,550,234)
Taxes paid		(7,635,557)	(2,906,161)
Cash provided by operating activities	45	21,497,635	19,316,133
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,400,918)	(4,778,230)
Proceeds from disposal of property, plant and equipment		5,847	5,476
Investment in mutual funds		(871,469)	-
Income on bank deposits and held-to-maturity investments		1,892,089	707,587
Dividend received from associated companies and available-for-sale investments		442,638	697,187
Cash used in investing activities		68,187	(3,367,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(11,570,301)	(10,022,207)
Dividend paid to non - controlling interest holders		(9,923)	(8,269)
Cash used in financing activities		(11,580,224)	(10,030,476)
EFFECT OF EXCHANGE RATE CHANGES		4,236,227	1,407,214
INCREASE IN CASH AND CASH EQUIVALENTS		14,221,825	7,324,891
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		21,623,551	14,298,660
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		35,845,376	21,623,551

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

Khalid Nafees Chief Financial Officer	Shuaib A. Malik Chief Executive	Abdus Sattar Director

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 The Group has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" w.e.f July 1, 2018. For related changes in accounting policies and impact on Group's financial statements refer note 4 to these financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 12	Income Taxes (Amendments)	January 1, 2019
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 23	Borrowing Costs (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3	Business Combinations (Amendments)	January 1, 2020
IFRS 9	Financial Instruments (Amendments)	January 1, 2019
IFRS 11	Joint Arrangements (Amendments)	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019

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

IFRS 16 Leases - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The management is in the process of assessing the impact of changes laid down by IFRS 16 on its financial statements.

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance contracts

3.4 The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

4. CHANGES IN ACCOUNTING POLICIES

The Group has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" w.e.f July 1, 2018. Related changes in accounting policies and impact on Group's financial statements are explained below:

4.1 Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities ii) impairment for financial assets and iii) hedge accounting.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Group has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Group's financial statements are described below:

i) Classification and measurement of financial assets and financial liabilities

The new standard requires the Group to assess the classification of financial assets on its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Group has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" (AFS) classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the profit or loss upon disposal of the financial asset (FVTOCI); or
- Fair value through profit or loss (FVTPL)

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

- Fair value through other comprehensive income, with no subsequent recycling to the profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at July 1, 2018 is as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs'000	New Rs'000	Difference Rs'000
Non Current financial assets					
Long term loans and advances	Amortised cost	Amortised cost	15,072	15,072	-
Current financial assets					
Trade debts	Amortised cost	Amortised cost	8,242,886	8,242,886	-
Advances, deposits and other receivables	Amortised cost	Amortised cost	426,314	426,314	-
Cash and bank balances	Amortised cost	Amortised cost	21,623,551	21,623,551	-
Other financial assets	AFS	FVTPL	6,544	6,544	-
Non Current financial liabilities					
Long term deposits	Amortised cost	Amortised cost	968,140	968,140	-
Provision for decommissioning costs	Amortised cost	Amortised cost	9,548,018	9,548,018	-
Provision for staff compensated absences	Amortised cost	Amortised cost	8,475	8,475	-
Provision for gratuity	Amortised cost	Amortised cost	5,182	5,182	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	14,543,921	14,543,921	-
Unclaimed dividend	Amortised cost	Amortised cost	170,717	170,717	-

ii) Impairment of financial assets

IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Group to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

4.2 Revenue from Contracts with Customers

Effective July 1, 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 permits either a full retrospective or a modified retrospective approach for adoption. The Group has adopted the standard using the modified retrospective approach, which means that the cumulative impact of the adoption, if any, is recognized in unappropriated profit in the period of initial application and comparatives are not restated.

The application of IFRS 15 does not have any material impact on revenue recognition policy of the Group and therefore, the cumulative impact of the adoption on unappropriated profit is not material and accordingly the unappropriated profit as of July 1, 2018 is not adjusted.

4.3 The following table presents the transitional impact that adoption of IFRS 9 have on the opening statement of financial position of the Group as of July 1, 2018.

	Carrying amount as reported under IAS 39 July 1, 2018	Impact of IFRS 9		Total impact of IFRS 9	Carrying amount as reported under IFRS 9 July 1, 2018
		Reclassification due to IFRS 9	Remeasurment allowance: ECL		
			(Rupees in '000)		
Current assets					
Trade debts - gross	8,242,886	-	-	-	8,242,886
Other financial assets					
Available for sale investments	6,479	(6,479)	-	(6,479)	-
Investments classified as fair value through profit or loss	-	6,479	-	6,479	6,479
Impact on net assets	8,249,365	-	-	-	8,249,365
Capital and reserves					
Reserves					
Unappropriated profit/(loss)	28,337,303	**	-	-	28,337,303
Fair value gain on available-for-sale investments	2,227	**	-	-	2,227
	28,339,530	-	-	-	28,339,530

** The cumulative fair value gain of Rs 2,227 thousand as at June 30, 2018 previously recognised directly in other comprehensive income relating to such investments has been reclassified from equity to the statement of profit or loss in the current period, prospectively. The statement of financial position as at July 1, 2018 have not been restated for change in accounting policy due to immaterial impact.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

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

5.2 Basis of consolidation

The consolidated financial statements include the financial statements of POL and its subsidiary CAPGAS with 51% holding (2018: 51%).

a) Subsidiary

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

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

Material intra-group balances and transactions have been eliminated.

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

b) Associates

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

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

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

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

5.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

5.4 Functional and presentation currency

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

5.5 Foreign currency transactions and translation

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

5.6 Taxation

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

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 30% after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government whereas deferred tax liability of CAPGAS has been calculated at applicable tax rate.

5.7 Provisions

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

5.8 Provision for decommissioning costs

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

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

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

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

The decommissioning cost has been discounted at a discount rate ranging from 13.68% p.a. to 13.77% p.a. (2018: 7.47% p.a. to 8.48% p.a.) and using inflation rate of 9.3% p.a. (2018: 5.04% p.a.). The increase in provision due to unwinding of discount is recorded as finance cost.

5.9 Employee compensated absences

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

5.10 Staff retirement benefits

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

POL

POL operates the following staff retirement benefits plans:

(i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2019.

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

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

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 40.

(ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the Company and the employee at the rate of 10% of basic salary.

CAPGAS

The subsidiary is operating a non funded gratuity plan for management and non-management employees. The liability for gratuity plan is provided on the basis of actuarial valuation conducted as at June 30, 2019 using the "Project Unit Credit Method".

5.11 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

5.12 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.13 Property, plant and equipment

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

Depreciation is provided on straight line method at rates specified in note 15.1 to the financial statements. Depreciation is charged on additions from the month the asset become available for the intended use upto the month in which these are derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on derecognition of assets are included in income currently.

5.14 Other intangible assets

These are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 18. Costs associated with maintaining intangibles are recognized as expense as and when incurred. Amortization on additions is charged from the month in which an intangible asset is acquired or capitalized, while no amortization is charged for the month in which the intangible asset is disposed off.

5.15 Exploration assets / costs and development costs

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

5.15.2 Exploration costs

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

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

5.15.3 Development costs

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

5.16 Stores and spares

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

5.17 Stock in trade

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

5.18 Impairment of non-financial assets

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

5.19 Trade debts and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. Refer note 5.22 for a description of the Group's impairment policies.

5.20 Financial instruments

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

5.21 Financial assets

Classification

Effective July 1, 2018, the Group classifies its financial assets in the following measurement categories:

(i) Amortised cost where the effective interest rate method will apply;
(ii) Fair value through profit or loss (FVTPL); and
(iii) Fair value through other comprehensive income (FVTOCI)

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

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

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

Recognition and derecognition

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

Measurement

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

Debt instruments

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

a) Amortised cost

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

b) Fair value through other comprehensive income (FVTOCI)

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

c) Fair value through profit or loss (FVTPL)

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

Equity instruments

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

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

5.22 Impairment of financial assets

Effective from July 1, 2018, the Group assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits and other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

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

- Trade debts
- Deposits and other receivables
- Cash and bank balances

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

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

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

Significant increase in credit risk

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

The following indicators are considered while assessing credit risk

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

Definition of default

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

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

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

Credit - impaired financial assets

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

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

(ii) Simplified approach for trade debts

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

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

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

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

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

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

Recognition of loss allowance

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment.

Write-off

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

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

5.23 Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

a) Fair value through profit or loss

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

b) Other financial liabilities

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

Derecognition of financial liabilities

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

5.24 Offsetting

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

5.25 Revenue recognition

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

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

Revenue is measured at the fair value of the consideration to which the Group expects to be entitled in exchange for transferring goods/services. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

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

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

5.26 Joint arrangements

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

5.27 Cash and cash equivalents

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

5.28 Dividend distribution

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

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 16

ii) Estimated useful life of property, plant and equipment - note 15.1

iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 5.8

iv) Estimated value of staff retirement benefits obligations - note 40

v) Provision for taxation - note 5.6

vi) Price adjustment related to crude oil sales - note 5.25

vii) Impairment of financial assets - note 5.22

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

7. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The financial position and performance of the Group was particularly affected by following events and transactions during the reporting period:

i) During the year sales has increased due to commencement of production from Adhi - 32 (Adhi Mining Lease) and increase in prices during the year:

ii) As described in note 27.1, additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2019 amounting to Rs 10,855,542 thousand (including Rs 7,289,169 thousand since inception to June 30, 2018) will be accounted for upon resolution of the matter disclosed in note 27.1.

iii) Other significant transactions and events have been adequately disclosed in the notes to the financial statements.

		2019	2018
		Rupees ('000)	
8.	**SHARE CAPITAL**		
	Authorised capital		
	500,000,000 (2018: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
	Issued, subscribed and paid up capital		
	Shares issued for cash		
	20,200,000 (2018: 20,200,000) ordinary shares	202,000	202,000
	Shares issued as fully paid bonus shares	2,636,551	2,163,459
	263,655,104 (2018: 216,345,920) ordinary shares		
	283,855,104 (2018: 236,545,920) ordinary shares of Rs 10 each	2,838,551	2,365,459

8.1 The Company is a subsidiary of The Attock Oil Company Limited which held 149,732,358 (2018: 124,776,965) ordinary shares at the year end.

	2019	2018
	Rupees ('000)	
9. CAPITAL RESERVE		
Bonus shares issued by subsidiary/associated companies	71,395	59,754
Special reserve - note 9.1	15,424	17,512
Utilised special reserve - note 9.2	1,941,044	1,941,044
	2,027,863	2,018,310

9.1 This represents the Group's share of post-acquisition profit set aside as a special reserve by associated companies on account of expansion and modernisation of refineries or to offset against any future loss of Rs 15,176 thousand (2018: Rs 17,289 thousand), as a result of the directive of the Government to divert net profit after tax above 50 percent of paid-up capital and maintenance reserve of Rs 247 thousand (2018: Rs 223 thousand) retained by an associated company to pay for major maintenance expenses in terms of Power Purchase Agreement. Special reserves are not available for distribution.

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

	2019	2018
	Rupees ('000)	
10. REVENUE RESERVES		
Insurance reserve - note 10.1	200,000	200,000
General reserve	7,077,325	6,852,325
Unappropriated profit	29,337,760	28,337,303
	36,615,085	35,389,628

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

	2019	2018
	Rupees ('000)	
11. LONG TERM DEPOSITS		
Security deposits from distributors against equipment	916,394	908,199
Security deposits from distributors against distributorship and others	60,122	59,941
	976,516	968,140

11.1 Amount received as security deposit is utilized/utilizable by the Group in accordance with the related agreements with customers.

