



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/PPL/PSX-0099

Your reference:

Date: 28th April 2020

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

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

Dear Sirs,

Re: Quarterly Report for the Nine Month Period Ended 31st March 2020

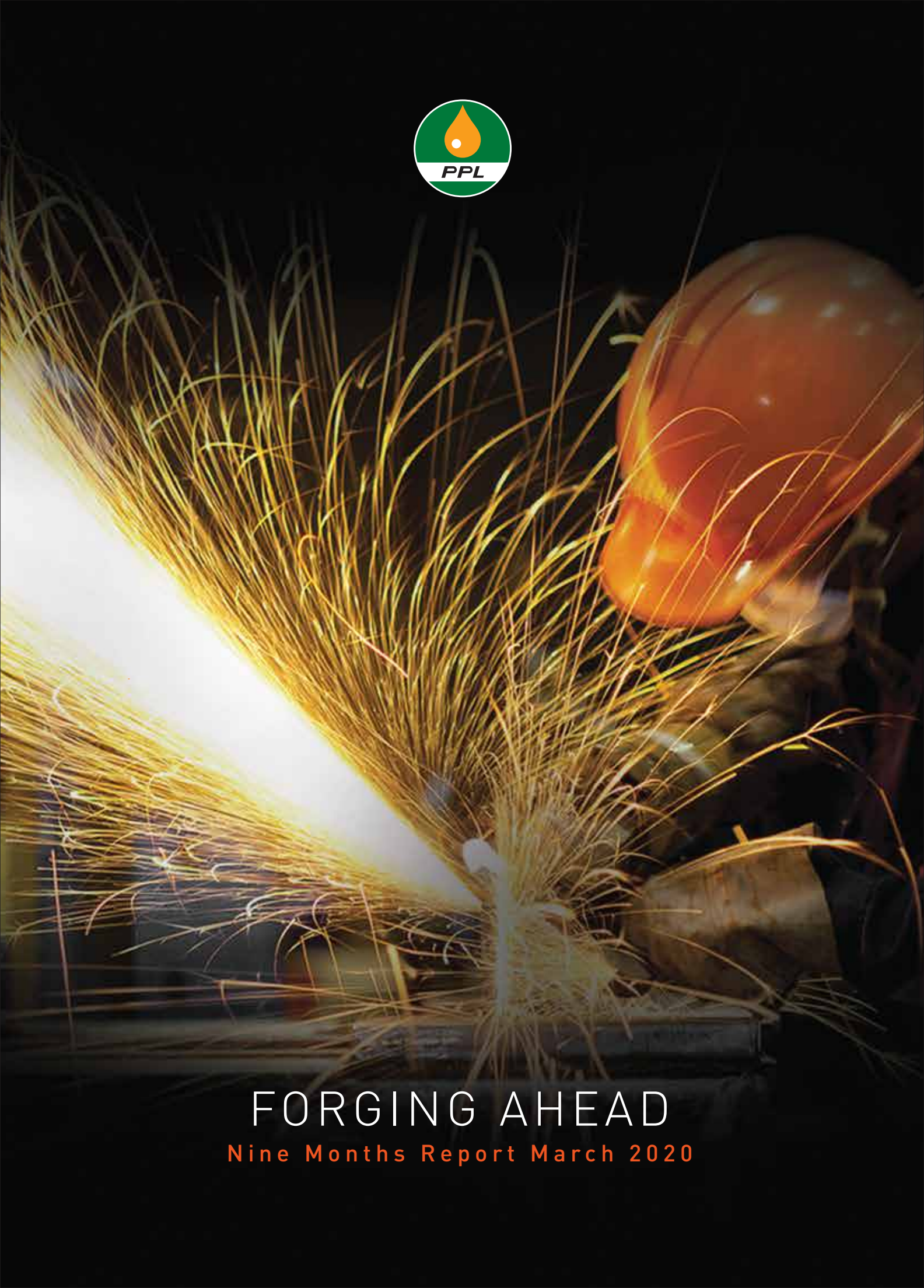
Pursuant to Rule 5.6.4 (c) of the Pakistan Stock Exchange Rules, we attach the quarterly report for the nine month period ended 31st March 2020 which may be disseminated to your members as required.

Yours truly,

Shahana Ahmed Ali
Company Secretary

Enclosed as above.

(saa/cs/ppl/psx/280420)



FORGING AHEAD

Nine Months Report March 2020



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

Mr. Sheryar Taj

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 nine months period ended March 31, 2020 and a brief review of the Company's environment and operations.

COVID-19 PANDEMIC

COVID-19 (Coronavirus Disease-2019) has spread across the world since January 2020, however, the first case was detected in the country in late February 2020. Your directors are cognisant of the impacts arising as a result of the COVID-19 pandemic. To this end, the Company has been taking all possible steps to ensure continuity of E&P projects, operations and production from various fields while taking all precautionary measures in terms of Health and Safety of its staff, as briefed in the following paragraphs:

Operations

Production from major operated and partner operated fields, mainly Adhi, Tal & Nashpa has declined as a result of reduced oil demand from refineries owing to depressed demand by Oil Marketing Companies and transportation challenges faced due to COVID-19 related lockdowns since mid-March 2020. Gas sales from Kandhkot field have also declined substantially due to continued low offtakes by GENCO-II. In addition, various projects and activities have also been slowed down or delayed, however, as the E&P sector is declared as falling under "essential services" by the GoP, the Company is taking all possible steps and health & safety precautions to continue production from its fields and undertake the required projects and activities. As such, there is no bottleneck at Company's end in terms of maintaining oil & gas production level and is currently capped due to low demand.

Further, oil prices have sharply declined, amid the overall recession in the world economy augmented by the geo-political crude oil price war. Decline in prices of crude oil has an adverse impact on the Company's revenue since the base prices for gas and crude oil sales are linked to a basket of Middle East crude oils. While the price risk is largely beyond the Company's control, prices of the Company's major product i.e. natural gas bear a comparatively lesser impact, since the gas prices are subject to sliding scale/zonal discounts with a lag of six months which delays and subsides the impact of sudden movement in crude oil prices on the Company's realised gas prices. The Company is also re-assessing its capex program in the low oil price scenario.

Business Continuity

The Company has taken various preventive measures for wellbeing of its staff, including introduction of 'Work from Home' for majority of staff based in head office and regional offices and restricted movement of staff between field locations with minimal impact on field operations. The Information Technology department introduced latest tools for online collaboration, data protection, including Rights Management Services (RMS) for the protection of Company's information assets, thus creating a seamless working environment. Multi-factor authentication provides added security for all users accessing a diverse set of business and technical applications from Company provided and personal devices. Staff has been using these state-of-the-art IT facilities enthusiastically, proving highest level of commitment of entire management and their team, thus defeating the prevailing challenging situation.

Giving Back

Rapid spread of COVID-19 across the country is turning out to be one of the worst health-related emergencies ever faced by the world including Pakistan. As a major public sector company, PPL is providing support to Government in control of this disease and to provide relief to local population living in our operational areas.

To this end, the Company is providing financial assistance to affected and vulnerable local communities in PPL's operational areas. Your Company has been successful in procuring Personal Protective Equipment (PPE) and ration items well in time through the Deputy Commissioners of the respective areas and sending PPEs to the company's operational areas for distribution among doctors, paramedic staff and ration bags for local population.

Future Outlook

The Management is closely monitoring the ever changing situation and is in constant contact with Local, Provincial and Federal Governments seeking their advice and guidance to seamlessly continue delivering the much needed Energy in the form of oil and gas hydrocarbons to the Nation in a safe and secure manner without compromising on the health and well-being of the staff.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the nine-months period ended March 31, 2020 are as follows:

Discoveries

Two discoveries have been made during the period under review; one in PPL operated block i.e. Mor Gandh X-1 (Margand block) and one in partner operated block i.e. Bitro-1 (Latif block).

Drilling Activities

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

Financial Highlights

The key financial results of the Company for the nine months period ended March 31, 2020 are as follows:

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	Rs Million	
Sales revenue (net)	126,228	119,201
Profit before taxation	54,530	59,641
Taxation	(15,301)	(14,387)
Profit after taxation	39,229	45,254
Basic and Diluted Earnings Per Share (Rs)	14.42	(Restated) 16.63

Sales revenue

Sales revenue increased by Rs 7,027 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 12,062 million, partially offset by negative volume variance of Rs 5,035 million.

Positive price variance is due to devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 156.68 as compared to PKR 132.81 during the corresponding period), partially offset by decrease in average international crude oil prices from US\$ 68.42 / bbl in the corresponding period to US\$ 58.94 / bbl during the current period. In addition, negative volume variance is mainly attributable to Sui, Kandhkot, Adhi & Nashpa fields.

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

		Nine months ended March 31, 2020	Nine months ended March 31, 2019
Natural Gas	MMscf	190,355	212,349
Crude Oil / Natural Gas Liquids / Condensate	BBL	4,001,689	4,263,738
Liquefied Petroleum Gas (LPG)	Tonnes	86,036	87,333
Barytes	Tonnes	54,736	75,494

Profitability

Profitability declined by 13% as compared to the corresponding period. Main drivers are increase in operating expenses, exploration expenses, other charges, levies (increased in line with sales) and decrease in other income, partially offset by increase in sales revenue (as explained above).

Increase in operating expenses is mainly driven by higher amortisation on account of capitalisation of new wells, whereas, increase in exploration expenses is primarily due to higher cost of dry wells charged to profit or loss during the current period.

Change in other charges and other income is due to 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, coupled with decline in exchange gain in the current period as compared to the corresponding period.

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 March 31, 2020, the total receivables registered a 32% increase and stood at Rs 299 billion (June 30, 2019: Rs 227 billion). Your directors consider 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 with all key stakeholders at relevant Ministries to explore possible mechanisms for earliest resolution of the subject matter.

FOCUS AREAS

Exploration

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

Exploration South Assets

Civil works for drilling of exploratory well Khipro East X-1 have been completed in Khipro East block and Rig will be mobilised soon.

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

An in-house 3D reservoir simulation study was completed for the Shahdadpur and Zafir fields in the Gambat South block. The study provides better understanding of the current and the future reservoir performance and help in optimising recoveries, estimation of the hydrocarbon in-place volumes and recoveries, identification of production optimisation and reserves enhancement opportunities associated to this field. Conducting this study using in-house expertise has also resulted in substantial savings.

Exploration North Assets

In Dhok Sultan block, drilling of 2nd exploratory well Dhok Sultan South X-1 has been completed and currently preparations are underway for testing of potential reservoirs, whereas site construction has been completed to spud first appraisal well of Dhok Sultan discovery.

Exploration Frontier Assets

Exploratory well Mor Gandh X-1 (Margand block) has been deepened to 5,100 meters and currently testing of deeper section of Chiltan formation is in progress.

