GOVERNMENT HOLDINGS (PRIVATE) LIMITED

Annual Report 2024

CONTENTS

VISION, MISSION & CORE VALUES

VISION STATEMENT

To be a leading Company in meeting the growing energy requirements for the country by increasing domestic production through conventional and non-conventional sources and marketing of cheaper energy alternatives while ensuring optimal value for all stakeholders.

MISSION STATEMENT

To maximize energy production with a sustainable growing return to the shareholders and recognizing our people as the most valuable resource.

CORE VALUES

- Professional Competence
- Creative and Proactive
- Ethical Behavior and Integrity
- Authority with Responsibility
- Accountability

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nasir Mahmood Khosa
(Chairman
Independent, Non-Executive Director)

Mr. Momin Agha
(Non-Executive Director)

Ms. Saira Najeeb Ahmed
(Non-Executive Director)

Ms. Huma Pasha
(Independent, Non-Executive Director)

Rana Tariq Mehmood
(Independent, Non-Executive Director)

Mr. Ahmed Ali Quddusi
(Independent, Non-Executive Director)

Mr. Saqib A. Saki
(Independent, Non-Executive Director)

Mr. Muhammad Ramzan Malik
(Independent, Non-Executive Director)

Mr. Masood Nabi
(Chief Executive Officer/ Managing Director)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Arif

COMPANY SECRETARY

Mr. Sohail Abbas Rajani

AUDITORS

A.F. Ferguson & Co.,
Chartered Accountants

LEGAL ADVISORS

Rehman & Associates
Attorneys at law & Corporate Counsel

TAX ADVISORS

M/s A.F. Ferguson & Co.,
Chartered Accountants

BANKERS

National Bank of Pakistan
United Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
Bank Al- Falah Limited

REGISTERED OFFICE

7th Floor, Petroleum House
Ataturk Avenue
G – 5/2, Islamabad

REGISTRATION NUMBER

I - 02570

CONTACT DETAILS

PABX: +92 (51) 9211236-7, 9213976, 9211239-240
Fax: +92 (51) 9213972
Web Site: www.ghpl.com.pk

COMMITTEES OF THE BOARD

The Board has constituted four Committees to discharge its responsibilities in effective manner:

(i) Board Audit Committee

(ii) Board Finance, Procurement and Risk Management Committee

(iii) Board Business Development & Strategy Committee

(iv) Board Human Resource and Nomination Committee

Board **Audit** Committee

Composition as at June 30, 2024

Ms. Huma Pasha	Chairperson
Ms. Saira Najeeb Ahmed	Member
Rana Tariq Mehmood	Member

Terms of Reference

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

- Review of annual and interim financial statements of the company, prior to their approval by the Board;
- Review any financial, operational, or legal matters which could significantly impact the financial statements;
- Facilitating the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
- Ensuring coordination between the internal and external auditors of the company;
- Review of management letter issued by external auditors and management's response thereto;
- Suggesting the appointment of external auditors and any questions of resignation or removal of the external auditors, audit fees, and the provision by the external auditors of any service to the Company in addition to the audit of the Company's financial statements.
- Considering the objective and scope of any non-financial audit or consultancy work to be undertaken by the external auditors and reviewing the remuneration of this work;
- Review the scope and extent of the internal audit, audit plan, reporting framework, and procedures and ensure that the internal audit function has adequate resources and is appropriately placed within the company;
- Consideration of major findings of internal investigations and management's response thereto;
- Recommending the hiring or removal of the chief internal auditor;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- Review Code of Conduct and related policies applicable to employees, officers, and director and other agents and associates of the Company as and when required;
- Determination of appropriate measures to safeguard the company's assets;
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- Review of the company's statement on internal control system prior to endorsement by the Board of Directors;
- Overseeing whistle-blowing policy and protection mechanism; and
- Consideration of any other issue or matter as may be assigned by the Board.

Board **Finance, Procurement and Risk Management** Committee*

Composition as at June 30, 2024

Mr. Nasir Mahmood Khosa	Chairman
Ms. Saira Najeeb Ahmed	Member
Rana Tariq Mehmood	Member

Terms of Reference

The Terms of Reference of the Board Finance, Procurement and Risk Management Committee include the following:

Finance

- Review and recommendation of operational plans, long-term projections and financing plans for the Company's projects/operations for approval by the Board of Directors;
- Evaluation and recommendation of the Annual Operating and Capital Budget;
- Review of policies relating to financial matters prepared by management for Board approval; and
- Review corporate objectives, strategies developed by the Management and the Company's overall performance against the Annual Strategy;

Procurement

- Review and recommend the Annual Procurement Plan of the Company and the required budget;
- Review the Company's policies and procedures for the procurement of goods, services, and works and recommend changes for improvement thereof;
- Ensure compliance by management with applicable laws, including the PPRA Rules while procuring goods, services, and consultancy;
- Review special cases of procurement referred by the Management for seeking directives/guidance/instructions of the Committee; and
- Review any changes to financial authorities relating to procurement.

Risk Management

- Identification and management of strategic business risks of the Company;
- Review the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan;
- Review management's assessment of risk periodically and provide an update to the Board in this regard;
- Monitor steps management has implemented to manage and mitigate identifiable risks, and assess the effectiveness of the Company's Risk Management processes and recommend improvements;
- Review the controls, risk mitigation measures, and extent of disclosure with the objective of obtaining reasonable assurance that all risks are being effectively managed and controlled;
- Review with the Company's counsel, legal matters which could have a material impact on the Company and related public disclosure, including through the financial statements; and
- Providing regular updates to the Board of Directors on key risk management issues and its proposed mitigating factors.

Environmental, Social, and Governance (ESG)

- Recommend to the Board the Company's overall strategy with respect to ESG Matters;
- Identify the Company's ESG risks and opportunities;
- Oversee the development of related policies, practices, and performance with respect to ESG matters across the company; and
- Report to the Board on ESG matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.

**Subsequent to year-end, the Committee was reconstituted into the Board Finance and Procurement Committee and the Board Risk Management Committee.*

Board **Business Development & Strategy** Committee

Composition as at June 30, 2024

Mr. Ahmad Ali Quddusi	Chairman
Mr. Momin Agha	Member
Mr. Saqib A. Saki	Member

Terms of Reference

The Terms of Reference of the Board Business Development & Strategy Committee include the following:

- Review the corporate medium to long-term business development strategy of the company prepared by the management and recommend it to the Board.
- Review proposals/feasibility studies for special projects to assess possibilities for prospective business expansion and investment.
- Review the proposed annual Business Plan to ensure alignment with the overall strategy of the company and endorse the same for approval of the Board.
- Review and advise on business opportunities in upstream sectors such as Farm-in in Exploration Joint Ventures
- Review growth possibilities through new projects and diversification.
- The Committee shall consider any other issue or matter as may be assigned by the Board

Board **Human Resources and Nomination** Committee

Composition as at June 30, 2024

Mr. Saqib A. Saki	Chairman
Ms. Huma Pasha	Member
Mr. Muhammad Ramzan Malik	Member

Terms of Reference

The Terms of Reference of the Board Human Resources and Nomination Committee include the following:

- Recommend the human resource management policies to the Board
- Review organization structure periodically and recommend changes in the organization, functions, and reporting relationships of management positions;
- Establish plans and procedures that provide an effective basis for management control and monitoring over company manpower;
- Review and recommend to the Board, succession plans and talent management for critical Senior positions;
- Determine appropriate 'Limits of Authority' and approval procedures for personnel matters requiring decisions at different levels of management.
- Recommend to the Board for consideration and approval a policy framework for determining the remuneration of directors and senior management;
- Ensure that compensation policies and procedures are aptly designed to attract and retain the caliber of personnel needed to manage the business effectively;
- Recommend annual increments and bonus to employees;
- Review and recommend to the Board the development and training needs of employees and Board members in line with the strategy of the company;
- Undertaking, annually, a formal process of evaluation of performance of the Board as a whole, its members and its committees; either directly or by engaging an external independent consultant;
- Develop professional and ethical standards and values to be incorporated in the Code of Ethics / Code of Conduct and provide support to the Board on various aspects of employee relations;
- Employee workplace policies concerning safety and wellbeing, engagement, work-life balance, diversity and inclusion and other

standards detailed within the Company's Code of Conduct;

- Formulation and oversee the implementation of gender diversity policy for recruitment, promotion along with gender pay gap analysis within the organization;
- Identify, evaluate and recommend candidates for vacant positions including casual vacancies on the Board including candidates recommended by the Government for consideration of shareholders or in case of casual vacancy to the board of directors after examining their skills and characters that are needed in such candidates; and
- Monitoring whether satisfactory orientation at the time of induction is provided for new directors with respect to their Board and Board Committee responsibilities

ATTENDANCE OF BOARD & COMMITTEE MEETINGS

Name of Director	Board of Directors		Board Audit Committee		Board Finance, Procurement & Risk Management Committee		Board Business Development & Strategy Committee	
	Meetings	Attendance	Meetings	Attendance	Meetings	Attendance	Meetings	Attendance
Mr. Nasir Mahmood Khan Khosa	16	16	-	-	5	5	-	-
Ms. Huma Pasha	16	16	7	7	-	-	-	-
Mr. Momin Agha*	13	13	-	-	-	-	4	4
Mr. Muhammad Mahmood*	3	3	-	-	-	-	1	1
Mr. Muhammad Ramzan Malik**	5	5	-	-	-	-	-	-
Mr. Ahmad Ali Quddusi	16	16	-	-	-	-	6	6
Rana Tariq Mehmood	16	16	7	7	5	5	-	-
Ms. Saira Najeeb Ahmed	16	16	7	7	5	5	-	-
Mr. Saqib Ahmad Saki	16	16	-	-	-	-	6	6
Mr. Shahbaz Tahir Nadeem**	11	11	-	-	-	-	-	-

Name of Director	Board HR & Nomination Committee		Special Purpose		Fee paid to the Directors
	Meetings	Attendance	Meetings	Attendance	(Rupees)
Mr. Nasir Mahmood Khan Khosa	-	-	-	-	3,150,000
Ms. Huma Pasha	20	20	3	3	6,900,000
Mr. Momin Agha*	-	-	-	-	2,400,000
Mr. Muhammad Mahmood*	-	-	-	-	600,000
Mr. Muhammad Ramzan Malik**	2	2	3	1	1,200,000
Mr. Ahmad Ali Quddusi	-	-	3	3	3,600,000
Rana Tariq Mehmood	-	-	-	-	4,200,000
Ms. Saira Najeeb Ahmed	-	-	3	3	4,650,000
Mr. Saqib Ahmad Saki	21	21	3	3	6,750,000
Mr. Shahbaz Tahir Nadeem**	19	19	3	3	4,950,000

The Board was reconstituted on July 3, 2023

** Mr. Muhammad Mahmood was replaced by Mr. Momin Agha w.e.f September 01, 2023*
*** Mr. Shahbaz Tahir Nadeem was replaced by Mr. Muhammad Ramzan Malik w.e.f. Feb 27, 2024*

HIGHLIGHTS 2023-24

Operational Highlights

09	08	05	1,554	1,517
Exploration / Appraisal wells	Development wells	Discoveries	Line Km 2D seismic acquired	Sq. Km 3D seismic acquired

Operational activity in partner-operated blocks

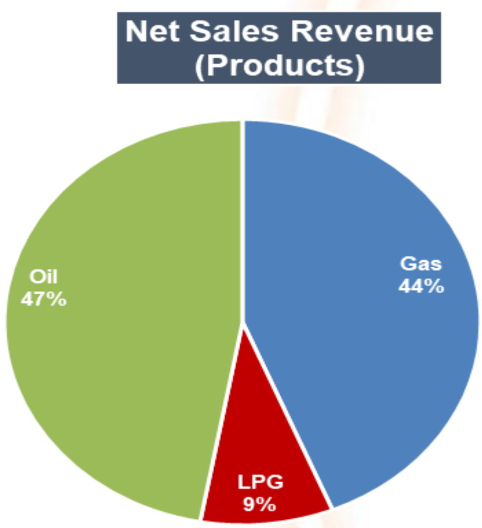
Financial Performance

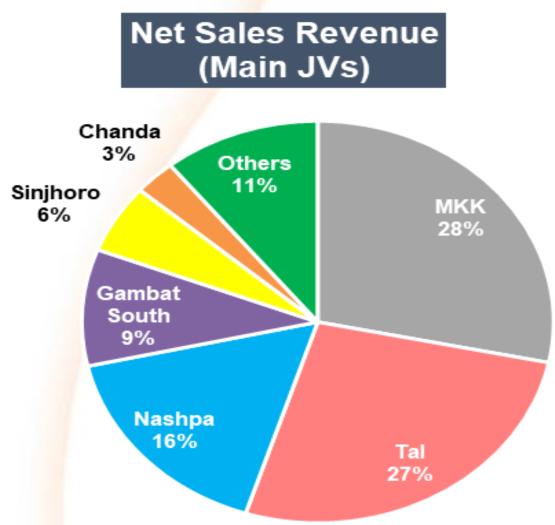
Rs. 137.9	Rs. 103.2	Rs. 69.2	Rs. 29.78	50%
Net Sales Revenue (billion)	Gross Profit (billion)	Profit after taxes (billion)	Earnings per Share (basic and diluted)	Net Profit Margin

Production Results

7,823	183	210
Oil/condensate (BPD)	Gas (MMSCFD)	LPG (MTD)

Net GHPL's share of Production

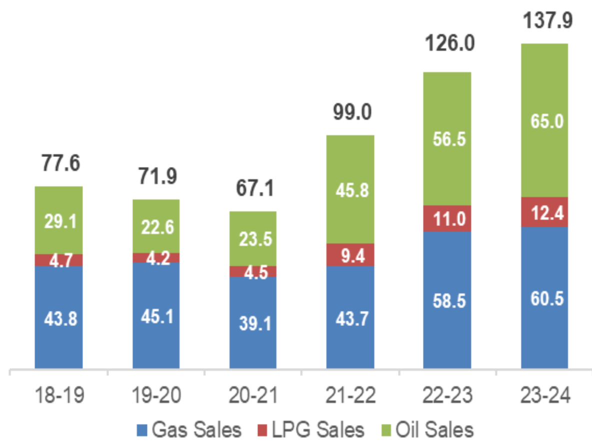




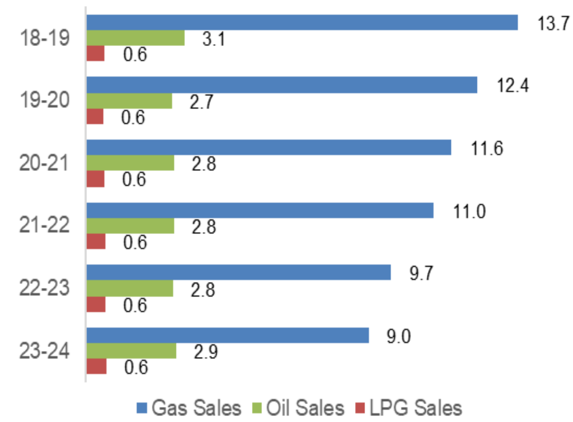
SIX YEARS SUMMARY

		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Operational Performance							
Seismic Survey - 2 D	line km	619	938	640	1,045	2,257	1,554
Seismic Survey - 3 D	sq. km	614	510	730	600	1,009	1,517
Wells Drilled - Exploratory / Appraisal	numbers	21	9	10	13	13	9
Wells Drilled - Development	numbers	10	5	4	10	11	8
Oil & Gas Discoveries	numbers	8	3	3	6	6	5
Production (GHPL's Share)							
Oil / Condensate	BPD	9,094	7,780	7,781	7,899	7,730	7,823
Gas	MMSCFD	257	233	227	219	196	183
LPG	MTD	197	181	189	206	201	210
Financial Results							
Sales - Gross	Rs. billion	86.8	81.4	75.7	111.3	139.2	152.1
Sales - Net	Rs. billion	77.6	71.9	67.1	99.0	126.0	137.9
Gross Profit	Rs. billion	59.6	49.4	46.3	71.4	92.4	103.2
EBITDA	Rs. billion	58.1	58.0	55.1	73.8	94.3	111.5
Profit before Taxation	Rs. billion	54.4	50.4	48.4	65.2	85.8	100.9
Profit after Taxation	Rs. billion	34.6	33.0	33.5	43.2	49.2	69.2
Financial Position							
Share Capital & Reserves	Rs. billion	136.7	165.1	193.5	232.5	291.8	353.9
Non Current Liabilities	Rs. billion	17.6	17.7	16.8	14.3	84.2	74.7
Current Liabilities	Rs. billion	15.6	16.4	12.7	89.0	42.3	67.2
Total Equity & Liabilities	**Rs. billion**	**169.8**	**199.2**	**223.0**	**335.8**	**418.3**	**495.8**
Fixed Assets	Rs. billion	48.2	49.9	48.7	47.0	49.3	46.3
Long term investment & deposit	Rs. billion	3.0	3.4	5.3	42.2	61.6	71.3
Long term loan including current portion	Rs. billion	8.4	7.9	6.7	5.6	4.4	0.2
Receivable from GoP	Rs. billion	-	-	-	64.0	70.4	71.9
Deferred tax asset	Rs. billion	-	-	-	-	-	5.8
Trade Receivables	Rs. billion	84.7	104.5	109.0	141.5	191.7	223.0
Cash, Bank & Term Deposits	Rs. billion	22.2	30.0	49.2	31.4	35.7	71.2
Other Current Assets	Rs. billion	3.3	3.6	4.1	4.2	5.0	6.0
Total Assets	**Rs. billion**	**169.8**	**199.2**	**223.0**	**335.8**	**418.3**	**495.8**
Cash Flows							
Opening Balance	**Rs. billion**	**2.6**	**16.2**	**23.5**	**36.6**	**21.4**	**30.7**
Operating activities	Rs. billion	19.8	14.4	27.1	26.8	13.5	46.9
Investing activities	Rs. billion	(1.4)	(2.5)	(9.0)	(37.4)	6.2	6.5
Financing activities	Rs. billion	(4.8)	(4.6)	(5.1)	(4.7)	(5.3)	(19.3)
Changes in Cash & Equivalents	**Rs. billion**	**13.6**	**7.3**	**13.1**	**(15.2)**	**14.4**	**34.1**
Effects of exchange rates changes	Rs. billion	-	-	-	-	-	(0.0)
Reserved against Mining project	Rs. billion	-	-	-	-	(5.0)	(5.0)
Cash & Equivalents at year end	**Rs. billion**	**16.2**	**23.5**	**36.6**	**21.4**	**30.7**	**59.8**
Contribution to National Exchequer							
Total Contribution	Rs. billion	40.3	42.4	40.4	47.8	66.8	68.2
Profitability Ratios							
Gross Profit Margin	%	77%	69%	69%	72%	73%	75%
EBITDA Margin	%	75%	81%	82%	75%	75%	81%
Pre tax Margin	%	70%	70%	72%	66%	68%	73%
Net Profit Margin	%	45%	46%	50%	44%	39%	50%
Return on equity	%	29%	22%	19%	20%	19%	21%
Return on average capital employed	%	40%	30%	25%	29%	28%	25%
Turnover Ratios							
Debtor turnover	Times	1.2	0.9	0.7	0.9	0.8	0.7
Debtors Collection period	Days	293	428	519	413	439	499
Liquidity Ratios							
Current ratio	Times	7.3	8.9	12.9	7.1	6.4	5.6
Cash to Current Liabilities	Times	1.4	1.8	3.9	1.3	1.0	1.3
Investment Ratios							
Cash Dividend	Rs. billion	5.0	5.0	7.0	5.0	5.0	7.0
Earnings per Share	Rs.	16.8	15.8	16.0	20.5	22.7	29.8
Dividend per share	Rs.	2.4	2.4	3.4	2.3	2.2	3.0
Dividend Payout Ratio	%	14%	15%	21%	12%	10%	10%

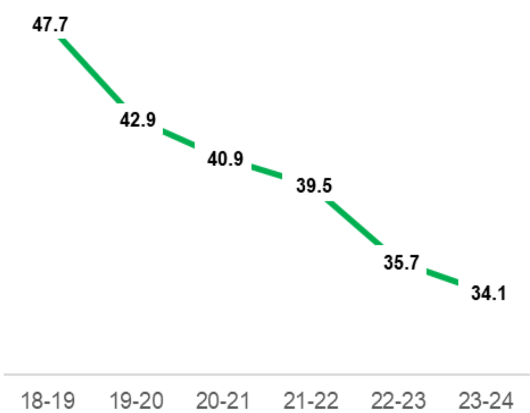
Net Sales (Rs. in billion)



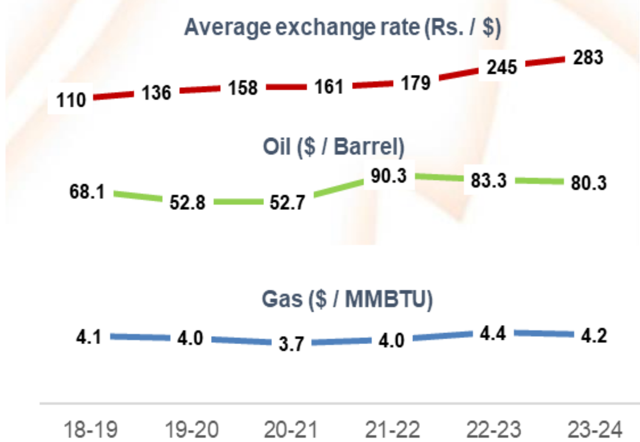
Sales Volume (BoEs in million)



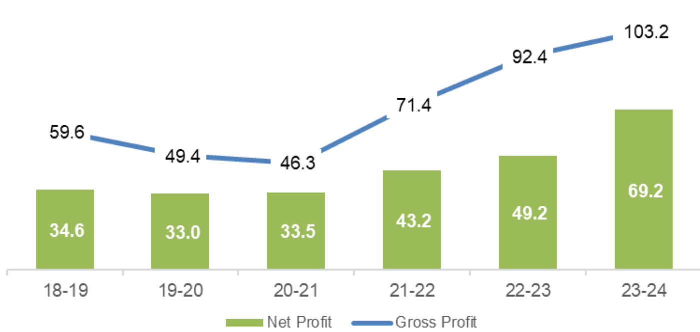
Sales per day (BoEs in 000')



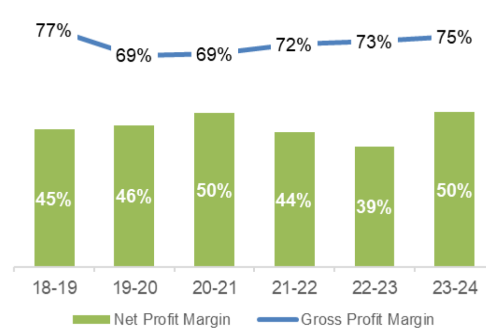
Average Realized Exchange Rate & Prices



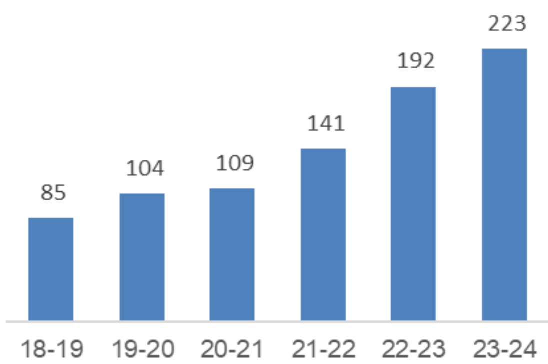
Gross Profit & Net Profit (Rs. in billion)



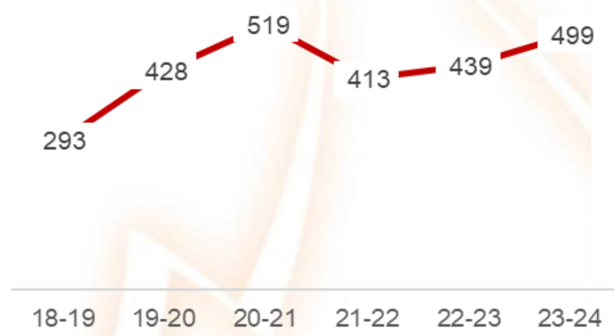
Margins (%)



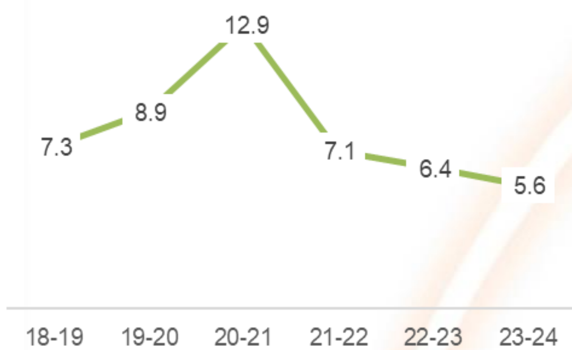
Trade Receivables (Rs. in Billion)



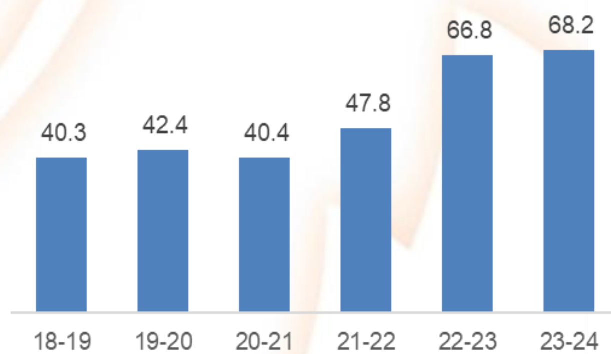
Debtors Turnover (in days)



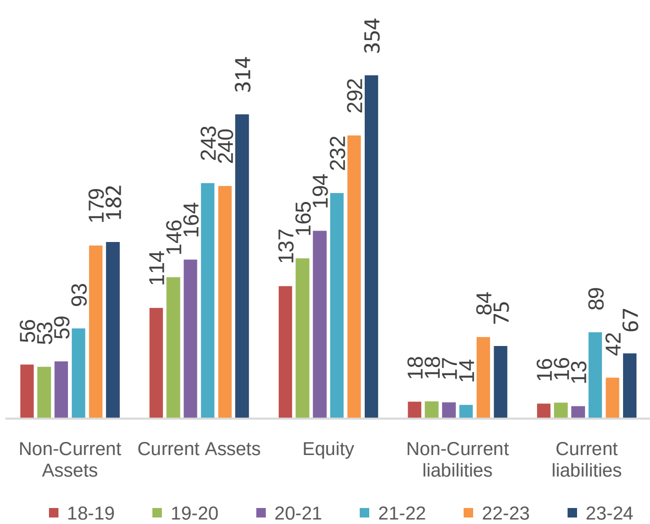
Current Ratio (times)



Contribution to National Exchequer (Rs. in Billion)



Total Assets, Equity and Liabilities (Rs. in Billion)

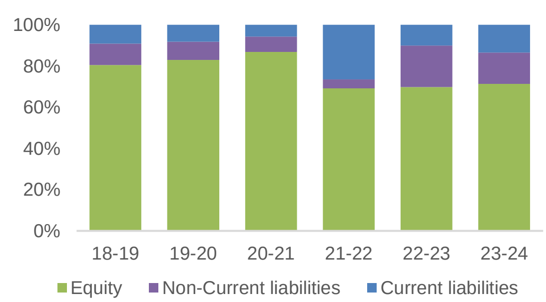


- **Net Sales:** Reached a record-high Rs. 138 billion in FY 2023-24, up from Rs. 78 billion in FY 2018-19, driven by higher exchange rates and realized prices.
- **Production Trends:** Gas production and sales volumes declined due to natural depletion of mature fields, while oil volumes remained stable due to new discoveries.
- **Profit After Tax:** Achieved an unprecedented Rs. 69 billion in FY 2023-24, compared to Rs. 35 billion in FY 2018-19, primarily due to higher net sales.
- **Total Assets:** Stood at Rs. 496 billion as of June 30 2024, up from Rs. 170 billion in 2019, reflecting growth in long-term investments, GoP receivables, trade debts, and cash reserves.
- **Trade Receivables:** Increased from Rs. 85 billion in FY 2018-19 to Rs. 223 billion in FY 2023-24, mainly due to inter-corporate circular debt. Record collections of Rs. 118 billion in FY 2023-24 slowed the growth in receivables.
- **National Contribution:** Contributed Rs. 306 billion to the national exchequer over the last six fiscal years through corporate taxes, dividends, royalties, and government levies.

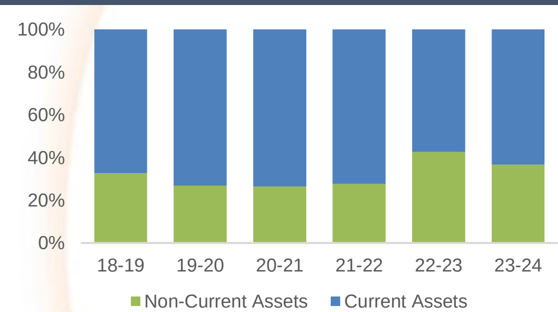
VERTICAL & HORIZONTAL ANALYSIS

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Vertical Analysis						
Profit or Loss Account						
Sales - Net	100%	100%	100%	100%	100%	100%
Cost of Sales	-23%	-31%	-31%	-28%	-27%	-25%
Gross Profit	77%	69%	69%	72%	73%	75%
Profit before Taxation	70%	70%	72%	66%	68%	73%
Profit after Taxation	45%	46%	50%	44%	39%	50%
Balance Sheet						
Share Capital &Reserves	81%	83%	87%	69%	70%	71%
Non Current Liabilities	10%	9%	8%	4%	20%	15%
Current Liabilities	9%	8%	6%	27%	10%	14%
Total Equity & Liabilities	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Non Current Assets	33%	27%	27%	28%	43%	37%
Current Assets	67%	73%	73%	72%	57%	63%
Total Assets	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Horizontal Analysis (base year: 2018-19)						
Profit or Loss Account						
Sales - Net	100%	93%	86%	128%	162%	178%
Cost of Sales	100%	126%	116%	153%	187%	193%
Gross Profit	100%	83%	78%	120%	155%	173%
Profit before Taxation	100%	93%	89%	120%	158%	185%
Profit after Taxation	100%	96%	97%	125%	142%	200%
Balance Sheet						
Share Capital &Reserves	100%	121%	142%	170%	213%	259%
Non Current Liabilities	100%	101%	96%	82%	480%	426%
Current Liabilities	100%	105%	82%	572%	272%	432%
Total Equity & Liabilities	**100%**	**117%**	**131%**	**198%**	**246%**	**292%**
Non Current Assets	100%	96%	106%	167%	321%	327%
Current Assets	100%	128%	143%	213%	210%	275%
Total Assets	**100%**	**117%**	**131%**	**198%**	**246%**	**292%**

Composition of Equity & Liabilities (%)



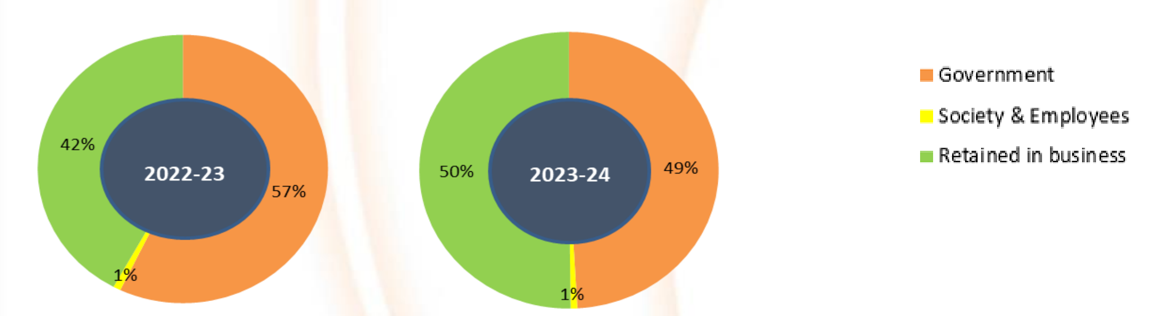
Composition of Assets (%)



STATEMENT OF VALUE ADDITION

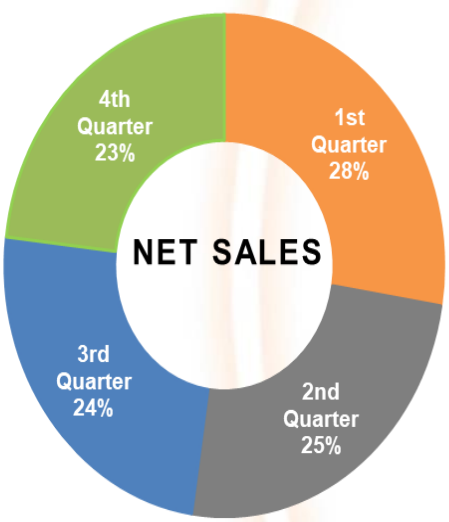
	2022-23		2023-24	
	Rs. billion	%	Rs. billion	%
Gross Revenue	139.2	113%	152.1	108%
Less: Operating, G&A and Exploration Expenses	(11.5)	-9%	(11.4)	-8%
	127.6	104%	140.7	100%
Add: Income from Financial Assets	12.6	10%	26.1	18%
Income from Non-Financial Assets	0.8	1%	0.0	0%
Less: Finance & Other Expenses	(18.4)	-15%	(25.6)	-18%
Total Value Added	**122.7**	**100%**	**141.3**	**100%**
DISTRIBUTED AS FOLLOWS:				
Employees Remuneration and Benefits	0.9	1%	1.0	1%
Government as:				
Company Taxation	36.6	30%	31.8	22%
Sales Tax, Excise Duty etc.	13.1	11%	14.2	10%
Royalty and other levies	15.3	12%	16.4	12%
Dividends	5.0	4%	7.0	5%
	70.0	57%	69.4	49%
To Society	0.1	0%	0.0	0%
Retained in Business:				
Depreciation	2.6	2%	3.2	2%
Amortization	4.7	4%	5.1	4%
Impairment	0.1	0%	0.4	0%
Net Earnings	44.2	36%	62.2	44%
	51.6	42%	70.9	50%
/alue Added	**122.7**	**100%**	**141.3**	**100%**

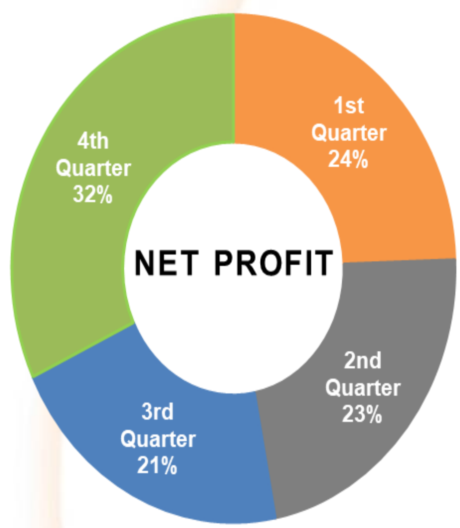
DISTRIBUTION OF VALUE ADDED



QUARTERLY ANALYSIS FY 2023-24

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
STATEMENT OF PROFIT OR LOSS						
SALES - NET	**Rs. billion**	**38.0**	**34.2**	**33.7**	**32.0**	**137.9**
Royalty and other levies	Rs. billion	(4.6)	(4.2)	(3.8)	(3.8)	**(16.4)**
Operating expenses	Rs. billion	(4.8)	(4.2)	(4.5)	(4.8)	**(18.3)**
GROSS PROFIT	**Rs. billion**	**28.6**	**25.8**	**25.4**	**23.3**	**103.2**
Exploration & prospecting expenditure	Rs. billion	(0.1)	(0.3)	(0.1)	(0.7)	**(1.2)**
General and administrative expenses	Rs. billion	(0.2)	(0.3)	(0.5)	(0.6)	**(1.6)**
Net impairment loss on financial assets	Rs. billion	-	-	-	(0.0)	**(0.0)**
Other income / (expenses) - net	Rs. billion	(3.3)	0.3	(1.8)	(2.1)	**(6.8)**
Finance income / (cost) - net	Rs. billion	1.7	2.4	2.4	3.1	**9.6**
Share of loss of associate	Rs. billion	(0.8)	(0.4)	(0.6)	(0.4)	**(2.3)**
PROFIT BEFORE TAXATION	**Rs. billion**	**25.9**	**27.6**	**24.8**	**22.6**	**100.9**
Taxation	Rs. billion	(9.0)	(12.0)	(10.3)	(0.5)	**(31.8)**
PROFIT AFTER TAX	**Rs. billion**	**16.9**	**15.6**	**14.5**	**22.1**	**69.2**
SALES VOLUME						
Gas	MMBTUS in million	13	13	13	12	**51**
Oil	BBLs in million	0.8	0.7	0.7	0.7	**2.9**
LPG	MTs in thousands	20	20	20	18	**77**





REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE) GOVERNANCE RULES, 2013

pwc

A·F·FERGUSON&Co.

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Government Holdings (Private) Limited (the Company) for the year ended June 30, 2024.

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

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 Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2024.

A.F.Ferguson&Co.

Chartered Accountants
Islamabad
Date: February 28, 2025
UDIN: CR202410083YlopaQti1

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

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

Name of company: Government Holdings Private Limited (The Company)
Name of the line ministry: Ministry of Energy (Petroleum Division)
For the year ended: June 30, 2024

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner:

Sr. No	Provision of the Rules	Rule no.	Yes	No	Remarks
			Tick in the Relevant box		
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓		Declaration from the director is taken at the time of appointment only.
2.	The Board has at least one-third of its total members as independent directors. At present the board (as of June 30, 2024) includes:	3(2)	✓		The directors were nominated by Government of Pakistan on July 3, 2024.

Category	Names
Independent Director	• Mr Nasir Mehmood Khosa • Mr Rana Tariq Mehmood • Mr Ahmad Ali Quddusi • Mr Saqib A. Saki • Ms Huma Pasha
Executive Director	• Mr. Masood Nabi
Non-Executive Directors	• Mr Momin Agha • Mr Muhammad Ramzan Malik • Ms Saira Najeeb Ahmed

Sr. No	Director	Number of directors
1.	Male	7
2.	Female*	2

✓

*According to Companies Act 2017 section 154 subsection (1) proviso, public interest companies shall be required to have female representative on the board as may be specified by the Commission.

Sr. No	Provision of the Rules	Rule no.	Yes	No	Remarks
			Tick in the Relevant box		
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓		
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as board members under the provisions of the Act.	3(7)	✓		All the nominations on the Board of Directors are made by the Federal Government.
5.	The office of the chairman shall be separate and his responsibilities distinct from those of the chief executive.	4(1)	✓		
6.	The chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓		All the nominations on the Board of Directors, including the Chairman, are made by the Federal Government.
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Non-applicable where the chief executive has been nominated by the Government)	5(2)	N/A		All the nominations on the Board of Directors are made by the Federal Government.
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (www.paklng.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓		- - -
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		-
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5) (b)(ii)	✓		-
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	✓		-
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5) (c)(ii)	✓		-

Sr. No	Provision of the Rules	Rule no.	Yes	No	Remarks
			Tick in the Relevant box		
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5) (c)(iii)	✓		-
14.	The board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓		-
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓		-
16.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A		-
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓		-
18.	a) The board has met at least four times during the year.	6(1)	✓		-
	b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓		Notice for 181, 185, 192 and 195 meetings of BoD could not be circulated within the stipulated time due to the urgent nature of the agenda. However, the same requirement has been waived off in the respective meetings by BoD
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓		-
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓		-
20.	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓		-

Naci.

<table>
<tr><th rowspan="2">Sr. No</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule no.</th><th>Yes</th><th>No</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">Tick in the Relevant box</th></tr>
<tr><td>21.</td><td>(a) The board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.

(b) In cases of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.

(c) The Board has placed the annual financial statements on company's website.</td><td>10</td><td>

N/A

✓</td><td>✓</td><td>The Board has approved the profit or loss and balance sheet relating to the first, second, and third quarter for the year but not within the stipulated time period.</td></tr>
<tr><td>22.</td><td>All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.
In order to acquaint the Board members with the wider scope of responsibilities concerning the use of public resources, to act in good faith and in the best at least one orientation course shall be arranged annually for the directors.</td><td>11</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>23.</td><td>(a) The board has formed the requisite committees, as specified in the Rules.

b) The committees were provided with written term of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the board members.

(d) The committees were chaired by the following non-executive directors:
<table>
<tr><th>Committee</th><th>No. of Members</th><th>Name of Chair</th></tr>
<tr><td>Human Resource & Nomination Committee</td><td>3</td><td>Mr. Saqib A. Saki</td></tr>
<tr><td>Finance, Procurement and Risk Management Committee</td><td>3</td><td>Mr. Nasir Mahmood Khosa</td></tr>
<tr><td>Audit Committee</td><td>3</td><td>Ms. Huma Pasha</td></tr>
<tr><td>Business Development & Strategic Committee</td><td>3</td><td>Mr. Ahmad Ali Quddusi</td></tr>
</table></td><td>12</td><td>✓

✓

✓

✓</td><td></td><td>-

-

-

-</td></tr>
<tr><td>24.</td><td>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>25.</td><td>The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.</td><td>14</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>26.</td><td>The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.</td><td>16</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>27.</td><td>The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>✓</td><td></td><td>-</td></tr>
</table>

<table>
<tr><th rowspan="2">Sr. No</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule no.</th><th>Yes</th><th>No</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">Tick in the Relevant box</th></tr>
<tr><td>28.</td><td>The Directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.</td><td>18</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>29.</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.
(b) The annual report of the Company contains criteria and details of remuneration of each director.</td><td>19</td><td>✓
✓</td><td></td><td>-
-</td></tr>
<tr><td>30.</td><td>The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the board.</td><td>20</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>31.</td><td>The board has formed an audit committee, with defined and written terms of reference, and having the following members as at June 30, 2024:
<table>
<tr><th>Name of Members</th><th>Category</th><th>Professional background</th></tr>
<tr><td>Ms Huma Pasha</td><td>Independent director</td><td>ICAP, Hubco, Dawood Hercules</td></tr>
<tr><td>Ms Saira Najeeb Ahmed</td><td>Non-executive Director</td><td>University of London, NEPRA Finance Division, WAPDA</td></tr>
<tr><td>Mr Rana Tariq Mehmood</td><td>Independent director</td><td>Sheikh Zayed Medical College, Pakistan Agricultural Research Council</td></tr>
</table>
The Chief Executive and Chairman of the Board are not members of the audit committee.</td><td>21 (1) and 21 (2)</td><td>✓</td><td></td><td>-</td></tr>
<tr><td>32.</td><td>(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meeting of the audit committee at which issues relating to accounts and audit were discussed.

(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.

(c) The audit committee met the chief internal auditor and other members of the internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</td><td>21(3)</td><td>✓
✓
✓</td><td></td><td>-
-
-</td></tr>
<tr><td>33.</td><td>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.
(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.
(c) The internal auditor reports have been provided to the external auditors for their review.</td><td>22</td><td>✓
✓
✓</td><td></td><td>-
-
-</td></tr>
</table>

Sr. No	Provision of the Rules	Rule no.	Yes	No	Remarks
			Tick in the Relevant box		
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23 (4)	✓		-
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23 (5)	✓		-

Nasir Mahmood Khosa

Name: Nasir Mahmood Khosa

Chairman

Dated:
Islamabad

Masood Nabi

Name: Masood Nabi

Managing Director/CEO

Dated:
Islamabad

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

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

Sr. No	Rule/sub-rule No.	Reason for Non-Compliance	Future course of Action
1.	10	The Board has approved the profit and loss account for and balance sheet as at the end of, the first, second, and third quarter of the year as well as the financial year. However, the Quarterly Financial Statements were not prepared within one month of the relevant quarter because cost statements from respective operators are issued within 30 days of the relevant month as per the Petroleum Concession Agreement (PCA) approved by the Government of Pakistan (GoP).	There is a time limitation for the preparation and approval of quarterly financial statements because cost statements are issued by the JV operator within 30 days of the relevant month as per the signed Petroleum Concession Agreement. However, efforts will be made to ensure preparation of Quarterly Financial Statements within the required time including taking up the matter with the respective operators.

Name: Nasir Mahmood khosa

Chairman

Dated:
Islamabad

Name: Masood Nabi

Managing Director/CEO

Dated:
Islamabad

DIRECTORS' REPORT 2023-24

DIRECTORS' REPORT

for the year ended June 30, 2024

On behalf of the Board of Directors, we are pleased to present the Directors' Report for the year ended June 30, 2024 along with the Annual Report, the audited Financial Statements of the Company, and the Auditors' Report thereon.

INTRODUCTION

The Company, Government Holdings (Private) Limited (GHPL) was incorporated in the year 2000 as a private limited company under the Companies Ordinance, 1984 (now governed by Companies Act 2017).

GHPL is one of the three public sector Oil and Gas Exploration and Production (E&P) Companies operating under the governance of the Petroleum Division of the Ministry of Energy, Pakistan.

PATTERN OF SHAREHOLDING

The Company is fully owned by the Government of Pakistan (GOP) and all the members of the Board of Directors are nominated by the GOP.

GROUP STRUCTURE

The Company holds 100% equity stake in Interstate Gas Systems (Private) Limited (ISGS) and Pakistan LNG Limited (PLL).

ISGS is mandated by GoP to oversee the import of transnational gas pipelines into the country and make improvements in Pakistan's strategic Oil and Gas infrastructure. PLL's principal activity is to import, transport, market and distribute Liquefied Natural Gas (LNG).

Collectively, the Company and its subsidiaries are referred to as "the Group".