		2019	2018
		Rupees ('000)	
12.	**DEFERRED LIABILITIES**		
	Provision for deferred income tax - note 12.1	5,466,454	6,949,269
	Provision for decommissioning costs - note 12.2	11,811,608	9,548,018
	Provision for staff compensated absences	7,725	8,475
	Provision for un-funded gratuity plan - CAPGAS	5,510	5,182
		17,291,297	16,510,944
12.1	**Provision for deferred income tax**		
	The provision for deferred income tax represents:		
	Temporary differences between accounting and tax base of non current assets	5,722,865	7,194,201
	Provision for stores and spares	(161,105)	(139,544)
	Provision for doubtful receivable	(93)	(93)
	Deferred tax on remeasurement loss on staff retirement benefit plans	(95,213)	(105,295)
		5,466,454	6,949,269
12.2	**Provision for decommissioning costs**		
	Balance brought forward	9,548,018	8,578,227
	Revision due to change in estimates- 12.2.1	(1,482,306)	(988,977)
	Provision made during the year	48,385	239,847
	Unwinding of discount	754,918	592,698
	Exchange loss	3,012,047	1,322,218
	Decommissioning cost incurred during the year	(69,454)	(195,995)
		11,811,608	9,548,018
12.2.1	**Revision due to change in estimates**		
	Credited to related asset - note 16	(1,019,522)	(685,553)
	Revision in excess of related asset credited to statement of profit or loss - note 29	(462,784)	(303,424)
		(1,482,306)	(988,977)

		2019	2018
		Rupees ('000)	
13.	**TRADE AND OTHER PAYABLES**		
	Creditors	342,631	643,224
	Due to related parties		
	Attock Hospital (Pvt) Limited	2,692	1,663
	Attock Petroleum Limited	58,308	43,336
	Management Staff Pension Fund	44,105	95,100
	Staff Provident Fund	4,405	5,479
	General Staff Provident Fund	852	1,010
	Workers' Profit Participation Fund - note 13.1	1,329,934	218,085
	Due to joint operating partners		
	The Attock Oil Company Limited	35,772	17,219
	Others	1,710,334	2,230,567
	Accrued liabilities	2,882,802	2,964,536
	Advance payment from customers	56,490	96,673
	Royalty	636,991	524,240
	Excise duty	4,254	4,499
	Petroleum levy payable	28,014	23,988
	Workers' Welfare Fund	792,764	575,734
	Liability for staff compensated absences	6,066	6,443
	Other Liabilities - note 13.2	11,408,348	8,535,344
		19,344,762	15,987,140
13.1	**Workers' Profit Participation Fund**		
	Balance at beginning of the year	218,085	(34,502)
	Amount allocated for the year	1,330,106	769,550
	Amount paid to the Fund's trustees	(218,257)	(516,963)
	Balance at year end	1,329,934	218,085

13.2 This includes payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 27.1.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

		2019	2018
		Rupees ('000)	
14.1.1	**POL**		
	Guarantees issued by banks on behalf of the POL	-	11,256

14.1.2 CAPGAS

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

		2019	2018
		Rupees ('000)	
14.2	**Group's share in contingencies of associated companies**		
a)	Claims not acknowledged as debt including claims in respect of delayed payment charges by crude oil suppliers and freight claims	1,127,500	1,120,000
b)	Claims raised on certain Oil Marketing Companies (OMCs) in respect of delayed payment charges not acknowledged as debt by the OMCs	1,267,500	1,267,500
c)	Corporate guarantees and indemnity bonds issued by associated companies	1,329,378	383,741
d)	Exposure to tax liability due to less distribution of dividend as per section 5A of Finance Act, 2017	156,000	156,000
e)	Other contingencies based on financial statements of associated companies	108,044	108,044
14.3	**Capital expenditure commitments outstanding**		
	POL		
	Share in joint operations	12,956,173	4,993,526
	Own fields	3,879,260	1,014,509
	Letter of credit issued by banks on behalf of POL	1,060,495	510,878
	NRL		
	Commitments outstanding for capital expenditure	331,500	343,500
15.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets - note 15.1	7,804,874	8,824,226
	Capital work in progress - note 15.6	752,245	650,464
		8,557,119	9,474,690

15.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery: Field plants	Plant and machinery: Rigs	Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
	Rupees ('000)									
As at July 1, 2017										
Cost	29,913	510,112	2,136,506	14,132,968	686,996	942,916	522,523	151,196	462,916	19,576,046
Accumulated depreciation	-	(212,128)	(1,031,113)	(7,279,462)	(459,086)	(641,234)	(441,090)	(105,831)	(383,658)	(10,553,602)
Net book value	29,913	297,984	1,105,393	6,853,506	227,910	301,682	81,433	45,365	79,258	9,022,444
Year ended June 30, 2018										
Opening net book value	29,913	297,984	1,105,393	6,853,506	227,910	301,682	81,433	45,365	79,258	9,022,444
Additions	-	19,343	270,967	982,722	41,811	9,498	24,323	14,267	11,309	1,374,240
Disposals										
Cost	-	-	(2,007)	(1,271)	(22)	(26,721)	(9,438)	(12)	(361)	(39,832)
Depreciation	-	-	1,510	1,271	22	26,721	9,438	12	361	39,335
	-	-	(497)	-	-	-	-	-	-	(497)
Depreciation charge	-	(22,448)	(186,582)	(1,165,391)	(45,764)	(58,110)	(41,712)	(12,027)	(39,927)	(1,571,961)
Closing net book value	29,913	294,879	1,189,281	6,670,837	223,957	253,070	64,044	47,605	50,640	8,824,226
As at July 1, 2018										
Cost	29,913	529,455	2,405,466	15,114,419	728,785	925,693	537,408	165,451	473,864	20,910,454
Accumulated depreciation	-	(234,576)	(1,216,185)	(8,443,582)	(504,828)	(672,623)	(473,364)	(117,846)	(423,224)	(12,086,228)
Net book value	29,913	294,879	1,189,281	6,670,837	223,957	253,070	64,044	47,605	50,640	8,824,226
Year ended June 30, 2019										
Opening net book value	29,913	294,879	1,189,281	6,670,837	223,957	253,070	64,044	47,605	50,640	8,824,226
Additions*	-	14,298	48,036	446,749	10,113	39,521	52,760	10,476	13,501	635,454
Disposals/deletions*										
Cost	(83)	(7,520)	(32,340)	(35,752)	(393)	(8,326)	(4,865)	(1,345)	(323)	(90,947)
Depreciation	-	2,975	28,425	33,369	393	8,325	4,845	1,293	323	79,948
	(83)	(4,545)	(3,915)	(2,383)	-	(1)	(20)	(52)	-	(10,999)
Depreciation charge	-	(22,619)	(198,256)	(1,241,274)	(44,688)	(48,467)	(44,331)	(12,064)	(32,108)	(1,643,807)
Closing net book value	29,830	282,013	1,035,146	5,873,929	189,382	244,123	72,453	45,965	32,033	7,804,874
As at June 30, 2019										
Cost	29,830	536,233	2,421,162	15,525,416	738,505	956,888	585,303	174,582	487,042	21,454,961
Accumulated depreciation	-	(254,220)	(1,386,016)	(9,651,487)	(549,123)	(712,765)	(512,850)	(128,617)	(455,009)	(13,650,087)
Net book value	29,830	282,013	1,035,146	5,873,929	189,382	244,123	72,453	45,965	32,033	7,804,874
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5-20	25	

* Additions and disposals include inter-transfers of assets having book value of Rs 258 thousand, cost of Rs 882 thousand and depreciation of Rs 624 thousand (2018: book value of Rs nil; cost of Rs 442 thousand and depreciation of Rs 442 thousand).

15.2 Cost and accumulated depreciation include

	Cost		Accumulated depreciation	
	2019	2018	2019	2018
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Group	1,446,187	1,438,457	1,273,258	1,246,781
Assets not in possession of the Group				
Share in joint operations operated by others				
MOL Pakistan Oil and Gas Company B.V.	10,896,974	10,554,563	6,548,887	5,515,599
Ocean Pakistan Limited	73,992	74,343	59,506	56,533
Oil and Gas Development Company Limited	69,291	67,647	41,373	35,952
Pakistan Petroleum Limited	1,930,413	1,890,699	851,172	690,686
	12,970,670	12,587,252	7,500,938	6,298,770
*Gas cylinders - in possession of distributors	735,570	726,718	534,238	499,128
	15,152,427	14,752,427	9,308,434	8,044,679

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

	2019	2018
	Rupees ('000)	
15.3 The depreciation charge has been allocated as follows		
Operating costs	1,556,087	1,495,548
Other income - Crude transportation income	86,852	76,110
Inter-transfers	624	-
Administrative expenses	404	303
	1,643,967	1,571,961

15.4 Details of property, plant and equipment sold

Vehicles sold to following in service/retiring employees as per Group's policy:

	Cost	Book value	Sale proceeds	Gain/ (loss)
	Rupees ('000)			
Mr. Asad Haider	1,589	-	159	159
Mr. Zafar Ahmed Khan	1,587	-	159	159
Mr. Kashif Ali Khan	1,587	-	159	159
	4,763	-	477	477
Others:				
National Police Foundation	102	20	70	50
	4,865	20	547	527
Property, plant and equipment sold as per Group's policy:				
Transfer from Ikhlas Joint Venture to POL	6,859	1,505	4,000	2,495
Malik Muhammad Sarfaraz	6,511	3,857	150	(3,707)
Transfer from Pindori Joint Venture to POL	206	-	83	83
Transfer to Government of Punjab for Sora Dam Project	83	83	785	702
Transfer from Ahmadal Joint Venture to POL	49	-	25	25
	13,708	5,445	5,043	(402)

15.5 Particulars of Group's immovable property including location and area of land are as follows

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Rawalpindi - (Khaur- Rawalpindi pipe Line)	63.35
Rawalpindi	Adhi	4.77

15.6 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2017	-	912,728	4,950	917,678
Additions/(adjustments) during the year	11,610	263,215	(3,551)	271,274
Transfers during the year	(11,610)	(525,479)	(1,399)	(538,488)
Balance as at June 30, 2018	-	650,464	-	650,464
Balance as at July 1, 2018	-	650,464	-	650,464
Additions during the year	12,370	154,768	-	167,138
Transfers during the year	(9,769)	(55,588)	-	(65,357)
Balance as at June 30, 2019	2,601	749,644	-	752,245

	2019	2018
	Rupees ('000)	
15.7 Break up of capital work in progress at June 30 is as follows		
POL		
Own fields	16,702	23,161
POLGAS plant	-	3,880
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	74,469	43,918
- Margala Block 3372-20	269	269
Oil and Gas Development Company Limited		
- Jhal Magsi D&P Lease	447,380	448,719
Pakistan Petroleum Limited		
- Adhi Mining Lease	212,751	130,517
CAPGAS	674	-
	752,245	650,464

16. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
		Rupees ('000)	
As at July 1, 2017			
Cost	37,233,098	2,673,974	39,907,072
Accumulated amortization	(24,319,270)	(2,214,948)	(26,534,218)
Net book value	12,913,828	459,026	13,372,854
Year ended June 30, 2018			
Opening net book value	12,913,828	459,026	13,372,854
Additions	407,011	239,847	646,858
Disposals			
Cost	-	(83,603)	(83,603)
Accumulated amortization	-	83,603	83,603
	-	-	-
Revision due to change in estimates note 12.2.1	(686,974)	1,421	(685,553)
Well Cost transferred from exploration and evaluation assets - note 17	2,552,809	-	2,552,809
Amortization for the year	(3,011,013)	(279,235)	(3,290,248)
Closing net book value	12,175,661	421,059	12,596,720
As at July 1, 2018			
Cost	39,505,944	2,831,639	42,337,583
Accumulated amortization	(27,330,283)	(2,410,580)	(29,740,863)
Net book value	12,175,661	421,059	12,596,720
Year ended June 30, 2019			
Opening net book value	12,175,661	421,059	12,596,720
Additions	1,522,774	48,385	1,571,159
Disposals			
Cost	-	(140,708)	(140,708)
Accumulated amortization	-	140,708	140,708
	-	-	-
Revision due to change in estimates note 12.2.1	(748,330)	(271,192)	(1,019,522)
Well Cost transferred from exploration and evaluation assets - note 17	1,679,562	-	1,679,562
Amortization for the year	(3,743,516)	(30,817)	(3,774,333)
Closing net book value	10,886,151	167,435	11,053,586
As at June 30, 2019			
Cost	41,959,950	2,468,124	44,428,074
Accumulated amortization	(31,073,799)	(2,300,689)	(33,374,488)
Net book value	10,886,151	167,435	11,053,586

