



Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
Tel: 92-21-35681391-95, 35683853-57, 35657730-39
UAN: 92-21-111-568-568
Fax: 92-21-35680005 & 35682125
Website: www.ppl.com.pk

Our reference: SAA/CS/SE-0438

Your reference:

Date: 30th October 2019

By PUCARS

The Pakistan Stock Exchange
Stock Exchange Building
Stock Exchange Road
Karachi.

Attention: Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department

Dear Sirs,

Re: Report for the First Quarter Ended 30th September 2019

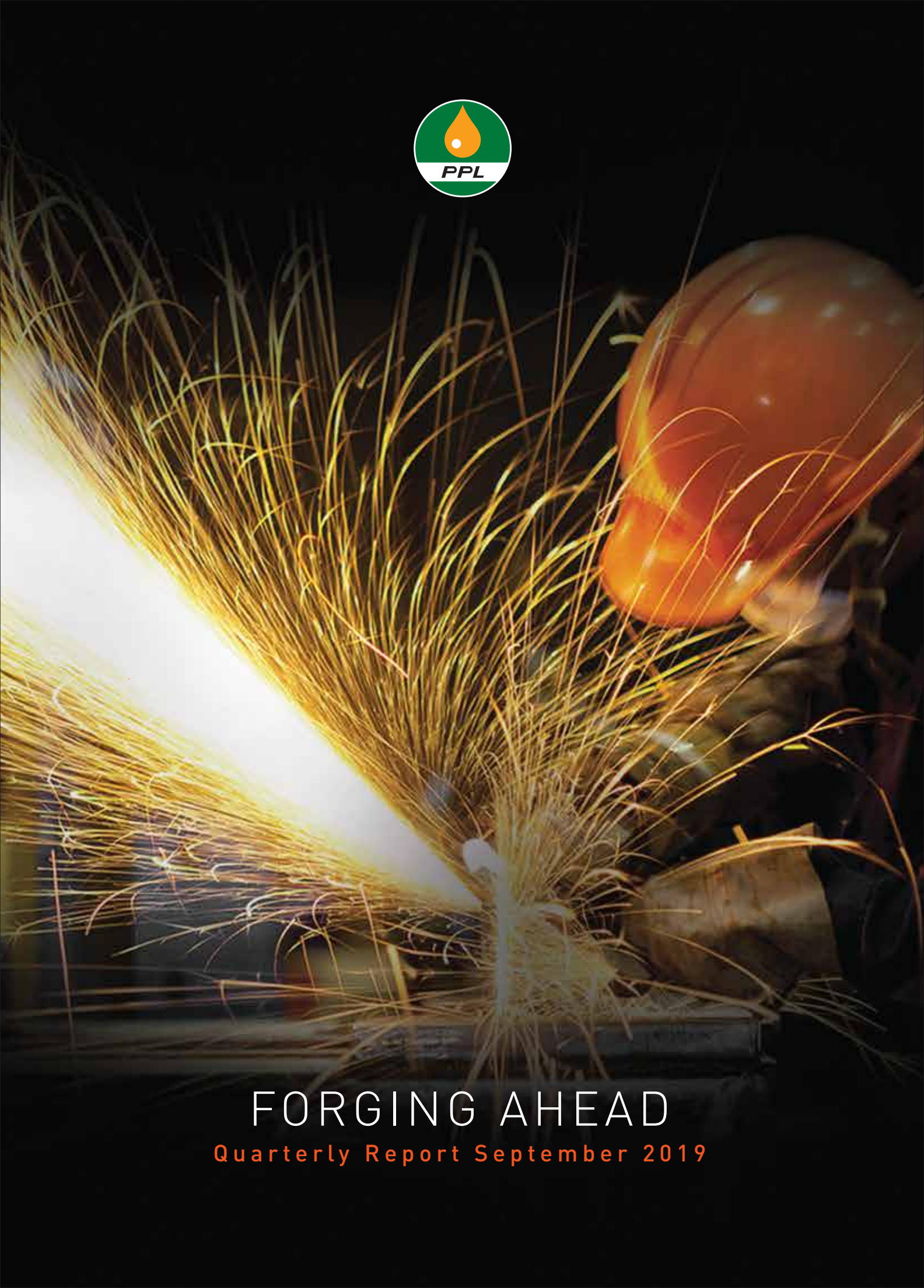
Pursuant to Rule 5.6.4 (c) of the Rules of the Pakistan Stock Exchange we attach the quarterly report for the period ended 30th September 2019 for dissemination among your members.

Yours truly,


Shahana Ahmed Ali
Company Secretary

Enclosure: As above.

(saa/cs/ppl/psx/301019)



FORGING AHEAD

Quarterly Report September 2019



COMPANY INFORMATION

Board of Directors

Mr. Shamsul Islam
Chairman

Mr. Moin Raza Khan
Chief Executive Officer /
Managing Director

Mr. Abdul Jabbar Memon

Mr. Abid Sattar

Mr. Mian Imtiazuddin

Mr. Mir Balakh Sher Marri

Mr. Sajid Mehmood Qazi

Ms. Tahira Raza

Dr. Tanveer Ahmad Qureshi

Company Secretary

Ms. Shahana Ahmed Ali

Registered Office

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

Contact Details

UAN: +92 (21) 111 568 568
Fax: +92 (021) 35680005 & 35682125
Website: www.ppl.com.pk

Registration Number

CUIN: 0000378

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Bankers

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

Shares Registrar

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

Legal Advisors

Messrs. Surridge & Beecheno

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the quarter ended September 30, 2019 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the quarter ended September 30, 2019 are as follows:

Drilling Activities

In PPL operated blocks, four wells (two exploratory and two development) were spud-in during the current period, as compared to two exploratory wells in the corresponding period.

Financial Highlights

The key financial results of the Company for the quarter ended September 30, 2019 are as follows:

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	Rs Million	
Sales revenue (net)	41,759	38,217
Profit before taxation	19,187	19,527
Taxation	(4,950)	(5,338)
Profit after taxation	14,237	14,189
Basic and Diluted Earnings Per Share (Rs)	6.28	(Restated) 6.26

Sales revenue

Sales revenue increased by Rs 3,542 million during the current period as compared to the corresponding period. The increase is due to positive variance on account of price (including exchange rate) amounting to Rs 5,758 million, partially offset by negative volume variance of Rs 2,216 million.

Positive price variance is mainly due to devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 158.20 as compared to PKR 124.50 during the corresponding period), partially offset by decrease in average international crude oil prices from US\$ 74.11 / bbl in the corresponding period to US\$ 62.26 / bbl in the current period. In addition, negative volume variance is mainly driven by Sui gas field due to impact of natural decline and lower offtakes by SNGPL in July and August 2019 due to load management issues arising as a result of imported LNG.

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

	Unit	Quarter ended September 30, 2019	Quarter ended September 30, 2018
Natural Gas	MMscf	64,942	71,423
Crude Oil / Natural Gas Liquids / Condensate	BBL	1,314,267	1,410,871
Liquefied Petroleum Gas (LPG)	Tonnes	28,316	27,956
Barytes	Tonnes	19,116	17,137

Profitability

Overall profitability largely remained at the level of the corresponding period. However, key variations were witnessed in; sales revenue (as explained above), which was partially offset by increase in other charges, levies (increased in line with sales) and decrease in other income.

Change in other charges and other income is due to 1) exchange loss in the current period as compared to exchange gain in the corresponding period (included in other income) and 2) Impairment loss on investment in PPL Asia in the current period as compared to reversal of impairment on investment in PPL Europe in the corresponding period (included in other income).

LIQUIDITY MANAGEMENT AND CASH FLOW POSITION

The Company continued to witness unprecedented stress on its liquidity on account of muted collections from the government nominated natural gas customers. As at September 30, 2019, the total receivables registered a 14% increase and stood at Rs 259 billion (June 30, 2019: Rs 227 billion). The Board considers natural gas and power sector circular debt as the most critical risk in the achievement of strategic objectives of the Company. Accordingly, besides escalation of recovery efforts, the Company has actively engaged all key stakeholders at relevant Ministries to explore possible mechanisms for earliest resolution of the subject matter.

CORPORATE STRATEGY AND FOCUS AREAS

During the period, the operations of the Company remained in line with its Corporate Strategy.

