



# Pakistan Oilfields Limited



## Condensed Interim Financial Statements

For the nine months ended  
March 31, 2023

## DIRECTORS' REPORT

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

Assalam-u-Alaikum!

The Board takes pleasure in presenting a brief review of the operations and financial results of the Company for the nine months ended March 31, 2023.

### Financial results

During the period, the Company has made a profit after tax of Rs. 30,588 million (March 31, 2022: Rs. 17,496 million), which is higher by 74.8 % as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 107.76 (March 31, 2022: Rs. 61.64). The increase in profit is mainly due to increased sale value because of increase in rupee dollar parity, exchange gain on financial assets and increased interest income due to higher deposits & interest rates netted off to some extent by increased exploration costs due to dry wells cost charged to expenses, decrease in sales volumes of crude oil and gas in comparison to corresponding period last year. Production volume of crude oil & gas decreased by 8.9%, and 9.2% respectively in comparison to corresponding period last year. During the period, the Company made a Consolidated profit after tax of Rs. 30,930 million (March 31, 2022: Rs. 18,796 million) which translate into consolidated earnings per share of Rs. 108.87 (March 31, 2022: Rs 66.17).

### Production

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

		<b>Nine months period ended</b>	
		<b>Mar 31, 2023</b>	<b>Mar 31, 2022</b>
Crude Oil	US Barrels	1,404,507	1,542,722
Gas	Million Cubic Feet	17,901	19,730
LPG	Metric Tonnes	40,699	42,162
Sulphur	Metric Tonnes	465	380
Solvent Oil	US Barrels	13,274	13,354

The Company's share in production, including that from joint ventures, for the period under review averaged 5,126 barrels per day (bpd) of crude, 65.35 million standard cubic feet per day (mmscfd) of gas, 148.52 metric tonnes per day (MTD) of LPG, 1.7 MTD of sulphur and 48 bpd of solvent oil.

## **EXPLORATION AND DEVELOPMENT ACTIVITIES**

### **Producing Fields**

At Balkassar lease (100% owned by POL), Balkassar Deep-1A is expected to be spudded at the end of April-2023 as a replacement of Balkassar Deep-1. Correspondence with the Government is in progress for the renewal of Balkassar Development & Production Lease.

At Pindori Lease (operated by POL with a 35% share), 3D seismic acquisition project of 60 square kilometers has been completed and data processing is in progress to evaluate the prospectivity of Chorgali formation and to evaluate the possibility to produce un-drained oil.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori East-5 sidetrack has been approved for the up-dip location.

Tolanj West-2 a developed well drilled down to target depth tested three formations, Lamshiwai formation flowed 12.7 million cubic feet of gas per day, 11.3 barrels of oil per day and 9.2 barrels of water per day at 32/64" choke size at flowing well head pressure of 1,914 psi, Lockhart Formation tested and produced 8.3 million cubic feet of gas per day, 34 barrels of oil per day with no water at 32/64" choke size at flowing wellhead pressure of 1,285 psi and Samanasuk & Shinawari formations flowed 2.25 million cubic feet of gas per day, oil nil, water nil with well head flowing pressure of 374 psi at 32/64" choke size. Production from this well has been started and currently producing around 13.8 million cubic feet of gas per day and around 15 barrels of oil per day.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Adhi South-7 has been spudded on April 14, 2022 drilled down to its target depth, initial testing results were 500 barrels of oil per day and 0.5 million cubic feet of gas per day at 28/64" choke size with flowing well head pressure of 360 psi. Presently this well has been connected to the production line and producing around 400 barrels of condensate and 0.6 million cubic feet of gas per day.

Adhi South-5 tested to the target depth and not produced any hydrocarbons, frac job was also not successful. Adhi South-5 has been side tracked and testing is in progress.

Adhi-35 well was spudded on January 27, 2023 and drilling at 2,517 meters is in progress. The target depth is around 3,666 meters.

### **Exploration Blocks**

At Ikhlas block (operated by POL with 80% share), Jhandial well-3 has been finalized, start of drilling is expected in the third quarter of the calendar year.

At DG Khan block (operated by POL with a 70% share), DGK-1, exploratory well drilled down to 15,206 ft but clearance of hole was not achieved to acquire hole logs. During conditioning 455 ft of fish left in hole and despite several attempts no success was made to recover the fish. Placed cement

plugs and tested Chiltan formation but no hydrocarbons were flowed. Finally the well was plug and abandoned. Remaining leads of DG Khan Block are under evaluation.

North Dhurnal block (operated by POL with 60% share) design study has been completed to acquire 285.3 square kilometers 3D seismic data acquisition.

At Kirthar South Block (operated by POL with 51% share), 34% share has been farm-out to Polish National Oil and Gas Company (PGNiG) and Assignment Agreement has been approved by the Government. The Company is actively pursuing to get Provincial Government approval for resumption of oil and gas exploration activities in this license area.

At Margala block (operated by MOL where POL has 30% share), Tarnol-1 was spudded on Sep 20, 2022. During drilling the prognosed formations were not encountered at the prognosed depth and the well was plugged and abandoned.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), an exploratory well Razgir has been approved by the joint venture partners but on hold due to gas price dispute with the Government. 3D seismic data interpretation of Makori, Makori Deep, Billitang and Kot South, has been completed while seismic interpretation on Sarozai & Sarozai Deep is in progress at Top of Lockhart level. Makori Deep-3 (Development Well) location is also under review for the approval. 3D Seismic data interpretation of Tal East is in progress at top of Lockhart level to mature Kot South prospect.

Mamikhel South-1 well production line has been completed. In order to start production Government's approval is awaited.

At Hisal block (operated by PPL where POL has 25% share), 3D seismic acquisition of 235 square kilometers has been completed.

At Gurgalot block (operated by OGDCL where POL has 20% share), 3D seismic data interpretation has been completed and subsurface location of Gurgalot X-1 has been finalized, well planning is in progress.

At Taung block (operated by Mari Petroleum where POL has 40% share), 340.94 square kilometers 3D Seismic acquisition has been completed and seismic data interpretation is in progress.

At Nareli block (operated by Mari Petroleum where POL has 32% share), 2D seismic acquisition program of 456 line kilometers-firm and 164 line kilometers-contingent was approved and data acquisition work is in progress.

In the recent bidding POL won Multanai block as an operator (100%). The post bidding process of award is in progress with DGPC.

Chah Bali exploration license was awarded to OGDC as an operator with 70% share and to POL with 30% share on November 22, 2022.

## **Acknowledgement**

The Board would like to extend its gratitude to all its stakeholders for their continuous support, which they have extended to Pakistan Oilfields Limited.

On behalf of the Board

**Shuaib A. Malik**  
**Chairman & Chief Executive**

**Abdus Sattar**  
**Director**

**Rawalpindi**  
**April 27, 2023**

PAKISTAN OILFIELDS LIMITED

**Un-Audited Financial Statements**

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FOR THE NINE MONTHS ENDED MARCH 31, 2023

**PAKISTAN OILFIELDS LIMITED**  
**Condensed Interim Statement of Financial Position**  
**As at March 31, 2023**

	Note	(Unaudited) Mar. 31, 2023	(Audited) June 30, 2022
Rupees ( '000)			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>		<b>5,000,000</b>	5,000,000
500,000,000 (June 30, 2022: 500,000,000) ordinary shares of Rs 10 each			
Issued, subscribed and paid-up capital		<b>2,838,551</b>	2,838,551
283,855,104 (June 30, 2022: 283,855,104) ordinary shares of Rs 10 each			
Revenue reserves	4	<b>58,943,319</b>	48,224,910
		<b>61,781,870</b>	51,063,461
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		<b>912,646</b>	895,565
Deferred liabilities	5	<b>30,797,330</b>	24,970,404
		<b>31,709,976</b>	25,865,969
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	6	<b>35,320,455</b>	31,056,163
Unpaid dividend - awaiting remittance by the authorized bank	7	<b>9,433,214</b>	-
Unclaimed dividend		<b>596,083</b>	275,702
Provision for income tax		<b>6,760,613</b>	9,792,637
		<b>52,110,365</b>	41,124,502
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		<b>145,602,211</b>	118,053,932

	Note	<u>(Unaudited)</u> <u>Mar. 31, 2023</u>	<u>(Audited)</u> <u>June 30, 2022</u>
Rupees ( '000)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	6,137,065	6,702,511
Development and decommissioning costs	10	8,404,181	10,209,126
Exploration and evaluation assets	11	136,711	3,019,833
		<b>14,677,957</b>	<b>19,931,470</b>
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>			
	12	9,615,603	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>			
		31,803	29,590
<b>CURRENT ASSETS</b>			
Stores and spares		6,116,416	5,753,133
Stock in trade		588,972	384,649
Trade debts	13	15,127,019	9,967,152
Advances, deposits, prepayments and other receivables	14	8,054,636	4,649,659
Short term investments	15	22,138,727	-
Cash and bank balances	16	69,251,078	67,722,676
		<b>121,276,848</b>	<b>88,477,269</b>
		<b>145,602,211</b>	<b>118,053,932</b>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements:

CFO

Chief Executive

Director



**PAKISTAN OILFIELDS LIMITED**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the nine months ended March 31, 2023**

	Note	Three months ended		Nine months ended	
		Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
		Rupees ('000)		Rupees ('000)	
<b>SALES</b>		<b>17,194,283</b>	14,532,316	<b>49,477,764</b>	42,393,045
Sales tax		(1,264,479)	(1,157,712)	(3,436,559)	(5,205,144)
Excise duty		(56,213)	(59,459)	(169,775)	(185,518)
<b>NET SALES</b>	17	<b>15,873,591</b>	13,315,145	<b>45,871,430</b>	37,002,383
Operating costs	18	(2,800,166)	(2,402,622)	(7,993,256)	(6,594,893)
Royalty		(1,807,103)	(1,424,634)	(5,138,519)	(3,913,012)
Amortisation of development and decommissioning costs	19	(782,959)	(589,136)	(2,289,325)	(1,990,231)
		(5,390,228)	(4,416,392)	(15,421,100)	(12,498,136)
<b>GROSS PROFIT</b>		<b>10,483,363</b>	8,898,753	<b>30,450,330</b>	24,504,247
Exploration costs	20	(849,580)	(127,386)	(6,329,302)	(685,904)
		9,633,783	8,771,367	24,121,028	23,818,343
Administration expenses		(80,303)	(53,098)	(258,902)	(174,595)
Finance costs - net	21	(5,435,972)	(788,045)	(7,785,302)	(3,185,193)
Other charges	22	(502,700)	(593,137)	(1,656,802)	(1,548,815)
		(6,018,975)	(1,434,280)	(9,701,006)	(4,908,603)
		3,614,808	7,337,087	14,420,022	18,909,740
Other income - net	23	14,330,451	2,087,849	23,069,050	6,805,590
<b>PROFIT BEFORE TAXATION</b>		<b>17,945,259</b>	9,424,936	<b>37,489,072</b>	25,715,330
Provision for taxation	24	(1,710,127)	(2,851,585)	(6,900,806)	(8,219,231)
<b>PROFIT FOR THE PERIOD</b>		<b>16,235,132</b>	6,573,351	<b>30,588,266</b>	17,496,099
Earnings per share					
- Basic and diluted (Rs)		57.19	23.16	107.76	61.64

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements

CFO

Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**Condensed Interim Statement of Profit or Loss**  
**and Other Comprehensive Income (Unaudited)**  
**For the nine months ended March 31, 2023**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>Mar. 31, 2023</b>	<b>Mar. 31, 2022</b>	<b>Mar. 31, 2023</b>	<b>Mar. 31, 2022</b>
	Rupees ('000)		Rupees ('000)	
Profit for the period	<b>16,235,132</b>	6,573,351	<b>30,588,266</b>	17,496,099
Other Comprehensive Income for the period	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16,235,132</b>	6,573,351	<b>30,588,266</b>	17,496,099

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

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Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
**For the nine months ended March 31, 2023**

	Share Capital	Revenue reserves		Unappropriated profit	Total
		Insurance Reserve	Investment Reserve		
	Rupees ('000)				
Balance at June 30, 2021	2,838,551	200,000	1,557,794	34,765,718	39,362,063
Total comprehensive income for the period:					
Profit for the period	-	-	-	17,496,099	17,496,099
Other comprehensive income	-	-	-	-	-
	-	-	-	17,496,099	17,496,099
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	(8,515,653)	(8,515,653)
Interim dividend @ Rs 20 per share - Year ended June 30, 2022	-	-	-	(5,677,102)	(5,677,102)
Total transaction with owners	-	-	-	(14,192,755)	(14,192,755)
Balance at March 31, 2022	2,838,551	200,000	1,557,794	38,069,062	42,665,407
Total comprehensive income for the period:					
Profit for the period	-	-	-	8,439,014	8,439,014
Other comprehensive income	-	-	-	(40,960)	(40,960)
	-	-	-	8,398,054	8,398,054
Balance at June 30, 2022	2,838,551	200,000	1,557,794	46,467,116	51,063,461
Total comprehensive income for the period:					
Profit for the period	-	-	-	30,588,266	30,588,266
Other comprehensive income	-	-	-	-	-
	-	-	-	30,588,266	30,588,266
Transaction with owners:					
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	(14,192,755)	(14,192,755)
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	(5,677,102)	(5,677,102)
Total transaction with owners	-	-	-	(19,869,857)	(19,869,857)
<b>Balance at March 31, 2023</b>	<b>2,838,551</b>	<b>200,000</b>	<b>1,557,794</b>	<b>57,185,525</b>	<b>61,781,870</b>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