		2019	2018
		Rupees ('000)	
17.	**EXPLORATION AND EVALUATION ASSETS**		
	Balance brought forward	2,590,790	1,884,356
	Additions during the year	760,589	4,844,825
		3,351,379	6,729,181
	Wells cost transferred to development cost - note 16	(1,679,562)	(2,552,809)
	Dry and abandoned wells and irrecoverable cost charged to statement of profit or loss - note 30	(1,619,056)	(1,585,582)
		52,761	2,590,790
17.1	**Break up of exploration and evaluation assets at June 30 is as follows**		
	Own fields		
	- Khaur D & Production Lease (153/PAK/2002)	-	1,599,505
	Share in joint operations operated by the Group		
	- DG Khan	4,247	-
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.		
	- TAL Petroleum Concession (Block 3370-3)	48,514	582,047
	Pakistan Petroleum Limited		
	- Hisal Petroleum Concession (3372-23)	-	409,238
		52,761	2,590,790
18.	**OTHER INTANGIBLE ASSETS**		
	LPG Quota		
	Written down value	217,543	283,363
	Less: Amortization for the year	65,821	65,820
		151,722	217,543
	Annual rate of amortization (%) - straight line	20	20

		2019	2018
		Rupees ('000)	
19.	**LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES - EQUITY BASIS**		
	Beginning of the year	17,353,491	17,044,413
	Share of (loss) / profit of associated companies	(1,890,241)	843,354
	Impact of IFRS 9	(23,337)	-
	Share of other comprehensive income / (loss) of associated companies	24,995	(15,510)
	Impairment reversal against investment in National Refinery Limited	-	178,421
	Impairment loss against investment in National Refinery Limited	(1,913,703)	-
	Dividend received during the year	(415,279)	(697,187)
	End of the year	13,135,926	17,353,491
19.1	**The Group's interest in associates are as follows**		
	Quoted		
	National Refinery Limited - note 19.3 19,991,640 (2018: 19,991,640) fully paid ordinary shares including 3,331,940 (2018: 3,331,940) bonus shares of Rs 10 each Cost Rs 8,046,635 thousand (2018: 8,046,635 thousand) Quoted market value as at June 30, 2019: Rs 2,268,451 thousand (2018: Rs 8,856,496 thousand)	10,535,594	14,793,814
	Attock Petroleum Limited (APL) - note 19.3 6,984,714 (2018: 5,820,595) fully paid ordinary shares including 3,616,314 (2018: 2,452,195) bonus shares of Rs 10 each Cost Rs 1,562,938 thousand (2018: 1,562,938 thousand) Quoted market value as at June 30, 2019: Rs 2,015,160 thousand; (2018: Rs 3,434,093 thousand)	2,571,166	2,535,441
	Unquoted		
	Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2018: 450,000) fully paid ordinary shares of Rs 10 each	29,166	24,236
		13,135,926	17,353,491

All associated companies are incorporated in Pakistan. All associated companies have share capital consisting solely of ordinary shares, which are held directly by the Group. Although the Group has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Group has representation on their Board of Directors.

19.2 No investment was made in subsidiary and associated companies during the year.

19.3 The tables below provide summarised financial information for associated companies. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associated companies, for the year ended June 30, 2019 (2018: June 30, 2018) and not the reporting entity's share of those amounts.

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2019	2018	2019	2018	2019	2018
	Rupees ('000)		Rupees ('000)		Rupees ('000)	
Summarised financial position						
Current assets	37,489,001	27,547,962	37,102,945	38,148,564	233,280	216,946
Non- current assets	38,678,349	38,266,309	9,299,767	7,982,762	86,019	46,546
Current liabilities	42,000,571	22,206,011	26,682,984	26,802,124	21,281	18,146
Non- current liabilities	293,310	356,723	792,993	911,540	6,364	2,991
Net assets	33,873,469	43,251,537	18,926,735	18,417,662	291,654	242,354
Reconciliation to carrying amounts						
Net assets as at July 1	43,251,537	43,339,880	18,417,662	16,294,491	242,354	204,867
(Loss)/profit for the year	(8,692,427)	1,770,684	3,960,606	5,656,349	49,300	37,487
Other comprehensive income/(loss)	100,679	(59,779)	(2,497)	(8,058)	-	-
Impact of IFRS 9 transition	13,346	-	(380,108)	-	-	-
Dividends paid	(799,666)	(1,799,248)	(3,068,928)	(3,525,120)	-	-
Net assets as at June 30	33,873,469	43,251,537	18,926,735	18,417,662	291,654	242,354
Group's percentage shareholding in the associate	25%	25%	7.0175%	7.0175%	10%	10%
Group's share in net assets	8,468,367	10,812,884	1,328,184	1,292,459	29,166	24,236
Excess of purchase consideration over carrying amount at the date of acquisition	6,371,355	6,371,355	1,242,982	1,242,982	-	-
Proportionate share in carrying value of net assets before impairment	14,839,722	17,184,239	2,571,166	2,535,441	29,166	24,236
Impairment	(4,304,128)	(2,390,425)	-	-	-	-
Carrying amount of investment	10,535,594	14,793,814	2,571,166	2,535,441	29,166	24,236
Summarised statements of comprehensive income						
Net revenue	160,906,197	136,984,940	223,054,352	177,344,437	126,892	111,615
(Loss)/ profit for the year	(8,692,427)	1,770,684	3,960,606	5,656,349	49,300	37,487
Other comprehensive income	100,679	(59,779)	(2,497)	(8,058)	-	-
Total comprehensive income	(8,591,748)	1,710,905	3,958,109	5,648,291	49,300	37,487
Dividend received from associates	199,917	449,812	215,362	247,375	-	-

19.4 The carrying value of investment in National Refinery Limited at June 30, 2019 is net of impairment loss of Rs 4,304,128 thousand (2018: Rs 2,390,425 thousand).The carrying value is based on a valuation analysis carried out by an external investment advisor engaged by the Group. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 3.84% (2018: 5.32%), a terminal growth rate of 3.0% (2018: 3.0%) and a capital asset pricing model based discount rate of 21.16% (2018: 15.13%).

19.5 Based on a valuation analysis carried out by the Group, the recoverable amount of investment in Attock Petroleum Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 5.35%, a terminal growth rate of 4% and a capital asset pricing model based discount rate of 18.53%.

		2019	2018
		Rupees ('000)	
20.	**LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD**		
	Long term loans and advances to employees	54,076	41,388
	Less: Amount due within twelve months, shown under current loans and advances - note 26	27,803	26,316
		26,273	15,072

20.1 Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.

20.1.1 Loans to employees exceeding Rs 1 million:

	2019	2018
	Rupees ('000)	
Name of employees		
Mr. Jawad Razaq	1,171	-
Mr. Aamir Waheed	1,168	-
Mr. Shahzad Ali	1,058	-
	3,397	-

		2019	2018
21.	**STORES AND SPARES**		
	Stores and spares - note 21.1	4,455,422	4,037,689
	Less: Provision for slow moving items - note 21.2	537,017	465,146
		3,918,405	3,572,543

		2019	2018
		Rupees ('000)	
21.1	**Stores and spares include**		
	Share in joint operations operated by the Group	281,475	258,933
	Share in joint operations operated by others		
	(assets not in possession of the Group)	1,642,937	1,711,627
		1,924,412	1,970,560
21.2	**Provision for slow moving items**		
	Balance brought forward	465,146	405,462
	Provision for the year	71,871	59,684
		537,017	465,146

21.3 Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.

		2019	2018
		Rupees ('000)	
22.	**STOCK IN TRADE**		
	Crude oil and other products - note 22.1	313,921	320,152

22.1 These include Rs 29,292 thousand (2018: Rs 145,157 thousand) being the Group's share in joint operations.

		2019	2018
		Rupees ('000)	
23.	**TRADE DEBTS - CONSIDERED GOOD**		
	Due from related parties - note 23.1	4,286,337	3,689,140
	Others	4,621,864	4,553,746
		8,908,201	8,242,886
23.1	**Due from related parties**		
	Associated companies		
	Attock Refinery Limited	3,862,236	3,598,061
	National Refinery Limited	424,101	91,079
		4,286,337	3,689,140

Ageing analysis of trade debts receivable from related parties is given in note 39.3 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 4,475,478 thousand (2018: Rs 3,689,140 thousand).

		2019	2018
		Rupees ('000)	
24.	**ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		
	Loans and advances - considered good		
	Employees - note 20	27,932	26,316
	Suppliers	152,947	202,743
		180,879	229,059
	Trade deposits and short term prepayments		
	Deposits	90,508	125,352
	Short-term prepayments	235,149	128,636
		325,657	253,988
	Interest income accrued	256,674	95,517
	Other receivables		
	Joint operating partners	134,476	47,519
	Due from related parties		
	Parent company		
	The Attock Oil Company Limited	889	40,528
	Associated company		
	Attock Cement Limited	35	-
	Gratuity Fund - note 39	97,805	66,068
	Sales tax refundable	1,542,499	1,557,033
	Other receivables (net of loss allowance of Rs 310 thousand (2018: Rs 310 thousand))	27,439	21,448
		1,803,143	1,732,596
		2,566,353	2,311,160

24.1 The aggregate maximum amount due from related parties at the end of any month during the year was Rs 98,729 thousand (2018: Rs 109,375 thousand) respectively.

		2019	2018
		Rupees ('000)	
24.2	The aging analysis of receivable from related parties is as follows:		
	Upto 3 month	98,729	91,943
	3 to 6 month	-	8,719
	More than 6 month	-	8,713
		98,729	109,375

		2019	2018
		Rupees ('000)	
25.	**OTHER FINANCIAL ASSETS**		
	Investments in mutual funds classified as fair value through profit or loss - note 25.1	813,478	6,479
	Investments - held-to-maturity - note 25.2	67,271	-
		880,749	6,479
25.1	**Investments classified as fair value through profit or loss**		
	Balance at the beginning of the year	6,479	6,255
	Additions during the year	2,330,711	-
	Redemptions during the year	(1,526,513)	-
	Fair value adjustment	2,801	224
	Balance at the end of the year	813,478	6,479

25.1.1 Investments in mutual funds at June 30 include the following	2019			2018		
	Number of units	Cost	Fair value	Number of units	Cost	Fair value
		Rupees ('000)			Rupees ('000)	
	Classified as fair value through profit or loss			Available-for-sale investments		
Listed securities:						
Meezan Sovereign Fund	11,853	487	610	10,965	442	578
Pakistan Cash Management Fund	14,409	561	725	13,049	492	687
Alfalah GHP Money Market Fund	22,699	32	2,225	13,208	993	1,348
Atlas Money Market Fund	33	-	16	1,143	455	605
UBL Liquidity Plus Fund	24,333	2,450	2,452	13,318	1,004	1,339
ABL Cash Fund	49,652,602	504,602	504,808	-	-	-
HBL Cash Fund	1,007	101	102	-	-	-
NAFA Money Market Fund	30,450,979	300,000	300,511	-	-	-
Atlas Income Fund	3,952	1,056	2,029	3,581	866	1,922
	80,181,867	809,289	813,478	55,264	4,252	6,479

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

25.2 Investments - held-to-maturity at June 30 include the following

	2019	2018
	Rupees ('000)	
Market treasury bills - note 25.2.1	66,379	-
Accrued interest	892	-
	67,271	-

25.2.1 This amount was invested in market treasury bills (The Government of Pakistan) through Faysal Bank Limited. The effective interest rate was 5.84% to 10.55% per annum (2018: Nil).