Exploration

At present, the Company's portfolio, together with its subsidiaries, consists of forty-seven exploratory blocks, out of which twenty-eight are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining nineteen, including three offshore blocks in Pakistan and one onshore block in Yemen, are partner operated. Details of major activities are as follows:

Exploration South Assets

In Kotri block, 5th exploratory well Durab X-1 was plugged & abandoned and has been charged to profit or loss as dry well.

In Sirani block, preparations are underway for civil works of 3rd exploratory well Dolphin X-1 located in challenging marshy terrain.

Exploration North Assets

Preparations are underway to spud-in 1st appraisal well of Dhok Sultan discovery.

In Sadiqabad block, exploratory well Cholistani X-1 was plugged & abandoned and has been charged to profit or loss as dry well.

Exploration Frontier Assets

Subsequent to the period end, 3rd exploratory well Nooh X-1 was plugged & abandoned as a dry hole.

Partner-Operated Exploration Blocks

In Kotri North block, appraisal well Unarpur-2 was spud-in in August 2019 and currently drilling is in progress.

In Tal block, acquisition of 152 Sq. Km 3D seismic data was completed and acquisition of 580 Sq. Km 3D seismic data is in progress.

Exploratory well Shawa X-1 in Nashpa block was charged to profit or loss as dry well.

Acquisition of 100 Sq.km 3D seismic data was completed in Ghauri block.

Producing Fields

Sui Asset

Development well Sui-107 (U) was completed and commissioned into production network, contributing around 7.5 MMscfd of gas, whereas development well Sui-106(U) was spudded and completed. The well was tested at 2.8 MMscfd gas and its tie-in activities are in progress.

Further, maintenance and enhancement of plant reliability activities were undertaken at both Purification Plant and Sui Field Gas Compression Station, including integration of steam headers, major overhaul of one compressor, one gas turbine, one boiler and one TEG unit.

Sui field faced major curtailment in the gas off-takes during July and August 2019 due to packing of SNGPL network as a result of LNG issue. This resulted in reduction in sales volumes by 33 MMscfd during the current period.

Kandhkot Asset

Development well Kdt- 47 (U) was spud-in during the period and currently, drilling activities are in progress.

Adhi Asset

For Adhi compression project, all compressors have been procured and installed. Two out of five compressors are in operations, whereas, commissioning of remaining compressors is in progress.

Gambat South / Hala / Mazarani

In Gambat South, additional 6 MMscfd sales were achieved from July 20, 2019 onwards, after the successful commissioning of Train-2 of GPF-IV.

Further, perforation job was carried out at well Sharf-2 in Gambat South, resulting in increase in productivity of the well from 25 MMscfd gas to 50 MMscfd gas.

With respect to Phase-II of GPF-IV project, the contractor has been mobilized on site for construction, installation and pre-commissioning activities, whereas purchase orders have been placed for procurement of various equipment.

Partner-Operated Assets

In Kirthar, drilling of development well Rizq-3 has been completed and currently preparations are underway for testing of the well.

Drilling of development well Latif-18 has been completed. Preparation for rig-less testing is in progress.

In Kotri North, production of around 15 MMscfd gas has commenced from EWT Facility since September 08, 2019.

Corporate Social Responsibility

PPL continued to work for promotion of education at its producing and exploratory areas across the country and in this regard, construction of various schools was completed during the period.

The Company commissioned two solar powered water supply schemes, one each at Nichara (District Kalat) and at Tehsil Dureji (District Lasbela).

Similarly, PPL continued its efforts of provision of healthcare facilities to the population residing in surrounding areas of its fields, in this regard, Public Welfare Hospital Sui, Public Dispensary Adhi and Mobile Medical Unit at Mazarani, Kandhkot and Gambat South, all operated satisfactorily during the period.

Quality, Health, Safety and Environment (QHSE)

3 Million Safe Man hours achieved at Hala Gas Processing Facility since commencement of operations in 2009.

In addition, High Potential (HiPo) incidents investigations were concluded for a) Top Drive Fall at Rig site and b) Road Accident LTI & Fatality.

Industrial Relations

Harmonious working environment and cordial industrial relations atmosphere prevailed at all locations of the Company.

ACKNOWLEDGEMENT

The Company's achievements could not have been possible without the continuous efforts of our employees, who deserve full compliments. We are also thankful to the continued support of the GoP and shareholders, whose unfaltering trust and confidence has enabled us to aim and achieve the best.



DIRECTOR

Karachi: October 30, 2019



MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER

اعتراف

کمپنی کی کامیابیاں ہمارے عملے کی جانفشانی کے بغیر ممکن نہیں تھیں، جو بھرپور ستائش کے حقدار ہیں۔ ہم حکومت پاکستان اور حصص داروں کے مسلسل تعاون پر بھی شکر گزار ہیں جو ہم پر غیر متزلزل بھروسہ کرتے ہیں اور ہمیں اس قابل بناتے ہیں کہ ہم اپنے اہداف کو بہترین طریقے سے حاصل کر سکیں۔

Lawrence

Muhammad Ishaq

مینجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی

30 اکتوبر 2019

آدہی کپیریسر منصوبے کے حوالے تمام کپیریسرز کی خریداری اور تنصیب مکمل ہو چکی ہے۔ کل 5 کپیریسرز میں سے دو کپیریسرز اس وقت کام کر رہے ہیں جبکہ بقیہ تین کپیریسرز سے پیداوار کے آغاز کی سرگرمیاں جاری ہیں۔

گمبٹ ساؤتھ/ہال/حزرائی

گمبٹ ساؤتھ بلاک میں گیس پروسسنگ فیسلٹی-4 کی دوسری ٹرین سے پیداوار کے آغاز کی بناء پر فیلڈ سے اضافی یومیہ 16 ایم ایم ایس سی ایف گیس کی فروخت ممکن ہوئی۔ ساتھ ہی گمبٹ ساؤتھ میں شرف-2 پر پرفورمیشن کے عمل سے اس سے گیس کی پیداوار یومیہ 25 ایم ایم ایس سی ایف سے بڑھ کر یومیہ 150 ایم ایم ایس سی ایف ہو گئی۔

گیس پروسسنگ فیسلٹی-4 کے دوسرے مرحلے کے حوالے سے ٹھیکیدار کو جگہ کی تعمیر، پلانٹ کی تنصیب اور قبل از پیداوار سرگرمیوں کے حوالے سے متحرک کر دیا گیا ہے۔ جبکہ مختلف آلات کی تعمیر کے لئے خریداری کا آڈروے دیا گیا ہے۔

پارٹنر-آپریٹڈ اثاثے

کیرتھر بلاک میں پیداواری کنونٹس رزق-3 کی کھدائی مکمل ہو چکی ہے جبکہ اس کی جانچ کی تیاری جاری ہے۔
لطیف بلاک میں پیداواری کنونٹس لطیف-18 کی کھدائی مکمل ہو چکی ہے۔ اس وقت رگ کے بغیر جانچ کا عمل جاری ہے۔
کوٹری ناتھ بلاک میں ابتدائی پیداواری سہولت کے ذریعے 8 ستمبر 2019 سے یومیہ 15 ایم ایم ایس سی ایف گیس کی پیداوار کا آغاز ہو چکا ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر)

پی پی ایل ملک میں اپنے دریا فنی و پیداواری علاقوں میں تعلیم کے فروغ کے لئے کام جاری رکھے ہوئے ہے، اس ضمن میں زیر جائزہ مدت میں بہت سے اسکولوں کی تعمیر مکمل ہوئی۔
ساتھ ہی کمپنی نے شہسی توانائی سے چلنے والی دوپانی کی اسکیموں جن میں سے ایک نیچارہ (ضلع قلات) اور دوسری تحصیل دوربچی (ضلع لسبیلہ) میں ہے، سے پانی کی فراہمی شروع کر دی ہے۔

اسی طرح، پی پی ایل نے اپنی فیلڈز کے گرد فواح میں بسنے والی آبادیوں کو صحت کی سہولیات کی فراہمی جاری رکھی۔ اس حوالے سے پبلک ویلفیئر ہسپتال۔ سوئی، پبلک ڈسپنسری۔ آدہی اور حزرائی، کندھ کوٹ اور گمبٹ ساؤتھ کے آس پاس چلنے والی موبائل میڈیکل ڈسپنسریز کی کارکردگی تسلی بخش رہی۔

معیار، صحت، تحفظ و ماحول (کیو ایچ ایس ای)