GHPL also holds a 25% equity interest in Pakistan International Oil Limited (PIOL), an E&P Company based in Abu Dhabi, UAE. Moreover, as part of its diversification strategy, GHPL also has 33.33% equity stake in Pakistan Minerals (Private) Limited (PMPL), a company that holds an indirect 25% non-operating share in the Reko Diq Mining Project for the extraction of gold and copper.

EXPLORATION & PRODUCTION PORTFOLIO

GHPL acts as a non-operator partner in onshore petroleum E&P joint ventures and is the licensee of offshore petroleum exploration licenses in Pakistan.

GHPL holds a diverse portfolio of exploration and production assets across the country with international presence in UAE. It is partner with several local and foreign E&P companies, which includes OGDCL, PPL, UEP, MOL, OPPL, POL, MPCL, Al-Haj Enterprises, and KUFPEC.

The Company's onshore E&P investment portfolio within the country as at year-end comprised of:

i. 55 Exploration Licenses under various Petroleum Concession Agreements (PCA)
ii. 102 Development and Production (D&P) Leases

Further, the Company through its 25% equity interest in PIOL holds working interest in Abu Dhabi Offshore Block – 5.

The Company is also the licensee of two (02) offshore blocks within the country, under Production Sharing Agreements (PSA).

The Company is constantly exploring opportunities to enhance its investments in the Energy Sector.

OPERATIONAL HIGHLIGHTS

Seismic Activities

A total of 1,554 L. Km of 2D seismic and 1,517 Sq. Km of 3D seismic lines were acquired during the year in different non-operated blocks of the Company. In 2022-23, the corresponding figures were 2,257 L. Km and 1,009 Sq. Km, respectively.

Drilling Activities

Following drilling activities were carried out in different non–operated blocks of the Company.

Wells Status	2023-24	2022-23
Exploration & Appraisal	**9**	13
Development	**8**	11

Discoveries

A total of 5 discoveries were made during the year ended June 2024:

- Taj South-1, Takhat-3 (C sand) and Isra-1 discoveries were made in Mirpurkhas Block operated by UEPL.
- Kharo-1 discovery was made in Khewari Block operated by OGDCL.
- Jhim East-1 discovery was made in Shah Bandar Block operated by PPL.

These discoveries resulted in an addition of ~3.57 BCF of natural gas and ~0.1 MMBO of oil/condensate to the Company's hydrocarbon resources/reserves.

Production

GHPL's share of average daily production from all fields during the year ended June 2024 is as follows:

	2023-24	2022-23
Oil (BOPD)	**7,823**	7,730
Gas (MMSCFD)	**183**	196
LPG (MT/D)	**210**	201

The Company's share of production in the year 2023-24 remained consistent with the previous year, accounting for 11%, 6%, and 10% of the Country's overall Oil, Gas and LPG production.

(%age of Company's production to the Country's overall production as reported in PPIS Annual Report for FY 2023-24)*

Reserves

The total net proved (1P) reserves of the Company as of June 30, 2024, are 7.06 MMBO (2023: 8.23 MMBO) of oil/condensate and 240.46 BCF (2023: 262.92 BCF) of gas.

Major Development and Producing Assets

Mirpur Khas & Khipro Blocks (GHPL's working interest (WI) 25%)

- Operated by UEPL.
- Total average production from these two blocks was ~266.61 MMscfd (Million Standard Cubic Feet Per Day) of Gas, ~8,382 Bpd (Barrels per day) of Condensate and ~91.13 MTD (Metric Tons per day) of LPG.
- Several well intervention, reservoir surveillance and production optimization activities were conducted to maintain production and enhance recovery.
- Various compression and efficiency improvement projects were initiated/ completed during the year. Production of LPG was enhanced through segregation of LPG-rich gas from lean gas and selling gas through separate Point of Deliveries (PODs) after revised Gas Sales Agreements with Gas Buyer.

Tal Block (GHPL's WI 15%)

- Operated by MOL Pakistan
- Total average production was ~243.15 MMscfd of Gas, ~14,829 Bpd of Oil & condensate & ~446 MT/D of LPG.
- Multiple production curtailments were faced as gas production was curtailed due to M/s SNGPL. CPF & GPF load management was implemented to reduce machine fatigue and sustain continuous operation.
- Several well interventions, surface well testing, and reservoir monitoring activities were also carried out during the year for production continuity and enhancement.
- Projects completed in TAL Block include drilling and completion of Makori East 5 ST which has been successfully commissioned on January 22 2024.

Nashpa Block (GHPL's WI 15%)

- Operated by OGDCL

- Average production was ~100.31 MMscfd Gas, ~11,518 Bpd Oil and ~364 MTD of LPG.
- Compression remained operational during the year.
- Several well interventions, surface well testing, and reservoir monitoring activities were carried out during the year for production continuity and enhancement.
- Nashpa-11 development well successfully brought on production along with Nashpa-4 well after rig-based workover during the year.

Chanda D&PL (GHPL's WI 17.5%)

- Operated by OGDCL
- Average production was ~7.72 MMscfd, ~2,067 Bpd and ~9.89 MT/D of LPG (Metric Ton per Day).
- A reservoir simulation study has been completed to evaluate further potential and enhance recovery.
- Chanda-7 development well was brought on production after successful drilling & completion.
- Chanda-4 well brought back on production after successful rig-based workover.

Tando Allah Yar Block (GHPL's WI 22.5%)

- Operated by OGDCL
- Average production was ~24.59 MMscfd Gas, ~670 Bpd Oil/Condensate and ~66 MTD of LPG.
- Production from the field is being processed at KPD-TAY Plant.
- Several well intervention activities and workovers carried out to bring shut-in wells on production.
- Dars West-2 & Nim East-1 wells brought on production after successful d rilling

Gambat South Block (GHPL's WI 25%)

- Operated by PPL
- Total average production was around ~136.25 MMscfd Gas, ~1,354 Bpd condensate and ~10.72 MTD of LPG.
- Regular reservoir surveillance and well intervention activities were conducted. G&G and reservoir studies are in progress to identify further drilling prospects.
- Flowline for Shahpur Chakar North-1 was completed and well brought on production.
- Alternate development options are under review to exploit the reserves of Hatim-Faiz discovery due to its low heating value gas.
- Options for execution of GPF-III/Zafir project are under evaluation.

Sinjhoro Block (GHPL's WI 22.5%)

- Operated by OGDCL
- Average production from fields was ~ 38.37 MMscfd Gas, ~2,015 Bpd Oil/Condensate and ~160 MT/D of LPG.
- Several well-intervention jobs were carried out to maintain/enhance production.
- Production from newly drilled Chak-63/2 well and Chak-63/4 well have commenced after tie-in with Sinjhoro gas processing facilities & LPG Plant.

Nim Block (GHPL's WI 22.5%)

- Operated by OGDCL
- The average production was ~12.1 MMscfd Gas, ~499 Bpd Oil/ Condensate and ~17.54 MT/D of LPG.
- Production continued from Mangrio-2, Saand-1 and Saand-2 wells. Saand-1/2 well are being processed at KPD-TAY LPG plant.
- Based on surface well testing results of Low-pressure wells in Nim Block, alternate sales arrangements are being evaluated by the JV to bring these wells on production.

Guddu Block (GHPL's WI 22.5%)

- Operated by OGDCL
- Average production from the field was around ~7.22 MMscfd Gas.
- Gas from the Guddu field is being supplied to a third party (M/s Engro).
- Umair SE-1 exploratory well injected into system during the year.

Bitrism Block (GHPL's WI 22.5%)

- Operated by OGDCL

- Average production was around ~3.37 MMscfd Gas, ~156 Bpd Condensate and ~10.25 MTD of LPG.
- Bitrism wells are being processed at Sinjhoro processing facilities.
- Compression is awaited for Bitrism West wells for production continuity.

Khewari Block (GHPL's WI 22.5%)

- Operated by OGDCL
- Average production was around ~12.14 MMscfd Gas, ~29 Bpd Condensate and ~1.93 MTD of LPG.
- Kharo-1 exploratory well was successfully tested and completed. Its tie-ins are being planned to bring the well on production.
- Evaluations for deployment of Compressor in progress.

Jhal Magsi South D&PL (GHPL's WI 22.5 %)

- Operated by OGDCL
- PC Contract for construction of Jhal Magsi Processing Facility has been awarded and site execution works are in progress.
- M/s SSGCL is also laying Sales gas line in parallel with frequent stoppages attributed to security issues.

Zarghun South D&PL (GHPL's WI 17.5%)

- Operated by MPCL
- Average production was ~3.32 MMscfd Gas.
- Production is on continuous decline after water breakthrough in ZS-4 well.
- Security issues remain a threat which are being managed for smooth operations.
- G&G and reservoir studies are in progress and development well ZS-5 planned in FY 24-25.

Dhok Sultan Block (GHPL's WI 25%)

- Operated by PPL
- Total average production was ~2.25 MMscfd Gas, ~1277 Bpd Oil and ~11.49 MTD of LPG.
- Owing to stable production performance of the well, Dhok Sultan JV opted to buyback the rental Oil Handling Facility (OHF).
- Based on G & G evaluation, a well DS-3 is planned to be drilled in FY 24-25.

Mehar Block (GHPL's WI 25%)

- Operated by UEP
- Average production was ~10.25 MMscfd Gas and ~309 Bpd Condensate from four wells.
- Sofiya-4 well brought on production.
- Several well intervention activities were carried out along with process optimizations to maintain/ enhance production and reduce OPEX.
- Sofiya-3 Remote Compression was also commissioned in March 2024.

Sawan D&PL (GHPL's WI 22.5%)

- Operated by UEP
- The average gas production was around ~20.50 MMscfd.
- Sawan Central Processing Plant (CPP) is currently processing raw gas from all Middle Indus fields as per Single Plant Operation (SPO) philosophy agreed by all Middle Indus JVs.
- Several well intervention activities and application of deliquification techniques for off-loading of wells & continuity of production were carried out to maintain/enhance the production.

Zamzama D&PL (GHPL's WI 25%)

- Operated by OPPL
- The average production was ~6.66 MMscfd Gas and ~33 Bpd condensate.
- The field is on natural decline.
- Several well intervention activities including reservoir surveillance, water shut-off jobs were carried out to revive production.

Others

- Average production from the **Mazarani D&PL** (GHPL's WI: 12.5%; Operator: PPL) was ~1.76 MMscfd and ~04 Bpd Condensate.
- Average production from **Chachar D&PL** (GHPL's WI: 25%; Operator: PPL) was ~0.68 MMscfd Gas.

- Average production from **Pariwali D&PL** (GHPL's WI: 17.50%; Operator: POL) was ~3.02 MMscfd Gas, ~175 Bpd Condensate and ~10.58 MTD of LPG.
- Average production from **Minwal D&PL** (GHPL's WI: 17.50%; Operator: POL) was ~52 Bpd Condensate.
- **Jakhro D&PL** (GHPL's WI: 22.50%; Operator: OGDC) ceased to flow and production could not revive even after several attempts. Field didn't produce during 2023-24. Exploration prospects are being evaluated.

SUBSIDIARIES & ASSOCIATES

Interstate Gas Systems (Private) Limited (Subsidiary)

Interstate Gas System (Private) Limited (ISGS) was incorporated on August 04, 1996 as a private limited company.

Projects being pursued by the ISGS include:

- Iran Pakistan Gas Pipeline Project (IP-Project);

- Turkmenistan - Afghanistan - Pakistan - India (TAPI) Gas Pipeline;

- Pakistan Stream Gas Pipeline (PSGP) Project (formerly known as North-South Gas Pipeline); and

- Strategic Underground Gas Storage (SUGS) Project.

The Company holds 100% shares of ISGS.

Pakistan LNG Limited (Subsidiary)

Pakistan LNG Limited (PLL) was incorporated as a public company on December 11, 2015. In compliance with the GoP decision, PLL merged with its associated company, PLTL (Pakistan LNG Terminals Limited) w.e.f January 01, 2021 with PLL being the surviving entity.

The principal activity of PLL is to import, re-gasify, transport, market, and distribute Liquefied Natural Gas (LNG).

Pakistan International Oil Limited (Associate)

The Company along with consortium members; PPL (operator), OGDCL and MPCL were awarded offshore Block-5 in Abu Dhabi on 31 August 2021. The consortium companies have established an independent company namely Pakistan International Oil Limited (PIOL) in Abu Dhabi with each entity having 25% equity stake in PIOL. PIOL holds a 100 % stake during the exploration and appraisal of oil and gas opportunities in Offshore Block 5. In case of a successful commercial discovery, the consortium will have the right to a production concession to develop and produce commercial discoveries. Abu Dhabi National Oil Company ("ADNOC") will have an option to acquire upto 60% stake during the production phase of the concession.

The Field Development Plan (FDP) of three pre-existing Discoveries_was submitted by PIOL in December 2023. The due diligence and governance process is being undertaken by the regulator. First drilling campaign commenced in April 2024 focusing on drilling of three appraisal and one exploration wells. Two appraisal wells have been completed successfully and suspended after verifying structure and volumes. Drilling of first exploratory well is currently underway. G&G and Facilities/Infrastructure studies are in process to further assess the potential of Block-5.

Pakistan Minerals (Private) Limited (Associate)

The Company, along with OGDCL and PPL (collectively, the SOEs), entered into agreements for the reconstitution of the Reko Diq project with Barrick Gold Corporation, Balochistan Mineral Resources Limited, and the Government of Balochistan in December 2022. The SOEs hold 25% equity stake in the project through PMPL, divided equally among these companies. Barrick Gold holds 50% of equity in the project along with management and operatorship rights, while the Provincial Government of Balochistan holds 10% free-carried, non-contributing share with an additional 15% held by BMRL owned by the Provincial Government of Balochistan.

The Reko Diq project is currently undergoing a comprehensive feasibility study. Project financing arrangements are also underway, with construction set to follow. Production is projected to begin in 2028.

During the year, based on directions from the GoP, the SOEs are in the process of discussing and evaluating the terms of a potential transaction with a sovereign foreign investor with respect to divestment in the Reko Diq Project and advisors were appointed through PMPL to assist in this regard. The divestment and its conditions will require significant approvals including from the Federal Cabinet of GoP, Board of Directors and shareholders of the SOEs and other investors of the Reko Diq project.

FINANCING ARRANGEMENT

In FY 2021-22, the Government of Pakistan (GoP), through GHPL, secured a short-term finance facility from the National Bank of Pakistan (NBP) to fulfil its commitment towards the Government of Balochistan (GoB) to acquire an equity stake for GoB in the reconstituted Reko-Diq Project. The same year, this loan facility was renewed, for a tenor of seven years, including a two-year grace period, effective from December 31, 2022. The loan carries an interest rate of 6-month KIBOR + 0.20% and is repayable in equal semi-annual instalments of the principal amount starting from June 30, 2025. The loan is secured against a GoP guarantee and letter of comfort.

GoP is making semi-annual interest payments on the loan as they become due.

As of year-end, the outstanding loan amount including interest is Rs. 71,899 million. Accordingly, a corresponding amount has been recognized as receivable from GoP at June 30, 2024.

FINANCIAL RESULTS

The key financial results of the Company are summarized as under:

	2023-24	2022-23
	Rs. in million	
Sales	**137,927**	126,036
Gross Profit	**103,203**	92,362
Profit before tax	**100,934**	85,799
Profit after tax	**69,150**	49,160
EPS - basic (Rs.)	**29.78**	22.71

Sales Revenue

During the year, the Company's net revenue increased by 9% to its highest level at Rs. 137,927 million, reflecting a substantial Rs. 11,891 million increase from the previous year's revenue of Rs. 126,036 million.

The revenue increase is mainly attributable to a positive foreign exchange variance of Rs. 16,935 million as the realized exchange rate for the year (Rs. 283 / US$) was higher as compared to the previous year (Rs. 245 / US$).

Gas sales revenue increased by Rs. 1,925 million to Rs. 60,459 million, predominantly driven by favourable exchange rate variance of Rs. 8,481 million that offset negative variances in both price (Rs. 2,240 million) and quantity (Rs. 4,316 million). The net negative volume variance is attributable to the natural decline in Mirpur Khas, Khipro, Tando Allah Yar, Tal, Mehar, Sawan and Zamzama JVs as well as forced production curtailment by SNGPL.

Oil sales revenue also increased by Rs. 8,502 million to Rs. 65,024 million, largely due to favourable foreign exchange variance of Rs. 8,454 million and quantity variance of Rs 2,211 million that offset negative price variance of Rs 2,162 million. The net positive volume variance is driven by increased oil production in Mirpur Khas, Sinjhoro and Nim JVs. The average realized oil prices reduced to $80.3/bbl in FY24 from $ 83.3/bbl the previous year, in alignment with the decline in international oil prices.

Additionally, LPG sales revenue grew by Rs. 1,464 million to Rs. 12,444 million, driven mainly by higher LPG prices and increased sales volume.

Profitability

In the fiscal year, the Company recorded its highest profit after tax at Rs. 69,150 million surpassing the previous year's profit of Rs. 49,160 million. These results translated into earnings per share of Rs. 29.78 up from Rs. 22.71 in the previous year.

The Company's pre-tax margin improved from 68% in FY 2022-23 to 73% primarily due to growth in sales revenue and finance income, effectively offsetting increased expenses under the heads of royalty, exploration & prospecting expenditure and share of loss in associates.

Similarly, the Company's net profit margin also increased to 50% from 39% in the previous year, primarily due to aforesaid factors and reversal of income tax provision against depletion allowance.

Resultantly, the Company's profits increased by Rs. 19,990 million, marking a 40.7% year-over-year increase.

Trade Receivables

During the year, the Company collections from customers substantially increased to Rs. 118 billion (2023: Rs. 87 billion), translating into collection ratio of 77% compared to 63% in the previous year. Major factor in the increased collections was payments by gas customers subsequent to government measures to address the circular debt issue including revision in gas prices.

Consequently, the rate of accumulation of the Company's trade debts reduced to Rs. 2.6 billion per month in 2023-24 compared to Rs. 4 billion per month in FY 2022-23. As at June 30, 2024, the Company's trade debts stood at Rs 222,951 million (2023: Rs. 191,709 million). This includes overdue trade receivables of Rs. 208,093 million with over 97% of these receivables due from SNGPL and SSGCL.

The Company will continue to make rigorous efforts for recovery of its trade debts through continuous engagement with customers and relevant ministries. The recovery of trade debts is crucial to the Company's liquidity position and its ability to invest in business activities while providing equitable returns to the shareholders. However, based on the continued trend of improved collections, the Management is optimistic about further reducing the rate of increase in trade debts going forward.

Liquidity Management and cash flows

An amount of Rs. 46,937 million (2023: Rs 13,471 million) was generated from the Operating activities of the Company which was mainly used to undertake exploration and development activities, capital expenditures, investments, and payment of dividends. At the end of the year, the Company reported cash and cash equivalents of Rs 59,751 million (2023: Rs 30,728 million).

The Company places a strong emphasis on liquidity management and as part of this effort, financial projections are prepared regularly to ensure the availability of funds at all times while generating optimum returns through the placement of surplus liquid funds in a secure and well-diversified investment portfolio.

Dividends

During the year, the Company paid an interim cash dividend of Rs 7,000 million (Rs. 3.01 per share).

Contribution to national economy

The Company is a significant contributor to the national economy. During the year, GHPL contributed Rs. 68,352 million to the National

Exchequer on account of corporate taxation, dividend, royalty, sales tax, federal excise duty, petroleum levy, and windfall levy.

In addition, the Company's oil and gas production also contributed toward foreign exchange savings as import substitution.

Group's Financial Performance

The Group reported sales revenue and profit after tax of Rs. 350,694 million (2023: 237,544 million) and Rs 105,062 million (2023: Rs. 10,965 million).

Auditors' Opinion

The Auditors have expressed an unmodified opinion in their Audit Reports on the unconsolidated and consolidated financial statements for the year ended June 30, 2024.

CORPORATE GOVERNANCE

The Board of Directors of the Company is committed to maintaining high standards of corporate governance to ensure business integrity and transparency.

Specific statements to comply with requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 are as follows:

- The Board has complied with the relevant principles of corporate governance and has identified the regulations that have not been complied with, the period such non-compliance continued and the reasons for such non-compliance.
- The financial statements, prepared by the Management of the Company, present its state of affairs fairly, the result of its operations, cash flows, and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- There are no doubts upon the Company's ability to continue as a going concern.
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored.
- The appointment of the Chairman and other members of the Board and their terms of appointment along with the remuneration policy adopted are in the best interest of the Company as well as in line with the best practices.
- Disclosure on remuneration of Chief Executives and Executives is given in Note 35.2 of the Company's unconsolidated Financial Statements for the year ended June 30, 2024.
- Directors only receive directors' fees for attending meetings of the Board and Board Committees. The details of fees paid to each director are provided in the relevant section of the Annual Report.
- No subsidy or financial support has been taken from the Government.
- Reasons for significant deviations from last year's operating results have been explained in the relevant section of the Directors' Report.
- Key operating and financial data of the last six years has been summarized in the relevant section of the Annual report.
- Information about outstanding taxes and levies is given in the notes to the financial statements.
- The value of investment in employee retirement funds as per latest audited accounts as of June 30, 2023 is as follows:

  - Employees Provident Fund Rs. 95,274,639

- Employees Gratuity Fund Rs. 221,656,023

- The number of meetings of the Board and its Committees held during the year and the attendance thereat by the respective Director has been disclosed in the relevant section of the Annual Report.
- A statement of pattern of shareholding in the Company as at June 30, 2024 has been disclosed in the Directors' Report.

EXTERNAL AUDITORS

The Company's auditors, A.F. Ferguson & Co., Chartered Accountants will retire upon the conclusion of the upcoming Annual General Meeting and being eligible offered themselves for re-appointment as external auditors of the Company.

The Audit Committee considered the matter and recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants, as external auditors for the financial year 2024-25. The Board of Directors has endorsed the Audit Committee's recommendation for approval at the Company's upcoming Annual General Meeting.

FUTURE OUTLOOK

The Company remains steadfast in its commitment to working with Joint Venture partners to accelerate exploration efforts aimed at uncovering new hydrocarbon resources within the country. These endeavours are vital for reducing the nation's import dependency and addressing its increasing energy demands. Additionally, the Company will continue to prioritize development and production activities within its non-operated blocks, ensuring sustained and enhanced production levels.

Looking ahead, the Company is focused on strengthening its portfolio by pursuing opportunities to acquire or expand stakes in petroleum blocks, both locally and globally. In parallel, the Company will actively explore diversification initiatives to broaden its business horizons and establish new revenue streams.

Through these strategic actions, the Company is well-prepared to seize emerging opportunities and deliver sustainable growth, creating value for all stakeholders.

ACKNOWLEDGEMENT

The results for the year could not have been made possible without the loyalty, dedication, hard work, and commitment of the Management and staff. The Directors acknowledge and deeply appreciate their contributions toward the achievement of the Company's goals.

The Directors would also like to express their gratitude to the Ministry of Energy (Petroleum Division), Ministry of Finance, and other respective stakeholders for their continuous support, guidance, and cooperation.

Chief Executive Officer

Nasir Mahmood Khan

Director

UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Government Holding (Private) Limited

Annual Audit For the Year Ended

June 30, 2024

pwc

A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Government Holdings (Private) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Government Holdings (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of 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, the 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, 2024 and of the profit and other comprehensive loss, 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.

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 reports 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.

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 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: February 28, 2025
UDIN: AR202410083CMDQA03YX

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		Rupees ('000)	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	**23,221,212**	23,221,212
Capital reserves	21	**25,000,000**	25,000,000
Other reserves	21	**14,246,204**	15,471,304
Unappropriated profit		**289,739,079**	227,603,263
Advance against issue of shares		**1,649,329**	525,069
TOTAL EQUITY		**353,855,825**	291,820,848
NON CURRENT LIABILITIES			
Long term liabilities	22	**4,230,389**	4,507,802
Loan from National Bank of Pakistan (NBP) - secured	23	**58,409,218**	64,899,131
Deferred tax liability	24	**-**	315,880
Provision for decommissioning cost	25	**12,047,359**	14,408,445
Deferred employee benefits	26	**51,631**	45,537
		74,738,597	84,176,795
CURRENT LIABILITIES			
Trade and other payables	27	**33,008,563**	26,207,297
Contract liabilities	30.1	**103,502**	1,708
Current portion of long term liabilities	22	**1,903,482**	1,667,523
Current portion of loan from National Bank of Pakistan (NBP) - secured	23	**13,489,869**	5,548,325
Provision for taxation	28	**18,659,199**	8,836,207
		67,164,614	42,261,060
TOTAL LIABILITIES		**141,903,211**	126,437,855
TOTAL EQUITY AND LIABILITIES		**495,759,036**	418,258,703
CONTINGENCIES AND COMMITMENTS	29		

	Note	2024	2023
		Rupees ('000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	**27,213,631**	28,531,464
Intangible assets	7	**45,591**	1,663
Exploration and evaluation assets	8	**3,980,338**	4,438,429
Development and production assets	9	**15,097,525**	16,367,623
Long term Investment in subsidiaries	10	**6,974,241**	5,849,981
Long term investment in associates	11	**64,363,935**	55,759,241
Receivable from Government of Pakistan (GoP)	12	**58,409,218**	64,899,131
Deferred tax asset	24	**5,849,021**	-
Long term loan to subsidiaries and staff -	13	**103,167**	2,706,956
		182,036,669	178,554,488
CURRENT ASSETS			
Stores, spares and loose tools - share in joint operations' inventory	14	**5,935,225**	4,800,359
Current portion of long term loan to subsidiaries and staff - unsecured	13	**61,116**	1,721,218
Trade debts - net	16	**222,951,132**	191,708,859
Advances, other receivables and short-term prepayments	17	**38,912**	197,685
Receivable from Government of Pakistan (GoP)	12	**13,489,869**	5,548,325
Accrued interest receivable	15	**321,394**	137,567
Short term investments	18	**67,799,054**	28,258,016
Cash and bank balances	19	**3,125,667**	7,332,186
		313,722,368	239,704,215
TOTAL ASSETS		**495,759,036**	418,258,703

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

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	**2024**	2023
		--------------------Rupees ('000)--------------------	
Revenue from contracts with customers - net	30	**137,927,077**	126,035,663
Royalty and other levies	31	**(16,400,594)**	(15,262,778)
Operating expenses	32	**(18,323,363)**	(18,410,825)
GROSS PROFIT		**103,203,120**	92,362,060
Exploration and prospecting expenditure	34	**(1,184,232)**	(447,903)
General and administrative expenses	35	**(1,625,162)**	(1,494,115)
Net impairment (loss) / reversal on financial assets	16.3	**(1,227)**	343,004
Other income	37	**40,596**	328,592
Other expenses	36	**(6,859,157)**	(11,156,460)
OPERATING PROFIT		**93,573,938**	79,935,178
Finance income	33	**26,074,139**	13,157,664
Finance cost	33	**(16,445,899)**	(6,610,271)
Finance income – net		**9,628,240**	6,547,393
Share of loss of associates accounted for under equity method	11	**(2,267,968)**	(683,150)
PROFIT BEFORE TAXATION		**100,934,210**	85,799,421
Taxation	38	**(31,784,210)**	(36,638,987)
PROFIT FOR THE YEAR		**69,150,000**	49,160,434
Earnings per share- basic and diluted (Rupees)	39	**29.78**	22.71

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

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------------Rupees ('000)----------------	
PROFIT FOR THE YEAR		**69,150,000**	49,160,434
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement loss on employees' retirement benefits	27.3	**(28,369)**	(28,835)
Taxation		**14,184**	18,237
		(14,184)	(10,598)
Items that may be subsequently reclassified to statement of profit or loss:			
Effects of translation of investment in a foreign associate	11	**(295,958)**	1,460,902
Share of effect of translation of investment in a foreign associated company of the associate	11	**(1,003,132)**	14,020,097
Taxation		**73,990**	(393,668)
		(1,225,101)	15,087,331
Other comprehensive (loss) / income for the year - net of tax		**(1,239,285)**	15,076,733
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**67,910,715**	64,237,167

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

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share capital		Other Reserves		Capital Reserves							
	Issued, Subscribed and Paid-up	Advance against issue of shares	General reserve	Foreign currency translation reserve	Committed outlay reserve	LNG project reserve	Asset insurance reserve	Assets acquisition reserve	Mining project reserve	Total	Unappropriated profits	Total
	Rupees ('000)											
Balance as at July 1, 2022	21,327,561	2,329,895	2,284,626	383,973	20,946,247	25,000,000	3,000,000	5,000,000	-	53,946,247	152,222,554	232,494,856
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	49,160,434	49,160,434
Other comprehensive income for the year	-	-	-	15,087,331	-	-	-	-	-	-	(10,598)	15,076,733
Total comprehensive income for the year	-	-	-	15,087,331	-	-	-	-	-	-	49,149,836	64,237,167
Transactions with owners of the Company												
Contributions												
Advance received against issue of shares	-	88,825	-	-	-	-	-	-	-	-	-	88,825
Issue of shares	1,893,651	(1,893,651)	-	-	-	-	-	-	-	-	-	-
Transfer of reserves to unappropriated profits		-	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000,000)			(48,946,247)	51,230,873	-
Transfer of profits to Mining project reserve									20,000,000	20,000,000	(20,000,000)	-
	1,893,651	(1,804,826)	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000,000)	-	20,000,000	(28,946,247)	31,230,873	88,825
Distributions												
Interim dividend 2023: Rs. 2.15 per share	-	-	-	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Total contributions and distributions- net	1,893,651	(1,804,826)	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000,000)	-	20,000,000	(28,946,247)	26,230,873	(4,911,175)
Balance as at June 30, 2023	23,221,212	525,069	-	15,471,304	-	-	-	5,000,000	20,000,000	25,000,000	227,603,263	291,820,848
Balance as at July 1, 2023	**23,221,212**	**525,069**	-	**15,471,304**	-	-	-	**5,000,000**	**20,000,000**	**25,000,000**	**227,603,263**	**291,820,848**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	69,150,000	69,150,000
Other comprehensive loss for the year	-	-	-	(1,225,101)	-	-	-	-	-	-	(14,184)	(1,239,285)
Total comprehensive income for the year	-	-	-	(1,225,101)	-	-	-	-	-	-	69,135,816	67,910,715
Transactions with owners of the Company												
Contributions												
Advance received against issue of shares	-	1,124,260	-	-	-	-	-	-	-	-	-	1,124,260
	-	1,124,260	-	-	-	-	-	-	-	-	-	1,124,260
Distributions												
Interim dividend 2024: Rs. 3.01 per share	-	-	-	-	-	-	-	-	-	-	(7,000,000)	(7,000,000)
Total contributions and distributions- net	-	1,124,260	-	-	-	-	-	-	-	-	(7,000,000)	(5,875,740)
Balance as at June 30, 2024	23,221,212	1,649,329	-	14,246,203	-	-	-	5,000,000	20,000,000	25,000,000	289,739,079	353,855,823

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

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**100,934,210**	85,799,421
Adjustments for:			
Depreciation on Joint operations' fixed assets	32	**3,139,504**	2,611,052
Amortization of development and production assets	32	**5,097,731**	4,739,174
Gain on disposal of property, plant and equipment	37	**(422)**	(328,571)
Impairment on property, plant and equipment	32.2	**45,443**	104,076
Impairment on development and production assets	32.2	**396,422**	308,352
Depreciation on owned fixed assets	35	**41,550**	22,291
Amortization of intangible assets	35	**9,039**	6,655
Share of loss of associate	11	**2,267,968**	683,150
Dry hole wells	34	**185,604**	7,160
Provision for employee benefits	26 & 27	**77,557**	69,759
Unwinding of discount on provision for decommissioning cost	33	**1,237,412**	923,436
Unwinding of discount on long term liability	33	**261,286**	137,133
Discount of long term liability	33	**359,826**	(519,532)
Unrealized exchange (gain) / loss		**28,061**	4,911,634
Provision for windfall levy on oil / condensate	36	**6,287,023**	5,881,892
Reversal due to change in decommissioning cost estimates	25.3	**(1,296,743)**	(391,758)
Net impairment (reversal) / loss on financial assets	16.3	**1,227**	(343,004)
Interest expense	33	**14,580,316**	5,548,325
Interest income	33	**(26,074,139)**	(12,638,132)
		107,578,875	97,532,515
Changes in working capital:			
Increase in stores, spare and loose tools - share in Joint operations' inventory		**(1,134,866)**	(667,603)
Increase in trade debts		**(32,591,067)**	(49,670,240)
Decrease / (increase) in advances, other receivables and short term prepayments		**326,919**	(173,756)
Increase / (decrease) in contract liabilities		**101,794**	(65,645)
Increase / (decrease) in trade and other payables		**3,556,770**	(273,568)
		(29,740,450)	(50,850,811)
Cash generated from operations		**77,838,425**	46,681,704
Increase in loans to staff		**(46,311)**	(67,505)
Income tax paid	28	**(30,760,201)**	(33,023,266)
Employee benefits paid		**(94,875)**	(120,333)
Net cash generated from operating activities		**46,937,038**	13,470,600

	Note	2024	2023
		--------------------Rupees ('000)--------------------	
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(7,516,427)**	(7,783,569)
Proceeds from disposal of property, plant and equipment		**1,089**	328,631
Interest received		**26,162,852**	7,117,863
Investment in subsidiary		**(1,124,260)**	(88,825)
Investment in associates		**(12,171,753)**	(4,494,172)
Sale of short-term investments		**(1,495,229)**	10,000,000
Receipts against loan to subsidiaries		**2,595,747**	1,117,674
Net cash used in investing activities		**6,452,019**	6,197,602
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance received against issue of shares		**1,124,260**	88,825
Repayment of short term borrowing		**-**	(63,966,965)
Proceeds from long term loan		**-**	63,966,965
Repayments against long term liabilities		**(330,494)**	(396,715)
Interest expense paid against long term loan		**(13,128,685)**	-
Dividend paid		**(7,000,000)**	(5,000,000)
Net cash used in financing activities		**(19,334,919)**	(5,307,890)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**34,054,136**	14,360,312
Effects of exchange rates changes on cash and cash equivalents		**(31,020)**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**30,727,769**	21,367,457
CASH AND CASH EQUIVALENTS RESERVED AGAINST MINING PROJECT RESERVE		**(5,000,000)**	(5,000,000)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19.3	**59,750,886**	30,727,769

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

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Government Holdings (Private) Limited (the "Company") was incorporated in Pakistan as a private limited company on January 15, 2000, under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017). The Company's registered office is situated at 7th Floor, Petroleum House, Ataturk Avenue, G-5/2, Islamabad. The main objectives of the Company are to:

a) Acquire shares of the companies or interest of Government of Pakistan (GoP) in the existing and new oil and gas concessions, either by payment or by issuance of shares, credited as fully paid, or other securities, as the Company may think fit and to hold and enjoy all interests, rights, contracts and privileges vested in, or connected with, the title of such shares; and

b) Take over, acquire, renew, unitize, and hold any exploration, prospecting, development and production concessions of whatever nature or otherwise acquire any estate or interest, develop resources of work, dispose off or otherwise turn to account land or sea beds in any part of the world containing or thought to contain petroleum or any other oil in any form, and to search for or participate in the exploration for petroleum or any other oil in any form, asphalt, bitumen or similar substances or natural gas, or any substance used or which may be capable of use, and to organize, equip and employ expeditions, experts and other agents to carry out drilling and other exploratory operations, and to establish and operate oil and gas wells and other undertakings for the extraction of any of the aforesaid substances.

1.2 As of the date of statement of financial position, the Company has the following equity investments:

a) Inter State Gas System (Private) Limited (ISGSL) - wholly owned subsidiary
b) Pakistan LNG Limited (PLL) - wholly owned subsidiary (effective from January 1, 2021, Pakistan LNG Terminals Limited (PLTL) was merged into PLL with PLL being the surviving entity.)
c) Pakistan International Oil Limited (PIOL) - foreign operation - 25% shareholding
d) Pakistan Minerals (Private) Limited (PMPL) - 33.33% shareholding

1.3 These financial statements are separate financial statements of the Company in which investments in subsidiary companies are accounted for at cost basis rather than on the basis of reported results. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Consolidated financial statements are prepared separately.

1.4 The Company has interest in certain joint operations / concessions as non-operator. Geographical location of concessions / blocks is as under:

Operator	Concession / Block	Working Interest (%)	Province
Al-Haj	Baska North	4.15	Balochistan & KPK
Hycarbex	Yasin	5	Sindh & Balochistan
KPBV	Makhad	2.5	KPK
Tallahasse	Karak North	2.5	KPK
MOL	Tal	5 (Exp) ~ 15 (Dev)*	KPK
MPCL	Bolan / Zarghun South	17.5	Balochishtan
MPCL	Wali West	2.5	KPK
MPCL	Sharan	2.5641 **	Balochishtan
MPCL	Nareli	2.5641 **	Balochishtan
MPCL	Mach	2.5641 **	Balochishtan
MPCL	Dhadhar	2.5641 **	Balochishtan
OGDCL	Bitrism	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Guddu	5 (Exp) ~ 22.5 (Dev)*	Sindh & Punjab
OGDCL	Gwadar	2.5	Balochistan
OGDCL	Jhakro	22.5	Sindh

Operator	Concession / Block	Working Interest (%)	Province
OGDCL	Khuzdar South	2.5	Sindh & Balochistan
OGDCL	Khuzdar North	2.5	Balochistan
OGDCL	Khewari	5 (Exp) ~ 25 (Dev)*	Sindh
OGDCL	Kotra	5 (Exp) ~ 20 (Dev)*	Balochishtan
OGDCL	Nashpa	5 (Exp) ~ 15 (Dev)*	KPK
OGDCL	Nim	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Orakzai	4.66	KPK
OGDCL	Pasni West	2.5	Balochistan
OGDCL	Pezu	2.64	Punjab & KPK
OGDCL	Ranipur	2.5	Sindh
OGDCL	Chanda	5 (Exp) ~ 17.5 (Dev)*	KPK
OGDCL	Sinjhoro	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Tirah	5	KPK
OGDCL	Tando Allah Yar	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Gurgalot	5 (Exp)*	Punjab & KPK
OGDCL	Zin	5 (Exp)*	Balochistan
OGDCL	Lilla	2.5641 **	Punjab
OGDCL	Sujawal South	2.5641 **	Sindh
OGDCL	Chah Bali	2.5641 **	Balochistan
OGDCL	Khewari East	2.5641 **	Sindh
OGDCL	Suleiman	2.5641 **	Balochistan
OPPL	Zamzama	25	Sindh
PEL	Block 22	5 (Exp) ~ 22.5 (Dev)*	Sindh
PEL	Kandra	5 (Exp) ~ 25 (Dev)*	Sindh
PEL	Mirpur Mathelo	5 (Exp)*	Sindh
POL	Pariwali	17.5	Punjab
POL	Minwal	17.5	Punjab
POL	North Dhurnal	2.5641 **	Punjab
PPL	Bela West	2.5	Balochistan
PPL	Dhok Sultan	25	Punjab & KPK
PPL	Gambat South	25	Sindh
PPL	Hisal	2.5	Punjab
PPL	Mazarani	12.5	Sindh
PPL	Chachar	25	Sindh
PPL	Nausherwani	25	Balochistan
PPL	Shah Bandar	2.5	Sindh
PPL	Sirani	25	Sindh
PPL	Musakhel	2.5	Balochistan
PPL	Punjab	2.5	Punjab
PPL	Sui North	2.5641 **	Balochistan
PPL	Kalat West	2.5641 **	Balochistan
PPL	Shaigalu	2.5641 **	Balochistan
UEP	Badin III	25 (Dev)*	Sindh
UEP	Gambat	5 (Exp)*	Sindh
UEP	Khipro	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Kuhan	2.5	Balochistan
UEP	Mehar	5 (Exp) ~ 25 (Dev)*	Sindh & Balochistan
UEP	Mehran	25 (Dev)*	Sindh
UEP	Mirpur Khas	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Mubarak	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Sawan	22.5	Sindh
Paige	Murgha Faqir Zai	5 (Exp)*	Balochistan

* Exp- Exploratory phase

* Dev- Development phase

** Inclusive of carried WI of respective provincial holding company during exploration phase

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee (PKR / Rupees / Rs) which is the Company's functional currency.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

3.1 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, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2025
IFRS 16	Leases (Amendments)	January 1, 2024
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and measurement of Financial Instrument	January 1, 2026

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

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024

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

3.2 Standards and amendments to approved accounting standards that are effective

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2023. However, these amendments do not have any significant impact on the Company's financial statements except as disclosed in note 3 to the financial statements.

3.3 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177 (I)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Earlier to the S.R.O. 985(I)/2019 dated September 2, 2019, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon like circular debt need to be given due consideration. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. Public information regarding expected settlement of circular debt by GoP in coming years may result in subsequent reversals of impairment losses recognized in 2019. Financial assets due from GoP include those that are directly due from GoP and that are ultimately due from GoP in consequence of the circular debt. In accordance with the exemption granted by SECP, ECL has not been assessed / recognized in respect of financial assets due directly / ultimately from GoP which includes trade debts amounting to Rs. 201,237 million (2023: Rs. 166,972 million) on account of inter-corporate circular debts.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are relevant to these financial statements:

4.1 Property, plant and equipment - notes 5.1 and 6

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation on property, plant and equipment. Further, where applicable, an estimate of the recoverable amount of property, plant and equipment is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimate in the future might affect the carrying amount of the respective items of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

4.2 Exploration and evaluation assets - notes 5.3 and 8

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount is written off to statement of profit or loss.

4.3 Development and production expenditure - notes 5.4 and 9

Joint operations where the Company has carried cost working interest, on announcement of commercial discovery, the Company initially provides for the liability related to relevant carried cost of the joint operations and then recognize corresponding development and production expenditure; on the basis of best estimates available from the shared cost statement of the relevant joint operation. An adjustment is made based on the finalized cost agreed with the operator.

4.4 Investment in associates - notes 5.8 and 11

The Company uses the equity method of accounting for the entities over which it has significant influence. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. Classification of the investment as an associate requires the management making significant judgement with respect to the relevant activities of the investee entities. Purchase price allocation also involves significant estimation/ judgement in respect of determining fair values of identifiable assets and liabilities including goodwill or bargain purchase gain.

4.5 Taxation - notes 5.14 and 28

In determining tax provision, the Company takes into account the current tax laws and decisions taken by appellate authorities. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage, the Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty and discloses its differing view on items of material nature as contingencies.

4.6 Measurement of the expected credit loss allowance - notes 5.10.1 and 16.3

The measurement of the Expected Credit Loss ("ECL") allowance for financial assets requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

4.7 Provision for decommissioning cost - notes 5.12 and 25

Provision is recognized for the future decommissioning and restoration cost of oil and gas wells, production facilities and pipelines at the end of their useful lives and involves estimates related to future expected cost, discount rate and timing. Estimates of the amount of provision recognized are based on current legal and constructive requirements, technology and price levels. Provision is based on the best estimates, however, the actual outflows can differ from estimated cash outflows due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future. The estimated timing of decommissioning may change due to certain factors, such as reserve life, a decision to terminate operations or change in legislation. The carrying amount of provision is reviewed annually and adjusted to take account of such changes.

During the year, the Company revised its estimates of decommissioning cost, reserve life, discount and inflation rates. This has been treated as change in accounting estimates, applied prospectively, in accordance with IFRIC Interpretation 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities".

Following line items would have been affected had there been no change in estimates:

	Rupees
Provision for decommissioning cost would have been higher by	**4,064,344**
Property, plant and equipment would have been higher by	**1,307,360**
Development and production assets would have been higher by	**1,460,241**
Operating expenses would have been higher by	**1,296,743**
Total comprehensive income would have been lower by	**1,296,743**

4.8 Estimation of oil and natural gas reserves - notes 5.4 and 9

Oil and gas reserves are an important element in calculation of amortization charge and for impairment testing of development and production assets of the Company. Estimates of oil and natural gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development, drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Changes in estimates of reserves, affects the amount of amortization recorded in the financial statements for development and production assets.

4.9 Impairment of non financial assets including development and production assets and related property, plant and equipment - notes 5.5, 6, 7, 8 and 9

At each reporting date, the Company reviews the carrying amount of its non financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amount may exceed the recoverable amount of E&E assets. Such indicators include, the point at which a determination is made that as to whether or not commercial reserves exist, the period for which the Company has right to explore has expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event that may give rise to indication that E&E assets are impaired.

Impairment test of development and production assets and related property, plant and equipment is performed whenever events and circumstances arising during the development and production phase indicate that carrying amount of the development and production assets may exceed its recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows largely independent of other assets or CGUs. The CGU applied for impairment test purpose is generally based on a number of fields grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

The carrying value is compared against expected recoverable amount of an asset or CGU, generally by reference to the future net cash flows expected to be derived from such assets. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss. The impairment loss is allocated to the assets in CGU on a pro rata basis.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit in statement of profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.10 Employee benefits - notes 5.13, 26 and 27.3

The Company operates an approved gratuity fund for its regular and contract employees. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows. Calculation of gratuity obligations require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions. The assumptions used vary for the different plans and they are determined by independent actuary annually.

The Company also has a policy whereby its regular/contractual employees are eligible to encash accumulated leave balance at the time of retirement / contract renewal / resignation up to a maximum of 90 days. The benefit obligations in respect of compensated absences are sensitive to changes in the underlying assumptions. The assumptions used vary and they are determined by independent actuary annually.

4.11 Provision against financial assets not subject to ECL model - notes 5.10.1 and 16.3

As referred in note 3.3, the SECP has deferred applicability of ECL model in respect of financial assets due directly / ultimately from Government of Pakistan (GoP) till December31, 2024 in respect of circular debt. Accordingly, the Company reviews the recoverability of its trade debts and investments that are due directly / ultimately from GoP in respect of circular debt to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from oil refineries and gas distribution companies. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct/indirect ownership of entities within energy sector supply chain is at the core of circular debt issue. The Central Power Purchase Agency (CPPA), a government owned entity, is sole power purchaser for the Country and the circular debt is a shortfall of payments primarily by the CPPA, however, in case of gas distribution and transmission companies the shortfall also occurs because of a delay in receipts of subsidies from the GoP for supply of gas to certain domestic / industrial consumers.