		2019	2018
		Rupees ('000)	
26.	**CASH AND BANK BALANCES**		
	Bank balance on		
	Short term deposits	32,182,288	20,044,527
	Interest/mark-up bearing saving accounts	3,603,343	1,574,664
	Current accounts	54,422	1,613
		35,840,053	21,620,804
	Cash in hand	5,323	2,747
		35,845,376	21,623,551

Balance with banks include foreign currency balances of US $ 117,967 thousand (2018: US $ 94,990 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 2.00% to 13.35% (2018: 0.10% to 7.40%).

		2019	2018
		Rupees ('000)	
27.	**NET SALES**		
	Crude oil	22,374,339	17,597,511
	Gas - note 27.1	13,921,595	8,572,856
	POLGAS/CAPGAS - Refill of cylinders	8,286,695	7,098,208
	Solvent oil	246,295	180,425
	Sulphur	10,025	7,950
		44,838,949	33,456,950

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

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

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

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

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect.The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court has fixed September 12, 2019 as next date of hearing.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2019 amounting to Rs 10,855,542 thousand will be accounted for upon resolution of this matter (including Rs 7,289,169 thousand related to period since inception to June 30, 2018). Additional revenue on account of enhanced gas price incentive of Rs 11,400,420 thousand including sales tax of Rs 1,656,471 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

		2019	2018
		Rupees ('000)	
28.	**OPERATING COSTS**		
	Operating cost - Own fields	1,258,412	987,867
	- Share in joint operations	2,798,262	2,511,524
	Well work over	412,067	55,790
	POLGAS/CAPGAS - Cost of gas/LPG, carriage etc.	4,888,872	3,919,873
	Head office and insurance charges	174,718	174,039
	Pumping and transportation cost	70,095	54,056
	Depreciation and amortization	1,621,907	1,561,368
		11,224,333	9,264,517
	Opening stock of crude oil and other products	320,152	245,060
	Closing stock of crude oil and other products	(313,921)	(320,152)
		11,230,564	9,189,425

		2019	2018
		Rupees ('000)	
29.	**AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS**		
	Amoritzation charge for the year - note 16	3,774,333	3,290,248
	Revision in estimates of provision for decommissioning costs in excess of related decommissioning costs asset credited to statement of profit or loss - note 12.2.1	(462,784)	(303,424)
		3,311,549	2,986,824
30.	**EXPLORATION COSTS**		
	Geological and geophysical cost		
	Own fields	30,194	530,122
	Share in joint operations operated by the Group		
	- DG Khan	58,699	485,568
	- Ikhlas	61,873	60,409
	- Kirthar South	32,460	35,874
	-Turkwal	-	1,472
	Share in joint operations operated by the others		
	MOL Pakistan Oil and Gas Company B.V.		
	- TAL Block	65,876	(20,034)
	- Margala Block	111,639	24,962
	- Margala North Block	(10,529)	97
	Oil and Gas Development Company Limited		
	- Kotra	2,213	2,053
	- Gurgalot	64,632	230,741
	Pakistan Petroleum Limited		
	- Hisal	18,474	35,539
	Ocean Pakistan Limited		
	- Ratana	(5,601)	18,026
	- Dhurnal	-	(258)
		429,930	1,404,571
	Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss account - note 17	1,619,056	1,585,582
		2,048,986	2,990,153

		2019	2018
		Rupees ('000)	
31.	**ADMINISTRATION EXPENSES**		
	Establishment charges	296,965	273,780
	Telephone and telex	1,139	1,029
	Medical expenses	9,857	9,182
	Printing, stationery and publications	6,095	8,145
	Insurance	6,185	3,700
	Travelling expenses	4,163	2,636
	Motor vehicle running expenses	8,836	10,045
	Rent, repairs and maintenance	62,479	50,588
	Auditor's remuneration - note 31.1	8,997	7,080
	Legal and professional charges	10,476	24,480
	Stock exchange and CDC fee	3,233	1,544
	Computer support and maintenance charges	35,457	29,307
	Depreciation and Amortisation	245	303
	Other expenses	5,276	6,553
		459,403	428,372
	Less: Amount allocated to field expenses	256,659	237,093
		202,744	191,279
31.1	**Auditor's remuneration**		
	Statutory audit - POL	1,730	1,695
	- Capgas	420	386
	Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	1,400	1,404
	Tax services	4,934	3,190
	Out of pocket expenses	513	405
		8,997	7,080

		2019	2018
		Rupees ('000)	
32.	**FINANCE COSTS**		
	Provision for decommissioning cost - note 12.2		
	- Unwinding of discount	754,918	592,698
	- Exchange loss	3,012,047	1,322,218
	Banks' commission and charges	6,692	4,125
		3,773,657	1,919,041
33.	**OTHER CHARGES**		
	Workers' Profit Participation Fund	1,330,106	769,550
	Workers' Welfare Fund	398,972	202,555
		1,729,078	972,105
34.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits and treasury bills	2,048,793	762,692
	Income on held-to-maturity investments	4,453	860
	Exchange gain/(loss) on financial assets	4,236,227	1,407,214
	Dividend on Investments classified as fair value through profit or loss- note 34.1	27,359	-
	Fair value adjustment on investments classified as fair value through profit or loss - note 34.2	9,287	-
	Income from assets other than financial assets		
	Rental income (net of related expenses Rs 102,698 thousand; 2018: Rs 54,441 thousand)	126,601	136,881
	Crude oil/gas transportation income (net of related expenses Rs 271,889 thousand; 2018: Rs 242,194 thousand)	170,244	125,865
	Gas processing fee	75,243	109,382
	(Loss)/profit on sale of property, plant and equipment	(5,152)	4,979
	Sale of stores and scrap	59,708	2,868
	Confiscation of equipment security deposit	2,141	26,561
	Recovery against investment -TDRs written off in prior years	-	10,000
	Others	7,901	8,655
		6,762,805	2,595,957

		2019	2018
		Rupees ('000)	
34.1	**Dividend on Investments classified as fair value through profit or loss**		
	Meezan Sovereign Fund	54	-
	Pakistan Cash Management Fund	80	-
	Alfalah GHP Money Market Fund	8,864	-
	Atlas Money Market Fund	77	-
	UBL Liquidity Plus Fund	10,709	-
	ABL Cash Fund	5,297	-
	HBL Cash Fund	2	-
	NAFA Money Market Fund	2,052	-
	Atlas Income Fund	224	-
		27,359	-

34.2 This includes Rupees 2,227 thousand as referred in note 4.3.

35. SHARE OF PROFITS OF ASSOCIATED COMPANIES

Share of profits of associated companies is net of taxation and based on the audited financial statements of the associated companies for the year ended June 30, 2019.

		2019	2018
		Rupees ('000)	
36.	**PROVISION FOR TAXATION**		
	Current		
	- for the year	8,072,647	3,290,528
	- for prior years	779,655	(373)
		8,852,302	3,290,155
	Deferred		
	- for the year	(1,994,936)	(253,957)
	- for prior years	499,462	-
		(1,495,474)	(253,957)
		7,356,828	3,036,198

		2019	2018
		Rupees ('000)	
36.1	**Reconciliation of tax charge for the year**		
	Accounting profit	20,638,340	14,739,855
*	Tax at applicable tax rate of 49.90% (2018: 46.59%)	10,298,532	6,867,298
	Tax effect of depletion allowance and royalty payments	(4,522,614)	(3,446,083)
	Tax effect of income that is not taxable or taxable at reduced rates	(125,782)	(640,270)
	Tax effect of prior year	1,279,372	(373)
	Others	427,320	255,627
	Tax charge for the year	7,356,828	3,036,199

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

36.2 Management assessment of sufficiency of current income tax provision

A comparison of provision on account of income taxes of the Group with most recent tax assessment for last three years is as follows:

	2018	2017	2016
		Rupees ('000)	
Tax assessed as per most recent tax assessment*	2,564,525	2,017,366	923,923
Provision in financial statements	3,290,273	2,495,890	1,240,648

Various appeals are pending at different appellate forums on the issues of depletion allowance, prospecting, exploration and development expenditure and tax rate. The Group computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

* This represents income tax payable per return of income filed by the Group. As per section 120 of the Income Tax Ordinance, 2001, the return is taken to be an assessment order issued to the tax payer by the Commissioner of the day return was filed.

37. OPERATING SEGMENTS

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

Revenue from two major customers of the Company constitutes 71% of the total revenue during the year ended June 30, 2019 (June 30, 2018: 68%).

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executives	
	2019	2018	2019	2018
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	7,612	7,612	86,166	92,852
Bonus	6,507	5,440	65,699	55,127
Housing, utility and conveyance	6,132	5,774	81,184	81,090
Group's contribution to pension, gratuity and provident funds	-	-	32,851	34,787
Leave passage	1,153	1,153	11,062	12,361
Other benefits	4,053	4,551	27,023	37,536
	25,457	24,530	303,985	313,753
No. of persons, including those who worked part of the year	1	1	40	43

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Group's cars and residential telephone facilities. The Group also provides medical facilities to its staff.

Meeting fee of Rs 6,319 thousand (2018: Rs 4,459 thousand) was paid to Directors and Chief Executive of the Group based on actual attendance. This includes Rs 4,214 thousand (2018: Rs 2,676 thousand) paid to non-executive director of the Group.

39. FINANCIAL INSTRUMENTS

39.1 Financial assets and liabilities

	Amortised cost	Investments classified as fair value through profit or loss	Total
		Rupees ('000)	
June 30, 2019			
Financial assets			
Maturity up to one year			
Trade debts	8,908,201	-	8,908,201
Advances, deposits and other receivables	635,758	-	635,758
Other financial assets	-	880,749	880,749
Cash and bank balances	35,845,376	-	35,845,376
Maturity after one year			
Long term loans and advances	26,273	-	26,273
	45,415,608	880,749	46,296,357

Financial liabilities	Amortised cost	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	16,496,315	16,496,315
Unclaimed dividend	191,166	191,166
Maturity after one year		
Long term deposits	976,516	976,516
Provision for decommissioning cost	11,811,608	11,811,608
Provision for staff compensated absences	7,725	7,725
Provision for un-funded gratuity plan - CAPGAS	5,510	5,510
	29,488,840	29,488,840

	Amortised cost	Investments classified as fair value through profit or loss	Total
		Rupees ('000)	
June 30, 2018			
Financial assets			
Maturity up to one year			
Trade debts	8,242,886	-	8,242,886
Advances, deposits and other receivables	422,748	-	422,748
Other financial assets	-	6,479	6,479
Cash and bank balances	21,623,551	-	21,623,551
Maturity after one year			
Long term loans and advances	15,072	-	15,072
	30,304,257	6,479	30,310,736

Financial liabilities	Amortised cost	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	14,543,921	14,543,921
Unclaimed dividend	170,717	170,717
Maturity after one year		
Long term deposits	968,140	968,140
Provision for decommissioning cost	9,548,018	9,548,018
Provision for staff compensated absences	8,475	8,475
Provision for un-funded gratuity plan - CAPGAS	5,182	5,182
	25,244,453	25,244,453

39.2 Credit quality of financial assets

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

		2019	2018
	Rating	Rupees ('000)	
Trade debts			
Counterparties with external credit rating	A1+	4,565,140	4,071,482
	A1	3,783,390	3,585,716
	A2	426,890	212,130
Counterparties without external credit rating			
Existing customers/ joint venture partners with no default in the past		132,781	373,558
		8,908,201	8,242,886
Advances, deposits and other receivables			
Counterparties with external credit rating	A1+	320,845	136,497
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		155,284	131,891
Receivable from employees/ employee benefit plans		125,737	92,384
Receivable from parent company		889	40,528
Others		33,003	21,448
		635,758	422,748
Bank balances			
Counterparties with external credit rating	A1+	35,839,825	21,620,571
	A1	233	233
		35,840,058	21,620,804
Available for sale investments			
Counterparties with external credit rating	AA	809,919	1,944
	AA-	610	578
	AA+	2,225	687
	AM2+	724	3,270
		813,478	6,479
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		26,273	15,072

39.3 Financial risk management

39.3.1 Financial risk factors

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

(a) Credit risk

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

As of June 30, 2019, trade debts of Rs 2,188,039 (2018: Rs 2,012,420 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2019	2018
	Rupees ('000)	
Due from related parties		
Up to 3 months	824,827	347,979
3 to 6 months	1,525	-
6 to 12 months	1,591	-
Above 12 months	1,277	43,058
	829,220	391,037
Due from others		
Up to 3 months	1,314,242	637,203
3 to 6 months	773	434,534
6 to 12 months	550	280,211
Above 12 months	13,254	269,435
	1,328,819	1,621,383
	2,158,039	2,012,420

(b) Liquidity risk

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

The Group manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2019, the Group had financial assets of Rs 46,298,979 thousand (2018: Rs 30,310,736 thousand).