ہالہ گیس پروسسنگ فیسلٹی نے 2009 میں آپریشنز کے آغاز سے لے کر اب تک 3 ملین محفوظ انسانی گھنٹے حاصل کرنے کا نامہ انجام دیا۔
ساتھ ہی، ممکنہ بڑے حادثات کی تفتیش کے حوالے سے (i) رگ سائٹ پر ٹاپ دراؤ (top drive) (کھدائی کا اہم آلہ) (ii) روڈ حادثات کی بناء پر ہونے والی اموات/کام کا ضائع ہونے والا وقت کے حوالے سے تحقیقات کو مکمل کر لیا گیا۔

انڈسٹریل ریلیشنز

کمپنی کی تمام لوکیٹیشنز میں ہم آہنگ کاروباری ماحول اور خوش گوار صنعتی فضا کو پروان چڑھایا گیا۔

اہم سرگرمیوں کی تفصیل حسب ذیل ہے:

ایکسپلوریشن کے جنوبی اثاثے

کوٹری بلاک کے پانچویں دریافتی کنوئیں دراب-1 کو بند کر کے ترک کر دیا گیا ہے اور اسے کمپنی کے نفع اور نقصان کے کھاتے میں بطور خشک کنوئیں کے شامل کر دیا گیا ہے۔
سیرانی بلاک میں تیسرے دریافتی کنوئیں ڈالین-1-X کی دشوار دلدلی علاقے میں کھدائی کی غرض سے رابطہ سڑک اور ویل سائٹ کی تعمیر کے لئے تیاری جاری ہے۔

ایکسپلوریشن کے شمالی اثاثے

ڈھوک سلطان سے ہونے والی دریافت کے پہلے تجزیاتی کنوئیں کی کھدائی کی تیاری جاری ہے۔
صادق آباد بلاک میں دریافتی کنوئیں چولستان-1-X کو بند کر کے ترک کر دیا گیا ہے اور اسے کمپنی کے نفع اور نقصان کے کھاتے میں بطور خشک کنوئیں کے شامل کر دیا گیا ہے۔

ایکسپلوریشن کے سرحدی اثاثے

زیر نظر عرصے کے اختتام پر جب بلاک میں تیسرے دریافتی کنوئیں نو-12-X کو بطور خشک کنوئیں کے بند کر کے ترک کر دیا گیا ہے۔

پارٹنر آپریٹڈ اثاثے

کوٹری ناتھ بلاک میں تجزیاتی کنوئیں اوزپور-2 کی کھدائی کا آغاز اگست 2019 میں ہوا جس پر کام ابھی جاری ہے۔
ٹل بلاک میں 152 مربع کلومیٹر 3D سائز مک ڈیٹا کا حصول مکمل ہو گیا ہے جبکہ 580 مربع کلومیٹر 3D سائز مک ڈیٹا کا حصول ابھی جاری ہے۔
تھپا بلاک میں دریافتی کنوئیں شاد-1-X کو کمپنی کے نفع اور نقصان کے کھاتے میں بطور خشک کنوئیں کے شامل کر دیا گیا ہے۔
غوری بلاک میں 100 مربع کلومیٹر 3D سائز مک ڈیٹا کا حصول مکمل ہو گیا ہے۔

پیداواری فیلڈز

سوئی اثاثہ

پیداواری کنوئیں سوئی-107 (U) کی کھدائی مکمل ہو چکی ہے اور اسے پیداواری سلسلے سے جوڑ دیا گیا ہے جس سے پیداوار میں یومیہ 5.17 ایم ایس سی ایف گیس کا اضافہ ہوا ہے۔ سوئی-106 (U) کی کھدائی مکمل ہو چکی ہے جس سے یومیہ 2.8 ایم ایس سی ایف گیس حاصل ہوئی۔ کنوئیں کو پیداواری سلسلے سے جوڑنے کا عمل جاری ہے۔
مزید یہ کہ پیوریفیکیشن پلانٹ اور سوئی فیلڈ گیس کمپریشن اسٹیشن میں پلانٹ کی صلاحیت بڑھانے سے متعلقہ سرگرمیاں جس میں اسٹیم ہیڈر کو جوڑنے کے کام کے ساتھ ساتھ ایک کمپریسر، گیس ٹربائین، بائیلر کے ساتھ ساتھ ٹی ای جی کی مکمل تجدید اور مرمت بھی شامل ہے۔
سوئی فیلڈ کو جولائی اور اگست کے دوران سوئی نادرن گیس پائپ لائنز لمیٹڈ کے نیٹ ورک میں ایل این جی کی ترسیل کی وجہ سے جگہ مہیا نہ ہونے کی بناء پر گیس کی فروخت کے حوالے سے دشواریوں کا سامنا کرنا پڑا۔ جس کی بناء پر موجودہ عرصے میں فیلڈ سے گیس کی فروخت 33 فیصد کم رہی۔

کندھ کوٹ اثاثہ

پیداواری کنوئیں کندھ کوٹ-47 (U) کی کھدائی کا آغاز زیر نظر عرصے کے دوران ہوا جس پر کام ابھی جاری ہے۔

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اگست 2019 کے دوران درآمد کی گئی ایل این جی کی ترسیل کے حوالے سے لوڈ منجمنٹ کی بناء پر فیلڈ سے گیس کی کم خریداری بھی ہے۔

پی پی ایل۔ آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کے حجم میں کمپنی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

سرمایہ کا اختتام 30 ستمبر 2018	سرمایہ کا اختتام 30 ستمبر 2019	یونٹ	
71,423	64,942	ایم ایم سی ایف	قدرتی گیس
1,410,871	1,314,267	بی بی ایل	خام تیل/ قدرتی گیس مانع (این جی ایل)/ کنڈنسٹ
27,956	28,316	ٹن	مانع پٹرولیم گیس (ایل پی جی)
17,137	19,116	ٹن	بیرائنس

منفعت

کمپنی کی عمومی منفعت تقابلی عرصے کے مقابلے میں تقریباً برابر رہی۔ جبکہ فروخت آمدن میں اہم تغیرات (جو کہ اوپر بیان کئے گئے ہیں) دیکھے گئے جس نے دیگر اخراجات اور متعلقہ ٹیکس (جو فروخت میں اضافے سے منسلک ہے) میں اضافے کے ساتھ ساتھ دیگر آمدنی میں ہونے والی کمی کو جزوی طور پر زائل کیا۔

دیگر اخراجات اور دیگر آمدنی میں ہونے والی تبدیلی کی وجہ (i) زیر نظر عرصے میں تقابلی عرصے کے مقابلے میں زرمبادلہ کی مد میں کمی ہوئی (جسے دیگر آمدنی میں شامل کیا گیا ہے) (ii) پی پی ایل ایشیا ای اینڈ پی بی وی میں کی جانے والی سرمایہ کاری میں ہونے والے خسارہ ہے جبکہ اس کے مقابلے میں پچھلے عرصے کے دوران پی پی ایل یورپ ای اینڈ پی کمپنی لمیٹڈ میں کی جانے والی سرمایہ کاری میں ہونے والے خسارہ میں کمی ہوئی تھی (جسے دیگر آمدنی میں شامل کیا گیا ہے)۔

سیالیت/ لیکویڈیٹی کی انتظام کاری اور کیش فلو کی صورتحال

حکومت کے نامزد کردہ قدرتی گیس کے صارفین کی جانب سے رقم کی عدم وصولی کی بناء پر کمپنی کی سیالیت پر بتدریج دباؤ بڑھتا گیا ہے۔ اس ضمن میں، 30 ستمبر 2019 کو کمپنی کی وصولیات 14 فیصد اضافے کے ساتھ 259 بلین روپے رہی (جبکہ 30 جون 2019 کو یہ 227 بلین روپے تھی)۔ بورڈ آف ڈائریکٹرز کے مطابق قدرتی گیس اور توانائی کے شعبے کے گروٹھی قرضے کمپنی کی حکمت عملی کے حصول کے لئے شدید ترین خطرہ (رسک) ہیں۔ قرضوں کی واپسی کے لئے کوششوں کو تیز تر کرنے کے علاوہ کمپنی نے متعلقہ وزارتوں میں تمام شراکت داروں کو ساتھ لیا ہے تاکہ اس مسئلے کا جلد حل نکالنے کے لئے مکمل طریقہ کار تلاش کئے جاسکیں۔