Settlement of the Company's receivables is slower than the contractual terms primarily because circular debt is a macro economic level issue in Pakistan and its level at any given time is dependent on policies and/or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Company's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

The Company has contractual right and is entitled to charge interest if payments from customers delayed beyond credit terms, however, the Company recognizes interest, if any, on delayed payments from customers or investments only to the extent that it is highly probable that a significant reversal in the amount of income recognized will not occur when the uncertainty associated with the interest is subsequently resolved, which is when the interest on delayed payments is received by the Company.

4.12 Stores, spares & loose tools - notes 5.9 and 14

The Company reviews the stores, spares and loose tools for possible write downs / provisions on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items with a corresponding affect on the provision.

5. MATERIAL ACCOUNTING POLICY INFORMATION

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

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

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

5.1 Property, plant and equipment

These are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. These assets are subsequently measured using the cost model, which is cost less subsequent depreciation and impairment losses (if any), except for freehold land and capital work in progress, which are stated at cost less impairment loss (if any).

The cost includes the cost of replacing parts of the plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is charged using the straight line method when assets are available for use over the useful life of the underlying asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance and normal repairs are charged to statement of profit or loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in as other income in the statement of profit or loss.

Capital work in progress is transferred to the respective item of property, plant and equipment when available for intended use.

5.2 Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software. The cost of intangible is amortized at 33% per annum on a straight line basis.

The useful lives of intangible assets are reviewed at each reporting date. The effect of any adjustment to the useful life is recognized prospectively as a change in accounting estimates.

5.3 Exploration and evaluation assets (E&E Assets)

The exploration cost of all those joint operations is accounted for under the "Successful Efforts" method. Under the successful efforts method of accounting, all property acquisitions, exploratory/evaluation drilling costs are initially capitalized as intangible Exploration and Evaluation (E&E) assets in well, field or specific exploration cost centers as appropriate. Costs directly associated with an exploratory well are capitalized as an intangible asset until the drilling of the well is completed and results have been evaluated. Major costs include employee benefits, material, chemical, fuel, well services and rig operational costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged in the statement of profit or loss as exploration and prospecting expenditure. Pre license cost are charged to statement of profit or loss as and when they are incurred.

Intangible E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets and if commercial reserves are not found, the related costs are written off in statement of profit or loss. E&E assets are not amortized prior to the conclusion of appraisal activities.

5.4 Development and production assets (D&P Assets)

During exploratory phase under carried cost working interest holding, relevant working interest of the Company in various concessions is carried by its relevant partners in the respective Joint operations, in accordance with the related Petroleum Concession Agreements. Consequent to the declaration of commercial discovery by the operator and approval by the Director General, Petroleum Concessions (DGPC), the Company has right to increase its working interest up to 25% and the resulting consideration is payable to relevant joint operation partners in these Joint operations, according to the provisions of the related Petroleum Concession Agreements.

The carried cost payable to joint operation partners comprise of the cost of the successful wells and expenditure that are attributable to the commercial discovery. The cost is directly recognized as development and production assets to the extent to which the cost relates to wells. The remaining portion of the cost is charged off to statement of profit or loss as exploration and prospecting expenditure.

Development and production assets also include the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalized E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 5.3 above and the cost of recognizing provisions for future site restoration and decommissioning.

Expenditure carried within each field is amortized from the commencement of production on a unit of production basis, over the estimated useful life of the field determined by reference to proved reserves, on a field by field basis. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively. Amortization is charged to statement of profit or loss. Amortization expense for the year is computed on all development and production assets at year end including additions / adjustments made during the year. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

5.5 Impairment of non financial assets

At each reporting date, the Company reviews the carrying amount of its non financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amount may exceed the recoverable amount of E&E assets. Such indicators include, the point at which a determination is made that as to whether or not commercial reserves exist, the period for which the Company has right to explore has expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event that may give rise to indication that E&E assets are impaired.

Impairment test of development and production assets and related property, plant and equipment is performed whenever events and circumstances arising during the development and production phase indicate that carrying amount of the development and production assets may exceed its recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows largely independent of other assets or CGUs. The carrying value is compared against expected recoverable amount of an asset or CGU, generally by reference to the future net cash flows expected to be derived from such assets. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Company considers whether there is an indication of impairment of the asset as a whole, and if so, test for impairment in accordance with the IAS-36 Impairment of Assets.

5.6 Joint operations

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 in accordance with IFRS 11. 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. The difference, if any, between the cost statements and audited financial statement is accounted for in the subsequent periods.

5.7 Investment in subsidiary

Investment in subsidiary is initially recognized at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the statement of profit or loss.

The profits or losses of subsidiaries are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment are included in other income. When the disposal on investment in subsidiary results in loss of control such that it becomes an associate, the retained investment is carried at cost.

5.8 Investment in associated company

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in the joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of the associate have been incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognized at cost adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate is recognized as a reduction in the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes arising from the foreign exchange translation differences. The investor's share of those changes is recognized in the investor's other comprehensive income. Losses of an associate in excess of Company's interest in that associate are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. Where objective evidence of impairment of investment in associate is identified, then the carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 5.5.

5.9 Stores, spares & loose tools - share in Joint operations' inventory

Stores, spares & loose tools are valued at the lower of cost and net realizable value less impairment for slow moving items. Cost is determined on the basis of costing methods adopted by operators of respective Joint operations. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

5.10 Financial instruments

All financial assets and financial liabilities are recognized at the time 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 expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

5.10.1 Financial assets

Classification

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

a) Amortized cost where the effective interest rate method will apply;
b) Fair value through profit or loss (FVTPL); and
c) 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 statement of profit or loss or statement of other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this depends 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 recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized 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 fair value through profit or loss (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 classifies its debt instruments:

(a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other operating gains/(losses), 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 assets' cash flows 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, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss and recognized in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges 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 amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

i) The rights to receive cash flows from the asset have expired.

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Trade debts
- Loans, advances, and other receivables
- Cash and bank balances
- Accrued interest receivable
- Loans to subsidiaries and staff
- Receivable from Government of Pakistan (GoP)
- Short term investments

General approach for loans, advances, and other receivables, cash and bank balances, deposits, short term investments, loans to subsidiaries and staff, and receivable from Government of Pakistan

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 recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized 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.

Simplified approach for trade debts

The Company recognizes 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 are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience based on payment profiles of sales till the year ended June 30, 2024, adjusted for factors that are specific to the debtors, corresponding historical credit losses experienced within this period, 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. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Trade debts outstanding on account of inter-corporate circular debt is exempt from recognition of ECL and are accounted for under IAS 39 'Financial Instruments: Recognition and Measurement' which is further described in note 3.3.

Significant increase in credit risk

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

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:

- 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;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees;
- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- the company for economic or contractual reasons relating to the borrower's financial difficulty, have granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties; 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, the Company considers that a default has occurred if a debtor is more than 365 days past due in making a contractual payment unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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.

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.

5.10.2 Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

– at fair value through profit or loss ("FVTPL"); and
– at amortized cost.

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

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.

Amortized cost

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

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

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

5.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of term depository receipts maturing within 3 months, cash in hand, cash at banks and the related accrued interest income maturing within 3 months. Cash equivalents are 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.

5.12 Decommissioning cost

The activities of the Company normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation, and site restoration.

Liabilities for decommissioning cost are recognized when the Company has an obligation for site restoration, and when a reliable estimate of that liability can be made. The Company makes provision in full for the decommissioning cost on the declaration of commercial discovery of the reserves, to fulfil the obligation of site restoration and rehabilitation. The obligations for oil and natural gas production or transportation facilities, are required on construction or installation. An obligation for decommissioning may also crystallize during the period of operation of a well / facility through a change in legislation or through a decision to terminate operations.

The amount recognized is the estimated cost of decommissioning, discounted to its net present value at a current pre-tax discount rate that reflects the risks specific to the decommissioning liability and the expected outflow of economic resources to settle this obligation is up to next thirty years.

Decommissioning cost, as appropriate, relating to producing or developing fields is capitalized to the cost of development and production assets and property, plant and equipment as the case may be. The recognized amount of decommissioning cost is subsequently amortized/depreciated as part of the capital cost of the development and production assets on a unit of production method and property, plant and equipment over the assets useful life respectively. At the time of decommissioning of the field, any differences arising from settlement of the provision are recognized in statement of profit or loss.

While the provision is based on the best estimate of future costs and the economic life of the fields, there is uncertainty regarding both the amount and timing of incurring these costs. The Company reviews the decommissioning provision at the reporting date. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment and development and production assets. If a decrease in a provision is greater than the carrying value of asset, the excess is recognized in statement of profit or loss. The unwinding of the discount on the decommissioning provision is recognized as finance cost in the statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Company considers whether there is an indication of impairment of the asset as a whole, and if so, test for impairment in accordance with the IAS-36 Impairment of Assets.

5.13 Employee benefits

Employees gratuity fund

The Company operates approved gratuity fund for its regular and contract employees. The investments of gratuity funds are made through approved trust funds. Employees are entitled to benefits under gratuity fund from July 1, 2010. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 27 to the financial statements. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows.

Actuarial gains and losses (remeasurement gains / losses) on employees' gratuity fund are recognized immediately in other comprehensive income and past service cost is recognized in statement of profit or loss when they occur.

Cost primarily represents the increase in actuarial present value of the obligation for the employees' gratuity fund earned on employees service during the year and the interest on the net liability / (asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

Calculation of gratuity obligations require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions. The assumptions used vary for the different plans and they are determined by independent actuary annually.

Employee compensated absences

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company. Each employee can encash the un-utilized leave balance up to 90 days based on last drawn gross salary at the time of resignation, contract renewal / termination.

Defined contribution plan

The Company operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 8.33% of basic salary. The Company's contributions are recognized as employee benefit expense when they are due.

5.14 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any, adjusted for payments to the Government of Pakistan (GoP) for payments on account of royalty and any adjustment to tax payable in respect of previous years. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company recognizes provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax

Deferred income tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, un-used tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

Deferred taxation is recognized taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

Offsetting deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Group taxation

The Company has opted for group taxation regime and thereby to be taxed as a one fiscal unit along with its wholly owned subsidiaries under the Income Tax Ordinance, 2001. Current and deferred income taxes are recognized by each entity within the Group in their respective statement of comprehensive income, regardless of who has the legal rights or obligation for the recovery or payment of tax from or to the tax authorities. However, tax liability / receivable is shown by the Company based on annual tax computation, who has the legal obligation to pay or right of recovery of tax from the taxation authorities. Balances between the group entities on account of group tax is shown as other receivable / liability by the Company.

5.15 Provisions and contingent liabilities

A provision is recognized in the statement of financial position when the Company has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

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.

5.16 Revenue recognition

Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring a promised good to a customer. Revenue associated with the sale of crude oil, gas and liquefied petroleum gas is recognized at transaction price that is allocated to that performance obligation. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by transferring a promised good to a customer. A good is transferred when the customer obtains control of that good or service. The transfer of control of crude oil, gas and liquefied petroleum gas coincides with title passing to the customer and the customer taking physical possession. The Company principally satisfies its performance obligations at a point in time and recognizes revenue relating to the performance.

Revenue is measured at the transaction price, net of government levies. Transaction prices of crude oil and gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, decision of Economic Coordination Committee (ECC) of the Cabinet or Petroleum Concession Agreements. Prices of liquefied petroleum gas are approved by the appropriate authority of operator keeping in view the ceiling price notified by Oil & Gas Regulatory Authority (OGRA). Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalized with the customers and/or approved by the Government of Pakistan (GoP).

Billings are generally raised by the end of each month which are payable within 30 to 45 days in accordance with the contractual arrangement with customers. Amounts billed or received prior to being earned, are deferred and recognized as advances from customers. The Company based on its assessment has not identified a significant financing component in its current contracts with customers because payment terms of 30 to 45 days are explicitly specified and delay in settlement of invoices does not result in a significant financing component.

5.17 Finance income and expense

Finance income comprises interest income on funds invested or loan issued to subsidiaries and exchange gain. Interest income of financial assets at amortized cost is calculated using the effective interest method and is recognized in statement of profit or loss. Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets. Dividend income is recognized when the right to receive the payment is established. Foreign currency gains and losses are reported on a net basis.

The Company has contractual right and is entitled to charge interest if payments from customers delayed beyond credit terms, however, the Company recognizes interest, if any, on delayed payments from customers only to the extent that it is highly probable that a significant reversal in the amount of income recognized will not occur when the uncertainty associated with the interest is subsequently resolved, which is when the interest on delayed payments is received by the Company.

Finance cost comprises interest expense on borrowings (if any), unwinding of discount on provisions or liability and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

5.18 Foreign currencies

5.18.1 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the statement of financial position date and exchange differences, if any, are credited / charged to statement of profit or loss for the year.

5.18.2 Foreign operations

The transactions of foreign operation are translated at rate of exchange prevailing on the date of transaction. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pak Rupees at exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognized in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognized.

5.19 Dividends and reserves

Dividend distribution and appropriation of reserves are recognized in the financial statements in the period in which these are approved.

5.20 Earning per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liability unless payment is not due within twelve (12) months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

5.22 Reserves

The Company has a policy to set aside out of the profits of the Company such amount as the Company think proper as a reserve or reserves, which shall, at the discretion of the board of directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, in the like discretion, either be employed in the business of the Company or be invested in such investments, (other than shares of the Company) as the board of directors may from time to time think fit. Reserves are reviewed periodically and adjusted as necessary by the board of directors.

	Note	2024	2023
		----Rupees ('000)----	
6 PROPERTY, PLANT AND EQUIPMENT			
Owned fixed assets	6.1	**162,152**	62,360
Share in joint operations' fixed assets	6.2	**23,644,312**	24,593,240
Share in joint operations' capital work in progress	6.3	**3,407,167**	3,875,864
		27,213,631	28,531,464

6.1 Owned fixed assets

	Office equipment	Furniture and fixtures	Computer equipment	Vehicles	Total
	----Rupees ('000)----				
As at July 1, 2022					
Cost	36,030	35,591	51,617	11,836	135,074
Accumulated depreciation	(22,444)	(22,041)	(37,312)	(11,474)	(93,271)
Net book value	13,586	13,550	14,305	362	41,803
Year ended June 30, 2023					
Opening net book value	13,586	13,550	14,305	362	41,803
Additions	10,552	8,632	1,882	21,842	42,908
Disposals					
Cost	1,176	-	694	-	1,870
Accumulated depreciation	(1,154)	-	(656)	-	(1,810)
	(22)	-	(38)	-	(60)
Depreciation charge	(6,848)	(5,000)	(9,337)	(1,106)	(22,291)
Closing net book value	17,268	17,182	6,812	21,098	62,360
As at June 30, 2023					
Cost	45,406	44,223	52,805	33,678	176,112
Accumulated depreciation	(28,138)	(27,041)	(45,993)	(12,580)	(113,752)
Net book value	17,268	17,182	6,812	21,098	62,360
Year ended June 30, 2024					
Opening net book value	**17,268**	**17,182**	**6,812**	**21,098**	**62,360**
Additions	**112,349**	**-**	**21,115**	**9,167**	**142,631**
Adjustments	**-**	**(496)**	**-**	**(125)**	**(621)**
Disposals					
Cost	**1,404**	**-**	**3,456**	**-**	**4,861**
Accumulated depreciation	**(1,234)**	**-**	**(2,960)**	**-**	**(4,194)**
	(170)	**-**	**(496)**	**-**	**(667)**
Depreciation charge	**(23,185)**	**(5,429)**	**(7,210)**	**(5,726)**	**(41,550)**
Closing net book value	**106,262**	**11,257**	**20,221**	**24,414**	**162,153**
As at June 30, 2024					
Cost	**156,351**	**43,727**	**70,464**	**42,720**	**313,261**
Accumulated depreciation	**(50,089)**	**(32,470)**	**(50,243)**	**(18,306)**	**(151,108)**
Net book value	**106,262**	**11,257**	**20,221**	**24,414**	**162,152**
Annual rate of depreciation (%)	**20-50**	**15**	**33**	**20**	

6.2 Share in joint operations' fixed assets

	Leasehold land	Plant and equipment	Pipelines	Office equipment	Furniture and fixtures	Vehicles	Decommissioning cost	Total
	Rupees ('000)							
As at July 1, 2022								
Cost	54,895	47,914,964	8,450,718	350,823	77,689	184,299	964,096	57,997,483
Accumulated depreciation	(41,950)	(24,171,598)	(4,599,221)	(297,496)	(72,782)	(172,119)	(551,806)	(29,906,971)
Accumulated Impairment	(12,945)	(3,171,301)	(770,997)	(30,271)	(3,816)	(3,196)	(76,163)	(4,068,689)
Net book value	-	20,572,065	3,080,500	23,056	1,091	8,984	336,127	24,021,823
Year ended June 30, 2023								
Opening net book value	-	20,572,065	3,080,500	23,056	1,091	8,984	336,127	24,021,823
Additions / (adjustments)	-	(359,695)	30,998	28,221	1,195	40	752,594	453,353
Adjustment of decommissioning cost	-	(46,304)	(1,288)	-	-	-	-	(47,592)
Transfers from CWIP	-	2,456,697	420,303	-	-	-	-	2,877,000
Disposals								-
Cost	-	332,712	-	-	-	-	-	332,712
Accumulated depreciation	-	(274,782)	-	-	-	-	-	(274,782)
Accumulated Impairment	-	(57,930)	-	-	-	-	-	(57,930)
	-	-	-	-	-	-	-	-
Depreciation charge	-	(1,984,102)	(509,826)	(8,497)	(378)	(2,326)	(105,923)	(2,611,052)
Impairment charge	-	(85,002)	(12,517)	(2,624)	(149)	-	-	(100,292)
Closing net book value	-	20,553,659	3,008,170	40,156	1,759	6,698	982,798	24,593,240
As at June 30, 2023								
Cost	54,895	49,632,950	8,900,731	379,044	78,884	184,339	1,716,690	60,947,533
Accumulated depreciation	(41,950)	(25,880,918)	(5,109,047)	(305,993)	(73,160)	(174,445)	(657,729)	(32,243,242)
Accumulated Impairment	(12,945)	(3,198,373)	(783,514)	(32,895)	(3,965)	(3,196)	(76,163)	(4,111,051)
Net book value	-	20,553,659	3,008,170	40,156	1,759	6,698	982,798	24,593,240
Year ended June 30, 2024								
Opening net book value	-	20,553,659	3,008,170	40,156	1,759	6,698	982,798	24,593,240
Additions / (adjustments)	-	1,354,072	187,957	34,320	1,431	-	73,671	1,651,450
Adjustment of decommissioning cost	-	(631,963)	-	-	-	-	(664,068)	(1,296,031)
Transfers From CWIP	-	1,261,820	622,564	-	-	-	-	1,884,384
Depreciation charge	-	(2,367,516)	(537,376)	(17,977)	(1,864)	(767)	(214,005)	(3,139,504)
Impairment charge	-	(34,720)	(14,009)	(498)	-	-	-	(49,227)
Closing net book value	-	20,135,352	3,267,306	56,001	1,326	5,931	178,396	23,644,312
As at June 30, 2024								
Cost	54,895	51,616,878	9,711,252	413,364	80,315	184,339	1,126,293	63,187,336
Accumulated depreciation	(41,950)	(28,248,433)	(5,646,423)	(323,969)	(75,024)	(175,213)	(871,733)	(35,382,746)
Accumulated Impairment	(12,945)	(3,233,093)	(797,523)	(33,393)	(3,965)	(3,196)	(76,163)	(4,160,278)
Net book value	-	20,135,352	3,267,306	56,001	1,326	5,931	178,396	23,644,312
Annual rate of depreciation (%)	4-33	4-33	4-33	20	15	20	4-33	

		Note	2024	2023
			-----------Rupees ('000)-------------	
6.3	**Share in joint operations' capital work in progress**			
	Balance at the beginning of the year		**4,101,149**	3,587,696
	Cost incurred during the year		**1,411,903**	3,393,976
	Transferred to development and production assets		**-**	(3,523)
	Transferred to share in joint operations' fixed assets		**(1,884,384)**	(2,877,000)
			3,628,668	4,101,149
	Accumulated impairment	6.3.2	**(221,501)**	(225,285)
	Balance at the end of the year		**3,407,167**	3,875,864

6.3.1 Total capitalized cost includes asset decommissioning cost amounting to Rs. 223.8 million as at June 30, 2024 (2023: Rs. 235.2 million).

		Note	2024	2023
			-----------Rupees ('000)-------------	
6.3.2	Movement in accumulated impairment			
	Balance at the beginning of the year		**225,285**	221,501
	(Reversal) / charge for the year		**(3,784)**	3,784
	Balance at the end of the year		**221,501**	225,285
6.4	**Allocation of depreciation**			
	Operating expenses	32	**3,139,504**	2,611,052
	General and administrative expenses	35	**41,550**	22,291
			3,181,054	2,633,343
6.5	**Allocation of impairment**			
	Operating expenses	32	**45,443**	104,076

6.6 As the Company is a non-operator, property, plant and equipment other than owned fixed assets are not in the possession of the Company and are operated by joint operations in which the Company has working interest.

		2024	2023
		-----------Rupees ('000)-------------	
7	**INTANGIBLE ASSTES - SOFTWARES**		
	Cost	**169,556**	116,589
	Accumulated amortization	**(123,965)**	(114,926)
	Net book value	**45,591**	1,663
	Opening net book value	**1,663**	7,872
	Additions	**52,967**	446
	Disposals		
	Cost	**-**	-
	Accumulated amortization	**-**	-
		-	-
	Amortization charge for the year	**(9,039)**	(6,655)
	Closing net book value	**45,591**	1,663
	Annual rate of amortization (%)	**33%**	33%

8 EXPLORATION AND EVALUATION ASSETS

	Note	2024	2023
		-----------Rupees ('000)-------------	
Balance at beginning of the year		**4,438,429**	5,775,066
Expenditure incurred		**40,523**	442,770
		4,478,952	6,217,836
Cost of dry and abandoned wells	34	**(185,604)**	(7,160)
Transfer to development and production assets		**(313,010)**	(1,772,247)
		(498,614)	(1,779,407)
Balance at end of the year		**3,980,338**	4,438,429

9 DEVELOPMENT AND PRODUCTION ASSETS

2024		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2023	Additions	Adjustments	Adjustment of Decommissioning Cost*	Transfers	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Producing fields-Joint operations														
Badin II	25.00%	306,792	-	-	-	-	306,792	306,792	-	306,792	-	-	-	-
Block-22 (all fields)	22.50%	259,905	4,157	-	-	-	264,062	204,718	2,201	206,919	55,187	1,956	57,143	-
Ahmadal/Pariwali	17.50%	781,707	5,317	-	-	-	787,024	678,987	17,393	696,380	-	-	-	90,644
Miruwal	17.50%	3,812	-	220	(1,967)	-	2,066	1,867	18	1,884	-	-	-	182
Mazarani	12.50%	136,602	-	-	-	-	136,602	115,273	-	115,273	21,328	-	21,328	1
Sawan	22.50%	3,422,952	-	(2,106)	(50,046)	-	3,370,800	2,651,370	19,343	2,670,713	604,063	-	604,063	96,024
Zamzama	25.00%	4,766,459	-	(25)	(4,272)	-	4,762,161	3,726,863	9,979	3,736,842	1,016,730	-	1,016,730	8,589
Mubarak	25.00%	1,449,138	10,581	8,958	(8,963)	-	1,459,714	277,378	7,905	285,283	1,089,875	11,180	1,101,055	73,376
Nim	22.50%	567,844	9,541	465	(33,833)	-	544,018	309,008	49,232	358,240	-	-	-	185,778
Mehran	25.00%	69,203	-	-	-	-	69,203	1,933	-	1,933	67,270	-	67,270	-
Chanda	17.50%	1,616,436	881,802	-	-	452,881	2,951,120	1,275,098	303,603	1,578,701	-	-	-	1,372,419
Gambat	25.00%	449,656	-	-	-	-	449,656	249,973	-	249,973	199,682	-	199,682	1
Tal (all fields)	15.00%	6,674,634	665,155	(212,476)	(4,983)	432	7,122,762	5,661,900	457,092	6,118,992	-	-	-	1,003,770
Khipro (all fields)	25.00%	3,859,468	24,068	2,266	(23,865)	-	3,861,937	2,762,704	257,520	3,020,224	-	-	-	841,713
MirpurKhas (all fields)	25.00%	7,297,743	1,184,937	(212,454)	(80,769)	23,600	8,213,057	5,786,683	1,139,663	6,926,346	-	-	-	1,286,711
Chachar	25.00%	251,248	-	-	(61)	-	251,187	159,178	40	159,218	91,855	-	91,855	114
Nashpa	15.00%	5,029,480	294,713	-	(33,176)	742,054	6,033,072	3,172,179	647,048	3,819,227	-	-	-	2,213,845
Sinjhoro	22.50%	1,069,313	581,663	82,450	(112,691)	214,681	1,835,416	610,550	137,535	748,085	-	-	-	1,087,331
Mehar	25.00%	4,349,458	22,393	(71,837)	-	825,033	5,125,047	2,256,178	710,314	2,966,492	858,482	199,621	1,058,103	1,100,452
Jhakro	22.50%	10,107	-	-	-	-	10,107	10,079	-	10,079	28	-	28	-
Guddu	22.50%	153,277	-	97	(13,135)	-	140,239	125,154	2,851	128,005	-	-	-	12,234
Bolan	17.50%	563,378	23	(14)	(14,713)	-	548,674	502,641	7,220	509,861	-	-	-	38,813
Gambat South	25.00%	2,016,950	-	(104)	(112,707)	313,010	2,217,148	897,226	132,788	1,030,014	-	-	-	1,187,134
Bitrism	22.50%	310,934	65,655	(49,043)	(9,497)	-	318,049	143,028	56,324	199,352	-	-	-	118,697
Tando Allah Yar (all fields)	22.50%	344,627	90,654	11,232	(27,202)	184,137	603,449	236,141	24,164	260,305	-	-	-	343,144
Shah Bandar	2.50%	59,017	10,771	326	(326)	-	69,788	59,016	-	59,016	-	-	-	10,772
Khewari	22.50%	207,382	178,890	(101,081)	(14,652)	58,308	328,848	46,554	65,031	111,585	-	-	-	217,263
Dhok Sultan	25.00%	1,764,954	-	-	(12,032)	-	1,752,922	1,008,390	254,602	1,262,992	-	-	-	489,930
Decommissioning cost		4,590,692	813,436		(887,472)	-	4,516,655	2,524,808	795,864	3,320,672	244,364	292,309	536,673	659,310
Sub total producing fields		52,383,168	4,843,757	(543,126)	(1,446,362)	2,814,137	58,051,575	35,761,669	5,097,731	40,859,398	4,248,864	505,066	4,753,930	12,438,247

*This includes reversal of decommissioning cost amounting Rs. 559 million directly made against related field assets under provisions of IFRIC 1 - Changes in existing decommissioning, restoration and similar liabilities.

Developing fields-Joint operations

2024		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2023	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Developing fields-Joint operations														
Mehar	25.00%	825,033	-	-	-	(825,033)	-	-	-	-	108,644	(108,644)	-	-
Tando Allah Yar (all fields)	22.50%	184,138	-	-	-	(184,138)	-	-	-	-	-	-	-	-
Kandra	25.00%	3,577	-	-	-	-	3,577	-	-	-	3,577	-	3,577	-
Nim	22.50%	(2,807)	-	-	-	-	(2,807)	-	-	-	-	-	-	(2,807)
Kotra	20.00%	94,771	-	-	(13,880)	-	80,891	-	-	-	50,824	-	50,824	30,067
Bolan	17.50%	-	54,863	-	-	-	54,863	-	-	-	-	-	-	54,863
Tal	15.00%	1,104	10,928	(329)	-	(432)	11,271	-	-	-	-	-	-	11,271
MirpurKhas (all fields)	25.00%	23,600	96,943	-	-	(23,600)	96,942	-	-	-	-	-	-	96,942
Khipro (all fields)	25.00%	13,039	450,419	(21,686)	-	-	441,771	-	-	-	-	-	-	441,771
Nashpa	15.00%	1,515,568	145,731	-	-	(742,054)	919,245	-	-	-	-	-	-	919,245
Gambat South	25.00%	634,777	-	-	-	-	634,777	-	-	-	-	-	-	634,777
Block-22	22.50%	15,534	-	-	-	-	15,534	-	-	-	15,534	-	15,534	-
Sinjhoro	22.50%	214,681	333,785	-	-	(214,681)	333,786	-	-	-	-	-	-	333,786
Chanda	17.50%	452,881	-	-	-	(452,881)	-	-	-	-	-	-	-	-
Khewari	22.50%	92,441	-	-	-	(58,308)	34,133	-	-	-	-	-	-	34,133
Decommissioning cost		112,524	-	-	-	-	112,524	-	-	-	7,294	-	7,294	105,230
Sub total developing fields		4,180,861	1,092,669	(22,015)	(13,880)	(2,501,128)	2,736,507	-	-	-	185,873	(108,644)	77,229	2,659,278
Total		56,564,029	5,936,426	(565,142)	(1,460,241)	313,010	60,788,082	35,761,669	5,097,731	40,859,398	4,434,737	396,422	4,831,159	15,097,525

9.1 Developing fields comprise of cost of wells and related expenditure which are under development/ under drilling and, hence, no amortization thereon has been charged.

9.2 DEVELOPMENT AND PRODUCTION ASSETS

2023		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2022	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Producing fields-Joint operations														
Badin III	25.00%	306,792	-	-	-	-	306,792	306,792	-	306,792	-	-	-	-
Block-22 (all fields)	22.50%	259,905	-	-	-	-	259,905	204,718	-	204,718	55,187	-	55,187	-
Ahmadal/Pariwali	17.50%	779,472	2,235	-	-	-	781,707	637,512	41,475	678,987	-	-	-	102,720
Minwal	17.50%	3,831	-	(19)	-	-	3,812	1,782	87	1,867	-	-	-	1,945
Mazarani	12.50%	136,602	-	-	-	-	136,602	115,273	-	115,273	21,328	-	21,328	1
Sawan	22.50%	3,420,321	2,631	-	-	-	3,422,952	2,623,018	28,352	2,651,370	604,063	-	604,063	167,519
Zamzama	25.00%	4,774,426	15,660	(2,134)	(21,493)	-	4,766,459	3,711,562	15,301	3,726,863	1,016,730	-	1,016,730	22,866
Mubarak	25.00%	1,404,700	96,628	(52,190)	-	-	1,449,138	272,211	5,167	277,378	1,089,875	-	1,089,875	81,885
Nim	22.50%	520,844	149,130	(102,131)	-	-	567,844	237,483	71,525	309,008	-	-	-	258,836
Mehran	25.00%	69,203	-	-	-	-	69,203	1,933	-	1,933	67,270	-	67,270	-
Chanda	17.50%	1,616,436	-	-	-	-	1,616,436	1,166,480	108,618	1,275,098	-	-	-	341,338
Gambat	25.00%	442,403	7,253	-	-	-	449,656	242,720	7,253	249,973	199,682	-	199,682	1
Tal (all fields)	15.00%	6,253,675	198,532	9,341	(42,262)	255,349	6,674,634	5,272,414	389,486	5,661,900	-	-	-	1,012,734
Khipro (all fields)	25.00%	3,245,991	469,855	(5,245)	-	148,867	3,859,468	2,413,344	349,360	2,762,704	-	-	-	1,096,764
MirpurKhas (all fields)	25.00%	6,200,628	1,063,966	(110,156)	-	143,304	7,297,743	5,136,448	650,235	5,786,683	-	-	-	1,511,060
Chachar	25.00%	251,861	-	-	(613)	-	251,248	159,060	118	159,178	91,855	-	91,855	215
Nashpa	15.00%	5,029,483	-	(3)	-	-	5,029,480	2,734,902	437,277	3,172,179	-	-	-	1,857,301
Sinjhoro	22.50%	830,390	78,051	-	(2,137)	163,010	1,069,313	472,602	137,948	610,550	-	-	-	458,763
Mehar	25.00%	4,372,405	15,945	(38,891)	-	-	4,349,458	1,745,730	510,448	2,256,178	671,218	187,264	858,482	1,234,798
Jhakro	22.50%	10,107	-	-	-	-	10,107	10,079	-	10,079	28	-	28	-
Guddu	22.50%	154,939	29	-	(1,691)	-	153,277	119,855	5,299	125,154	-	-	-	28,123
Bolan	17.50%	565,815	-	(2,437)	-	-	563,378	473,111	29,530	502,641	-	-	-	60,737
Gambat South	25.00%	1,734,930	-	-	(53,887)	335,907	2,016,950	702,527	194,699	897,226	-	-	-	1,119,724
Bitrisim	22.50%	312,907	1,231	(3,203)	-	-	310,934	120,232	22,796	143,028	-	-	-	167,906
Tando Allah Yar (all fields)	22.50%	258,519	61,506	-	(709)	25,311	344,627	215,374	20,767	236,141	-	-	-	108,486
Shah Bandar	2.50%	59,017	-	-	-	-	59,017	57,030	1,986	59,016	-	-	-	1
Khewari	22.50%	209,763	-	(2,381)	-	-	207,382	6,770	39,784	46,554	-	-	-	160,828
Dhok Sultan	25.00%	-	-	-	-	1,764,954	1,764,954	-	1,008,390	1,008,390	-	-	-	756,564
Decommissioning cost		3,062,347	1,660,105		(139,053)	7,293	4,590,692	1,861,536	663,272	2,524,808	231,921	12,443	244,364	1,821,520
Sub total producing fields		46,287,712	3,822,756	(309,448)	(261,845)	2,843,994	52,383,168	31,022,498	4,739,174	35,761,669	4,049,157	199,707	4,248,864	12,372,635

*This includes reversal of decommissioning cost amounting Rs 123 million directly made against related field assets under provisions of IFRIC 1 - Changes in existing decommissioning, restoration and similar liabilities.

Developing fields-Joint operations

2023		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2022	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Developing fields-Joint operations														
Mehar	25.00%	-	825,033	-	-	-	825,033	-	-	-	-	108,644	108,644	716,389
Tando Allah Yar (all fields)	22.50%	25,311	184,137	-	-	(25,311)	184,138	-	-	-	-	-	-	184,138
Kandra	25.00%	3,577	-	-	-	-	3,577	-	-	-	3,577	-	3,577	-
Nim	22.50%	(2,807)	-	-	-	-	(2,807)	-	-	-	-	-	-	(2,807)
Kotra	20.00%	87,942	6,829	-	-	-	94,771	-	-	-	50,824	-	50,824	43,947
Tal	15.00%	255,366	1,104	(17)	-	(255,349)	1,104	-	-	-	-	-	-	1,104
MirpurKhas (all fields)	25.00%	139,781	23,600	-	-	(139,781)	23,600	-	-	-	-	-	-	23,600
Khipro (all fields)	25.00%	156,287	5,619	-	-	(148,867)	13,039	-	-	-	-	-	-	13,039
Nashpa	15.00%	572,581	942,987	-	-	-	1,515,568	-	-	-	-	-	-	1,515,568
Gambat South	25.00%	970,684	-	-	-	(335,907)	634,777	-	-	-	-	-	-	634,777
Block-22	22.50%	15,534	-	-	-	-	15,534	-	-	-	15,534	-	15,534	-
Sinjhoro	22.50%	163,010	214,681	-	-	(163,010)	214,681	-	-	-	-	-	-	214,681
Chanda	17.50%	-	452,881	-	-	-	452,881	-	-	-	-	-	-	452,881
Khewari	22.50%	108,700	-	(16,259)	-	-	92,441	-	-	-	-	-	-	92,441
Decommissioning cost		124,495	-	-	(11,971)	-	112,524	-	-	-	7,294	-	7,294	105,230
Sub total developing fields		2,620,462	2,656,872	(16,277)	(11,971)	(1,068,224)	4,180,861	-	-	-	77,229	108,644	185,873	3,994,988
Total		48,908,174	6,479,628	(325,725)	(273,815)	1,775,769	56,564,029	31,022,498	4,739,174	35,761,669	4,126,386	308,352	4,434,737	16,367,623

9.3 Developing fields comprise of cost of wells and related expenditure which are under development/ under drilling and, hence, no amortization thereon has been charged.

	Note	2024	2023
		Rupees ('000)	
10 INVESTMENT IN SUBSIDIARIES			
Investment in subsidiaries - at cost			
Inter State Gas Systems (Private) Limited (ISGSL)	10.1		
Shares issued by ISGSL		**5,294,912**	5,294,912
Advance against issue of shares		**1,649,329**	525,069
		6,944,241	5,819,981
Pakistan LNG Limited (PLL)	10.2	**30,000**	30,000
		6,974,241	5,849,981

10.1 Inter State Gas System (Private) Limited (ISGSL) was incorporated on August 4, 1996 in Pakistan under the repealed Companies Ordinance, 1984 (repealed by Companies Act, 2017) as a private limited company. The Company has a shareholding of 100% with 529,491,231 (2023: 100% with 529,491,231) equity shares of Rs.10 each held in ISGSL. Significant projects being pursued by the ISGSL include:

- Pakistan Stream Gas Pipeline (PSGP) Project (formerly known as North South Gas Pipeline);
- Turkmenistan - Afghanistan - Pakistan - India (TAPI) Gas Pipeline;
- Iran Pakistan (IP) Gas Pipeline Project; and
- Strategic Underground Gas Storage (SUGS) Project.

	2024	2023
Movement in investment in ISGSL during the year is as follows	Rupees ('000)	
Shares issued by ISGSL		
Balance at the beginning of the year	**5,294,912**	3,401,261
Shares issued against advance during the year	-	1,893,651
Balance at the end of the year	**5,294,912**	5,294,912
Advance against issue of shares		
Balance at the beginning of the year	**525,069**	2,329,895
Shares issued against advance during the year	-	(1,893,651)
Advance disbursed for issue of shares	**1,124,260**	88,825
Balance at the end of the year	**1,649,329**	525,069
	6,944,241	5,819,981

10.2 Pakistan LNG Limited (PLL) was incorporated in Pakistan as a public company on December 11, 2015 under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017).The Company has a shareholding of 100% with 1,500,003 (2023:100% with 1,500,003) equity shares of Rs.10 each held in PLL.

10.3 Pakistan LNG Terminals Limited (PLTL) was merged into PLL with PLL being the surviving entity with effect from January 1, 2021. The 1,500,000 equity shares at Rs.10 each of PLTL were transferred to PLL.

10.4 During the year ended June 30, 2024 management assessed the investment in ISGSL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. An impairment test has been carried out by the management to determine the recoverable amount of non-current assets of ISGSL due to changes impacting the projects being pursued by ISGSL on account of non-availability of necessary financing, implementation delays and international sanctions on Iran leading to significant project delays etc.

For the purpose of determining the recoverable amount, the management performed impairment assessment during the year ended June 30, 2024 using the value-in-use (VIU) model. In assessing the value in use, estimated future cash flows are discounted to their present value, using a discount rate that is based weighted average cost of capital of the Company adjusted for the industry average gearing and market sensitivity (beta equity). The discount rate applied to cash flow projections is 15.8% per annum. The project's recoverable amount i-e VIU based on management cash flow forecasts is Rs. 18,255 million which is determined to be higher than the carrying amount. In view of foregoing and legal opinion obtained by ISGSL, management has concluded that there is no need to recognize an impairment loss in the financial statements.

	Note	2024	2023
		Rupees ('000)	
11 LONG TERM INVESTMENT IN ASSOCIATES			
Unquoted Company			
Foreign Operation - Pakistan International Oil Limited (PIOL)			
Cost of investment (6,000,000 (2023: 3,500,000) fully paid ordinary shares of USD 10 each)	11.1	**13,534,700**	6,431,700
Post acquisition losses brought forward		**(875,719)**	(2,039,511)
Share of loss for the year - net of tax	11.2	**(94,635)**	(297,110)
Effect of translation of investment		**(295,958)**	1,460,902
		(390,593)	1,163,792
Post acquisition losses carry forward		**(1,266,312)**	(875,719)
Closing balance as at June 30		**12,268,388**	5,555,981

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	Note	2024	2023
		---------------Rupees ('000)---------------	
Pakistan Minerals (Private) Limited - PMPL			
Cost of investment	11.3	**41,637,955**	36,569,203
Post acquisition profits brought forward		**13,634,057**	-
Share of loss for the year - net of tax		**(2,173,333)**	(386,040)
Share of other comprehensive (loss) / income for the year - net of tax		**(1,003,132)**	14,020,097
Total (loss) / profit for the year	11.4	**(3,176,465)**	13,634,057
Post acquisition profit carry forward		**10,457,592**	13,634,057
Closing balance as at June 30		**52,095,547**	50,203,260
		64,363,935	55,759,241

11.1 Pakistan International Oil Limited (PIOL) is a company engaged in the extraction of oil and natural gas and is registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market. Each consortium company (investors) which includes the Company, Mari Petroleum Company limited (MPCL), Pakistan Petroleum Company Limited (PPL) and Oil & Gas Development Company Limited (OGDCL) each having a 25% equity stake in PIOL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021 and the Offshore Block 5 was awarded to PIOL. During the year, the Company has made equity contribution amounting to USD 25 million; Rs. 7,103 million (2023: USD 10 million; Rs 2,226 million).

11.2 The loss for the period mainly relates to exploration and evaluation expenses incurred by PIOL.

11.3 The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan. RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL. Till 30 June 2024, the Company has invested Rs 0.4 million (2023: Rs 0.4 million) for 4,000 ordinary shares of PMPL and also made advance against future issue of shares of Rs 41,638 million (2023: Rs 36,569 million).

During the year and as at year end, based on directions from GoP, the SOEs are in the process of discussing and evaluating the terms of a potential transaction with a sovereign foreign investor with respect to divestment in the Reko Diq Project and advisors were appointed through PMPL to assist in this regard. The divestment and its conditions will require significant approvals including from the Federal Cabinet of GoP, Board of Directors and shareholders of the SOEs and other investors of the Reko Diq project. The managment expects the recoverable amount to be higher than the carrying value of investment in PMPL.

11.4 The loss for the period mainly relates to PMPL's share of loss in its associated Company, Reko Diq Holdings Limited (RDHL) while the other comprehensive loss relates to loss on retranslation of PMPL's share of investment in foreign operation i-e RDHL.

11.5 Summarized financial information for associates

The share of loss of PMPL and the below summarized financial information is based on the audited financial statements of the associate for the year ended June 30, 2024 whereas share of loss of PIOL and the below summarized financial information is based on the audited financial statements of the associate for the year ended December 31, 2023, adjusted for transactions and events up to June 30, 2024 based on management accounts, in USD, converted into PKR at closing exchange rate.

	PMPL		PIOL	
	2024	2023	2024	2023
	---------- Rupees ('000) ----------		---------- Rupees ('000) ----------	
Summarized statement of financial position				
Current assets	**266,181**	120,521	**35,639,271**	14,080,066
Non-current assets	**168,806,655**	167,171,543	**20,723,948**	8,845,552
Current liabilities	**(198,430)**	(8,590)	**(7,289,668)**	(701,696)
Non Current liabilities	**(12,886,616)**	(16,710,030)	**-**	-
Net assets	**155,987,790**	150,573,444	**49,073,551**	22,223,922
Reconciliation to carrying amounts:				
Opening net assets	**150,573,444**	-	**22,223,922**	8,663,954
Issued share capital	**-**	120	**28,412,000**	8,904,800
Advance against issue of shares	**14,943,742**	109,671,153	**-**	-
Loss for the year	**(6,520,000)**	(1,158,120)	**(378,537)**	(1,188,439)
Other comprehensive (loss) / income	**(3,009,396)**	42,060,291	**-**	-
Retranslation of investment	**-**	-	**(1,183,834)**	5,843,607
	155,987,790	150,573,444	**49,073,551**	22,223,922
Company's percentage shareholding in the associates	**33.33%**	33.33%	**25%**	25%
Company's share in carrying value of net assets	**51,995,930**	50,191,148	**12,268,388**	5,555,981
Others - exchange rate difference on equity contributions	**99,617**	12,112	**-**	-
	52,095,547	50,203,260	**12,268,388**	5,555,981
Summarized statement of comprehensive income				
Total comprehensive (loss) / profit for the year	**(9,529,396)**	40,902,171	**(378,537)**	(1,188,439)
Share of comprehensive (loss) / profit	**(3,176,465)**	13,634,057	**(94,634)**	(297,110)

12 RECEIVABLE FROM GOVERNMENT OF PAKISTAN (GoP)

	Note	2024 Current	2024 Non - Current	2024 Total	2023 Current	2023 Non - Current	2023 Total
		Rupees ('000)			Rupees ('000)		
Receivable from GoP	12.1						
Principal amount		**6,489,913**	**58,409,218**	**64,899,131**	-	64,899,131	64,899,131
Accrued interest		**6,999,956**	**-**	**6,999,956**	5,548,325	-	5,548,325
		13,489,869	**58,409,218**	**71,899,087**	5,548,325	64,899,131	70,447,456

12.1 This represents receivable from the Government of Pakistan (GoP) against the loan from the National Bank of Pakistan (NBP) availed by GoP through the company, for a tenor of seven years at markup rate of KIBOR + 0.20%, in order to fulfill the commitment of GoP towards the Government of Balochistan (GoB) for acquisition of equity stake in the Reko Diq Project. The principal amount is inclusive of all related expenses i.e. transaction cost, out of pocket expense incurred by the company. Accordingly, the receivable from GoP as well as related finance income has been apportioned into current and non-current assets.