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

	Less than 1 year	Between 1 to 5 years	Over 5 years
		Rupees ('000)	
At June 30, 2019			
Long term deposits	-	844,756	131,760
Provision for decommissioning cost	-	15,071,323	7,733,639
Provision for staff compensated absences	-	7,725	-
Provision for gratuity plan - CAPGAS	-	5,510	-
Trade and other payables	16,496,315	-	-
Unclaimed dividend	191,166		
At June 30, 2018			
Long term deposits	-	837,325	130,815
Provision for decommissioning cost	-	9,152,559	4,837,182
Provision for staff compensated absences	-	8,475	-
Provision for gratuity plan - CAPGAS	-	5,182	-
Trade and other payables	14,543,921	-	-
Unclaimed dividend	170,717		

(c) Market risk

(i) Currency risk

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

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

Financial assets include Rs 36,206,859 thousand (2018: Rs 14,476,843 thousand) and financial liabilities include Rs 13,563,295 thousand (2018: Rs 11,626,803 thousand) which are subject to currency risk.

If exchange rates had been 10% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 1,585,050 thousand lower/higher (2018: Rs 199,503 thousand higher/lower).

(ii) Interest rate risk

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

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

Financial assets include Rs 35,756,123 thousand (2018: Rs 21,619,191 thousand) and financial liabilities include Rs 11,811,608 thousand (2018: Rs 9,548,018 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 174,511 thousand (2018: Rs 84,498 thousand) higher/lower, mainly as a result of higher/lower interest income from these financial assets.

(iii) Price risk

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

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available for sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Group.

Investments classified as fair value through profit or loss of Rs 813,478 thousand (2018: Rs 6,479 thousand) were subject to price risk.

39.3.2 Capital risk management

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

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

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

39.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The Jdifferent levels have been defined as follows:

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

The Group held the following financial assets at fair value;

	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
June 30, 2019				
Other financial assets classified as fair value through profit or loss	813,478	-	-	813,478
June 30, 2018				
Other financial assets classified as fair value through profit or loss	6,479	-	-	6,479

40. STAFF RETIREMENT BENEFITS

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

40.1 Funded gratuity and pension plan

POL - defined benefit funded plan

40.2 The amounts recognized in the statement of financial position are as follows:

	2019	2018
	Rupees ('000)	
Present value of defined benefit obligations	1,500,143	1,500,895
Fair value of plan assets	(1,553,843)	(1,471,863)
	(53,700)	29,032
Amounts in the statement of financial position:		
Gratuity Fund (Asset)	(97,805)	(66,068)
Management Staff Pension Fund Liability	44,105	95,100
Net liability/ (asset)	(53,700)	29,032

40.3 The amounts recognized in the statement of profit or loss are as follows:

	2019	2018
Current service cost	36,371	31,562
Net interest cost	(1,179)	(3,704)
Other	(2)	-
	35,190	27,858

		2019	2018
		Rupees ('000)	
40.4	The amounts recognized in other comprehensive income are as follows:		
	Remeasurement due to:		
	Change in financial assumptions	-	(59,175)
	Experience adjustments	(9,997)	111,314
	Investment return	43,609	33,783
		33,612	85,922
40.5	Changes in the present value of defined benefit obligation are as follows:		
	Opening defined benefit obligation	1,500,895	1,437,088
	Current service cost	36,371	31,562
	Interest cost	127,234	112,416
	Remeasurement loss	9,997	52,139
	Benefits paid	(174,354)	(132,310)
	Closing defined benefit obligation	1,500,143	1,500,895
40.6	Changes in fair value of plan assets are as follows:		
	Opening fair value of plan assets	1,471,863	1,442,701
	Interest income	128,413	116,122
	Remeasurement gain	43,609	(33,783)
	Contribution by employer	84,312	79,134
	Benefits paid	(174,354)	(132,311)
	Closing fair value of plan assets	1,553,843	1,471,863

40.7 The major categories of plan assets as a percentage of total plan assets of defined pension plan are as follows:

	2019		2018	
	Rupees ('000)	%age	Rupees ('000)	%age
Government bonds	4,761	-	343,756	23
National savings deposits	-	-	-	-
Mutual Funds	22,027	1	28,919	2
Cash and cash equivalents	1,527,055	99	1,099,188	75
	1,553,843	100	1,471,863	100

Government bonds are valued at quoted market price and are therefore level 1. Cash equivalents and National Savings deposits include level 2 assets.

Both funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The funds have no investment in the Group's own securities.

40.8 Principal actuarial assumptions

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

	2019	2018
	%	
Discount rate	13.7	9
Expected rate of salary increase	12.0	7
Expected rate of pension increase	7.4	3

40.9 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2018 and 2019.

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

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

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

40.11 Sensitivity analysis

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

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(117,557)	138,348
Salary increase	40,024	(31,252)
Pension increase	98,905	(87,088)

If life expectancy increases by 1 year, the obligation increases by Rs 46,432 thousand.

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

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

Plan Duration	Pension	Gratuity
	Years	
June 30, 2019	11.2	5.9
June 30, 2018	11.2	5.3

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

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2019	31,574	-
Benefit payments:		
FY 2020	85,731	75,142
FY 2021	99,089	51,120
FY2022	105,913	94,254
FY 2023	114,850	26,373
FY 2024	121,101	31,930
FY 2025-29	736,832	145,567

CAPGAS - unfunded defined benefit plan

		2019	2018
		Rupees ('000)	
ii)	The amounts recognized in the statement of profit or loss are as follows:		
	Current service cost	387	401
	Interest cost	453	375
		840	776
iii)	The amounts recognized in other comprehensive income are as follows:		
	Remeasurement loss on staff retirement benefit plan	513	(870)
iv)	Changes in the present value of defined benefit obligation are as follows:		
	Opening defined benefit obligation	5,182	6,153
	Current service cost	387	401
	Interest cost	453	375
	Benefits paid	-	(2,617)
	Remeasurement	(513)	870
	Closing defined benefit obligation	5,509	5,182

v) Principal actuarial assumptions

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

	2019	2018
	%	
Discount rate	13.50	8.75
Expected rate of salary increase	13.50	8.75

vi) Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2019 and 2018.

vii) Sensitivity analysis

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

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(391)	444
Salary increase	440	(394)

The impact of changes in financial assumptions has been determined by revaluation of the obligation on different rates.

41. INTEREST IN SUBSIDIARY

41.1 CAPGAS is only subsidiary of POL as at June 30, 2019. CAPGAS has share capital consisting solely of ordinary shares that are held directly by POL, and the proportion of ownership interest held equals the voting right held by POL. POL holds 51% (2018: 51%) interest in CAPGAS. There are no significant restrictions on Company's ability to use assets, or settle liabilities of CAPGAS.

41.2 Non-controlling interest

Following is the summarised financial information of CAPGAS that has 49% (2018: 49%) ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

	2019	2018
	Rupees ('000)	
Summarised financial position		
Current assets	192,854	137,255
Non-current assets	212,666	286,785
Current liabilities	29,221	34,460
Non-current liabilities	137,270	140,316
Net assets	239,029	249,264
Accumulated NCI	117,124	122,140

	2019	2018
	Rupees ('000)	
Summarised statement of comprehensive income		
Net revenue	861,642	791,968
Profit for the year	9,651	49,775
Other comprehensive income	364	(609)
Total comprehensive income for the year	10,015	49,166
Profit attributable to NCI	4,729	24,390

42. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF POL - BASIC AND DILUTED

	2019	2018
Profit for the year attributable to owners of POL (in thousand rupees)	13,276,783	11,679,267
		(Restated)
Weighted average number of ordinary shares in issue during the year (in thousand shares)	283,855	283,855
Basic and diluted earnings per share (Rupees)	46.77	41.15

43. TRANSACTIONS WITH RELATED PARTIES

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

	Basis of Relationship	2019	2018
		Rupees ('000)	
Parent company - The Attock Oil Company Limited	Holding company		
Purchase of petroleum products		11,383	92,578
Purchase of services		41,147	35,980
Dividend paid		6,114,120	5,303,064
Associated companies	Common directorship		
Attock Refinery Limited			
Sale of crude oil and gas		19,052,177	15,025,298
Crude oil and gas transmission charges		3,671	4,049
Sale of services		3,459	5,968
Purchase of LPG		249,949	133,000
Purchase of fuel		14,694	9,241
Purchase of services		25,844	24,406

	Basis of Relationship	2019	2018
		Rupees ('000)	
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		1,005,939	376,589
Purchase of LPG		685,913	336,630
Purchase of services		2,735	3,998
Dividend received		199,916	449,812
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		817,081	725,289
Sale of solvent oil		288,229	211,096
Sale of services		17,741	18,109
Purchase of services		664	943
Dividend received		215,362	247,375
Purchase of goods		178	-
Attock Information Technology (Private) Limited	Common directorship		
Purchase of services		56,519	53,400
Attock Cement Pakistan Limited	Common directorship		
Purchase of services		5	-
Attock Hospital (Private) Limited	Common directorship		
Purchase of medical services		12,617	11,882
Other Associated Companies			
Dividend Paid		18,597	16,130
Other related parties			
Dividend paid to key management personnel		117,420	101,922
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		84,311	79,134
Approved Contributory Provident Funds		30,416	29,167
Contribution to Workers' Profit Participation Fund		1,330,106	769,550

43.2 Associated Companies incorporated outside Pakistan with whom the Group had entered into transaction or had agreements are as follows

i)	Name of undertaking	The Attock Oil Company Limited
	Registered Address	4, Swan Street Manchester England M4 5JN
	Country of Incorporation	United Kingdom
ii)	Basis of association	Parent Company
iii)	Aggregate %age of Shareholding	52.75%
iv)	Chief Executive Officer	Shuaib Anwer Malik
v)	Operational status	Private Limited Company
vi)	Auditor's opinion on latest available financial statements	Unqualified Opinion

44. CONTRIBUTORY PROVIDENT FUND

Details of the provident funds are as follows:

	2019	2018
	Rupees ('000)	
Net assets	642,145	663,148
Cost of investments made	580,216	593,939
%age of investments made	90%	90%
Fair value of investments made	592,971	609,652

	2019		2018	
Breakup of investments - at cost	Rupees ('000)	%age	Rupees ('000)	%age
Term Finance Certificates	-	-	925	0.16
Mutual Funds	4,977	0.86	4,977	0.84
Government bonds	566,197	97.58	579,715	97.60
Cash and cash equivalents	9,042	1.56	8,322	1.40
	580,216	100.00	593,939	100.00