کاروباری حکمت عملی اور اہم شعبہ جات

زیر نظر جائزے کے دوران کمپنی کے آپریٹنگ کاروباری حکمت عملی کے مطابق رہے۔

دریافتی سرگرمیاں

کمپنی کا دریافتی اور برنس ڈیولپمنٹ ڈائریکٹوریٹ تین اثاثوں بنام شمالی، جنوبی اور سرحدی (بشمول عراق اور یمن بلاکس) اثاثوں اور برنس ڈیولپمنٹ اور جیوسروسز شعبہ جات پر مشتمل ہے۔ اس وقت، پی پی ایل اور اسکی ذیلی کمپنیوں کے پاس 47 دریافتی بلاکس ہیں، جن میں سے 28 پی پی ایل آپریٹڈ (بشمول عراق میں بلاک 8 جسے پی پی ایل ایشیا آپریٹ کرتی ہے) اور بقیہ 19 پارٹنر آپریٹڈ ہیں جن میں پاکستان میں 3 آف شور اور یمن میں 1 آف شور بلاکس بھی شامل ہیں۔

20

ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ مجمع عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریشنل و مالیاتی جھلکیاں / اہم نکات

آپریشنل جھلکیاں / آپریشنز کے اہم نکات

30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے دوران اہم کاروباری آپریشنز حسب ذیل ہیں:

کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی ایل آپریٹڈ بلاکس میں 4 کنوئیں (2 دریافتی اور 2 پیداواری) کھودے گئے جبکہ گذشتہ مدت میں 2 دریافتی کنوئیں کھودے گئے تھے۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

30 ستمبر 2019 کو ختم ہونے والی سہ ماہی پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

سہ ماہی کا اختتام 30 ستمبر 2018	سہ ماہی کا اختتام 30 ستمبر 2019	
ملین روپے		
38,217	41,759	فروخت آمدن (خالص)
19,527	19,187	قبل از ٹیکس منافع
(5,338)	(4,950)	ٹیکس
14,189	14,237	بعد از ٹیکس منافع
6.26 (اعادہ شدہ)	6.28	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 3,542 ملین روپے کا اضافہ ہوا ہے۔ یہ اضافہ مثبت تغیر کو واضح کرتا ہے جو قیمت (بشمول زیر مبادلہ کی

شرح) کی مد میں بالترتیب 5,758 ملین روپے رہا جس نے حجم کی مد میں 2,216 ملین روپے کے ہونے والے منفی تغیر کو جزوی طور پر زائل کیا۔

قیمت میں مثبت تغیر کی بنیادی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی (زیر نظر عرصے کے دوران زیر مبادلہ کی اوسط شرح 158.20 روپے فی امریکی ڈالر تھی

جبکہ تقابلی سال کے دوران یہ شرح 124.50 روپے فی امریکی ڈالر تھی) جس نے خام تیل کی بین الاقوامی قیمتوں میں ہونے والی کمی کو جو تقابلی سال میں 74.11/bb امریکی

ڈالر تھی کے مقابلے میں موجودہ سال کے دوران 62.26/bb امریکی ڈالر ہو گئی، کے اثر کو زائل کیا۔

قیمت میں منفی تغیر سوئی گیس فیلڈ کی بناء پر آیا جس کی پیداوار میں قدرتی تنزل کی وجہ سے ہونے والی کمی کے علاوہ سوئی گیس پائپ لائنز کمپنی لمیٹڈ کی جانب سے جولائی اور

سہ

PAKISTAN PETROLEUM LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 (Unaudited) (Rupees in thousand)	June 30, 2019 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	157,309,856	159,842,053
Intangible assets		420,729	481,135
		<u>157,730,585</u>	<u>160,323,188</u>
Long-term investments	6	41,052,281	45,284,852
Long-term loans		32,085	34,019
Long-term deposits		7,676	7,676
Long-term receivables		83,810	83,810
		<u>198,906,437</u>	<u>205,733,545</u>
CURRENT ASSETS			
Stores and spares		3,504,039	3,146,982
Trade debts	7	259,243,828	227,382,001
Loans and advances		2,230,394	1,064,992
Trade deposits and short-term prepayments		464,373	468,338
Interest accrued		733,118	764,306
Current maturity of long-term loans		12,705	12,705
Current maturity of long-term deposits		911,850	911,850
Current maturity of long-term receivables		125,714	125,714
Other receivables		1,699,499	2,415,811
Short-term investments	8	4,956,950	8,242,798
Cash and bank balances		3,245,011	8,021,760
		<u>277,127,481</u>	<u>252,557,257</u>
TOTAL ASSETS		<u>476,033,918</u>	<u>458,290,802</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		22,674,872	22,674,872
Reserves		290,171,428	275,934,116
		<u>312,846,300</u>	<u>298,608,988</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		24,154,408	24,843,371
Liabilities against assets subject to finance lease		7,838	12,107
Deferred liabilities		2,826,679	2,754,275
Deferred taxation		35,520,083	37,134,401
		<u>62,509,008</u>	<u>64,744,154</u>
CURRENT LIABILITIES			
Trade and other payables	9	90,001,716	88,086,584
Unclaimed dividends		300,000	302,539
Current maturity of liabilities against assets subject to finance lease		41,603	56,029
Taxation - net		10,335,291	6,492,508
		<u>100,678,610</u>	<u>94,937,660</u>
TOTAL LIABILITIES		<u>163,187,618</u>	<u>159,681,814</u>
TOTAL EQUITY AND LIABILITIES		<u>476,033,918</u>	<u>458,290,802</u>
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Financial Officer



Director



Chief Executive Officer



Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

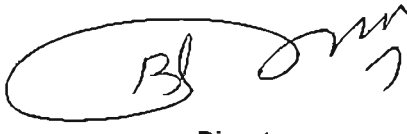
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
(Rupees in thousand)			
Revenue from contracts with customers	11	41,759,192	38,216,857
Operating expenses	12	(9,210,883)	(9,086,335)
Royalties and other levies		(6,139,751)	(5,637,085)
		(15,350,634)	(14,723,420)
Gross profit		26,408,558	23,493,437
Exploration expenses		(2,864,073)	(3,186,935)
Administrative expenses		(611,752)	(530,311)
Finance costs		(271,118)	(133,919)
Other charges	13	(4,356,580)	(2,100,483)
		18,305,035	17,541,789
Other income	14	881,694	1,984,849
Profit before taxation		19,186,729	19,526,638
Taxation	15	(4,949,417)	(5,337,717)
Profit after taxation		14,237,312	14,188,921
(Restated)			
Basic and diluted earnings per share (Rs)	18	6.28	6.26


The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019 (Rupees in thousand)	Quarter ended September 30, 2018
Profit after taxation	14,237,312	14,188,921
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified in profit or loss		
Remeasurement gains / (losses) on defined benefit plans - net	-	-
Deferred taxation	-	-
Total comprehensive income for the period	<u>14,237,312</u>	<u>14,188,921</u>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED


**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		23,529,457	30,192,629
Receipts of other income		1,922,809	698,727
Payment to suppliers / service providers and employees - net		(10,905,764)	(5,154,710)
Payment of indirect taxes and Government levies including royalties		(14,689,629)	(17,934,154)
Income tax paid		(2,720,952)	(1,571,199)
Finance costs paid		(1,786)	(4,013)
Long-term loans to employees - net		1,936	(831)
Net cash (used in) / generated from operating activities		(2,863,929)	6,226,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(5,841,212)	(9,114,185)
Proceeds from sale of property, plant and equipment		3,620	2,375
Purchase of long-term investments - net		(229,386)	(1,112,658)
Repayment of Loan by PPLE		-	1,370,080
Disposal of mutual funds		4,049,860	-
Finance income received		855,982	675,110
Net cash used in investing activities		(1,161,136)	(8,179,278)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(18,695)	(17,974)
Dividends paid		(2,539)	(18,676)
Net cash used in financing activities		(21,234)	(36,650)
Net decrease in cash and cash equivalents		(4,046,299)	(1,989,479)
Cash and cash equivalents at the beginning of the period		12,248,260	21,787,254
Cash and cash equivalents at the end of the period	16	8,201,961	19,797,775

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED


UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
	Rupees in thousand				
Balance as at June 30, 2018 (Audited)	19,717,181	114	1,428	220,673,248	240,391,971
Comprehensive income for the period					
Profit after taxation	-	-	-	14,188,921	14,188,921
Other comprehensive income for the quarter ended September 30, 2018, net of tax	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2018	-	-	-	14,188,921	14,188,921
Balance as at September 30, 2018	19,717,181	114	1,428	234,862,169	254,580,892
Balance as at June 30, 2019 (Audited)	22,674,764	108	1,428	275,932,688	298,608,988
Comprehensive income for the period					
Profit after taxation	-	-	-	14,237,312	14,237,312
Other comprehensive income for the quarter ended September 30, 2019, net of tax	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	14,237,312	14,237,312
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at September 30, 2019	22,674,765	107	1,428	290,170,000	312,846,300

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

1. LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

Wholly-owned subsidiaries as of the date of statement of financial position are as follows:

- a) PPL Europe E&P Limited (PPLE);
- b) PPL Asia E&P B.V. (PPLA); and
- c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2019.