12.2 Movement in principal amount and interest accrued is as follows

	2024	2023
	Rupees ('000)	
Principal Amount:		
Balance at beginning of the year	**64,899,131**	61,895,156
Additions during the year	**-**	3,003,975
Principal amount received during the year	**-**	-
Balance at end of the year	**64,899,131**	64,899,131
Accrued Interest:		
Balance at beginning of the year	**5,548,325**	2,071,809
Interest accrued during the year	**14,580,316**	9,714,875
Interest on loan from NBP directly repaid by GoP	**(13,128,685)**	(6,238,359)
Balance at end of the year	**6,999,956**	5,548,325

13 LONG TERM LOAN TO SUBSIDIARIES AND STAFF - UNSECURED

	Note	2024 Current	2024 Non - Current	2024 Total	2023 Current	2023 Non - Current	2023 Total
		Rupees ('000)			Rupees ('000)		
Loan to subsidiaries							
Principal							
Pakistan LNG Limited (PLL)	13.1	-	-	-	1,200,000	1,395,747	2,595,747
Inter State Gas Systems (Private) Limited (ISGSL)	13.2	**18,118**	**-**	**18,118**	107,966	-	107,966
Accrued Interest							
Pakistan LNG Limited (PLL)		-	-	-	304,462	1,238,526	1,542,988
Inter State Gas Systems (Private) Limited (ISGSL)		**1,268**	**-**	**1,268**	82,886	-	82,886
Loan to staff	13.3	**41,730**	**103,167**	**144,897**	25,904	72,683	98,587
		61,116	**103,167**	**164,283**	1,721,218	2,706,956	4,428,174

		2024	2023
		------Rupees ('000)------	
13.1	Balance at beginning of the year	**2,595,747**	3,706,638
	Repayment by PLL during the year	**(2,595,747)**	(1,040,291)
	Adjustment of group tax benefit	**-**	(70,600)
	Balance at end of the year	**-**	2,595,747

13.1.1 The Company had provided advances to PLL for operational activities related to LNG imports and also to fulfill the guarantees set forth in the LNG import contracts. On November 22, 2017, the Company agreed to convert the entire amount of advances into an interest-bearing loan, as agreed upon in the term sheet signed by both parties. On October 19, 2018, both parties renegotiated the loan repayment schedule in a term sheet amendment, with the loan now payable to the Company over a period of three years until March 2021. The rate of interest on the loan was set to six (06) months KIBOR plus 2% as of the date of the transaction.

The loan repayment timeline was adjusted again in 2022 with PLL paying Rs. 200 million towards the principal and Rs. 50 million towards the interest every two months thereon. The outstanding loan amount at beginning of the year along with interest accrued thereon has been fully repaid by PLL.

		2024	2023
		------------Rupees ('000)------------	
13.2	Balance at beginning of the year	**107,966**	270,302
	Repayment by ISGSL during the year	**-**	(77,383)
	Adjustment of group tax benefit	**(89,848)**	(84,953)
	Balance at end of the year	**18,118**	107,966

13.2.1 This represents amount paid to ISGSL under a loan agreement signed by the Company and ISGSL on August 9, 2018 as per the directive of the ECC dated December 15, 2016, wherein ECC directed the Company to fund all expenditure on the Government mandated projects being undertaken by the ISGSL. The loan carried an interest rate of annual KIBOR + 0.1% effective from the date of disbursement. Loan along with interest was repayable in a single bullet payment due on December 14, 2020.

The facility was entered into in line with ECC decision, however, as a secondary arrangement secured by the way of lien, charge, first and preferred right/interest on any of the assets/properties whether movable or immovable, rights, interests, gross revenues, profits, receivables and properties whether existing or acquired in future wherein the ISGSL has any ownership, right or interest. ISGSL can not dispose of any of the properties and assets as mentioned hereinabove, except with the prior written consent of the Company.The management expects that amount will be settled in the next financial year.

		2024	2023
		------------Rupees ('000)------------	
13.3	Balance at beginning of the year	**98,587**	31,083
	Loan disbursed during the year	**90,660**	87,179
	Repayment received during the year	**(44,350)**	(19,675)
	Balance at end of the year	**144,897**	98,587

			2024	2023
			----------------Rupees ('000)----------------	
14	**STORES, SPARES AND LOOSE TOOLS - SHARE IN JOINT OPERATIONS' INVENTORY**			
	Stores, spares and loose tools		**6,430,932**	5,296,066
	Impairment for slow moving and obsolete stores, spares and loose tools	14.1	**(495,707)**	(495,707)
			5,935,225	4,800,359

		2024	2023
14.1	**Movement of provision for slow moving, obsolete and in transit stores**		
	Balance at beginning of the year	**495,707**	495,707
	Impairment charge for the year	**-**	-
	Balance at end of the year	**495,707**	495,707

14.2 Stores and spares include items which may result in fixed capital expenditure but are distinguishable upon usage.

		2024	2023
		----------------Rupees ('000)----------------	
15	**ACCRUED INTEREST RECEIVABLE**		
	Accrued interest receivable on bank deposits	**321,394**	137,567

15.1 This represents interest accrued on local currency bank deposits carrying mark-up at the rate ranging between 20.51% to 20.65% per annum (2023: 14.5% to 18.5% per annum) and foreign currency deposits carrying mark-up at the rate of 2.2% per annum (2023: nil).

		2024	2023
		----------------Rupees ('000)----------------	
16	**TRADE DEBTS**		
	Unsecured - considered good	**222,951,132**	191,708,859
	Unsecured - considered doubtful	**197,927**	196,700
		223,149,059	191,905,559
	Provision for doubtful debts	**(197,927)**	(196,700)
		222,951,132	191,708,859

16.1 Trade debts include overdue amount of Rs. 201,237 million (2023: Rs. 166,972 million) on account of Inter-corporate circular debt from gas companies comprising of Rs. 143,623 million (2023: Rs.116,506 million) and Rs. 57,614 million (2023: Rs. 50,467 million) overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. The management of Company considers this amount to be fully recoverable because Government of Pakistan has been assuming the responsibility to settle the Inter-Corporate circular debt in the energy sector. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of Company's trade debts. The Company recognizes interest / surcharge, if any, on delayed payments from customers only to the extent that it is highly probable that a significant reversal in the amount of income recognized will not occur when the uncertainty associated with the interest / surcharge is subsequently resolved, which is when the interest/ surcharge on delayed payments is received by the Company. As disclosed in note 3.3 to these financial statemnts, SECP has deferred the applicability of ECL model till December 31, 2024 on financal assets due directly / ultimately from GoP in consequence of the circular debt.

16.2 Total amount due from related parties as on June 30, 2024 is Rs 216,951 million (2023: Rs 182,859 million) and maximum amount due at the end of any month during the year was Rs 218,511 million (2023: Rs 182,859 million). For party wise details refer note 40.

		2024	2023
		----------------Rupees ('000)----------------	
16.3	Movement in provision for doubtful debts		
	Balance at beginning of the year	**196,700**	539,704
	Provision during the year	**1,227**	-
	Reversal of provision	**-**	(343,004)
	Balance at end of the year	**197,927**	196,700

17	ADVANCES, OTHER RECEIVABLES AND SHORT TERM PREPAYMENTS	Note	**2024**	2023
			-----------Rupees ('000)-----------	
	Secured			
	Advances against salary to staff		**19,568**	24,301
	Unsecured and considered good			
	Advances to suppliers		**2,021**	3,063
	Receivable from ISGSL - related party	17.1	**-**	150,000
	Payment of security services on behalf of subsidiaries		**335**	231
			2,356	153,294
	Short term prepayments			
	Software maintenance fee		**12,387**	11,308
	Insurance		**4,601**	8,782
			16,988	20,090
			38,912	197,685

17.1 This represents the funds provided to ISGSL by the Company under stop-gap arrangement, as per the directives of ECC, to meet the funding requirements of ISGSL. This is interest free and receivable on demand from ISGSL.

18	SHORT TERM INVESTMENTS	**2024**	2023
		-----------Rupees ('000)-----------	
	Investment held at amortized cost		
	Local currency term deposits with banks	**63,065,628**	28,258,016
	Foreign currency term deposits with banks	**4,733,426**	-
		67,799,054	28,258,016

18.1 Investment in term deposit receipts placed with the commercial banks. The breakup is as under:

Credit rating	Rating agency	Rate	**2024**	2023
			-----------Rupees ('000)-----------	
Local currency term deposits maturing within three months				
A-1+	VIS	19.00%	**8,000,000**	8,000,000
A-1+	PACRA	19.05%	**30,000,000**	8,000,000
A-1+	PACRA	19.10%	**25,000,000**	12,000,000
Interest accrued			**65,628**	258,016
			63,065,628	28,258,016
Foreign currency term deposits maturing within three months				
A-1+	PACRA	7.0% - 8.5%	**4,676,005**	-
Interest accrued			**57,421**	-
			4,733,426	-
Total investments			**67,799,054**	28,258,016

18.2 This include Rs 10,000 million (2023: Rs 5,000 million) which is subject to restriction as the amount is reserved against funded mining project reserve which is further explained in note 21.5.

		Note	2024	2023
			--Rupees ('000)--	
19	**CASH AND BANK BALANCES**			
	Local Currency			
	-Cash in hand		**195**	41
	-Cash at banks - savings accounts	19.1	**3,122,915**	7,332,145
	Foreign Currency			
	-Cash at banks - savings accounts	19.2	**2,557**	-
			3,125,667	7,332,186

19.1 These carry mark-up upto 20.50% - 20.70% per annum (2023: 12.25% - 20.00% per annum).

19.2 These represent foreign currency deposit with commercial bank amounting to USD 9,189 (2023: USD nil) and carry mark-up at the rate of 2.20% per annum.

		Note	2024	2023
			--Rupees ('000)--	
19.3	**Cash and cash equivalents**			
	Term deposit receipts (TDRs)	18.1	**66,303,825**	28,258,016
	Cash and bank balances	19	**3,125,667**	7,332,186
	Accrued interest receivable on bank deposits	15	**321,394**	137,567
			69,750,886	35,727,769
	Less: TDRs reserved against mining project reserve	21	**(10,000,000)**	(5,000,000)
			59,750,886	30,727,769

20 SHARE CAPITAL

Authorized share capital

2024	2023		2024	2023
--Number of shares--			--Rupees ('000)--	
4,500,000,000	4,500,000,000	Ordinary shares of Rs. 10 each	**45,000,000**	45,000,000

Issued, subscribed and paid up capital

2024	2023			
--Number of shares--				
2,322,121,233	2,322,121,233	Ordinary shares of Rs. 10 each, fully paid in cash	**23,221,212**	23,221,212
2,322,121,233	2,164,316,961	Weighted average shares		

20.1 The movement in issued, subscribed and paid up capital is as follows:

	2024	2023	2024	2023
	--Number of shares--		--Rupees ('000)--	
At July 1	**2,322,121,233**	2,132,756,107	**23,221,212**	21,327,561
Ordinary shares of Rs 10 each paid in cash issued during the year	-	189,365,126	-	1,893,651
At June 30	**2,322,121,233**	2,322,121,233	**23,221,212**	23,221,212

20.2 Government of Pakistan (GoP) holds 100% shares. Of these shares, two nominee directors hold one qualification share each. All ordinary shares rank equally with regard to the Company's residual assets. GoP as holder of these shares is entitled to dividend as declared from time to time and are entitled to vote at general meetings of the Company.

During the year, the Pakistan Sovereign Wealth Fund Act, 2023 became effective. Under the said Act, the GoP's shareholding in the Company stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the GoP is in the process of taking necessary actions required to record the transfer of the shares to PSWF.

20.3 Economic Coordination Committee (ECC) of the Federal Cabinet, in its decision on Case No ECC-145/25/2015 dated December 15, 2016, in respect of the "Funding of Expenditure of Inter State Gas Systems Private Limited", approved that the Company is to fund all project activities of ISGSL as a 100% subsidiary company and all Government investments (e.g. from GIDC) in projects being undertaken by ISGSL shall be routed through the Company. Pursuant to the foregoing, the Finance Division vide its Office Memorandum No. F. 4(2) CF-V/2007 dated October 24, 2017 instructed ISGSL to issue shares to the Company being its Parent Company and going forward the Company is required issue the shares in the name of the President of Pakistan through Secretary M/o Energy (Petroleum Division) in relation to the Government's investment in ISGSL's projects. Accordingly the increase in share capital of the Company represents Government's investment in ISGSL being routed through the Company.

		Note	**2024**	2023
			Rupees ('000)	
21	**RESERVES**			
	Other reserves			
	Foreign currency translation reserve	21.2	**1,229,238**	1,451,207
	Foreign currency translation reserve - associated company	21.3	**13,016,966**	14,020,098
			14,246,204	15,471,304
	Capital reserves			
	Assets acquisition reserve	21.4	**5,000,000**	5,000,000
	Mining project reserve	21.5	**20,000,000**	20,000,000
			25,000,000	25,000,000
			39,246,204	40,471,304

21.1 The Company has appropriated and created these reserves in accordance with the principles of prudence.

21.2 This represents the translation reserve net of related tax of the retranslation of the investment in the associated company.

21.3 This represents accumulated balance of translation effect of a foreign operation in Rupees of associated company.

21.4 In view of the Company's business expansion, it is intended to acquire sizable production reserves for which a separate asset acquisition reserve has been established. The Company plans to continue to build up this reserve in future years. Accordingly, this reserve is not available for distribution to shareholders.

21.5 This reserve is created in view of the future funding requirements for the Reko-Diq project. These reserves are to be funded for which the Company plan to accumulate the required funds over a period of four years starting from year ended June 30 2023. This reserve is not available for distribution to shareholders. Refer note 18.2 for funds earmarked against the reserve.

			2024	2023
			Rupees ('000)	
22	**LONG TERM LIABILITIES**			
	Due to the joint operators	22.1	**6,133,871**	6,175,325
	Current portion shown under current liabilities		**(1,903,482)**	(1,667,523)
			4,230,389	4,507,802

22.1 This represents long term liability on account of the Company's carried interest of 5% in the exploration expenditure of various joint operations. This expenditure is incurred by the joint operation partners up to the date of commercial discovery, and the amount will be adjusted in five equal annual installments, against the Company's share of commercial production in each respective joint operation.

	Note	2024	2023
		Rupees ('000)	
Balance at beginning of the year		**6,175,325**	5,036,503
Unwinding of long term liability	33	**261,286**	137,133
Payments net of exchange loss		**(330,494)**	(396,714)
Additions / adjustments during the year		**277,932**	207,779
Discounting of long term liability	22.2	**359,826**	(519,532)
Unrealized exchange (gain) / loss on revaluation		**(610,004)**	1,710,156
		6,133,871	6,175,325

22.2 Long term liabilities in US Dollars have been discounted at a rate of 5.39% (2023: 5.85%).

23 LOAN FROM NATIONAL BANK OF PAKISTAN (NBP) - SECURED

	Note	**2024** Current	**2024** Non - Current	**2024** Total	2023 Current	2023 Non - Current	2023 Total
		Rupees ('000)			Rupees ('000)		
Long term loan	23.1						
Principal amount		**6,489,913**	**58,409,218**	**64,899,131**		64,899,131	64,899,131
Accrued Interest		**6,999,956**	**-**	**6,999,956**	5,548,325	-	5,548,325
		13,489,869	**58,409,218**	**71,899,087**	5,548,325	64,899,131	70,447,456

23.1 This represents the long term finance facility obtained by the Company from National Bank of Pakistan (NBP) to settle the short term finance facility obtained by the company on behalf of the GoP in order to fulfill the commitment of the Government of Pakistan (GoP) towards the Government of Balochistan (GoB) in relation to Reko Diq project. The loan carries interest calculated at 6-month Karachi Interbank Offered Rate (KIBOR) + 0.20% effective from the date of disbursement. The loan was availed for a tenor of seven years (inclusive of a two-year grace period) with effect from December 31, 2022 and is repayable in equal semi annual installments of principal amount starting from June 30, 2025. The loan is secured against a GoP guarantee and letter of comfort.

	2024	2023
	Rupees ('000)	
Balance at beginning of the year	**70,447,456**	-
Draw down during the year	**-**	64,899,131
Interest accrued during the year	**14,580,316**	5,548,325
Repayments during the year	**(13,128,685)**	-
Balance at end of the year	**71,899,087**	70,447,456

24 DEFERRED TAX LIABILITY / (ASSET)

	Note	2024	2023
Deferred tax (asset) / liability	24.1	**(5,849,021)**	315,880

24.1 Movement in the deferred tax liability:

	Note	2024	2023
Balance at the beginning of the year		**315,880**	2,579,898
Credited to the statement of profit or loss	38	**(6,076,727)**	(2,639,448)
(Credited) / Debited to statement of other comprehensive income		**(88,174)**	375,430
		(5,849,021)	315,880

	Note	2024	2023
		Rupees ('000)	
24.2 Deferred tax comprises of the following:			
Taxable temporary difference arising in respect of:			
Accelerated depreciation on property, plant and equipment		**7,367,064**	7,330,655
Development and production expenditure		**6,168,913**	5,275,558
Unwinding of long term liability (carried interest)		**215,237**	525,794
Effects of translation of investment in a foreign associate		**409,746**	483,736
		14,160,960	13,615,743
Deductible temporary difference arising in respect of:			
Impairment of stores, spares and loose tools		**(247,854)**	(247,854)
Provision for decommissioning cost		**(2,324,652)**	658,643
Unrealized exchange loss		**(2,165,787)**	(1,956,638)
Work in progress		**(145,718)**	(198,285)
Expenditure of exploration and prospecting		**(2,458,761)**	(2,070,487)
Provision for windfall levy on oil / condensate		**(11,786,230)**	(8,642,719)
Remeasurement of employees' retirement benefits		**(55,692)**	(41,507)
Net impairment loss on financial assets		**(98,964)**	(98,350)
Share of loss from associate		**(726,323)**	(702,666)
		(20,009,981)	(13,299,863)
		(5,849,021)	315,880

24.3 Deferred tax has been calculated at the current effective tax rate of 50% (2023: 50%).

25 PROVISION FOR DECOMMISSIONING COST

	Note	2024	2023
Provision for decommissioning cost	25.1	**12,047,359**	14,408,445

25.1 Provision for decommissioning cost

	Note	2024	2023
Balance at the beginning of the year		**14,408,445**	8,240,916
Provision made during the year	25.2	**887,107**	2,497,657
Revisions due to change in estimates	25.3	**(4,064,344)**	(714,814)
Revaluation exchange (loss) / gain		**(421,261)**	3,461,250
Unwinding of discount on provision for decommissioning cost	33	**1,237,412**	923,436
		12,047,359	14,408,445

25.2 Provision made during the year is distributed as under

	Note	2024	2023
Share in Joint operations' fixed assets	6.2	**73,671**	752,594
Share in Joint operations' fixed assets - CWIP	6.3	**-**	84,958
Development and production assets	9	**813,436**	1,660,105
		887,107	2,497,657

25.3 Revisions due to changes in estimates during the year are distributed as under

	Note	2024	2023
Share in joint operations' fixed assets	6.2	**(1,296,031)**	(47,592)
Share in joint operations' fixed assets - CWIP	6.3	**(11,329)**	(1,649)
Development and production assets	9	**(1,460,241)**	(273,815)
Operating expenses	32	**(1,296,743)**	(391,758)
		(4,064,344)	(714,814)

25.4 Significant financial assumptions used were as follows:

	2024	2023
Discount rate per annum	**6.8% ~ 9.97%**	7.5% ~ 11.4%
Inflation rate per annum	**2.07%**	5.81%

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		Note	2024	2023
			----------------Rupees ('000)----------------	
26	**DEFERRED EMPLOYEE BENEFITS**			
	Accumulating compensated absences	26.1	**51,631**	45,537
26.1	**Accumulating compensated absences**			
	Present value of defined benefit obligation at beginning of the year		**45,537**	64,797
	Current service cost		**7,450**	5,480
	Interest cost		**4,903**	5,250
	Payments made during the year		**(28,815)**	(51,794)
	Remeasurement of accumulating leave absences		**22,556**	21,804
	Present value of defined benefit obligation at end of the year		**51,631**	45,537
	The movement in liability recognized in the statement of financial position is as follows:			
	Liability at beginning of the year		**45,537**	64,797
	Expense for the year		**34,909**	32,534
	Payments to the fund during the year		**(28,815)**	(51,794)
	Liability at end of the year		**51,631**	45,537
	Amounts recognized in statement of profit and loss:			
	Current service cost		**7,450**	5,480
	Net interest cost		**4,903**	5,250
	Remeasurement of accumulating leave absences		**22,556**	21,804
			34,909	32,534
	The remeasurement loss arising from:			
	Experience Adjustments		**22,556**	21,804

	2024	2023
Principle actuarial assumptions:	----------------Percentage----------------	
Valuation discount rate (%)	**14.00%**	15.75%
Salary increase rate (%)	**13.00%**	14.75%

	2024	2023
Sensitivity analysis	----------------Rupees ('000)----------------	
Defined Benefit Obligation	**51,631**	45,537
1% increase in discount rate	**47,560**	42,182
1% decrease in discount rate	**56,241**	49,339
1% increase in salary rate	**56,194**	49,298
1% decrease in salary rate	**47,535**	42,164

Expected employee benefit cost to be recognized in statement of profit or loss	**For the year June 30, 2025 Rupees ('000)**
Current service cost	**10,276**
Interest expense	**7,228**
	17,504

Description of risks to the Company

The compensated absences plans expose the Company to the following risks:

- Discount rate risk - The risk of changes in discount rate, since discount rate is based on corporate / government bonds, any decrease in bond yields will increase plan liabilities.

- Salary increase / inflation risk - The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

- Mortality risk - The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.
- Withdrawal risk - The risk of actual withdrawals experience may different from that assumed in the calculation.

		Note	2024	2023
			Rupees ('000)	
27	**TRADE AND OTHER PAYABLES**			
	Creditors due to joint operations		**7,083,427**	3,905,427
	Accrued liabilities		**213,132**	202,386
	Current account with subsidiary - ISGSL	27.1	**284,794**	476,867
	Current account with subsidiary - PLL	27.2	-	2,536,997
	Payable to gratuity fund	27.3	**71,018**	66,060
	Payable to provident fund		**5,215**	4,200
	Sales tax payable		**685,645**	822,487
	Other payables		-	5,066
	Levies payable		**12,524**	13,713
	Royalty payable		**1,080,348**	888,657
	Provision for windfall levy on oil / condensate	27.4	**23,572,460**	17,285,437
			33,008,563	26,207,297

27.1 This amount is the net of the advance tax paid by the Company on behalf of ISGSL and the amount recoverable from the Federal Board of Revenue (FBR) on behalf of ISGSL under group taxation.

27.2 This amount is net of the advance tax paid by the Company on behalf of PLL and the amount recoverable from the Federal Board of Revenue (FBR) on behalf of PLL under group taxation.

		2024	2023
		Rupees ('000)	
27.3	**Gratuity fund**		
	The amount recognized in the statement of financial position is as follows:		
	Present value of defined benefit obligation	**369,692**	292,733
	Fair value of plan assets	**(298,674)**	(226,673)
	Net liability at end of the year	**71,018**	66,060
	The movement in liability recognized in the statement of financial position is as follows:		
	Liability at beginning of the year	**66,060**	68,539
	Expense for the year	**42,648**	37,225
	Remeasurement loss recognized in other comprehensive income during the year	**28,369**	28,835
	Contributions to the fund during the year	**(66,060)**	(68,539)
	Liability at end of the year	**71,017**	66,060
	The movement in the present value of defined benefit obligation is as follows:		
	Present value of defined benefit obligation at beginning of the year	**292,733**	224,062
	Current service cost	**43,111**	32,696
	Interest cost	**37,608**	28,380
	Benefits paid	**(35,967)**	(13,479)
	Remeasurement of defined benefit obligation	**32,206**	21,074
	Present value of defined benefit obligation at end of the year	**369,692**	292,733

	2024	2023
	----------------Rupees ('000)----------------	
The movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	**226,673**	155,523
Contributions	**66,060**	55,785
Payment by employer on behalf of plan	**-**	12,754
Expected return on plan assets	**38,071**	23,851
Benefits paid	**(35,967)**	(13,479)
Remeasurement of plan assets	**3,837**	(7,761)
Fair value of plan assets at end of the year	**298,674**	226,673

Detail of plan assets

Cash at bank	**15,687**	140,370
Term deposits	**282,987**	86,303
	298,674	226,673

Funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The gratuity plan is a defined benefit final salary plan invested through approved trust fund. The fund is governed under Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the fund are responsible to plan administration and investment. The Company appoints the trustees. All trustees are employees of the Company.

	2024	2023
	----------------Rupees ('000)----------------	
Amounts recognized in statement of profit and loss:		
Current service cost	**43,111**	32,696
Net interest cost	**(463)**	4,529
	42,648	37,225
Amounts recognized in statement of other comprehensive income:		
Remeasurement loss recognized on defined benefit obligation	**32,206**	21,074
Remeasurement (gain) / loss recognized on plan assets	**(3,837)**	7,761
	28,369	28,835
The remeasurement loss arising from:		
Experience Adjustments	**28,369**	28,835
Financial Assumptions	**-**	-
	28,369	28,835
Principle actuarial assumptions:		
Valuation discount rate (%)	**14.00%**	15.75%
Salary increase rate (%)	**13.00%**	14.75%
Mortality Rates	**Adjusted SLIC 2001-2005**	

	2024	2023
	----------------Rupees ('000)----------------	
Sensitivity Analysis		
Defined Benefit Obligation	**369,692**	292,733
1% increase in discount rate	**337,352**	267,012
1% decrease in discount rate	**407,651**	322,930
1% increase in salary rate	**407,923**	323,146
1% decrease in salary rate	**336,458**	266,314

	For the year ending June 30, 2025 Rupees ('000)
Expected defined benefit cost to be recognized in statement of profit or loss	
Current service cost	**60,846**
Interest expense	**50,396**
Interest income on plan assets	**(45,840)**
	65,402
Expected contributions to gratuity fund	**71,018**

Description of risks to the Company

The gratuity plans expose the Company to the following risks:

- Discount rate risk - The risk of changes in discount rate, since discount rate is based on corporate / government bonds, any decrease in bond yields will increase plan liabilities.

- Salary increase / inflation risk - The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

- Mortality risk - The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.

- Withdrawal risk - The risk of actual withdrawals experience may different from that assumed in the calculation.

- Investment risk - The risk of occurrence of losses relative to the expected return on any particular investment.

		Note	**2024**	2023
			Rupees ('000)	
27.4	**Provision for windfall levy on oil / condensate**			
	Balance at beginning of the year		**17,285,437**	11,403,545
	Provision made during the year		**6,287,023**	5,881,892
	Balance at end of the year	29.1.4	**23,572,460**	17,285,437
28	**PROVISION FOR TAXATION**			
	Balance at the beginning of the year		**8,836,207**	4,571,974
	Income tax paid during the year		**(30,760,201)**	(33,023,266)
	Adjustment / (Recoverable) from FBR on behalf of PLL under group taxation		**2,705,142**	(1,621,189)
	Adjustment / (Recoverable) from FBR on behalf of ISGSL under group taxation		**17,114**	(284,794)
	Provision for current taxation for the year	38	**43,725,702**	39,193,482
	Provision for taxation - prior years	38	**(5,864,765)**	-
	Balance at the end of the year		**18,659,199**	8,836,207

28.1 The Honourable Supreme Court of Pakistan (SCP) through its decision dated November 29, 2023 and written order issued on January 08, 2024, dismissed Civil Petition filed by the tax authorities and has decided the matter of depletion allowance in favour of the Company. Pursuant to the decision having attained finality, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance 2001, the royalty amount is not to be deducted when establishing the wellhead value. Accordingly, the Company has reversed the tax expense amounting to Rs 5,153 million booked in prior years in respect of depletion allowance from tax years 2004 to 2021.

			2024	2023
			Rupees ('000)	
29	**CONTINGENCIES AND COMMITMENTS**			
29.1	**Contingencies**			
	Relating to carried cost liability	29.1.1	**2,323,297**	2,507,151
	Sales tax contingency	29.1.2	**18,177,837**	18,177,837
			20,501,134	20,684,987

29.1.1 This represents contingencies in respect of 5% carried cost of the discovered fields where Declaration of Commercialities (DOCs) have not yet been submitted at the year end and for those Development and Production leases where the Company's estimates varies with those of the operator.

29.1.2 The Federal Board of Revenue (FBR) issued a show cause notice to the Company in respect of non-applicability of zero percent sales tax on crude/condensate supplies from 2009-10 to 2013-14 as per SRO No. 549(1)/2008, which includes the condition of "import and supplies thereof." The Company disputed the notice on the grounds that it does not import crude / condensate and filed writ petition with Islamabad High Court. Single bench of high court allowed petition on ground of jurisdiction. FBR challenged the order in appeal which was allowed and remanded back to single bench of High Court for decision on merits. Petition is pending. The estimated tax contingency has been calculated based on the sales tax amount involved, penalty, and default surcharge.

29.1.3 The tax authorities had amended the assessments of the Company for the tax years 2003 to 2023 raising an aggregate demand of Rs. 27,659 million, which primarily relates to depletion allowance, development and production expenditure, decommissioning cost, super tax, unrealized exchange losses, rebate on donation and tax credits under sections 61, 65 of the Income Tax Ordinance, 2001. The Company had paid the demanded amounts upto tax year 2020 under protest to avoid penalties under the Income Tax Ordinance 2001 and has initiated appellate proceedings against the disallowance which are pending at different appellate forums. In the above demanded amount, Rs 5,153 million was disallowed on account of depletion allowance. However, the matter has been decided in favor of the Company which has been further explained in note 28.1 to the financial statements.

29.1.4 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Company is a working interest owner in Tal, Mirpur Khas, Khipro, Mehar, Mubarak, Tando Allah Yar, Gurgalot, Sinjhoro, Bitrism, Khewari and Nim Blocks whose Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997.

Subsequently, in pursuance to the option available under Petroleum Policy 2012, the Company along with other working interest owners signed Supplemental Agreements (SAs) with the Government of Pakistan (GoP) for conversion of eligible existing and future discoveries under aforesaid PCAs to the Petroleum Policy (PP), 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from November 27, 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified amendments in Petroleum Policy 2012 after approval from the Council of Common Interests (CCI) dated November 24, 2017 which included imposition of Windfall Levy on Oil / Condensate (WLO). The said notification required the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 and 1997 to be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. Directorate General Petroleum Concessions (DGPC), on January 3, 2018, 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 or to forgo the incentives available for gas pricing.

Based on legal advice, the Company is of the view that terms of the existing PCAs as amended to-date through the supplemental agreements already executed cannot unilaterally be amended by the GoP through introduction of amendment nor can the GoP lawfully require and direct that such amendments be made to include imposition of WLO retrospectively and nor the GoP unilaterally hold and direct that the gas price incentive to which the Company is presently entitled to and receiving under the conversion package as enshrined under the supplemental agreement stands withdrawn or the Company ceases to be eligible for such incentive in case of failure to adopt the unilateral amendments in the existing PCAs. Accordingly, the aforementioned amendments as well as the subsequent letters requiring implementation of the amendments are not enforceable or binding upon the Company.

The Company along with other joint operation Partners has challenged the applicability of WLO against the backdrop of supplemental agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order against the CCI decision dated November 24, 2017 on imposition of WLO. It is pertinent to note that all writ petitions on subject matter have been consolidated by the Honorable High Court. The Petitions are pending with date in office.

The cumulative impact of Windfall Levy on oil (WLO) since application of incremental gas prices up till June 30, 2024 amount to approximately Rs 33,889 million (2023: Rs 27,602 million). As mentioned above, the Company based on the advice of legal counsels, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favor. However, without prejudice to the Company's legal contention and as a matter of prudence, the Company has booked provision of Rs. 23,572 million to prospectively account for the impact of WLO from the date of the SRO i.e. December 27, 2017 till June 30, 2024. The provision has been adequately disclosed in note 27.

29.1.5 Unitization of Salamat / Adam West Field Reserves

A reservoir communication study by an independent third party, is currently in progress to determine reserve volume estimates and level of communication between Salamat field (operated by UEPL; GHPL Working Interest (WI): 25%) and Adam West field (operated by PPL; GHPL WI: Nil). If reservoir communication between the fields is proved then subject to final results of the study, agreement of concerned parties and Director general petroleum concession's (DGPC) approval, financial exposure may arise equivalent to revenue from additional production from the reservoir to be offset by royalty / OPEX / tax and other related expenses incurred.

29.1.6 Other contingencies

As part of the investment in Pakistan International Oil Limited (PIOL), each associate of the consortium companies including GHPL have provided, joint and several, parent company guarantees to Abu Dhabi National Oil Company (ADNOC) and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE to guarantee the obligations of the associate, PIOL. The exposure against the said guarantee as at year end amounts to US$ 120 million (2023: US$ 195 million).

29.1.7 On December 17, 2018, Attock Refinery Limited (ARL) filed a writ petition against the Company before Islamabad High Court and has disputed and withheld amounts invoiced to it prior to the signing of sales agreement i.e. March 13, 2018 on account of adjustment of premium or discount as announced by Saudi Aramco for deliveries to Asian customers / destinations under the sales agreement. The amount withheld and disputed by ARL amounts to Rs 411 million (2023: Rs 411 million). The Company believes that the debit notes / invoices have been raised in accordance with the sales agreements signed with the GoP and no provision is required in this respect.

		Note	2024	2023
			Rupees ('000)	
29.2	**Commitments**			
29.2.1	Minimum work commitment	29.2.1.1	**8,910,653**	3,224,789

29.2.1.1 This represents the Company's share in the minimum work commitments relating to non-operated joint operations under respective PCAs and the Company's own capital budget.

29.2.2 As part of the Shareholders Agreement with the consortium partners in PIOL, associate, the Company has committed to invest up to US$ 100 million in PIOL during the next five years from August 31, 2021, out of which US$ 60 million has been invested till June 30, 2024 (2023: US$ 35 million). The remaining amount of US$ 40 million (2023: US$ 65 million) will be invested in subsequent years

29.2.3 As per the Joint Venture Agreement, for reconstitution of the Reko Diq project referred in note 11.3, the Company has entered into a JV agreement with stakeholder under which it has committed US$ 398 million, adjustable for inflation, to fund its contributing interest of all cost and expenses of the project. The Company has also provided a corporate guarantee in this respect.

30 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2024	2023
	Rupees ('000)	
Local		
- Natural gas	**71,975,903**	69,380,609
- Crude oil	**55,461,064**	48,803,085
- Liquefied petroleum gas	**15,118,435**	13,298,901
Export		
- Crude oil	**9,562,939**	7,686,164
	152,118,341	139,168,759
Government levies:		
- Sales tax	**(13,312,662)**	(12,218,066)
- Excise duty	**(516,811)**	(573,080)
- Petroleum development levy	**(361,791)**	(341,950)
	(14,191,264)	(13,133,096)
	137,927,077	126,035,663

30.1 Contract liabilities

The Company has recognized the following contract liabilities related to contracts with customers of liquefied petroleum gas (LPG):

	2024	2023
	Rupees ('000)	
Movement in contract liabilities		
Balance at beginning of the year	**1,708**	67,353
Advances received during the year	**6,405,345**	5,230,309
Transferred to revenue during the year	**(6,303,551)**	(5,295,954)
Balance at end of the year	**103,502**	1,708

		Note	2024	2023
			---------------Rupees ('000)---------------	
31	**ROYALTY AND OTHER LEVIES**			
	Royalty	31.1	**15,033,185**	13,864,396
	Windfall levy	31.2	**1,367,409**	1,398,382
			16,400,594	15,262,778

31.1 Royalty and other levies charged by the Government of Pakistan (GoP).

31.2 This pertains to production from Gambat South, Dhok Sultan, Mamikhel South and Shah Bandar.

		Note	2024	2023
32	**OPERATING EXPENSES**			
	Joint operation's operating expenses	32.1	**10,880,023**	10,973,959
	Depreciation	6.4	**3,139,504**	2,611,052
	Amortization of development and production assets	9	**5,097,731**	4,739,174
	Impairment	32.2	**441,865**	412,428
	Decommissioning cost actualized during the year	25	**60,983**	65,970
	Reversal due to change in decommissioning cost estimates	25.1	**(1,296,743)**	(391,758)
			18,323,363	18,410,825

32.1 It represents the Company's share in operating expenses of joint operation mainly comprising of personnel cost, field / contract services, repair and maintenance, workovers, travelling etc.

		Note	2024	2023
			---------------Rupees ('000)---------------	
32.2	**Impairment**			
	Impairment on property, plant and equipment	6.5	**45,443**	104,076
	Impairment on development and production assets	9.2	**396,422**	308,352
			441,866	412,428

32.2.1 During the current year, the Company carried out impairment testing of its joint operations assets, as required under IAS 36 - 'Impairment of Assets' to assess whether there is any provision required on these assets. Based on the assessment, management has made a provision of impairment on property plant and equipment, development and production assets as specified in above note.

32.2.2 The Company considers the relationship between international oil prices, production profiles, petroleum reserves and carrying value of its joint operation investments, amongst other factors, when reviewing for indicators of impairment. As at June 30, 2024, the estimates of future production profiles of producing / discovered fields within the Joint operations, respective CAPEX and price estimates have revised based on latest information, indicating a potential impairment.

32.2.3 For the purpose of carrying out impairment testing, each joint operation has been considered a separate cash generating unit and the recoverable value of the each joint operation investment has been separately determined and compared with the respective carrying value of the assets of that joint operation. The test was performed based on the estimate of the recoverable value of the CGU. The calculation involved estimates and judgements, such as estimation of volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate.

32.2.4 In assessing the value in use, estimated future cash flows are discounted to their present value, using a discount rate of 15.19% (2023: 15.16%) per annum. As a result, impairment loss of Rs 442 million is recognized which has been respectively allocated to the property plant and equipment (PPE) and development and production (D&P) assets of the CGU as disclosed in note 32.2 to the financial statements.

		Note	2024	2023
			----------------Rupees ('000)----------------	
33	**FINANCE INCOME / (COSTS)**			
	Finance Income			
	Finance income from financial assets			
	Return on bank deposits		**3,765,724**	2,863,833
	Return on term deposit receipts		**7,679,189**	3,958,113
	Interest on long term receivable from GoP	12	**14,580,316**	5,548,325
	Interest on loan to subsidiaries		**48,910**	267,861
			26,074,139	12,638,132
	Finance income from non financial assets			
	Gain on long term liabilities due to discounting	22.1	**-**	519,532
	Finance Income		**26,074,139**	13,157,664
	Finance Cost			
	Unwinding of discount on provision for decommissioning cost	25	**(1,237,412)**	(923,436)
	Loss on long term liabilities due to discounting	22.1	**(359,826)**	-
	Unwinding of discount on long term liabilities	22.1	**(261,286)**	(137,133)
	Interest on long term loan	23	**(14,580,316)**	(5,548,325)
	Bank charges		**(7,059)**	(1,377)
	Finance cost		**(16,445,899)**	(6,610,271)
	Net Finance income		**9,628,240**	6,547,393
34	**EXPLORATION AND PROSPECTING EXPENDITURE**			
	Cost of dry and abandoned wells	8	**185,604**	7,160
	Prospecting expenditure		**998,628**	440,743
			1,184,232	447,903
35	**GENERAL AND ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	35.1	**988,805**	946,049
	Travelling and conveyance		**20,392**	10,274
	Repairs and maintenance		**11,406**	7,439
	Rent		**15,427**	15,427
	Communications		**2,331**	1,650
	Utilities		**23,330**	14,484
	Training and seminars		**11,755**	23,612
	Printing and stationery		**5,008**	2,552
	Advertisement		**7,859**	8,484
	Entertainment		**4,464**	4,209
	Legal and professional charges		**63,306**	14,502
	Auditors' remuneration and tax services	35.5	**9,897**	6,450
	Fee and subscription		**5,950**	5,244
	Software maintenance fee		**87,242**	41,867
	Insurance		**19,475**	10,945
	Business development		**255,542**	272,475
	Corporate social responsibility	35.6	**30,000**	70,250
	Amortization of intangible assets	7	**9,039**	6,655
	Depreciation	6.1	**41,550**	22,291
	Security services		**6,871**	4,250
	Others		**5,513**	5,006
			1,625,162	1,494,115

35.1 It includes Rs. 109.107 million (2023: Rs. 94.004 million) in respect of post employment benefits.

35.2 The aggregate amounts charged in these financial statements for the remuneration of the Chief Executive Officer and Executives are as follows:

	Chief Executive Officer		Executives	
	2024	2023	**2024**	2023
	Rupees ('000)			
Short term employee benefits				
Managerial remuneration	**75,448**	60,704	**620,477**	471,980
Bonus - 35.2.1	**12,058**	23,903	**96,322**	196,128
Post employment benefits			-	
Company's contribution to			-	
Provident fund	**3,223**	2,582	**25,436**	19,480
Gratuity benefit	**4,393**	7,473	**36,125**	58,108
Other long term employment benefit	**5,318**	3,495	**43,734**	27,174
Reimbursable expenses	**411**	220	**3,817**	2,380
	100,851	98,377	**825,911**	775,250
Number of persons	**1**	1	**63**	53

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year

35.2.1 Bonus comprise of accruals of budgeted bonus payments for the year ended June 30, 2024.

35.3 **Key management personnel**

Key management personnel comprises chief executive, chief financial officer, company secretary and senior general managers of the Company.

	2024	2023
	Rupees ('000)	
Managerial remuneration	**167,541**	134,104
Bonus - 35.2.1	**26,858**	53,258
Post employment benefit	**16,891**	22,187
Other long term employment benefit	**11,809**	7,721
Reimbursable expenses	**607**	220
	223,706	217,490

35.4 Fee paid to non-executive directors for attending the Board of Directors meetings amounted to Rs. 38.4 million (2023: Rs. 37.7 million).

	2024	2023
	Rupees ('000)	
35.5 Auditors' remuneration and tax services		
Statutory audit fee	**5,219**	4,278
Report on consolidated financial statements	**505**	414
Report on compliance of Public Sector Companies (Corporate Governance) Rules 2013	**168**	138
Decommissioning certification	**1,179**	966
Out of pocket expenses	**615**	504
Tax services	**2,211**	150
	9,897	6,450

35.6 This represents donation paid to Saylani Welfare International Trust for provision of ration bags to needy and deserving citizens.

		Note	2024	2023
36	**OTHER EXPENSES**		----------------Rupees ('000)----------------	
	Exchange loss - net		**572,134**	5,274,568
	Windfall levy on oil / condensate		**6,287,023**	5,881,892
			6,859,157	11,156,460
37	**OTHER INCOME**			
	Other income from non financial assets			
	Gain on disposal of fixed assets		**422**	328,571
	Contract renewal fee		**31,500**	-
	Others		**8,674**	21
			40,596	328,592
38	**TAXATION**			
	Current			
	Charge for the current year	28.1	**43,725,702**	39,193,482
	Charge / (Credit) for prior year		**(5,864,765)**	84,953
			37,860,937	39,278,435
	Deferred			
	Credit for the year	24	**(6,076,727)**	(2,639,448)
			31,784,210	36,638,987
38.1	**Reconciliation of tax charge for the year:**			
	Accounting profit		**100,934,210**	85,799,421
	Tax rate		**50%**	50%
	Tax on accounting profit at applicable rate 50% (2023: 50%)		**50,467,105**	42,899,711
	Tax effect of:			
	Impact of provision of decommissioning cost		**-**	2,460,468
	Depletion allowance		**(9,019,911)**	(8,304,691)
	Income chargeable to tax at reduced corporate rate		**(153,635)**	(511,924)
	Prior years charge		**(9,509,349)**	(57,118)
	Effect of change in tax rate		**-**	257,006
	Interest on loans from subsidiaries		**-**	(104,466)
			(18,682,895)	(6,260,725)
			31,784,209	36,638,987
39	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit for the year	Rupees	**69,150,000,000**	49,160,434,000
	Weighted average ordinary shares	Number	**2,322,121,233**	2,164,316,961
	Earnings per share - basic	Rupees	**29.78**	22.71

39.1 There is no dilutive effect on the earnings per share of the Company.

40 FINANCIAL INSTRUMENTS

The following detail shows the carrying amounts of financial assets and liabilities. It does not include fair value information as the carrying amount is a reasonable approximation of fair value as the current financial assets and liabilities are short term and some financial assets are also interest bearing. Further, the financial assets due directly / ultimately from GoP carries contractual right and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.3. The non current financial assets are also interest bearing.

	Carrying amount	
	2024	2023
	-----------------Rupees ('000)-----------------	
FINANCIAL ASSETS		
Financial assets classified as amortized cost:		
Receivable from GoP	**71,899,087**	70,447,456
Short term investment	**67,799,054**	28,258,016
Loans / advances to staff	**164,465**	122,888
Loan to subsidiaries	**19,386**	4,329,587
Trade debts- net	**222,951,132**	191,708,859
Other receivables	**335**	150,231
Accrued interest receivable	**321,394**	137,567
Cash and bank balances	**3,125,667**	7,332,186
	366,280,520	302,486,791
FINANCIAL LIABILITIES		
Financial liabilities classified as amortized cost:		
Loan from National Bank of Pakistan (NBP) - secured	**71,899,087**	70,447,456
Long term liabilities	**6,133,871**	6,175,325
Trade and other payables	**7,586,568**	7,130,942
	85,619,526	83,753,723

Credit quality of financial assets

The credit quality of the company'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 VIS Credit Rating Company Limited (VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024	2023
		-----------------Rupees ('000)-----------------	
Trade Debts			
Counter parties without external credit rating			
Due from associated companies		**216,914,640**	184,538,453
Others		**6,036,491**	7,170,407
		222,951,131	191,708,859
Advances and other receivables			
Counter parties without external credit rating			
Due from associated companies		**19,721**	4,479,818
Others		**164,465**	122,888
		184,186	4,602,706
Receivable from Government of Pakistan (GoP)			
Counter parties without external credit rating		**71,899,087**	70,447,456
Bank Balances			
Counter parties with external credit rating	A 1+	**3,122,915**	7,332,145
Short term investments			
Counter parties with external credit rating	A 1+	**67,799,054**	28,258,016
Accrued Interest receivable			
Counter parties with external credit rating	A 1+	**321,394**	137,567

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are long term financial instruments with floating rate, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Non - derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

40.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board's audit and risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit and risk management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

40.2 Credit risk

Credit risk is the risk that a customer or counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Company's credit risk is primarily attributable to its trade debts, loan to subsidiaries, short term investments and its balances at banks.

Trade debts

Trade debts are essentially due from oil refining companies, gas distribution companies and power generation companies and the Company does not expect these companies to fail to meet their obligations. Majority of sales to the Company's customers are made on the basis of agreements approved by the GoP.

Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Company subject to maximum price notified by OGRA.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts other than circluar debt. Trade debts that are due directly / ultimately from due from the GoP till June 30, 2024 are tested for impairment as per policy disclosed in note 3.3 to the financial statements.

Others

The credit risk related to balances with banks, in term deposits and saving accounts, are managed by investing in liquid securities and maintaining bank accounts only with counterparties that have a credit rating of at least A. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss was immaterial as the counter parties have reasonably high credit ratings.

The credit risk on advances to suppliers and loan to subsidiaries is minimal as the Company has long established relationship with the entities. Subsidiaries are mainly state owned enterprises, and management does not expect non-performance by these counter parties on their obligations to the Company. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of loan to subsidiaries.

	2024		2023		
	Short Term	Long Term	Short Term	Long Term	Credit rating Agency
National Bank of Pakistan	A-1+	AAA	A-1+	AAA	PACRA
Allied Bank Limited	A-1+	AAA	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AAA	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	A-1+	AAA	VIS
MCB Bank	A-1+	AAA	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	A-1+	AAA	VIS
Bank of Punjab	A-1+	AA+	A-1+	AA+	PACRA

40.2.1 Exposure to credit risk

The Company's maximum exposure to credit risk for the components of statement of financial position at June 30, 2024 and 2023 is equal to the carrying amounts of financial assets as given below:

	2024	2023
	----------------Rupees ('000)----------------	
Receivable from Government of Pakistan (GoP)	**71,899,087**	70,447,456
Loan to staff	**144,897**	98,587
Trade debts - net	**222,951,132**	191,708,859
Loan to subsidiaries	**19,386**	4,329,587
Advances to staff and other receivables	**19,903**	174,532
Accrued interest receivable	**321,394**	137,567
Short term investments	**67,799,054**	28,258,016
Cash and bank balances	**3,125,667**	7,332,186
	366,280,520	302,486,790

The Company has maintained saving accounts with different banks having credit rating as mentioned below:

Credit rating	Rating agency		
A-1+	PACRA	**2,083,418**	5,934,981
A-1+	VIS	**1,042,054**	1,397,164
		3,125,472	7,332,145

Credit ratings for short term investments disclosed in note 18.1 to the financial statements.

40.2.2 Impairment losses

The aging of trade debts at the reporting date is as follows:

	2024		2023	
	Gross Debts	Impaired	Gross Debts	Impaired
	----------------Rupees ('000)----------------		----------------Rupees ('000)----------------	
Not past due	**19,000,818**	-	20,998,596	-
Past due up to three months	**16,022,034**	-	17,239,829	-
Past due three to six months	**16,634,335**	-	18,303,562	-
Past due more than six months	**171,491,870**	**197,927**	135,363,571	196,700
	223,149,058	**197,927**	191,905,559	196,700

Party wise aging of trade debts other than related parties at reporting date is as under:

2024						
Party name	Not past due	Past Due			Impaired balance	Total
		Up to three months	Three to six months	More than six months		
	--------------------Rupees ('000)--------------------					
Attock Refinery Limited	5,090,686	213,141	-	207,099	(72,500)	5,438,426
National Refinery Limited	167,676	121,223	-	9,116	(9,116)	288,899
Others	250,960	48,217	56,026	33,563	(79,600)	309,165
	5,509,323	382,581	56,026	249,777	(161,216)	6,036,491

2023						
Party name	Not past due	Past Due			Impaired balance	Total
		Up to three months	Three to six months	More than six months		
	Rupees ('000)					
Attock Refinery Limited	5,736,594	866,113	-	207,692	(77,917)	6,732,482
National Refinery Limited	117,774	37,679	(11,359)	163,593	(19,554)	288,133
United Energy Pakistan Limited	-	-	-	-	-	-
Others	197,963	(113,560)	1,911	162,178	(98,701)	149,791
	6,052,331	790,232	(9,448)	533,463	(196,172)	7,170,406

Party wise aging of trade debts of related parties at reporting date is as under:

2024						
Party name	**Not past due**	**Past Due**			**Impaired balance**	**Total**
		Up to three months	**Three to six months**	**More than six months**		
	Rupees ('000)					
Sui Northern Gas Pipelines Limited	**3,143,468**	**3,673,829**	**5,104,710**	**48,835,132**	**-**	**60,757,139**
Sui Southern Gas Company Limited	**7,281,486**	**9,971,849**	**11,386,733**	**122,264,952**	**-**	**150,905,020**
Pak Arab Refinery Company Limited	**1,908,099**	**1,010,059**	**1,207**	**539**	**(1,793)**	**2,918,111**
Pakistan Refinery Limited	**518,372**	**322,283**	**85,639**	**6,305**	**(6,305)**	**926,294**
Enar Petroleum Refining Facility	**78,440**	**-**	**-**	**(29)**	**-**	**78,410**
Oil & Gas Development Company	**530,407**	**626,498**	**-**	**133,847**	**(28,612)**	**1,262,140**
Pakistan Petroleum Limited	**31,224**	**34,935**	**21**	**1,347**	**-**	**67,527**
	13,491,496	**15,639,453**	**16,578,310**	**171,242,092**	**(36,710)**	**216,914,641**

2023						
Party name	Not past due	Past Due			Impaired balance	Total
		Up to three months	Three to six months	More than six months		
	Rupees ('000)					
Sui Northern Gas Pipelines Limited	3,307,653	4,257,583	4,793,414	41,415,754	-	53,774,404
Sui Southern Gas Company Limited	8,536,440	10,203,699	13,087,237	93,214,623	-	125,041,999
Pak Arab Refinery Company Limited	1,944,201	1,069	(5,865)	6,306	(6)	1,945,705
Pakistan Refinery Limited	538,337	793,190	348,060	(402)	-	1,679,185
Enar Petroleum Refining Facility	76,165	-	(3,384)	3,355	-	76,136
Oil & Gas Development Company	519,490	1,114,498	-	191,652	(522)	1,825,118
Pakistan Petroleum Limited	23,979	79,558	93,548	(1,179)	-	195,906
	14,946,265	16,449,597	18,313,010	134,830,109	(528)	184,538,453

As explained in note 16.1 to the financial statements, the Company believes that no impairment allowance is necessary in respect of trade debts past due from Sui Northern Gas Pipelines Limited and Sui Southern Gas Company Limited and loan to subsidiaries. Trade debts are essentially due from oil refining companies, natural gas and liquefied petroleum gas transmission and distribution companies. the Company is actively pursuing for recovery of debts and the Company does not expect these companies to fail to meet their obligations. Impact of ECL on financial assets not covered under exemption as explained in note 3.3 has been recorded in note 16.3 to the financial statements. Loan to subsidiaries are receivable from wholly owned subsidiaries of the Company, GoP is ultimate owner of these subsidiaries therefore ECL has not been assessed in respect of these loans.

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach (as disclosed in note 5.10.1). As at the reporting date, Company envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

Bank balances and investments in term deposits are also subject to the requirements of IFRS 9 the identified impairment loss was immaterial as the counter parties have reasonably high credit ratings.

40.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Since the Company has sufficient assets against its liabilities, and being a subsidiary of the GoP it does not have any significant liquidity risk.

The maturity profile of the Company's financial assets and liabilities based on June 30, 2024, is summarized below:

2024	Effective yield / Interest Rate	Markup/ Interest bearing	Non markup/ Interest bearing	Total
	%	----Rupees ('000)----		
FINANCIAL ASSETS				
Maturity up to one year				
Loan to staff	-	-	41,730	41,730
Trade debts - net	-	-	222,951,132	222,951,132
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	13,489,869	-	13,489,869
Staff advances and other receivables	-	-	17,882	17,882
Loan to subsidiaries - ISGSL	KIBOR+0.1	19,386	-	19,386
Loan to subsidiaries - PLL	KIBOR+2	-	-	-
Accrued interest receivable	14.5 - 18.5	321,394	-	321,394
Short-term investments	20.25 - 21.15	67,799,054	-	67,799,054
Bank balances	6.25 - 20.0	3,122,915	-	3,122,915
		84,752,618	223,010,744	307,763,362
Maturity after one year:				
Loan to staff	-	-	103,167	103,167
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	58,409,218	-	58,409,218
Loan to subsidiaries - PLL	KIBOR+2	-	-	-
		58,409,218	103,167	58,512,385
		143,161,836	223,113,912	366,275,747
FINANCIAL LIABILITIES				
Maturity up to one year				
Trade and other payables	-	-	9,151,309	9,151,309
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	13,489,869	-	13,489,869
Current portion of long term liabilities	-	-	1,903,482	1,903,482
		13,489,869	11,054,790	24,544,659
Maturity after one year:				
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	58,409,218	-	58,409,218
Long term liabilities	-	-	4,230,389	4,230,389
		58,409,218	4,230,389	62,639,607
		71,899,087	15,285,179	87,184,266

2023	Effective yield/ Interest Rate	Markup/ Interest bearing	Non markup/ Interest bearing	Total
	%	----------Rupees ('000)----------		
FINANCIAL ASSETS				
Maturity up to one year				
Loan to staff	-	-	25,904	25,904
Trade debts - net	-	-	191,708,859	191,708,859
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	5,548,324.54	-	5,548,325
Loan, advances and other receivables	-	-	171,469	171,469
Loan to subsidiaries - ISGSL	KIBOR+0.1	190,852	-	190,852
Loan to subsidiaries - PLL	KIBOR+2	1,504,462	-	1,504,462
Accrued interest receivable	14.5-18.5	137,567	-	137,567
Short-term investments	20.25-21.15	28,258,016	-	28,258,016
Bank balances	6.25-20.0	7,332,145	-	7,332,145
		42,971,367	191,906,233	234,877,600
				-
Maturity after one year:				-
Loan to staff	-	-	72,683	72,683
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	64,899,131		64,899,131
Loan to subsidiaries - PLL	KIBOR+2	2,634,273	-	2,634,273
		67,533,404	72,683	67,606,087
		110,504,771	191,978,916	302,483,687
FINANCIAL LIABILITIES				
Maturity up to one year				
Trade and other payables	-	-	5,907,997	5,907,997
Loan from National Bank of Pakistan (NBP) - secured	KIBOR + .5	5,548,325	-	5,548,325
Current portion of long term liabilities	-	-	1,667,523	1,667,523
		5,548,325	7,575,520	13,123,845
Maturity after one year:				
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	64,899,131	-	64,899,131
Long term liabilities	-	-	4,507,802	4,507,802
		64,899,131	4,507,802	69,406,933
		70,447,456	12,083,322	82,530,778

	2024	2023
OFF BALANCE SHEET ITEMS	----------Rupees ('000)----------	
Capital expenditure commitments	**8,910,653**	3,224,789

40.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three type of risks; interest rate risk, foreign exchange risk and other price risk. Financial instruments affected by market risk include trade debts, balances held in banks in saving and term deposits, long term liability in respect of carried interest and payable to joint operation partners.

40.4.1 Interest rate risk

Interest / mark-up rate risk management is the risk that the value of a financial instrument will fluctuate due to changes in interest rate. The Company does have interest bearing financial liability i-e long term loan. The Company does not hedges any of its interest bearing liabilities. Moreover, the Company has invested in fixed interest bearing securities in the form of short term deposit receipts as mentioned in Note 20.1. Further the Company has bank balances in deposit accounts that carry variable interest rates, as mentioned in Note 21.1.

40.4.2 Foreign currency risk

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

Pakistani rupee (Rs.) is the functional currency of the Company and as a result currency exposure arise from transactions and balances in currencies other than Pakistani rupee. The Company's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to Pakistani rupee equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy. The Company does not enter into forward exchange contracts.

Exposure to foreign currency risk

The Company's exposure to the risk in changes in foreign exchange rates relates primarily to the trade debts, long term liability in respect of carried interest and payable to joint operation operators. At the date of statement of financial position, the net foreign currency exposure aggregates to USD 37.07 million (2023: USD 1.97 million).

	2024	2023
FINANCIAL ASSETS	USD ('000)	
Short term exposure		
Trade debts	**10,317**	37,171
Short term investments	**(11)**	-
Cash and bank balances	**110**	-
	10,416	37,171
FINANCIAL LIABILITIES		
Short term exposure		
Due to joint operation operators	**(25,449)**	(13,637)
Long term liabilities (carried interest)	**(6,839)**	(5,823)
	(32,288)	(19,460)
Long term exposure		
Long term liabilities (carried interest)	**(15,199)**	(15,740)
	(47,487)	(35,200)
Net exposure to foreign currency risk	**(37,071)**	1,972

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
	(Pak Rupees)			
US Dollars - USD	**283.17**	248.04	**278.33**	286.39

Foreign currency sensitivity

A 10% strengthening of the functional currency against USD at June 30, 2024 would have reduced profit before taxation by Rs. 1,031.8 million (2023: reduced profit by Rs. 56.46 million). A 10% weakening of the functional currency against USD at June 30, 2024 would have had the equal but opposite effect of these amounts. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2023.

40.5 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide return for GoP. The operations of the Company are solely financed from its equity. Long term loan from NBP is obtained by the Company on behalf of GoP in relation to Reko Diq project for which corresponding receivable is also booked.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to GoP and / or issue new shares.

41.5.1 Reconciliation of movement of liabilities to cashflows arising from financing activities

The reconciliation of movement of liabilities to cashflows arising from financing activities is as follows

	Long term loans	Long term liabilities	Short term borrowings	Total
	Rs ('000)			
As at July 1, 2022	-	(5,036,503)	(63,966,965)	(69,003,468)
Cash flows	(66,848,287)	396,714	66,848,287	396,714
Other non cash movements	(3,599,169)	(1,535,537)	(2,881,322)	(8,016,028)
As at June 30, 2023	(70,447,456)	(6,175,325)	-	(76,622,781)
As at July 1, 2023	**(70,447,456)**	**(6,175,325)**	-	**(76,622,781)**
Cashflows	**13,128,685**	**330,494**	-	**13,459,179**
Other non cash movement	**(14,580,316)**	**(289,040)**	-	**(14,869,356)**
As at June 30, 2024	**(71,899,087)**	**(6,133,871)**	-	**(78,032,958)**

41 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is wholly owned by Government of Pakistan. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise subsidiaries, directors, major shareholders, companies with common directorship, key management personnel and gratuity fund. The Company in normal course of business pays for electricity, gas, airfare and telephone charges to entities controlled by Government of Pakistan which are not material, hence not disclosed in these financial statements. Amount due from and due to these undertakings are shown under receivables and payables. Significant transactions of the Company with related parties and balances outstanding at the period end are as follows:

	2024	2023
	------------Rupees ('000)--------------	
Subsidiary companies		
Shares held in subsidiary companies	**5,324,912**	5,324,912
Advance against investment in shares	**1,649,329**	525,069
Long term loan to subsidiary		
Non - current portion	**-**	2,634,274
Current portion	**19,386**	1,695,313
Interest Income on loan to subsidiaries	**48,910**	267,861
Pakistan LNG Limited (PLL) - wholly owned subsidiary and common directorship		
Loan as at June 30	**-**	2,595,747
Loan repaid during the year	**2,595,747**	1,040,291
Loan adjusted during the year against group tax benefit	**-**	70,600
Payment of security services on behalf PLL	**335**	231
Benefit payable to PLL under group taxation	**-**	2,536,997
Interest receivable	**-**	1,542,988
Interest Income	**46,266**	258,341
Interest received	**1,589,255**	257,338
Interstate Gas Systems (Private) Limited (ISGSL) - wholly owned subsidiary and common directorship		
Advance against issue of shares	**1,649,329**	525,069
Advance received by ISGSL from Government of Pakistan against issue of shares to the Company	**1,124,260**	88,825
Loan as at June 30	**18,118**	107,966
Loan repaid during the year	**-**	77,383
Loan adjusted during the year against group tax benefit	**89,848**	84,953
Interest receivable	**1,268**	82,886
Amount paid to ISGSL under stop gap arrangement	**200,000**	150,000
Amount paid back by ISGSL under stop gap arrangement	**350,000**	-
Receivable from ISGSL under stop gap arrangement	**-**	150,000
Benefit payable to ISGSL under group taxation	**284,794**	476,867
Interest income	**1,268**	9,519
Interest received	**-**	11,441
Interest on loan adjusted during the year against group tax benefit	**84,262**	-

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	2024	2023
	Rupees ('000)	
Pakistan International Oil Limited (PIOL)- Associated Company - 25% share holding of the company and common directorship		
Cost of Investment	**13,534,700**	6,431,700
Share of loss in associate	**(94,635)**	(297,110)
Pakistan Minerals (Private) Limited (PMPL)- Associated Company - 33.3% share holding of the company and common directorship		
Cost of Investment	**41,637,955**	36,569,203
Share of loss in associate	**(2,173,333)**	(386,040)
Major shareholders		
Government of Pakistan (100% share holding)		
Dividend paid	**7,000,000**	5,000,000
Long term receivable from GoP		70,447,456
Non- Current Portion	**58,409,218**	64,899,131
Current Portion	**6,489,913**	-
Interest accrued on long term receivable from GoP	**6,999,956**	5,548,325
Related parties by virtue of GoP holdings and / or common directorship		
Pak Arab Refinery Company Limited		
Sale of crude oil - net	**13,859,941**	9,980,008
Trade debts as at June 30	**2,918,111**	1,945,705
Sui Northern Gas Pipelines Limited		
Sale of natural gas - net	**19,617,853**	17,173,129
Trade debts as at June 30	**60,757,139**	53,774,404
Sui Southern Gas Company Limited		
Sale of natural gas - net	**38,834,448**	40,684,094
Trade debts as at June 30	**150,905,020**	125,041,999
Enar Petroleum Refining Facility		
Sale of crude oil - net	**689,737**	667,609
Trade debts as at June 30	**78,410**	76,136
Pakistan Refinery Limited		
Sale of crude oil - net	**2,993,277**	3,227,555
Trade debts as at June 30	**932,598**	1,679,185
Oil and Gas Development Company Limited		
Receivable as at June 30	**1,262,140**	1,825,118
Payable as at June 30	**2,947,002**	2,041,207
Expenditure charged by joint operation partner	**6,241,912**	5,099,029
Cash calls paid against joint operation partner expenses	**5,911,869**	5,218,579

	2024	2023
	------------Rupees ('000)--------------	
Pakistan Petroleum Limited		
Receivable as at June 30	**67,527**	195,906
Payable as at June 30	**1,066,361**	702,955
Expenditure charged by joint operation partner	**1,494,498**	1,554,740
Cash calls paid against joint operation partner expenses	**1,603,272**	1,562,877
National Bank of Pakistan		
Balance of bank accounts		
- Local Currency	**505,153**	925,777
- Foreign Currency	**30,611**	-
Balance of Investment		
- Foreign Currency	**4,676,005**	-
Interest earned during the year		
- Bank Account	**373,024**	289,432
- Investment	**57,421**	-
Long term loan	**71,899,087**	70,447,456
Interest accrued on long term loan during the year	**14,580,316**	5,548,325
Other related parties		
Contribution to gratuity fund (refer note 27.3)	**66,060**	55,785
Remuneration to key management personnel (refer note 37.3)	**223,706**	217,490

42 NUMBER OF EMLPOYEES

	2024	2023
Number of employees as at year end	**81**	73
Average number of employees employed during the year	**77**	68

43 STAFF PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

44. GENERAL

44.1 Capacity and production

		Production for the year	
Product	**Unit**	**2024**	2023
Gas	MMSCF	**66,857**	71,458
Oil	Barrels	**2,863,274**	2,821,611
LPG	Metric ton	**76,832**	73,494

Due to the nature of operations of the Company, installed capacity of above products is not relevant.

44.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

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

45 DATE OF AUTHORIZATION OF ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on February 17, 2025 The directors have the power to amend and reissue the financial statements.

Chief Executive Officer

Director

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT HOLDINGS (PRIVATE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

pwc

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Independent Auditor's Report

To the members of Government Holdings (Private) Limited
Report on the Audit of Consolidated Financial Statements

Opinion

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

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of 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.

Emphasis of Matter

We draw attention to note 33.1.2 to the consolidated financial statements, which describes the matter of non-accrual of any financial obligations, including penalty under the terms of Gas Sale Purchase Agreement with National Iranian Oil Company – an Iran state owned enterprise. Our opinion is not modified in respect of this matter.

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

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

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

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KARACHI LAHORE ISLAMABAD

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors are 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.

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

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: February 28, 2025
UDIN: AR202410083FBMmsSQyj

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		---Rupees ('000)---	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	**23,221,212**	23,221,212
Capital reserves	24	**25,000,000**	25,000,000
Other reserves	24	**14,974,226**	16,183,456
Unappropriated profit		**273,126,037**	175,087,882
Advance against issue of shares	23.3	**1,649,329**	525,069
EQUITY ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		**337,970,804**	240,017,620
NON-CONTROLLING INTEREST		**-**	-
TOTAL EQUITY		**337,970,804**	240,017,620
NON CURRENT LIABILITIES			
Long term liabilities	25	**4,230,389**	4,507,802
Loan from National Bank of Pakistan (NBP) - secured	29	**58,409,218**	64,899,131
Provision for decommissioning cost	27	**12,047,359**	14,408,445
Lease liability	7.1	**154,489,228**	169,165,917
Deferred employee benefits	28	**151,939**	118,013
		229,328,133	253,099,308
CURRENT LIABILITIES			
Trade and other payables	30	**51,625,915**	42,314,083
Current portion of long term liabilities	25	**1,903,482**	1,667,523
Contract liabilities	34.2	**103,502**	1,708
Loan from National Bank of Pakistan (NBP) - secured	29	**13,489,869**	5,548,325
Lease liability - current portion	7.1	**17,075,868**	16,252,001
Payable to Government under ITFC Agreement	31	**120,668,279**	113,898,102
Provision for taxation	32	**15,420,171**	4,586,480
		220,287,086	184,268,222
TOTAL LIABILITIES		**449,615,219**	437,367,530
TOTAL EQUITY AND LIABILITIES		**787,586,023**	677,385,150
CONTINGENCIES AND COMMITMENTS	33		

	Note	2024	2023
		---Rupees ('000)---	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	**29,494,366**	30,800,143
Right of use asset	7	**90,962,165**	101,663,596
Intangible assets	8	**47,116**	3,799
Exploration and evaluation assets	9	**3,980,338**	4,438,429
Development and production assets	10	**15,097,525**	16,367,623
Long term loan - unsecured	14	**103,167**	72,683
Long term investment in associates	11	**64,363,935**	55,759,241
Investment in joint venture	12	**1,570,024**	1,592,996
Receivable from the Government of Pakistan (GoP)	13	**58,409,218**	64,899,131
Deferred tax asset	26	**37,284,165**	23,912,934
		301,312,019	299,510,575
CURRENT ASSETS			
Stores, spares and loose tools - share in joint operations' inventory	15	**5,935,225**	4,800,359
Current portion of long term loan - unsecured	14	**41,730**	25,904
Stock in trade	16	**2,614,235**	8,483,425
Trade debts - net	18	**321,928,960**	292,997,128
Recoverable from tax authorities	19	**9,164,542**	9,587,829
Advances, receivables and short term prepayments	20	**2,522,975**	1,125,875
Receivable from the Government of Pakistan (GoP)	13	**13,489,869**	5,548,325
Accrued interest receivable	17	**1,094,372**	296,255
Short term investments	21	**79,964,839**	31,427,558
Cash and bank balances	22	**49,517,257**	23,581,917
		486,274,004	377,874,575
TOTAL ASSETS		**787,586,023**	677,385,150

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees ('000)	
Revenue from contracts with customers - net	34	**350,693,774**	237,543,745
Royalty and other levies	35	**(16,400,594)**	(15,262,778)
Operating expenses	36	**(209,278,051)**	(117,227,860)
GROSS PROFIT		**125,015,129**	105,053,107
Exploration and prospecting expenditure	38	**(1,184,232)**	(447,903)
General and administrative expenses	39	**(2,814,765)**	(2,420,210)
Capital work in progress written off during the year	6.5	**-**	(278,668)
Net impairment loss on financial assets	18.3	**(1,227)**	343,004
Arbitration income / (expense) - net	40	**19,028,049**	(190,112)
Other income	42	**157,324**	417,498
Other expenses	41	**(9,856,456)**	(66,635,881)
OPERATING PROFIT		**130,343,822**	35,840,835
Finance income	37	**33,476,483**	14,331,039
Finance cost	37	**(24,747,880)**	(14,007,988)
Finance inome – net		**8,728,603**	323,050
Share of loss of associate accounted for under equity method	11	**(2,267,968)**	(683,150)
Share of loss of joint venture accounted for under equity method	12	**(41,643)**	(35,433)
PROFIT BEFORE TAXATION		**136,762,814**	35,445,302
Taxation	43	**(31,700,694)**	(24,480,735)
PROFIT FOR THE YEAR		**105,062,120**	10,964,567
PROFIT ATTRIBUTABLE TO:			
Owners of the Holding Company		**105,062,120**	10,964,567
Non-controlling interest		**-**	-
		105,062,120	10,964,567
Earnings per share- basic and diluted (Rupees)	44	**45.24**	5.07

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----Rupees ('000)----	
PROFIT FOR THE YEAR		**105,062,120**	10,964,567
Other comprehensive income / (loss) for the year			
Items that will not be subsequently reclassified to consolidated statement of profit or loss:			
Remeasurement loss on employees' retirement benefits	30.5	**(42,145)**	(39,240)
Taxation		**18,180**	18,237
		(23,965)	(21,003)
Items that will be subsequently reclassified to consolidated statement of profit or loss:			
Effects of translation of investment in a foreign associate - net of tax		**(221,968)**	1,067,234
Share of effect of translation of investment in a foreign associated company of the associate		**(1,003,132)**	14,020,097
Effects of translation of investment in foreign joint venture - net of tax		**15,871**	347,347
		(1,209,229)	15,434,678
Other comprehensive (loss) / income for the year		**(1,233,193)**	15,413,675
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**103,828,926**	26,378,242

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Attributable to owners of the Holding Company										
	Share Capital		Other Reserves		Capital Reserve						
	Issued, subscribed and paid-up	Advance against issue of shares	General reserve	Foreign currency translation reserve	Committed outlay reserve	LNG project reserve	Asset insurance reserve	Assets acquisition reserve	Mining project reserve	Unappropriated profits	Total Equity
	Rupees ('000)										
Balance as at July 1, 2022	21,327,561	2,329,895	2,284,626	748,778	20,946,247	25,000,000	3,000 000	5,000,000	-	137,913,444	218,550,552
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	-	-	10,964,567	10,964,567
Other comprehensive income / (loss) for the year	-	-	-	15,434,678	-	-	-	-	-	(21,003)	15,413,675
Total comprehensive income for the year	-	-	-	15,434,678	-	-	-	-	-	10,943,564	26,378,242
Transactions with owners of the Holding Company											
Contributions											
Advance received against issue of shares	-	88,825	-	-	-	-	-	-	-	-	88,825
Issue of shares	1,893,651	(1,893,651)	-	-	-	-	-	-	-	-	-
Transfer of reserves to unappropriated profits	-	-	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000,000)	-	-	51,230,874	0
Transfer of profits to Mining project reserve	-	-	-	-	-	-	-	-	20,000,000	(20,000,000)	-
	1,893,651	(1,804,826)	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000 000)	-	20,000,000	31,230,874	88,825
Distributions											
Interim dividend 2023: Rs. 2.15 per share	-	-	-		-	-	-	-	-	(5,000,000)	(5,000,000)
Total contributions and distributions- net	1,893,651	(1,804,826)	(2,284,626)	-	(20,946,247)	(25,000,000)	(3,000,000)	-	20,000,000	26,230,874	(4,911,175)
Balance as at June 30, 2023	23,221,212	525,069	-	16,183,456	-	-	-	5,000,000	20,000,000	175,087,882	240,017,619
Balance as at July 01, 2023	**23,221,212**	**525,069**	**-**	**16,183,455**	**-**	**-**	**-**	**5,000,000**	**20,000,000**	**175,087,882**	**240,017,619**
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	-	-	**105,062,120**	**105,062,120**
Other comprehensive loss for the year	-	-	-	**(1,209,229)**	-	-	-	-	-	**(23,965)**	**(1,233,193)**
Total comprehensive income for the year	-	-	-	**(1,209,229)**	-	-	-	-	-	**105,038,156**	**103,828,926**
Transactions with owners of the Holding Company											
Contributions											
Advance received against issue of shares	-	**1,124,260**	-	-	-	-	-	-	-	-	**1,124,260**
	-	**1,124,260**	-	-	-	-	-	-	-	-	**1,124,260**
Distributions											
Interim dividend 2024: Rs. 3.01 per share	-	-	-	-	-	-	-	-	-	**(7,000,000)**	**(7,000,000)**
Total contributions and distributions- net	-	**1,124,260**	-	-	-	-	-	-	-	**(7,000,000)**	**(5,875,740)**
Balance as at June 30, 2024	**23,221,212**	**1,649,329**	**-**	**14,974,226**	**-**	**-**	**-**	**5,000,000**	**20,000,000**	**273,126,037**	**337,970,804**

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---Rupees ('000)---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**136,762,814**	35,445,302
Adjustments for:			
Amortisation of development and production assets	36	**5,097,731**	4,739,174
Depreciation on joint operations' fixed assets	36	**3,139,504**	2,611,052
Depreciation on right of use assets	36	**10,701,431**	10,701,431
(Gain) / loss on disposal of property, plant and equipment	42	**(452)**	337,989
Impairment loss- Iran-Pakistan Gas Pipeline Project	6.5.1	**-**	278,668
Impairment on property, plant and equipment	36.2	**45,443**	104,076
Impairment on development and production assets	36.2	**396,422**	308,352
Depreciation on owned fixed assets	39	**62,333**	37,982
Amortisation of intangible assets	39	**9,955**	7,324
Share of loss of associate		**2,267,968**	683,150
Dry hole wells	38	**185,604**	7,160
Provision for employee benefits	28 & 30.5	**184,237**	153,827
Unwinding of discount on provision for decommissioning cost	27.1	**1,237,412**	923,436
Unwinding of discount on long term liability	25.1	**261,286**	137,133
Discount of long term liability	25.1	**359,826**	(519,532)
Unrealised exchange (gain) / loss		**2,200,616**	55,129,662
Share of loss from joint venture - net of taxation	12.1	**41,643**	35,433
Provision for windfall levy on oil / condensate	41	**6,287,023**	5,881,892
Reversal due to change in decommissioning cost estimates	36	**(1,296,743)**	(391,758)
Net impairment loss on financial assets	18.3	**1,227**	(343,004)
Interest on delayed payment	37	**-**	47,510
Interest expense on long term loan	37	**14,580,316**	5,548,325
Interest expense on lease liability	37	**8,249,367**	7,337,880
Interest income	37	**(33,476,483)**	(13,811,507)
		157,298,480	115,390,956
Changes in working capital:			
Increase in stores, spare and loose tools - share in joint operations' inventory		**(1,134,864)**	(667,603)
(Increase) / decrease in stock in trade		**5,869,190**	7,237,162
Increase in trade debts		**(30,280,627)**	(20,137,883)
Increase in recoverable from tax authorities		**423,287**	(250,092)
Decrease / (increase) in advances, receivables and short term prepayments		**(1,397,100)**	(871,834)
Increase / (decrease) in trade and other payables		**3,375,277**	(16,000,998)
Increase in contract liabilities		**101,794**	(65,645)
		(23,043,043)	(30,756,893)
Cash generated from operations		**134,255,437**	84,634,063
Long term loan disbursed to staff	14	**(90,660)**	87,179
Loan repayments by staff	14	**44,350**	(19,675)
Income tax paid	32	**(34,148,864)**	(34,671,804)
Employee benefits paid	28 & 30.5	**(223,658)**	(198,221)
Interest paid on delayed payments	37	**-**	(47,510)
Net cash (used) / generated from operating activities		99,836,605	49,784,032

	Note	2024	2023
		Rupees ('000)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(7,549,720)**	(8,603,225)
Receipts from Government of Pakistan		**13,128,685**	
Proceeds from disposal of property, plant and equipment		**1,266**	338,110
Investment in associate		**(12,171,753)**	(4,494,172)
Interest received		**18,896,167**	8,263,182
(Purchase) / sale of short term investments		**(9,687,666)**	10,000,000
Net cash used in investing activities		**2,616,980**	5,503,895
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance received against issue of shares	23.3	**1,124,260**	88,825
Repayment of short term borrowing		**-**	(63,966,965)
Proceeds from long term loan	29	**(13,128,685)**	63,966,965
Repayments against long term liabilities	25.1	**(330,494)**	(396,714)
Dividend paid		**(7,000,000)**	(5,000,000)
Lease rentals paid	7.1	**(24,274,749)**	(21,319,049)
Receipts from Government under ITFC	31	**17,887,410**	5,743,542
Payment to Government under ITFC	31	**(11,117,233)**	(12,410,603)
Net cash used in financing activities		**(36,839,492)**	(33,293,999)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**65,614,092**	21,993,928
Effects of exchange rates changes on cash and cash equivalents		**(31,020)**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**47,136,188**	33,311,802
CASH AND CASH EQUIVALENTS RESERVED AGAINST MINING PROJECT RESERVE		**(5,000,000)**	(5,000,000)
CASH AND CASH EQUIVALENTS MARKED WITH LIEN FOR BANK GUARANTEE		**(331,200)**	(3,169,542)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	22.2	**107,388,060**	47,136,188

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

GOVERNMENT HOLDINGS (PRIVATE) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 Constitution and ownership

These consolidated financial statements comprise of Government Holdings (Private) Limited ("the Holding Company") and its subsidiaries, Inter State Gas Systems (Private) Limited (ISGSL) and Pakistan LNG Limited (PLL), (collectively referred to as "the Group").

1.2 Government Holdings (Private) Limited

Government Holdings (Private) Limited (the "Holding Company") was incorporated in Pakistan as a private limited company on January 15, 2000, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company's registered office is situated at 7th Floor, Petroleum House, Ataturk Avenue, G-5/2, Islamabad. The main objectives of the Holding Company are to:

a) Acquire shares of the companies or interest of Government of Pakistan (GoP) in the existing and new oil and gas concessions, either by payment or by issuance of shares, credited as fully paid, or other securities, as the Holding Company may think fit and to hold and enjoy all interests, rights, contracts and privileges vested in, or connected with, the title of such shares; and

b) Take over, acquire, renew, unitize, and hold any exploration, prospecting, development and production concessions of whatever nature or otherwise acquire any estate or interest, develop resources of work, dispose off or otherwise turn to account land or sea beds in any part of the world containing or thought to contain petroleum or any other oil in any form, and to search for or participate in the exploration for petroleum or any other oil in any form, asphalt, bitumen or similar substances or natural gas, or any substance used or which may be capable of use, and to organize, equip and employ expeditions, experts and other agents to carry out drilling and other exploratory operations, and to establish and operate oil and gas wells and other undertakings for the extraction of any of the aforesaid substances.

1.3 As of the date of consolidated statement of financial position, the Holding Company has the following investments:

a) Inter State Gas System (Private) Limited (ISGSL) - wholly owned subsidiary

The Holding Company has 100% shareholding in the Inter State Gas System (Private) Limited (ISGSL) under share subscription agreement. The main objective of the ISGSL is to carry on the business of importing, processing, purifying, buying, storing, supplying, transporting, transmitting, selling and exporting natural gas and other natural gas products whether as such or in a liquid state, for lighting, heating, motive power, power generation or for any other purpose whatsoever. TAPI Pipeline Company Limited (TPCL), the joint venture of ISGSL is registered in the Isle of Man as a limited liability company and its head office is situated in Dubai, United Arab Emirates. TPCL is principally engaged to carry out the business of developing, engineering, funding the construction of, procuring the equipment engineering and other services for construction and operation of, constructing owning, operating and providing maintenance for the proportion of TAPI Pipeline running from the borders of Turkmenistan and Afghanistan to the border of Pakistan and India.

b) Pakistan LNG Limited (PLL) - wholly owned subsidiary

The Holding Company has 100% shareholding in Pakistan LNG Limited (PLL), a public company incorporated on December 11, 2015 under the Companies Ordinance, 1984 (Currently Companies Act, 2017). The principle activity of PLL is to import, transport, market and distribute Liquefied Natural Gas (LNG). PLL has achieved its commercial operation date on January 04, 2018. With effect from January 01, 2021 PLL merged with Pakistan LNG Terminals Limited (PLTL) pursuant to completion of all legal requirements, with PLL being the surviving entity.

c) **Pakistan International Oil Limited (PIOL) - foreign operation - 25% shareholding**

The Holding Company, along with other consortium members i.e. Mari Petroleum Company Limited (MPCL), Pakistan Petroleum Limited (PPL) and Oil and Gas Development Company Limited (OGDCL) have established an independent entity named Pakistan International Oil Limited (PIOL) with each consortium company having a 25% equity stake in the entity. PIOL is engaged in the business of extraction of oil and natural gas and is registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market on July 15, 2021. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) in respect of Offshore Block-5 was signed on August 31, 2021.

d) **Pakistan Minerals (Private) Limited - PMPL - 33.33% shareholding**

The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with initial subscribed share capital of 12,000 shares with par value of Rs 10 each in accordance with the agreements for collective representation of the Company, Pakistan Petroleum Limited (PPL) and Oil and Gas Development Company Limited (OGDCL), together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC.

1.4 The Group has interest in certain joint operations / concessions as non-operator. Geographical location of concessions / blocks is as under:

Operator	Concession / Block	Working Interest (%)	Province
Al-Haj	Baska North	4.15	Balochistan & KPK
Hycarbex	Yasin	5	Sindh & Balochistar
KPBV	Makhad	2.5	KPK
Tallahasse	Karak North	2.5	KPK
MOL	Tal	5 (Exp) ~ 15 (Dev)*	KPK
MPCL	Bolan / Zarghun South	17.5	Balochishtan
MPCL	Wali West	2.5	KPK
MPCL	Sharan	2.5641 **	Balochishtan
MPCL	Nareli	2.5641 **	Balochishtan
MPCL	Mach	2.5641 **	Balochishtan
MPCL	Dhadhar	2.5641 **	Balochishtan
OGDCL	Bitrism	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Guddu	5 (Exp) ~ 22.5 (Dev)*	Sindh & Punjab
OGDCL	Gwadar	2.5	Balochistan
OGDCL	Jhakro	22.5	Sindh
OGDCL	Khuzdar South	2.5	Sindh & Balochistar
OGDCL	Khuzdar North	2.5	Balochistan
OGDCL	Khewari	5 (Exp) ~ 25 (Dev)*	Sindh
OGDCL	Kotra	5 (Exp) ~ 20 (Dev)*	Balochishtan
OGDCL	Nashpa	5 (Exp) ~ 15 (Dev)*	KPK
OGDCL	Nim	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Orakzai	4.66	KPK
OGDCL	Pasni West	2.5	Balochistan
OGDCL	Pezu	2.64	Punjab & KPK

Operator	Concession / Block	Working Interest (%)	Province
OGDCL	Ranipur	2.5	Sindh
OGDCL	Chanda	5 (Exp) ~ 17.5 (Dev)*	KPK
OGDCL	Sinjhoro	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Tirah	5	KPK
OGDCL	Tando Allah Yar	5 (Exp) ~ 22.5 (Dev)*	Sindh
OGDCL	Gurgalot	5 (Exp)*	Punjab & KPK
OGDCL	Zin	5 (Exp)*	Balochistan
OGDCL	Lilla	2.5641 **	Punjab
OGDCL	Sujawal South	2.5641 **	Sindh
OGDCL	Chah Bali	2.5641 **	Balochistan
OGDCL	Khewari East	2.5641 **	Sindh
OGDCL	Suleiman	2.5641 **	Balochistan
OPPL	Zamzama	25	Sindh
PEL	Block 22	5 (Exp) ~ 22.5 (Dev)*	Sindh
PEL	Kandra	5 (Exp) ~ 25 (Dev)*	Sindh
PEL	Mirpur Mathelo	5 (Exp)*	Sindh
POL	Pariwali	17.5	Punjab
POL	Minwal	17.5	Punjab
POL	North Dhurnal	2.5641 **	Punjab
PPL	Bela West	2.5	Balochistan
PPL	Dhok Sultan	25	Punjab & KPK
PPL	Gambat South	25	Sindh
PPL	Hisal	2.5	Punjab
PPL	Mazarani	12.5	Sindh
PPL	Chachar	25	Sindh
PPL	Nausherwani	25	Balochistan
PPL	Shah Bandar	2.5	Sindh
PPL	Sirani	25	Sindh
PPL	Musakhel	2.5	Balochistan
PPL	Punjab	2.5	Punjab
PPL	Sui North	2.5641 **	Balochistan
PPL	Kalat West	2.5641 **	Balochistan
PPL	Shaigalu	2.5641 **	Balochistan
UEP	Badin III	25 (Dev)*	Sindh
UEP	Gambat	5 (Exp)*	Sindh
UEP	Khipro	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Kuhan	2.5	Balochistan
UEP	Mehar	5 (Exp) ~ 25 (Dev)*	Sindh & Balochistar
UEP	Mehran	25 (Dev)*	Sindh
UEP	Mirpur Khas	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Mubarak	5 (Exp) ~ 25 (Dev)*	Sindh
UEP	Sawan	22.5	Sindh
Paige	Murgha Faqir Zai	5 (Exp)*	Balochistan

* Exp- Exploratory phase
* Dev- Development phase
** Inclusive of carried WI of respective provincial holding company during exploration phase

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pakistan Rupee (PKR/ Rupees/ Rs) which is the Group's functional currency.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 New or amendments / interpretations to existing standards, interpretations and forthcoming

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2025
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and measurement of Financial Instrument	January 1, 2026

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

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

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

3.2 Standards and amendments to approved accounting standards that are effective

There are certain arrangements and interpretations to the accounting and reporting standards which are applicable on the Group from July 1, 2023, however, these do not have significant impact on the Group's financial reporting.

3.3 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177 (I)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Earlier to the S.R.O. 985(I)/2019 dated September 2, 2019, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon like circular debt need to be given due consideration. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from GoP, due to uncertain cash recovery patterns of circular debt, carry weight. Public information regarding expected settlement of circular debt by GoP in coming years may result in subsequent reversals of impairment losses recognised in 2019. Financial assets due from GoP include those that are directly due from GoP and that are ultimately due from GoP in consequence of the circular debt. In accordance with the exemption granted by SECP, ECL has not been assessed / recognised in respect of financial assets due directly / ultimately from GoP which includes trade debts amounting to Rs. 293,763 million (2023: Rs. 263,190 million) on account of inter-corporate circular debts.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are relevant to these consolidated financial statements:

4.1 Property, plant and equipment - notes 5.1 and 6

The Group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation on property, plant and equipment. Further, where applicable, an estimate of the recoverable amount of property, plant and equipment is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in the estimate in the future might affect the carrying amount of the respective items of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

4.2 Exploration and evaluation assets - notes 5.3 and 9

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is written off to consolidated statement of profit or loss.

4.3 Investment in associates - notes 5.7 and 11

The Group uses the equity method of accounting for the entities over which it has significant influence. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. Classification of the investment as an associate requires the management making significant judgement with respect to the relevant activities of the investee entities. Purchase price allocation also involves significant estimation/ judgement in respect of determining fair values of identifiable assets and liabilities including goodwill or bargain purchase gain.

4.4 Development and production assets - notes 5.4 and 10

Joint operations where the Group has carried cost working interest, on announcement of commercial discovery, the Group initially provides for the liability related to relevant carried cost of the joint operations and then recognise corresponding development and production expenditure; on the basis of best estimates available from the shared cost statement of the relevant joint operation. An adjustment is made based on the finalised cost agreed with the operator.

4.5 Taxation - notes 5.17 and 43

In determining tax provision, the Group takes into account the current tax laws and decisions taken by appellate authorities. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage, the Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty and discloses its differing view on items of material nature as contingencies.

4.6 Measurement of the expected credit loss allowance - notes 5.13.1 and 18.1

The measurement of the Expected Credit Loss ("ECL") allowance for financial assets requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

4.7 Provision for decommissioning cost - notes 5.15 and 27

Provision is recognised for the future decommissioning and restoration cost of oil and gas wells, production facilities and pipelines at the end of their useful lives and involves estimates related to future expected cost, discount rate and timing. Estimates of the amount of provision recognised are based on current legal and constructive requirements, technology and price levels. Provision is based on the best estimates, however, the actual outflows can differ from estimated cash outflows due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future. The estimated timing of decommissioning may change due to certain factors, such as reserve life, a decision to terminate operations or change in legislation. The carrying amount of provision is reviewed annually and adjusted to take account of such changes.