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

	2019	2018
	Rupees ('000)	
45. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,638,340	14,739,855
Adjustments for:		
Depreciation	1,643,967	1,571,961
Fair value adjustment on investments classified as fair value through profit or loss	(5,028)	-
Amortization of other intangible assets	65,821	65,820
Amortization of development and decommissioning costs	3,311,549	2,986,824
Finance costs	3,766,965	1,914,916
Exchange (gain)/loss on financial assets	(4,236,227)	(1,407,214)
(Gain)/loss on sale of assets	5,152	(4,979)
Share of (loss)/profit of associated companies	1,890,241	(843,354)
Reversal of impairment on investment in associated company	1,913,703	(178,421)
Income on bank deposits	(2,048,793)	(762,692)
Income on held-to-maturity investments	(4,453)	(860)
Dividend on available-for-sale investments	(27,359)	-
Provision for slow moving stores and spares	71,871	59,684
Provision for staff compensated absences	(750)	(1,600)
Provision for un-funded gratuity plan - CAPGAS	328	(971)
Measurement (loss) on staff retirement benefit plans	34,125	(86,792)
Reversal of provision for decommissioning cost in excess of actual costs incurred	(34,883)	(76,008)
Cash flows before working capital changes	26,984,569	17,976,169
Effect on cash flows due to working capital changes:		
Decrease in stores and spares	(417,733)	266,021
(Increase)/decrease in stock in trade	6,231	(75,092)
(Increase)/decrease in trade debts	(665,315)	(4,949,666)
(Increase)/decrease in advances, deposits, prepayments and other receivables	(94,786)	(929,889)
Increase in trade and other payables	3,357,622	10,088,649
	2,186,019	4,400,023

	2019	2018
	Rupees ('000)	
Cash flows generated from operations	29,170,588	22,376,192
Decrease/(increase) in long term loans and advances	(11,201)	2,567
(Decrease)/increase in long term deposits	8,376	(36,480)
Taxes paid	(7,635,557)	(2,906,161)
Decommissioning cost paid	(34,571)	(119,985)
Net cash generated from operating activities	21,497,635	19,316,133

46. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

	Description	Explanation
i)	Loans and advances	Non-interest bearing
ii)	Deposits	Non-interest bearing
iii)	Segment revenue	Disclosed in note 37

		2019	2018
		Rupees ('000)	
iv)	**Bank Balances**		
	Placed under interest arrangements	35,781,144	21,593,029
	Placed under Shariah permissible arrangements	4,487	26,162
		35,785,631	21,619,191
v)	**Income on bank deposits**		
	Placed under interest arrangements	2,047,604	763,118
	Placed under Shariah permissible arrangements	1,189	434
		2,048,793	763,552

vi)	Gain/(loss) on investments classified as fair value through profit or loss	Disclosed in note 25.1.1
vii)	Dividend income	Disclosed in note 34.1
viii)	All sources of other income	Disclosed in note 34
ix)	Exchange gain	Earned from actual currency
x)	Relationship with banks having Islamic windows	Following is the list of banks with which the Group has a relationship with Islamic window of operations: 1. Al Baraka Bank (Pakistan) Limited 2. Meezan Bank Limited 3. Bank Islami Pakistan Limited

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

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

	Location and address		Working interest	
	District(s)	Province(s)	2019	2018
Operated by the Group				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D & Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D & Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D & Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D & Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D & Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	BarKhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
Non-operated				
Operated by MOL Pakistan Oil and Gas				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtutnkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00

Exploration licenses/Leases	Location and address		Working interest	
	District(s)	Province(s)	2019	2018
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	*25.00
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Operated by Oil and Gas Company Limited				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Operated by Ocean Pakistan Limited				
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhurnal Mining Lease (59/PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
Operated by Pakistan Petroleum Limited				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00

* Pre-commerciality interest

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

The Board of Directors in its meeting held on July 29, 2019 has proposed a final dividend for the year ended June 30, 2019 @ Rs 30 per share, amounting to Rs 8,515,653 thousand for approval of the members in the Annual General Meeting to be held on September 17, 2019.

49. GENERAL

49.1 Capacity

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

Product	Unit	2019	2018
Crude Oil/Condensate	US Barrels	2,615,981	2,663,252
Gas	Million Cubic Feet	32,189	31,970
LPG	Metric Tonnes	61,076	62,065
Sulphur	Metric Tonnes	645	667
Solvent Oil	US Barrels	23,452	22,129

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

	2019	2018
49.2 Number of employees		
Total number of employees as at June 30	769	763
Total number of employees at fields as at June 30	577	578
Average number of employees during the year	763	749
Average number of employees at fields during the year	575	565

49.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on July 29, 2019

Khalid Nafees
Chief Financial Officer

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2019

S.No.	From	To	Shares	Total No. of Shareholders
1	1	100	44,849	1059
2	101	500	393,741	1,487
3	501	1,000	515,033	695
4	1,001	5,000	3,331,854	1,458
5	5,001	10,000	2,712,448	383
6	10,001	15,000	1,813,678	148
7	15,001	20,000	1,417,166	82
8	20,001	25,000	1,296,669	56
9	25,001	30,000	1,379,338	50
10	30,001	35,000	669,916	21
11	35,001	40,000	1,199,820	32
12	40,001	45,000	1,092,346	26
13	45,001	50,000	812,070	17
14	50,001	55,000	788,551	15
15	55,001	60,000	745,823	13
16	60,001	65,000	878,334	14
17	65,001	70,000	811,700	12
18	70,001	75,000	284,520	4
19	75,001	80,000	542,430	7
20	80,001	85,000	490,002	6
21	85,001	90,000	526,869	6
22	90,001	95,000	377,000	4
23	95,001	100,000	680,240	7
24	100,001	105,000	411,780	4
25	105,001	110,000	214,596	2
26	110,001	115,000	224,640	2
27	115,001	120,000	827,853	7
28	120,001	125,000	245,940	2
29	125,001	130,000	644,820	5
30	130,001	135,000	135,000	1
31	135,001	140,000	548,670	4
32	140,001	145,000	144,250	1
33	145,001	150,000	296,400	2
34	150,001	155,000	308,576	2
35	155,001	160,000	313,510	2
36	160,001	165,000	324,330	2
37	165,001	170,000	169,420	1
38	170,001	175,000	516,964	3
39	175,001	180,000	532,480	3
40	180,001	185,000	183,700	1
41	185,001	190,000	375,150	2
42	190,001	195,000	383,074	2
43	195,001	200,000	400,000	2
44	200,001	205,000	404,818	2
45	205,001	210,000	208,070	1
46	210,001	215,000	211,680	1
47	220,001	225,000	446,165	2

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2019

S.No.	From	To	Shares	Total No. of Shareholders
48	225,001	230,000	453,650	2
49	230,001	235,000	233,320	1
50	235,001	240,000	1,187,940	5
51	240,001	245,000	244,710	1
52	245,001	250,000	495,968	2
53	250,001	255,000	250,830	1
54	255,001	260,000	516,734	2
55	260,001	265,000	261,000	1
56	265,001	270,000	268,580	1
57	280,001	285,000	284,130	1
58	285,001	290,000	289,250	1
59	290,001	295,000	290,663	1
60	295,001	300,000	595,560	2
61	305,001	310,000	919,490	3
62	315,001	320,000	317,260	1
63	320,001	325,000	324,460	1
64	325,001	330,000	329,620	1
65	335,001	340,000	340,000	1
66	340,001	345,000	1,027,199	3
67	350,001	355,000	353,663	1
68	360,001	365,000	360,931	1
69	370,001	375,000	371,380	1
70	390,001	395,000	391,200	1
71	395,001	400,000	397,200	1
72	405,001	410,000	407,540	1
73	410,001	415,000	413,350	1
74	415,001	420,000	415,120	1
75	425,001	430,000	427,940	1
76	430,001	435,000	1,298,288	3
77	440,001	445,000	882,908	2
78	445,001	450,000	896,000	2
79	450,001	455,000	1,358,071	3
80	460,001	465,000	922,060	2
81	485,001	490,000	485,174	1
82	515,001	520,000	1,033,857	2
83	535,001	540,000	1,074,794	2
84	540,001	545,000	2,180,000	4
85	565,001	570,000	565,700	1
86	575,001	580,000	577,042	1
87	590,001	595,000	1,184,752	2
88	595,001	600,000	600,000	1
89	610,001	615,000	612,000	1
90	640,001	645,000	645,000	1
91	660,001	665,000	661,629	1
92	675,001	680,000	679,910	1
93	685,001	690,000	688,850	1
94	745,001	750,000	745,370	1

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2019

S.No.	From	To	Shares	Total No. of Shareholders
95	800,001	805,000	802,520	1
96	810,001	815,000	810,996	1
97	825,001	830,000	826,500	1
98	830,001	835,000	831,510	1
99	850,001	855,000	854,766	1
100	935,001	940,000	937,396	1
101	990,001	995,000	994,800	1
102	1,005,001	1,010,000	1,006,980	1
103	1,055,001	1,060,000	1,060,000	1
104	1,125,001	1,130,000	1,130,000	1
105	1,265,001	1,270,000	1,267,630	1
106	1,415,001	1,420,000	1,420,000	1
107	1,475,001	1,480,000	1,477,420	1
108	1,570,001	1,575,000	1,573,608	1
109	1,975,001	1,980,000	1,979,078	1
110	2,230,001	2,235,000	2,233,590	1
111	2,835,001	2,840,000	2,838,550	1
112	3,345,001	3,350,000	3,346,820	1
113	3,415,001	3,420,000	3,417,780	1
114	3,875,001	3,880,000	3,879,136	1
115	3,935,001	3,940,000	3,939,232	1
116	5,720,001	5,725,000	5,725,000	1
117	5,995,001	6,000,000	6,000,000	1
118	9,125,001	9,130,000	9,127,620	1
119	16,105,001	16,110,000	16,105,238	1
120	149,730,001	149,735,000	149,732,558	1
		Total	283,855,104	5,756

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2019

S .No	Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage %
1	Directors, Chief Executive Officer, their Spouses & Minor Children	10	2,866,290	1.0098
2	Associated Companies, Undertakings and Related Parties	2	150,049,818	52.8614
3	Investment Corporation of Pakistan	1	116	-
4	Banks & Financial Institutions	80	20,585,173	7.2520
5	Insurance Companies	27	22,576,380	7.9535
6	Joint Stock Companies	116	3,119,953	1.0991
7	Modaraba Companies	1	432	0.0002
8	Mutual Funds *	109	25,742,524	9.0689
9	Investment Companies	25	5,347,247	1.8838
10	Individuals	5,200	45,172,874	15.9141
	Others:			
11	Employees Old Age Benefits Institution	1	3,939,232	1.3878
12	Deputy Administrator Abandoned Properties	1	13,080	0.0046
13	Employees Pension / Provident Fund	156	3,004,991	1.0586
14	Charitable Trusts & Foundation	27	1,436,994	0.5062
	TOTAL	5,756	283,855,104	100.00

S .No	Associated Companies, undertakings and related parties	No. of Shareholders	No. of Shares Held
1	The Attock Oil Company Limited.	1	149,732,558
2	Laith Trading & Contracting Company Ltd.	1	317,260
	Total	2	150,049,818

S .No	Directors, Their Spouses and Minor Children	No. of Shareholders	No. of Shares Held
1	Mr. Laith G. Pharaon	1	*200
2	Mr. Wael G. Pharaon	1	*200
3	Mr. Abdus Sattar	1	*200
4	Mr. Tariq Iqbal Khan	2	*2000
5	Mr. Sajid Nawaz	1	*200
6	Mr. Nihal Cassim	1	24,000
7	Mr. Shuaib A. Malik (Chairman & Chief Executive)	2	2,838,890
8	Mrs. Azra Tariq (Spouse of Mr. Tariq Iqbal Khan)	1	600
	Total	10	2,866,290