In Bela West block, exploratory well Bela West X-1 was plugged and suspended due to operational issues.

Madain-1 exploratory well in Block-8, Iraq had discovered sub-commercial volume of oil. The well has been suspended. Further technical studies in the block incorporating well results continue. Due to COVID-19, planning activities for seismic acquisition and 2nd exploratory well have been delayed.

Partner-Operated Exploration Blocks

In Kotri North block, rig-less testing of appraisal well Unarpur-2 has been completed. The well tested minor gas / non-commercial flows and is suspended for further evaluation.

In Khuzdar North block, acquisition of 2D seismic data is in progress.

Based on the post well evaluation of offshore exploration well Kekra X-1 and remaining low prospectivity of the block, joint venture partners have decided to relinquish the offshore Indus-G block at the expiry of its exploration lease term i.e. May 31, 2020.

Producing Fields

Sui

Development wells Sui-111(U) and Sui-112(P) have been staked and land acquisition activities completed, whereas, site construction activities of development well Sui-110(U) have been completed.

Further, maintenance and upgrade / enhancement of plant reliability activities were undertaken at both Purification Plant and Sui Field Gas Compression Station, including major overhaul of one compressor, gas turbine, boiler and purification banks to ensure uninterrupted supply of gas to customers.

Kandhkot

Maintenance and upgrade / enhancement of plant reliability activities were undertaken at Kandhkot Gas Field, including preventive maintenance of Gas Genset-A & C, emergency diesel Genset, compressed package-A and plant UPS systems.

Gas sales during the current quarter averaged only 146 MMscfd as against field potential of ~230 MMscfd, due to significantly lower offtakes by the customer i.e. GENCO-II.

Adhi

Development well Adhi-34 (T/K) was completed and commissioned.

Gambat South / Hala / Mazarani

In Gambat South, well site construction of development well Sharf-3 has commenced.

In Mazarani, interim extension of Development & Production Lease (D&PL) till May 2020 on existing terms & conditions was granted by the Government of Pakistan (GoP). However, approval for two-year re-grant with gas price revision is awaited.

Partner-Operated Assets

Appraisal well Nashpa-5A was plugged & abandoned in view of discouraging results and has been charged to profit or loss as dry well.

In Kirthar, development well Rizq-3 was successfully completed as gas producer, whereas development well Rehman-7 was spud-in during February 2020 and currently drilling is in progress.

Development wells Qadirpur-15 (HRL) and Latif-23 were spud-in during March 2020 and currently drilling is in progress.

Corporate Social Responsibility

In addition to the initiatives undertaken as a result of the COVID-19 outbreak, PPL continued to work for promotion of education in its producing and exploratory areas across the country. Accordingly, construction of various schools was completed and around 32 scholarships were released under 'Higher Professional Education Scholar Scheme'.

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

Further, construction on 33 water supply schemes including 12 Reverse Osmosis (RO) plants at Jamshoro, Sujawal, Nawabshah, Sanghar, Naushahro Firoz, Kashmore, Lasbela and Awaran, were completed and 395 smokeless stoves were provided to local population of Kalat.

Quality, Health, Safety and Environment (QHSE)

Unprecedented challenge has been faced by the Company in the wake of COVID-19 pandemic. It spurred a lot of internal deliberations and consultation amongst stakeholders to tackle the emerging scenario proactively. Rapid staff awareness, emergency management protocols, regular safety advisories, guidelines communication and PPEs arrangement remained under QHSE focus.

Human Resources and Industrial Relations

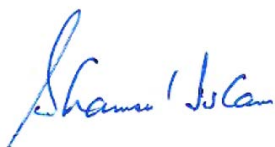
The Company continues to provide equal opportunity in recruitment, promotion, rewards, training and career development to all employees while also keeping its focus on skills and competencies development of staff, through leadership / soft skills programs, technical trainings and awareness sessions.

The Company's efforts have been recognised by the Global Diversity and Inclusion Benchmarks (GDIB) as the Company participated in the GDIB 2020 awards and was declared the winner in the categories of Recruitment, Benefits and Job Design.

Further, harmonious working environment and cordial industrial relations atmosphere prevailed at all locations of the Company, which has been further proven by the staff's unprecedented commitment towards Business/Operational continuity during current emergency situation.

ACKNOWLEDGEMENT

In these extraordinary times, the Company has done well and is geared to tackle the evolving challenges as they come. This would not have been possible without the continuous commitment, efforts and remarkable resilience shown by 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



MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER

Karachi: April 23, 2020

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

مزید یہ کہ پانی کی فراہمی کے لئے 33 اسکیمیں بشمول جامشورو، سجاول، نوابشاہ، ساٹھڑ، نوشہرہ فیروز، کشمور، لسبیلہ اور آوران میں ریورس آسموسس کے 12 پلانٹس کی تنصیب مکمل ہو چکی ہے۔ اس کے علاوہ قلات میں مقامی آبادیوں میں دھوئیں سے پاک 395 سٹسی توانائی سے چلنے والے چولہے تقسیم کئے گئے۔

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

COVID-19 کی عالمی وباء کے پیش نظر کمپنی کو غیر معمولی چیلنج کا سامنا ہے۔ جس کی بناء پر اس صورتحال سے پیش قدمی سے نمٹنے کے لئے تمام اندرونی شراکت داروں کے ساتھ کافی مشاورت اور سوچ و بچار کا سلسلہ جاری رہا۔ اس ضمن میں عملے کی جلد آگاہی، ایمرجنسی سے نمٹنے کے انتظام کے مروجہ طریقہ کار، عملے کے لئے تحفظ کے حوالے سے ہدایت ناموں کی باقاعدگی سے تشریح اور ذاتی حفاظتی سامان (پی پی ای) کی فراہمی کیو ایچ ای کے لئے زیرِ نظر عرصے کے دوران اہم امور ہے۔

انسانی وسائل اور انڈسٹریل ریلیشنز

کمپنی بھرتیوں، ترقی اور اجراء اور تمام عملے کی پیشہ وارانہ تربیت کے لئے مساوی مواقع فراہم کرتی ہے۔ اس کے ساتھ ساتھ کمپنی اس بات پر بھی زور دیتی ہے کہ عملے کی مہارتوں اور صلاحیتوں میں قائدانہ و دیگر سماجی مہارتوں، تکنیکی تربیتوں اور آگاہی کی نشستوں کے ذریعے اضافہ کیا جائے۔

اس ضمن میں کمپنی کی کاوشوں کو عالمی تنوع اور شامل کار کرنے کے معیارات (جی ڈی آئی بی) (Global Diversity and Inclusive Benchmarks) کی سطح پر سراہا گیا۔ کمپنی نے جی ڈی آئی بی 2020 کی ایوارڈ میں شرکت کی اور اسے بھرتیوں، اجراء اور جاب ڈیزائن کے حوالے سے ایوارڈ کی درجہ بندی میں کامیاب قرار دیا گیا۔ مزید یہ کہ کمپنی کی تمام لوکیشنز میں ہم آہنگ کاروباری ماحول اور خوش گوار صنعتی فضا کو پروان چڑھایا گیا جس کا منہ بولتا ثبوت عملے کا اس ایمرجنسی صورتحال میں بھی کمپنی کے کاروباری امور کو جاری رکھنے کے لئے بے مثال عزم کا اظہار ہے۔

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۔

Moin Loya Uha

مینجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر

Shamir Iqbal

ڈائریکٹر

کراچی

23 اپریل 2020

سوئی

پیداواری کنوئیں سوئی-111(U) اور سوئی-112(P) کی کھدائی کے لئے جگہ کا تعین کر لیا گیا ہے اور اس حوالے سے زمین کا حصول بھی مکمل ہو گیا ہے۔ جبکہ پیداواری کنوئیں سوئی-110(U) کی کھدائی کے لئے تعمیراتی سرگرمیوں مکمل ہو گئیں ہیں۔

مزید یہ کہ پیوریفیکیشن پلانٹ اور سوئی فیلڈ گیس کپریشن اسٹیشن میں پلانٹ کی صلاحیت بڑھانے سے متعلقہ سرگرمیاں جس میں ایک کپریسر، گیس ٹربائین، بائیلر کے ساتھ ساتھ پیوریفیکیشن بنک کی مکمل تجدید اور مرمت بھی شامل ہے تاکہ گیس کی بلا قطل سپلائی کو ممکن بنایا جاسکے۔

کندھ کوٹ

کندھ کوٹ گیس فیلڈ میں پلانٹ کی تجدید/صلاحیت بڑھانے سے متعلقہ سرگرمیاں انجام دیں گئیں جس میں گیس جینیٹ A & C، ایمرجنسی ڈیزل جینیٹ، کپریسر ڈیپیکج اور پلانٹ UPS سسٹم کی حفاظتی مینٹیننس بھی شامل ہیں۔

زیر جائزہ عرصے کے دوران جینکو-II کی جانب سے گیس کی خاصی کم خریداری کی بناء پر فیلڈ سے گیس کی فروخت صرف یومیہ 146 ایم ایم ایس سی ای ری جبکہ فیلڈ کی مجموعی پیداواری صلاحیت تقریباً یومیہ 230 ایم ایم ایس سی ایف ہے۔

آدھی

پیداواری کنوئیں آدھی-34(T/K) کو مکمل کر کے پیداواری سلسلے سے جوڑ دیا گیا ہے۔

گمبٹ ساؤتھ/ہالہ/مزرانی

گمبٹ ساؤتھ بلاک میں پیداواری کنوئیں شرف-3 کی کھدائی کے لئے تعمیراتی کام کا آغاز ہو چکا ہے۔

مزرانی گیس فیلڈ کے لئے حکومت پاکستان کی جانب سے موجودہ قواعد و ضوابط کے تحت دی جانے والی ڈیولپمنٹ اینڈ پروڈکشن لیز (ڈی اینڈ پی ایل) کی عبوری تجدید مئی 2020 کو ختم ہو رہی ہے۔ گیس کی قیمتوں میں اعادہ کے ساتھ فیلڈ پی ایل کو دو سال کے لیے دوبارہ گرانٹ کرنے کے حوالے سے حکومت پاکستان کی منظوری کا انتظار ہے۔

پارنر-آپریشنز اٹاٹے

ٹشپا میں، تجرباتی کنوئیں ٹشپا-5A کو غیر تسلی بخش نتائج کی بنیاد پر بند کر کے ترک کر دیا گیا ہے اور اسے نفع اور نقصان کے کھاتے میں بحیثیت خشک کنوئیں کے درج کر دیا گیا ہے۔

ہے اور جانچ جاری ہے جبکہ پیداواری کنوئیں ٹشپا-10 کی کھدائی کا آغاز اکتوبر 2019 میں ہوا جس پر کام ابھی جاری ہے۔