During the year, the Group revised its estimates of decommissioning cost, reserve life, discount and inflation rates. This has been treated as change in accounting estimates, applied prospectively, in accordance with IFRIC Interpretation 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities".

Following line items would have been affected had there been no change in estimates:

	Rupees 000'
Provision for decommissioning cost would have been higher by	**4,064,344**
Property, plant and equipment would have been higher by	**1,307,360**
Development and production assets would have been higher by	**1,460,241**
Operating expenses would have been higher by	**1,296,743**
Total comprehensive income would have been lower by	**1,296,743**

4.8 Estimation of oil and natural gas reserves for amortisation of Development and Production Assets - notes 5.4 and 10

Oil and gas reserves are an important element in calculation of amortisation charge and for impairment testing of development and production assets of the Group. Estimates of oil and natural gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development, drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Changes in estimates of reserves, affects the amount of amortisation recorded in the consolidated financial statements for development and production assets.

4.9 Impairment of non financial assets including exploration and evaluation assets/expenditure, development and production assets and related property, plant and equipment - notes 5.5, 6, 9 and 10

At each reporting date, the Group reviews the carrying amount of its non financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

Exploration and Evaluation (E&E) assets are assessed for impairment when facts and circumstances indicate that carrying amount may exceed the recoverable amount of E&E assets. Such indicators include, the point at which a determination is made that as to whether or not commercial reserves exist, the period for which the Group has right to explore has expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event that may give rise to indication that E&E assets are impaired.

Impairment test of development and production assets and related property, plant and equipment is performed whenever events and circumstances arising during the development and production phase indicate that carrying amount of the development and production assets may exceed its recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows largely independent of other assets or Cash Generating Units (CGUs). The CGU applied for impairment test purpose is generally based on a number of fields grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

The carrying value is compared against expected recoverable amount of an asset or CGU, generally by reference to the future net cash flows expected to be derived from such assets. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in consolidated statement of profit or loss. The impairment loss is allocated to the assets in CGU on a prorata basis.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit in consolidated statement of profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.10 Employee benefits - notes 5.16, 28 and 30.5

Defined benefits plans are provided for employees of the Group. Provident fund contribution plan and gratuity fund plan are structured as separate legal entities managed by trustees where as accumulating compensated absences plan is managed by the Group. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and pension benefit levels, the expected long term return on plan assets and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually. The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market related value at the beginning of the year. Service cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the obligation in respect of employee's service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

4.11 Provision against financial assets not subject to ECL model

As referred to note 3.3, the SECP has deferred applicability of ECL model in respect of financial assets due directly / ultimately from Government of Pakistan (GoP) till December 31, 2024 in respect of circular debt. Accordingly, the Group reviews the recoverability of its trade debts and investments that are due directly / ultimately from GoP in respect of circular debt to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Group has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from oil refineries and gas distribution companies. GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue. The Central Power Purchase Agency (CPPA), a government owned entity, is sole power purchaser for the Country and the circular debt is a shortfall of payments primarily by the CPPA, however, in case of gas distribution and transmission companies the shortfall also occurs because of a delay in receipts of subsidies from the GoP for supply of gas to certain domestic / industrial consumers.

Settlement of the Group's receivables is slower than the contractual terms primarily because circular debt is a macro economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Group's assessment of objective evidence of impairment with respect to over due amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

The Group has contractual right and is entitled to charge interest if payments from customers delayed beyond credit terms, however, the Group recognises interest, if any, on delayed payments from customers or investments only to the extent that it is highly probable that a significant reversal in the amount of income recognised will not occur when the uncertainty associated with the interest is subsequently resolved, which is when the interest on delayed payments is received by the Group.

4.12 Stores, spares & loose tools - notes 5.10 and 15

The Group reviews the stores, spares and loose tools for possible write downs / provisions on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items with a corresponding affect on the provision.

4.13 Accounting estimates related to capital work in progress and lease are disclosed and explained in notes 5.8 and 5.9 respectively.

5. MATERIAL ACCOUNTING POLICY INFORMATION

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

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

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

5.1 Property, plant and equipment

These are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. These assets are subsequently measured using the cost model, which is cost less subsequent depreciation and impairment losses (if any), except for freehold land and capital work in progress, which are stated at cost less impairment loss (if any).

The cost includes the cost of replacing parts of the plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is charged using the straight line method when assets are available for use over the useful life of the underlying asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance and normal repairs are charged to consolidated statement of profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in as other income in the consolidated statement of profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work in progress is transferred to the respective item of property, plant and equipment when available for intended use.

5.2 Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss. Costs associated with routine maintenance of intangible assets are recognised as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognised as capital improvement and added to the original cost of the intangible assets. The cost of intangible assets is amortised over the estimated useful life on a straight line basis.

The useful lives of intangible assets are reviewed at each reporting date. The effect of any adjustment to the useful life is recognised prospectively as a change in accounting estimates.

5.3 Exploration and evaluation assets (E&E Assets)

The exploration cost of all the joint operations is accounted for under the "Successful Efforts" method. Under the successful efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised as intangible Exploration and Evaluation (E&E) assets in well, field or specific exploration cost centers as appropriate. Costs directly associated with an exploratory well are capitalised as an intangible asset until the drilling of the well is completed and results have been evaluated. Major costs include employee benefits, material, chemical, fuel, well services and rig operational costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged in the consolidated statement of profit or loss as exploration and prospecting expenditure. Pre license cost are charged to consolidated statement of profit or loss as and when they are incurred.

Intangible E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets and if commercial reserves are not found, the related costs are written off in consolidated statement of profit or loss. E&E assets are not amortised prior to the conclusion of appraisal activities.

5.4 Development and production assets (D&P Assets)

During exploratory phase under carried cost working interest holding, relevant working interest of the Group in various concessions is carried by its relevant partners in the respective joint operations, in accordance with the related Petroleum Concession Agreements (PCAs). Consequent to the declaration of commercial discovery by the operator and approval by the Director General Petroleum Concessions (DGPC), the Group has right to increase its working interest up to 25% and the resulting consideration is payable to relevant joint operation partners in these joint operations, according to the provisions of the related PCAs.

The carried cost payable to joint operation partners comprise of the cost of the successful wells and expenditure that are attributable to the commercial discovery. The cost is directly recognised as development and production assets to the extent to which the cost relates to wells. The remaining portion of the cost is charged off to consolidated statement of profit or loss as exploration and prospecting expenditure.

Development and production assets also include the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalized E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in accounting policy 5.3 above and the cost of recognising provisions for future site restoration and decommissioning.

Expenditure carried within each field is amortised from the commencement of production on a unit of production basis, over the estimated useful life of the field determined by reference to proved reserves, on a field by field basis. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively. Amortisation is charged to consolidated statement of profit or loss. Amortisation expense for the year is computed on all development and production assets at year end including additions / adjustments made during the year. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

5.5 Impairment of non financial assets

At each reporting date, the Group reviews the carrying amount of its non financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

Exploration and Evaluation (E&E)assets are assessed for impairment when facts and circumstances indicate that carrying amount may exceed the recoverable amount of E&E assets. Such indicators include, the point at which a determination is made that as to whether or not commercial reserves exist, the period for which the Group has right to explore has expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event that may give rise to indication that E&E assets are impaired.

Impairment test of development and production assets and related property, plant and equipment is performed whenever events and circumstances arising during the development and production phase indicate that carrying amount of the development and production assets may exceed its recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows largely independent of other assets or Cash Generating Units (CGUs). The carrying value is compared against expected recoverable amount of an asset or CGU, generally by reference to the future net cash flows expected to be derived from such assets. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in consolidated statement of profit or loss.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit in consolidated statement of profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether there is an indication of impairment of the asset as a whole, and if so, test for impairment in accordance with the IAS-36 Impairment of Assets.

5.6 Joint arrangements

Joint operations

Investments in joint arrangements are classified joint operations based on the contractual right and obligations of the parties to the arrangement. The Group assesses the nature of its joint arrangements and fo their classification as joint operations in accordance with IFRS 11. 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. The difference, if any, between the cost statements and audited financial statement is accounted for in the subsequent periods.

Joint venture

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint ventures are those investments in distinct legal entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in joint ventures are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. Investment in foreign joint venture is translated into presentation currency at each reporting year end. The related exchange rate difference is charged / credited to foreign currency translation reserve.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences, until the date that joint control ceases.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a constructive or legal obligation to contribute to such losses or has made payments on behalf of the investee.

After application of equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets.

5.7 Investment in associated company

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in the joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of the associate have been incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in consolidated profit or loss and the Group's share of movements in other comprehensive income of the associate in consolidated other comprehensive income. Dividends received or receivable from the associate is recognised as a reduction in the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes arising from the foreign exchange translation differences. The Group's share of those changes is recognised in the Group's consolidated other comprehensive income. Losses of an associate in excess of Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate. Where objective evidence of impairment of investment in associate is identified, then the carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 5.5.

5.8 Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any.

The carrying amount of the capital work in progress is reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss. Impairment losses are charged to consolidated statement of profit or loss.

5.9 Lease liability and right-of-use asset

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

IFRS 16 requires the Group to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Group has extension options which the Group is reasonably certain to exercise and the periods for which the Group has termination options for which the Group is not reasonably certain to exercise those termination options.

The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Group which incorporates economic, potential demand of customers and economic changes.

5.10 Stores, spares & loose tools - share in joint operations' inventory

Stores, spares & loose tools are valued at the lower of cost and net realisable value less impairment for slow moving items. Cost is determined on the basis of costing methods adopted by operators of respective joint operations. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

5.11 Stock in trade

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on FIFO basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Provision is made for slow moving and obsolete stocks, where considered necessary. The change in accounting policy has been applied consistently to all periods presented in these consolidated financial statements.

5.12 Recoverable from tax authorities

This represents the amounts receivable from the tax authorities against the amount overpaid or unadjusted against the income tax and sales tax respectively.

Advance tax is paid by the Company at imports and withheld by the prescribed persons under the Income Tax Ordinance, 2001 from the payments made to the Company. At the period end, when the income tax liability is computed, the over and above portion of the advance tax paid over the assessed tax liability gives rise to the adjustable or refundable income tax.

Sales tax is paid by the Company at import stage to the authorities. At the month end, when the sales tax iability is computed, the over and above portion of sales tax paid / accumulated over te assessed sales tax liability gives rise to refundable sales tax.

5.13 Financial instruments

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

5.13.1 Financial assets

Classification

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

a) Amortised cost where the effective interest rate method will apply;
b) Fair value through profit or loss (FVTPL); and
c) Fair value through other comprehensive income (FVTOCI)

The classification depends on the Group'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 consolidated statement of profit or loss or consolidated statement of other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this depends 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. 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 fair value through profit or loss (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 consolidated 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 classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated statement of profit or loss and presented in other income / expenses, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated 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 assets' cash flows 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, interest revenue and foreign exchange gains and losses which are recognised in consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated statement of profit or loss and recognised in other income / expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / expenses and impairment expenses are presented as separate line item in the consolidated 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. Any gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and presented net within other income / expenses in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognised when:

i) The rights to receive cash flows from the asset have expired.

ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Trade debts
- Trade deposits
- Long term loans to staff
- Loans and other receivables
- Cash and bank balances
- Short term investments
- Receivable from GoP

General approach for loans and other receivables, trade deposits, long term loans to staff, Receivable from GoP, short term investments 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.

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.

As outlined in note 19, trade debts are separately assessed for ECL measurement except for inter corporate circular debts. The lifetime expected credit losses are estimated using 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.

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.

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:

- 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;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees;
- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- the Group for economic or contractual reasons relating to the borrower's financial difficulty, have granted to the borrower a concession(s) that the Group 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; 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, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Recognition of loss allowance

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated profit or loss.

5.13.2 Financial liabilities

Classification, initial recognition and subsequent measurement

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); and
- at amortised cost.

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

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.

Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortised cost, using the effective interest rate method. Gain and losses are recognised in the consolidated statement of profit or loss, when the liabilities are derecognised as well as through effective interest rate amortisation process.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if the Group has legally enforceable right to set-off the recognised amounts and the Group intends to settle on a net basis or realise the asset and settle the liability simultaneously.

5.14 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of term depository receipts maturing within 3 months from acquisition, cash in hand, cash at banks and the related accrued interest income maturing within 3 months. Cash equivalents are 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.

5.15 Decommissioning cost

The activities of the Group normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation, and site restoration.

Liabilities for decommissioning cost are recognised when the Group has an obligation for site restoration, and when a reliable estimate of that liability can be made. The Group makes provision in full for the decommissioning cost on the declaration of commercial discovery of the reserves, to fulfil the obligation of site restoration and rehabilitation. The obligations for oil and natural gas production or transportation facilities, are required on construction or installation. An obligation for decommissioning may also crystallize during the period of operation of a well / facility through a change in legislation or through a decision to terminate operations.

The amount recognised is the estimated cost of decommissioning, discounted to its net present value at a current pre-tax discount rate that reflects the risks specific to the decommissioning liability and the expected outflow of economic resources to settle this obligation is up to next thirty years.

Decommissioning cost, as appropriate, relating to producing or developing fields is capitalised to the cost of development and production assets and property, plant and equipment as the case may be. The recognised amount of decommissioning cost is subsequently amortised / depreciated as part of the capital cost of the development and production assets on a unit of production method and property, plant and equipment over the assets useful life respectively. At the time of decommissioning of the field, any differences arising from settlement of the provision are recognised in consolidated statement of profit or loss.

While the provision is based on the best estimate of future costs and the economic life of the fields, there is uncertainty regarding both the amount and timing of incurring these costs. The Group reviews the decommissioning provision at the reporting date. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment and development and production assets. If a decrease in a provision is greater than the carrying value of asset, the excess is recognised in consolidated statement of profit or loss. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether there is an indication of impairment of the asset as a whole, and if so, test for impairment in accordance with the IAS-36 Impairment of Assets.

5.16 Employee benefits

Employees gratuity fund

The Group operates approved gratuity fund for its regular and contract employees. The investments of gratuity funds are made through approved trust funds. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 32.2 to the consolidated financial statements. The obligation at the date of consolidated statement of financial position is measured at the present value of the estimated future cash outflows.

Actuarial gains and losses (remeasurement gains / losses) on employees' gratuity fund are recognised immediately in consolidated other comprehensive income and past service cost is recognised in consolidated statement of profit or loss when they occur.

Cost primarily represents the increase in actuarial present value of the obligation for the employees' gratuity fund earned on employees service during the year and the interest on the net liability / (asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

Calculation of gratuity obligations require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions. The assumptions used vary for the different plans and they are determined by independent actuary annually.

Employee compensated absences

The Group provides for compensated absences for all eligible employees in accordance with the rules of the Group. Each employee can encash the un-utilized leave balance up to 90 days based on last drawn gross salary at the time of resignation, contract renewal / termination.

Defined contribution plan

The Group operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Group and the employee to the fund at the rate of 8.33% and 10% of basic salary for the Holding Company and Subsidiary companies respectively. The Group's contributions are recognised as employee benefit expense when they are due.

5.17 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any, adjusted for payments to the Government of Pakistan (GoP) for payments on account of royalty and any adjustment to tax payable in respect of previous years. Income tax expense is recognised in consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax

Deferred income tax is accounted for using the consolidated statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, un-used tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in associates and interest in joint arrangements to the extent that it is probable that they will not reverse in a foreseeable future and the investor / joint operator is able to control the timing of the reversal of the temporary difference. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Offsetting deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Group tax

The Group is taxed as a one fiscal unit along with Holding Company and its other wholly owned subsidiaries under section 59AA to the Income Tax Ordinance, 2001. Current and deferred income taxes are recognised by each entity within the Group in their respective statement of comprehensive income, regardless of who has the legal rights or obligation for the recovery or payment of tax from or to the tax authorities. Tax liability / receivable is shown by the Holding Company, on submission of annual tax return, who has the legal obligation to pay or right of recovery of tax from the taxation authorities.

5.18 Provisions and contingent liabilities

A provision is recognised in the consolidated statement of financial position when the Group has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

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.

5.19 Revenue recognition

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation by transferring a promised good to a customer. A good is transferred when the customer obtains control of that good or service. The transfer of control of crude oil, gas and liquefied petroleum gas coincides with title passing to the customer and the customer taking physical possession whereas the transfer of control of RLNG coincides with injection of Regasified Liquified Natural Gas (RLNG) into customer's pipeline infrastructure at the tie in point through Custody Transfer Station (CTS). The Group principally satisfies its performance obligations at a point in time and recognises revenue relating to the performance.

Revenue is measured at the transaction price, net of government levies. Transaction prices of crude oil, gas and RLNG are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, decision of Economic Coordination Committee (ECC) of the Cabinet or Petroleum Concession Agreements (PCAs). Prices of liquefied petroleum gas are approved by the appropriate authority of operator keeping in view the ceiling price notified by Oil & Gas Regulatory Authority (OGRA). Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalized with the customers and / or approved by the Government of Pakistan (GoP).

Billings are generally raised by the end of each month which are payable within 30 to 45 days except for RLNG where billings are generally raised by the end of each week which are payable within 5 days in accordance with the contractual arrangement with customers. Amounts billed or received prior to being earned, are deferred and recognised as advances from customers. The Group based on its assessment has not identified a significant financing component in its current contracts with customers because payment terms of allowed days are explicitly specified and delay in settlement of invoices does not result in a significant financing component.

5.20 Finance income and cost

Finance income comprises interest income on funds invested and gain on long term liabilities / provisions due to change in estimate. Interest income of financial assets at amortised cost is calculated using the effective interest method and is recognised in consolidated statement of profit or loss. Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets. Dividend income is recognised when the right to receive the payment is established. Foreign currency gains and losses are reported on a net basis.

The Group has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Group recognises interest, if any, on delayed payments from customers only to the extent that it is highly probable that a significant reversal in the amount of income recognised will not occur when the uncertainty associated with the interest is subsequently resolved, which is when the interest on delayed payments is received by the Group.

Finance cost comprises interest expense on lease liabilities (if any), interest expense on borrowings (if any), unwinding of discount on provisions or liability, interest on delayed payment and bank charges. Mark up, interest and other charges on borrowings are charged to consolidated statement of profit or loss in the period in which they are incurred.

5.21 Foreign currencies

5.21.1 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the consolidated statement of financial position date and exchange differences, if any, are credited / charged to consolidated statement of profit or loss for the year.

5.21.2 Foreign operations

The transactions of foreign operation are translated at rate of exchange prevailing on the date of transaction. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pak Rupees at exchange rate prevailing at the date of consolidated statement of financial position and the resulting currency translation differences are recognised in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to consolidated statement of profit or loss when gain or loss on disposal is recognised.

5.22 Dividends

Dividend distribution and appropriation of reserves are recognised in the consolidated financial statements in the period in which these are approved.

5.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.24 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liability unless payment is not due within twelve (12) months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

5.25 Reserves

The Group has a policy to set aside out of the profits of the Group such amount as the Group think proper as a reserve or reserves, which shall, at the discretion of the Board of Directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the Group may be properly applied, and pending such application may, in the like discretion, either be employed in the business of the Group or be invested in such investments, as the Board of Directors may from time to time think fit. Reserves are reviewed periodically and adjusted as necessary by the Board of Directors.

	Note	2024	2023
		----Rupees ('000)----	
6 PROPERTY, PLANT AND EQUIPMENT			
Owned fixed assets	6.1	**210,237**	98,389
Share in joint operations' fixed assets	6.2	**23,644,312**	24,593,240
Share in joint operations' capital work in progress	6.3	**3,407,167**	3,875,864
Capital work in progress	6.5	**2,232,650**	2,232,650
		29,494,366	30,800,143

6.1 Owned fixed assets

	Office equipment	Furniture and fixtures	Computer equipment	Vehicles	Total
	----Rupees ('000)----				
As at July 1, 2022					
Cost	56,642	59,007	110,626	37,642	263,917
Accumulated depreciation	(41,280)	(39,060)	(81,123)	(32,943)	(194,407)
Net book value	15,362	19,946	29,503	4,699	69,510
Year ended June 30, 2023					
Opening net book value	15,362	19,946	29,503	4,699	69,510
Additions	10,691	9,275	14,552	32,516	67,034
Disposals					
Cost	1,515	652	22,666	6,576	31,409
Accumulated depreciation	(1,494)	(652)	(22,514)	(6,576)	(31,236)
	21	-	152	-	173
Write off					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
	-	-	-	-	-
Depreciation charge	(8,996)	(7,824)	(16,685)	(4,477)	(37,983)
Closing net book value	17,036	21,397	27,218	32,739	98,389
As at July 1, 2023					
Cost	65,819	67,629	102,511	63,582	299,541
Accumulated depreciation	(48,784)	(46,232)	(75,294)	(30,843)	(201,153)
Net book value	17,036	21,397	27,217	32,739	98,389
Year ended June 30, 2024					
Opening net book value	**17,036**	**21,397**	**27,217**	**32,739**	**98,389**
Additions	**116,543**	**11,495**	**38,411**	**9,167**	**175,616**
Adjustments	**3,970**	**(496)**	**(3,970)**	**(125)**	**(621)**
Disposals					
Cost	**1,581**	-	**8,616**	-	**10,197**
Accumulated depreciation	**(1,411)**	-	**(7,972)**	-	**(9,383)**
	170	-	**644**	-	**814**
Depreciation charge	**(24,674)**	**(7,862)**	**(20,963)**	**(8,834)**	**(62,333)**
Closing net book value	**112,705**	**24,534**	**40,051**	**32,947**	**210,237**
As at June 30, 2024					
Cost	**184,751**	**78,628**	**128,336**	**72,624**	**464,340**
Accumulated depreciation	**(72,047)**	**(54,094)**	**(88,285)**	**(39,677)**	**(254,103)**
Net book value	**112,705**	**24,534**	**40,051**	**32,947**	**210,237**
Annual rate of depreciation (%)	**15-50**	**15**	**30-33**	**20**	

6.2 Share in joint operations' fixed assets

	Leasehold land	Plant and equipment	Pipelines	Office equipment	Furniture and fixtures	Vehicles	Decommissioning cost	Total
	Rupees ('000)							
As at July 1, 2022								
Cost	54,895	47,914,964	8,450,718	350,823	77,689	184,299	964,096	57,997,484
Accumulated depreciation	(41,950)	(24,171,598)	(4,599,221)	(297,496)	(72,782)	(172,119)	(551,806)	(29,906,971)
Accumulated Impairment	(12,945)	(3,171,301)	(770,997)	(30,271)	(3,816)	(3,196)	(76,163)	(4,068,690)
Net book value	-	20,572,065	3,080,500	23,056	1,091	8,984	336,127	24,021,823
Year ended June 30, 2023								
Opening net book value	-	20,572,065	3,080,500	23,056	1,091	8,984	336,127	24,021,823
Additions / (adjustments)	-	(359,695)	30,998	28,221	1,195	40	752,594	453,353
Adjustment of decommissioning cost	-	(46,304)	(1,288)	-	-	-	-	(47,592)
Transfers from CWIP	-	2,456,697	420,303	-	-	-	-	2,877,000
Disposals								-
Cost	-	332,712	-	-	-	-	-	332,712
Accumulated depreciation		(274,782)						(274,782)
Accumulated Impairment	-	(57,930)	-	-	-	-	-	(57,930)
	-	-	-	-	-	-	-	-
								-
Depreciation charge	-	(1,984,102)	(509,826)	(8,497)	(378)	(2,326)	(105,923)	(2,611,052)
Impairment charge	-	(85,002)	(12,517)	(2,624)	(149)	-	-	(100,292)
Closing net book value	-	20,553,659	3,008,170	40,156	1,759	6,698	982,798	24,593,240
As at July 1, 2023								
Cost	54,895	49,632,950	8,900,731	379,044	78,884	184,339	1,716,690	60,947,533
Accumulated depreciation	(41,950)	(25,880,918)	(5,109,047)	(305,993)	(73,160)	(174,445)	(657,729)	(32,243,242)
Accumulated Impairment	(12,945)	(3,198,373)	(783,514)	(32,895)	(3,965)	(3,196)	(76,163)	(4,111,051)
Net book value	-	20,553,659	3,008,170	40,156	1,759	6,698	982,798	24,593,240
Year ended June 30, 2024								
Opening net book value	**-**	**20,553,659**	**3,008,170**	**40,156**	**1,759**	**6,698**	**982,798**	**24,593,240**
Additions / (adjustments)	**-**	**1,354,071**	**187,957**	**34,320**	**1,431**	**-**	**73,671**	**1,651,450**
Adjustment of decommissioning cost	**-**	**(631,963)**	**-**	**-**	**-**	**-**	**(664,068)**	**(1,296,031)**
Transfers From CWIP	**-**	**1,261,820**	**622,564**	**-**	**-**	**-**	**-**	**1,884,384**
Depreciation charge	**-**	**(2,367,516)**	**(537,376)**	**(17,977)**	**(1,864)**	**(767)**	**(214,005)**	**(3,139,504)**
Impairment charge	**-**	**(34,720)**	**(14,009)**	**(498)**	**-**	**-**	**-**	**(49,227)**
Closing net book value	**-**	**20,135,352**	**3,267,306**	**56,001**	**1,326**	**5,931**	**178,396**	**23,644,312**
As at June 30, 2024								
Cost	**54,895**	**51,616,878**	**9,711,252**	**413,364**	**80,315**	**184,339**	**1,126,293**	**63,187,336**
Accumulated depreciation	**(41,950)**	**(28,248,433)**	**(5,646,423)**	**(323,970)**	**(75,024)**	**(175,212)**	**(871,733)**	**(35,382,746)**
Accumulated Impairment	**(12,945)**	**(3,233,093)**	**(797,523)**	**(33,393)**	**(3,965)**	**(3,196)**	**(76,163)**	**(4,160,279)**
Net book value	**-**	**20,135,352**	**3,267,306**	**56,001**	**1,326**	**5,931**	**178,396**	**23,644,312**
Annual rate of depreciation (%)	**4-33**	**4-33**	**4-33**	**20**	**15**	**20**	**4-33**	

6.3	Share in joint operations' capital work in progress	Note	2024	2023
			-----------Rupees ('000)-----------	
	Balance at the beginning of the year		**4,101,149**	3,587,696
	Cost incurred during the year		**1,411,903**	3,393,976
	Transferred to development and production assets		**-**	(3,523)
	Transferred to share in joint operations' fixed assets		**(1,884,384)**	(2,877,000)
			3,628,668	4,101,149
	Accumulated impairment	6.3.2	**(221,501)**	(225,285)
	Balance at the end of the year		**3,407,167**	3,875,864

6.3.1 Total capitalized cost includes asset decommissioning cost amounting to Rs. 223.8 million as at June 30, 2024 (2023: Rs. 235.2 million).

6.3.2	Movement in accumulated impairment	Note	2024	2023
			-----------Rupees ('000)-----------	
	Balance at the beginning of the year		**225,285**	221,501
	Charge / transfer for the year		**(3,784)**	3,784
	Balance at the end of the year		**221,501**	225,285
6.4	**Allocation of depreciation**			
	Operating expenses	36	**3,139,504**	2,611,052
	General and administrative expenses	39	**62,333**	37,983
			3,201,837	2,649,035
6.5	**Capital work in progress**			
	Iran Pakistan Gas Pipeline Project	6.5.1	**2,232,650**	2,232,650
6.5.1	**Iran Pakistan Gas Pipeline Project**			
	Consultancy services	6.5.1.1	**2,546,571**	2,546,571
	Travelling and transportation expenses		**63,901**	63,901
	Field security expenses		**25,345**	25,345
	Tendering expenses		**19,227**	19,227
	Rent, rates and utilities		**28,288**	28,288
	Personnel costs and benefits		**246,580**	246,580
	Training and capacity building		**5,060**	5,060
	Insurance		**2,919**	2,919
	Repairs and maintenance		**27,782**	27,782
	Legal and professional services		**11,176**	11,176
	Depreciation		**39,409**	39,409
	Amortisation		**8,893**	8,893
	Mark up on loan		**28,922**	28,922
	Others		**11,161**	11,161
	Impairment loss- Iran-Pakistan Gas Pipeline Project		**(278,668)**	(278,668)
	Impairment loss- Gwadar-Nawabshah LNG project	6.5.1.3	**(553,916)**	(553,916)
			2,232,650	2,232,650
6.5.1.1	**Consultancy services**			
	Engineering and Project Management (E&PM) consultancy			
	Stage I			
	Bankable Feasibility Study		**409,866**	409,866
	Development of Front End Engineering Design (FEED)		**527,429**	527,429
	Detailed Route Survey		**308,451**	308,451
	Social and Environmental Impact Assessment (SEIA)		**146,485**	146,485
	Project Management		**233,473**	233,473
	Other costs		**130,840**	130,840
			1,756,544	1,756,544

	2024	2023
	-----------Rupees ('000)-------------	
Stage II		
Project Management	**362,351**	362,351
Procurement Services of Long Lead Items (LLI's) and		
- Engineering, Procurement Construction (EPC) Contract	**86,960**	86,960
Engineering Support LLI's/EPC Tender	**216,371**	216,371
Other cost	**104,563**	104,563
	770,245	770,245
Other consultancy services	**19,782**	19,782
	2,546,571	2,546,571

6.5.1.2 The Governments of Pakistan (GoP) and Iran signed an Inter-Governmental Framework Declaration (IGFD) for the Iran Pakistan Gas Pipeline Project (IP-Project) on May 24, 2009. The Group has entered via Subsidiary Company, ISGSL, into an Iran Pakistan Gas Sale Purchase Agreement (IP-GSPA) with National Iranian Oil Company (NIOC) on June 5, 2009 which became effective on June 13, 2010 upon completion of all conditions precedent to IP-GSPA. The commitments under IP-GSPA are backed by a sovereign guarantee issued by the GoP on May 28, 2010, whereas, the financial requirements were envisaged to be met through Gas Infrastructure Development Cess (GIDC) and Private Sector Entity (PSE) equity injection as approved by Economic Coordination Committee (ECC) of the Federal Cabinet.

To commence work on the IP-Project, ISGSL hired an Engineering and Project Management Consultant (E&PM) which is a joint venture between a German based firm ILF Beratende Ingenieure GMBH and National Engineering Services Pakistan (Private) Limited (NESPAK). ILF - NESPAK submitted reports on Stage I and Stage II which have been accepted by ISGSL. Complete design of the pipeline system (Front End Engineering & Design), feasibility study, installation of concrete markers and tender documents for the supply of equipment and construction of the pipeline system have also been completed in a timely manner.

In accordance with the guidelines issued by the sub-committee / steering committee of the ECC, the initial capital requirement of the IP-Project is being funded through equity injection by the Holding Company.

Government to Government Co-operation Agreement as initialed on December 1, 2012 was endorsed by the Federal Cabinet on January 30, 2013. The President of Pakistan and the President of Iran inaugurated the construction phase of IP-Project in a Ground Breaking Ceremony held on March 11, 2013.

The IP Project faced constraints, as a consequence of the international sanctions imposed on Iran by United Nations, United States of America and the European Union. Iran's association with the Project and risk of violating sanctions was considered to affect potential financiers, reputable international suppliers of crucial equipment and contractors. ISGSL believes that this has created a Force Majeure and Excusing Events situation and accordingly the matter has been taken up with Government of Iran as per the provisions of the signed IP-GSPA. In terms of the letter dated April 14, 2014, NIOC rejected ISGSL's Force Majeure notice on the premise that substantively, the situations alluded by ISGSL do not constitute any ground for the occurrence of Force Majeure or Excusing Events under the IP-GSPA.

On February 27, 2019 NIOC issued a formal notice of material breach of buyer's warranties under the IP-GSPA. After negotiation with Iran, on September 5, 2019 Pakistan and Iran has signed an addendum to the IP-GSPA for extension of limitation period of any claims for further five years from the date of signing of the addendum. In light of the aforesaid addendum, Iran withdrew the aforementioned notice and accordingly, the Group did not accrue any penalty under the terms of IP-GSPA agreement with NIOC.

Also, GoP has provided sovereign guarantee to NIOC on behalf of ISGSL regarding the performance of obligations of ISGSL under the Gas Sale and Purchase Agreement signed between NIOC and ISGSL.

The management conducted an impairment assessment of the capital work in progress at year ended June 30, 2024. Based of technical and financial assessment of the project costs under CWIP and their tangibility, validity and continued value in use to the project and the fact that the Group with the support of GoP is fully committed to implement the project in due course of time. Management concludes that all tangible costs directly related to technical and commercial studies,remains valid and unimpaired as at June 30, 2024.

6.5.1.3 ECC in its meeting held on October 2, 2014 approved the Gwadar-Nawabshah LNG Terminal & Pipeline project (GNP). It was envisaged that GNP shall not only serve to meet ever growing energy needs of Pakistan but can also be utilised to link up to Iranian border in future and therefore Pakistan would substantially be complying with its contractual obligations under the GSPA. As essential technical work of pipeline route has already been done for IP project, it has been envisaged that the same shall be utilised for the Gwadar Nawab shah LNG terminal & Pipeline.

During the visit of President of China to Pakistan on April 20, 2015, National Energy Administration of China and Ministry of Energy (MoE) of Pakistan signed framework agreement at Islamabad in relation to GNP. In this respect, Chinese nominated entity i.e. China Petroleum Pipeline Bureau (CPP) submitted the technical and financial bid to ISGSL for Engineering, Procurement, Construction and Financing (EPCF) under Government to Government framework agreement, which was being negotiated. However, the Cabinet Committee on Energy (CCE) through its decision taken in its meeting dated June 6, 2017 directed MoE to drop the GNP forthwith. As per the said direction, ISGSL during 2017 discontinued the GNP and recognised an impairment loss against aggregate cost incurred on GNP.

		Note	2024	2023
			-----------Rupees ('000)-----------	
6.6	**Allocation of impairment**			
	Operating expenses	36	**45,443**	104,076

6.7 As the Holding Company is a non-operator, property, plant and equipment other than owned fixed assets are not in the possession of the Holding Company and are operated by joint operations in which the Holding Company has working interest.

		2024	2023
		------------Rupees ('000)------------	
7	**RIGHT OF USE ASSET**		
	Cost	**144,469,320**	144,469,320
	Accumulated depreciation		
	As at beginning of the year	**42,805,724**	32,104,293
	Depreciation charge	**10,701,431**	10,701,431
	As at end of the year	**53,507,155**	42,805,724
	Carrying amount at end of the year	**90,962,165**	101,663,596
	Useful life	**15 years**	15 years

	2024	2023
	------------Rupees ('000)------------	
7.1 Lease liability		
As at beginning of the year	**185,417,918**	149,195,473
Interest charge during the year	**8,249,367**	7,337,880
Lease payments during the year	**(24,274,749)**	(21,319,049)
Exchange loss on reranslation	**2,172,560**	50,203,614
As at end of the year	**171,565,096**	185,417,918
Current portion	**(17,075,868)**	(16,252,001)
Non-current portion	**154,489,228**	169,165,917
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	**23,937,586**	23,741,862
Later than one year and not later than five years	**119,753,515**	120,460,757
Later than five years	**60,007,922**	81,020,724
	203,699,023	225,223,343

7.2 Lease arrangement

The Group recognises the lease for Floating Storage and Regasification Unit (FSRU), Jetty and connecting pipelines assets located at LNG terminal. Initially lease arrangement was entered by Pakistan LNG Terminal Limited (PLTL) through Operation Services Agreement (OSA) with PGP Consortium Limited (PGPCL) as main lease arrangement, additionally Terminal Use and Regasification Agreement (TURA) was entered into by the Group with PLTL as sub lease arrangement. Subsequent to merger of PLTL with Pakistan LNG Limited (PLL) , this lease arrangement effectively remained with PGPCL as lessor and the Group as lessee.

Under the lease contract the Group has to pay fixed lease rentals, interest rate implicit in the lease was not available therefore lease liability initially measured at the present value of the lease payments using the Group's incremental borrowing rate. The Group used the discount rate of LIBOR+2% i-e 4.2% on the date of commencement of lease to reflect the rate at which external financiers would lend to the Group for the type of asset leased.

8 INTANGIBLE ASSETS - SOFTWARES	Note	2024	2023
		------------Rupees ('000)----------	
Cost		**189,592**	136,320
Accumulated amortisation		**(142,476)**	(132,521)
Net book value		**47,116**	3,799
Opening net book value		**3,799**	8,577
Additions		**53,272**	2,546
Disposals			
Cost		**-**	4,215
Accumulated amortisation		**-**	(4,215)
		-	-
Amortisation charge		**(9,955)**	(7,324)
Closing net book value		**47,116**	3,799
Annual rate of amortisation (%)		**25-33**	25-33

9 EXPLORATION AND EVALUATION ASSETS	Note	2024	2023
Balance at beginning of the year		**4,438,429**	5,775,066
Expenditure incurred during the year		**40,523**	442,770
		4,478,952	6,217,836
Cost of dry and abandoned wells	38	**(185,604)**	(7,160)
Transfer to development and production assets		**(313,010)**	(1,772,247)
		(498,614)	(1,779,407)
Balance at end of the year		**3,980,338**	4,438,429

10 DEVELOPMENT AND PRODUCTION ASSETS

2024		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2023	Additions	Adjustments	Adjustment of Decommissioning Cost*	Transfers	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
		-----Rupees ('000)-----						-----Rupees ('000)-----			-----Rupees ('000)-----			Rupees ('000)
Producing fields-Joint operations														
Badin III	25.00%	306,792	-	-	-	-	306,792	306,792	-	306,792	-	-	-	-
Block-22 (all fields)	22.50%	259,905	4,157	-	-	-	264,062	204,718	2,201	206,919	55,187	1,956	57,143	-
Ahmedal/Panwali	17.50%	781,707	5,317	-	-	-	787,024	678,987	17,393	696,380	-	-	-	90,644
Minwal	17.50%	3,812	-	220	(1,967)	-	2,066	1,867	18	1,884	-	-	-	182
Mazarani	12.50%	136,602	-	-	-	-	136,602	115,273	-	115,273	21,328	-	21,328	1
Sawan	22.50%	3,422,952	-	(2,106)	(50,046)	-	3,370,800	2,651,370	19,343	2,670,713	604,063	-	604,063	96,024
Zamzama	25.00%	4,766,459	-	(25)	(4,272)	-	4,762,161	3,726,863	9,979	3,736,842	1,016,730	-	1,016,730	8,589
Mubarak	25.00%	1,449,138	10,581	8,958	(8,963)	-	1,459,714	277,378	7,905	285,283	1,089,875	11,180	1,101,055	73,376
Nim	22.50%	567,844	9,541	465	(33,833)	-	544,018	309,008	49,232	358,240	-	-	-	185,778
Menran	25.00%	69,203	-	-	-	-	69,203	1,933	-	1,933	67,270	-	67,270	-
Chanda	17.50%	1,616,436	881,802	-	-	452,881	2,951,120	1,275,098	303,603	1,578,701	-	-	-	1,372,419
Gambat	25.00%	449,656	-	-	-	-	449,656	249,973	-	249,973	199,682	-	199,682	1
Tal (all fields)	15.00%	6,674,634	665,155	(212,476)	(4,983)	432	7,122,762	5,661,900	457,092	6,118,992	-	-	-	1,003,770
Khipro (all fields)	25.00%	3,859,468	24,068	2,266	(23,865)	-	3,861,937	2,762,704	257,520	3,020,224	-	-	-	841,713
MirpurKhas (all fields)	25.00%	7,297,743	1,184,937	(212,454)	(80,769)	23,600	8,213,057	5,786,683	1,139,663	6,926,346	-	-	-	1,286,711
Chachar	25.00%	251,248	-	-	(61)	-	251,187	159,178	40	159,218	91,855	-	91,855	114
Nashpa	15.00%	5,029,480	294,713	-	(33,176)	742,054	6,033,072	3,172,179	647,048	3,819,227	-	-	-	2,213,845
Sinjhoro	22.50%	1,069,313	581,663	82,450	(112,691)	214,681	1,835,416	610,550	137,535	748,085	-	-	-	1,087,331
Mehar	25.00%	4,349,458	22,393	(71,837)	-	825,033	5,125,047	2,256,178	710,314	2,966,492	858,482	199,621	1,058,103	1,100,452
Jhakro	22.50%	10,107	-	-	-	-	10,107	10,079	-	10,079	28	-	28	-
Guddu	22.50%	153,277	-	97	(13,135)	-	140,239	125,154	2,851	128,005	-	-	-	12,234
Bolan	17.50%	563,378	23	(14)	(14,713)	-	548,674	502,641	7,220	509,861	-	-	-	38,813
Gambat South	25.00%	2,016,950	-	(104)	(112,707)	313,010	2,217,148	897,226	132,788	1,030,014	-	-	-	1,187,134
Bitrisim	22.50%	310,934	65,655	(49,043)	(9,497)	-	318,049	143,028	56,324	199,352	-	-	-	118,697
Tando Allah Yar (all fields)	22.50%	344,627	90,654	11,232	(27,202)	184,137	603,449	236,141	24,164	260,305	-	-	-	343,144
Shah Bandar	2.50%	59,017	10,771	326	(326)	-	69,788	59,016	-	59,016	-	-	-	10,772
Khewari	22.50%	207,382	178,890	(101,081)	(14,652)	58,308	328,848	46,554	65,031	111,585	-	-	-	217,263
Dhok Sultan	25.00%	1,764,954	-	-	(12,032)	-	1,752,922	1,008,390	254,602	1,262,992	-	-	-	489,930
Decommissioning cost		4,590,692	813,436		(887,472)	-	4,516,655	2,524,808	795,864	3,320,672	244,364	292,309	536,673	659,310
Sub total producing fields		52,383,168	4,843,757	(543,126)	(1,446,362)	2,814,137	58,051,575	35,761,669	5,097,731	40,859,398	4,248,864	505,066	4,753,930	12,438,247

*This includes reversal of decommissioning cost amounting Rs. 559 million directly made against related field assets under provisions of IFRIC 1 - Changes in existing decommissioning, restoration and similar liabilities.

Developing fields-Joint operations

2024		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2023	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Developing fields-Joint operations														
Mehar	25.00%	825,033	-	-	-	(825,033)	-	-	-	-	108,644	(108,644)	-	-
Tando Allah Yar (all fields)	22.50%	184,138	-	-	-	(184,138)	-	-	-	-	-	-	-	-
Kandra	25.00%	3,577	-	-	-	-	3,577	-	-	-	3,577	-	3,577	-
Nim	22.50%	(2,807)	-	-	-	-	(2,807)	-	-	-	-	-	-	(2,807)
Kotra	20.00%	94,771	-	-	(13,880)	-	80,891	-	-	-	50,824	-	50,824	30,067
Bolan	17.50%	-	54,863	-	-	-	54,863	-	-	-	-	-	-	54,863
Tal	15.00%	1,104	10,928	(329)	-	(432)	11,271	-	-	-	-	-	-	11,271
MirpurKhas (all fields)	25.00%	23,600	96,943	-	-	(23,600)	96,942	-	-	-	-	-	-	96,942
Khipro (all fields)	25.00%	13,039	450,419	(21,686)	-	-	441,771	-	-	-	-	-	-	441,771
Nashpa	15.00%	1,515,566	145,731	-	-	(742,054)	919,245	-	-	-	-	-	-	919,245
Gambat South	25.00%	634,777	-	-	-	-	634,777	-	-	-	-	-	-	634,777
Block-22	22.50%	15,534	-	-	-	-	15,534	-	-	-	15,534	-	15,534	-
Sinjhoro	22.50%	214,681	333,785	-	-	(214,681)	333,786	-	-	-	-	-	-	333,786
Chanda	17.50%	452,881	-	-	-	(452,881)	-	-	-	-	-	-	-	-
Khewari	22.50%	92,441	-	-	-	(58,308)	34,133	-	-	-	-	-	-	34,133
Decommissioning cost		112,524	-	-	-	-	112,524	-	-	-	7,294	-	7,294	105,230
Sub total developing fields		4,180,861	1,092,669	(22,015)	(13,880)	(2,501,128)	2,736,507	-	-	-	185,873	(108,644)	77,229	2,659,278
Total		56,564,029	5,936,426	(565,142)	(1,460,241)	313,010	60,788,082	35,761,669	5,097,731	40,859,398	4,434,737	396,422	4,831,159	15,097,525

10.1 Developing fields comprise of cost of wells and related expenditure which are under development/ under drilling and, hence, no amortization thereon has been charged.