DETAIL OF MUTUAL FUNDS

S .No	Mutual Funds*	No. of Shareholders	No. of Shares Held
1	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1	1,979,078
2	GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	1	536,984
3	EBK-AKTIEN-UNIVERSAL-FONDS	1	28,380
4	FSST: FIDELITY TOTAL INTERNATIONAL INDEX FUND	1	58,850
5	ISHARES EMERGING MARKETS IMI EQUITY INDEX FUND	1	24,042
6	PUB INSTITUTIONAL FUND UMBRELLA - PUB EQUITIES EMG MKTS 1	1	56,160
7	PUB INSTITUTIONAL FUND UMBRELLA - PUB EQUITIES EMG MKTS 2	1	38,940
8	AQR EMERGING SMALL CAP EQUITY FUND L.P.	1	21,220
9	FLEXSHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FD	1	6,240
10	QUONIAM FDS SELECTION SICAV EMERGING MARKTS EQUITIES MINRISK	1	305,750
11	VANGUARD EMERGING MARKETS STOCK INDEX FUND	1	2,233,590
12	ARROW DOGS OF THE WORLD ETF	1	12,462
13	EMERGING MKTS SML CAPITALIZATION EQTY INDEX NON-LENDABLE FD	1	295,560
14	EMERGING MKTS SML CAPITALIZATION EQTY INDX NON-LENDABLE FD B	1	27,774
15	TCM INVESTMENT FUNDS LUX - TCM GLOB FRONTR HI DIVDEND EQUITY	1	65,000
16	EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX FUND	1	191,500
17	VANGUARD FIDUCIARY TRST CO INST TOTAL INTL STCK MRKT IND TRU	1	47,112
18	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	1,267,630
19	MCBFSL - TRUSTEE JS VALUE FUND	1	57,000
20	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	21,660
21	CDC - TRUSTEE PICIC INVESTMENT FUND	1	237,560
22	CDC - TRUSTEE JS LARGE CAP. FUND	1	25,600
23	CDC - TRUSTEE PICIC GROWTH FUND	1	453,460
24	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	415,120
25	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	593,620
26	CDC - TRUSTEE MEEZAN BALANCED FUND	1	449,010
27	CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	1,500
28	CDC - TRUSTEE JS ISLAMIC FUND	1	54,660
29	CDC - TRUSTEE FAYSAL STOCK FUND	1	19,800
30	CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	44,170
31	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	42,000
32	CDC - TRUSTEE AKD INDEX TRACKER FUND	1	30,334
33	CDC - TRUSTEE HBL ENERGY FUND	1	191,574
34	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	450,860
35	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	661,629
36	CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	3,879,136
37	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	8,900
38	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	441,548

DETAIL OF MUTUAL FUNDS

S .No	Mutual Funds*	No. of Shareholders	No. of Shares Held
39	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	183,700
40	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	745,370
41	CDC - TRUSTEE NAFA STOCK FUND	1	937,396
42	CDC - TRUSTEE NBP BALANCED FUND	1	61,622
43	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	2,150
44	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	1	802,520
45	CDC - TRUSTEE APF-EQUITY SUB FUND	1	52,800
46	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	290,663
47	CDC - TRUSTEE HBL - STOCK FUND	1	221,410
48	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	1	591,132
49	CDC - TRUSTEE APIF - EQUITY SUB FUND	1	63,700
50	MC FSL - TRUSTEE JS GROWTH FUND	1	94,700
51	CDC - TRUSTEE HBL MULTI - ASSET FUND	1	12,120
52	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	225,530
53	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	1	13,500
54	CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	104,130
55	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	76,610
56	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	577,042
57	CDC - TRUSTEE ABL STOCK FUND	1	208,070
58	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	1	2,350
59	CDC - TRUSTEE FIRST HABIB STOCK FUND	1	10,800
60	CDC - TRUSTEE LAKSON EQUITY FUND	1	261,000
61	CDC - TRUSTEE NBP SARMAYA IZAFA FUND	1	88,520
62	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	87,770
63	CDC - TRUSTEE HBL EQUITY FUND	1	24,940
64	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	15,400
65	CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	19,360
66	CDC - TRUSTEE ASKARI EQUITY FUND	1	3,650
67	CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	284,130
68	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	1,720
69	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	5,850
70	CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	1	12,050
71	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	107,460
72	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	68,660
73	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	7,000
74	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	228,120
75	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	153,920
76	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	84,880
77	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	854,766

DETAIL OF MUTUAL FUNDS

S .No	Mutual Funds*	No. of Shareholders	No. of Shares Held
78	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	36,720
79	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	1	3,500
80	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	1,200
81	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	1,860
82	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	460,040
83	CDC - TRUSTEE FIRST HABIB INCOME FUND - MT	1	500
84	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	462,020
85	CDC-TRUSTEE NITIPF EQUITY SUB-FUND	1	12,000
86	CDC-TRUSTEE NITPF EQUITY SUB-FUND	1	1,400
87	CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	31,100
88	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	679,910
89	CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	169,420
90	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	51,140
91	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	93,950
92	CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	175,240
93	CDC - TRUSTEE LAKSON TACTICAL FUND	1	36,745
94	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	12,267
95	CDC - TRUSTEE MEEZAN ENERGY FUND	1	129,180
96	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	41,180
97	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	2,146
98	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	305,560
99	CDC - TRUSTEE ALFALAH GHP ISLAMIC VALUE FUND	1	11,140
100	CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	1	5,000
101	MCBFSL - TRUSTEE ALLIED CAPITAL PROTECTED FUND	1	420
102	MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	1	30,000
103	CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF)	1	5,000
104	CDC - TRUSTEE ALFALAH CAPITAL PRESERVATION FUND II	1	60
105	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	16,252
106	MCBFSL - TRUSTEE HBL ISLAMIC DEDICATED EQUITY FUND	1	16,350
107	CDC - TRUSTEE NBP AITEMAAD REGULAR PAYMENT FUND	1	28,600
108	CDC - TRUSTEE ALLIED FINERGY FUND	1	19,700
109	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	1	41,000
	Total	109	25,742,524

KEY SHAREHOLDING AND SHARES TRADED

S .No	Categories	No. of Shareholders	No. of Shares Held
	Associated Companies, undertakings and related parties		
1	The Attock Oil Company Limited.	01	149,732,558
2	Laith Trading & Contracting Company Ltd.	01	317,260
3	Trustees of ARL General Staff Provident Fund	01	24,000
4	Trustees of ARL Staff Provident Fund	01	36,000
5	Trustees of ARL Management Staff Pension Fund	01	48,480
6	Trustees of NRL Officers Provident Fund	01	7,560
7	Trustee National Refinery Ltd. Management Staff Pension Fund	01	22,135
	NIT & ICP		
	Investment Corporation of Pakistan (ICP)	01	116
	Directors and their spouses and minor children		
1	Mr. Laith G. Pharaon	01	*200
2	Mr. Wael G. Pharaon	01	*200
3	Mr. Abdus Sattar	01	*200
4	Mr. Tariq Iqbal Khan	01	*2000
5	Mr. Sajid Nawaz	01	*200
6	Mr. Nihal Cassim	01	24,000
7	Mr. Shuaib A. Malik (Chairman & Chief Executive)	01	2,838,890
8	Mrs. Azra Tariq (Spouse of Mr. Tariq Iqbal Khan)	01	600
	Executives	**33**	11,049
	Public sector companies and corporations	**117**	152,852,511
	Banks, Development Finance Institution, Non Banking Finance Institutions, Insurance Companies, Modarabas & Mutual Funds	**242**	74,251,756
	Shareholders holding 05% or more voting interest		
**	The Attock Oil Company Limited	01	149,732,558
***	State Life Insurance Corp. of Pakistan	01	16,105,238

* 200 shares shown against the name of each director are held in trust

** also shown under associated companies and public sector companies

*** also shown under insurance companies

KEY SHAREHOLDING AND SHARES TRADED

S .No	Categories	No. of Shares Traded
	No trade has been made in Shares of the Company by Directors CEO, CFO, Company Secretary, Executives and their spouses and minor children except for shares mentioned below:	
	Syed Altaf Ahmed (Deputy Manager Finance)	346
	Mr. Asad Ali Khan	703
	Muhammad Asif	6
	Adeel Asad	6
	Saeed Iqbal	603
	Muhammad Waseem Khan	100
	Rabia Zaheer	128
	Maryam Khalid Yasser	1
	Muhammad Shakeel Rana	151
	Danish Ali	200

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Sixty Eighth Annual General Meeting (being the 88th EIGHTY EIGHTH General Meeting) of the Company will be held on Tuesday, September 17, 2019 at 10:30 hours at Attock House, Morgah, Rawalpindi, to transact the following business:

ORDINARY BUSINESS

i. To receive, consider and approve the audited accounts of the Company together with the Directors' and Auditors' Reports for the year ended June 30, 2019.

ii. To approve final cash dividend of Rs. 30 per share i.e. 300% as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 20.00 per share i.e. 200% already paid to the shareholders, thus making a total cash dividend of Rs. 50.00 per share i.e. 500% for the year ended June 30, 2019.

iii. To appoint auditors for the year ending June 30, 2020 and fix their remuneration. The present auditors Messrs A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

iv. To transact any other business with the permission of the Chairman.

FOR AND ON BEHALF OF THE BOARD

Registered Office:
POL House,
Morgah, Rawalpindi.
August 27, 2019.

Khalid Nafees
Company Secretary

NOTES:

1. **CLOSURE OF SHARE TRANSFER BOOKS:**

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2019 to September 17, 2019 (both days inclusive). Transfers received in order at the Registered Office of the Company by the close of business on September 10, 2019 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders.

2. **PARTICIPATION IN THE ANNUAL GENERAL MEETING:**

A member entitled to attend and vote at this meeting is also entitled to appoint another proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

3. **CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN:**

a. For attending the meeting

(i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per regulations shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has not been provided earlier) at the time of the meeting.

b. For appointing proxies

In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form. The proxies shall produce their original CNIC or original passport at the time of the meeting.

In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the company.

4. **CONFIRMATION FOR FILING STATUS OF INCOME TAX RETURN FOR APPLICATION OF RATES PURSUANT TO THE PROVISIONS OF FINANCE ACT, 2019:**

Pursuant to the provisions of Finance Act, 2019, effective July 01, 2019, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:

a.	Persons whose names appearing in Active Tax Payer's List	15.00%
b.	Persons whose names are not appearing in Active Tax Payer's List	30.00%

In case of joint account, each holder is to be treated individually as either a filer or non filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company by sending following detail on the registered address of the Company and the members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) are requested to send a copy of detail regarding tax payment status also to the relevant member stock exchange or to CDC if maintaining CDC investor account. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

Shareholders are therefore requested to provide the shareholding proportion in writing as per following manner:

Company Name	Folio/ CDS ID/ A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (No. of Shares)

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

5. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduce rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

6. PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) detail to receive their cash dividend directly in to their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account detail. In the absence of a member's valid bank account detail of physical shareholders by September 11, 2019, the Company will be constrained to withhold dispatch of dividend warrants to such members.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

7. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2018-19:

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP), CNIC number of shareholders is MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company on its registered address, Pakistan Oilfields Limited, POL House, Morgah, Rawalpindi. In the absence of a member's valid CNIC, the Company will be constrained to withhold payment of cash dividend to such members.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange or to CDC if maintaining CDC investor account.

8. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS TO SHAREHOLDERS THROUGH EMAIL/CD/USB/DVD OR ANY OTHER MEDIA:

Pursuant to the directions given by the SECP through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet, Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Equity Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hard copy of Financial Statements shall have to fill the standard request form (available on the company's website www.pakoil.com.pk) and send it to the Company address.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange or to CDC if maintaining CDC investor account.

The shareholders are requested to contact the company on its registered address regarding any unclaimed dividends or undelivered shares (if any).

9. CONSENT FOR VIDEO CONFERENCE FACILITY:

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting , the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please submit such request to the Company Secretary.

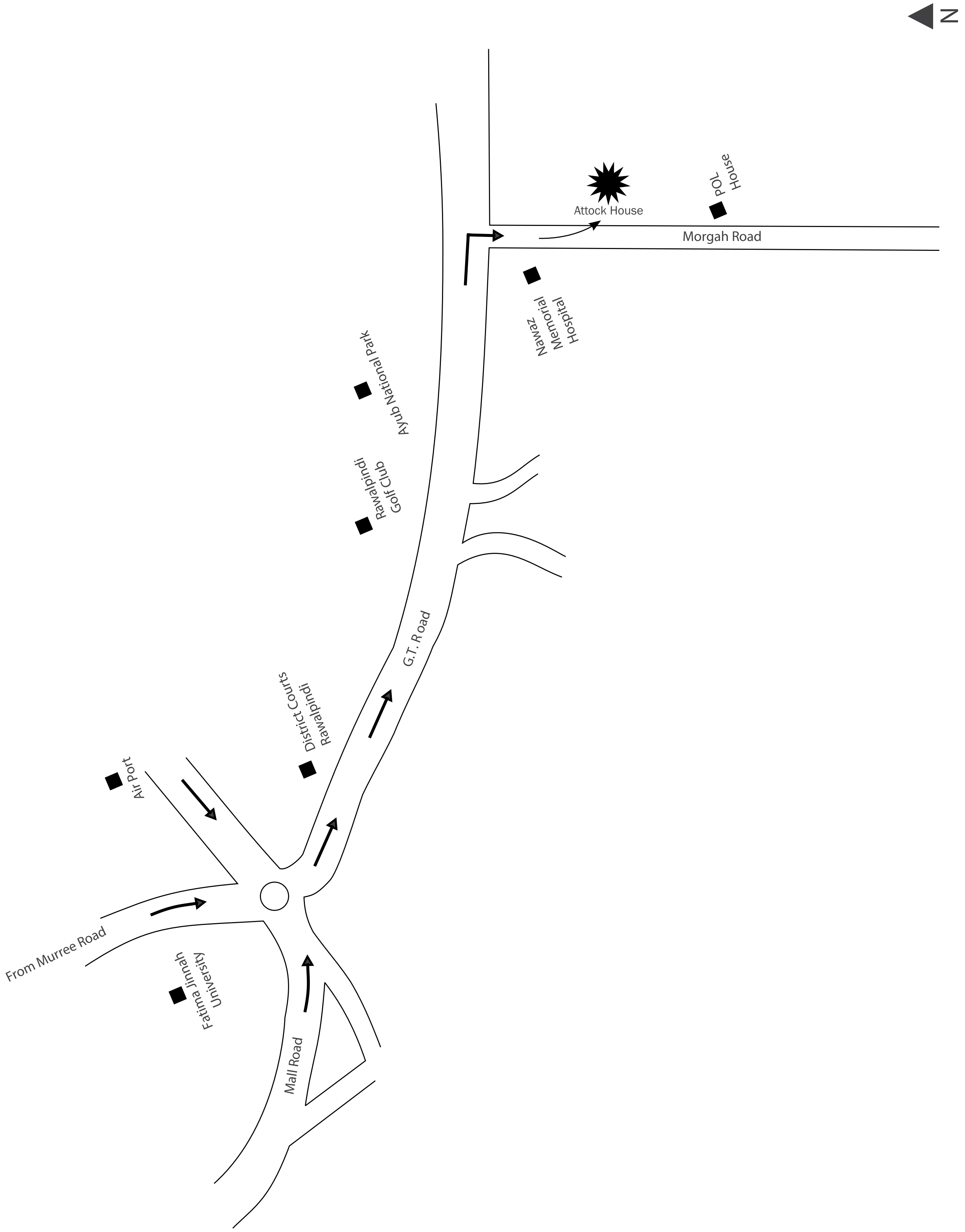
10. CHANGE IN ADDRESS:

The members are requested to promptly notify any change in their addresses.

11. AVAILABILTY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2019 have been made available on the Company's website www.pakoil.com.pk at least 21 days before the date of Annual General Meeting.

LOCATION MAP FOR ANNUAL GENERAL MEETING



GLOSSARY

2D Seismic	Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides two dimensional information.
3D Seismic	Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides three dimensional information.
Amb Formation	Geological Formation
Commercial Risk	Potential losses arising from the trading partners or the market.
Contractual Risk	Probability of loss arising from failure in contract performance.
Chorgali/Sakesar Formation	Geological Formation
Eocene Carbonates	Kind of Reservoir Rock
E & P Companies	Exploration and Production Companies
Exploratory well	A well drilled to find and produce oil or gas in an unproved area, find a new reservoir in a field previously found to be productive in another reservoir, or extend a known reservoir.
G & G	Geological & Geophysical
Hydrocarbon	An organic compound of hydrogen and carbon (i.e., oil, gas, and NGL).
ISO	International Organisation for Standardisation
JVP	Joint Venture Partner
Langrial Formation	Geological Formation
LPG	Liquefied petroleum gas.
NTS	National Testing Service
OHSAS	Occupational Health & Safety Advisory Services
Operational Risk	Risks resulting from breakdowns in internal procedures, people and systems
PSI	Pounds per square inch
PBTE	Punjab Board of Technical Education
Reservoir	Porous and permeable underground formation that contains a natural accumulation of producible oil or gas. The formation is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.
Seismic interpretation	To interpret the extent and geometry of rocks in the subsurface from 2D or 3D seismic data
Spud	Commencement of actual drilling operations.
SSGCL	Sui Southern Gas Company Limited

Tobra / Khewra Formations	Geological Formation
TEVTA	Technical Education of Vocational Training Authority
VTC	Vocational Training Center
VFD	Variable Frequency Density
MGC	Meyal Gas Complex
Plug and abandon	Act of sealing off a well, and often abbreviated as P&A. Cement plugs are inserted in the hole, and the property is abandoned.
MMSCFD	Million Standard Cubic Feet Per Day
MTD	Metric Tonnes Per Day
BPD	Barrels Per Day
KCDF	Khaur Crude Oil Decanting Facility
BPR	Business Process Reengineering
HMS	Hospital Management System
TRS	Transfer Request System
CSR	Corporate Social Responsibility
PSDF	Punjab Skills Development Fund
SECP	Securities & Exchange Commission of Pakistan
DTP	Directors' Training Programme

Say No to Corruption

FORM OF PROXY

68TH ANNUAL GENERAL MEETING

I/We ______________________________ of ______________________________
being a member of Pakistan Oilfields Limited and holder of ______________Ordinary Shares as per Share Register Folio No.________ and in case of members, who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") shall mention following particulars;
CDC Participant I.D. No. ______________ Sub-Account No. ____________________
CNIC No. ☐☐☐☐☐-☐☐☐☐☐☐☐-☐ or Passport No. ____________________ ,
hereby appoint ______________ of ______________, Folio No. (if member) ________ or Participant I.D__________ Sub. Account No.__________ failing him/her Mr./Mrs./Ms. ____________________of ____________________, Folio No. (if member) _________ or Participant I.D _________ Sub. Account No.__________ as my/our proxy in my/our absence to attend and to vote/act for me/us and on my/our behalf at the Sixty Eighth Annual General Meeting of the Company to be held on Tuesday, September 17, 2019 at 10.30 a.m. or at any adjournment thereof.

Fifty Rupees Revenue Stamp

____
Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

Dated this ________ day of ________2019

Signature of Proxy ____________________

For beneficial owners as per CDC list

Witnesses:

1. Signature ____________________
   Name ____________________
   Address ____________________
   ____
   CNIC ☐☐☐☐☐-☐☐☐☐☐☐☐-☐
   or Passport No. ____________________

2. Signature ____________________
   Name ____________________
   Address ____________________
   ____
   CNIC ☐☐☐☐☐-☐☐☐☐☐☐☐-☐
   or Passport No. ____________________

Note:
- Proxies, in order to be effective, must be received at the Registered Office of the Company at P.O.L. House, Morgah, Rawalpindi not less than 48 hours before the meeting.
- Shareholders and their Proxies are each requested to attach an attested photocopy of their CNIC or Passport with the proxy form before submission to the Company.

The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

پراکسی فارم

۶۸ واں سالانہ اجلاسِ عام

میں/ہم.................... پاکستان آئل فیلڈز کے ممبر کی حیثیت سے کمپنی کے.............. عمومی شیئر (ز) کنندہ رجسٹر فولیونمبر
.....................اور ممبر کی صورت میں جنہوں نے اپنے شیئرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) جمع کرائے ہیں
وہ مندرجہ ذیل کوائف درج کریں گے۔

سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر.................... سب اکاؤنٹ نمبر....................

کمپیوٹرائزڈ شناختی کارڈ نمبر.................... اور پاسپورٹ نمبر....................

میں جناب.................... فولیونمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے)....................

یا اُن کے بجائے، جناب.................... فولیونمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے)....................

....................بذریعہ ہذا کو اپنا/ہمارا پراکسی مقرر کرتا ہوں تاکہ میری غیر موجودگی میں کمپنی کے ۶۸ ویں سالانہ اجلاسِ عام
میں جو ۷ ستمبر ۲۰۱۹ء بروز منگل صبح ۱۰:۳۰ بجے منعقد ہو رہا ہے یا اُس کے التوائی اجلاس میں میری/ہماری طرف سے شرکت کر سکے یا ووٹ
دے سکے۔

۵۰ روپے کا رسیدی ٹکٹ یہاں چسپاں کریں

دستخط رُکن

آج بروز..............تاریخ....................۲۰۱۹

1۔گواہ	2۔گواہ
دستخط....................	دستخط....................
نام....................	نام....................
پتہ....................	پتہ....................
....	....
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر....................	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر....................
اور پاسپورٹ نمبر....................	اور پاسپورٹ نمبر....................

نوٹس

۱۔مکمل اور دستخط شدہ فارم اجلاس سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس پی او ایل ہاؤس مورگاہ راولپنڈی میں موصول ہونے
والا پراکسی فارم موثر سمجھا جائے گا۔

۲۔حصہ داران اور اُن کے پراکسی ہر دونوں کے شناختی کارڈ کی مصدقہ نقول متعلقہ پراکسی فارم کے ساتھ کمپنی آفس میں جمع کرائیں۔

دی سیکرٹری

پاکستان آئل فیلڈ لمیٹڈ

پی۔او۔ایل ہاؤس، مورگاہ، راولپنڈی

فون: (051) 5487589-97

فیکس: (051) 5487598-99

DIVIDEND MANDATE FORM

To:

*

I, Mr./Mrs./Ms.………………………………S/O,D/O,W/O……………………………...... hereby authorize Pakistan Oilfields Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

(i) Shareholder's Detail	
Name of the Shareholder	
Folio No./CDC Participants ID A/C No.	
CNIC No.**	
Passport No. (in case of foreign Shareholder)***	
Land Line Phone Number	
Cell Number	

(ii) Shareholder's Bank Detail	
Title of Bank Account	
Complete Bank Account Number / IBAN	
Bank's Name	
Branch Address	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

*The Shareholders having physical shares have to address the Company Secretary POL on the address given below:

The Company Secretary,
Pakistan Oilfields Limited,
POL House, Morgah,
Rawalpindi.

and Shareholders having their accounts with Central Depository Company (CDC) have to communicate mandate information to relevant Member Stock Exchange.

**Please attach attested photocopy of the CNIC.
***Please attach attested photocopy of the Passport

The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

JOINT ACCOUNT HOLDER FORM

Date: ________________

Company Secretary,
Pakistan Oilfields Limited
POL House, Morgah,
Rawalpindi.

Dear Sir,

In terms of FBR clarifications vide letter # 1(54) Exp/2014-132872-2 dated September 24, 2014 in regard to deduction of withholding tax on dividend warrant in case of joint account holder.

Mentioned below is the detail of shareholding in the Company's shares

Folio No. __________________

Name of Principal Shareholder/ Joint Shareholders	Shareholding %	CNIC No. (Copy attached)	Signatures

Regards,

Shareholder Name

Signature: _____________________

The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

Designed and Produced By:
ASTRAL HATCH INC.

Pakistan Oilfields Limited
POL House, Morgah, Rawalpindi.
Tel: (051) 548 7589-97 I Fax: (051) 548 7598-99
Web: www.pakoil.com.pk

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