کیہر تھر بلاک میں پیداواری کنوئیں رزق-3 کو گیس کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے جبکہ پیداواری کنوئیں رحمن-7 کی کھدائی کا آغاز فروری 2020 میں ہوا جس پر کام ابھی جاری ہے۔

پیداواری کنوئیں قادر پور-15 (ایچ آر ایل) اور لطیف-23 کی کھدائی کا آغاز مارچ 2020 میں ہوا جس پر کام ابھی جاری ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر)

COVID-19 کی وباء کے تناظر میں کئے جانے والے اقدامات کے علاوہ پی پی ایل ملک میں اپنے دریا فنی و پیداواری علاقوں میں تعلیم کے فروغ کے لئے کام جاری رکھے ہوئے ہیں، اس ضمن میں زیر جائزہ مدت میں بہت سے اسکولوں کی تعمیر مکمل ہوئی اور پی پی ایل کی جانب سے اعلیٰ تعلیم کے حصول کے لئے وظائف کے تحت تقریباً 32 مستحق طالبعلموں کو وظائف دیئے گئے۔

اہم شعبہ جات

دریافتی سرگرمیاں

اس وقت، پی پی ایل اور اسکی ذیلی کمپنیوں کے پاس 48 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 20 پارٹنر آپریٹڈ ہیں جن میں پاکستان میں 3 آف شور اور یمن میں 1 آف شور بلاکس بھی شامل ہیں۔

اہم سرگرمیوں کی تفصیل حسب ذیل ہے:

ایکسپلوریشن کے جنوبی اٹاٹے

کچہر وایسٹ بلاک میں پہلے دریافتی کنونٹس کچہر وایسٹ 1-X کی کھدائی کے لئے تعمیراتی کام مکمل ہو چکا ہے۔ رگ کو جلد ہی کھدائی کے مقام تک پہنچایا جائے گا۔
بالہ بلاک میں دریافتی کنونٹس زرباب 1-X کو بند کر کے ترک کر دیا گیا ہے اور اسے کمپنی کے نفع و نقصان کے کھاتے میں خشک کنونٹس کے طور پر درج کر لیا گیا ہے۔

گمبٹ ساؤتھ بلاک میں شہداد پورا اور ظافر فیلڈز کے لئے کمپنی کو عملے کے ذریعے ہی ایک 3D ذخائر کی تحریک کی تحقیق (reservoir stimulation study) کروائی گئی۔ اس تحقیق کے ذریعے ذخائر کی موجودہ اور مستقبل میں کارکردگی کی بہتر سمجھ اور ان سے ممکنہ حد تک پیداوار کے حصول، موجودہ ہائیڈروکاربن کے حجم کے تخمینے اور ممکنہ حد تک بازیابی کو سمجھنے میں مدد ملے گی۔ ساتھ ہی ساتھ فیلڈ سے منسلک ذخائر کے ممکنہ حصول اور پیداوار میں بہتر اضافے سے منسلک مواقعوں کی شناخت بھی ہو سکے گی۔ اس تحقیق کے لئے کمپنی کے عملے کی خدمات لی گئی جس کی بناء پر اس منصوبے پر خاصی بچت ہوئی ہے۔

ایکسپلوریشن کے شمالی اٹاٹے

ڈھوک سلطان بلاک میں دوسرے دریافتی کنونٹس ڈھوک سلطان 1-X کی کھدائی مکمل ہو چکی ہے۔ اس وقت کنونٹس میں ذخائر کی موجودگی کے لئے جانچ کی تیاری جاری ہے۔
ساتھ ہی ڈھوک سلطان سے ہونے والی پہلی دریافت کا تخمینہ لگانے کے لئے پہلے تجزیاتی کنونٹس کی کھدائی کے حوالے سے تعمیراتی کام مکمل ہو چکا ہے۔

ایکسپلوریشن کے سرحدی اٹاٹے

مرگند بلاک کے پہلے دریافتی کنونٹس مورگندہ 1-X کو مزید 5100 میٹر تک گہرا کیا گیا ہے۔ اس وقت چلتن فارمیشن کے گہرے سیکشن کی جانچ جاری ہے۔ حب بلاک میں بیلہ وایسٹ بلاک میں دریافتی کنونٹس بیلہ وایسٹ کو آپریشنل دشواریوں کے باعث بند کر کے معطل کر دیا گیا ہے۔

بلاک 8 عراق میں پہلے دریافتی کنونٹس مدائن 1-X سے نیم تجارتی نوعیت کے تیل کے ذخائر دریافت ہوئے ہیں۔ کنونٹس کو معطل کر دیا گیا ہے۔ اس وقت، بلاک میں تکنیکی تحقیق جاری ہے جس میں کنونٹس سے حاصل ہونے والے نتائج بھی شامل کئے جا رہے ہیں۔ COVID-19 کی بناء پر بلاک میں مزید سائزنگ ڈیٹا کے حصول اور دوسرے دریافتی کنونٹس کی کھدائی کی تیاری کی سرگرمیاں تعطل کا شکار ہیں۔

پارٹنر آپریٹڈ اٹاٹے

کوٹری نارتھ بلاک میں تجزیاتی کنونٹس اوزر پور-2 پر رگ کے بغیر تجربے کا کام مکمل ہو چکا ہے۔ کنونٹس سے گیس کی معمولی مقدار / غیر تجارتی بہاؤ حاصل ہوا ہے اور اسے مزید جانچ کے لئے معطل کر دیا گیا ہے۔

خضدار نارتھ بلاک میں 2D سائزنگ سروے کا حصول جاری ہے۔

آف شور انڈس G بلاک کے دریافتی کنونٹس کیکڑا 1-X کی بعد از کھدائی جانچ کی بنیاد پر اور بلاک میں دریافتوں کے ممکنہ امکانات کم رہ جانے کی وجہ سے شراکتی حصہ داروں نے اسکی دریافتی لیزز کے 31 مئی 2020 کو ختم ہونے کے ساتھ ہی بلاک کو ترک کرنے کا فیصلہ کر لیا ہے۔

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 7,027 ملین روپے کا اضافہ ہوا ہے۔ یہ اضافہ مثبت تغیر کو واضح کرتا ہے جو قیمت (بشمول زرمبادلہ کی شرح) کی مد میں 12,062 ملین روپے رہا جس نے حجم کی مد میں 5,035 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 زرمبادلہ کی اوسط شرح 156.68 روپے فی امریکی ڈالر تھی جبکہ تقابلی سال کے دوران یہ شرح 132.81 روپے فی امریکی ڈالر تھی) جس نے خام تیل کی بین الاقوامی قیمتوں میں ہونے والی کمی کو جو تقابلی سال میں 68.42/bbl امریکی ڈالر تھی کے مقابلے میں موجودہ سال کے دوران 58.94/bbl امریکی ڈالر ہو گئی، کے اثر کو جزوی طور پر زائل کیا۔ حجم میں منفی تغیر سوئی، کندھ کوٹ، آدہی اور پٹا فیلڈز میں کمی کی بناء پر آیا۔

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

نوماء کا اختتام 31 مارچ 2019	نوماء کا اختتام 31 مارچ 2020	یونٹ	
212,349	190,355	ایم ایم سی ایف	قدرتی گیس
4,263,738	4,001,689	بی بی ایل	خام تیل/قدرتی گیس مائع (این جی ایل)/کنڈنسیٹ
87,333	86,036	ٹن	مائع پٹرولیم گیس (ایل پی جی)
75,494	54,736	ٹن	پیرائٹس

منفعت

کمپنی کی عمومی منفعت میں تقابلی عرصے کے مقابلے میں 13 فیصد کمی ہوئی ہے۔ جس کی بنیادی وجہ کاروباری اخراجات کے ساتھ ساتھ دریافتی اخراجات، دیگر اخراجات اور متعلقہ ٹیکس (جو فروخت میں اضافے سے منسلک ہے) میں اضافے کے ساتھ ساتھ دیگر آمدنی میں ہونے والی کمی ہے جسے فروخت آمدن میں ہونے والے اضافے (جو کہ اوپر بیان کئے گئے ہیں) نے جزوی طور پر زائل کیا۔

کاروباری اخراجات میں ہونے والا اضافہ وقت کے ساتھ ساتھ کمپنی کے اثاثہ جات کی قدر میں کمی اور نئے کنوؤں کی کھدائی کے لئے لگنے والی لاگت کی بناء پر ہے۔ جبکہ دریافتی اخراجات میں ہونے والے اضافے کی وجہ خشک کنوؤں پر لگنے والی کثیر لاگت ہے جسے زیر نظر عرصے میں نفع و نقصان کے کھاتے میں درج کر دیا گیا ہے۔

دیگر اخراجات اور دیگر آمدنی میں ہونے والی تبدیلی کی وجہ پی پی ایل ایشیا ای اینڈ پی بی وی میں کمی 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 کمی جانے والی سرمایہ کاری میں ہونے والے خسارہ میں کمی ہوئی تھی۔ ساتھ ہی زیر نظر عرصے میں تقابلی عرصے کے مقابلے میں زرمبادلہ کی مد میں کمی ہوئی۔

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 غیر معمولی دباؤ بڑھتا گیا ہے۔ اس ضمن میں، 31 مارچ 2020 کو کمپنی کی وصولیات 32 فیصد اضافے کے ساتھ 299 بلین روپے رہی (جبکہ 30 جون 2019 کو یہ وصولیات 227 بلین روپے تھی)۔ بورڈ آف ڈائریکٹرز کے مطابق قدرتی گیس اور توانائی کے شعبے کے گردشی 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 شرائط داروں کو ساتھ لیا ہے تاکہ اس مسئلے کا جلد حل نکالنے کے لئے ممکنہ طریقہ کار تلاش کئے جاسکیں۔

ملک بھر میں COVID-19 کا تیزی سے پھیلاؤ، صحت سے متعلق بدترین ہنگامی صورتحال میں سے ایک ہے جو پاکستان سمیت پوری دنیا کو اب تک درپیش ہے۔ پبلک سیکٹر کی ایک بڑی کمپنی کی حیثیت سے پی پی ایل اس بیماری پر قابو پانے اور اپنے آپریشنل علاقوں میں مقیم مقامی آبادی کو سہولت فراہم کرنے کے لئے حکومت کو مدد فراہم کر رہی ہے۔ اس مقصد کے لئے کمپنی، پی پی ایل کے آپریشنل علاقوں میں متاثرہ اور زہد پذیر مقامی آبادیوں کو مالی مدد فراہم کر رہی ہے۔ آپ کی کمپنی متعلقہ علاقوں کے ڈپٹی کمشنرز کے ذریعے بر وقت ذاتی حفاظتی ساز و سامان (پی پی ای) اور راشن کے اشیاء کی خریداری میں کامیاب رہی ہے اور کمپنی کے آپریشنل علاقوں میں ڈاکٹروں، متعلقہ طبی عملے کے لئے پی پی ای اور مقامی آبادی کے لئے راشن کے تھیلے فراہم کر رہی ہے۔

مستقبل کا منظر نامہ

کمپنی انتظامیہ بدستور بدلتی ہوئی صورتحال پر کڑی نظر رکھے ہوئے ہے اور مقامی، صوبائی اور وفاقی حکومتوں سے مستقل رابطے میں ہے تاکہ ان کے مشورے اور رہنمائی کی روشنی میں عملے کی صحت اور فلاح و بہبود پر سمجھوتہ کئے بغیر بنا کسی رکاوٹ کے تیل اور گیس ہائیڈروکاربن کی صورت میں قوم کو محفوظ تر توانائی کی فراہمی کو جاری رکھے۔

آپریشنل و مالیاتی جھلکیاں / اہم نکات

آپریشنل جھلکیاں / آپریشنز کے اہم نکات

31 مارچ 2020 کو ختم ہونے والے نو ماہ کے دوران اہم کاروباری آپریشنز حسب ذیل ہیں:

دریافتیں

زیر جائزہ عرصے کے دوران دو دریافتیں ہوئیں۔ ایک مورگنڈھ 1-X پی پی ایل کے آپریٹنگ بلاک مرگنڈھ میں جبکہ دوسری بیٹرو-1 شراکتی بلاک لطیف میں ہوئی۔

کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی ایل آپریٹنگ بلاکس میں 4 کنوئیں (2 دریافتی اور 2 پیداواری) کھودے گئے جبکہ گذشتہ مدت میں 5 کنوئیں (4 دریافتی اور 1 پیداواری) کھودے گئے۔۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

31 مارچ 2020 کو ختم ہونے والے نو ماہ کے دوران کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

نومہ کا اختتام	نومہ کا اختتام	
31 مارچ 2019	31 مارچ 2020	
ملین روپے		
119,201	126,228	فروخت آمدن (خالص)
59,641	54,530	قبل از ٹیکس منافع
(14,387)	(15,301)	ٹیکس
45,254	39,229	بعد از ٹیکس منافع
16.63 (اعادہ شدہ)	14.42	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

ڈائریکٹر ان کا عبوری جائزہ

آپ کے ڈائریکٹر ان 31 مارچ 2020 کو ختم ہونے والی نومبر کے غیر آڈٹ شدہ مجتمع عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے ماحول اور امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

COVID-19 کی عالمی وباء

دنیا بھر میں COVID-19 (کورونا وائرس کی وباء 2019) سے پھیلا شروع ہو گئی تھی۔ تاہم پاکستان میں اس کا پہلا کیس فروری 2020 کے اواخر میں سامنے آیا۔ آپ کے ڈائریکٹر COVID-19 کی عالمی وباء کے اثرات سے بخوبی آگاہ ہیں۔ اس ضمن میں، کمپنی نے اپنے عملے کی صحت اور تحفظ کو مد نظر رکھتے ہوئے تمام ممکنہ اقدامات کئے تاکہ دریا فنی و پیداواری منصوبوں، امور اور مختلف فیلڈ سے پیداوار کو برقرار رکھا جائے۔ جس کی تفصیل درج ذیل ہے:

آپریشنز

COVID-19 کی وباء کو محدود کرنے کے لئے مارچ 2020 کے وسط سے کئے جانے والے lockdown کی بناء پر تیل کی مارکیٹنگ کمپنیوں کی جانب سے طلب میں کمی اور نقل و حمل میں دشواریوں کے سبب کمپنی کی آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز خصوصاً آدہی، ٹل، نپا کی پیداوار میں کمی واقع ہوئی۔ جینکو-11 کی جانب سے گیس کی کم خریداری کی بناء پر کندھ کوٹ فیلڈ سے بھی گیس کی پیداوار میں خاصی کمی آئی۔ ساتھ ہی متفرق منصوبوں اور سرگرمیوں میں کمی آئی ہے یا انہیں موخر کر دیا گیا تاہم جیسا کہ حکومت پاکستان کی جانب سے ای اینڈ پی سیکٹر کو بنیادی خدمات میں شامل کیا گیا، کمپنی نے اپنی فیلڈ سے پیداوار اور منصوبوں اور سرگرمیوں پر عمل درآمد کو جاری رکھنے کے لئے اپنے عملے کی صحت اور تحفظ کو مد نظر رکھتے ہوئے تمام ممکنہ اقدامات کئے۔ درحقیقت، جہاں تک تیل و گیس کی پیداوار کی سطح کو برقرار رکھنے کا تعلق ہے اس میں کمپنی کی جانب سے کوئی رکاوٹ نہیں تاہم یہ صورتحال طلب میں کمی کے باعث ہے۔

مزید یہ کہ خام تیل کی قیمت کے سلسلے میں خطے کے سیاسی تنازعات اور عالمی معیشت میں مجموعی بحران/مندی کی بناء تیل کی قیمتوں میں تیزی سے کمی واقع ہوئی ہے۔ خام تیل کی قیمتوں میں کمی کا اثر کمپنی کے محصول پر پڑتا ہے کیونکہ گیس اور خام تیل کی فروخت کی بنیادی قیمتیں مشرق وسطیٰ کے (ممالک سے حاصل ہونے والی) خام تیل کی قیمتوں کے معیار (basket of Middle East crude oils) سے منسلک ہیں۔ گرچہ قیمتوں میں تیزی سے ہونے والی کمی کا خطرہ بڑے پیمانے پر کمپنی کے قابو سے باہر ہے، لیکن کمپنی کی اہم پیداوار یعنی قدرتی گیس کی قیمتوں پر اس بحران کا نسبتاً کم اثر پڑا ہے، کیونکہ گیس کی قیمتیں چھ ماہ کے وقفے کے ساتھ سلائیڈنگ اسکیل/زول چھوٹ کے ساتھ مشروط ہوتی ہیں جو کمپنی کی طے کردہ گیس کی قیمتوں پر خام تیل کی قیمتوں میں اچانک رد و بدل کے اثر کو تاخیر کے ذریعے زائل کرتی ہے۔ کمپنی تیل کی کم قیمت کے منظر نامے میں اپنے CAPEX پروگرام کا دوبارہ جائزہ لے رہی ہے۔

کاروباری تسلسل

کمپنی نے اپنے عملے کی بھلائی کے لئے متعدد حفاظتی اقدامات اٹھائے ہیں، جن میں صدر دفتر اور ریجنل دفاتر کے اکثریتی عملے کے لئے 'گھر سے کام' متعارف کروانا اور فیلڈ آپریشنز پر کم سے کم اثر ڈالنے بغیر فیلڈ لوکیشنز کے مابین عملے کی نقل و حرکت کو محدود کیا۔ اس ضمن میں، انفارمیشن ٹیکنالوجی ڈپارٹمنٹ نے عملے کے لئے آن لائن کام کی سہولت، رابطے اور مشاورت، ڈیٹا کے تحفظ کے لئے جدید ترین ٹولز متعارف کروائے ہیں جس میں کمپنی کے معلوماتی اثاثوں کے تحفظ کے لئے رائٹ مینجمنٹ سروس (آرایم ایس) شامل ہے جس نے بغیر کسی تعطل کے کام کا سازگار ماحول فراہم ہے۔ متعدد مراحل پر مبنی استناد (multi-factor authentication) تمام صارفین کے لئے کمپنی کے فراہم کردہ اور ذاتی کمپیوٹرز سے متنوع کاروباری اور تکنیکی ایپلی کیشنز تک رسائی حاصل کرنے کے لئے اضافی سیکیورٹی فراہم کرتی ہے۔ عملے کے اراکین آئی ٹی کی ان جدید سہولیات کو جوش و خروش سے استعمال کر رہے ہیں، جس نے پوری انتظامیہ اور ان کی ٹیم کے اعلیٰ سطح کے عزم کو ثابت کیا اور اس طرح موجودہ چیلنج والی صورتحال کو شکست دے دی۔

PAKISTAN PETROLEUM LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**



	Note	March 31, 2020 (Unaudited) (Rupees in thousand)	June 30, 2019 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	152,241,575	159,842,053
Intangible assets		335,446	481,135
		<u>152,577,021</u>	<u>160,323,188</u>
Long-term investments	6	37,167,776	45,284,852
Long-term loans		44,998	34,019
Long-term deposits		7,676	7,676
Long-term receivables		41,905	83,810
		<u>189,839,376</u>	<u>205,733,545</u>
CURRENT ASSETS			
Stores and spares		3,924,806	3,146,982
Trade debts	7	299,040,165	227,382,001
Loans and advances		1,051,160	1,064,992
Trade deposits and short-term prepayments		343,124	468,338
Interest accrued		594,981	764,306
Current maturity of long-term investments	6	3,000,000	-
Current maturity of long-term loans		18,030	12,705
Current maturity of long-term deposits		1,175,250	911,850
Current maturity of long-term receivables		152,841	125,714
Other receivables		2,926,804	2,415,811
Short-term investments	8	11,502,400	8,242,798
Cash and bank balances		5,846,239	8,021,760
		<u>329,575,800</u>	<u>252,557,257</u>
TOTAL ASSETS		<u>519,415,176</u>	<u>458,290,802</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	22,674,872
Reserves		306,092,894	275,934,116
		<u>333,302,730</u>	<u>298,608,988</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		26,709,993	24,843,371
Liabilities against assets subject to finance lease		474	12,107
Deferred liabilities		2,922,890	2,754,275
Deferred taxation		33,568,161	37,134,401
		<u>63,201,518</u>	<u>64,744,154</u>
CURRENT LIABILITIES			
Trade and other payables	9	106,976,415	88,086,584
Unclaimed dividends		307,297	302,539
Current maturity of liabilities against assets subject to finance lease		26,896	56,029
Taxation - net		15,600,320	6,492,508
		<u>122,910,928</u>	<u>94,937,660</u>
TOTAL LIABILITIES		<u>186,112,446</u>	<u>159,681,814</u>
TOTAL EQUITY AND LIABILITIES		<u>519,415,176</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