10.2 DEVELOPMENT AND PRODUCTION ASSETS

2023		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2022	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Producing fields-Joint operations														
Badin III	25.00%	306,792	-	-	-	-	306,792	306,792	-	306,792	-	-	-	-
Block-22 (all fields)	22.50%	259,905	-	-	-	-	259,905	204,718	-	204,718	55,187	-	55,187	-
Ahmadal/Pariwali	17.50%	779,472	2,235	-	-	-	781,707	637,512	41,475	678,987	-	-	-	102,720
Minwal	17.50%	3,831	-	(19)	-	-	3,812	1,782	87	1,867	-	-	-	1,945
Mazarani	12.50%	136,602	-	-	-	-	136,602	115,273	-	115,273	21,328	-	21,328	1
Sawan	22.50%	3,420,321	2,631	-	-	-	3,422,952	2,623,018	28,352	2,651,370	604,063	-	604,063	167,519
Zamzama	25.00%	4,774,426	15,660	(2,134)	(21,493)	-	4,766,459	3,711,562	15,301	3,726,863	1,016,730	-	1,016,730	22,866
Mubarak	25.00%	1,404,700	96,628	(52,190)	-	-	1,449,138	272,211	5,167	277,378	1,089,875	-	1,089,875	81,885
Nim	22.50%	520,844	149,130	(102,131)	-	-	567,844	237,483	71,525	309,008	-	-	-	258,836
Mehran	25.00%	69,203	-	-	-	-	69,203	1,933	-	1,933	67,270	-	67,270	-
Chanda	17.50%	1,616,436	-	-	-	-	1,616,436	1,166,480	108,618	1,275,098	-	-	-	341,338
Gambat	25.00%	442,403	7,253	-	-	-	449,656	242,720	7,253	249,973	199,682	-	199,682	1
Tal (all fields)	15.00%	6,253,675	198,532	9,341	(42,262)	255,349	6,674,634	5,272,414	389,486	5,661,900	-	-	-	1,012,734
Khipro (all fields)	25.00%	3,245,991	469,855	(5,245)	-	148,867	3,859,468	2,413,344	349,360	2,762,704	-	-	-	1,096,764
MirpurKhas (all fields)	25.00%	6,200,628	1,063,966	(110,156)	-	143,304	7,297,743	5,136,448	650,235	5,786,683	-	-	-	1,511,060
Chachar	25.00%	251,861	-	-	(613)	-	251,248	159,060	118	159,178	91,855	-	91,855	215
Nashpa	15.00%	5,029,483	-	(3)	-	-	5,029,480	2,734,902	437,277	3,172,179	-	-	-	1,857,301
Sinjhoro	22.50%	830,390	78,051	-	(2,137)	163,010	1,069,313	472,602	137,948	610,550	-	-	-	458,763
Mehar	25.00%	4,372,405	15,945	(38,891)	-	-	4,349,458	1,745,730	510,448	2,256,178	671,218	187,264	858,482	1,234,798
Jhakro	22.50%	10,107	-	-	-	-	10,107	10,079	-	10,079	28	-	28	-
Guddu	22.50%	154,939	29	-	(1,691)	-	153,277	119,855	5,299	125,154	-	-	-	28,123
Bolan	17.50%	565,815	-	(2,437)	-	-	563,378	473,111	29,530	502,641	-	-	-	60,737
Gambat South	25.00%	1,734,930	-	-	(53,887)	335,907	2,016,950	702,527	194,699	897,226	-	-	-	1,119,724
Bitrisim	22.50%	312,907	1,231	(3,203)	-	-	310,934	120,232	22,796	143,028	-	-	-	167,906
Tando Allah Yar (all fields)	22.50%	258,519	61,506	-	(709)	25,311	344,627	215,374	20,767	236,141	-	-	-	108,486
Shah Bandar	2.50%	59,017	-	-	-	-	59,017	57,030	1,986	59,016	-	-	-	1
Khewari	22.50%	209,763	-	(2,381)	-	-	207,382	6,770	39,784	46,554	-	-	-	160,828
Dhok Sultan	25.00%	-	-	-	-	1,764,954	1,764,954	-	1,008,390	1,008,390	-	-	-	756,564
Decommissioning cost		3,062,347	1,660,105		(139,053)	7,293	4,590,692	1,861,536	663,272	2,524,808	231,921	12,443	244,364	1,821,520
Sub total producing fields		46,287,712	3,822,756	(309,448)	(261,845)	2,843,994	52,383,168	31,022,498	4,739,174	35,761,669	4,049,157	199,707	4,248,864	12,372,635

*This includes reversal of decommissioning cost amounting Rs. 123 million directly made against related field assets under provisions of IFRIC 1 - Changes in existing decommissioning, restoration and similer liabilities.

Developing fields-Joint operations

2023		Cost						Amortization			Impairment			Carrying amount
Particulars	Working Interest	As at July 1, 2022	Additions	Adjustments	Adjustment of Decommissioning Cost	Transfers	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at July 1, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023
		Rupees ('000)						Rupees ('000)			Rupees ('000)			Rupees ('000)
Developing fields-Joint operations														
Mehar	25.00%	-	825,033	-	-	-	825,033	-	-	-	-	108,644	108,644	716,389
Tando Allah Yar (all fields)	22.50%	25,311	184,137	-	-	(25,311)	184,138	-	-	-	-	-	-	184,138
Kandra	25.00%	3,577	-	-	-	-	3,577	-	-	-	3,577	-	3,577	-
Nim	22.50%	(2,807)	-	-	-	-	(2,807)	-	-	-	-	-	-	(2,807)
Kotra	20.00%	87,942	6,829	-	-	-	94,771	-	-	-	50,824	-	50,824	43,547
Tal	15.00%	255,366	1,104	(17)	-	(255,349)	1,104	-	-	-	-	-	-	1,104
MirpurKhas (all fields)	25.00%	139,781	23,600	-	-	(139,781)	23,600	-	-	-	-	-	-	23,600
Khipro (all fields)	25.00%	156,287	5,619	-	-	(148,867)	13,039	-	-	-	-	-	-	13,039
Nashpa	15.00%	572,581	942,987	-	-	-	1,515,568	-	-	-	-	-	-	1,515,568
Gambat South	25.00%	970,684	-	-	-	(335,907)	634,777	-	-	-	-	-	-	634,777
Block-22	22.50%	15,534	-	-	-	-	15,534	-	-	-	15,534	-	15,534	-
Sinjhoro	22.50%	163,010	214,681	-	-	(163,010)	214,681	-	-	-	-	-	-	214,681
Chanda	17.50%	-	452,881	-	-	-	452,881	-	-	-	-	-	-	452,881
Khewari	22.50%	108,700	-	(16,259)	-	-	92,441	-	-	-	-	-	-	92,441
Decommissioning cost		124,495	-	-	(11,971)	-	112,524	-	-	-	7,294	-	7,294	105,230
Sub total developing fields		2,620,462	2,656,872	(16,277)	(11,971)	(1,068,224)	4,180,861	-	-	-	77,229	108,644	185,873	3,994,988
Total		48,908,174	6,479,628	(325,725)	(273,815)	1,775,769	56,564,029	31,022,498	4,739,174	35,761,669	4,126,386	308,352	4,434,737	16,367,623

10.3 Developing fields comprise of cost of wells and related expenditure which are under development/ under drilling and, hence, no amortization thereon has been charged.

		Note	2024	2023
			-------------Rupees ('000)-------------	
11	**LONG TERM INVESTMENT IN ASSOCIATES**			
	Unquoted Company			
	Pakistan International Oil Limited (PIOL) - Foreign Operation			
	Cost of investment (6,000,000 (2023: 3,500,000) fully paid ordinary shares of USD 10 each)	11.1	**13,534,700**	6,431,700
	Post acquisition loss brought forward		**(875,719)**	(2,039,511)
	Share of loss for the year - net of tax	11.2	**(94,635)**	(297,110)
	Effect of translation of investment		**(295,958)**	1,460,902
			(390,593)	1,163,792
	Post acquisition loss carry forward		**(1,266,312)**	(875,719)
	Closing balance as at June 30		**12,268,388**	5,555,981
	Pakistan Minerals (Private) Limited - PMPL			
	Cost of investment	11.3	**41,637,955**	36,569,203
	Post acquisition profits brought forward		**13,634,057**	-
	Share of loss for the year / period - net of tax	11.4	**(2,173,333)**	(386,040)
	Share of other comprehensive income / (loss) for the year / period - net of tax		**(1,003,132)**	14,020,097
	Total (loss) / profit for the year		**(3,176,465)**	13,634,057
	Post acquisition profit carry forward		**10,457,592**	13,634,057
	Closing balance as at June 30		**52,095,547**	50,203,260
			64,363,935	55,759,241

11.1 Pakistan International Oil Limited (PIOL) is a company engaged in the extraction of oil and natural gas and is registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market. Each consortium company (investors) which includes the Holding Company, Mari Petroleum Company limited (MPCL), Pakistan Petroleum Company Limited (PPL) and Oil & Gas Development Company Limited (OGDCL) each having a 25% equity stake in PIOL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021 and the Offshore Block 5 was awarded to PIOL. During the year, the Holding Company has made equity contribution amounting to USD 25 million; Rs. 7,103 million (2023: USD 10 million; Rs 2,226 million).

11.2 The share of loss for the year mainly relates to exploration and evaluation expenses incurred by PIOL.

11.3 The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan. RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Holding Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL. Till June 30, 2024, the Holding Company has invested Rs 0.04 million (2023: Rs 0.04 million) for 4,000 ordinary shares of PMPL and also made advance against future issue of shares of Rs 41,638 million (2023: Rs 36,569 million).

During the year and as at year end, based on directions from GoP, the SOEs are in the process of discussing and evaluating the terms of a potential transaction with a sovereign foreign investor with respect to divestment in the Reko Diq Project and advisors were appointed through PMPL to assist in this regard. The divestment and its conditions will require significant approvals including from the Federal Cabinet of GoP, Board of Directors and shareholders of the SOEs and other investors of the Reko Diq project. The managment expects the recoverable amount to be higher than the carrying value of investment in PMPL.

11.4 The loss for the period mainly relates to PMPL's share of loss in its associated Company, Reko Diq Holdings Limited (RDHL) while the other comprehensive income relates to gain on retranslation of PMPL's share of investment in foreign operation i-e RDHL.

11.5 Summarised financial information for associates

The share of loss of PMPL and the below summarized financial information is based on the audited financial statements of the associate for the year ended June 30, 2024 whereas share of loss of PIOL and the below summarized financial information is based on the audited financial statements of the associate for the period ended December 31, 2023, adjusted for transactions and events up to June 30, 2024 based on management accounts, in USD, converted into PKR at closing exchange rate.

	PMPL		PIOL	
	2024	2023	**2024**	2023
	Rupees ('000)		Rupees ('000)	
Summarised statement of financial position				
Current assets	**266,181**	120,521	**35,639,271**	14,080,066
Non-current assets	**168,806,655**	167,171,543	**20,723,948**	8,845,552
Current liabilities	**(198,430)**	(8,590)	**(7,289,668)**	(701,696)
Non Current liabilities	**(12,886,616)**	(16,710,030)	-	-
Net assets	**155,987,790**	150,573,444	**49,073,551**	22,223,922

	PMPL		PIOL	
	2024	2023	**2024**	2023
	----------Rupees ('000)----------		----------Rupees ('000)----------	
Reconciliation to carrying amounts:				
Opening net assets	**150,573,444**	-	**22,223,922**	8,663,954
Issued share capital	**-**	120	**28,412,000**	8,904,800
Advance against issue of shares	**14,943,742**	109,671,153	**-**	
Loss for the year	**(6,520,000)**	(1,158,120)	**(378,537)**	(1,188,439)
Other comprehensive income / (loss)	**(3,009,396)**	42,060,291	**-**	-
Retranslation of investment	**-**	-	**(1,183,834)**	5,843,607
	155,987,790	150,573,444	**49,073,551**	22,223,922
Group's percentage shareholding in the	**33.33%**	33.33%	**25%**	25%
Group's share in carrying value of net assets	**51,995,930**	50,191,148	**12,268,388**	5,555,981
Others - exchange rate difference on equity contributions	**99,617**	12,112	**-**	-
	52,095,547	50,203,260	**12,268,388**	5,555,981
Summarised statement of comprehensive income				
Total comprehensive (loss) / profit for the year	**(9,529,396)**	40,902,171	**(378,537)**	(1,188,439)
Share of comprehensive (loss) / profit	**(3,176,465)**	13,634,057	**(94,634)**	(297,110)

12 INVESTMENT IN JOINT VENTURE

	Note	**2024**	2023
		----------Rupees ('000)----------	
TAPI Pipeline Company Limited (TPCL)	12.1	**1,570,024**	1,592,996

		2024	2023
12.1	Cost of investment	**1,077,561**	1,077,561
	Post acquisition gains / (losses) brought forward	**515,435**	131,902
	Share of loss for the period - net of taxation	**(41,643)**	(35,433)
	Foreign exchange translation gain	**18,671**	418,966
	Post acquisition gain carry forward	**492,463**	515,435
	Balance at the end of the year	**1,570,024**	1,592,996

TPCL, the joint venture is registered in the Isle of Man, with registered address as Forte Anne, Douglas, Isle of Man, IM1, 5PD, as a limited liability company and its head office is situated in Dubai, United Arab Emirates. TPCL is principally engaged to carry out the business of developing, engineering, funding the construction of, procuring the equipment engineering and other services for construction and operation of, constructing owning, operating and providing maintenance for the proportion of TAPI pipeline running from the borders of Turkmenistan and Afghanistan to the border of Pakistan and India. The capacity of the TAPI pipeline is expected to be 35 billion cubic meters per annum. The Group through ISGSL holds 5% equity interest in TPCL, however it has joint control due to its rights in decision making of TPCL. Under the terms of Shareholders Agreement, decisions about significant relevant activities shall be approved unanimously by all the founding shareholders.

The investment in joint venture has been made in accordance with the requirements of the Companies Act, The following table summarizes the financial information of the TPCL as included in the latest available unaudited management accounts for the 12-month periods ended June 30, 2024 and June 30, 2023. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in TPCL.

	Un-audited 2024	Un-audited 2023
	Rupees ('000)	
Summarized statement of financial position		
Cash and cash equivalents	**3,475,609**	5,114,694
Other current assets	**135,965**	209,997
Non-current assets	**27,942,400**	26,539,881
Current liabilities	**(153,510)**	(17,035)
Non-current liabilities	**-**	12,372
Net assets	**31,400,464**	31,859,909
Reconciliation to carrying amounts:		
Opening net assets	**31,859,909**	24,144,483
Total comprehensive loss for the period	**(832,853)**	(654,831)
Foreign exchange translation gain	**373,409**	8,370,257
Closing net assets	**31,400,465**	31,859,909
Group's percentage shareholding in the joint venture	**5%**	5%
Group's share in carrying value of net assets	**1,570,024**	1,592,996
Summarized statement of comprehensive income		
Loss for the year	**(1,318,595)**	(654,831)
Depreciation for the year	**(8,125)**	(33,189)

13 RECEIVABLE FROM GOVERNMENT OF PAKISTAN (GoP)

	Note	**2024**			2023		
		Current	**Non - Current**	**Total**	Current	Non - Current	Total
		Rupees ('000)			Rupees ('000)		
Receivable from GoP	13.1						
Principal amount		**6,489,913**	**58,409,218**	**64,899,131**	-	64,899,131	64,899,131
Accrued interest		**6,999,956**	**-**	**6,999,956**	5,548,325	-	5,548,325
		13,489,869	**58,409,218**	**71,899,087**	5,548,325	64,899,131	70,447,456

13.1 This represents receivable from the Government of Pakistan (GoP) against the loan from the National Bank of Pakistan (NBP) availed by GoP through the Holding Company, for a tenor of seven years at markup rate of KIBOR + 0.20%, in order to fulfill the commitment of GoP towards the Government of Balochistan (GoB) for acquisition of equity stake in the Reko Diq Project. The principal amount is inclusive of all related expenses i.e. transaction cost, out of pocket expense incurred by the Holding Company. Accordingly, the receivable from GoP as well as related finance income has been apportioned into current and non-current assets.

		2024	2023
		------------Rupees ('000)------------	
13.2	Movement in principal amount and interest accrued is as follows		
	Principal Amount:		
	Balance at beginning of the year	**64,899,131**	61,895,156
	Additions during the year	**-**	3,003,975
	Principal amount received during the year	**-**	-
	Balance at end of the year	**64,899,131**	64,899,131
	Accrued Interest:		
	Balance at beginning of the year	**5,548,325**	2,071,809
	Interest accrued during the year	**14,580,316**	9,714,875
	Interest on loan from NBP directly repaid by GoP	**(13,128,685)**	(6,238,359)
	Balance at end of the year	**6,999,956**	5,548,325

14 LONG TERM LOAN - UNSECURED

		2024			2023		
	Note	**Current**	**Non - Current**	**Total**	Current	Non - Current	Total
		--------Rupees ('000)--------			--------Rupees ('000)--------		
Loan to staff	14.1	**41,730**	**103,167**	**144,897**	25,904	72,683	98,587
		41,730	**103,167**	**144,897**	25,904	72,683	98,587

		2024	2023
		------------Rupees ('000)------------	
14.1	Balance at beginning of the year	**98,587**	31,083
	Loan disbursed during the year	**90,660**	87,179
	Repayment received during the year	**(44,350)**	(19,675)
	Balance at end of the year	**144,897**	98,587

		Note	2024	2023
			----------------Rupees ('000)----------------	
15	**STORES, SPARES AND LOOSE TOOLS - SHARE IN JOINT OPERATIONS' INVENTORY**			
	Store, spares and loose tools		**6,430,932**	5,296,066
	Impairment for slow moving and obsolete stores, spares and loose tools	15.1	**(495,707)**	(495,707)
			5,935,225	4,800,359

15.1 Movement of provision for slow moving, obsolete and in transit stores

	2024	2023
Balance at beginning of the year	**495,707**	495,707
Impairment charge for the year	**-**	-
Balance at end of the year	**495,707**	495,707

15.2 Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.

		Note	2024	2023
			----------------Rupees ('000)----------------	
16	**STOCK-IN-TRADE**			
	LNG held with third party	16.1	**2,614,235**	8,382,078
	RLNG held in pipeline	16.2	**-**	101,347
			2,614,235	8,483,425

16.1 This represents LNG inventory held with PGP Consortium Limited (PGPCL) at the Floating Storage and Regasification Unit (FSRU). The inventory includes stock on account of borrowing and lending mechanism with SNGPL, in relation to LNG cargoes received by the Group at FSRU. As per the mechanism, the LNG inventory in MMBTU terms is recouped by the Group from subsequent month cargo received by SNGPL.

16.2 This represents RLNG held in pipeline between Floating Storage and Regasification Unit (FSRU) and Custody Transfer System (CTS).

		Note	2024	2023
			----------------Rupees ('000)----------------	
17	**ACCRUED INTEREST RECEIVABLE**			
	Accrued interest receivable on bank deposits	17.1	**1,094,372**	296,255

17.1 This represents interest accrued on local currency bank deposits carrying mark-up at the rate ranging between 10% to 20.9% per annum (2023: 18.5% - 20% per annum) and foreign currency deposits carrying mark-up at the rate of 2.2% per annum (2023: nil).

		Note	2024	2023
			----------------Rupees ('000)----------------	
18	**TRADE DEBTS**			
	Unsecured - considered good		**321,928,960**	292,997,128
	Unsecured - considered doubtful		**197,927**	196,700
			322,126,887	293,193,828
	Provision for doubtful debts	18.3	**(197,927)**	(196,700)
			321,928,960	292,997,128

18.1 Trade debts include overdue amount of Rs. 293,763 million (2023: Rs. 263,190 million) on account of inter-corporate circular debt, receivable from oil refineries, gas and power companies out of which Rs. 143,623 million (2023: Rs. 116,505 million) and Rs. 150,139 million (2023: Rs. 146,684 million) is mainly overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. The management of the Group considers this amount to be fully recoverable because Government of Pakistan (GoP) has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Group's trade debts. The Group recognises interest / surcharge, if any, on delayed payments from customers only to the extent that it is highly probable that a significant reversal in the amount of income recognised will not occur when the uncertainty associated with the interest / surcharge is subsequently resolved, which is when the interest / surcharge on delayed payments is received by the Group. As disclosed in note 3.3 to these consolidated financial statements, Securities and Exchange Commission of Pakistan (SECP) has deferred the applicability of ECL model till December 31, 2024 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

18.2 Total amount due from related parties as on June 30, 2024 is Rs. 315,929 million (2023: Rs. 284,147 million) and maximum amount due at the end of any month during the year was Rs. 356,220 million (2023: Rs. 284,147 million). For party wise details refer note 44.2.2.

		Note	2024	2023
			Rupees ('000)	
18.3	Movement in provision for doubtful debts			
	Balance at beginning of the year		**196,700**	539,704
	Provision during the year		**1,227**	-
	Reversal of provision		**-**	(343,004)
	Balance at end of the year		**197,927**	196,700
19	**RECOVERABLE FROM TAX AUTHORITIES**			
	General sales tax recoverable	19.1	**9,164,542**	9,587,829

19.1 This mainly pertains to import of LNG cargos and management is confident that it is adjustable against future sales of the Group. General sales tax recoverable has been recognised taking into account the availability of future sales as per business plan of the Group. The existence of future sales is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future sales of the Group. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of general sales tax recoverable. The management believes that it is probable that the Group will be able to achieve the sales projected in the business plan.

		Note	2024	2023
20	**ADVANCES, RECEIVABLES AND SHORT TERM PREPAYMENTS**		Rupees ('000)	
	Secured			
	Advances against salary to staff	20.1	**19,568**	67,772
	Unsecured and considered good			
	Advances to suppliers		**9,173**	4,136
	Advance against arbitration		**-**	78,026
	Other receivable	20.2	**2,334,964**	947,917
	Security deposits		**600**	1,031
			2,344,737	1,031,110
	Short term prepayments			
	Software maintenance fee		**12,387**	11,308
	Insurance		**4,601**	8,782
	Other prepayments		**141,682**	6,903
			158,670	26,993
			2,522,975	1,125,875

20.1 The advances are granted to employees of the Group in accordance with the Group's service rules. These advances are for short term period against salaries and carry no interest.

20.2 This includes deposit placed with Milbank, the Company's lawyers, amounting to Rs 2,329 million as at year end.

	Note	2024	2023
		---Rupees ('000)---	
21 SHORT TERM INVESTMENTS			
Investment held at amortised cost			
Local currency term deposits with banks		**71,637,894**	31,427,558
Foreign currency term deposits with banks		**4,733,426**	-
Market Treasury Bills (T-Bills)		**3,593,519**	-
	21.1	**79,964,839**	31,427,558

21.1 The break up of Investment in term deposit receipts placed with the commercial banks is as under:

Credit rating	Rating agency	Rate	Note	2024	2023
Local currency term deposits maturing within three months			21.2		
A-1+	VIS	20.65%		**8,000,000**	8,000,000
A-1+	PACRA	20.65%		**30,000,000**	8,000,000
A-1+	PACRA	20.65%		**25,000,000**	12,000,000
A-1+	PACRA	19.64%		**6,483,766**	
A-1+	VIS	18.82%		**110,000**	3,065,431
Interest accrued				**388,942**	362,127
				69,982,708	31,427,558
Local currency term deposits maturing after three months					
A-1+	VIS / PACRA	19.30%		**1,628,349**	-
Interest accrued				**26,837**	-
				1,655,186	-
Foreign currency term deposits maturing within three months					
A-1+	PACRA	7% - 7.5%		**3,214,828**	-
Interest accrued				**19,320**	
				3,234,147	-
Foreign currency term deposits maturing after three months					
A-1+	PACRA	7.1% - 7.85%		**1,461,178**	-
Interest accrued				**38,101**	
				1,499,279	-
Market Treasury Bills (T-Bills)			21.4	**3,457,344**	-
Interest accrued				**136,175**	
				3,593,519	-
Total investments				**79,964,839**	31,427,558

21.2 This include Rs 10,000 million (2023: Rs 5,000 million) which is subject to restriction as the amount is reserved against funded mining project reserve which is further explained in note 24.5.

21.3 This includes local currency TDRs as a guarantee on account of Sindh Infrastructure Cess, as per the directions of the Sindh High Court amounting to Rs 5,126 million. After conclusion of Court proceedings and the related judgement by the Court, the amount will be released accordingly.

21.4 This represents investment in market treasury bills (T-Bills) with Central Depository Company of Pakistan Limited (CDC) carrying an average interest rate 20.59% per annum with maturities ranging from 39 days to 179 days.

22 CASH AND BANK BALANCES

	Note	2024	2023
		Rupees ('000)	
Local currency			
Cash in hand		**322**	451
Cash at banks - current accounts		**284**	113
Cash at banks - savings accounts	22.1	**49,507,521**	20,932,786
		49,508,127	20,933,350
Foreign currency			
Cash in hand		**6,000**	1,413
Cash at banks - savings accounts		**3,130**	2,647,154
		9,130	2,648,567
		49,517,257	23,581,917

22.1 These carry mark-up at the rate ranging between 10% and 20.9% per annum (2023: 6.83% and 20.00% per annum).

22.2 Cash and cash equivalents

	Note	2024	2023
		Rupees ('000)	
Investment in term deposit receipts - maturing in three months	21	**70,277,173**	31,427,558
Cash and bank balances	22	**49,517,257**	23,581,917
Accrued interest on savings accounts	17	**1,094,372**	296,255
		120,888,802	55,305,730
Less:			
TDRs reserved against mining project reserve	21.2	**(10,000,000)**	(5,000,000)
TDRs marked with lien for bank guarantee	21.3	**(3,500,742)**	(3,169,542)
		(13,500,742)	(8,169,542)
		107,388,060	47,136,188

23 SHARE CAPITAL

Authorized share capital

2024	2023		2024	2023
Number of shares			Rupees ('000)	
4,500,000,000	4,500,000,000	Ordinary shares of Rs. 10 each	**45,000,000**	45,000,000

Issued, subscribed and paid up capital

2024	2023		2024	2023
Number of shares			Rupees ('000)	
2,322,121,233	2,322,121,233	Ordinary shares of Rs. 10 each, fully paid in cash	**23,221,212**	23,221,212
2,322,121,233	2,164,316,961	Weighted average shares		

23.1 The movement in issued, subscribed and paid up capital is as follows:

	2024	2023	2024	2023
	Number of shares		Rupees ('000)	
At July 1	**2,322,121,233**	2,132,756,107	**23,221,212**	21,327,561
Ordinary shares of Rs 10 each paid in cash issued during the year	-	189,365,126	-	1,893,651
At June 30	**2,322,121,233**	2,322,121,233	**23,221,212**	23,221,212

23.2 Government of Pakistan (GoP) holds 100% shares. Of these shares, two nominee directors hold one qualification share, each. All ordinary shares rank equally with regard to the Group's residual assets. GoP as holder of these shares is entitled to dividend as declared from time to time and are entitled to vote at general meetings of the Group.

During the year, the Pakistan Sovereign Wealth Fund Act, 2023 became effective. Under the said Act, the GoP's shareholding in the Group stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the GoP is in the process of taking necessary actions required to record the transfer of the shares to PSWF.

		2024	2023
		Rupees ('000)	
23.3	**Advance against issue of shares**		
	Balance at beginning of the year	**525,069**	2,329,895
	Advance received against issue of shares	**1,124,260**	88,825
	Issue of shares	**-**	(1,893,651)
	Balance at end of the year	**1,649,329**	525,069

Economic Coordination Committee (ECC) of the Federal Cabinet, in its decision on Case No ECC-145/25/2015 dated December 15, 2016, in respect of the "Funding of Expenditure of Inter State Gas Systems Private Limited", approved that the Holding Company is to fund all project activities of ISGSL as a 100% subsidiary company and all Government investments (e.g. from GIDC) in projects being undertaken by ISGSL shall be routed through the Holding Company. Pursuant to the foregoing, the Finance Division vide its Office Memorandum No. F. 4(2) CF-V/2007 dated October 24, 2017 instructed ISGSL to issue shares to the Holding Company and going forward the Holding Company is required to issue the shares in the name of the President of Pakistan through Secretary M/o Energy (Petroleum Division) in relation to the Government's investment in ISGSL's projects. Accordingly, the increase in share capital of the Holding Company represents Government's investment in ISGSL being routed through the Holding Company.

		Note	2024	2023
			Rupees ('000)	
24	**RESERVES**			
	Other reserves			
	Foreign currency translation reserve	24.2	**1,957,261**	2,163,359
	Foreign currency translation reserve - associated company	24.3	**13,016,965**	14,020,097
			14,974,226	16,183,456
	Capital reserves			
	Assets acquisition reserve	24.4	**5,000,000**	5,000,000
	Mining project reserve	24.5	**20,000,000**	20,000,000
			25,000,000	25,000,000
			39,974,226	41,183,456

24.1 The Group has appropriated and created these reserves in accordance with the principles of prudence.

24.2 This represents the translation reserve net of related tax of the retranslation of the investment in the associated company and joint venture.

24.3 This represents accumulated balance of translation effect of a foreign operation in Rupees of associated company.

24.4 In view of the Group's business expansion, it is intended to acquire sizable production reserves for which a separate asset acquisition reserve has been established. The Group plans to continue to build up this reserve in future years. Accordingly, this reserve is not available for distribution to shareholders.

24.5 This reserve is created in view of the future funding requirements for the Reko-Diq project. This reserve is to be funded for which the Group plans to accumulate the required funds over a period of four years starting from year ended June 30, 2023. This reserve is not available for distribution to shareholders. The funds earmarked against this reserve are outlined in note 21.2.

		Note	2024	2023
			--------Rupees ('000)--------	
25	**LONG TERM LIABILITIES**			
	Due to the joint operators	25.1	**6,133,871**	6,175,325
	Current portion shown under current liabilities		**(1,903,482)**	(1,667,523)
			4,230,389	4,507,802

25.1 This represents long term liabilities on account of the Group's carried interest of 5% in the exploration expenditure of various joint operations. This expenditure is incurred by the joint operation partners up to the date of commercial discovery, and the amount will be adjusted in five equal annual installments, against the Group's share of commercial production in each respective joint operation. The movement in amount due to joint operators is as follows:

	Note	2024	2023
		--------Rupees ('000)--------	
Balance at beginning of the year		**6,175,325**	5,036,503
Unwinding of long term liability	37	**261,286**	137,133
Payments net off exchange loss		**(330,494)**	(396,714)
Additions / adjustments during the year		**277,933**	207,779
Discounting of long term liability	37	**359,826**	(519,532)
Unrealised exchange Loss / (gain) on revaluation		**(610,004)**	1,710,156
	25.2	**6,133,871**	6,175,325

25.2 Long term liabilities in US Dollars have been discounted at a rate of 5.39% (2023: 5.85%) per annum.

		Note	2024	2023
			--------Rupees ('000)--------	
26	**DEFERRED TAX ASSET**			
	Deferred tax asset	26.1	**37,284,165**	23,912,934
26.1	**Movement in the deferred tax asset / (liability):**			
	Balance at beginning of the year		**23,912,934**	9,530,548
	Credited to the consolidated statement of profit or loss	43	**13,281,861**	14,829,437
	Credited to the consolidated statement of comprehensive income		**89,370**	(447,051)
			37,284,165	23,912,934
26.2	**Deferred tax comprises of following:**			
	Taxable temporary difference arising in respect of:			
	Accelerated depreciation on property, plant and equipment		**(7,367,063)**	(7,328,324)
	Development and production expenditure		**(6,168,913)**	(5,275,558)
	Unwinding of long term liabilities (carried interest)		**2,324,652**	(658,643)
	Provision for decommissioning cost		**(215,237)**	(525,794)
	Effects of translation of investment in a foreign joint venture		**-**	(125,674)
	Effects of translation of investment in a foreign associate		**(409,746)**	(483,736)
			(11,836,307)	(14,397,728)

	2024	2023
	----------Rupees ('000)----------	
Deductible temporary difference arising in respect of:		
Impairment of stores, spares and loose tools	**247,854**	247,854
Unrealised exchange gain / (loss)	**2,165,787**	1,956,638
Work in progress	**145,718**	198,285
Exploration and prospecting expenditure	**2,458,761**	2,070,487
Provision for windfall levy on oil / condensate	**11,786,230**	8,642,719
Operating lease on Floating Storage and Regasification Unit (FSRU)	**31,435,143**	24,288,753
Remeasurement of employees' retirement benefits	**55,692**	67,005
Net impairment loss on financial assets	**98,964**	98,350
Share of loss from associate and joint venture	**726,323**	740,572
	49,120,472	38,310,663
	37,284,165	23,912,934

26.3 Deferred tax has been calculated at the current effective tax rate of 50% (2023: 50%) for the Holding Company and 39% (2023: 29%) for subsidiary companies.

		Note	2024	2023
			----------Rupees ('000)----------	
27	**PROVISION FOR DECOMMISSIONING COST**			
	Provision for decommissioning cost	27.1	**12,047,359**	14,408,445
27.1	**Provision for decommissioning cost**			
	Balance at beginning of the year		**14,408,445**	8,240,917
	Provision made during the year	27.2	**887,107**	2,497,657
	Revision due to change in estimates	27.3	**(4,064,344)**	(714,814)
	Revaluation exchange (gain) / loss		**(421,261)**	3,461,250
	Unwinding of discount on provision for decommissioning cost	37	**1,237,412**	923,436
			12,047,359	14,408,445
27.2	Provision / (reversal) made during the year is distributed as under			
	Share in joint operations' fixed assets	6.2	**73,671**	752,594
	Share in joint operations' capital work in progress	6.3	**-**	84,958
	Development and production assets	10	**813,436**	1,660,105
			887,107	2,497,657
27.3	Revision due to change in estimates during the year			
	Share in joint operations' fixed assets	6.2	**(1,296,031)**	(47,592)
	Share in joint operations' fixed assets - capital work in progress	6.3	**(11,329)**	(1,649)
	Development and production assets	10	**(1,460,241)**	(273,815)
	Operating expenses	36	**(1,296,743)**	(391,758)
			(4,064,344)	(714,814)
27.4	Significant financial assumptions used were as follows:			
	Discount rate per annum		**6.8% ~ 9.97%**	7.5% ~ 11.4%
	Inflation rate per annum		**2.07%**	5.81%

	Note	2024	2023
		-----Rupees ('000)-----	
28 DEFERRED EMPLOYEE BENEFITS			
Accumulating compensated absences	28.1	**151,939**	118,013

28.1 Accumulating compensated absences

	2024	2023
Present value of defined benefit obligation at beginning of the year	**118,013**	124,680
Charge for the year - net	**76,726**	60,369
Payments made during the year	**(42,800)**	(67,036)
Present value of defined benefit obligation at end of the year	**151,939**	118,013

Principle actuarial assumptions:

	2024	2023
Valuation discount rate (%)	**14.00% - 16.25%**	15.75% - 16.25%
Salary increase rate (%)	**13.00% to 14.75%**	14.75% to 16.25%

Description of risks to the Group

- The compensated absences plans expose the Group to the following risks:
- Discount rate risk - The risk of changes in discount rate, since discount rate is based on corporate / government bonds, any decrease in bond yields will increase plan liabilities.
- Salary increase / inflation risk - The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.
- Mortality risk - The risk that the actual mortality experience is lighter than that of expected i.e the actual life expectancy is longer than assumed.
- Withdrawal risk - The risk of actual withdrawals experience may different from that assumed in the calculation.

29 LOAN FROM NATIONAL BANK OF PAKISTAN (NBP) - SECURED

	Note	2024 Current	2024 Non - Current	2024 Total	2023 Current	2023 Non - Current	2023 Total
		-----Rupees ('000)-----			-----Rupees ('000)-----		
Long term loan	29.1						
Principal amount		**6,489,913**	**58,409,218**	**64,899,131**	-	64,899,131	64,899,131
Accrued Interest		**6,999,956**	-	**6,999,956**	5,548,325	-	5,548,325
		13,489,869	**58,409,218**	**71,899,087**	5,548,325	64,899,131	70,447,456

29.1 This represents the long term finance facility obtained by the Holding Company form National Bank of Pakistan (NBP) in order to settle the short term finance facility obtained by the Holding Company on behalf of the GoP in order to fulfill the commitment of the Government of Pakistan (GoP) towards the Government of Balochistan (GoB) in relation to Reko Diq project. The loan carries interest calculated at 6-month Karachi Interbank Offered Rate (KIBOR) + 0.20% effective from the date of disbursement. The loan was availed for a tenor of seven year (inclusive of a two-year grace period) with effect from December 31, 2022 and is repayable in equal semi annual installments of principal amount starting from June 30, 2025. The loan is secured against a GoP guarantee and letter of comfort.

	2024	2023
	-----Rupees ('000)-----	
Balance at beginning of the year	**70,447,456**	-
Draw down during the year	-	64,899,131
Interest accrued during the year	**14,580,316**	5,548,325
Repayments during the year	**(13,128,685)**	-
Balance at end of the year	**71,899,087**	70,447,456

30	TRADE AND OTHER PAYABLES	Note	2024	2023
			Rupees ('000)	
	Trade Creditors			
	Due to joint operators		**7,083,427**	3,905,427
	Due to vendors for services acquired		**16,202**	14,017
	Trade payables	30.1	**11,613,162**	10,808,080
			18,712,791	14,727,524
	Other Payables			
	Accrued liabilities	30.2	**2,300,673**	468,570
	Provision for legal disputes		**-**	131,900
	Port charges recovered	30.3	**-**	4,539,305
	Excise duty and cess payable at import stage	30.4	**5,125,577**	3,065,431
	Gratuity fund	30.5	**114,762**	145,964
	Payable to provident fund		**5,215**	4,200
	Sales tax payable		**685,645**	322,487
	Withholding tax payable		**13,712**	210,478
	Other payables		**2,208**	10,417
	Other levies (receivable) / payable		**12,524**	13,713
	Royalty payable		**1,080,348**	888,657
	Provision for windfall levy on oil / condensate	33.1.1.4	**23,572,460**	17,285,437
			32,913,124	27,586,559
			51,625,915	42,314,083

30.1 This includes Rs. 2,318 million (2023: Rs. 2,318 million) payable to PGP Consortium Limited (PGPCL) on account of regasification charges and payable to respective LNG suppliers aggregating to Rs. 9,294 million (2023: Rs. 8,490 million).

30.2 This includes provision recogized in relation to the enforcement petition filed by PGPCL against the LCIA Award dated April 26, 2023, wherein PGPCL has sough relief against the USD 7.2 million , it was required to pay, along with default interest at 3 months KIBOR+1% starting from March 13, 2018 to the Group on account of liquidated damages (LDs), till full and final amount is paid. PGPCL have sought relief to pay LDs amount along with default interest at an exchange rate prevailing as on March 13, 2018. The Group has disputed the relief as the judgement currency is in USD and the LDs amount payable by PGPCL has to be in USD or equivalent PKR prevailing as of the payment date. The matter is pending with Islamabad High Court.

PGPCL through its letter dated June 26, 2023 agreed to pay LDs amount in equal installment of USD 800,000 over 16 months till the amount is fully recovered. The estimated amount of LDs along with Interest is USD 12.43 million. The Group has recovered USD 11.2 million from PGPCL till year end. However, the Group, as a matter of prudence, has recognized the disputed amount withheld, amounting to Rs 1,799 million as payable to PGPCL till the final resolution of the matter pending before the court.

30.3 This represents amount received / withheld by the Group against demand letter to its LNG suppliers namely ENI, Gunvor International (GI) and Gunvor Singapore (GS) to claim the amount due to the Group in relation to amount overbilled to the Group in lieu of port charges. The arbitration proceedings with LCIA against the suppliers has been concluded during the year and the related amount received / withheld has been adjusted accordingly which is further explained in note 40 to the consolidated financial statements.

30.4 This represents unpaid amount due under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (Sindh Cess Act); deposited pursuant to instructions of the Honorable Sindh High Court (SHC) under a petition filed by the Group challenging the constitutionality of the power exercised by the provincial legislature to levy the Cess. The Group has also provided financial guarantees, obtained from commercial banks, in the name of Excise and Taxation Department, Government of Sindh, as disclosed in note 21 to the consolidated financial statements.

30.5	Gratuity fund	2024	2023
		Rupees ('000)	
	The amount recognised in the consolidated statement of financial position is as follows:		
	Present value of defined benefit obligation	**682,171**	501,099
	Fair value of plan assets	**(567,409)**	(355,135)
	Net liability at end of the year	**114,762**	145,964
	The movement in the present value of defined benefit obligation is as follows:		
	Present value of defined benefit obligation at beginning of the year	**501,099**	393,609
	Current service cost	**101,626**	81,718
	Interest cost	**71,322**	50,127
	Benefits paid	**(35,967)**	(48,046)
	Remeasurement of defined benefit obligation	**44,091**	23,691
	Present value of defined benefit obligation at end of the year	**682,171**	501,099

	2024	2023
	----------------Rupees ('000)----------------	
The movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	355,135	249,159
Contributions	180,857	86,328
Expected return on plan assets	65,438	38,387
Payment by employer on behalf of plan	-	12,754
Benefits paid	(35,967)	(15,944)
Remeasurement of plan assets	1,946	(15,549)
Fair value of plan assets at end of the year	567,409	355,135
The movement in asset / (liability) recognised in the consolidated statement of financial position is as follows:		
Liability at beginning of the year	145,964	144,451
Expense for the year	107,510	93,458
Remeasurement loss recognised in other comprehensive income during the year	42,145	39,240
Payments to the fund during the year	(180,857)	(131,185)
Liability at end of the year	114,762	145,964
Detail of plan assets		
Cash at bank	90,560	268,832
Term deposits	476,849	86,303
	567,409	355,135

Funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The gratuity plan is a defined benefit final salary plan invested through approved trust fund. The fund is governed under Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the fund are responsible to plan administration and investment. The Group appoints the trustees. All trustees are employees of the Group.

	2024	2023
	----------------Rupees ('000)----------------	
Amounts recognised in consolidated statement of profit and loss:		
Current service cost	101,626	81,718
Net interest cost	5,884	11,740
	107,510	93,458
Amounts recognised in consolidated statement of comprehensive income:		
Remeasurement loss recognised on defined benefit obligation	44,091	23,691
Remeasurement loss recognised on plan assets	(1,946)	15,549
	42,145	39,240
The remeasurement loss arising from:		
Experience adjustments	42,145	39,240
Financial assumptions	-	-
	42,145	39,240
Principle actuarial assumptions:	----------------Percentage----------------	
Valuation discount rate (%)	14.00% to 16.25%	15.75% to 16.25%
Salary increase rate (%)	13.00% to 14.75%	14.75% to 16.25%
Mortality rates	Adjusted SLIC 2001-2005	

These results and balances related to employees' benefits are based on actuarial calculations carried out for the year ended June 30, 2024 for the Holding Company and subsidiaries respectively. The management believes that any change in market assumptions as of today would not have any material impact on the consolidated financial statements.

Description of risks to the Group

The gratuity plans expose the Group to the following risks:

- Discount rate risk - The risk of changes in discount rate, since discount rate is based on corporate / government bonds, any decrease in bond yields will increase plan liabilities.
- Salary increase / inflation risk - The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.
- Mortality risk - The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.
- Withdrawal risk - The risk of actual withdrawals experience may different from that assumed in the calculation.
- Investment risk - The risk of occurrence of losses relative to the expected return on any particular investment.

	Note	**2024**	2023
		Rupees ('000)	
31 PAYABLE TO GOVERNMENT UNDER ITFC AGREEMENT			
Balance at the beginning of the year		**113,898,102**	120,565,163
Utilisation during the year	31.1	**17,887,410**	5,743,542
Amount repaid during the year		**(11,117,233)**	(12,410,603)
Balance at the end of the year		**120,668,279**	113,898,102

31.1 During the financial year ended June 30, 2019, the Government of Pakistan (GoP) and International Islamic Trade Finance Corporation (ITFC) entered into a deferred financing facility dated April 22, 2019, with the Subsidiary Company, PLL, designated as an executing agency by the GoP. As per the agreement, payments to LNG suppliers are processed by ITFC, with PLL processing the payment to the State Bank of Pakistan (SBP) in the designated bank account in USD equivalent PKR. Accordingly, during the year PLL executed 3 transactions (2023: 2 transactions) with LNG suppliers under the agreement, amounting to Rs. 17,887 million (2023: Rs. 5,744 million).

	Note	**2024**	2023
		Rupees ('000)	
32 PROVISION FOR TAXATION			
Income tax payable / (refundable) at beginning of the year		**4,586,480**	(51,888)
Income tax paid during the year		**(34,148,864)**	(34,671,804)
Provision for taxation for the year	43	**50,830,206**	39,310,172
Provision for taxation - prior year	43	**(5,847,651)**	-
Income tax payable at end of the year		**15,420,171**	4,586,480

32.1 The Honourable Supreme Court of Pakistan (SCP) through its decision dated November 29, 2023 and written order issued on January 08, 2024, dismissed civil petition filed by the tax authorities and the matter of depletion allowance stands settled in favour of the Holding Company. Pursuant to the decision having attained finality, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance 2001, the royalty amount is not to be deducted when establishing the wellhead value. Accordingly, the Holding Company has reversed the tax expense amounting to Rs 5,153 million booked in prior years in respect of depletion allowance from tax years 2004 to 2021.

		Note	2024	2023
			---------------Rupees ('000)---------------	
33	CONTINGENCIES AND COMMITMENTS			
33.1	**Contingencies**			
33.1.1	**Government Holdings (Private) Limited (The Holding Company)**			
	Relating to carried cost liabilities	33.1.1.1	**2,323,297**	2,507,151
	Tax contingencies	33.1.1.2	**18,177,837**	18,177,837
			20,501,134	20,684,987

33.1.1.1 This represents contingencies in respect of 5% carried cost of the discovered fields where Declaration of Commercialities (DOCs) have not yet been submitted at the year end and for those development and production leases where the Holding Company's estimates varies with those of the operator.

33.1.1.2 The Federal Board of Revenue (FBR) issued a show cause notice to the Holding Company in respect of non-applicability of zero percent sales tax on crude / condensate supplies from 2009-10 to 2013-14 as per SRO No. 549(1)/2008, which includes the condition of "import and supplies thereof." The Holding Company disputed the notice on the grounds that it does not import crude / condensate and has filed writ petition with Islamabad High Court. Single bench of high court allowed petition on ground of jurisdiction. FBR challenged the order in appeal which was allowed and remanded back to single bench of High Court for decision on merits. Petition is pending. The estimated tax contingency has been calculated based on the sales tax amount involved, penalty, and default surcharge.