- 2.2 **Standards, interpretations and amendments to published approved accounting standards that are effective**

IFRS 16 'Leases' is applicable on the Company for the period beginning July 1, 2019. Based on the initial assessment carried out during the current period, the impact of IFRS 16 on the financial statements is not material. Therefore, no adjustment has been made in these financial statements. However, disclosures / adjustments, if any, will be incorporated in the annual financial statements of the Company for the year ending June 30, 2020, based on final assessment.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2019.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

- 3.2 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these unconsolidated condensed interim financial statements, being immaterial.

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2019.

September 30, 2019 Unaudited	June 30, 2019 Audited
(Rupees in thousand)	

5. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	99,328,260	103,201,973
Additions to owned assets	2,392,080	17,258,357
	<u>101,720,340</u>	<u>120,460,330</u>
Disposals during the period / year (NBV)	(1,092)	(4,638)
Adjustments during the period / year (NBV)	(951,670)	(454,421)
Depreciation / amortisation charged during the period / year	<u>(4,778,933)</u>	<u>(20,673,011)</u>
	95,988,645	99,328,260
Capital work-in-progress - note 5.1	61,321,211	60,513,793
	<u>157,309,856</u>	<u>159,842,053</u>

5.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	9,553,416	9,310,018
Exploration and evaluation (E&E) assets - note 5.1.1	25,567,430	25,602,557
Development and production (D&P) assets	8,582,354	7,461,181
Lands, buildings and civil constructions	143,224	157,547
Capital stores for drilling and development	17,474,787	17,982,490
	<u>61,321,211</u>	<u>60,513,793</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

- 5.1.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 2,659 million (June 30, 2019: Rs 18,998 million).

September 30, 2019 Unaudited	June 30, 2019 Audited
(Rupees in thousand)	

6. LONG-TERM INVESTMENTS

Investments in related parties

- Wholly owned subsidiaries

- PPPFTC	1	1
- PPLE (net of impairment)	3,798,094	3,798,094
- PPLA (net of impairment) - note 6.1	1,525,662	2,294,529
	<u>5,323,757</u>	<u>6,092,624</u>

Other investments

- At amortised cost

- Foreign currency term deposits with banks - note 6.2	35,728,524	39,192,228
	<u>41,052,281</u>	<u>45,284,852</u>

- 6.1 In line with the reasons mentioned in note 6.3.2 to the unconsolidated financial statements for the year ended June 30, 2017, the Company continues to impair the excess of the carrying amount of investment in PPLA over its recoverable amount. Impairment loss for the current period is Rs 769 million, which is mainly due to write-off of the cost (incurred during the period) of exploratory well in PPLA. The corresponding charge in the statement of profit or loss is included in other charges.

- 6.2 This represents foreign currency term deposits with banks amounting to US\$ 228.736 million (June 30, 2019: US\$ 238.977 million).

September 30, 2019 Unaudited	June 30, 2019 Audited
(Rupees in thousand)	

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II)	42,835,836	36,356,708
Sui Northern Gas Pipelines Limited (SNGPL)	118,786,200	107,783,916
Sui Southern Gas Company Limited (SSGCL)	82,629,263	73,424,543
Pak-Arab Refinery Limited (PARCO)	2,075,069	1,335,964
Pakistan Refinery Limited (PRL)	951,188	623,152
Oil & Gas Development Company Limited (OGDCL)	36,898	371,716
	<u>247,314,454</u>	<u>219,895,999</u>

Non-related parties

Attock Refinery Limited (ARL)	9,468,764	6,339,650
National Refinery Limited (NRL)	1,729,295	639,950
Others	731,315	506,402
	<u>11,929,374</u>	<u>7,486,002</u>
	<u>259,243,828</u>	<u>227,382,001</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	September 30, 2019 Unaudited (Rupees in thousand)	June 30, 2019 Audited
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	<u>259,243,828</u>	<u>227,382,001</u>
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	36,535,564	29,727,763
Past due but not impaired:		
Related parties		
- within 90 days	38,615,478	33,471,925
- 91 to 180 days	24,501,007	30,226,725
- over 180 days	154,817,176	130,362,092
	217,933,661	194,060,742
Non-related parties		
- within 90 days	3,774,116	2,477,229
- 91 to 180 days	13,336	134,240
- over 180 days	987,151	982,027
	4,774,603	3,593,496
	<u>259,243,828</u>	<u>227,382,001</u>
7.2 Trade debts include overdue amount of Rs 216,601 million (June 30, 2019: Rs 192,827 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,264 million (June 30, 2019: Rs 5,984 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.		
Based on the measures being undertaken by the GoP, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these unconsolidated condensed interim financial statements, except for provision against receivable from Byco.		
7.3 The Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdue amount. The said suit is pending adjudication before the SHC.		
	September 30, 2019 Unaudited (Rupees in thousand)	June 30, 2019 Audited
8. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks	4,956,950	4,226,500
At fair value through profit or loss		
- Mutual Funds	-	4,016,298
	<u>4,956,950</u>	<u>8,242,798</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	September 30, 2019 Unaudited	June 30, 2019 Audited
	(Rupees in thousand)	
9. TRADE AND OTHER PAYABLES		
Creditors	536,912	858,920
Accrued liabilities	8,537,883	8,545,614
Security deposits from LPG distributors	323,640	347,280
Retention money	124,110	117,425
Gas Development Surcharge (GDS)	27,231,154	21,537,888
Gas Infrastructure Development Cess (GIDC)	8,702,489	7,667,350
Sales tax - net	625,257	59,617
Royalties	5,632,603	9,151,573
Lease extension bonus	16,653,770	15,481,758
Current accounts with joint operations	13,188,314	17,162,496
Staff retirement benefit funds	376,839	1,050,689
Provision for windfall levy on oil / condensate	6,413,937	5,718,937
Federal excise duty	160,272	16,751
Workers' Profits Participation Fund (WPPF)	568,344	-
Others	926,192	370,286
	<u>90,001,716</u>	<u>88,086,584</u>

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited unconsolidated financial statements for the year ended June 30, 2019.

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	(Rupees in thousand)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	40,897,088	31,762,843
Gas supplied to Sui villages	155,220	121,333
Internal consumption of gas	116,766	80,555
Crude oil / Condensate / Natural Gas Liquids	11,883,429	12,407,989
LPG	2,012,375	2,625,109
Barytes	346,405	170,265
	<u>55,411,283</u>	<u>47,168,094</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	(Rupees in thousand)	
Government levies / discounts		
Federal excise duty	(491,376)	(518,349)
Sales tax	(6,315,379)	(5,058,637)
GDS	(5,693,267)	(2,104,825)
GIDC	(1,035,139)	(1,125,394)
Petroleum Levy	(96,931)	(130,528)
Discounts (Barytes)	(19,999)	(13,504)
	(13,652,091)	(8,951,237)
	41,759,192	38,216,857

- 11.1 Revenue from contracts with customers includes revenue recognised based on take-or-pay arrangements.