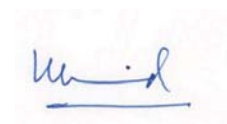

Chief Executive Officer

Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Note	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
----- (Rupees in thousand) -----					
Revenue from contracts with customers	11	40,817,741	40,390,534	126,227,846	119,200,954
Operating expenses	12	(11,707,616)	(10,115,791)	(33,046,864)	(29,571,325)
Royalties and other levies		(6,206,237)	(6,047,762)	(18,886,757)	(17,658,688)
		(17,913,853)	(16,163,553)	(51,933,621)	(47,230,013)
Gross profit		22,903,888	24,226,981	74,294,225	71,970,941
Exploration expenses	13	(2,019,715)	(4,447,746)	(13,761,606)	(12,445,581)
Administrative expenses		(827,647)	(427,196)	(2,164,054)	(1,505,864)
Finance costs		(268,297)	(234,938)	(787,674)	(498,969)
Other charges	14	164,893	(1,748,497)	(7,158,502)	(6,049,857)
		19,953,122	17,368,604	50,422,389	51,470,670
Other income	15	1,640,545	1,303,232	4,107,441	8,170,588
Profit before taxation		21,593,667	18,671,836	54,529,830	59,641,258
Taxation	16	(6,919,393)	(4,457,421)	(15,301,113)	(14,387,406)
Profit after taxation		14,674,274	14,214,415	39,228,717	45,253,852
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	19	5.40	5.22	14.42	16.63

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



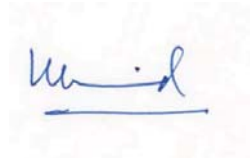
Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
----- (Rupees in thousand) -----				
Profit after taxation	14,674,274	14,214,415	39,228,717	45,253,852
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	14,674,274	14,214,415	39,228,717	45,253,852

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 NINE MONTHS PERIOD ENDED MARCH 31, 2020



	Note	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		91,222,193	85,848,969
Receipts of other income		722,120	5,442,716
Payment to suppliers / service providers and employees - net		(26,823,925)	(20,084,691)
Payment of indirect taxes and Government levies including royalties		(35,103,489)	(37,892,615)
Income tax paid		(9,759,541)	(9,285,576)
Finance costs paid		(5,751)	(12,962)
Long-term loans to employees - net		(16,304)	(22,067)
Net cash generated from operating activities		20,235,303	23,993,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(19,990,786)	(27,819,713)
Proceeds from sale of property, plant and equipment		14,973	21,224
Redemption / (purchase) of long-term investments		2,822,546	(3,667,458)
Repayment of loan by PPPE		-	1,370,080
Purchase of mutual funds - net		(4,709,515)	-
Long-term deposits		(263,400)	-
Long-term receivables		14,778	-
Finance income received		2,788,088	1,833,049
Net cash used in investing activities		(19,323,316)	(28,262,818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(40,766)	(65,237)
Dividends paid		(4,530,217)	(2,970,509)
Net cash used in financing activities		(4,570,983)	(3,035,746)
Net decrease in cash and cash equivalents		(3,658,996)	(7,304,790)
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	17	8,589,264	14,482,464

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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**



	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	-	-	-	45,253,852	45,253,852
Other comprehensive income for the nine months period ended March 31, 2019, net of tax	-	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2019	-	-	-	45,253,852	45,253,852
Transactions with owners					
Issuance of 15% bonus shares to ordinary shareholders	2,957,577	-	-	(2,957,577)	-
Final dividend on ordinary shares for the year ended June 30, 2018 @ 15%	-	-	-	(2,957,577)	(2,957,577)
Conversion of preference shares into ordinary shares	4	(4)	-	-	-
Balance as at March 31, 2019	22,674,762	110	1,428	260,011,946	282,688,246
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	-	-	-	39,228,717	39,228,717
Other comprehensive income for the nine months period ended March 31, 2020, net of tax	-	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2020	-	-	-	39,228,717	39,228,717
Transactions with owners					
- Ordinary shareholders					
Issuance of 20% bonus shares	4,534,953	-	-	(4,534,953)	-
Final dividend for the year ended June 30, 2019 @ 20%	-	-	-	(4,534,953)	(4,534,953)
- Convertible preference shareholders					
Issuance of 10% bonus shares	-	11	-	(11)	-
Final dividend for the year ended June 30, 2019 @ 20%	-	-	-	(22)	(22)
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at March 31, 2020	27,209,718	118	1,428	306,091,466	333,302,730

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 nine months period ended March 31, 2020

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

The changes laid down by this standard have been disclosed in note 3.2 of these unconsolidated condensed interim financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2019 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

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

For the nine months period ended March 31, 2020

3. CHANGE IN SIGNIFICANT 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, except for 'Leases' as mentioned in note 3.2.

3.2 IFRS - 16 "Leases"

Effective July 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains unchanged i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Company's right-of-use asset and lease liability are disclosed in note 3.3.

The Company has adopted IFRS 16 retrospectively from July 1, 2019. Based on the assessment carried out during the period, the impact of IFRS 16 on these unconsolidated condensed interim financial statements is not material. Therefore, no adjustment has been made in these unconsolidated condensed interim financial statements.

3.3 Lease liability and right-of-use asset

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

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

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

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

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

For the nine months period ended March 31, 2020

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 basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits associated with the right-of-use asset. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

- 3.4 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.

March 31,
2020
Unaudited
(Rupees in thousand)

June 30,
2019
Audited

5. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	99,328,260	103,201,973
Additions to owned assets - note 5.1	17,112,972	17,258,357
	116,441,232	120,460,330
Disposals during the period / year (NBV)	(3,099)	(4,638)
Adjustments during the period / year (NBV)	(510,899)	(454,421)
Depreciation / amortisation charged during the period / year	(17,548,982)	(20,673,011)
	98,378,252	99,328,260
Capital work-in-progress - note 5.2	53,863,323	60,513,793
	152,241,575	159,842,053

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

For the nine months period ended March 31, 2020

- 5.1** This includes cost of Unarpur-1 well in Kotri North block amounting to Rs 672 million. The Company farmed-out its 50% working interest in Kotri North block along with operatorship to United Energy Pakistan Limited (UEPL). As part of the farm-out agreement, UEPL carried the Company in the said well by paying its share of the cost. Post discovery and commencement of commercial production from the well, the Company has capitalised the well at its share of cost. The corresponding credit in the statement of profit or loss is included in other income.

March 31,
2020
Unaudited
(Rupees in thousand)

June 30,
2019
Audited

5.2 Capital work-in-progress

Plant, machinery, fittings and pipelines	11,755,038	9,310,018
Exploration and evaluation (E&E) assets - note 5.2.1	17,435,088	25,602,557
Development and production (D&P) assets	7,466,525	7,461,181
Lands, buildings and civil constructions	153,591	157,547
Capital stores for drilling and development	17,053,081	17,982,490
	<u>53,863,323</u>	<u>60,513,793</u>

- 5.2.1** Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 11,812 million (June 30, 2019: Rs 18,998 million).

March 31,
2020
Unaudited
(Rupees in thousand)

June 30,
2019
Audited

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	-	2,294,529
	<u>3,798,095</u>	<u>6,092,624</u>

Other investments

- At amortised cost

- Foreign currency term deposits with banks - note 6.2	36,369,681	39,192,228
Less: Current Maturity of Foreign currency term deposits	(3,000,000)	-
	<u>37,167,776</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 2,295 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\$ 218.765 million (June 30, 2019: US\$ 238.977 million).

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

For the nine months period ended March 31, 2020

	March 31, 2020 Unaudited	June 30, 2019 Audited
	(Rupees in thousand)	
7. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	51,054,452	36,356,708
Sui Northern Gas Pipelines Limited (SNGPL)	141,395,462	107,783,916
Sui Southern Gas Company Limited (SSGCL)	92,265,811	73,424,543
Pak-Arab Refinery Limited (PARCO)	433,201	1,335,964
Pakistan Refinery Limited (PRL)	1,675,891	623,152
Oil & Gas Development Company Limited (OGDCL)	74,183	371,716
	286,899,000	219,895,999
Non-related parties		
Attock Refinery Limited (ARL)	10,132,257	6,339,650
National Refinery Limited (NRL)	1,625,462	639,950
Others	383,446	506,402
	12,141,165	7,486,002
	299,040,165	227,382,001
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)
	-	-
	299,040,165	227,382,001
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	24,654,642	29,727,763
Past due but not impaired:		
Related parties		
- within 90 days	32,337,788	33,471,925
- 91 to 180 days	29,805,644	30,226,725
- over 180 days	205,264,183	130,362,092
	267,407,615	194,060,742
Non-related parties		
- within 90 days	5,478,335	2,477,229
- 91 to 180 days	183,377	134,240
- over 180 days	1,316,196	982,027
	6,977,908	3,593,496
	299,040,165	227,382,001

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

For the nine months period ended March 31, 2020

- 7.2** Trade debts include overdue amount of Rs 265,883 million (June 30, 2019: Rs 192,827 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 9,659 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.

March 31, 2020 Unaudited	June 30, 2019 Audited
(Rupees in thousand)	

8. SHORT-TERM INVESTMENTS

At amortised cost

- | | | |
|---|------------------|-----------|
| - Local currency term deposits with banks | 2,743,025 | 4,226,500 |
|---|------------------|-----------|

At fair value through profit or loss

- | | | |
|----------------|-------------------|-----------|
| - Mutual Funds | 8,759,375 | 4,016,298 |
| | 11,502,400 | 8,242,798 |

9. TRADE AND OTHER PAYABLES

Creditors	671,129	858,920
Accrued liabilities	7,327,965	8,761,292
Security deposits from LPG distributors	148,855	347,280
Retention money	97,906	117,425
Gas Development Surcharge (GDS)	35,524,029	21,537,888
Gas Infrastructure Development Cess (GIDC)	10,199,919	7,667,350
Sales tax - net	1,564,305	59,617
Royalties	7,102,991	9,151,573
Lease extension bonus	19,270,431	15,481,758
Current accounts with joint operations	13,648,081	17,162,496
Staff retirement benefit funds	498,428	1,050,689
Provision for windfall levy on oil / condensate -note 10.3	7,864,937	5,718,937
Workers' Profits Participation Fund (WPPF)	2,717,973	-
Others	339,466	171,359
	106,976,415	88,086,584

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, except for the following:

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

For the nine months period ended March 31, 2020

- 10.1** During the period, the Tax Authorities while amending the assessment for the tax year 2019 have created a demand of Rs 2,437 million primarily on account of provision for windfall levy and unrealised exchange gain. The demand created was duly paid by the Company under protest. Being aggrieved the Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR-(A)] which is pending for adjudication.

Further, the Tax Authorities have issued a show-cause notice intending to further amend the assessment of the Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax. Based on the advice of the legal counsel, the Company has filed a Constitutional Petition challenging the said show-cause notice before the Honourable Sindh High Court (SHC). The Honourable SHC vide an interim order dated January 23, 2020 has directed the Tax Authorities not to pass an adverse order in respect of the said show-cause notice.

During the period, the CIR-(A) has also decided the appeals filed by the Company in respect of assessment proceedings for the tax years 2015 to 2018. In the said decisions, the CIR-(A) has decided the issue of rate, depletion allowance, tax credits under sections 65A and 65B and super tax on Non-Agreement area against the Company, whereas, the issue of super tax on Agreement Areas has been decided in favour of the Company. Being aggrieved with the said decisions, the Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues decided against the Company for the tax years 2015 to 2017 which is pending for adjudication. Moreover, the Company is in the process of filing an appeal before the ATIR for the tax year 2018.

10.2 Sindh Workers' Profit Participation Fund

There has been no change in the status of the matter as disclosed in note 25.1.6 to the unconsolidated financial statements for the year ended June 30, 2019, except that during the period the Company received a letter from the Sindh Revenue Board requesting to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) in terms of the Sindh Companies (Workers Participation) Act, 2015 (SWPPF Act, 2015) in respect of the year 2019. Subsequent to the period end, the Company on the advice of the legal counsel, challenged the vires of the SWPPF Act, 2015 and has obtained interim stay from the Honourable SHC with the direction to deposit the leftover amount relating to Sindh before the Nazir of the Court, which has duly been complied with. The matter is now pending before the Honourable SHC for adjudication.

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

There has been no change in the status of the matter as disclosed in note 26.1.9 to the unconsolidated financial statements for the year ended June 30, 2018, except that on March 19, 2020 (the date fixed for hearing) the Islamabad High Court cancelled all the hearings of regular cases due to ongoing pandemic situation. The case now stands adjourned to a date in office and is not likely to be fixed for hearing in the foreseeable future. However, the stay granted in the case remains in field.

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

For the nine months period ended March 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	118,106,488	104,053,388
Gas supplied to Sui villages	532,272	401,332
Internal consumption of gas	283,657	228,325
Crude oil / Condensate / Natural Gas Liquids	35,866,138	36,796,058
LPG	7,468,445	7,687,902
Barytes	652,579	794,473
	162,909,579	149,961,478
Government levies / discounts		
Federal excise duty	(1,361,912)	(1,511,378)
Sales tax	(18,370,073)	(16,359,325)
GDS	(13,986,141)	(9,469,676)
GIDC	(2,532,569)	(2,965,676)
Petroleum Levy	(401,816)	(407,757)
Discounts (Barytes)	(29,222)	(46,712)
	(36,681,733)	(30,760,524)
	126,227,846	119,200,954

- 11.1** Revenue from contracts with customers includes revenue recognised based on take-or-pay arrangements till November 23, 2019.

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

For the nine months period ended March 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
12. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	5,811,174	5,622,200
Operators' personnel	1,607,491	1,273,712
Depreciation	7,004,121	7,518,038
Amortisation of decommissioning assets	1,357,552	1,047,286
Amortisation of D&P assets	9,025,243	7,070,536
Plant operations	2,630,584	2,204,414
Well interventions	1,002,145	1,209,760
Field services	1,821,820	1,396,428
Crude oil transportation	913,879	652,742
Travelling and conveyance	397,423	334,129
Training & development	24,847	9,504
PCA overheads	109,472	83,234
Insurance expenses	487,646	450,130
Free supply of gas to Sui villages	532,272	401,332
Social welfare / community development	249,589	217,771
Other expenses	71,606	80,109
	33,046,864	29,571,325
13. EXPLORATION EXPENSES		
13.1	Exploration expenses for the period also include cost of dry wells amounting to Rs 11,812 million (March 2019: Rs 8,690 million).	
	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
14. OTHER CHARGES		
WPPF charge	2,717,973	3,151,936
Impairment loss on investment in PPLA - note 6.1	2,294,529	-
Provision for windfall levy on oil / condensate	2,146,000	2,814,000
Loss on disposal / write-off of stores and spares (net)	-	83,921
	7,158,502	6,049,857

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

For the nine months period ended March 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	626,078	323,951
Income on term deposits	325,582	300,904
Income on foreign currency long-term investments at amortised cost	1,495,300	1,261,044
Income from investment in treasury bills	171,803	128,501
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	82,886	112,824
	2,701,649	2,127,224
Income from assets other than financial assets		
Rental income on assets	4,675	6,254
Profit on sale of property, plant and equipment (net)	11,874	17,506
Exchange gain on foreign currency (net)	676,995	5,330,463
Reversal of impairment loss on investment in PPPE	-	599,961
Share of profit on sale of LPG	4,785	36,023
Others - note 5.1	707,463	53,157
	1,405,792	6,043,364
	4,107,441	8,170,588
16. TAXATION		
Current		
- For the nine months	19,320,243	15,845,189
- For the prior year	(452,890)	(177,396)
	18,867,353	15,667,793
Deferred	(3,566,240)	(1,280,387)
	15,301,113	14,387,406
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,846,239	3,689,964
Short-term highly liquid investments	2,743,025	10,792,500
	8,589,264	14,482,464

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

For the nine months period ended March 31, 2020

18. 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:

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
Sales of gas / barytes to state controlled entities (including Government Levies)		
GENCO-II	28,051,423	22,976,258
SSGCL	32,054,286	26,140,847
SNGPL	57,759,159	54,775,216
OGDCL	119,137	135,388
	117,984,005	104,027,709
Long-term receivables, trade debts and other receivables from State controlled entities as at March 31	285,023,121	193,592,575
Transactions with subsidiaries		
Receivable from PPLA as at March 31	44,101	69,698
Receivable from PPLE as at March 31	5,886	8,581
Interest income on long-term loan to PPLE	-	18,565
Payment of employees cost on secondment	99,441	46,868
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	1,175,250	911,850
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	4,139,446	4,224,633
Sales of crude oil / condensate to PRL	2,426,133	-
Payment to Total PARCO Pakistan Limited	284,094	221,345
Payment to Petroleum Institute of Pakistan	4,092	-
Deposits with Askari Bank Limited as at March 31	300,938	-

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

For the nine months period ended March 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
	(Rupees in thousand)	
Transactions with Joint Operations		
Payments of cash calls to joint operations	29,280,511	35,180,064
Expenditures incurred by the joint operations	26,682,300	36,030,526
Under advance balances relating to joint operations as at March 31	12,607,316	12,490,720
Current account receivables relating to joint operations as at March 31	2,352,899	3,201,445
Current account payables relating to joint operations as at March 31	267,576	1,228,618
Income from rental of assets to joint operations	4,675	6,254
Purchase of goods from BME (net)	328,893	235,492
Reimbursement of employee cost on secondment to BME	17,893	14,882
Other related parties		
Dividend to GoP - note 18.2	3,061,440	1,996,591
Dividend to trust under BESOS - note 18.2	333,429	217,454
Dividend to trusts under retirement benefit funds - note 18.2	2,524	1,646
Transactions with retirement benefit funds	818,206	2,028,314
Remuneration to key management personnel	2,221,371	2,044,827
Payment of rental to Pakistan Industrial Development Corporation	99,119	78,123
Payment of rental to Karachi Port Trust	6,681	6,104
Payment to National Insurance Company Limited (NICL)	570,334	930,904
Insurance claim received from NICL	198	820
Payment to Pakistan State Oil Company Limited	173,110	309,497

- 18.1** Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to ten non-executive directors was Rs 19.545 million (March 2019: Rs 20.978 million to eleven non-executive directors).

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

For the nine months period ended March 31, 2020

- 18.2** The Company also issued bonus shares to (i) GoP: 306,143,957 shares (March 2019: 199,659,102 shares), (ii) Trust under BESOS: 33,342,886 shares (March 2019: 21,745,360 shares) and (iii) Trusts under retirement benefit funds: 252,437 shares (March 2019: 164,631 shares).
- 18.3** 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 16,675 million), out of which US\$ 33.194 million (Rs 5,535 million) is outstanding.
- 18.4** The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 884 million) to GoP in respect of PPPL's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	39,228,717	45,253,852
Dividend on convertible preference shares (Rs '000)	(35)	(34)
Profit attributable to ordinary shareholders (Rs '000)	39,228,682	45,253,818
		(Restated)
Weighted average number of ordinary shares in issue	2,720,971,697	2,720,971,266
		(Restated)
Basic earnings per share (Rs)	14.42	16.63
19.1.1 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.		
	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	39,228,717	45,253,852
		(Restated)
Weighted average number of ordinary shares in issue	2,720,971,697	2,720,971,266
Adjustment for convertible preference shares	11,831	12,262
Weighted average number of ordinary shares for diluted earnings per share	2,720,983,528	2,720,983,528
		(Restated)
Diluted earnings per share (Rs)	14.42	16.63

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

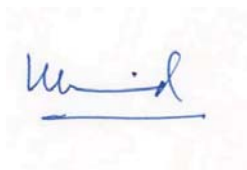
For the nine months period ended March 31, 2020

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 23, 2020 by the Board of Directors of the Company.

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



Latifa Taz

DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

	Note	March 31 2020 Unaudited (Rupees in thousand)	June 30 2019 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	153,425,267	161,072,524
Intangible assets		335,446	481,135
		<u>153,760,713</u>	<u>161,553,659</u>
Long-term investments	6	33,369,682	39,192,229
Long-term loans		44,998	34,019
Long-term deposits		7,676	7,676
Long-term receivables		41,905	83,810
		<u>187,224,974</u>	<u>200,871,393</u>
CURRENT ASSETS			
Stores and spares		3,924,806	3,146,982
Trade debts	7	299,299,257	227,630,133
Loans and advances		1,072,599	1,075,652
Trade deposits and short-term prepayments		346,449	471,475
Interest accrued		624,142	855,251
Current maturity of long-term investments	6	3,000,000	-
Current maturity of long-term loans		18,030	12,705
Current maturity of long-term deposits		1,175,250	911,850
Current maturity of long-term receivables		152,841	125,714
Other receivables		3,413,041	2,834,303
Short-term investments	8	15,493,231	16,115,618
Cash and bank balances		6,286,028	8,562,493
		<u>334,805,674</u>	<u>261,742,176</u>
TOTAL ASSETS		<u>522,030,648</u>	<u>462,613,569</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	22,674,872
Reserves		304,943,896	275,529,423
		<u>332,153,732</u>	<u>298,204,295</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		27,046,558	25,164,640
Liabilities against assets subject to finance lease		474	12,107
Deferred liabilities		2,922,890	2,754,275
Deferred taxation		33,568,161	37,134,401
		<u>63,538,083</u>	<u>65,065,423</u>
CURRENT LIABILITIES			
Trade and other payables	9	109,783,153	91,821,865
Unclaimed dividends		307,297	302,539
Current maturity of liabilities against assets subject to finance lease		26,896	56,029
Taxation - net		16,221,487	7,163,418
		<u>126,338,833</u>	<u>99,343,851</u>
TOTAL LIABILITIES		<u>189,876,916</u>	<u>164,409,274</u>
TOTAL EQUITY AND LIABILITIES		<u>522,030,648</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 NINE MONTHS PERIOD ENDED MARCH 31, 2020



		Quarter ended March 31, 2020	Quarter ended March 31, 2019	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	Note	----- (Rupees in thousand) -----			
Revenue from contracts with customers	11	40,911,137	40,503,746	126,541,766	119,560,583
Operating expenses	12	(11,813,872)	(10,211,468)	(33,347,459)	(29,805,272)
Royalties and other levies		(6,214,709)	(6,057,421)	(18,917,769)	(17,698,118)
		(18,028,581)	(16,268,889)	(52,265,228)	(47,503,390)
Gross Profit		22,882,556	24,234,857	74,276,538	72,057,193
Exploration expenses	13	(2,540,098)	(4,934,590)	(16,803,317)	(13,123,239)
Administrative expenses		(836,667)	(430,633)	(2,167,769)	(1,531,341)
Finance costs		(278,941)	(244,146)	(819,476)	(524,599)
Other charges	14	144,780	(1,748,497)	(4,863,973)	(6,049,857)
		19,371,630	16,876,991	49,622,003	50,828,157
Other income	15	1,701,802	1,358,894	4,258,603	7,703,495
Profit before taxation		21,073,432	18,235,885	53,880,606	58,531,652
Taxation	16	(6,922,049)	(4,476,295)	(15,284,693)	(14,504,533)
Profit after taxation		14,151,383	13,759,590	38,595,913	44,027,119
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	19	5.20	5.06	14.18	16.18

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


CHIEF FINANCIAL OFFICER

CHIEF FINANCIAL OFFICER


Director
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 NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Quarter ended March 31, 2020	Quarter ended March 31, 2019	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)			
Profit after taxation	14,151,383	13,759,590	38,595,913	44,027,119
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	191,986	52,061	(111,501)	907,049
Other comprehensive income / (loss), net of tax	191,986	52,061	(111,501)	907,049
Total comprehensive income for the period	14,343,369	13,811,651	38,484,412	44,934,168

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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**



	Note	Nine months ended March 31, 2020 (Rupees in thousand)	Nine months ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		91,583,634	86,298,978
Receipts of other income		722,120	5,442,716
Payment to suppliers / service providers and employees - net		(26,991,205)	(20,333,420)
Payment of indirect taxes and Government levies including royalties		(35,217,245)	(37,981,762)
Income tax paid		(9,822,279)	(9,333,422)
Finance costs paid		(5,751)	(12,962)
Long-term loans to employees - net		(16,304)	(22,067)
Net cash generated from operating activities		<u>20,252,970</u>	<u>24,058,061</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(24,048,444)	(28,726,467)
Proceeds from sale of property, plant and equipment		14,973	21,224
Redemption / (purchase) of long-term investments		2,822,546	(3,667,458)
Purchase of mutual funds - net		(4,709,515)	-
Long-term deposits		(263,400)	-
Long-term receivables		14,778	-
Finance income received		2,965,597	1,982,807
Net cash used in investing activities		<u>(23,203,465)</u>	<u>(30,389,894)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(40,766)	(65,237)
Dividends paid		(4,530,217)	(2,970,509)
Net cash used in financing activities		<u>(4,570,983)</u>	<u>(3,035,746)</u>
Net decrease in cash and cash equivalents		<u>(7,521,478)</u>	<u>(9,367,579)</u>
Cash and cash equivalents at the beginning of the period		20,661,813	30,631,049
Net foreign exchange differences		(120,451)	1,117,347
Cash and cash equivalents at the end of the period	17	<u><u>13,019,884</u></u>	<u><u>22,380,817</u></u>

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


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DIRECTOR


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PAKISTAN PETROLEUM LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	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	-	-	-	44,027,119	44,027,119
Other comprehensive income for the nine months period ended March 31, 2019, net of tax	-	-	-	907,049	907,049
Total comprehensive income for the nine months period ended March 31, 2019	-	-	-	44,934,168	44,934,168
Transactions with owners					
Issuance of 15% bonus shares to ordinary shareholders	2,957,577	-	-	(2,957,577)	-
Final dividend on ordinary shares for the year ended June 30, 2018 @ 15%	-	-	-	(2,957,577)	(2,957,577)
Conversion of preference shares into ordinary shares	4	(4)	-	-	-
Balance as at March 31, 2019	22,674,762	110	1,428	259,749,787	282,426,087
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	-	-	-	38,595,913	38,595,913
Other comprehensive loss for the nine months period ended March 31, 2020, net of tax	-	-	-	(111,501)	(111,501)
Total comprehensive income for the nine months period ended March 31, 2020	-	-	-	38,484,412	38,484,412
Transactions with owners					
- Ordinary shareholders					
Issuance of 20% bonus shares	4,534,953	-	-	(4,534,953)	-
Final dividend for the year ended June 30, 2019 @ 20%	-	-	-	(4,534,953)	(4,534,953)
- Convertible preference shareholders					
Issuance of 10% bonus shares	-	11	-	(11)	-
Final dividend for the year ended June 30, 2019 @ 20%	-	-	-	(22)	(22)
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at March 31, 2020	27,209,718	118	1,428	304,942,468	332,153,732

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


CHIEF FINANCIAL OFFICER


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DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

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. The registered office of PPLA is situated 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 nine months period ended March 31, 2020

2. BASIS OF PREPARATION

- 2.1** 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 nine months period ended March 31, 2020.

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

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

The changes laid down by this standard have been disclosed in note 3.2 of these consolidated condensed interim financial statements.

2.4 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2019 are considered not to be relevant for the Group's financial statements and hence have not been detailed here.

3. CHANGE IN SIGNIFICANT 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 for 'Leases' as mentioned in note 3.2.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

3.2 IFRS - 16 "Leases"

Effective July 1, 2019, the Group has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains unchanged i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Group's right-of-use asset and lease liability are disclosed in note 3.3.

The Group has adopted IFRS 16 retrospectively from July 1, 2019. Based on the assessment carried out during the period, the impact of IFRS 16 on these consolidated condensed interim financial statements is not material. Therefore, no adjustment has been made in these consolidated condensed interim financial statements.

3.3 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.

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

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

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

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

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 basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits associated with the right-of-use asset. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

- 3.4** 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.

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

The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting 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, 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 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.

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.

	March 31, 2020	June 30, 2019
	Unaudited	Audited
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	99,830,396	103,852,905
Additions to owned assets - note 5.1	17,213,334	17,269,328
	117,043,730	121,122,233
Disposals during the period / year (NBV)	(3,099)	(4,638)
Adjustments during the period / year (NBV)	(507,840)	(451,895)
Depreciation / amortisation charged during the period / year	(17,712,033)	(20,835,304)
	98,820,758	99,830,396
Capital work-in-progress - note 5.2	54,604,509	61,242,128
	153,425,267	161,072,524

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

- 5.1** This includes cost of Unarpur-1 well in Kotri North block amounting to Rs 672 million. The Holding Company farmed-out its 50% working interest in Kotri North block along with operatorship to United Energy Pakistan Limited (UEPL). As part of the farm-out agreement, UEPL carried the Holding Company in the said well by paying its share of the cost. Post discovery and commencement of commercial production from the well, the Holding Company has capitalised the well at its share of cost. The corresponding credit in the statement of profit or loss is included in other income.

	March 31, 2020	June 30, 2019
	Unaudited	Audited
	(Rupees in thousand)	
5.2 Capital work-in-progress		
Plant, machinery, fittings and pipelines	11,874,430	9,418,322
Exploration and Evaluation (E&E) assets - note 5.2.1	18,032,719	26,217,783
Development and production (D&P) assets	7,466,525	7,461,181
Lands, buildings and civil constructions	153,591	157,547
Capital stores for drilling and development	17,077,244	17,987,295
	54,604,509	61,242,128

- 5.2.1** Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 11,812 million (June 30, 2019: Rs 18,998 million).

	March 31, 2020	June 30, 2019
	Unaudited	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	36,369,681	39,192,228
Less: Current Maturity of Foreign currency term deposits	(3,000,000)	-
	33,369,682	39,192,229

- 6.1** This represents foreign currency term deposits with banks amounting to US\$ 218.765 million (June 30, 2019: US\$ 238.977 million).

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

	March 31, 2020	June 30, 2019
	Unaudited	Audited
	(Rupees in thousand)	
7. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	51,054,452	36,356,708
Sui Northern Gas Pipelines Limited (SNGPL)	141,464,463	107,862,822
Sui Southern Gas Company Limited (SSGCL)	92,445,422	73,583,432
Pak-Arab Refinery Limited (PARCO)	433,201	1,335,964
Pakistan Refinery Limited (PRL)	1,675,891	623,152
Oil & Gas Development Company Limited (OGDCL)	74,183	371,716
	<u>287,147,612</u>	<u>220,133,794</u>
Non-related parties		
Attock Refinery Limited (ARL)	10,142,737	6,349,987
National Refinery Limited (NRL)	1,625,462	639,950
Others	383,446	506,402
	<u>12,151,645</u>	<u>7,496,339</u>
	<u>299,299,257</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 - note 7.3	(1,156,220)	(1,156,220)
	<u>-</u>	<u>-</u>
	<u>299,299,257</u>	<u>227,630,133</u>
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	24,714,329	29,826,683
Past due but not impaired:		
Related parties		
- within 90 days	32,405,274	33,604,162
- 91 to 180 days	29,851,529	30,228,424
- over 180 days	205,339,737	130,377,368
	<u>267,596,540</u>	<u>194,209,954</u>
Non-related parties		
- within 90 days	5,478,335	2,477,229
- 91 to 180 days	183,377	134,240
- over 180 days	1,326,676	982,027
	<u>6,988,388</u>	<u>3,593,496</u>
	<u>299,299,257</u>	<u>227,630,133</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

- 7.2** Trade debts include overdue amount of Rs 266,072 million (June 30, 2019: Rs 192,966 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 9,669 million (June 30, 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 condensed interim 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.

	March 31, 2020	June 30, 2019
	Unaudited	Audited
	(Rupees in thousand)	
8. SHORT-TERM INVESTMENTS		
At amortised cost		
- Foreign currency term deposits with banks	3,990,831	7,872,820
- Local currency term deposits with banks	2,743,025	4,226,500
At fair value through profit or loss		
- Mutual Funds	8,759,375	4,016,298
	15,493,231	16,115,618
9. TRADE AND OTHER PAYABLES		
Creditors	671,129	858,920
Accrued liabilities	9,125,215	10,066,034
Security deposits from LPG distributors	148,855	347,280
Retention money	97,906	117,425
Gas Development Surcharge (GDS)	35,524,029	21,537,888
Gas Infrastructure Development Cess (GIDC)	10,199,919	7,667,350
Sales tax (net)	1,568,990	66,747
Royalties	7,104,652	9,153,785
Lease extension bonus	19,270,431	15,481,758
Current accounts with joint operations	14,172,409	17,635,895
Staff retirement benefit plans	498,428	1,050,689
Provision for windfall levy on oil/condensate - note 10.3	7,864,937	5,718,937
Workers' Profits Participation Fund (WPPF)	2,717,973	-
Contractual obligations for Iraq EDPSC	467,585	1,709,746
Others	350,695	409,411
	109,783,153	91,821,865

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

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, except for the following:

- 10.1** During the period, with respect to the Holding Company, the Tax Authorities while amending the assessment for the tax year 2019 have created a demand of Rs 2,437 million primarily on account of provision for windfall levy and un-realised exchange gain. The demand created was duly paid by the Holding Company under protest. Being aggrieved the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR-(A)] which is pending for adjudication.

Further, the Tax Authorities have issued a show-cause notice intending to further amend the assessment of the Holding Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B and super tax. Based on the advice of the legal counsel, the Holding Company has filed a Constitutional Petition challenging the impugned show-cause notice before the Honourable Sindh High Court (SHC). The Honourable SHC vide an interim order dated January 23, 2020 has directed the Tax Authorities not to pass an adverse final order in respect of the said show-cause notice.

During the period, the CIR-(A) has also decided the appeals filed by the Holding Company in respect of assessment proceedings for the tax years 2015 to 2018. In the said decisions, the CIR-(A) has decided the issues of rate, depletion allowance, tax credits under sections 65A and 65B and super tax on Non-Agreement Areas against the Holding Company, whereas, the issue of super tax on Agreement Areas has been decided in favour of the Holding Company. Being aggrieved with the said decisions, the Holding Company has filed appeals before the ATIR in respect of the issues decided against the Holding Company for the tax years 2015 to 2017 which is pending for adjudication. Moreover, the Holding Company is in the process of filing an appeal

10.2 Sindh Workers' Profit Participation Fund

There has been no change in the status of the matter as disclosed in note 26.1.6 to the consolidated financial statements for the year ended June 30, 2019, except that during the period the Holding Company received a letter from the Sindh Revenue Board requesting to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) in terms of the Sindh Companies (Workers Participation) Act, 2015 (SWPPF Act, 2015) in respect of the year 2019. Subsequent to the period end, the Holding Company on the advice of the legal counsel, challenged the vires of the SWPPF Act, 2015 and has obtained interim stay from the Honourable SHC with the direction to deposit the leftover amount relating to Sindh before the Nazir of the Court, which has duly been complied with. The matter is now pending before the Honourable SHC for adjudication.

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

There has been no change in the status of the matter as disclosed in note 27.1.9 to the consolidated financial statements for the year ended June 30, 2018, except that on March 19, 2020 (the date fixed for hearing) the Islamabad High Court cancelled all the hearings of regular cases due to ongoing pandemic situation. The case now stands adjourned to a date in office and is not likely to be fixed for hearing in the foreseeable future. However, the stay granted in the case remains in field.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	118,475,040	104,456,905
Gas supplied to Sui villages	532,272	401,332
Internal consumption of gas	283,657	228,325
Crude oil / Condensate / Natural Gas Liquids	35,866,138	36,807,155
LPG	7,468,445	7,687,902
Barytes	652,579	794,473
	163,278,131	150,376,092
Government levies / discounts		
Federal excise duty	(1,361,912)	(1,511,378)
Sales tax	(18,424,705)	(16,414,310)
GDS	(13,986,141)	(9,469,676)
GIDC	(2,532,569)	(2,965,676)
Petroleum levy	(401,816)	(407,757)
Discounts (Barytes)	(29,222)	(46,712)
	(36,736,365)	(30,815,509)
	126,541,766	119,560,583

- 11.1** Revenue from contracts with customers includes revenue recognised based on take-or-pay arrangements till November 23, 2019.

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)	
12. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	5,811,174	5,622,200
Operator's personnel	1,640,226	1,313,943
Depreciation	7,072,230	7,518,038
Amortisation of decommissioning assets	1,357,552	1,047,286
Amortisation of D&P assets	9,120,186	7,232,688
Plant operations	2,643,169	2,213,695
Well interventions	1,024,326	1,222,753
Field services	1,887,007	1,399,640
Crude oil transportation	913,879	652,742
Travelling and conveyance	397,423	334,129
Training & development	24,847	9,727
PCA overheads	111,037	86,004
Insurance expenses	490,009	450,730
Free supply of gas to Sui villages	532,272	401,332
Social welfare / community development	250,228	220,256
Other expenses	71,894	80,109
	33,347,459	29,805,272

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
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For the nine months period ended March 31, 2020

13. EXPLORATION EXPENSES

- 13.1** Exploration expenses for the period also include cost of dry wells amounting to Rs 11,812 million (March 2019: Rs 8,690 million).

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)	
14. OTHER CHARGES		
WPPF charge	2,717,973	3,151,936
Provision for windfall levy on oil / condensate	2,146,000	2,814,000
Loss on disposal / write-off of stores and spares (net)	-	83,921
	<u>4,863,973</u>	<u>6,049,857</u>
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	626,078	305,386
Income on term deposits	443,688	463,733
Income on foreign currency long-term investments at amortised cost	1,495,300	1,261,044
Income from investment in treasury bills	171,803	128,501
Dividend income /gain on re-measurement /disposal of investments designated at fair value through profit or loss (net)	82,886	112,824
	<u>2,819,755</u>	<u>2,271,488</u>
Income from assets other than financial assets		
Rental income on assets	4,675	6,254
Profit on sale of property, plant and equipment (net)	11,874	17,506
Exchange gain on foreign currency (net)	710,051	5,319,067
Share of profit on sale of LPG	4,785	36,023
Others - note 5.1	707,463	53,157
	<u>1,438,848</u>	<u>5,432,007</u>
	<u>4,258,603</u>	<u>7,703,495</u>
16. TAXATION		
Current		
- For the nine months period	19,335,115	15,955,203
- For prior year	(484,182)	(170,283)
	18,850,933	15,784,920
Deferred	(3,566,240)	(1,280,387)
	<u>15,284,693</u>	<u>14,504,533</u>
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,286,028	4,202,301
Short-term highly liquid investments	6,733,856	18,178,516
	<u>13,019,884</u>	<u>22,380,817</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

18. 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:

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)	
Sales of gas / barytes to State controlled entities (including Government levies)		
GENCO-II	28,051,423	22,976,258
SSGCL	32,182,565	26,315,273
SNGPL	57,999,433	55,004,307
OGDCL	119,137	135,388
	<u>118,352,558</u>	<u>104,431,226</u>
Long-term receivables, trade debts and other receivables from state controlled entities as at March 31	<u>285,271,733</u>	<u>193,764,174</u>
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	4,139,446	4,224,633
Sales of crude oil / condensate to PRL	2,426,133	-
Payment to Total PARCO Pakistan Limited	284,094	221,345
Payment to Petroleum Institute of Pakistan	4,092	-
Deposits with Askari Bank Limited as at March 31	300,938	-
Transactions with Joint Operations		
Payments of cash calls to joint operations	29,506,012	35,886,621
Expenditures incurred by the joint operations	26,959,698	36,649,919
Under advance balances relating to joint operations as at March 31	<u>13,131,645</u>	<u>12,935,181</u>
Current account receivables relating to joint operations as at March 31	<u>2,352,899</u>	<u>3,201,445</u>
Current account payables relating to joint operations as at March 31	267,576	1,228,618
Income from rental of assets to joint operations	4,675	6,254
Purchase of goods from BME (net)	328,893	235,492
Reimbursement of employee cost on secondment to BME	<u>17,893</u>	<u>14,882</u>

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees in thousand)	
Other related parties		
Dividend to GoP - note 18.2	3,061,440	1,996,591
Dividend to trust under BESOS - note 18.2	333,429	217,454
Dividend to trusts under retirement benefit funds - note 18.2	2,524	1,646
Transactions with retirement benefit funds	818,206	2,028,314
Remuneration to key management personnel	2,221,371	2,044,827
Payment of rental to Pakistan Industrial Development Corporation	99,119	78,123
Payment of rental to Karachi Port Trust	6,681	6,104
Payment to National Insurance Company Limited (NICL)	570,334	930,904
Insurance claim received from NICL	198	820
Payment to Pakistan State Oil Company Limited	173,110	309,497

- 18.1** Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to ten non-executive directors of the Holding Company was Rs 19.545 million (March 2019: Rs 20.978 million to eleven non-executive directors).

In addition to the above, during the current period an amount of Rs 0.75 million (Rs 0.375 million each in respect of PPLA and PPLE) has been charged in respect of fees to three directors of subsidiaries.

- 18.2** The Holding Company also issued bonus shares to (i) GoP: 306,143,957 shares (March 2019: 199,659,102 shares), (ii) Trust under BESOS: 33,342,886 shares (March 2019: 21,745,360 shares) and (iii) Trusts under retirement benefit funds: 252,437 shares (March 2019: 164,631 shares).

- 18.3** 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 16,675 million), out of which US\$ 33.194 million (Rs 5,535 million) is outstanding.

- 18.4** The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 884 million) to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	38,595,913	44,027,119
Dividend on convertible preference shares (Rs '000)	(35)	(34)
Profit attributable to ordinary shareholders (Rs '000)	38,595,878	44,027,085
		(Restated)
Weighted average number of ordinary shares in issue	2,720,971,697	2,720,971,266
		(Restated)
Basic earnings per share (Rs)	14.18	16.18

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the nine months period ended March 31, 2020

19.1.1 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.

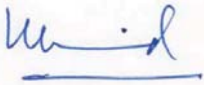

	Nine months ended 0-Jan-00	Nine months ended -
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	38,595,913	44,027,119
		(Restated)
Weighted average number of ordinary shares in issue	2,720,971,697	2,720,971,266
Adjustment for convertible preference shares	11,831	12,262
		(Restated)
Weighted average number of ordinary shares for diluted earnings per share	2,720,983,528	2,720,983,528
		(Restated)
Diluted earnings per share (Rs)	14.18	16.18

20. DATE OF AUTHORISATION FOR ISSUE



These consolidated condensed interim financial statements were authorised for issue on April 23, 2020 by the Board of Directors of the Holding Company.

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



Pakistan Petroleum Limited

PIDC House, Dr. Ziauddin Ahmed Road
P.O. Box 3942, Karachi-75530, Pakistan
UAN: +92 (21) 111 568568
Fax: +92 (21) 35680005, 35682125
website: www.ppl.com.pk