CFO

Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**Condensed Interim Statement of Cashflows (Unaudited)**  
**For the nine months ended March 31, 2023**

	<b>Nine months ended</b>	
	<b>Mar. 31, 2023</b>	<b>Mar. 31, 2022</b>
Note	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>41,447,434</b>	34,008,959
Operating and exploration costs paid	<b>(9,078,935)</b>	(5,321,565)
Royalty paid	<b>(5,196,771)</b>	(3,786,689)
Taxes paid	<b>(11,416,236)</b>	(6,057,540)
Cash provided by operating activities	<b>15,755,492</b>	18,843,165
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	<b>(3,592,734)</b>	(2,069,507)
Proceeds from disposal of property, plant and equipment	<b>(2,946)</b>	6,677
Income on bank deposits and investments at amortised cost	<b>6,602,320</b>	2,168,898
Investments in mutual funds - net	<b>-</b>	(511,265)
Dividend income received	<b>633,183</b>	507,727
Cash used in investing activities	<b>3,639,823</b>	102,530
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(10,116,263)</b>	(14,158,086)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>14,388,077</b>	3,707,864
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,667,129</b>	8,495,473
<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>	<b>67,722,676</b>	47,572,206
<b>CASH AND CASH EQUIVALENTS AT MAR. 31,</b>	<b>91,389,805</b>	56,067,679
<b>CASH AND CASH EQUIVALENTS</b>		
Short term investment	<b>22,138,727</b>	-
Cash and bank balances	<b>69,251,078</b>	56,067,679
	<b>91,389,805</b>	56,067,679

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

CFO

Chief Executive

Director

## **PAKISTAN OILFIELDS LIMITED**

### **Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the nine months ended March 31, 2023**

#### **1 Legal status and operations**

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

#### **2 Basis of preparation**

These 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 (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177 (I)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2022.

#### **3 Significant accounting policies**

The accounting policies and methods for computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements for the year ended June 30, 2022.

**PAKISTAN OILFIELDS LIMITED****Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended March 31, 2023

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>Mar. 31, 2023</u>	<u>Jun. 30, 2022</u>
	Rupees ('000)	
<b>4 Revenue reserves</b>		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	57,185,525	46,467,116
	<b>58,943,319</b>	<b>48,224,910</b>

<b>5 Deferred liabilities</b>		
Provision for deferred income tax	4,361,027	5,844,433
Provision for decommissioning cost	26,434,042	19,123,431
Provision for staff compensated absences	2,261	2,540
	<b>30,797,330</b>	<b>24,970,404</b>

**6 Trade and other payables**

These include balance due to joint venture partners amounting to Rs 1,926,405 thousand (June 30, 2022: Rs 1,435,659 thousand) and balances due to related parties amounting to Rs 1,277,350 thousand (June 30, 2022: Rs 1,823,141 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 25,315,858 thousand (June 30, 2022: Rs 22,278,874 thousand) as explained in note 17.1.

**7 Unpaid dividend - awaiting remittance by the authorized bank**

This represents dividend payable to parent company (non-resident), The Attock Oil Company Limited in United Kingdom (UK), for the year June 30, 2022, awaiting remittance by the authorized bank due to regulatory constraints.

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>Mar. 31, 2023</u>	<u>Jun. 30, 2022</u>
	Rupees ('000)	

**8 Contingencies and commitments**

**8.1** There were no material contingencies at March 31, 2023 (June 30, 2022: Nil).

**8.2 Commitments**

- Share in joint ventures	10,557,011	13,792,446
- Own fields	6,843,801	5,047,000
- Letter of credit issued by banks on behalf of the Company	921,263	380,001

**9 Property, plant and equipment**

Opening net book value	6,219,771	6,129,343
Additions during the period / year	642,663	1,570,240
Disposals during the period / year	(7,835)	(267)
Depreciation for the period / year	(1,187,640)	(1,479,545)
Closing net book value	5,666,959	6,219,771
Capital work in progress - at cost	470,106	482,740
	<b>6,137,065</b>	<b>6,702,511</b>

**PAKISTAN OILFIELDS LIMITED**

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the nine months ended March 31, 2023**

**10 Development and decommissioning costs**

(Unaudited)	(Audited)
Mar. 31, 2023	Jun. 30, 2022
Rupees ('000)	

**Development cost**

Opening net book value	9,801,407	12,922,884
Additions during the period / year	829,081	560,588
Revision due to change in estimates	(278,488)	(147,697)
Amortisation for the period / year	(2,243,920)	(3,534,368)
Closing book value	8,108,080	9,801,407

**Decommissioning cost**

Opening net book value	407,719	749,791
Additions during the period / year	116,264	22,137
Revision due to change in estimates	(120,373)	(189,694)
Amortisation for the period / year	(107,509)	(174,515)
Closing book value	296,101	407,719

<b>8,404,181</b>	<b>10,209,126</b>
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**11 Exploration and evaluation assets**

Balance brought forward	3,019,833	512,223
Additions during the period/ year	2,141,460	2,507,610
Dry and abandoned wells cost charged to the statement of profit or loss	(5,024,582)	-
	<b>136,711</b>	<b>3,019,833</b>

(Unaudited)		(Audited)	
Mar. 31, 2023		Jun. 30, 2022	
Percentage Holding	Amount Rupees ('000)	Percentage Holding	Amount Rupees ('000)

**12 Long term investments in subsidiary and associated companies -at cost**

**Subsidiary company**

Unquoted				
CAPGAS (Private) Limited	51	1,530	51	1,530

**Associated companies**

Quoted				
National Refinery Limited - Note 12.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500

<b>9,615,603</b>	<b>9,615,603</b>
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**12.1** Based on a valuation analysis, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount had been estimated based on a value in use calculation carried out by an external investment advisor engaged by the management, on an annual basis.

**PAKISTAN OILFIELDS LIMITED**

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the nine months ended March 31, 2023**

**13 Trade debts**

These include Rs 5,265,648 thousand (June 30, 2022: Rs 6,749,456 thousand) receivable from related parties.

**14 Advances, deposits, prepayments and other receivables**

These include balances with joint operating partners amounting to Rs 652,629 thousand (June 30, 2022 : Rs 313,169 thousand) and balances with related parties amounting to Rs 483,077 thousand (June 30, 2022 : Rs 309,162 thousand).

**15 Short term investments**

This represents Treasury Bills carried at amortized cost at yield ranging from 17.82% to 20.97% per annum.

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>Mar. 31, 2023</u>	<u>Jun. 30, 2022</u>
<b>16 Cash and bank balances</b>		
Bank balance on:		
Short term deposits	52,050,526	65,921,720
Interest/ mark-up bearing saving accounts	17,142,960	1,760,167
Current account	54,384	36,270
	<u>69,247,870</u>	<u>67,718,157</u>
Cash in hand	3,208	4,519
	<u>69,251,078</u>	<u>67,722,676</u>

Balance with banks include foreign currency balances of US \$ 193,377 thousand (June 30, 2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 1% to 20.97% per annum (June 30, 2022: 0.25% to 18% per annum).

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Mar. 31, 2023</u>	<u>Mar. 31, 2022</u>	<u>Mar. 31, 2023</u>	<u>Mar. 31, 2022</u>
	<u>Rupees ('000)</u>		<u>Rupees ('000)</u>	
<b>17 Net sales</b>				
Crude oil	8,525,959	7,714,863	25,680,249	20,514,657
Gas - note 17.1	5,074,554	3,490,763	13,645,543	10,607,919
Less: Shrinkages/Own use	792,549	524,209	2,166,941	1,499,105
	4,282,005	2,966,554	11,478,602	9,108,814
POLGAS -Refill of cylinders	2,961,402	2,576,600	8,330,162	7,187,427
Solvent oil	104,225	57,128	353,329	191,485
Sulphur	-	-	29,088	-
	<u>15,873,591</u>	<u>13,315,145</u>	<u>45,871,430</u>	<u>37,002,383</u>



## PAKISTAN OILFIELDS LIMITED

### Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the nine months ended March 31, 2023

**17.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject areas.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. After multiple hearings, the case came up for hearing on May 24, 2022 before the Honourable Chief Justice of Islamabad High Court, wherein matter was adjourned till June 30, 2022, however the same could not be heard and next date of hearing is yet to be announced.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to March 31, 2023 amounting to Rs 23,631,088 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 21,621,796 thousand and sales tax of Rs 3,694,063 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 3,694,063 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within "sales tax refundable" in "advances, deposits, prepayments and other receivables".

**PAKISTAN OILFIELDS LIMITED**

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the nine months ended March 31, 2023**

	Three months ended		Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ('000)		Rupees ('000)	
<b>18 Operating costs</b>				
Operating Cost				
- Own fields	598,630	265,262	1,428,262	829,131
- Share in joint operations	1,173,411	900,833	3,592,151	2,499,211
Well workover	46,297	125,088	61,894	182,686
POLGAS - LPG cost, carriage etc.	573,843	739,943	1,845,236	1,967,718
Pumping and transportation cost	30,029	24,185	82,397	60,297
Depreciation	401,255	362,219	1,187,639	1,093,392
	<b>2,823,465</b>	<b>2,417,530</b>	<b>8,197,579</b>	<b>6,632,435</b>
Opening stock of crude oil and other products	565,673	300,165	384,649	277,531
Closing stock of crude oil and other products	(588,972)	(315,073)	(588,972)	(315,073)
	<b>2,800,166</b>	<b>2,402,622</b>	<b>7,993,256</b>	<b>6,594,893</b>
<b>19 Amortization of development and decommissioning costs</b>				
Amortization charge for the year - note 10	807,959	722,897	2,351,429	2,314,144
Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss	(25,000)	(133,761)	(62,104)	(323,913)
	<b>782,959</b>	<b>589,136</b>	<b>2,289,325</b>	<b>1,990,231</b>
<b>20 Exploration costs</b>				
Geological & geophysical cost	849,580	127,386	1,304,720	685,904
Dry and abandoned wells cost charged to the exploration costs - note 11	-	-	5,024,582	-
	<b>849,580</b>	<b>127,386</b>	<b>6,329,302</b>	<b>685,904</b>
<b>21 Finance costs - net</b>				
Provision for decommissioning cost				
- Unwinding of discount	220,434	314,588	661,301	943,764
- Exchange loss	5,213,963	471,366	7,119,065	2,235,622
Banks' commission and charges	1,575	2,091	4,936	5,807
	<b>5,435,972</b>	<b>788,045</b>	<b>7,785,302</b>	<b>3,185,193</b>
<b>22 Other charges</b>				
Workers' profit participation fund	376,605	452,358	1,206,378	1,152,735
Workers' welfare fund	126,095	140,779	450,424	396,080
	<b>502,700</b>	<b>593,137</b>	<b>1,656,802</b>	<b>1,548,815</b>

**PAKISTAN OILFIELDS LIMITED**

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the Nine months ended March 31, 2023**

	Three months ended		Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ('000)		Rupees ('000)	
Income on financial assets - bank deposits and treasury bills	3,132,254	961,827	7,343,225	2,139,041
Exchange gain on financial assets	10,804,905	859,964	14,388,077	3,707,864
Dividend on investments classified as fair value through profit or loss	-	12,237	-	12,237
Dividend from subsidiary and associated companies	116,021	110,382	633,183	495,490
Rental income	38,142	37,424	192,549	130,136
Crude oil transportation income	115,590	98,858	339,884	295,966
Gas processing fee	21,767	3,659	60,790	6,079
Gain on sale of property, plant and equipment	(5,076)	562	(2,946)	6,088
Gain on sale of stores and scrap	101,046	34	110,479	6,380
Fair value adjustment on investment in mutual funds classified as fair value through profit or loss	-	1,994	-	2,026
Others	5,802	908	3,809	4,283
	<b>14,330,451</b>	<b>2,087,849</b>	<b>23,069,050</b>	<b>6,805,590</b>

**24 Provision for taxation**

Current	1,918,708	2,957,355	8,384,211	8,762,677
Deferred	(208,581)	(105,770)	(1,483,405)	(543,446)
	<b>1,710,127</b>	<b>2,851,585</b>	<b>6,900,806</b>	<b>8,219,231</b>

**25 Transactions with related parties**

Aggregate transactions with related parties of the Company were as follows:

**Sales of goods and services to**

Associated Companies	8,307,254	7,573,560	25,511,503	19,319,062
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**Purchase of goods and services from**

Parent Company	32,246	34,783	102,575	107,069
Associated Companies	411,664	212,072	1,341,424	826,711

**Reimbursement of expenses incurred by POL on behalf of associates**

Parent Company	50	-	71	-
Subsidiary Companies	3,397	3,036	10,932	9,051
Associated Companies	9,270	8,066	29,529	24,424

**Reimbursement of expenses incurred by associates on behalf of POL**

Parent Company	161	2,002	1,283	3,497
Subsidiary Companies	3,711	2,239	15,052	6,606
Associated Companies	(1,402)	5,315	38,694	19,634

**PAKISTAN OILFIELDS LIMITED**

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

**For the Nine months ended March 31, 2023**

	Three months ended		Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ('000)		Rupees ('000)	
<b>Rental income</b>				
Subsidiary Companies	351	351	1,053	1,053
Associated Companies	1,023	1,020	3,065	3,062
<b>Rental expense</b>				
Parent Company	17,894	13,668	53,641	40,910
Associated Companies	1,357	367	3,982	2,481
<b>Dividend Paid</b>				
Parent Company	1,049,370	2,995,906	1,052,458	7,489,766
Associated Companies	4,303	3,704	15,062	9,259
<b>Dividend Received</b>				
Subsidiary Company	6,885	5,611	14,631	19,677
Associated Companies	109,136	104,771	618,552	475,813
<b>Other related parties:</b>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	24,088	32,081	131,031	128,168
Dividend to key management personnel	66,889	65,922	232,862	164,565
Contribution to staff retirement benefits plans Management Staff Pension Fund and Gratuity Fund	27,135	23,027	86,436	69,114
Approved Contributory Provident Funds	8,893	7,878	28,463	24,155
Workers' Profit Participation Fund	376,605	452,358	1,206,378	1,152,735

**26 Operating segments**

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 17.

Revenue from two major customers of the Company constitutes 75% of the total revenue during the period ended March 31, 2023 (March 31, 2022: 73%).

**27 Impact of COVID - 19 on the condensed interim financial statements**

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

**28 Date of authorization**

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on April 27, 2023.

CFO

Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**

**Un-Audited Consolidated Financial Statements**

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**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

# PAKISTAN OILFIELDS LIMITED

## Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2023

	(Unaudited) Mar. 31, 2023	(Audited) June 30, 2022		(Unaudited) Mar. 31, 2023	(Audited) June 30, 2022	
Note	Rupees ( '000)		Note	Rupees ( '000)		
<b>SHARE CAPITAL AND RESERVES</b>			<b>FIXED ASSETS</b>			
<b>ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED</b>						
Authorised capital	<u>5,000,000</u>	<u>5,000,000</u>	Property, plant and equipment	11	6,184,960	6,755,903
Issued, subscribed and paid-up capital	2,838,551	2,838,551	Development and decommissioning costs	12	8,404,181	10,209,126
Capital reserves	5	2,059,727	Exploration and evaluation assets	13	136,711	3,019,833
Revenue reserves	6	61,604,604	Other intangible assets		58,128	189,939
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)	4,368	4,368	Deffered tax assets		11,177	11,177
	<u>66,507,250</u>	<u>55,473,102</u>			<u>14,795,157</u>	<u>20,185,978</u>
<b>NON - CONTROLLING INTEREST</b>	<u>126,349</u>	114,974	<b>LONG TERM INVESTMENT IN ASSOCIATED COMPANIES</b>	14	14,822,805	14,445,000
	<u>66,633,599</u>	55,588,076	<b>LONG TERM LOANS AND ADVANCES</b>		31,803	29,590
<b>NON CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Long term deposits	1,033,564	1,015,727	Stores and spares	6,120,026	5,754,403	
Deferred liabilities	7	31,419,607	Stock in trade	617,825	423,253	
	<u>32,453,171</u>	26,612,638	Trade debts	15	15,127,351	9,967,911
<b>CURRENT LIABILITIES AND PROVISIONS</b>			Advances, deposits, prepayments and other receivables	16	8,079,507	4,697,611
Trade and other payables	8	35,346,188	Short term investments	17	22,330,534	-
Unpaid dividend - awaiting remittance by the authorized bank	9	9,433,214	Cash and bank balances	18	69,319,126	67,910,320
Unclaimed dividend	596,083	275,702			<u>121,594,369</u>	<u>88,753,498</u>
Provision for income tax	6,781,879	9,802,862			<u>151,244,134</u>	<u>123,414,066</u>
	<u>52,157,364</u>	41,213,352				
<b>CONTINGENCIES AND COMMITMENTS</b>	10					
	<u>151,244,134</u>	<u>123,414,066</u>				

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

# PAKISTAN OILFIELDS LIMITED

## Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

For the nine months ended March 31, 2023

	Note	Three months ended		Nine months ended	
		Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
		Rupees ( '000)		Rupees ( '000)	
<b>SALES</b>		<b>17,685,021</b>	14,940,648	<b>50,755,671</b>	43,543,604
Sales tax		(1,337,939)	(1,217,851)	(3,625,835)	(5,374,899)
Excise duty		(56,213)	(59,459)	(169,775)	(185,518)
<b>NET SALES</b>	<b>19</b>	<b>16,290,869</b>	13,663,338	<b>46,960,061</b>	37,983,187
Operating costs	20	(3,172,320)	(2,742,767)	(8,989,584)	(7,521,322)
Royalty		(1,807,103)	(1,424,634)	(5,138,519)	(3,913,012)
Amortisation of development & decommissioning costs	21	(782,959)	(589,136)	(2,289,325)	(1,990,231)
		(5,762,382)	(4,756,537)	(16,417,428)	(13,424,565)
<b>GROSS PROFIT</b>		<b>10,528,487</b>	8,906,801	<b>30,542,633</b>	24,558,622
Exploration costs	22	(849,580)	(127,386)	(6,329,302)	(685,904)
		9,678,907	8,779,415	24,213,331	23,872,718
Administration expenses		(88,638)	(59,482)	(285,168)	(194,669)
Finance costs - net	23	(5,435,979)	(788,052)	(7,785,323)	(3,185,210)
Other charges	24	(505,084)	(593,468)	(1,662,111)	(1,552,058)
		(6,029,701)	(1,441,002)	(9,732,602)	(4,931,937)
		3,649,206	7,338,413	14,480,729	18,940,781
Other income - net	25	14,212,212	1,980,612	22,450,579	6,317,698
		17,861,418	9,319,025	36,931,308	25,258,479
Share in profits of associated companies - net of impairment loss		304,091	327,622	996,567	1,996,028
<b>PROFIT BEFORE TAXATION</b>		<b>18,165,509</b>	9,646,647	<b>37,927,875</b>	27,254,507
Provision for taxation	26	(1,758,250)	(2,881,574)	(6,998,228)	(8,458,459)
<b>PROFIT FOR THE PERIOD</b>		<b>16,407,259</b>	6,765,073	<b>30,929,647</b>	18,796,048
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		16,396,063	6,763,467	30,904,215	18,782,605
Non - controlling interests		11,196	1,606	25,432	13,443
		16,407,259	6,765,073	30,929,647	18,796,048
Earnings per share - Basic and diluted (Rupees)		57.76	23.83	108.87	66.17

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

# PAKISTAN OILFIELDS LIMITED

## Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the nine months ended March 31, 2023

	Three months ended		Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ( '000)		Rupees ( '000)	
<b>PROFIT FOR THE PERIOD</b>	<b>16,407,259</b>	6,765,073	<b>30,929,647</b>	18,796,048
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Share of other comprehensive (loss) of associated companies - net of tax	-	-	(210)	(64)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16,407,259</b>	6,765,073	<b>30,929,437</b>	18,795,984
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	<b>16,396,063</b>	6,763,467	<b>30,904,005</b>	18,782,541
Non - controlling interests	<b>11,196</b>	1,606	<b>25,432</b>	13,443
	<b>16,407,259</b>	6,765,073	<b>30,929,437</b>	18,795,984

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director



## PAKISTAN OILFIELDS LIMITED

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended March 31, 2023

	Attributable to owners of Pakistan Oilfields Limited										
	Capital Reserves				Revenue Reserves			Gain on revaluation of investment at fair value through OCI	Total	Non-controlling interest	Total
	Share capital	Bonus shares issued by subsidiary/ associated companies	Special reserves	Utilized Special reserves	Insurance reserve	General Reserve	Unappropriated profit				
	Rupees ( '000)										
Balance at June 30, 2021	2,838,551	71,395	15,437	1,941,044	200,000	7,077,325	30,810,225	2,447	42,956,424	122,024	43,078,448
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	18,782,605	-	18,782,605	13,443	18,796,048
Other comprehensive income	-	-	-	-	-	-	(64)	-	(64)	-	(64)
Transfer to special reserve by an associated company	-	-	2	-	-	-	-	(2)	-	-	-
Transactions with owners:											
POL dividends:											
Final cash dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)
Interim dividend @ Rs 20 per share - Year ended June 30, 2022	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:											
Final cash dividend @ Rs 21.60 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(7,144)	(7,144)
First interim dividend @ Rs 19.26 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(6,370)	(6,370)
Second interim dividend @ Rs 19.26 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(5,391)	(5,391)
	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	(18,905)	(14,211,660)
Balance at March 31, 2022	2,838,551	71,395	15,439	1,941,044	200,000	7,077,325	35,400,009	2,447	47,546,210	116,562	47,662,772
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	7,980,385	-	7,980,385	181	7,980,566
Other comprehensive income	-	-	-	-	-	-	(55,414)	1,921	(53,493)	(280)	(53,773)
Transfer to special reserve by associated companies	-	-	1,466,261	-	-	-	7,924,971	1,921	7,926,892	(99)	7,926,793
Accumulated loss of an associated company offset against special reserve	-	-	(1,463,042)	-	-	-	(1,466,261)	-	-	-	-
Transactions with owners:											
Dividend to CAPGAS non-controlling interest holders:											
Third interim dividend @ Rs 4.5 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(1,489)	(1,489)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(1,489)	(1,489)
Balance at June 30, 2022	2,838,551	71,395	18,658	1,941,044	200,000	7,077,325	43,321,761	4,368	55,473,102	114,974	55,588,076
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	30,904,215	-	30,904,215	25,432	30,929,647
Other comprehensive income	-	-	-	-	-	-	(210)	-	(210)	-	(210)
Bonus shares issued by an associated company	-	17,462	-	-	-	-	30,904,005	-	30,904,005	25,432	30,929,437
Transfer to special reserve by an associated company	-	-	11,168	-	-	-	(17,462)	-	-	-	-
Transactions with owners:											
POL dividend:											
Final dividend @ Rs 50 per share - Year ended June 30, 2022.	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	-	(14,192,755)
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:											
Interim dividend @ Rs 22.5 per share - Year ending June 30, 2023	-	-	-	-	-	-	-	-	-	(7,442)	(7,442)
Second Interim dividend @ Rs 20 per share - Year ending June 30, 2023	-	-	-	-	-	-	-	-	-	(6,615)	(6,615)
Total transactions with owners	-	-	-	-	-	-	(19,869,857)	-	(19,869,857)	(14,057)	(19,883,914)
<b>Balance at March 31, 2023</b>	<b>2,838,551</b>	<b>88,857</b>	<b>29,826</b>	<b>1,941,044</b>	<b>200,000</b>	<b>7,077,325</b>	<b>54,327,279</b>	<b>4,368</b>	<b>66,507,250</b>	<b>126,349</b>	<b>66,633,599</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

# PAKISTAN OILFIELDS LIMITED

## Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended March 31, 2023

	<b>Nine months ended</b>	
	<b>Mar. 31, 2023</b>	Mar. 31, 2022
	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>42,554,233</b>	34,986,433
Operating and exploration costs paid	<b>(10,040,437)</b>	(6,232,554)
Royalty paid	<b>(5,196,771)</b>	(3,786,689)
Taxes paid	<b>(11,428,712)</b>	(6,068,085)
Cash provided by operating activities	<b>15,888,313</b>	18,899,105
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure	<b>(3,624,657)</b>	(2,170,545)
Proceeds from disposal of property, plant and equipment	<b>(2,946)</b>	6,677
Investments in mutual funds - net	-	(511,265)
Income on bank deposits and investments at amortised cost	<b>6,602,320</b>	2,180,127
Dividend income received	<b>618,553</b>	488,050
Cash used in investing activities	<b>3,593,270</b>	(6,956)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(10,130,320)</b>	(14,176,992)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		
	<b>14,388,077</b>	3,707,864
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>23,739,340</b>	8,423,021
<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>	<b>67,910,320</b>	47,824,836
<b>CASH AND CASH EQUIVALENTS AT MAR. 31,</b>	<b>91,649,660</b>	56,247,857
<b>CASH AND CASH EQUIVALENTS</b>		
Short term investment - at amortised cost	<b>22,330,534</b>	150,679
Cash and bank balances	<b>69,319,126</b>	56,097,178
	<b>91,649,660</b>	56,247,857

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

## PAKISTAN OILFIELDS LIMITED

### Notes to and forming part of the condensed interim Consolidated Financial Statements ( Unaudited ) For the nine months ended March 31, 2023

#### 1. Legal status and operations

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

CAPGAS (Private) Limited, the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Act, 2017 and is principally engaged in buying, filling, distribution and dealing in LPG.

For the purpose of these accounts, POL and its consolidated subsidiary are referred as the Company.

#### 2. Basis of consolidation

The consolidated financial information include the financial statements of POL and its subsidiary CAPGAS with 51% holding (June 30, 2022: 51%).

Subsidiaries are those enterprises in which parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements.

#### 3. Basis of preparation

These condensed interim consolidated 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 (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177 (I)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

These condensed interim consolidated financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2022.

#### 4. Significant accounting policies

The accounting policies and methods for computation adopted for the preparation of this condensed interim consolidated financial statements are the same as those applied in preparation of the financial statements for the year ended June 30, 2022.

	(Unaudited)	(Audited)
	Mar. 31, 2023	Jun. 30, 2022
	Rupees ( '000)	
<b>5. Capital reserves</b>		
Bonus shares issued by subsidiary/associated companies	88,857	71,395
Special reserve	29,826	18,658
Utilised special reserve	1,941,044	1,941,044
	<b>2,059,727</b>	<b>2,031,097</b>
<b>6. Revenue reserves</b>		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	54,327,279	43,321,761
	<b>61,604,604</b>	<b>50,599,086</b>
<b>7. Deferred liabilities</b>		
Provision for deferred income tax	4,974,353	6,383,854
Provision for decommissioning cost	26,434,042	19,123,431
Provision for gratuity	8,951	2,540
Provision for staff compensated absences	2,261	7,840
Deferred liabilities - renewal fee	-	79,246
	<b>31,419,607</b>	<b>25,596,911</b>
<b>8. Trade and other payables</b>		
These include balances due to joint venture partners amounting to Rs 1,926,405 thousand (June 30, 2022: Rs 1,435,659 thousand) and balances due to related parties amounting to Rs 1,280,615 thousand (June 30, 2022: Rs 1,824,514 thousand).		
These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 25,315,858 thousand (June 30, 2022: Rs 22,278,874 thousand) as explained in note 19.1.		
<b>9. Unpaid dividend - awaiting remittance by the authorized bank</b>		
This represents dividend payable to parent company (non-resident), The Attock Oil Company Limited in United Kingdom (UK), for the year ended June 30, 2022 and Interim dividend for the year ending June 30, 2023, awaiting remittance by the authorized bank due to regulatory constraints.		
<b>10. Contingencies and commitments</b>		
<b>10.1</b> There were no material contingencies at March 31, 2023 (June 30, 2022: Nil).		
	(Unaudited)	(Audited)
	Mar. 31, 2023	Jun. 30, 2022
	Rupees ( '000)	
<b>10.2</b> Commitments:		
- Share in Joint Operations	10,557,011	13,792,446
- Own fields	6,843,801	5,047,000
- Letter of credit issued by banks on behalf of the company	921,263	380,001
<b>11. Property, plant and equipment</b>		
Operating assets		
Opening net book value	6,272,321	6,170,079
Additions during the period/year	645,138	1,591,358
Disposals during the period/year	(7,836)	(267)
Depreciation for the period/year	(1,194,770)	(1,488,849)
Closing net book value	5,714,853	6,272,321
Capital work in progress - at cost	470,106	483,582
	<b>6,184,960</b>	<b>6,755,903</b>

	(Unaudited) Mar. 31, 2023	(Audited) Jun. 30, 2022
	Rupees ( '000)	
<b>12. Development and decommissioning costs</b>		
<b>Development cost</b>		
Opening net book value	9,801,407	12,922,884
Additions during the period/year	829,081	560,588
Revision due to change in estimates	(278,488)	(147,697)
Amortization for the period/year	(2,243,920)	(3,534,368)
Closing net book value	8,108,080	9,801,407
<b>Decommissioning cost</b>		
Opening net book value	407,719	749,791
Additions during the period/year	116,264	22,137
Revision due to change in estimates	(120,373)	(189,694)
Amortization for the period/year	(107,509)	(174,515)
Closing net book value	296,101	407,719
	<b>8,404,181</b>	<b>10,209,126</b>

<b>13. Exploration and evaluation assets</b>		
Balance brought forward	3,019,833	512,223
Additions during the period/year	2,141,460	2,507,610
Dry and abandoned wells cost charged to the statement of profit or loss	(5,024,582)	-
	<b>136,711</b>	<b>3,019,833</b>

<b>14. Long term investment in associated companies - equity method</b>		
Beginning of the year	14,445,000	13,337,592
Share in loss of associated companies	(809,285)	3,577,350
Share of other comprehensive income of associated companies	(210)	(12,305)
Impairment reversal/(charge) against investment in NRL	1,805,852	(1,981,825)
Dividend received during the period / year	(618,552)	(475,812)
<b>End of the period / year</b>	<b>14,822,805</b>	<b>14,445,000</b>

**14.1** Based on a valuation analysis, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount had been estimated based on a value in use calculation carried out by an external investment advisor engaged by the management, on an annual basis.

**15. Trade debts**

These include Rs 5,265,648 thousand (June 30, 2022: Rs 6,749,456 thousand) receivable from related parties.

**16. Advances, deposits, prepayments and other receivables**

These include balances due from joint venture partners amounting to Rs 652,629 thousand (June 30, 2022: Rs 313,169 thousand) and balances due from related parties amounting to Rs 481,468 thousand (June 30, 2022: Rs 309,162 thousand).

**17. Short term investments**

This represents treasury bills carried at amortized cost at yield ranging from 17.82% to 20.97% per annum.

	(Unaudited) Mar. 31, 2023	(Audited) June 30, 2022
	Rupees ( '000)	
<b>18. Cash and bank balances</b>		
Bank balance on:		
Short term deposits	52,050,526	66,046,782
Interest/mark-up bearing saving accounts	17,210,899	1,822,642
Current accounts	54,450	36,338
	<b>69,315,875</b>	<b>67,905,762</b>
Cash in hand	3,251	4,558
	<b>69,319,126</b>	<b>67,910,320</b>

Balance with banks include foreign currency balances of US \$ 193,377 thousand (June 30, 2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 1% to 20.97% per annum (June 30, 2022: 0.25% to 18% per annum).

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ( '000)		Rupees ( '000)	
<b>19. Net sales</b>				
Crude oil	8,525,959	7,714,863	25,680,249	20,514,657
Gas - note 19.1	5,074,554	3,490,763	13,645,543	10,607,919
Less: Shrinkages/own use	792,549	524,209	2,166,941	1,499,105
	4,282,005	2,966,554	11,478,602	9,108,814
POLGAS/Cap Gas - Refill of cylinders	3,378,680	2,924,793	9,418,793	8,168,231
Solvent oil	104,225	57,128	353,329	191,485
Sulphur	-	-	29,088	-
	16,290,869	13,663,338	46,960,061	37,983,187

**19.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) had required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. After multiple hearings, the case came up for hearing on May 24, 2022 before the Honourable Chief Justice of Islamabad High Court, wherein matter was adjourned till June 30, 2022, however the same could not be heard and next date of hearing is yet to be announced.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to March 31, 2023 amounting to Rs 23,631,088 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 21,621,796 thousand and sales tax of Rs 3,694,063 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 3,694,063 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within "sales tax refundable" in "advances, deposits, prepayments and other receivables".

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ( '000)		Rupees ( '000)	
<b>20. Operating costs</b>				
Operating cost - Own fields	609,988	273,304	1,461,859	853,422
- Share in joint operations	1,173,411	900,833	3,592,151	2,499,211
Well workover	46,297	125,088	61,894	182,686
POLGAS/Cap Gas -LPG cost, carriage etc	898,422	1,060,038	2,753,751	2,838,129
Pumping and transportation cost	30,029	24,185	82,397	60,297
Depreciation and amortization	415,672	381,630	1,232,104	1,151,343
	<b>3,173,819</b>	<b>2,765,078</b>	<b>9,184,156</b>	<b>7,585,088</b>
Opening stock of crude oil and other products	616,326	339,812	423,253	298,357
Closing stock of crude oil and other products	(617,825)	(362,123)	(617,825)	(362,123)
	<b>3,172,320</b>	<b>2,742,767</b>	<b>8,989,584</b>	<b>7,521,322</b>
<b>21. Amortization of development and decommissioning costs</b>				
Amortization charge for the year - note 12	807,959	722,897	2,351,429	2,314,144
Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss	(25,000)	(133,761)	(62,104)	(323,913)
	<b>782,959</b>	<b>589,136</b>	<b>2,289,325</b>	<b>1,990,231</b>
<b>22. Exploration costs</b>				
Geological and geophysical cost	849,580	127,386	1,304,720	685,904
Dry and abandoned wells cost charged to the exploration costs - note 13	-	-	5,024,582	-
	<b>849,580</b>	<b>127,386</b>	<b>6,329,302</b>	<b>685,904</b>
<b>23. Finance costs - net</b>				
Provision for decommissioning cost				
- unwinding of discount	220,434	314,588	661,301	943,764
- exchange loss	5,213,963	471,366	7,119,065	2,235,622
Banks' commission and charges	1,582	2,098	4,957	5,824
	<b>5,435,979</b>	<b>788,052</b>	<b>7,785,323</b>	<b>3,185,210</b>
<b>24. Other charges</b>				
Workers' profit participation fund	378,333	452,598	1,210,414	1,154,829
Workers' welfare fund	126,751	140,870	451,697	397,229
	<b>505,084</b>	<b>593,468</b>	<b>1,662,111</b>	<b>1,552,058</b>
<b>25. Other income</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and investments carried at amortised cost	3,142,723	966,557	7,368,548	2,151,834
Exchange gain on financial assets	10,804,905	859,964	14,388,077	3,707,864
Dividend on investments classified as fair value through profit or loss	-	12,237	-	12,237
Rental income	37,440	37,073	191,496	129,083
Crude oil transportation income	115,590	98,858	339,884	295,966
Gas processing fee	21,767	3,659	60,790	6,079
Gain on sale of property, plant and equipment	(5,076)	562	(2,946)	6,088
Gain on sale of stores and scrap	101,046	34	110,479	6,380
Fair value adjustment on investments in mutual funds classified as fair value through profit or loss	-	1,994	-	2,026
Others	(6,183)	(326)	(5,749)	141
	<b>14,212,212</b>	<b>1,980,612</b>	<b>22,450,579</b>	<b>6,317,698</b>
<b>26. Provision for taxation</b>				
Current	1,928,040	2,958,549	8,407,728	8,773,882
Deferred	(169,789)	(76,975)	(1,409,500)	(315,423)
	<b>1,758,251</b>	<b>2,881,574</b>	<b>6,998,228</b>	<b>8,458,459</b>

## 27. Transactions with related parties

Aggregate transactions with related parties of the Company were as follows:

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
	Rupees ( '000)		Rupees ( '000)	
<b>Sales of goods and services to</b>				
Associated companies	<b>8,307,254</b>	7,573,560	<b>25,511,503</b>	19,319,062
<b>Purchase of goods and services from</b>				
Parent company	<b>32,246</b>	34,783	<b>102,575</b>	107,069
Associated companies	<b>411,664</b>	212,072	<b>1,341,424</b>	826,711
<b>Reimbursement of expenses incurred by POL on behalf of associates</b>				
Parent company	<b>50</b>	-	<b>71</b>	-
Associated companies	<b>9,270</b>	8,066	<b>29,529</b>	24,424
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent company	<b>161</b>	2,002	<b>1,283</b>	3,497
Associated companies	<b>(1,402)</b>	5,315	<b>38,694</b>	19,634
<b>Rental Income</b>				
Associated companies	<b>1,023</b>	1,020	<b>3,065</b>	3,062
<b>Rental expenses</b>				
Parent company	<b>17,894</b>	13,668	<b>53,641</b>	40,910
Associated companies	<b>1,357</b>	367	<b>3,982</b>	2,481
<b>Dividend paid during the period</b>				
Parent company	<b>1,049,370</b>	2,995,906	<b>1,052,458</b>	7,489,766
Associated companies	<b>4,303</b>	3,704	<b>15,062</b>	9,259
<b>Dividend received during the period</b>				
Associated companies	<b>109,136</b>	104,771	<b>618,552</b>	475,813
<b>Other related parties</b>				
Remuneration to key management personnel including benefits and perquisites	<b>24,088</b>	32,081	<b>131,031</b>	128,168
Dividend to key management personnel	<b>66,889</b>	65,922	<b>232,862</b>	164,565
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	<b>27,135</b>	23,027	<b>86,436</b>	69,114
Approved Contributory Provident Funds	<b>8,893</b>	7,878	<b>28,463</b>	24,155
Contribution to Workers' Profit Participation Fund	<b>378,333</b>	452,598	<b>1,210,414</b>	1,154,829

## 28. Operating segments

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 19.

Revenue from two major customers of the Company constitutes 74% of the total revenue during the period ended March 31, 2023 (March 31, 2022: 71%).



**29. IMPACT OF COVID - 19 ON THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

**30. Date of authorisation**

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on April 27, 2023.

Chief Financial Officer

Chief Executive

Director



## **Pakistan Oilfields Limited**

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