Quarter ended September 30, 2019	Quarter ended September 30, 2018
(Rupees in thousand)	

12. OPERATING EXPENSES

Salaries, wages, welfare and other benefits	1,592,633	1,903,857
Operators' personnel	487,765	414,560
Depreciation	2,137,810	1,866,016
Amortisation of decommissioning assets	243,791	392,116
Amortisation of D&P assets	2,336,218	2,309,411
Plant operations	758,314	743,019
Well interventions	296,427	490,319
Field services	522,699	397,825
Crude oil transportation	349,355	234,136
Travelling and conveyance	101,562	75,964
Training & development	5,485	3,166
PCA overheads	22,251	20,979
Insurance expenses	147,191	69,415
Free supply of gas to Sui villages	155,220	121,333
Social welfare / community development	53,871	41,187
Other expenses	291	3,032
	9,210,883	9,086,335

13. OTHER CHARGES

WPPF charge	1,105,407	1,030,483
Exchange loss on foreign currency (net)	1,787,306	-
Impairment loss on investment in PPLA - note 6.1	768,867	-
Provision for windfall levy on oil / condensate	695,000	1,070,000
	4,356,580	2,100,483

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	(Rupees in thousand)	
14. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	221,052	90,628
Income on term deposits	106,101	100,658
Income on long-term investments at amortised cost	497,642	362,101
Income from investment in treasury bills	-	98,973
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	37,347	-
	<u>862,142</u>	<u>652,360</u>
Income from assets other than financial assets		
Rental income on assets	1,399	1,524
Profit on sale of property, plant and equipment (net)	2,528	2,001
Exchange gain on foreign currency (net)	-	716,210
Reversal of impairment loss on investment in PPPE	-	599,961
Share of profit on sale of LPG	4,338	6,729
Others	11,287	6,064
	<u>19,552</u>	<u>1,332,489</u>
	<u>881,694</u>	<u>1,984,849</u>
15. TAXATION		
Current	6,563,735	4,703,567
Deferred	(1,614,318)	634,150
	<u>4,949,417</u>	<u>5,337,717</u>
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,245,011	8,604,396
Short-term highly liquid investments	4,956,950	11,193,379
	<u>8,201,961</u>	<u>19,797,775</u>

17. TRANSACTIONS WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	(Rupees in thousand)	
Sales of gas / barytes to State controlled entities (including Government levies)		
GENCO-II	11,233,527	6,583,557
SSGCL	11,094,626	8,299,503
SNGPL	18,489,116	16,840,783
OGDCL	27,927	43,622
	<u>40,845,196</u>	<u>31,767,465</u>
Long-term receivables, trade debts and other receivables from State controlled entities as at September 30	<u>244,532,241</u>	<u>146,409,671</u>
Transactions with subsidiaries		
Receivable from PPLA as at September 30	<u>19,842</u>	<u>14,939</u>
Receivable from PPLE as at September 30	<u>7,513</u>	<u>36,594</u>
Payment of employees cost on secondment	<u>24,340</u>	<u>14,826</u>
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	<u>911,850</u>	<u>911,850</u>
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	<u>2,395,910</u>	<u>1,491,455</u>
Sales of crude oil / condensate to PRL	<u>810,170</u>	<u>-</u>
Payment to Total PARCO Pakistan Limited	<u>165,209</u>	<u>165,383</u>
Payment to Petroleum Institute of Pakistan	<u>4,092</u>	<u>-</u>
Deposits with Askari Bank Limited as at September 30	<u>14,324</u>	<u>-</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	(Rupees in thousand)	
Transactions with Joint Operations		
Payments of cash calls to joint operations	11,569,229	9,749,203
Expenditures incurred by the joint operations	7,136,291	10,536,546
Under advance balances relating to joint operations as at September 30	10,772,589	12,427,601
Current account receivables relating to joint operations as at September 30	1,074,053	1,780,588
Current account payables relating to joint operations as at September 30	602,231	123,472
Income from rental of assets to joint operations	1,399	1,524
Purchase of goods from BME (net)	173,305	88,703
Reimbursement of employee cost on secondment to BME	4,503	4,220
Other related parties		
Transactions with retirement benefit funds	274,535	215,888
Remuneration to key management personnel	517,874	532,742
Payment of rental to Pakistan Industrial Development Corporation	32,227	29,296
Payment of rental to Karachi Port Trust	3,200	235
Payment to National Insurance Company Limited (NICL)	115,041	90,774
Payment to Pakistan State Oil Company Limited	118,958	111,853

- 17.1** Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to nine non-executive directors was Rs 2.950 million (September 2018: Rs 6.630 million to eight non-executive directors).
- 17.2** The Company has guaranteed to Midland Oil Company, Iraq (MdOC) for the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 15,670 million), out of which US\$ 47.668 million (Rs 7,470 million) is outstanding.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

- 17.3 The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 831 million) to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
18. EARNINGS PER SHARE		
18.1 Basic earnings per share		
Profit after taxation (Rs '000)	14,237,312	14,188,921
Dividend on convertible preference shares (Rs '000)	(32)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>14,237,280</u>	<u>14,188,887</u>
Weighted average number of ordinary shares in issue	<u>2,267,476,381</u>	(Restated) <u>2,267,475,810</u>
Basic earnings per share (Rs)	<u>6.28</u>	(Restated) <u>6.26</u>

- 18.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
18.2 Diluted earnings per share		
Profit after taxation (Rs '000)	14,237,312	14,188,921
Weighted average number of ordinary shares in issue	2,267,476,381	(Restated) 2,267,475,810
Adjustment for convertible preference shares	<u>10,788</u>	<u>11,359</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,267,487,169</u>	(Restated) <u>2,267,487,169</u>
Diluted earnings per share (Rs)	<u>6.28</u>	(Restated) <u>6.26</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2019

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 30, 2019 by the Board of Directors of the Company.

20. SUBSEQUENT / NON-ADJUSTING EVENTS

20.1 Extraordinary General Meeting of the Company was held on October 11, 2019, in which increase in authorised ordinary share capital of the Company by Rs 10 billion was approved by the shareholders.

20.2 Final cash dividend and bonus shares recommended by the Board of Directors in its meeting held on September 25, 2019, was approved by the shareholders in the Annual General Meeting held on October 28, 2019. Further details are mentioned in note 45 to the audited unconsolidated financial statements for the year ended June 30, 2019.

21. GENERAL

21.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED


CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	September 30 2019 Unaudited (Rupees in thousand)	June 30 2018 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	158,491,833	161,072,524
Intangible assets		420,729	481,135
		<u>158,912,562</u>	<u>161,553,659</u>
Long-term investments	6	35,728,525	39,192,229
Long-term loans		32,085	34,019
Long-term deposits		7,676	7,676
Long-term receivables		83,810	83,810
		<u>194,764,658</u>	<u>200,871,393</u>
CURRENT ASSETS			
Stores and spares		3,504,039	3,146,982
Trade debts	7	259,501,402	227,630,133
Loans and advances		2,231,956	1,075,652
Trade deposits and short-term prepayments		468,298	471,475
Interest accrued		771,941	855,251
Current maturity of long-term loans		12,705	12,705
Current maturity of long-term deposits		911,850	911,850
Current maturity of long-term receivables		125,714	125,714
Other receivables		2,149,746	2,834,303
Short-term investments	8	12,562,484	16,115,618
Cash and bank balances		3,485,459	8,562,493
		<u>285,725,594</u>	<u>261,742,176</u>
TOTAL ASSETS		<u>480,490,252</u>	<u>462,613,569</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		22,674,872	22,674,872
Reserves		289,612,558	275,529,423
		<u>312,287,430</u>	<u>298,204,295</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		24,474,860	25,164,640
Liabilities against assets subject to finance lease		7,838	12,107
Deferred liabilities		2,826,679	2,754,275
Deferred taxation		35,520,083	37,134,401
		<u>62,829,460</u>	<u>65,065,423</u>
CURRENT LIABILITIES			
Trade and other payables	9	94,052,945	91,821,865
Unclaimed dividends		300,000	302,539
Current maturity of liabilities against assets subject to finance lease		41,603	56,029
Taxation - net		10,978,814	7,163,418
		<u>105,373,362</u>	<u>99,343,851</u>
TOTAL LIABILITIES		<u>168,202,822</u>	<u>164,409,274</u>
TOTAL EQUITY AND LIABILITIES		<u>480,490,252</u>	<u>462,613,569</u>
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED


CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended September 30, 2019 (Rupees in thousand)	Quarter ended September 30, 2018
Revenue from contracts with customers	11	41,877,740	38,333,728
Operating expenses	12	(9,303,296)	(9,157,711)
Royalties and other levies		(6,152,342)	(5,647,823)
		<u>(15,455,638)</u>	<u>(14,805,534)</u>
Gross Profit		26,422,102	23,528,194
Exploration expenses		(3,595,139)	(3,007,011)
Administrative expenses		(611,648)	(545,632)
Finance costs		(281,713)	(138,706)
Other charges	13	<u>(3,567,901)</u>	<u>(2,100,483)</u>
		18,365,701	17,736,362
Other income	14	<u>935,816</u>	<u>1,416,763</u>
Profit before taxation		19,301,517	19,153,125
Taxation	15	<u>(4,953,935)</u>	<u>(5,343,896)</u>
Profit after taxation		<u>14,347,582</u>	<u>13,809,229</u>
			(Restated)
Basic and diluted earnings per share (Rs)	18	<u>6.33</u>	<u>6.09</u>