33.1.1.3 The tax authorities had amended the assessments of the Holding Company for the tax years 2003 to 2023 raising an aggregate demand of Rs. 27,659 million, which primarily relates to depletion allowance, development and production expenditure, decommissioning cost, super tax, unrealized exchange losses, rebate on donation and tax credits under sections 61, 65 of the Income Tax Ordinance, 2001. The Holding Company had paid the demanded amounts upto tax year 2020 under protest to avoid penalties under the Income Tax Ordinance 2001 and has initiated appellate proceedings against the disallowance which are pending at different appellate forums. In the above demanded amount, Rs 5,153 million was disallowed on account of depletion allowance. However, the matter has been decided in favor of the Holding Company which has been further explained in note 32.1 to the consolidated financial statements.

33.1.1.4 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Holding Company is a working interest owner in Tal, Mirpur Khas, Khipro, Mehar, Mubarak, Tando Allah Yar, Gurgalot, Sinjhoro, Bitrism, Khewari and Nim Blocks whose Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997. Subsequently, in pursuance to the option available under Petroleum Policy 2012, the Holding Company along with other working interest owners signed Supplemental Agreements (SAs) with the Government of Pakistan (GoP) for conversion of eligible existing and future discoveries under aforesaid PCAs to the Petroleum Policy (PP), 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from November 27, 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified amendments in Petroleum Policy 2012 after approval from the Council of Common Interests (CCI) dated November 24, 2017. These amendments include imposition of windfall levy on oil / condensate (WLO). Under the said notification, the Supplemental Agreements already executed for conversion from Petroleum Policies of 1994 and 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 or to forgo the incentives available for gas pricing.

Based on legal advice, the Holding Company is of the view that terms of the existing PCAs as amended to-date through the Supplemental Agreements already executed cannot unilaterally be amended by the GoP through introduction of amendment nor can the GoP lawfully require and direct that such amendments be made to include imposition of WLO retrospectively and nor the GoP unilaterally hold and direct that the gas price incentive to which the Holding Company is presently entitled to and receiving under the conversion package as enshrined under the Supplemental Agreement stands withdrawn or the Holding Company ceases to be eligible for such incentive in case of failure to adopt the unilateral amendments in the existing PCAs. Accordingly, the aforementioned amendments as well as the subsequent letters requiring implementation of the amendments are not enforceable or binding upon the Holding Company.

The Holding Company along with other joint operation partners has challenged the applicability of WLO against the backdrop of Supplemental Agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order against the CCI decision dated November 24, 2017 on imposition of WLO. It is pertinent to note that all writ petitions on subject matter have been consolidated by the Honorable High Court. The petitions are pending with date in office.

The cumulative impact of Windfall Levy on Oil (WLO) since application of incremental gas prices up till June 30, 2024 amount to approximately Rs 33,889 million (2023: Rs 27,602 million). As mentioned above, the Holding Company based on the advice of legal counsels, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favor. However, without prejudice to the Holding Company's legal contention and as a matter of prudence, the Holding Company has booked provision of Rs. 23,572 million to prospectively account for the impact of WLO from the date of the SRO i.e. December 27, 2017 till June 30, 2024. The provision has been adequately disclosed in note 30.

33.1.1.5 Unitization of Salamat / Adam West Field Reserves

A reservoir communication study by an independent third party, is currently in progress to determine reserve volume estimates and level of communication between Salamat field (operated by UEPL; GHPL Working Interest (WI): 25%) and Adam West field (operated by PPL; GHPL WI: Nil). If reservoir communication between the fields is proved then subject to final results of the study, agreement of concerned parties and Director General Petroleum Concessions's (DGPC) approval, financial exposure may arise equivalent to revenue from additional production from the reservoir to be offset by royalty / OPEX / tax and other related expenses incurred.

33.1.1.6 Other contingencies

As part of the investment in Pakistan International Oil Limited (PIOL), each associate of the consortium companies including Holding Company have provided, joint and several, parent company guarantees to Abu Dhabi National Oil Company (ADNOC) and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE to guarantee the obligations of the associate, PIOL. The exposure against the said guarantee as at year end amounts to US$ 120 million (2023: US$ 195 million).

33.1.1.7 On December 17, 2018, Attock Refinery Limited (ARL) filed a writ petition against the Holding Company before Islamabad High Court and has disputed and withheld amounts invoiced to it prior to the signing of sales agreement i.e. March 13, 2018 on account of adjustment of premium or discount as announced by Saudi Aramco for deliveries to Asian customers / destinations under the sales agreement. The amount withheld and disputed by ARL amounts to Rs 411 million (2023: Rs 411 million). The Holding Company believes that the debit notes / invoices have been raised in accordance with the sales agreements signed with the Government of Pakistan (GoP) and no provision is required in this respect.

33.1.2 Inter State Gas Systems (Private) Limited - ISGSL (the Subsidiary Company)

ISGSL has not accrued any penalty under the terms of GSPA with National Iranian Oil Company (NIOC) - an Iran state owned enterprise on the basis of management's assessment of related matters. In making its assessment, the management has considered that owing to the underlying task and circumstances an extension was agreed in 2019 wherein pipeline was required to be completed by 2024 and subsequent to that various factors including pandemic and other matters have been an impediment in achieving the target. Further, ISGSL has assessed that both the entities need additional time to fulfil their respective obligations under the GSPA.

In August 2024, NIOC issued a notice in furtherance of the arbitration process under the terms of the GSPA for the ISGSL's alleged breach of GSPA clauses. The notice demanded compensation for damages with interest including take-or-pay obligations, reimbursement of arbitration-related costs on a full indemnity basis including arbitrator fees, legal, and related expenses, along with any additional relief deemed appropriate by the Arbitral Tribunal. Following the consultation with the Government of Pakistan and external legal counsels, ISGSL has responded in October 2024 to the aforesaid notice of arbitration served by NIOC. The management believes that notwithstanding the locus standi, there also exist certain other related factors which management believes may guide to amicable resolution of the matter on hand and thereby there is no likelihood of the ISGSL's upfront exposure to any financial obligation. Keeping in view the foregoing, the Group has not recorded any financial obligation, including penalty under related clause of GSPA.

33.1.3 Pakistan LNG Limited - PLL (the Subsidiary Company)

33.1.3.1 For tax year 2018, 2019 and 2020 tax authorities amended the PLL's assessment under section 122(5A) and created tax demand of Rs. 1,691 million, Rs. 4,207 million and Rs. 2,928 million by making disallowances of mainly related to unrealised exchange loss, credit of tax paid under import stage, unrealised exchange losses, capacity, utilisation, flexibility charges and employees benefits encashment.

The Subsidiary Company, PLL, filed appeals on relevant forms which are currently pending, however management, based on the opinion of its tax consultants, believes that they have strong arguments in these matters hence, most likely these will be decided in their favour.

33.1.3.2 PGPCL has filed a request for arbitration (RFA) before the London Court of Arbitration (LCIA) dated October 28, 2023 with respect to reimbursement of royalties payable by PGPCL to Port Qasim Authority (PQA) from PLL, payment for services provided by PGPCL to PLL before the commercial start date and PLL's refusal to enter a third party access arrangement with PGPCL causing significant losses to PGPCL. The case is pending before LCIA and the hearing of case will held in April 2025. Management is confident that the matter will be decided in favor of PLL.

33.1.3.3 Subsequent to the year end, Oil and Gas Regulatory Authority (OGRA), vide its notifications dated December 24, 2024, conveyed price determination of RLNG sales for respective months from December 2017 to June 2022 encompassing supplies made by PLL to Sui Northern Gas Pipelines (SNGPL). PLL is not in agreement with the various components of the aforesaid determination made by the OGRA. PLL through its letter dated January 9, 2025, has requested OGRA to revisit various matters and simultaneously has also informed OGRA about the certain amounts recovered under international arbitrations. Further, vide letter dated January 23, 2025, PLL has also filed an appeal under SRO(I)/2024 dated January 31, 2024, issued by OGRA over the matter of statedly lesser LNG profit margin allowed by OGRA in the aforesaid determination. The management and Board of PLL believe that the matter raised by PLL before regulatory forum are appropriately raised and carry merit in favor of PLL thus the same are likely to be decided in favor of PLL and no negative inference would flow to PLL upon ultimate conclusion of the related proceedings and also that any possible financial impact arising thereon will be accounted for per PLL's accounting policy in the period when finalization of matter is reached.

		Note	**2024**	2023
			----------------Rupees ('000)----------------	
33.2	**COMMITMENTS**			
33.2.1	**Government Holdings (Private) Limited (the Holding Company)**			
	Minimum work commitment	33.2.1.1	**8,910,653**	3,224,789

33.2.1.1 This represents the Holding Company's share in the minimum work commitments relating to non-operated joint operations and the Holding Company's own capital budget.

33.2.1.2 As part of the Shareholders Agreement with the consortium partners in PIOL, associate, the Holding Company has committed to invest upto US$ 100 million in PIOL during the next five years from August 31, 2021, out of which US$ 60 million has been invested till June 30, 2024 (2023: US$ 35 million). The remaining amount of US$ 40 million (2022: US$ 65 million) will be invested in subsequent years.

33.2.1.3 As per the Joint Venture Agreement, for reconstitution of the Reko Diq project, the Holding Company has entered into a JV agreement with stakeholder under which it has committed US$ 398 million, adjustable for inflation, to fund its contributing interest of all cost and expenses of the project. The Holding Company has also provided a corporate guarantee in this respect.

33.2.2 Inter State Gas Systems (Private) Limited - ISGSL (the Subsidiary Company)

33.2.2.1 ISGSL has entered into an investment agreement in respect of which it shall be subscribing for 940,000 shares in TAPI Pipeline Company Limited (TPCL) at a consideration of US$ 10 per share. The said subscription shall be against first, second, third and fourth closings. Commitment amounting to USD 2.65 million in respect of fourth closing is still pending.

33.2.3 Pakistan LNG Limited - PLL (the Subsidiary Company)

33.2.3.1 In accordance with the provisions of the Operations and Services Agreement (OSA), PLL shall pay to Terminal Operator a capacity charge of USD 245,220 per day subject to capped availability factor (96%) and a flexibility charge in the event of terminal capacity utilization increases from agreed annual utilization profile (referred as Annual Flexibility Profile) at the rate of 25% of the applicable capacity fee.

33.2.3.2 In accordance with the provisions of Master Sale and Purchase Agreement (MSPA), PLL is obliged to import one cargo of LNG per month from M/s. ENI SPA (the Sellers) for a period of 15 years respectively from the start of commercial operation date. Under the agreement, PLL has issued a Standby Letter of Credit (SBLC) to Eni for USD 42.4 million.

33.2.3.2 As at June 30, 2024, PLL has FATR / LC facilities with commercial banks of USD 552.4 million, which are duly secured against a pari passu charge on current assets registered with the SECP.

	Note	2024	2023
		----------------Rupees ('000)----------------	
34 REVENUE FROM CONTRACT WITH CUSTOMERS - NET			
Local			
Sales			
- Natural gas		**71,975,903**	69,380,608
- Crude oil		**55,461,064**	48,803,085
- Liquefied petroleum gas		**15,118,435**	13,298,902
- Regasified liquified natural gas	34.1	**230,357,771**	114,431,048
		372,913,173	245,913,644
Services			
- Regasification services		**20,355,967**	16,429,124
Export			
- Crude oil		**9,562,939**	7,686,164
		402,832,079	270,028,931
Government levies:			
- Sales tax		**(51,259,703)**	(31,570,155)
- Excise duty		**(516,811)**	(573,080)
- Petroleum development levy		**(361,791)**	(341,950)
		(52,138,305)	(32,485,186)
		350,693,774	237,543,745

34.1 As per the decision of the Economic Coordination Committee (ECC) vide case no. ECC-62/12/2018 dated May 30, 2018, the LNG margin of PLL was increased from 2.5% to 3.75% w.e.f. June 01, 2018. However, implementation of the same is currently pending with Oil and Gas Regulatory Authority (OGRA). Once implemented, the margin will be recovered by PLL prospectively.

Regassified liquified natural gas sales include sales to SNGPL and K-Electric Limited invoiced on provisional prices. There may be adjustment in revenue upon issuance of final regassified liquified natural gas price notification by OGRA for the respective month, impact of which cannot be determined at this stage for all costs. Any possible impact related to such adjustments will be adjusted prospectively.

34.2 Contract liabilities

The Group has recognised the following contract liabilities related to contracts with customers of liquefied petroleum gas (LPG) and natural gas:

	2024	2023
	----------------Rupees ('000)----------------	
Movement in contract liabilities		
Balance at beginning of the year	**1,708**	67,353
Advances received during the year	**6,405,345**	5,230,309
Transferred to revenue during the year	**(6,303,551)**	(5,295,954)
Balance at end of the year	**103,502**	1,708

		Note	2024	2023
			---Rupees ('000)---	
35	**ROYALTY AND OTHER LEVIES**			
	Royalty	35.1	**15,033,185**	13,864,396
	Windfall levy	35.2	**1,367,409**	1,398,382
			16,400,594	15,262,778

35.1 Royalty and other levies charged by the Government of Pakistan.

35.2 This pertains to production from Gambat South, Dhok Sultan, Mamikhel South and Shah Bandar.

		Note	2024	2023
36	**OPERATING EXPENSES**			
	Operating and other direct expenses	36.1	**191,133,279**	99,089,563
	Depreciation on property, plant & equipment	6.4	**3,139,504**	2,611,052
	Depreciation on right of use asset	7	**10,701,431**	10,701,431
	Amortisation of development and production assets	10	**5,097,731**	4,739,174
	Impairment	36.2	**441,865**	412,428
	Decommissioning cost actualised during the year		**60,983**	65,970
	Reversal due to change in decommissioning cost estimates	27.3	**(1,296,743)**	(391,758)
			209,278,051	117,227,860
36.1	**Operating and other direct expenses**			
	Operating expenses - joint operations & LNG	36.1.1	**178,952,085**	93,910,835
	LNG import related costs		**11,313,486**	5,183,589
	Capacity, utilisation and flexibility charges		**788,105**	(11,015)
	Operations & Maintenance		**79,603**	6,154
			191,133,279	99,089,563

36.1.1 It includes the Holding Company's share in operating expenses of joint operation amounting to Rs. 10,880 million (2023: Rs. 10,974 million) mainly comprising of personnel cost, field / contract services, repair and maintenance, workovers, travelling etc.

		Note	2024	2023
			---Rupees ('000)---	
36.2	**Impairment**			
	Impairment on property, plant and equipment	6.6	**45,443**	104,076
	Impairment on development and production assets	10	**396,422**	308,352
			441,865	412,428

36.2.1 During the year, the Holding Company carried out impairment testing of its joint operations assets, as required under IAS 36 - 'Impairment of Assets' to assess whether there is any provision required on these assets. Based on the assessment, management has made a provision of impairment on property plant and equipment, development and production assets as specified in above note.

36.2.2 For the purpose of carrying out impairment testing, each joint operation has been considered a separate cash generating unit and the recoverable value of the each joint operation investment has been separately determined and compared with the respective carrying value of the assets of that joint operation. The test was performed based on the estimate of the recoverable value of the CGU. The calculation involved estimates and judgements, such as estimation of volume of oil and gas recoverable reserves, future oil and gas prices, costs and discount rate.

36.2.3 In assessing the value in use, estimated future cash flows are discounted to their present value, using a discount rate of 15.19% (2023: 15.16%) per annum. As a result, impairment loss of Rs 442 million is recognized which has been respectively allocated to the property plant and equipment (PPE) and development and production (D&P) assets of the CGU as disclosed in note 36.2 to the consolidated financial statements.

		Note	2024	2023
			Rupees ('000)	
37	**FINANCE INCOME / (COSTS)**			
	Finance Income			
	Finance income from financial assets			
	Return on bank deposits		**10,797,591**	4,290,533
	Return on term deposit receipts		**8,098,576**	3,972,649
	Interest on long term receivable from GoP		**14,580,316**	5,548,325
			33,476,483	13,811,507
	Finance income from non financial assets			
	Gain on long term liabilities due to change in estimate	25.1	**-**	519,532
	Finance Income		**33,476,483**	14,331,039
	Finance Cost			
	Interest expense on lease liabilities		**(8,249,367)**	(7,337,880)
	Unwinding of discount on provision for decommissioning cost	27.1	**(1,237,412)**	(923,436)
	Unwinding of discount on long term liabilities	25.1	**(261,286)**	(137,133)
	Loss on long term liabilities due to change in estimate	25.1	**(359,826)**	-
	Interest on long term loan		**(14,580,316)**	(5,548,325)
	Interest on delayed payment		**-**	(47,510)
	Bank charges		**(59,673)**	(13,705)
	Finance cost		**(24,747,880)**	(14,007,988)
	Net finance income		**8,728,603**	323,050

		Note	2024	2023
38	**EXPLORATION AND PROSPECTING EXPENDITURE**			
	Cost of dry and abandoned wells	9	**185,604**	7,160
	Prospecting expenditure		**998,628**	440,743
			1,184,232	447,903

		Note	2024	2023
39	**GENERAL AND ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	39.1	**1,825,178**	1,642,585
	TAPI project expenditure		**20,254**	3,712
	Iran Pakistan gas pipeline project		**67,770**	2,127
	Pak Stream Gas Pipeline (PSGP) project expenditure		**-**	1,728
	Travelling and conveyance		**41,141**	37,014
	Repairs and maintenance		**32,763**	20,811
	Rent		**56,970**	49,709
	Communications		**2,331**	1,650
	Utilities		**42,652**	24,910
	Training and seminars		**21,945**	29,725
	Printing and stationery		**10,666**	8,382
	Advertisement		**9,061**	14,454
	Entertainment		**7,546**	4,789
	Legal and professional charges		**102,087**	73,599
	Auditors' remuneration	39.5	**24,060**	18,052
	Fee and subscription		**5,950**	5,244
	Software maintenance fee		**94,917**	47,135
	Insurance		**31,560**	19,591
	Business development		**259,108**	272,475
	Corporate social responsibility		**55,000**	74,250
	Amortisation of intangible assets	8	**9,955**	7,324
	Depreciation	6.4	**62,333**	37,982
	Security services		**23,345**	14,058
	Others		**8,173**	8,905
			2,814,765	2,420,210

39.1 It includes Rs. 248.7 million (2023: Rs. 205.3 million) in respect of post employment benefits.

39.2 The aggregate amounts charged in these consolidated financial statements for the remuneration of the chief executive officer and executives of the Group are as follows:

	Chief Executive Officer		Executives	
	2024	2023	**2024**	2023
	Rupees ('000)			
Managerial remuneration	**75,448**	60,704	**1,215,820**	948,174
Bonus - note 39.2.1	**12,058**	23,903	**96,322**	196,128.00
Post employment benefits	**7,616**	13,550	**191,772**	265,748
Reimbursable expenses	**411**	220	**5,288**	2,380
Additional charge allowance	**6,707**	-	**528**	-
	102,240	98,377	**1,509,730**	1,412,431
Number of persons	**1**	1	**123**	107

39.2.1 Bonus comprise of accruals of budgeted bonus payments for the year ended June 30, 2024.

39.3 Key management personnel

Key management personnel comprises chief executive, chief financial officer, company secretary, executive directors and general managers of the Group.

	2024	2023
	Rupees ('000)	
Managerial remuneration	**385,243**	186,024
Bonus - note 39.2.1	**35,664**	53,258
Post employment benefit	**85,178**	41,801
Reimbursable expenses	**607**	220
	506,692	281,303

39.4 Fee paid to non-executive directors for attending the Board of Directors meetings amounted to Rs. 64.7 million (2023: Rs. 65.7 million).

39.5 Auditors' remuneration

	2024	2023
	Rupees ('000)	
Holding Company		
Statutory audit fee	**5,724**	4,692
Report on compliance of Public Sector Companies (Corporate Governance) Rules 2013	**168**	138
Decommissioning certification	**1,179**	966
Out of pocket expenses	**615**	504
Tax services	**2,211**	150
	9,897	6,450
Subsidiaries		
Statutory audit fee	**4,565**	3,741
Report on compliance of Public Sector Companies (Corporate Governance) Rules 2013	**314**	258
Other Services	**1,250**	996
Out of pocket expenses	**357**	205
Tax services	**7,677**	6,402
	14,163	11,602
	24,060	18,052

40 ARBITRATION INCOME / (EXPENSE)- NET

	Note	2024	2023
		---Rupees ('000)---	
Settlement expense			
Settlement with ENI	40.1	**(521,237)**	-
Settlement income			
Settlement with Gunvor International	40.2	**17,811,195**	-
Settlement with Gunvor Singapore	40.3	**668,043**	80,248
Settlement with PGPCL	30.2	**1,062,523**	88,543
		19,541,761	168,791
Arbitration related costs - net	40.4	**7,525**	(358,903)
		19,028,049	(190,112)

40.1 This represents amount paid as per the terms of LCIA settlement award between the PLL and ENI in relation to amounts allegedly overbilled to PLL in lieu of port charges. ENI made the payment for an amount of USD 9.19 million under protest against demand letter issued by PLL for port charges recovery and started arbitration proceedings against the Company at LCIA which decided the matter in favor of ENI during the year. Resultantly, PLL has repaid the entire amount of Rs 1,959 million along with default surcharge and reimbursement of legal costs of Rs 521 million to the supplier which has been charged as expense to the consolidated financial statements.

40.2 This represents amount recovered from Gunvor International (GI) in respect of port charges recovery, import related costs, terminal charges, Company's margin and reimbursements of legal cost as per terms of LCIA award. In relation to recovery of port charges, PLL raised debit notes for an amount of USD 10.7 million for the recovery of port charges against GI's invoice of February 2022. Pursuant to the GI's refusal to renew their performance guarantee, PLL encashed the Standby letter of Credit (SBLC) amounting to USD 53 million on date of expiry i.e. March 1, 2022. However, GI initiated arbitration proceedings with LCIA against the aforementioned adjustment and encashment claiming that it has discharged its obligations under the contract.

During the year, the matter has been settled in the LCIA in favour of PLL and PLL has received USD 69 million, including the amount withheld earlier through debit notes. Consequent to the matter attaining finality, the amount of USD 69 million has been classified as arbitration income in the consolidated financial statements. The amount recovered has been intimated to OGRA and the management believes it would be adjusted upon actualisation of RLNG tariff by the related directives of OGRA.

40.3 This represents amount received by PLL under the Settlement Agreement signed with Gunvor Singapore (GS) for an amount of USD 2.4 million for recovery of entire overbilled port charges and reimbursement of Legal Cost amounting USD 280,000 in 2023. The amount has been received during the year in PLL's lawyer account and has been accounted for as settlement income in the consolidated financial statements. The amount recovered has been intimated to OGRA and the management believes it would be adjusted upon actualisation of RLNG tariff by the related directives of OGRA.

40.4 This represents the legal and arbitrator costs in relation to the above-mentioned arbitrations net of any revision in estimated costs.

41 OTHER EXPENSES

	Note	2024	2023
		---Rupees ('000)---	
Exchange loss - net		**1,396,873**	10,550,375
Exchange loss on translation of lease liability	7	**2,172,560**	50,203,614
Windfall levy on oil / condensate	33.1.1.4	**6,287,023**	5,881,892
		9,856,456	66,635,881

		Note	2024	2023
			---Rupees ('000)---	
42	**OTHER INCOME**			
	Other income from non financial assets			
	Gain on disposal of fixed asset		**452**	337,989
	Contract renewal fee		**31,500**	-
	Others		**125,372**	79,509
			157,324	417,498
43	**TAXATION**			
	Current			
	Charge for the year		**51,021,419**	41,051,510
	Adjustment on account of group taxation		**(191,213)**	(1,741,338)
	Charge for prior year		**(5,847,651)**	-
			44,982,555	39,310,172
	Deferred			
	(Credit) / charge for the year	26	**(13,281,861)**	(14,829,437)
			31,700,694	24,480,735
43.1	**Reconciliation of tax charge for the year:**			
	Accounting profit		**136,762,814**	35,445,302
	Tax rate		**50%**	50%
	Tax on accounting profit at applicable rate 50% (2023: 50%)		**68,381,407**	17,722,651
	Tax effect of:			
	Effect of decommissioning cost		**-**	2,460,468
	Depletion allowance		**(9,019,911)**	(8,304,690)
	Effect of change in tax rate		**(8,375,432)**	127,772
	Effect of different tax rates		**(4,097,293)**	9,957,280
	Deferred tax derecognised		**190,040**	496,273
	Prior years charge		**(9,492,235)**	(57,118)
	Group tax adjustment		**(191,213)**	
	Tax losses/benefits recognised in current year		**(5,710,654)**	2,168,992
	Others		**15,985**	(90,893)
			(36,680,713)	6,758,084
			31,700,694	24,480,735
44	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit for the year	Rupees	**105,062,119,705**	10,964,566,955
	Weighted average ordinary shares	Number	**2,322,121,233**	2,164,316,961
	Earnings per share - basic	Rupees	**45.24**	5.07

44.1 There is no dilutive effect on the earnings per share of the Group.

45 FINANCIAL INSTRUMENTS

The following detail shows the carrying amounts of financial assets and liabilities. It does not include fair value information as the carrying amount is a reasonable approximation of fair value as the current financial assets and liabilities are short term and some financial assets are also interest bearing. Further, the financial assets due directly / ultimately from GoP carries contractual right and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.3. The non current financial assets are also interest bearing.

	Carrying amount	
	2024	2023
	Rupees ('000)	
FINANCIAL ASSETS		
Financial assets classified as amortised cost:		
Receivable from GoP	**71,899,087**	70,447,456
Short term investment	**79,964,839**	31,427,558
Loans to staff	**144,897**	98,587
Trade debts- net	**321,928,960**	292,997,128
Advances and other receivables	**2,354,532**	1,015,689
Security deposits	**600**	1,031
Cash and bank balances	**49,517,257**	23,581,917
Accrued Interest	**1,094,372**	296,255
	526,904,544	419,865,621
FINANCIAL LIABILITIES		
Financial liabilities classified as amortised cost:		
Loan from National Bank of Pakistan (NBP) - secured	**71,899,087**	70,447,456
Long term liabilities	**6,133,871**	6,175,325
Trade and other payables	**21,135,648**	15,356,675
Lease liability	**171,565,096**	185,417,918
Payable to Government under ITFC agreement	**120,668,279**	113,898,102
	391,401,981	391,295,476

Credit quality of financial assets

The credit quality of the Group 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 Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024	2023
		Rupees ('000)	
Trade Debts			
Counter parties without external credit rating			
Due from associated companies		**315,982,466**	285,826,719
Others		**6,144,421**	7,367,109
		322,126,887	293,193,828
Advances, deposits and other receivables			
Counterparties without external credit rating		**2,355,132**	1,016,720
Bank Balances			
Counterparties with external credit rating	A 1+	**49,510,935**	23,580,053
Short term investments			
Counter parties with external credit rating	A 1+	**76,371,320**	31,427,558
Counter parties without external credit rating		**3,593,519**	-
		79,964,839	31,427,558
Accrued Interest receivable			
Counter parties with external credit rating	A 1+	**1,094,372**	296,255

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are floating rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non - derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

45.1 Financial risk factors

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit and risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit and risk management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

45.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Group's credit risk is primarily attributable to its trade debts, short term investments and its balances at banks.

Trade debts

Trade debts are essentially due from oil refining companies, gas distribution companies and power generation companies and the Group does not expect these companies to fail to meet their obligations. Majority of sales to the Group's customers are made on the basis of agreements approved by the GoP.

Sale of crude oil and gas is at prices specified in relevant agreements and/ or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Group subject to maximum price notified by Oil and Gas Regulatory Authority (OGRA).

As outlined in note 3.3. the Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts and lease receivables that are due directly / ultimately from the Government of Pakistan (GoP) till June 30, 2024.

Others

The credit risk related to balances with banks, in term deposits and saving accounts, are managed by investing in liquid securities and maintaining bank accounts only with counterparties that have a credit rating of at least A. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9 the identified impairment loss was immaterial as the counterparties have reasonably high credit ratings.

The credit risk on advances to suppliers and other receivables is minimal as the Group has long established relationship with the counterparties, which are mainly state owned enterprises, and management does not expect non-performance by these counterparties on their obligations to the Group.

	2024		2023		
	Short Term	Long Term	Short Term	Long Term	Credit rating Agency
National Bank of Pakistan	A-1+	AAA	A-1+	AAA	PACRA
Allied Bank Limited	A-1+	AAA	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AAA	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	A-1+	AAA	VIS
MCB Bank	A-1+	AAA	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	A-1+	AAA	VIS
Meezan Bank Limited	A-1+	AAA	A-1+	AAA	VIS
Askari Bank Limited	A-1+	AA+	A-1+	AA+	PACRA
Habib Metropolitan Bank	A-1+	AA+	A-1+	AA+	PACRA
Bank of Punjab	A-1+	AA+	A-1+	AA+	PACRA

45.2.1 Exposure to credit risk

The Group's maximum exposure to credit risk for the components of consolidated statement of financial position at June 30, 2024 and 2023 is equal to the carrying amounts of financial assets as given below:

	2024	2023
	Rupees ('000)	
Receivable from Government of Pakistan (GoP)	71,899,087	70,447,456
Loan to staff	144,897	98,587
Trade debts	322,126,867	293,193,828
Staff advances and other receivables	2,354,532	1,015,689
Security deposits	600	1,031
Short term investments	79,964,839	31,427,558
Bank balances	49,510,935	23,580,053
Accrued Interest	1,094,372	296,255
	527,096,149	420,060,457

The Group has maintained saving accounts with different banks having credit rating as mentioned below:

Credit rating	Rating agency		
A-1+	PACRA	48,468,308	17,404,890
A-1+	VIS	1,042,627	6,175,164
		49,510,935	23,580,054

Credit ratings for short term investments disclosed in note 21 to the consolidated financial statements.

45.2.2 Impairment losses

The aging of trade debts at the reporting date is as follows:

	2024 Gross Debts	2024 Impaired	2023 Gross Debts	2023 Impaired
	Rupees		Rupees	
Not Past Due	25,542,664	-	26,069,445	-
Past due up to three months	16,022,035	-	113,457,249	-
Past due three to six months	16,634,338	-	18,303,562	-
Past due more than six months	264,017,851	197,927	135,363,572	196,700
	322,216,888	197,927	293,193,829	196,700

Party wise aging of trade debts other than related parties at reporting date is as under:

2024						
Party name	Not past due	Past Due: Up to three months	Past Due: Three to six months	Past Due: More than six months	Impaired balance	Total
Attock Refinery Limited	5,090,686	213,141	-	207,099	(72,500)	5,438,426
National Refinery Limited	167,676	121,223	-	9,116	(9,117)	288,899
Others	250,963	48,217	56,026	33,563	(79,600)	309,169
	5,509,326	382,581	56,026	249,778	(161,217)	6,036,494

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2023						
Party name	Not past due	Past Due			Impaired balance	Total
		Up to three months	Three to six months	More than six months		
Attock Refinery Limited	5,736,594	866,113	-	207,692	(77,917)	6,732,482
National Refinery Limited	117,774	37,679	(11,359)	163,593	(19,554)	288,133
United Energy Pakistan Limited	-	-	-	-	-	-
Others	197,963	(113,558)	1,911	162,179	(98,701)	149,793
	6,052,332	790,233	(9,448)	533,463	(196,172)	7,170,408

Party wise aging of trade debts of related parties at reporting date is as under:

2024						
Party name	**Not past due**	**Past Due**			**Impaired balance**	**Total**
		Up to three months	**Three to six months**	**More than six months**		
Sui Northern Gas Pipelines Limited	**3,143,468**	**3,673,829**	**5,104,710**	**141,361,113**	**-**	**153,283,120**
Karachi Electric Limited	**6,541,843**	**-**	**-**	**-**	**-**	**6,541,843**
Sui Southern Gas Company Limited	**7,281,486**	**9,971,849**	**11,386,733**	**122,264,952**	**-**	**150,905,020**
Pak Arab Refinery Company Limited	**1,908,099**	**1,010,059**	**1,207**	**539**	**(1,793)**	**2,918,111**
Enar Petroleum Refining Facility	**78,440**	**-**	**-**	**(30)**	**-**	**78,410**
Oil & Gas Development Company	**530,407**	**626,498**	**-**	**133,847**	**(28,612)**	**1,262,140**
Pakistan Refinery Limited	**518,372**	**322,283**	**85,639**	**6,305**	**(6,305)**	**926,294**
Pakistan Petroleum Limited	**31,224**	**34,935**	**22**	**1,347**	**-**	**67,528**
	20,033,338	**15,639,453**	**16,578,311**	**263,768,073**	**(36,710)**	**315,982,466**

2023						
Party name	Not past due	Past Due			Impaired balance	Total
		Up to three months	Three to six months	More than six months		
Sui Northern Gas Pipelines Limited	3,307,653	100,475,002	4,793,414	41,415,754	-	149,991,823
Karachi Electric Limited	5,070,849	-	-	-	-	5,070,848
Sui Southern Gas Company Limited	8,536,440	10,203,699	13,087,237	93,214,623	-	125,041,999
Pak Arab Refinery Company Limited	1,944,201	1,069	(5,865)	6,306	(6)	1,945,705
Enar Petroleum Refining Facility	76,165	-	(3,384)	3,355	-	76,136
Oil & Gas Development Company	519,490	1,114,498	-	191,652	(522)	1,825,118
Pakistan Refinery Limited	538,337	793,190	348,060	(402)	-	1,679,184
Pakistan Petroleum Limited	23,979	79,558	93,548	(1,179)	-	195,905
	20,017,113	112,667,016	18,313,011	134,830,109	(528)	285,826,719

As explained in note 18.1 to the consolidated financial statements, the Group believes that no impairment allowance is necessary in respect of trade debts past due from Sui Northern Gas Pipelines Limited and Sui Southern Gas Company Limited. Trade debts are essentially due from oil refining companies, natural gas and liquefied petroleum gas transmission and distribution companies, the Group is actively pursuing for recovery of debts and the Group does not expect these companies to fail to meet their obligations. Impact of ECL on financial assets not covered under exemption as explained in note 3.3 has been recorded in note 18.3 to the consolidated financial statements.

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach (as disclosed in note 5.13.1). As at the reporting date, Group envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

Bank balances and investments in term deposits are also subject to the requirements of IFRS 9 the identified impairment loss was immaterial as the counterparties have reasonably high credit ratings.

	2024	2023
The movement in the allowance for impairment in respect of trade debts during the year was as follows:	---Rupees---	
Balance at beginning of the year	196,700	539,704
Provision / (reversal) during the year	1,227	(343,004)
Balance at end of the year	197,927	196,700

45.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to close out market positions due to dynamic nature of the business. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Since the Group has sufficient assets against its liabilities, and being fully owned by Government of Pakistan (GoP) it does not have any significant liquidity risk.

The maturity profile of the Group's financial assets and liabilities based on June 30, 2024, is summarized below:

2024	Effective yield / Interest Rate	Markup / Interest bearing	Non markup / interest bearing	Total
	%	---Rupees ('000)---		
FINANCIAL ASSETS				
Maturity up to one year				
Long term loan	-	-	41,730	41,730
Trade debts	-	-	322,126,887	322,126,887
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	13,489,869	-	13,489,869
Advances and other receivables	-	-	2,354,532	2,354,532
Deposits	-	-	600	600
Receivable from Government of Pakistan (GoP)	KIBOR + 0.50	13,489,869	-	13,489,869
Short-term investments	11.82 - 14.15	79,964,839	-	79,964,839
Bank balances	2.75 - 13.0	49,510,935	-	49,510,935
		156,455,512	324,523,749	480,979,262
Maturity after one year:				
Long term loan	-	-	103,167	103,167
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	58,409,218	-	58,409,218
		58,409,218	103,167	58,512,385
		214,864,730	324,626,916	539,491,647
FINANCIAL LIABILITIES				
Maturity up to one year				
Trade and other payables	-	-	21,135,648	21,135,648
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	13,489,869	-	13,489,869
Current portion of long term liabilities	-	-	1,903,482	1,903,482
Lease liability	4.20	17,075,868	-	17,075,868
Short term borrowing	KIBOR + 0.50	13,489,869	-	13,489,869
Payable to Government	-	-	120,668,279	120,668,279
		44,055,606	143,707,409	187,763,015
Maturity after one year:				
Long term liabilities	-	-	4,230,389	4,230,389
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	58,409,218	-	58,409,218
Lease liability	4.20	154,489,228	-	154,489,228
		212,898,446	4,230,389	217,128,835
		256,954,052	147,937,798	404,891,850

2023	Effective yield / Interest Rate	Markup / Interest bearing	Non markup / Interest bearing	Total
	%	Rupees ('000)		
FINANCIAL ASSETS				
Maturity up to one year				
Long term loan	-	-	25,904	25,904
Trade debts - net	-	-	292,997,128	292,997,128
Receivable from Government of Pakistan (GoP)	KIBOR+0.2	5,548,325	-	5,548,325
Loan, advances and other receivables	-	-	1,125,875	1,125,875
Deposits			-	-
Receivable from Government of Pakistan (GoP)	KIBOR + 0.50	5,548,325	-	5,548,325
Short-term investments	11.82 - 14.15	31,427,558	-	31,427,558
Bank balances	2.75 - 13.0	23,581,917	-	23,581,917
		66,106,124	294,148,907	360,255,031
Maturity after one year:				-
				-
Long term loan	-	-	72,683	72,683
Receivable from the Government of Pakistan (GoP)	KIBOR+0.2	64,899,131	-	64,899,131
		64,899,131	72,683	64,971,814
		131,005,256	294,221,590	425,226,846
FINANCIAL LIABILITIES				
Maturity up to one year				
Trade and other payables	-	-	23,831,804	23,831,804
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	5,548,325	-	5,548,325
Current portion of long term liabilities	-	-	1,667,523	1,667,523
Lease liability	4.20	16,252,001	-	16,252,001
Short term borrowing	KIBOR + 0.50	5,548,325		5,548,325
Payable to Government		-	113,898,102	113,898,102
		27,348,650	139,397,430	166,746,080
Maturity after one year:				
Long term liabilities	-	-	4,507,802	4,507,802
Loan from National Bank of Pakistan (NBP) - secured	KIBOR+0.2	64,899,131	-	64,899,131
Lease liability	4.20	169,165,917	-	169,165,917
		234,065,048	4,507,802	238,572,850
		261,413,699	143,905,231	405,318,930

OFF BALANCE SHEET ITEMS

	2024	2023
	Rupees ('000)	
Capital expenditure commitments	8,910,653	3,224,789

45.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three type of risks; interest rate risk, foreign exchange risk and other price risk. Financial instruments affected by market risk include trade debts, balances held in banks in saving and term deposits, long term liability in respect of carried interest and payable to joint operation partners.

45.4.1 Interest rate risk

Interest / mark-up rate risk management is the risk that the value of a financial instrument will fluctuate due to changes in interest rate. The Group does not have interest bearing financial liability; therefore, it does not have any interest rate/mark-up risk in respect of financial liabilities. The Group has invested in fixed interest bearing securities in the form of short term deposit receipts as mentioned in note 21.1. Further the Group has bank balances in deposit accounts that carry variable interest rates, as mentioned in note 22.1.

45.4.2 Foreign currency risk

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

Pakistani rupee (Rs.) is the functional currency of the Group and as a result currency exposure arise from transactions and balances in currencies other than Pakistani rupee. The Group's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Group are periodically restated to Pakistani rupee equivalent, and the associated gain or loss is taken to the consolidated statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Group in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Group. These currency risks are managed as a part of overall risk management strategy. The Group does not enter into forward exchange contracts.

Exposure to foreign currency risk

The Group's exposure to the risk in changes in foreign exchange rates relates primarily to the trade debts, long term liability in respect of carried interest and payable to joint operation operators. At the date of consolidated statement of financial position, the net foreign currency exposure aggregates to USD 42.85 million (2023: USD 26.97 million).

	2024	2023
	USD ('000)	
FINANCIAL ASSETS		
Short term exposure		
Trade debts	**10,317**	37,171
Short term investments	**17,007**	-
Cash and bank balances	**33**	9,248
	27,357	46,419
FINANCIAL LIABILITIES		
Short term exposure		
Due to joint operation operators	**(25,449)**	(13,637)
Long term liability (carried interest)	**(6,839)**	(5,823)
Lease liabilities	**(61,351)**	(56,748)
Foreign currency payables	**(33,392)**	(28,947)
	(127,031)	(105,154)
Long term exposure		
Long term liability (carried interest)	**(15,199)**	(15,740)
Lease liabilities	**(555,058)**	(590,684)
	(697,288)	(711,578)
Net exposure to foreign currency risk	**(669,931)**	(665,158)

The following significant exchange rates applied during the year:

Average rate		Reporting date rate	
2024	**2023**	**2024**	**2023**
(Pak Rupees)			
283.17	248.04	**278.33**	286.39

Foreign currency sensitivity

A 10% strengthening of the functional currency against USD at June 30, 2024 would have increased consolidated profit and loss by Rs. 18,646 million (2023: Rs. 19,049 million). A 10% weakening of the functional currency against USD at June 30, 2024 would have had the equal but opposite effect of these amounts. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2023.

45.5 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to remain as a going concern and continue to provide return for Government of Pakistan (GoP). The Group is solely financed by the shareholders'

The Group manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to GoP and / or issue new shares.

46 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Group is controlled by Government of Pakistan. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Group. Other related parties comprise subsidiaries, directors, major shareholders, companies with common directorship, key management personnel and gratuity fund. The Group in normal course of business pays for electricity, gas, airfare, rent and telephone to entities controlled by Government of Pakistan which are not material, hence not disclosed in these consolidated financial statements. Significant transactions of the Group with related parties and balances outstanding at the year end are as follows:

	2024	2023
	----------------Rupees ('000)----------------	
Pakistan International Oil Limited (PIOL)- Associated Company - 25% share holding of the company and common directorship		
Cost of investment	**13,534,700**	6,431,700
Share of loss in associate	**(94,635)**	(297,110)
Pakistan Minerals (Private) Limited (PMPL)- Associated Company - 33.3% share holding of the company and common directorship		
Cost of investment	**41,637,955**	36,569,203
Share of loss in associate	**(2,173,333)**	(386,040)
Major shareholders		
Government of Pakistan (100% share holding)		
Dividend paid	**7,000,000**	5,000,000
Receivable from GoP	**71,899,087**	70,447,456
Payable to GoP under ITFC arrangements	**120,668,279**	113,898,102
Related parties by virtue of GoP holdings and / or common directorship		
Pak Arab Refinery Company Limited		
Sale of crude oil - net	**13,859,941**	9,980,008
Trade debts as at June 30	**2,918,111**	1,945,705
Sui Northern Gas Pipelines Limited		
Sale of natural gas - net	**19,617,853**	17,173,129
Sale of RLNG - net	**82,356,667**	453,650,898
Trade debts as at June 30	**153,283,120**	155,062,672
Sui Southern Gas Company Limited		
Sale of natural gas - net	**38,834,448**	40,665,688
Trade debts as at June 30	**150,905,020**	125,041,999
Enar Petroleum Refining Facility		
Sale of crude oil - net	**689,737**	667,609
Trade debts as at June 30	**78,410**	76,136
Pakistan Refinery Limited		
Sale of crude oil - net	**2,993,277**	3,227,555
Trade debts as at June 30	**932,598**	1,679,185

	2024	2023
	----------------Rupees ('000)----------------	
Oil and Gas Development Company Limited		
Receivable as at June 30	**1,262,140**	1,825,118
Payable as at June 30	**2,947,002**	2,041,207
Expenditure charged by joint operation partner	**6,241,912**	5,091,868
Cash calls paid against joint operation partner expenses	**5,911,869**	5,218,579
Pakistan Petroleum Limited		
Receivable as at June 30	**67,528**	195,905
Payable as at June 30	**1,066,361**	702,955
Expenditure charged by joint operation partner	**1,494,498**	1,565,925
Cash calls paid against joint operation partner expenses	**1,603,272**	1,562,877
National Bank of Pakistan		
Balance of bank accounts		
- Local Currency	**855,275**	927,098
- Foreign Currency	**30,611**	-
Balance of Investment		
- Foreign Currency	**4,676,005**	-
Interest earned during the year	**458,757**	289,432
Long term loan	**71,899,087**	70,447,456
Interest accrued on long term loan during the year	**14,580,316**	5,548,325
K-Electric Private Limited		
Sale of regassified liquified natural gas - net	**130,410,030**	80,804,707
Payments received during the year	**123,868,187**	77,123,714
Trade debts at end of the year	**6,541,843**	5,070,849
Saindak Metals Limited		
Balance receivable - net	**1,026**	-
Expense incurred on behalf of PLL	**184**	-
Expense incurred on behalf of SML	**1,784**	799
Payments received	**1,222**	700
Payments made	**268**	-
TAPI Pipeline Company Limited - Joint Venture		
Investment in joint venture	**1,570,024**	1,592,996
Other related parties		
Contribution to gratuity fund (refer note 30.5)	**180,857**	86,328
Remuneration to key management personnel (refer note 39.3)	**506,692**	281,303

47 NUMBER OF EMLPOYEES

	2024	2023
Number of employees as at year end	**166**	151
Average number of employees employed during the year	**160**	145

48 STAFF PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

49 GENERAL

49.1 Capacity and production

49.1.1 Government Holdings (Private) Limited (The Holding Company)

Product	Unit	Production for the year 2024	2023
Gas	MMSCF	**66,857**	71,458
Oil	Barrels	**2,863,274**	2,821,611
LPG	Metric ton	**76,832**	73,494

Due to the nature of operations of the Group, installed capacity of above products is not relevant.

49.1.2 Pakistan LNG Limited (The Subsidiary Company)

Regasified liquified natural gas	2024	2023
	in MMSCFD	
Capacity	**600**	600
Production	**418**	266

49.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

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

50 DATE OF AUTHORISATION OF ISSUE

These consolidated financial statements have been authorised for issue by the Board of Directors of the Group in its meeting held on February 17,2025 The directors have the power to amend and reissue these consolidated financial statements.

Chief Executive Officer

Director