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	Quarter ended September 30, 2019 (Rupees in thousand)	Quarter ended September 30, 2018
Profit after taxation	14,347,582	13,809,229
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified in profit or loss		
Remeasurement gains / (losses) on defined benefit plans - net Deferred taxation	- -	- -
Items that may be reclassified to profit or loss in subsequent periods		
Foreign exchange differences on translation of subsidiaries	(264,447)	128,653
Other comprehensive (loss) / income, net of tax	(264,447)	128,653
Total comprehensive income for the year	14,083,135	13,937,882

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended September 30, 2019 (Rupees in thousand)	Quarter ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		23,647,229	30,361,228
Receipts of other income		1,922,809	698,727
Payment to suppliers / service providers and employees - net		(10,919,431)	(5,355,118)
Payment of indirect taxes and Government levies including royalties		(14,721,808)	(17,961,880)
Income tax paid		(2,720,952)	(1,592,325)
Finance costs paid		(1,786)	(10,808)
Long-term loans to employees - net		1,936	(831)
Net cash (used in) / generated from operating activities		(2,792,003)	6,138,993
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(6,205,234)	(9,436,220)
Proceeds from sale of property, plant and equipment		3,620	2,375
Purchase of long-term investments - net		(229,386)	(1,112,658)
Disposal of mutual funds		4,049,860	-
Finance income received		978,449	711,175
Net cash used in investing activities		(1,402,691)	(9,835,328)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(18,695)	(17,974)
Dividends paid		(2,539)	(18,676)
Net cash used in financing activities		(21,234)	(36,650)
Net decrease in cash and cash equivalents		(4,215,928)	(3,732,985)
Cash and cash equivalents at the beginning of the period		20,661,813	30,631,049
Net foreign exchange differences		(397,942)	167,469
Cash and cash equivalents at the end of the period	16	16,047,943	27,065,533

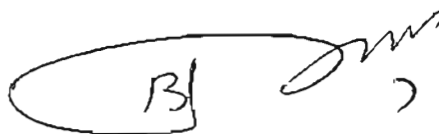
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Financial Officer



Director



Chief Executive Officer



Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

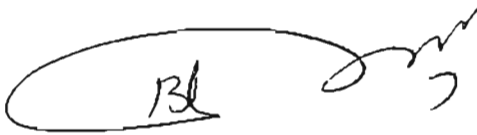
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

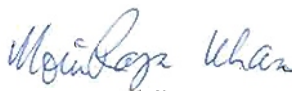

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
(Rupees in thousand)					
Balance as at June 30, 2018 (Audited)	19,717,181	114	1,428	220,730,773	240,449,496
Comprehensive income for the period					
Profit after taxation	-	-	-	13,809,229	13,809,229
Other comprehensive income for the quarter ended September 30, 2018, net of tax	-	-	-	128,653	128,653
Total comprehensive income for the quarter ended September 30, 2018	-	-	-	13,937,882	13,937,882
Balance as at September 30, 2018	19,717,181	114	1,428	234,668,655	254,387,378
Balance as at June 30, 2019 (Audited)	22,674,764	108	1,428	275,527,995	298,204,295
Comprehensive income for the period					
Profit after taxation	-	-	-	14,347,582	14,347,582
Other comprehensive loss for the quarter ended September 30, 2019, net of tax	-	-	-	(264,447)	(264,447)
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	14,083,135	14,083,135
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at September 30, 2019	22,674,765	107	1,428	289,611,130	312,287,430

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer

Chief Financial Officer


Director


Chief Executive Officer

Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

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

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in one producing field and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands with principal place of business at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block-8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC).

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administering the trusts formed for the benefits of the employees of the Holding Company.

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2019.

- 2.2 The SECP through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the quarter ended September 30, 2019.

2.3 Standards, interpretations and amendments to published approved accounting standards that are effective

IFRS 16 'Leases' is applicable on the Group for the period beginning July 1, 2019. Based on the initial assessment carried out during the current period, the impact of IFRS 16 on the financial statements is not material. Therefore, no adjustment has been made in these financial statements. However, disclosures / adjustments, if any, will be incorporated in the annual financial statements for the year ending June 30, 2020, based on final assessment.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2019, except as discussed in note 2.3.
- 3.2 The Group follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these consolidated condensed interim financial statements, being immaterial.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards, as applicable in Pakistan for interim reporting, requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2019, except as discussed in note 2.3.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2019.

	September 30, 2019 Unaudited (Rupees in thousand)	June 30, 2019 Audited
5. PROPERTY, PLANT AND EQUIPMENT		
Operating Net Book Value (NBV)	99,830,396	103,852,905
Additions to owned assets	2,397,175	17,269,328
	102,227,571	121,122,233
Disposals during the period / year (NBV)	(1,092)	(4,638)
Adjustments during the period / year (NBV)	(946,790)	(451,895)
Depreciation / amortisation charged during the period / year	(4,821,519)	(20,835,304)
	96,458,170	99,830,396
Capital work-in-progress - note 5.1	62,033,663	61,242,128
	158,491,833	161,072,524

5.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	9,665,223	9,418,322
Exploration and Evaluation (E&E) assets - note 5.1.1	26,168,047	26,217,783
Development and production (D&P) assets	8,582,354	7,461,181
Lands, buildings and civil constructions	143,224	157,547
Capital stores for drilling and development	17,474,815	17,987,295
	62,033,663	61,242,128

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

- 5.1.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 2,659 million (June 30, 2019: Rs 18,998 million).

	September 30, 2019 Unaudited	June 30, 2019 Audited
	(Rupees in thousand)	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
Other investments		
- At amortised cost		
- Foreign currency term deposits with banks		
- note 6.1	35,728,524	39,192,228
	<u>35,728,525</u>	<u>39,192,229</u>

- 6.1 This represents foreign currency term deposits with banks amounting to US\$ 228.736 million (June 30, 2019: US\$ 238.977 million).

	September 30, 2019 Unaudited	June 30, 2019 Audited
	(Rupees in thousand)	
7. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company	42,835,836	36,356,708
Sui Northern Gas Pipelines Limited (SNGPL)	118,921,105	107,862,822
Sui Southern Gas Company Limited (SSGCL)	82,742,089	73,583,432
Pak-Arab Refinery Limited (PARCO)	2,075,069	1,335,964
Pakistan Refinery Limited (PRL)	951,188	623,152
Oil & Gas Development Company Limited (OGDCL)	36,898	371,716
	<u>247,562,185</u>	<u>220,133,794</u>
Non-related parties		
Attock Refinery Limited (ARL)	9,478,607	6,349,987
National Refinery Limited (NRL)	1,729,295	639,950
Others	731,315	506,402
	<u>11,939,217</u>	<u>7,496,339</u>
	<u>259,501,402</u>	<u>227,630,133</u>
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts	<u>(1,156,220)</u>	<u>(1,156,220)</u>
	<u>-</u>	<u>-</u>
	<u><u>259,501,402</u></u>	<u><u>227,630,133</u></u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

September 30, 2019	June 30, 2019
Unaudited	Audited
(Rupees in thousand)	

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired	36,611,071	29,826,683
Past due but not impaired:		
Related parties		
- within 90 days	38,752,574	33,604,162
- 91 to 180 days	24,529,808	30,228,424
- over 180 days	154,823,499	130,377,368
	218,105,881	194,209,954
Non-related parties		
- within 90 days	3,774,116	2,477,229
- 91 to 180 days	13,336	134,240
- over 180 days	996,998	982,027
	4,784,450	3,593,496
	<u>259,501,402</u>	<u>227,630,133</u>

- 7.2** Trade debts include overdue amount of Rs 216,849 million (2019: Rs 192,966 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,274 million (2019: Rs 5,994 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.

Based on the measures being undertaken by the GoP, the Group considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from Byco.

- 7.3** The Holding Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues. The said suit is pending adjudication before the SHC.

September 30, 2019	June 30, 2019
Unaudited	Audited
(Rupees in thousand)	

8. SHORT-TERM INVESTMENTS

At amortised cost

- Foreign currency term deposits with banks	7,605,534	7,872,820
- Local currency term deposits with banks	4,956,950	4,226,500

At fair value through profit or loss

- Mutual Funds	-	4,016,298
	<u>12,562,484</u>	<u>16,115,618</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

	September 30, 2019 Unaudited	June 30, 2019 Audited
	(Rupees in thousand)	
9. TRADE AND OTHER PAYABLES		
Creditors	536,912	858,920
Accrued liabilities	10,441,026	10,066,034
Security deposits from LPG distributors	323,640	347,280
Retention money	124,110	117,425
Gas Development Surcharge (GDS)	27,231,154	21,537,888
Gas Infrastructure Development Cess (GIDC)	8,702,489	7,667,350
Federal excise duty (net)	160,272	16,751
Sales tax (net)	630,717	66,747
Royalties	5,636,044	9,153,785
Lease extension bonus	16,653,770	15,481,758
Current accounts with joint operations	13,697,588	17,635,895
Staff retirement benefit plans	376,839	1,050,689
Provision for windfall levy on oil/condensate	6,413,937	5,718,937
Workers' Profits Participation Fund (WPPF)	568,344	-
Contractual obligations for Iraq EDPSC	1,628,130	1,709,746
Others	927,973	392,660
	<u>94,052,945</u>	<u>91,821,865</u>

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited consolidated financial statements for the year ended June 30, 2019.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

Quarter ended September 30 2019	Quarter ended September 30 2018
(Rupees in thousand)	

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue

Natural gas	41,036,420	31,897,825
Gas supplied to Sui villages	155,220	121,333
Internal consumption of gas	116,766	80,555
Crude oil / Condensate / Natural Gas Liquids	11,883,429	12,407,989
LPG	2,012,375	2,625,109
Barytes	346,405	170,265
	<u>55,550,615</u>	<u>47,303,076</u>

Government levies / discounts

Federal excise duty	(491,376)	(518,349)
Sales tax	(6,336,163)	(5,076,748)
GDS	(5,693,267)	(2,104,825)
GIDC	(1,035,139)	(1,125,394)
Petroleum levy	(96,931)	(130,528)
Discounts (Barytes)	(19,999)	(13,504)
	<u>(13,672,875)</u>	<u>(8,969,348)</u>
	<u>41,877,740</u>	<u>38,333,728</u>

- 11.1 Revenue from contracts with customers includes revenue recognised based on take-or-pay arrangements.

Quarter ended September 30 2019	Quarter ended September 30 2018
(Rupees in thousand)	

12. OPERATING EXPENSES

Salaries, wages, welfare and other benefits	1,592,633	1,903,857
Operator's personnel	498,395	418,537
Depreciation	2,146,895	1,872,682
Amortisation of decommissioning assets	243,791	392,116
Amortisation of D&P assets	2,369,719	2,360,477
Plant operations	761,663	747,405
Well interventions	305,730	494,076
Field services	546,744	398,527
Crude oil transportation	349,355	234,136
Travelling and conveyance	101,562	75,964
Training & development	5,485	3,229
PCA overheads	22,843	21,213
Insurance expenses	148,986	69,688
Free supply of gas to Sui villages	155,220	121,333
Social welfare / community development	53,871	41,439
Other expenses	404	3,032
	<u>9,303,296</u>	<u>9,157,711</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

	Quarter ended September 30 2019	Quarter ended September 30 2018
	(Rupees in thousand)	
13. OTHER CHARGES		
WPPF charge	1,105,407	1,030,483
Exchange loss on foreign currency (net)	1,767,192	-
Provision for windfall levy on oil / condensate	695,000	1,070,000
Others	302	-
	<u>3,567,901</u>	<u>2,100,483</u>
14. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	221,052	72,063
Income on term deposits	160,223	152,642
Income on long-term investments at amortised cost	497,642	362,101
Income from investment in treasury bills	-	98,973
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	37,347	-
	<u>916,264</u>	<u>685,779</u>
Income from assets other than financial assets		
Rental income on assets	1,399	1,524
Profit on sale of property, plant and equipment (net)	2,528	2,001
Exchange gain on foreign currency (net)	-	714,666
Share of profit on sale of LPG	4,338	6,729
Others	11,287	6,064
	<u>19,552</u>	<u>730,984</u>
	<u>935,816</u>	<u>1,416,763</u>
15. TAXATION		
Current	6,568,253	4,709,746
Deferred	(1,614,318)	634,150
	<u>4,953,935</u>	<u>5,343,896</u>
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,485,459	8,758,866
Short-term highly liquid investments	12,562,484	18,306,667
	<u>16,047,943</u>	<u>27,065,533</u>
17. TRANSACTIONS WITH RELATED PARTIES		
The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:		

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

	Quarter ended September 30 2019 (Rupees in thousand)	Quarter ended September 30 2018
Sales of gas / barytes to State controlled entities (including Government levies)		
GENCO-II	11,233,527	6,583,557
SSGCL	11,138,356	8,398,471
SNGPL	18,584,718	16,876,797
OGDCL	27,927	43,622
	<u>40,984,528</u>	<u>31,902,447</u>
Long-term receivables, trade debts and other receivables from state controlled entities as at September 30	<u>244,779,972</u>	<u>146,569,015</u>
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	2,395,910	1,491,455
Sales of crude oil / condensate to PRL	810,170	-
Payment to Total PARCO Pakistan Limited	165,209	165,383
Payment to Petroleum Institute of Pakistan	4,092	-
Deposits with Askari Bank Limited as at September 30	14,324	-
Transactions with Joint Operations		
Payments of cash calls to joint operations	11,595,036	10,081,487
Expenditures incurred by the joint operations	7,229,613	10,696,682
Under advance balances relating to joint operations as at September 30	11,280,288	12,729,964
Current account receivables relating to joint operations as at September 30	1,074,053	1,780,588
Current account payables relating to joint operations as at September 30	602,231	123,472
Income from rental of assets to joint operations	1,399	1,524
Purchase of goods from BME (net)	173,305	88,703
Reimbursement of employee cost on secondment to BME	4,503	4,220
Other related parties		
Transactions with retirement benefit funds	274,535	215,888
Remuneration to key management personnel	517,874	532,742
Payment of rental to Pakistan Industrial Development Corporation	32,227	29,296
Payment of rental to Karachi Port Trust	3,200	235
Payment to National Insurance Company Limited (NICL)	115,041	90,774
Payment to Pakistan State Oil Company Limited	118,958	111,853

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

- 17.1 Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to nine non-executive directors was Rs 2.950 million (September 2018: Rs 6.630 million to eight non-executive directors).
- 17.2 The Holding Company has guaranteed the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 15,670 million), out of which US\$ 47.668 million (Rs 7,470 million) is outstanding.
- 17.3 The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 831 million) to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.

	Quarter ended September 30 2019	Quarter ended September 30 2018
18. EARNINGS PER SHARE		
18.1 Basic earnings per share		
Profit after taxation (Rs '000)	14,347,582	13,809,229
Dividend on convertible preference shares (Rs '000)	(32)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>14,347,550</u>	<u>13,809,195</u>
		(Restated)
Weighted average number of ordinary shares in issue	<u>2,267,476,381</u>	<u>2,267,475,810</u>
		(Restated)
Basic earnings per share (Rs)	<u>6.33</u>	<u>6.09</u>

- 18.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED
SEPTEMBER 30, 2019**

	Quarter ended September 30 2019	Quarter ended September 30 2018
18.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>14,347,582</u>	<u>13,809,229</u>
Weighted average number of ordinary shares in issue	<u>2,267,476,381</u>	(Restated) 2,267,475,810
Adjustment for conversion of convertible	<u>10,788</u>	<u>11,359</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,267,487,169</u>	(Restated) <u>2,267,487,169</u>
Diluted earnings per share (Rs)	<u>6.33</u>	(Restated) <u>6.09</u>

19. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 30, 2019 by the Board of Directors of the Holding Company.

20. SUBSEQUENT / NON-ADJUSTING EVENTS

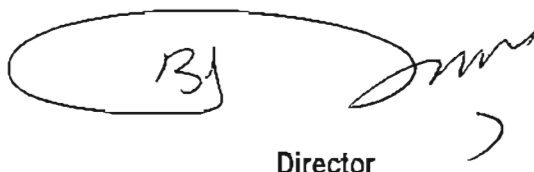
- 20.1.** Extraordinary General Meeting of the Holding Company was held on October 11, 2019, in which increase in authorised ordinary share capital of the Holding Company by Rs 10 billion was approved by the shareholders.
- 20.2** Final cash dividend and bonus shares recommended by the Board of Directors of the Holding Company in its meeting held on September 25, 2019, was approved by the shareholders in the Annual General Meeting held on October 28, 2019. Further details are mentioned in note 46 to the audited consolidated financial statements for the year ended June 30, 2019.

21. GENERAL


- 21.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer