



Oil & Gas Development Company Limited



Interim Report and Financial Information

Quarter Ended 30 September 2022

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Corporate Information

Board of Directors

Mr. Zafar Masud	Chairman
Capt. (Retd.) Muhammad Mahmood	Director
Mr. Abdul Aziz Uqaili	Director
Dr. Muhammad Sohail Rajput	Director
Mr. Muhammad Haroon-ur-Rafique	Director
Mr. Hamed Yaqoob Sheikh	Director
Mr. Akbar Ayub Khan	Director
Mr. Muhammad Riaz Khan	Director
Mrs. Shamama Tul Amber Arbab	Director
Mr. Jahanzaib Durrani	Director
Syed Khalid Siraj Subhani	MD/CEO/Director

Capt. (Retd.) Muhammad Mahmood appointed as Director w.e.f. 18 October 2022 in place of Mr. Ali Raza Bhutta.

Chief Financial Officer

Mr. Muhammad Anas Farook

Company Secretary

Mr. Ahmed Hayat Lak

Auditors

M/s KPMG Taseer Hadi & Co., Chartered Accountants

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

Legal Advisor

M/s Khokhar Law Chambers

Tax Advisor

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

Registered Office

OGDCL House, Plot No 3, F-6/G-6, Blue Area,

Jinnah Avenue, Islamabad.

Phone: (PABX) +92 51 9209811-8

Fax: +92 51 9209804-6, 9209708

Website: www.ogdcl.com

Email: info@ogdcl.com

Share Registrar

CDC-Share Registrar Services Limited,

CDC House, 99-B, Block-B, S.M.C.H.S.,

Main Shahrah-e-Faisal, Karachi-74400.

Phone: +92 21 111 111 500

Fax: +92 21 34326053

Website: www.cdcsrsl.com

Email: info@cdcsrsl.com

Directors' Interim Review

The Board of Directors of Oil & Gas Development Company Limited (OGDCL) is pleased to present a concise review of the Company's operational and financial performance accompanied with unaudited condensed interim financial information for the quarter ended 30 September 2022.

During the period under review, sharp resurgence in the international crude oil demand and prices was witnessed on the back of economic revival, ongoing geopolitical unrest and continued oil supply discipline by OPEC+ coalition. All such factors contributed towards surge in the basket price of crude oil averaging US\$ 100.45/barrel against US\$ 71.43/barrel in the comparative period. The favorable oil price environment during the reporting period led the Company to register a growth of 48% and 58% in its top and bottom line financials respectively. On the operational front, OGDCL continued with its exploration, development and production activities with the aim to bridge the prevailing energy demand-supply gap in the Country.

Exploration and Development Activities

OGDCL being the flagship of Pakistan's E&P sector holds the largest exploration acreage and portfolio, which remain unchanged since 30 June 2022. The Company's exploration acreage is 87,290 sq. km and represents 41% of Country's total area under exploration (source: PPIS). The exploration portfolio comprises 48 owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in 9 exploration blocks operated by other E&P companies.

In order to discover oil and gas reserves, OGDCL during the period under review acquired 221 Line km of 2D seismic data (1Q 2021-22: 336 Line km) and 21 Sq. km of 3D seismic data (1Q 2021-22: Nil Sq. km) representing 49% of total 2D and 17% of total 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 1,065 Line km of 2D seismic data. Additionally, 135 Line km of geological field work was carried out in Nowshera EL.

On the drilling front, OGDCL spud 1 exploratory well; Shahpurabad-1 (1Q 2021-22: 3 wells). Moreover, drilling and testing of 2 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the three months was 11,392 meters (1Q 2021-22: 11,678 meters).

Exploration activities during the reporting period were severely affected by the torrential rains/flood and security concerns. Planned 3D seismic survey of 210 Sq. km was affected by torrential rains, whereas 2D seismic survey of 84 Line km had to be deferred due to security concerns in Zin and Lillah blocks. However, the Company is making all out efforts to recover the deferred seismic activities with in the current fiscal year.

Development Projects

The current status of development projects is tabulated below:

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% AHEL 4.75% PKPEL2 4.75%	July 2022	The compression project has been commissioned.
Maru-Reti Compression	Ghotki, Sindh	OGDCL 57.76% GHPL 22.50% SEPL 10.66% IPRTOC 9.08%	September 2022	The compression project has been commissioned.

Daru-Mangrio Central Facility LPG Extraction	Hyderabad, Sindh	OGDCL 77.50% GHPL 22.50%	April 2023	Technical and financial evaluation of bids for hiring of PCC contractor are completed.
Dakhni Compression	Attock, Punjab	OGDCL 100%	November 2023	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	May 2024	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	March 2024	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.

Wali Field Development

In an effort to augment production and mitigate energy crisis in the Country, OGDCL has embarked upon the initiative for development of early production facilities at Wali-1 so as to bring Wali field into production. Wali-1 was a major hydrocarbon find and OGDCL holds 100% working interest in the Wali exploration block. The recoverable 2P reserves are estimated to be around 13 million barrels of oil and 219 billion cubic feet of gas, equivalent 55 million BOEs. The project is expected to be completed in the current fiscal year.

Production

OGDCL's production during the period under review contributed around 46%, 30% and 36% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). The quarter-wise comparison of the Company's average daily net saleable crude oil, gas and LPG production including share in both operated and non-operated JV fields is as follows:

Products	Unit of Measurement	1Q 2022-23	1Q 2021-22
Crude oil	Barrels per day	33,443	37,347
Gas	MMcf per day	779	845
LPG	Tons per day	722	805

OGDCL recorded decrease in overall hydrocarbon production in comparison to the corresponding period last year as various production sustaining activities planned in the current quarter had to be deferred due to torrential rains/flood in addition to natural decline at Sinjhora, Nashpa, KPD-TAY, Chanda, Mela and Dhok Hussain fields. Moreover, torrential rains/flood resulted in forced production curtailment at Palli, Mangrio and KPD-TAY fields. Likewise, lower gas production was recorded due to less gas intake by UPL from Uch field due to technical issues at Uch power plant as well as on account of rupture incident at the 26" gas pipeline (Uch field to UPL plant). The reduction in production from NJV fields also contributed towards lower hydrocarbon output.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the period under review carried out 14 work-over jobs comprising 3 with rig and 11 rig-less. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at Umair-1 and Togh Bala-2. Additionally, electrical submersible pump was installed at Pasakhi North-3 in July 2022 in an effort to enhance crude oil production.

During the period under review, a fire incident occurred at a warehouse located at one of the Company's non-operated JV field; Manzalai/Makori processing facility. No loss of life was reported in the incident, however, a detailed survey of the damaged area and assessment of the loss is being carried out by the operator of the field (MOL). The operator has ensured continuity of production operations in the field.

Business Diversification

As per the business diversification plan, the Company has entered into a framework agreement with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of copper and gold reserves from Reko Diq. The Company's participation in the mining project is subject to administrative/legislative/regulatory/judicial approvals, execution of definitive agreements and other conditions agreed in the framework agreement.

In line with its vision to expand its core business internationally, OGDCL along with consortium partners; PPL (operator), MPCL and GHPL was awarded offshore block-5 in Abu Dhabi by ADNOC on 31 August 2021. Offshore block-5 is located in a highly prospective basin and planned exploration and evaluation activities are underway in the block.

Financial Results

The Company during quarter ended 30 September 2022 registered improved Sales Revenue of Rs 106.012 billion (1Q 2021-22: Rs 71.531 billion). Higher sales are primarily attributable to increase in the realized price of crude oil averaging US\$ 83.52/barrel (1Q 2021-22: US\$ 62.23/barrel). Moreover, the Company recorded increase in the realized prices of gas and LPG averaging Rs 564.79/Mcf (1Q 2021-22: Rs 391.49/Mcf) and Rs 142,658/Ton (1Q 2021-22: Rs 97,039/Ton) respectively. Furthermore, rise in average exchange rate from Rs 164.91/US\$ to Rs 224.62/US\$ during the reporting period lent strength to the financials.

In addition to the above, the profitability during the period under review was positively impacted by increase in finance and other income mainly on account of exchange gain. However in comparison to corresponding period last year, increase in operating expenses owing to joint operations expenses, work over charges and amortization of development and production assets partially impacted the financial performance. Nevertheless, the Company recorded Profit after Tax of Rs 53.303 billion (1Q 2021-22: Rs 33.629 billion) translating into an Earnings per Share of Rs 12.39 (1Q 2021-22: Rs 7.82).

Dividend

The Board of Directors announced first interim cash dividend of Rs 1.75 per share (17.50%) for the year ending 30 June 2023.

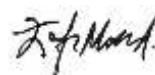
Acknowledgement

The Board of Directors acknowledges the continued support extended by all the stakeholders in the pursuit to achieve organizational growth and success. The Board also wishes to place on record efforts put in by the Company employees at all levels to ensure that the business continues to deliver industry leading performance, safely and responsibly.



(Syed Khalid Siraj Subhani)
Managing Director/CEO
25 October 2022

On behalf of the Board



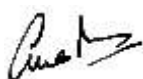
(Zafar Masud)
Chairman

Condensed Interim Statement of Financial Position [unaudited]

As at 30 September 2022

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees '000)-----	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Reserves	4	21,486,403	20,874,189
Unappropriated profit		864,449,132	811,509,093
		<u>928,944,819</u>	<u>875,392,566</u>
NON CURRENT LIABILITIES			
Deferred taxation		42,108,772	39,364,380
Deferred employee benefits		33,740,163	33,039,060
Provision for decommissioning cost	5	43,938,893	43,121,524
		<u>119,787,828</u>	<u>115,524,964</u>
CURRENT LIABILITIES			
Trade and other payables	6	103,386,432	105,121,439
Unpaid dividend	7	33,642,023	33,736,527
Unclaimed dividend		207,325	207,557
		<u>137,235,780</u>	<u>139,065,523</u>
TOTAL LIABILITIES		<u>257,023,608</u>	<u>254,590,487</u>
		<u>1,185,968,427</u>	<u>1,129,983,053</u>
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 to 31 form an integral part of these interim financial statements.



Chief Financial Officer

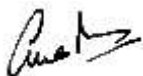


Chief Executive



Director

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees '000) -----	
NON CURRENT ASSETS			
Property, plant and equipment	9	90,654,998	92,685,118
Development and production assets	10	117,871,239	118,283,976
Exploration and evaluation assets	11	15,986,659	13,239,465
		224,512,896	224,208,559
Long term investments	12	45,286,982	41,938,930
Deposit with the Government of Pakistan for equity stake in Reko Diq project	13	35,262,040	34,462,500
Long term loans		9,278,703	9,811,981
Long term prepayments		881,818	908,609
Lease receivables	14	42,229,680	40,114,848
		357,452,119	351,445,427
CURRENT ASSETS			
Stores, spare parts and loose tools		21,416,531	19,958,215
Stock in trade		590,362	560,679
Trade debts	15	490,710,907	456,594,833
Loans and advances	16	14,813,877	16,603,490
Deposits and short term prepayments		1,221,542	1,207,668
Other receivables		1,221,782	1,009,932
Income tax- advance	17	21,288,756	31,914,172
Current portion of long term investments		142,653,381	140,694,637
Current portion of lease receivables	14	32,981,921	29,822,984
Other financial assets	18	72,620,742	48,539,965
Cash and bank balances		28,996,507	31,631,051
		828,516,308	778,537,626
		1,185,968,427	1,129,983,053



Chief Financial Officer



Chief Executive



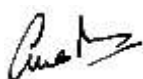
Director

Condensed Interim Statement of Profit or Loss [unaudited]

For the Quarter ended 30 September 2022

		Quarter ended 30 September	
		2022	2021
		----- (Rupees '000) -----	
	Note		
Sales - net	19	106,012,210	71,530,571
Royalty		(12,176,915)	(8,242,038)
Operating expenses		(18,174,641)	(16,574,500)
Transportation charges		(454,658)	(404,154)
		<u>(30,806,214)</u>	<u>(25,220,692)</u>
Gross profit		75,205,996	46,309,879
Finance and other income	20	18,503,847	10,877,627
Exploration and prospecting expenditure		(1,545,045)	(2,282,790)
General and administration expenses		(1,008,007)	(1,140,706)
Finance cost		(818,225)	(563,071)
Workers' profit participation fund		(4,642,491)	(2,751,035)
Share of profit in associate - net of taxation		2,511,245	1,819,761
Profit before taxation		88,207,320	52,269,665
Taxation	21	(34,904,781)	(18,640,252)
Profit for the quarter		53,302,539	33,629,413
Earnings per share - basic and diluted (Rupees)	22	12.39	7.82

The annexed notes 1 to 31 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive



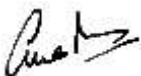
Director

Condensed Interim Statement of Comprehensive Income [unaudited]

For the Quarter ended 30 September 2022

	Quarter ended 30 September	
	2022	2021
	----- (Rupees '000) -----	
Profit for the quarter	53,302,539	33,629,413
Other comprehensive income:	-	-
Items that will be subsequently reclassified to profit or loss:		
Effects of translation of investment in a foreign associate	249,714	-
Share of effect of translation of investment in foreign associated company of the associate	-	-
	249,714	-
Other comprehensive income for the quarter	249,714	-
Total comprehensive income for the quarter	53,552,253	33,629,413

The annexed notes 1 to 31 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive



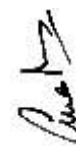
Director

Condensed Interim Statement of Changes in Equity [unaudited]

For the Quarter ended 30 September 2022

	Reserves						Unappropriated profit	Total equity
	Capital reserves			Other reserves				
	Share capital	Self insurance reserve	Share of capital redemption reserve fund in associated company	Share of self insurance reserve in associated company	Share of undistributed percentage return reserve in associated company	Foreign translation currency reserve		
Balance as at 1 July 2021	43,009,284	836,000	14,950,000	2,118,000	920,000	-	707,810,761	769,644,045
Total comprehensive income for the quarter	-	-	-	-	-	-	33,629,413	33,629,413
Profit for the quarter	-	-	-	-	-	-	33,629,413	33,629,413
Other comprehensive income for the quarter	-	-	-	-	-	-	(362,643)	-
Total comprehensive income for the quarter	-	-	-	-	-	-	143	-
Transfer to self insurance reserve	-	-	362,643	-	-	-	-	-
Charge to self insurance reserve	-	-	(143)	-	-	-	-	-
Transactions with owners of the Company	-	-	-	-	-	-	-	-
Total distributions to owners of the Company	-	-	-	-	-	-	-	-
Balance as at 30 September 2021	43,009,284	836,000	15,312,500	2,118,000	920,000	-	741,077,674	803,273,458
Balance as at 1 July 2022	43,009,284	836,000	16,400,000	2,118,000	920,000	-	811,509,093	875,392,566
Total comprehensive income for the quarter	-	-	-	-	-	-	53,302,539	53,302,539
Profit for the quarter	-	-	-	-	-	249,714	-	249,714
Other comprehensive income for the quarter	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	-	-	53,302,539	53,552,253
Transfer to self insurance reserve	-	-	362,784	-	-	-	-	-
Charge to self insurance reserve	-	-	(284)	-	-	-	-	-
Transactions with owners of the Company	-	-	-	-	-	-	-	-
Total distributions to owners of the Company	-	-	-	-	-	-	-	-
Balance as at 30 September 2022	43,009,284	836,000	16,762,500	2,118,000	920,000	849,903	864,449,132	928,944,819

The annexed notes 1 to 31 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive



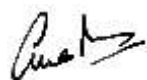
Director

Condensed Interim Statement of Cash Flows [unaudited]

For the Quarter ended 30 September 2022

		Quarter ended 30 September	
		2022	2021
		----- (Rupees '000) -----	
Cash flows from operating activities	Note		
Profit before taxation		88,207,320	52,269,665
Adjustments for:			
Depreciation		2,495,750	2,600,658
Amortization of development and production assets		4,182,067	3,456,700
Royalty		12,176,915	8,242,038
Workers' profit participation fund		4,642,491	2,751,035
Provision for employee benefits		1,688,605	1,290,375
Charge of provision for decommissioning cost		333,652	-
Unwinding of discount on provision for decommissioning cost		817,369	562,331
Interest income on investments and bank deposits	20	(4,879,338)	(2,433,888)
Interest income on lease	20	(1,886,209)	(1,702,997)
Un-realized loss on investments at fair value through profit or loss	20	22,928	25,743
Exchange gain on lease	20	(5,389,139)	(1,394,174)
Exchange gain on foreign currency investment and deposit accounts		(5,753,122)	(5,317,268)
Dividend income from NIT units	20	-	(7,310)
Gain on disposal of property, plant and equipment	20	(766)	(1,330)
Share of profit in associate		(2,511,245)	(1,819,761)
Stores inventory written off		-	99,780
		94,147,278	58,621,597
Changes in:			
Stores, spare parts and loose tools		(1,458,316)	(1,587)
Stock in trade		(29,683)	(132,075)
Trade debts		(34,116,074)	(24,483,165)
Deposits and short term prepayments		(13,874)	(902,022)
Loan and advances and other receivables		2,095,868	2,057,731
Trade and other payables		1,474,515	7,080
Cash generated from operations		62,099,714	35,167,559
Royalty paid		(8,433,143)	(5,349,508)
Employee benefits paid		(532,597)	(1,105,764)
Long term prepayments		26,791	149,493
Decommissioning cost paid		(333,652)	(65,875)
Payment to workers' profit participation fund-net		(13,000,000)	(7,300,000)
Income taxes paid	17	(21,534,973)	(12,038,321)
		(43,807,574)	(25,709,975)
Net cash generated from operating activities		18,292,140	9,457,584
Cash flows from investing activities			
Capital expenditure		(6,286,428)	(8,209,858)
Interest received		4,468,960	2,221,793
Lease payments received	14	453,213	1,045,497
Dividends received		1,640,406	7,310
Deposit with the Government of Pakistan for equity stake in Reko Diq project	13	(532,661)	-
Investment in associated company	12	(2,227,500)	(4,176,250)
Proceeds from disposal of property, plant and equipment		2,646	5,792
Net cash used in investing activities		(2,481,364)	(9,105,716)
Cash flows from financing activities			
Dividends paid		(94,736)	(494,881)
Net cash used in financing activities		(94,736)	(494,881)
Net increase/(decrease) in cash and cash equivalents		15,716,040	(143,013)
Cash and cash equivalents at beginning of the quarter		79,875,942	63,460,344
Effect of movements in exchange rate on cash and cash equivalents		5,753,122	5,317,268
Cash and cash equivalents at end of the quarter	23	101,345,104	68,634,599

The annexed notes 1 to 31 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive



Director

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

1 LEGAL STATUS AND OPERATIONS

Oil and Gas Development Company Limited (OGDCL), 'the Company', was incorporated on 23 October 1997 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Global Depository Shares (1GDS = 10 ordinary shares of the Company) of the Company are listed on the London Stock Exchange.

2 BASIS OF PREPARATION

These condensed interim financial statements (hereinafter referred to as the "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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim financial statements do not include those reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2022. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2022, whereas comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited interim financial statements for the three months period ended 30 September 2021.

These interim financial statements are unaudited and are being submitted to the members as required under Section 237 of Companies Act, 2017.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim financial statements and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2022.

3.1 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2023:

	Effective dates
Amendments to IFRS-4 Expiry date of deferral approach	01 January 2023
Amendments to IAS-1 Classification of liabilities as current or non-current	01 January 2024
Amendments to IAS-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
Amendments to IAS-1 & 8 Accounting policy disclosure and guidance to distinguish between changes in accounting policies and estimates.	01 January 2023

The above amendments are not likely to have an impact on the Company's interim financial statements.

Furthermore, because of reasons as disclosed in note 2.5.3 to the annual audited financial statements for the year ended 30 June 2022, SECP has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till 30 June 2023 in respect of companies holding financial assets due from the Government of Pakistan (GoP), including those that are directly due from GoP and that are ultimately due from GoP in consequence of the circular debt issue. 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. ECL method on financial assets as mentioned above will be applicable on 01 July 2023.

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

		Unaudited 30 September 2022	Audited 30 June 2022
4 RESERVES	Note	----- (Rupees '000) -----	
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	16,762,500	16,400,000
Capital redemption reserve fund - associated company	4.3	2,118,000	2,118,000
Self insurance reserve - associated company	4.4	920,000	920,000
Other reserves:			
Foreign currency translation reserve	4.5	745,506	495,792
Foreign currency translation reserve- associated company	4.6	104,397	104,397
		<u>849,903</u>	<u>600,189</u>
		<u>21,486,403</u>	<u>20,874,189</u>

4.1 This represents bonus shares issued by former wholly owned subsidiary- Pirkoh Gas Company (Private) Limited (PGCL) prior to merger. Accordingly, this reserve is not available for distribution to shareholders.

4.2 The Company has set aside a specific capital reserve for self insurance of rigs, buildings, wells, plants, pipelines, workmen compensation, inventory, terrorism, vehicle repair and losses for petroleum products in transit. Refer note 12.3 for investments against this reserve. Accordingly, this reserve is not available for distribution to shareholders.

4.3 This represents statutory reserve created by the associated company for redemption of redeemable preference shares in the form of cash to the preference shareholders.

4.4 This represents a specific capital reserve set aside by the associated company for self insurance of assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

4.5 This represents accumulated balance of translation effect of a foreign operation in Rupees as per the Company's accounting policy.

4.6 This represents accumulated balance of translation effect of a foreign operation in Rupees of associated Company as per financial statements for the year ended 30 June 2022.

	Unaudited 30 September 2022	Audited 30 June 2022
	----- (Rupees '000) -----	
5 Provision for Decommissioning Cost		
Balance at beginning of the quarter/year	43,121,524	28,992,057
Provision during the quarter/year	-	639,149
Decommissioning cost incurred during the quarter/ year	-	(522,688)
Charge of provision for decommissioning cost	-	123,179
	<u>43,121,524</u>	<u>29,231,697</u>
Revision due to change in estimates	-	11,554,345
Unwinding of discount on provision for decommissioning cost	817,369	2,335,482
Balance at end of the quarter/ year	<u>43,938,893</u>	<u>43,121,524</u>

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

	Unaudited 30 September 2022	Audited 30 June 2022
- - - - (Rupees '000) - - - -		
6 TRADE AND OTHER PAYABLES		
Creditors	1,165,206	20,642
Accrued liabilities	17,551,626	17,242,403
Payable to partners of joint operations	9,324,531	10,452,940
Retention money payable	6,625,258	6,726,124
Royalty payable to the Government of Pakistan	32,985,175	29,241,403
Excise duty payable	185,240	197,717
General sales tax payable	2,208,785	2,261,587
Petroleum levy payable	131,658	164,113
Withholding tax payable	1,411,813	198,716
Trade deposits	164,227	154,227
Workers' profit participation fund- net	3,880,457	12,237,966
Employees' pension trust	13,257,839	12,161,071
Gratuity fund	40,568	-
Advances from customers- unsecured	5,118,168	5,177,779
Other payables	9,335,881	8,884,751
	<u>103,386,432</u>	<u>105,121,439</u>

6.1 Gas Infrastructure Development Cess (GIDC) amounting to Rs 2,255 million (30 June 2022: Rs 2,255 million) is recoverable from customers and payable to the GoP. These interim financial statements do not reflect the said amount since under the provisions of the GIDC laws and regulations, the Company is required to pay the said amount as and when the same is collected from customers. The GIDC is presented as payable to the extent that it is received from customers but not deposited with the GoP. As at quarter end, no such amount was received which was not deposited with the GoP. On 13 August 2020, the Supreme Court of Pakistan has decided the matter of GIDC by restraining from charging GIDC from 01 August 2020 onward and ordered gas consumers to pay GIDC arrears due upto 31 July 2020 in instalments. The fertilizer companies have obtained stay against recovery from the Sindh High Court, where the matter is subjudice.

7 UNPAID DIVIDEND

This includes an amount of Rs 33,459 million (30 June 2022: 33,459 million) on account of shares held by OGDCL Employees' Empowerment Trust (OEET) under the Benazir Employees' Stock Option Scheme (BESOS) since the GoP was considering to revamp BESOS as was communicated to the Company by Privatization Commission of Pakistan (PCP). PCP vide letter no. F. No. 13(4)12/PC/BESOS/OGDCL dated 15 May 2018 informed that the matter of BESOS, as a scheme, was pending adjudication before the Honorable Supreme Court of Pakistan, hence status quo may be maintained till final decision of Honorable Supreme Court of Pakistan. The PCP vide letter no D.O. No 1(2)PC/BESOS(Wind-up)2019 dated 30 December 2020 informed that fund maintained by PCP has been closed since December 2020, therefore, the amounts retained on account of Employees Empowerment Fund be directly deposited in the Federal Consolidated Fund maintained by Finance Division.

During the year ended 30 June 2022, the Honourable Supreme Court of Pakistan has issued detailed judgement and declared the BESOS scheme to be ultra vires and that any benefits arising out of this scheme are illegal and unprotected. The Ministry of Energy, GoP vide letter dated 16 April 2022 required that the matter of transfer of all the accrued BESOS principal amount along with interest earned thereon be placed before the Board of Trustees of Employee Empowerment Trusts (EETs). In pursuance of which OEET through Board of Trustees resolution dated 25 April 2022 approved and transferred to the Company Rs 2,316 million representing dividends previously received from OGDCL and Rs 1,484 million representing interest earned thereon for onward settlement by the Company with the GoP. The Finance Division vide letter no F.No.8(6)AO-CF/2021-22 dated 09 May 2022 directed the Company to deposit the balance in the Federal Consolidated Fund within seven days as it was agreed with SOEs that the amount will be settled through cash deposit or non-cash adjustment. The Company requested vide its letter dated 16 May 2022 that BESOS amount should be settled as a non cash adjustment against Company's circular debt. Management is currently under discussion with the GoP for settlement of these amounts.

For the Quarter ended 30 September 2022

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- 8.1.1 Claims against the Company not acknowledged as debts amounted to Rs 224 million at period end (30 June 2022: Rs 224 million).
- 8.1.2 On 17 December 2018, Attock Refinery Limited (ARL) filed a writ petition against the Company before Islamabad High Court and has disputed and withheld amounts invoiced to it prior to the signing of sales agreement i.e. 13 March 2018 on account of adjustment of premium or discount as announced by Saudi Aramco for deliveries to Asian customers/ destinations under the sales agreement. The amount withheld and disputed by ARL amounts to Rs 1,292 million (30 June 2022: Rs 1,292 million). Further, ARL has also contested and claimed the amounts already paid in this respect during the period 2007 to 2012 amounting to Rs 562 million (30 June 2022: Rs 562 million). The Company believes that the debit notes/ invoices have been raised in accordance with the sale agreements signed with the GoP and no provision is required in this respect.
- 8.1.3 Oil and Gas Regulatory Authority (OGRA) vide its decision dated 22 June 2018 decided that LPG producers, in public or private sector, cannot charge signature bonus in compliance with LPG Policy 2016. The Company has challenged this decision in Islamabad High Court on 23 July 2018. Signature bonus recognized as income by the Company after decision of OGRA amounts to Rs 2,090 million (30 June 2022: Rs 1,918 million). The Company believes that the matter will be decided in favour of the Company. Also refer note 20.1.
- 8.1.4 During the year ended 30 June 2022, Large Taxpayers Office Islamabad vide notices dated 05 October 2021 required all Exploration and Production (E&P) companies including OGDCL to provide information relating to the value of Condensate sold during the period from July 2008 to September 2021, pursuant to the judgment of ATIR dated 08 September 2021 in case of another E&P company wherein the ATIR held that condensate is separate product other than crude oil and is subject to sales tax @ 17% against zero percent charged by the E&P companies. OGDCL and other E&P companies have filed writ petitions before Islamabad High Court challenging issuance of above notices dated 05 October 2021 where stay has been granted to the Company till the date of next hearing. The Company is confident that the matter will be decided in its favor.
- 8.1.5 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.281 million (30 June 2022: Rs 1.281 million).
- 8.1.6 For contingencies related to income tax matters, refer note 17.1 to 17.4, 21.1 and 21.2.
- 8.1.7 For contingencies related to sales tax and federal excise duty, refer note 16.1 to 16.2.
- 8.1.8 For matter relating to conversion of certain blocks to Petroleum Policy 2012, refer note 19.1.
- 8.1.9 As part of the arrangement, as disclosed in note 12.2 of these interim financial statements, each of the consortium companies including OGDCL have also provided, joint and several, parent company guarantees to ADNOC and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE to guarantee the obligations of the associate, Pakistan International Oil Limited (PIOL). The exposure against the said guarantee as at year ended 30 June 2022 amounts to US\$ 225 million (Rs 46,050 million).
- 8.1.10 During the quarter, a fire incident occurred at one of the Company's joint operations field (Tal Block) operated by another working interest owner. A detailed survey of the damaged area and assessment of the loss is being carried out by the Operator of the field.

8.2 Commitments

- 8.2.1 Commitments outstanding at the quarter end amounted to Rs 50,651 million (30 June 2022: Rs 48,663 million). These include amounts aggregating to Rs 35,612 million (30 June 2022: Rs 31,906 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements (PCAs). The Company has given corporate guarantees to GoP under various PCAs for the performance of obligations.

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

- 8.2.2 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at quarter end amounted to Rs 1,260 million (30 June 2022: Rs 2,207 million).
- 8.2.3 Please refer to note 11.2.3 of audited annual financial statements for the year ended 30 June 2022 for share of associate commitments for capital expenditure and minimum work commitment.
- 8.2.4 During the year ended 30 June 2022, the Company has entered into a Shareholders Agreement with the consortium partners as referred in note 12.2 to the interim financial statements, under which the Company has committed to invest upto US\$ 100 million in PIOL during the next five years out of which US\$ 25 million have been invested till 30 June 2022. During the current period the Company further invested US\$ 10 million (Rs 2,228 million). The remaining amount of US\$ 65 million (Rs 14,849 million) will be invested in subsequent years.

		Unaudited 30 September 2022	Audited 30 June 2022
9	PROPERTY, PLANT AND EQUIPMENT		
	Note	----- (Rupees '000)- -----	
	Carrying amount at beginning of the quarter / year	92,685,118	95,745,594
	Additions/adjustments during the quarter / year	658,569	6,914,686
	Book value of disposals	(1,880)	(13,247)
	Depreciation charge for the quarter / year	(2,736,809)	(10,692,016)
	Revision in estimate of decommissioning cost during the quarter / year	-	730,101
	Carrying amount at end of the quarter / year	<u>90,604,998</u>	<u>92,685,118</u>
9.1	Additions/adjustments during the quarter/ year		
	Buildings, offices and roads on freehold land	227	224,318
	Buildings, offices and roads on leasehold land	54,845	582,638
	Plant and machinery	463,863	6,354,157
	Rigs	10,188	55,937
	Pipelines	9,276	1,271,173
	Office and domestic equipment	8,714	287,742
	Office and technical data computers	3,092	232,353
	Furniture and fixture	-	5,392
	Vehicles	550	66,519
	Decommissioning cost	-	36,134
	Capital work in progress (net)	77,390	(557,726)
	Stores held for capital expenditure (net)	<u>30,424</u>	<u>(1,643,951)</u>
		<u>658,569</u>	<u>6,914,686</u>
9.2	Property, plant and equipment comprises:		
	Operating fixed assets	83,294,023	85,481,957
	Capital work in progress	1,684,047	1,606,657
	Stores held for capital expenditure	5,626,928	5,596,504
		<u>90,604,998</u>	<u>92,685,118</u>

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees '000) -----	
10 DEVELOPMENT AND PRODUCTION ASSETS-INTANGIBLE			
Carrying amount at beginning of the quarter/year		118,283,976	100,415,134
Additions during the quarter/year		4,486,778	12,280,808
Transferred from exploration and evaluation assets during the quarter/year		-	12,233,483
Stores held for development and production activities (net)		(717,448)	1,315,660
Amortization charge for the quarter/year		(4,182,067)	(17,621,765)
Impairment charge for quarter/year		-	(713,826)
Revision in estimates of decommissioning cost during the quarter/year		-	10,374,482
Carrying amount at end of the quarter/year		<u>117,871,239</u>	<u>118,283,976</u>
11 EXPLORATION AND EVALUATION ASSETS			
Balance at beginning of the quarter/year		12,780,350	16,495,762
Additions during the quarter/year		2,117,821	16,174,730
		<u>14,898,171</u>	<u>32,670,492</u>
Cost of dry and abandoned wells during the quarter/ year		(120,680)	(7,656,659)
Cost of wells transferred to development and production assets during the quarter/year		-	(12,233,483)
		<u>(120,680)</u>	<u>(19,890,142)</u>
		<u>14,777,491</u>	<u>12,780,350</u>
Stores held for exploration and evaluation activities		1,209,168	459,115
Balance at end of the quarter/year		<u>15,986,659</u>	<u>13,239,465</u>
12 LONG TERM INVESTMENTS			
Investment in related party - associate, quoted			
Mari Petroleum Company Limited (MPCL)	12.1	27,124,456	26,221,901
Investment in associate- unquoted			
Pakistan International Oil limited (PIOL)	12.2	4,614,559	2,169,062
Investments at amortised cost			
Term Deposit Receipts (TDRs)	12.3	13,547,967	13,547,967
Term Finance Certificates (TFCs)	12.4	142,653,381	140,694,637
		<u>156,201,348</u>	<u>154,242,604</u>
Less: Current portion shown under current assets		<u>(142,653,381)</u>	<u>(140,694,637)</u>
		<u>13,547,967</u>	<u>13,547,967</u>
		<u>45,286,982</u>	<u>41,938,930</u>

For the Quarter ended 30 September 2022

- 12.1** Mari Petroleum Company Limited (MPCL) is a listed company incorporated in Pakistan and is principally engaged in exploration, production and sale of hydrocarbons. The Company has 20% (30 June 2022: 20%) holding in the associate.

Previously, gas price mechanism for Mari field of MPCL was governed by Mari Wellhead Gas Pricing Agreement ("the Agreement") dated 22 December 1985, between the President of Islamic Republic of Pakistan and MPCL. Effective 01 July 2014, the agreement was replaced with revised Agreement dated 29 July 2015 ("Revised Agreement 2015") in line with the Economic Coordination Committee (ECC) decision, whereby the wellhead gas pricing formula was replaced with a crude oil price linked formula, which provides the discounted wellhead gas price. The Revised Agreement 2015 provided dividend distribution to be continued for ten (10) years upto 30 June 2024 in line with the previous cost plus formula, according to which the shareholders were entitled to a minimum return of 30% per annum, net of all taxes, on shareholders' funds, to be escalated in the event of increase in the MPCL's gas or equivalent oil production beyond the level of 425 MMSCFD at the rate of 1%, net of all taxes, on shareholders' funds for each additional 20 MMSCFD of gas or equivalent oil produced, prorated for part thereof on an annual basis, subject to a maximum of 45% per annum.

Effective 01 July 2020, dividend distribution cap has been removed vide ECC decision in the meeting held on 03 February 2021, which has also been ratified by the Federal Cabinet on 09 February 2021. Accordingly, the Company is allowed to distribute dividend in accordance with the provisions of the Companies Act, 2017 and rules made thereunder, without any lower or upper limit as mentioned above. Subsequently, an amendment agreement to Revised Agreement 2015 has been executed between the Government of Pakistan and MPCL on 17 April 2021, giving effect to ECC decision.

- 12.2** During the year ended 30 June 2022, the Company, along with other consortium members i.e. Mari Petroleum Company Limited (MPCL), Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited (GHPL) has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. The consortium companies have established an independent company Pakistan International Oil Limited (PIOL), a company engaged in the business of extraction of oil and natural gas and registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market on 15 July 2021 with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on 31 August, 2021 and following the award of Offshore Block- 5, the Company has subscribed 2.5 million ordinary shares of PIOL, by paying USD 25 million (Rs 4,176 million). During the quarter, the Company subscribed to a further 1 million ordinary shares of PIOL, by paying further USD 10 million (Rs 2,228 million).

The investment in PIOL has been classified as an investment in associate as per the requirements of International Accounting Standard IAS-28, "Investment in Associates and Joint Ventures". Share of loss for the year mainly represents 3D seismic cost incurred by the associate.

- 12.3** This represents investments in local currency TDRs and includes interest amounting to Rs 3,547 million (30 June 2022: Rs 3,547 million) carrying effective interest rate of 14% (30 June 2022: 14%) per annum and have maturities of five (5) years. These investments are earmarked against self insurance reserve as explained in note 4.2 to the interim financial statements.
- 12.4** This represents investment in Privately Placed TFCs amounting to Rs 82,000 million. In 2013, the Government of Pakistan (GoP), for partial resolution of circular debt issue prevailing in the energy sector, approved issuance of TFCs amounting to Rs 82,000 million by Power Holding Limited (PHL), which is government owned entity and a related party. These TFCs were subscribed by the Company in order to settle its overdue receivables from oil refineries and gas companies.

As per original terms of investor agreement between the Company and PHL, TFCs were for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs was to be paid in eight (8) equal instalments starting from 42nd month of date of transaction. National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee of the GoP, covering the principal, mark-up, and/or any other amount becoming due for payment in respect of investment in TFCs.

On 23 October 2017, PHL communicated to the Company that a proposal was submitted by the Ministry of Energy (Power Division) to Economic Coordination Committee (ECC) of the Cabinet for extension in the tenure of TFCs of Rs 82,000 million from seven (7) years to ten (10) years including extension in grace period from three (3) years to six (6) years. The ECC of the Cabinet considered and approved the proposal of Ministry of Energy (Power Division) subject to the condition that a revised term sheet, based on above, with the Company shall be agreed by PHL. PHL requested the Company to

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For the Quarter ended 30 September 2022

prepare revised term sheet for onward submission to Finance division of the GoP for approval. During the year ended 30 June 2020, the Board of Directors resolved that the management may take further steps for the extension of investor agreement with PHL for a further period of three (3) years. However, the revised term sheet has not yet been signed with PHL. Currently, management is in discussion with Ministry of Energy and Ministry of Finance for settlement of outstanding principal and interest.

As per the revised terms, principal repayment amounting to Rs 82,000 million (30 June 2022: Rs 71,750 million) was past due as at 30 September 2022. Further, interest due as of 30 September 2022 was Rs 60,653 million (30 June 2022: Rs 58,695 million) of which Rs 60,653 million (30 June 2022: Rs 55,577 million) was past due. The Company considers the principal and interest to be fully recoverable as these are backed by Sovereign Guarantee of the GoP. Adjustments, if any, will be made after the execution of extension in the investor agreement. As disclosed in 2.5.3 to the annual audited financial statements, SECP has deferred the applicability of ECL model till 30 June 2023 on financial assets due directly/ ultimately from the GoP in consequence of the circular debt.

Unaudited 30 September 2022	Audited 30 June 2022
----- (Rupees '000) -----	

13 DEPOSIT WITH THE GOVERNMENT OF PAKISTAN FOR EQUITY STAKE IN REKO DIQ PROJECT

Deposits for equity stake in Reko Diq project

35,262,040

34,462,500

- 13.1 On 17 March 2022 the Government of Pakistan (GoP), through the Federal Cabinet, ratified the decision of the Economic Coordination Committee (the Decision) which approved, inter alia, issuance of directions to the Company, Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited (GHPL) (collectively the SOEs) to participate in reconstitution of a joint mining project at Reko Diq (the Project). As part of the settlement arrangement, Barrick Gold Corporation (Barrick) will be retaining 50% shareholding in Tethyan Copper Company Pakistan (Pvt.) Limited (TCCP) along with operatorship, whereas the other shareholder, Antofagasta PLC will exit TCCP upon receipt of USD 900 million and subject to other conditions precedent. Pursuant to the Decision and subsequent correspondence with the Finance Division, each SOE was also directed to pay into an escrow account an amount of USD 187.5 million (collectively USD 562.5 million) as entry fee which would be utilized towards acquisition of 8.33% interest by each SOE in TCCP. The entry fee attributable to the Government of Balochistan (GoB) would be funded by the GoP amounting to USD 337.5 million.

On the basis of the Decision, the Board of Directors of the Company resolved to enter into a non-binding framework agreement with the GoP, the GoB, PPL, GHPL and Barrick, which sets out, inter alia, the ownership/ transaction structure, rights, obligations and common objectives of the parties towards facilitating the implementation of the Project (Framework Agreement). In terms of the Framework Agreement, several conditions are required to be satisfied before binding arrangements are effective including receipt of administrative and regulatory approvals, execution of definitive agreements, deposit of USD 900 million in a designated escrow account, stabilization of the fiscal regime and legislative and judicial validation amongst others. If the conditions are not satisfied by 30 June 2022, interest at the rate of US Prime plus 2% (Interest Amount) would be payable to Antofagasta. If the conditions are not satisfied latest by 15 December 2022, unless agreed otherwise by the parties, the terms of settlement/resolution will be cancelled and terminated and the entry fee along with the interest amount will be refunded to the respective SOEs/ GoP. Only upon satisfaction of the stated conditions in the Framework Agreement, the entry fee along with the interest amount, if any, will be released to Antofagasta against acquisition of corresponding equity interest by the SOEs and the GoB, thereby settling the historical disputes relating to Reko Diq project.

Subsequent to the Decision and based on written advice from the Finance Division dated 29 March 2022 and approval of the Board of Directors, the Company has deposited its corresponding share of the entry fee amounting to USD 187.5 million (Rs 34,463 million) in an escrow account maintained by HSBC Bank PLC, and jointly operated by the GoP and Antofagasta. Further, the Company has agreed to fund its corresponding share of the Interest Amount as and when accrued and payable. The amount of USD 187.5 million (Rs 34,463 million) represents deposit with the GoP for the acquisition of equity stake in the Reko Diq project.

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For the Quarter ended 30 September 2022

In line with the Framework Agreement, various definitive agreements are being finalised and the legislative and judicial validation process is underway. Since the conditions set out in the Framework Agreement were not satisfied by 30 June 2022, an interest amounting to USD 3.5 million @ US Prime plus 2% as at 30 September 2022 is applicable, representing the share of interest on the Company's initial deposit of USD 187.5 million (Rs 34,463 million) with the GoP, as mentioned above. This has resultantly increased the deposit amount to USD 191 million (Rs 35,262 million).

14 LEASE RECEIVABLES

Net investment in lease has been recognized on gas sale agreements with power companies i.e. Uch Power (Private) Limited (UPL) and Uch-II Power (Private) Limited (Uch-II) as follows:

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees '000) -----	
Net investment in lease		75,211,601	69,937,832
Less: Current portion of net investment in lease	14.1	<u>(32,981,921)</u>	<u>(29,822,984)</u>
		<u>42,229,680</u>	<u>40,114,848</u>

14.1 Current portion of net investment in lease includes amounts billed to customers of Rs 23,366 million (30 June 2022: Rs 21,532 million) out of which Rs 21,545 million (30 June 2022: Rs 19,907 million) is overdue on account of inter-corporate circular debt. As disclosed in note 2.5.3 to the annual audited financial statements, SECP has deferred the applicability of ECL model till 30 June 2023 on debts due directly/ ultimately from the GoP in consequence of the circular debt. The amount is considered to be fully recoverable as the GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. The Company has contractual right and is entitled to charge interest if lease payments are delayed beyond agreed payment terms, however, the same is recognized when received by the Company.

14.2 Income relating to variable lease payments that depend on an index not included in the measurement of net investment in lease amounts to Rs 16,638 million till 30 September 2022 (30 June 2022: Rs 14,720 million) of which Rs 1,919 million (30 September 2021: Rs: 1,881 million) has been recorded in revenue for the quarter.

		Unaudited 30 September 2022	Audited 30 June 2022
		----- (Rupees '000) -----	
Un-secured- considered good		490,710,907	456,594,833
Un-secured- considered doubtful		100,363	100,363
		490,811,270	456,695,196
Provision for doubtful trade debts		<u>(100,363)</u>	<u>(100,363)</u>
		<u>490,710,907</u>	<u>456,594,833</u>

15.1 Trade debts include overdue amount of Rs 422,510 million (30 June 2022: Rs 393,170 million) on account of Inter-corporate circular debt, receivable from oil refineries and gas companies out of which Rs 177,309 million (30 June 2022: Rs 167,949 million) and Rs 156,421 million (30 June 2022: Rs 146,101 million) are overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of Company's trade debts. The Company considers this amount to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Company recognizes interest/surcharge, if any, on delayed payments from customers when the interest/ surcharge on delayed payments is received by the Company. As disclosed in note 2.5.3 to the annual audited financial statement, SECP has deferred the applicability of ECL model till 30 June 2023 on financial assets due directly/ ultimately from the GoP in consequence of the circular debt.

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16 LOANS AND ADVANCES

16.1 This includes an amount of Rs 3,180 million (30 June 2022: Rs 3,180 million) paid under protest to Federal Board of Revenue (FBR) on account of sales tax demand raised in respect of capacity invoices from Uch gas field for the period July 2004 to March 2011. Based on Sales Tax General Order (STGO) 1 of 2000 dated 24 January 2000, the matter was argued before various appellate forums, however, the Supreme Court of Pakistan finally decided the issue against the Company on 15 April 2013. The FBR granted time relaxation to the Company for issuance of debit note for an amount of Rs 750 million for the period April 2011 to May 2012, accounted for as trade debt. Uch Power (Private) Limited (UPL) challenged the grant of time relaxation to the Company by FBR before Islamabad High Court. On 27 December 2013, the Honorable Court decided the matter in favor of the Company. In light of the Islamabad High Court decision, the Company has applied to FBR for obtaining condonation of time limit for issuing debit notes to UPL/ revision of sales tax returns for the remaining amount of Rs 3,180 million for the period July 2004 to March 2011 and currently the matter is pending with FBR.

UPL filed an intra court appeal against the decision of the Islamabad High Court (IHC). IHC through its order dated 17 November 2016 dismissed the intra court appeal in favour of the Company. In January 2017, UPL filed Civil Petition for Leave to Appeal (CPLA) against the Company and others, before the Honorable Supreme Court of Pakistan against the decision of IHC. Subsequent to the year end CPLA has been dismissed as infructuous. Management is awaiting detailed judgement of Honorable Supreme Court of Pakistan. FBR has linked the disposal of OGDCL's condonation request with the outcome of UPL's CPLA. The Company and its legal advisors are confident that required condonations will be obtained and the amount will be recovered from UPL. Accordingly, no provision in this respect has been made in these interim financial statements.

16.2 This also includes recoveries of Rs 317 million (30 June 2022: Rs 317 million) made by the tax department during the year ended 30 June 2016, against Sales Tax and Federal Excise Duty (FED) demand of Rs 6,708 million (30 June 2022: Rs 6,708 million) relating to periods July 2012 to June 2014. The Honourable Appellate Tribunal Inland Revenue (ATIR) has accepted the Company's appeals and annulled the demands passed by the tax authorities being void ab-initio and without jurisdiction. The Commissioner Inland Revenue (CIR) has filed sales tax reference before Islamabad High Court (IHC) against judgment of ATIR on 09 February 2018. These demands were raised by tax authorities due to difference between computation of sales/ production reported by the Company in its sales tax returns and sales/ production based on other sources of data. During the year ended 30 June 2021, additional demand of Rs 9,668 million relating to periods 2017-18 and 2018-19 were raised on the same issue by the tax department, against which the Company filed appeals before Commissioner Inland Revenue (Appeals) (CIRA) on 29 June 2021 which are pending adjudication. The Company believes that these demands were raised without legal validity and will be decided by IHC and CIRA in favor of the Company as previously decided by ATIR in favour of the Company.

		Unaudited 30 September 2022	Audited 30 June 2022
17 INCOME TAX-ADVANCE	Note	----- (Rupees '000)- -----	
Income tax- advance at beginning of the quarter/year		31,914,172	45,751,659
Income tax paid during the quarter/year		21,534,973	70,473,738
Provision for current taxation- profit or loss	21	(32,160,389)	(87,041,170)
Tax credit/ (charge) related to remeasurement loss/gain on employee retirement benefit plans- other comprehensive income		-	2,729,945
Income tax- advance at end of the quarter/ year	17.1 to 17.4	<u>21,288,756</u>	<u>31,914,172</u>

17.1 This includes amount of Rs 29,727 million (30 June 2022: Rs 29,727 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 58,744 million (30 June 2022: Rs 58,744 million) which the Company claimed in its return for the tax years 2014 to 2018 and 2020. This actuarial loss was recognized in the books as a result of retrospective application of IAS 19 (as revised in June 2011) 'Employee Benefits' from the year ended 30 June 2014 and onwards. CIRA disallowed the actuarial loss for tax years 2015 and 2016, however, allowed to claim the actuarial loss for tax years 2014, 2017 and 2018 over a period of seven years. Being aggrieved, the Company has filed appeals against the orders of CIRA in the Appellate Tribunal Inland Revenue (ATIR) for tax years 2014, 2015, 2016, 2017 and 2018 on 08 January 2016, 30 June 2020, 05 January 2018, 21 August 2019 and 12 February 2020 respectively and against the order

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

of Additional Commissioner Inland Revenue with the CIRA for tax year 2020 on 19 April 2021 which are currently pending. The management, based on opinion of its tax consultant, believes that the actuarial loss is an admissible expense under the tax laws and there is reasonable probability that the matter will be decided in favor of the Company by appellate forums available under the law.

- 17.2 During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million (30 June 2022: Rs 13,370 million) by disallowing effect of price discount on sale of crude oil from Kunnar field and have recovered Rs 5,372 million (30 June 2022: Rs 5,372 million) from the Company upto 30 June 2022. During the year ended 30 June 2015, appeal before ATIR against the said demands were decided against the Company. The Company filed a reference application before Islamabad High Court (IHC) against the decision of ATIR. IHC vide order dated 17 February 2016, set aside the order of ATIR and remanded the case back to ATIR with the instructions to pass a speaking order. The case is currently pending before ATIR. Further, IHC vide order dated 14 January 2019 directed ATIR to decide the appeal expeditiously and until seven days after the decision on the Company's appeal, the tax department is restrained from adopting coercive measures for the recovery of the disputed tax liability in the event the appeal is dismissed. Management and its legal advisor are of the view that the price discount is not the income of the Company and hence not liable to tax. Accordingly, management is confident that the matter will be decided in favor of the Company as the discounted price for Kunnar field was finally determined by the Ministry of Energy (Petroleum Division) and the total amount of price discount amount has been paid to the Government of Pakistan (GoP) upon directions from the Ministry of Finance, to this effect.
- 17.3 Income tax advance includes Rs 1,259 million (30 June 2022: Rs 1,259 million) on account of disallowances made by the Additional Commissioner Inland Revenue (ACIR) in respect of decommissioning cost for tax year 2015. The CIRA vide order dated 18 March 2020 has remanded the case back to ACIR and the Company has filed an appeal against the order of CIRA in ATIR on 30 June 2020. Management believes that the disallowance is against income tax laws and regulations and accordingly no provision has been made in this respect in these interim financial statements.
- 17.4 Tax authorities have raised demand of Rs 17,942 million (30 June 2022: Rs 17,942 million for tax year 2020) for tax years 2016, 2020 and 2021 on account of alleged production differences and by making disallowances on account of post retirement medical benefits, compensated absences, cost of dry and abandoned wells, field decommissioned/surrendered during the year, workers' profit participation fund, GIDC payable and certain other expenditures due to alleged non deduction of withholding taxes out of which Rs 11,926 million (30 June 2022: Rs 11,926 million) has been paid/adjusted against Company's refunds. Appeals have been filed by the Company for tax year 2016, 2020, 2021 before CIRA on 26 March 2021, 19 April 2021 and 15 April 2022 respectively, which are currently pending adjudication. Management is confident that the above disallowances do not hold any merits and the related amounts have been lawfully claimed in the tax returns as per the applicable tax laws. Accordingly, no provision has been made in this respect in these interim financial statements.

		Unaudited 30 September 2022	Audited 30 June 2022
18 OTHER FINANCIAL ASSETS	Note	----- (Rupees '000) -----	
Investment in Term Deposit Receipts (TDRs)- at amortised cost	18.1	72,348,597	48,244,891
Investment at fair value through profit or loss- NIT units		272,145	295,074
		<u>72,620,742</u>	<u>48,539,965</u>

- 18.1 This represents foreign currency TDRs amounting to USD 245.679 million; Rs 56,068 million (30 June 2022: USD 236 million; Rs 48,302 million), and accrued interest amounting to USD 8.695 million; Rs 1,982 million (30 June 2022: USD 0.619 million; Rs 127 million), carrying interest rate ranging from 5.83% to 11.20% (30 June 2022: 5.83% to 11.20%) per annum, having maturities up to six months (30 June 2022: six months).

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

		Quarter ended 30 September	
		2022	2021
		----- (Rupees '000) -----	
19	SALES - net		
	Gross sales		
	Crude oil	56,053,417	39,686,663
	Gas	49,117,181	37,029,228
	Liquefied petroleum gas	11,433,765	8,776,989
	Sulphur	-	30,065
	Gas processing	-	8,119
		<u>116,604,363</u>	<u>85,531,064</u>
	Government levies		
	General sales tax	(9,699,919)	(13,040,597)
	Petroleum Levy	(309,525)	(344,090)
	Excise duty	(582,709)	(615,806)
		<u>(10,592,153)</u>	<u>(14,000,493)</u>
		<u>106,012,210</u>	<u>71,530,571</u>

- 19.1** In respect of six of its operated concessions, namely, Gurgalot, Sinjhoru, Bitrisim, Khewari, Nim and TAY Blocks and one non-operated Tal Block, Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997. Later on, in pursuance to the option available under Petroleum Policy (PP) 2012, the Tal Block working interest owners wherein the Company's working interest is 27.7632% signed the Supplemental Agreement (SA) dated 28 August 2015 with the GoP for conversion of eligible existing and future discoveries under Tal PCA to the PP 2012.
- 17.2** Further, for aforementioned operated Concessions, the Company also signed the SAs for conversion to PP 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from 27 November 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.
- 17.3**

Oil and Gas Regulatory Authority (OGRA) has been notifying the revised wellhead prices in accordance with the relevant Supplemental Agreements for the period from the commencement of production of the respective discoveries. Accordingly, the financial impacts of the price revision were duly accounted for in the financial statements for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 on completion of the process laid down in the law and in line with the Company's accounting policy.

On 27 December 2017, the Ministry of Energy (Petroleum Division) notified amendments in PP 2012 after approval from the Council of Common Interests (CCI) dated 24 November 2017. These amendments include imposition of Windfall Levy on Oil/Condensate (WLO). Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 and 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On 03 January 2018, the Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in PCAs signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

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

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

The Company along with other Joint Operation Partners has challenged the applicability of WLO against the backdrop of supplemental agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order till next date of hearing against the CCI decision dated 24 November 2017 on imposition of WLO. As mentioned above, the Company on the advice of its legal counsel is confident that it has sound grounds to defend the aforesaid issue in the Court and that the issue will be decided in favour of the Company.

The cumulative past benefit accrued and recorded in the financial statements by the Company upto 23 November 2017 in the form of revenue and profit after tax is Rs 8,550 million and Rs 4,426 million respectively. However, without prejudice to the Company's stance in the court case, revenue of Rs 24,348 million (30 June 2022: Rs 22,426 million) related to gas price incentive against the supplemental agreements has been set aside on a point forward basis effective 24 November 2017 (the date of decision of CCI).

- 19.2 Gas Sale Agreement (GSA) in respect of Kunnar Pasakhi Deep (KPD) fields between the Company and Sui Southern Gas Company Limited is being finalized and adjustments, if any, will be accounted for in the financial statements after execution of GSA.
- 19.3 Gas sales include sales from Nur-Bagla field invoiced on provisional prices. There may be adjustment in revenue upon issuance of final wellhead prices notification by Ministry of Energy (Petroleum Division), impact of which cannot be determined at this stage.

		Quarter ended 30 September	
		2022	2021
20	FINANCE AND OTHER INCOME	----- (Rupees '000) -----	
	Income from financial assets		
	Interest income on:		
	Investments and bank deposits	4,879,338	2,433,888
	Finance income- lease	1,886,209	1,702,997
	Dividend income from NIT units	-	7,310
	Un-realized loss on investments at fair value through profit or loss	(22,928)	(25,743)
	Exchange gain- net	11,219,911	6,305,345
	Insurance claim received	240,006	-
	Signature bonus/ contract renewal fee	171,889	103,620
	Income on account of liquidated damages/ penalty imposed on suppliers	77,909	25,495
	Others	51,513	324,715
		<u>18,503,847</u>	<u>10,877,627</u>

- 20.1 This represents income recognized on account of signature bonus/ contract renewal fee in respect of allocation of LPG quota. For contingency related to this matter refer note 8.1.3.

		Quarter ended 30 September	
		2022	2021
21	TAXATION	----- (Rupees '000) -----	
	Current tax- charge for the quarter	32,160,389	17,028,768
	Deferred tax- charge for the quarter	2,744,392	1,611,484
		<u>34,904,781</u>	<u>18,640,252</u>

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

- 21.1** Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2021 are pending at different appellate forums in the light of the order of the Commissioner of Inland Revenue (Appeals) and decision of the Adjudicator, appointed by both the Company as well as the Federal Board of Revenue (FBR) mainly on the issues of decommissioning cost, depletion allowance, prospecting, exploration and development expenditure, tax rate, super tax and unrealized exchange gain/loss. Total amount of tax demand against the major issues, raised in respect of assessment years 1992-93 to 2002-03 and tax years 2003 to 2021 amounts to Rs 148,663 million out of which an amount of Rs 147,255 million has been paid to tax authorities and has also been provided for in these interim financial statements. Prospecting, exploration and development expenditure and unrealized exchange gain/loss are timing differences, hence, the relevant impacts are also taken in deferred tax. Also refer to note 17.1 to 17.4 of these interim financial statements.
- 21.2** During the year ended 30 June 2021, tax authorities have raised demand of Rs 1,047 million for tax year 2013 (30 June 2022: Rs 1,047 million for tax year 2013 and 2016) on account of alleged issue of not offering consideration of sale of working interest in a block for tax. Appeal has been filed by the Company before CIRA on 30 June 2021, which is currently pending adjudication. Management is confident that the above demand does not hold any merit under the applicable tax laws. Accordingly, no provision has been made in respect of this in these interim financial statements.

22 EARNINGS PER SHARE-BASIC AND DILUTED

	Quarter ended 30 September	
	2022	2021
Profit for the quarter (Rupees '000)	53,302,539	33,629,413
Average number of shares outstanding during the period ('000)	4,300,928	4,300,928
Earnings per share-basic (Rupees)	12.39	7.82

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

23 CASH AND CASH EQUIVALENTS

	Quarter ended 30 September	
	2022	2021
Cash and bank balances	28,996,507	5,800,962
Short term highly liquid investments		
Investment in Term Deposit Receipts	72,348,597	62,833,637
	101,345,104	68,634,599

24 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Other financial assets- NIT units			
30 September 2022	272,145	-	-
30 June 2022	295,074	-	-

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

25 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2022: 74.97%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise associated companies, major shareholders, directors, companies with common directorship, key management personnel, OGDCL employees empowerment trust, employees pension trust and gratuity fund. The Company in normal course of business pays for airfare, electricity, telephone, gas, yield analysis required under Petroleum Concession Agreements and make regulatory payments to entities controlled by the GoP which are not material, hence not disclosed in these interim financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to the interim financial statements. Transactions of the Company with related parties and balances outstanding at quarter end are as follows:

	Quarter ended 30 September	
	2022	2021
	----- (Rupees '000)-----	
MPCL- Associated company-20% share holding of the Company and common directorship		
Share of profit in associate- net of taxation	2,542,962	1,819,761
Dividend received		-
Expenditure charged to joint operations partner- net	1,640,406	-
Cash calls received from joint operations partner- net	1,160,451	444,488
Share (various fields) payable as at 30 September	971,940	396,028
Share (various fields) receivable as at 30 September	-	933,894
	1,543,654	772,269
PIOL- Associated company-25% share holding of the Company and common directorship		
Cost of investment	6,403,750	-
Share of loss in associate	(31,717)	-
Share of other comprehensive income of the associate	249,714	-
Major shareholders		
Government of Pakistan (74.97% share holding)		
Deposit against Reko Diq project	35,262,040	-
OGDCL Employees' Empowerment Trust (10.05% share holding)- note 7		
Dividend withheld	35,775,130	28,441,367
Related parties by virtue of the GoP holdings and/ or common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	21,672,952	14,717,047
Trade debts as at 30 September	172,040,680	132,651,299
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	340,639	281,110
Purchase of petroleum, oil and lubricants	16,934	13,040
Payable as at 30 September	16,610	8,000
Advance against sale of LPG as at 30 September	83,259	130,823
Pakistan Petroleum Limited		
Expenditure charged to joint operations partner- net	1,088,337	621,284
Cash calls received from joint operations partner- net	1,034,413	1,912,361
Share (various fields) receivable as at 30 September	1,812,582	2,608,460
Share (various fields) payable as at 30 September	-	1,191,979

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

Quarter ended 30 September
 2022 2021
 ----- (Rupees '000) -----

RELATED PARTIES TRANSACTIONS- continued

Pak Arab Refinery Company Limited		
Sale of crude oil	5,850,423	6,605,280
Trade debts as at 30 September	5,772,738	7,597,929
PARCO Pearl Gas (Private) Limited		
Sale of liquefied petroleum gas	107,956	148,213
Advance against sale of LPG as at 30 September	88,003	79,307
Pakistan Refinery Limited		
Sale of crude oil	3,826,714	2,084,143
Trade debts as at 30 September	4,175,462	4,105,610
Khyber Pakhtunkhwa Oil & Gas Company		
Expenditure charged to joint operations partner	3,632	30,561
Cash calls received from joint operations partner	-	39,807
KPOGCL share (various fields) receivable as at 30 September	21,943	37,781
Sindh Energy Holding Company Limited		
Expenditure charged to joint operations partner	12,628	257
SEHCL share (various fields) receivable as at 30 September	28,084	-
Sui Southern Gas Company Limited		
Sale of natural gas	14,090,556	9,995,339
Sale of liquefied petroleum gas	219,548	179,147
Pipeline rental charges	-	9,165
Trade debts as at 30 September	186,869,249	152,051,129
Advance against sale of LPG as at 30 September	8,163	39,886
Sui Southern Gas Company LPG (Pvt) Limited		
Sale of liquefied petroleum gas	114,753	97,432
Advance against sale of LPG as at 30 September	40,101	46,237
Government Holdings (Private) Limited (GHPL)		
Payable as at 30 September	-	323,182
Expenditure charged to joint operations partner- net	721,148	865,280
Cash calls received from joint operations partner- net	1,000,840	456,271
GHPL share (various fields) receivable as at 30 September	2,575,522	2,622,156
GHPL share (various fields) payable as at 30 September	2,796,750	2,087,999
National Investment Trust		
Investment as at 30 September	272,145	316,277
National Bank of Pakistan		
Balance at bank as at 30 September	4,036,079	3,644,333
Balance of investment in TDRs as at 30 September	12,536,700	2,312,879
Interest earned	126,283	100,869
Power Holding Limited (PHL)		
Mark-up earned	1,958,744	1,785,174
Balance of investment in TFCs not yet due as at 30 September	-	20,500,000
Balance of past due principal repayment of TFCs as at 30 September	82,000,000	61,500,000
Balance of mark-up receivable on TFCs not yet due as at 30 September	-	403,844
Balance of past due mark-up receivable on TFCs as at 30 September	60,653,381	52,096,445

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

	Quarter ended 30 September	
	2022	2021
RELATED PARTIES TRANSACTIONS - Continued	----- (Rupees '000)-----	
National Insurance Company Limited		
Insurance premium paid	8,772	469,386
Payable as at 30 September	-	66,594
National Logistic Cell		
Crude transportation charges paid	297,971	578,185
Payable as at 30 September	428,665	458,660
Enar Petrotech Services Limited		
Consultancy services	6,073	13,877
Enar Petroleum Refining Facility		
Sale of crude oil	5,082,492	6,026,786
Trade debts as at 30 September	3,796,741	3,702,279
Other related parties		
Contribution to pension fund	-	-
Contribution to gratuity fund	-	276,417
Remuneration including benefits and perquisites of key management personnel	138,407	129,528

26 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under para 10 of Part-I of the Fourth Schedule to the Companies Act, 2017.

Description	Explanation	Rupees '000
i) Bank balances as at 30 September 2022	Placed under Shariah permissible arrangement	47,933
ii) Return on bank deposits for the Quarter ended 30 September 2022	Placed under Shariah permissible arrangement	485
iii) Revenue earned for the quarter ended 30 September 2022	Earned from Shariah compliant business	106,012,210
iv) Relationship with banks having Islamic windows	Meezan Bank Limited & Dubai Islamic Bank	

Disclosures other than above are not applicable to the Company.

27 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2022.

28 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The Company's operations, financial position and results have not been affected by Covid-19 during the year. Management's focus and efforts continued for coping up with the changing scenario at all levels. Based on management's assessment there is no material impact on the carrying values of assets and liabilities as of 30 June 2022. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

Notes to the Interim Financial Statements [unaudited]

For the Quarter ended 30 September 2022

29 NON ADJUSTING EVENT AFTER REPORTING DATE

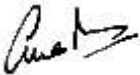
- 29.1 The Board of Directors recommended final cash dividend for the year ended 30 June 2022 at the rate of Rs 2.50 per share amounting to Rs 10,752 million in its meeting held on 22 September 2022.
- 29.2 The Board of Directors approved interim cash dividend at the rate of Rs 1.75 per share amounting to Rs 7,527 million in its meeting held on 25 October 2022.

30 GENERAL

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

31 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 25 October 2022 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive



Director

اسپنے کاروبار کو بین الاقوامی سطح پر توسع دینے کے ویژن پر کاربند رہتے ہوئے OGDCL نیکنورٹشم ممبران PPL (آپریٹر)، MPCL اور GHPL کے ساتھ ابوظہبی میں ADNOC کی جانب سے آف شور بلاک 5 کی ڈولپمنٹ کا کام حاصل کیا۔ آف شور بلاک 5 میں انتہائی متوقع ذخائر موجود ہیں اور اس سلسلے میں تلاشی اور جانچ کی سرگرمیاں جاری ہیں۔

مالیاتی نتائج

30 دسمبر 2022 کو اختتام پذیر ہونے والی سہ ماہی میں OGDCL نے 106.012 بلین روپے کا بہتر پیلز ریونیو درج کیا (71.531 بلین روپے: 1Q2021-22)۔ زیادہ پیلز ریونیو بنیادی طور پر خام تیل کی اوسط حاصل شدہ قیمت میں بڑھوتری کی وجہ سے ممکن ہوا جو کہ 83.52 امریکی ڈالر فی بیرل ریکارڈ کی گئی (62.23 امریکی ڈالر فی بیرل: 1Q2021-22) اسکے علاوہ گیس اور LPG کی بھی اوسط حاصل شدہ قیمتوں میں بھی اضافہ دیکھا گیا جو کہ بالترتیب 564.79 روپے فی Mcf (391.49 روپے فی Mcf: 1Q2021-22) اور 142,658 روپے فی ٹن (97,039 روپے فی ٹن: 1Q2021-22) رپورٹ کی گئی۔ مزید برآں، اوسط شرح مبادلہ جو کہ 164.91 روپے فی امریکی ڈالر سے بڑھ کر 224.62 روپے فی امریکی ڈالر پہنچ گیا نے بھی مالیاتی گوشواروں کو مضبوطی فراہم کی۔

مذکورہ بالا کے علاوہ، OGDCL کا منافع فنانس اور دیگر آمدن میں شرح مبادلہ کی مدد میں اضافے کی بدولت بھی بہتر رہا۔ تاہم زیادہ JV اخراجات، ورک اور چارجز، ترقیاتی اور پیداواری اثاثوں کی فرسودگی نے آپریٹنگ اخراجات کو بڑھا یا اور جزوی طور پر کمپنی کی مالیاتی کارکردگی کو متاثر کیا۔ بہر حال کمپنی نے زیر جائزہ مدت کے دوران 53.303 بلین روپے کا بعد از ٹیکس منافع درج کیا (33.629 بلین روپے: 1Q2021-22) جو کہ 12.39 روپے فی شیئر کی آمدن پر منتج ہوا (7.82 روپے: 1Q2021-22)۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو اختتام پذیر ہونے والے مالی سال کے لئے پہلے عبوری نقد منافع منقسمہ 1.75 روپے فی شیئر (فیصد 17.5) کا اعلان کیا ہے۔

اظہار تشکر

OGDCL کا بورڈ تمام متعلقین کی جانب سے حاصل ہونے والے مسلسل تعاون پر ان کا شکر گزار ہے جس نے کمپنی کو اپنے اہداف اور مقاصد کی تکمیل کے لیے درکار حوصلہ افزائی فراہم کی۔ بورڈ، کمپنی کے انسانی وسائل کی کوششوں کو بھی ریکارڈ پر لانے کا خواہش مند ہے جس کی بدولت کمپنی آپریشنل اور مالی کارکردگی کو محفوظ اور ذمہ دارانہ انداز میں سرانجام دے رہی ہے۔

بورڈ کی جانب سے



((سید خالد سراج سبحانی))

نیٹجنگ ڈائریکٹر / CEO

25 اکتوبر 2022



(ظفر مسعود)

چیئرمین

ہے۔ جس میں OGDCL کا 100 فیصد عملی مفاد ہے۔ اس سے قابل حصول 2P ذخائر 13 بلین بیرل تیل اور 219 بلین کیوبک فٹ گیس ہے جو کہ مجموعی طور پر 55 بلین بیرل تیل کے مساوی ہے۔ ولی ڈویلپمنٹ پراجیکٹ کی تکمیل رواں مالی سال میں متوقع ہے۔

پیداوار

زیر جائزہ مدت میں OGDCL کی پیداوار ملک میں خام تیل، گیس اور ایل پی جی کل پیداوار کا بالترتیب 46%، 30% اور 36% رہی۔ (ماخذ: PPIS)۔ کمپنی کی اوسطاً یومیہ خالص قابل فروخت تیل گیس اور ایل پی جی کی پیداوار کا آپریٹڈ اور نان آپریٹڈ سہ ماہی موازنہ درج ذیل ہے۔

مصنوعات	پیمائش کی اکائیاں	پہلی سہ ماہی 2022-23	پہلی سہ ماہی 2021-22
خام تیل	بیرلز یومیہ	33,443	37,347
گیس	MMcf یومیہ	779	845
LPG	ٹنز یومیہ	722	805

کمپنی کے گذشتہ سال کے اسی مدت کے مقابلے میں ہائیڈرو کاربن کی پیداوار میں کمی ریکارڈ کی گئی جس کی بنیادی وجہ موسلا دھار بارشوں / سیلاب کی بناء پر پلان شدہ پیداواری سرگرمیوں کا متاثر ہونا اور سنجھورو، ناشپا، KPD-TAY، چندنا، میلہ اور ڈھوک حسین کے فیلڈ پر قدرتی کمی تھی۔ مزید برآں بارشوں / سیلاب کے نتیجے میں پالی، منگر یو اور KPD-TAY کی پیداوار میں کمی واقع ہوئی۔ اسی طرح اُچ فیلڈ پر اُچ پاور پلانٹ میں تکنیکی مسائل کی وجہ سے UPL کی جانب سے کم گیس کا حصول اور 26 اچ گیس پائپ لائن میں خرابی کی وجہ سے گیس کی کم پیداوار ریکارڈ کی گئی۔ NJV فیلڈ میں پیداواری کمی بھی ہائیڈرو کاربن کی پیداوار میں کمی کا سبب بنی۔

قدرتی کمی کو روکنے اور بچنے کنوؤں سے پیداوار کو برقرار رکھنے کی کوشش میں OGDCL نے زیر جائزہ مدت میں چودہ ورک اوور جابز کیے جن میں تین رگ کے ساتھ اور گیارہ رگ لیس شامل ہیں۔ مزید برآں، موجودہ کنوؤں کے بہاؤ کے دائرہ کار میں بہتری لانے کے لیے عمیر 1- تاخ بالا 2- پر پریشر سروے کا کام مکمل کیا گیا۔ پسا کھی ناتھ 3- پرائیکٹریکل submersible پمپ نصب کیا گیا جس سے خام تیل کی پیداوار میں بڑھوتری متوقع ہے۔

زیر جائزہ مدت کے دوران کمپنی کی غیر انتظام شدہ فیلڈ منزلائی / کوڑی پر اینگ فیسلیٹی کے سٹوروم میں آگ لگنے کا واقعہ پیش آیا۔ تاہم کوئی جانی نقصان نہیں ہوا۔ جبکہ نقصان کا تخمیر کا کام فیلڈ کے آپریٹر MOL کی جانب سے جاری ہے۔ آپریٹر نے فیلڈ پر پیداواری آپریشن کو جاری رکھا۔

کاروباری تنوع

کاروباری تنوع کے پلان کے مطابق OGDCL نے تانے اور سونے کے ذخائر کو ریکوڈک سے نکالنے کے لیے وفاقی حکومت، حکومت بلوچستان، PPL، GHPL اور Barrick گولڈ کارپوریشن کے ساتھ فریم ورک معاہدہ کیا ہے۔ کان کنی کے منصوبے میں کمپنی کی شرکت انتظامی / قانونی / انضباطی / عداہتی منظور یوں، معاہدوں اور دیگر متفقہ شرائط پر طویل مدتی عمل درآمد سے مشروط ہے۔

ترقیاتی منصوبہ جات

رواں ترقیاتی منصوبوں کی صورتحال حسب ذیل ہے۔

منصوبے کا نام	منصوبے کا محل وقوع	مالکان کا عملی مفاد	تاریخ تکمیل	حالیہ صورت حال
قادر پور کمپریشن	گھوٹکی، سندھ	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% AHEL 4.75% PKPEL2 4.75%	جولائی 2022	کمپریشن پراجیکٹ کی کمیشننگ مکمل ہو چکی ہے۔
ماروتی کمپریشن	گھوٹکی، سندھ	OGDCL 57.76% GPHL 22.50% SEPL 10.66% IPRTOC 9.08%	ستمبر 2022	کمپریشن پراجیکٹ کی کمیشننگ مکمل ہو چکی ہے۔
دارونگر یوسٹریل فیسلسٹی ایل پی جی ایکسٹریکشن	حیدرآباد، سندھ	OGDCL 77.50% GHPL 22.50%	اپریل 2023	PPC کنٹریکٹرز کی خدمات حاصل کرنے کے لیے بولیوں کا تکنیکی اور مالیاتی جائزہ لیا جا چکا ہے۔
دکھنی کمپریشن	انک، پنجاب	OGDCL 100%	نومبر 2023	EPCC کے کنٹریکٹرز کی خدمات حاصل کرنے کے لیے بولیوں کا تکنیکی اور مالیاتی جائزہ لیا جا چکا ہے۔
اُچ کمپریشن	ڈیرہ گہٹی، بلوچستان	OGDCL 100%	مئی 2024	EPCC کے کنٹریکٹرز کی خدمات حاصل کرنے کے لیے بولیوں کا تکنیکی اور مالیاتی جائزہ لیا جا چکا ہے۔
KPD-TAY کمپریشن	حیدرآباد، سندھ	KPD OGDCL 100% TAY OGDCL 77.50% GHPL 22.50%	مارچ 2024	EPCC کے کنٹریکٹرز کی خدمات حاصل کرنے کے لیے بولیوں کا تکنیکی اور مالیاتی جائزہ لیا جا چکا ہے۔

ولی فیلڈ ڈویلپمنٹ

کمپنی کی پیداوار کو بڑھانے اور ملک میں توانائی کے بحران کو کم کرنے کے لیے OGDCL نے ولی-1 پر پیداواری نظام قائم کرنے کے لیے ترقیاتی سرگرمیوں کا آغاز کر دیا ہے تاکہ ولی فیلڈ کو جلد از جلد پیداواری نظام میں شامل کیا جاسکے۔ ولی-1 ذخائر کی ایک بڑی دریافت

ڈائریکٹر کا عبوری جائزہ

آئل اینڈ گیس ڈویلپمنٹ کمپنی لمیٹڈ (OGDCL) کا بورڈ 30 ستمبر 2022 کو مکمل ہونے والی سہ ماہی میں کمپنی کی آپریشنل اور مالیاتی کارکردگی اور عبوری مالیاتی معلومات کا مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتا ہے۔

زیر جائزہ مدت کے دوران معاشی بحالی، موجودہ جغرافیائی سیاست میں اضطراب اور اوپیک+ اتحاد کی جانب سے تیل کی رسد میں نظم و ضبط کی وجہ سے بین الاقوامی سطح پر خام تیل کی طلب اور قیمتوں میں تیزی سے اضافہ دیکھا گیا۔ مذکورہ بالا وجوہات کی بناء پر خام تیل کی اوسط قیمت 71.43 امریکی ڈالر فی بیرل سے بڑھ کر 100.45 امریکی ڈالر فی بیرل تک پہنچ گئی، جس کے نتیجے میں کمپنی کی بالائی اور زیریں مالیاتی اعداد و شمار میں بالترتیب 48 فیصد اور 58 فیصد کا اضافہ ریکارڈ کیا گیا۔ جب کہ آپریشنل محاذ پر OGDCL نے تلاش، ترقیاتی اور پیداواری سرگرمیوں کو ملک میں توانائی کی طلب اور رسد کے فرق کو ختم کرنے کے لیے جاری رکھیں۔

تیل اور گیس کی تلاش اور ترقیاتی سرگرمیاں

OGDCL پاکستان کی سرفہرست E&A کمپنی ہونے کے ناطے ملک میں تلاش اور ایکسپلوریشن پورٹ فولیو کا سب سے بڑا حصہ رکھتی ہے جو کہ 30 جون 2022 سے غیر تبدیل شدہ ہے۔ کمپنی کا یہ رقبہ 87,290 مربع کلومیٹر ہے اور ملک کے کل زیر تلاش رقبے کا 41 فیصد ہے۔ فی الوقت کمپنی کی تلاش کا رقبہ 48 ملکیتی اور مشترکہ تلاشی لائسنسوں پر مشتمل ہے۔ مزید برآں، کمپنی دیگر E&P کمپنیوں کے زیر انتظام تلاش و پیداوار کے 9 بلاکس میں بھی عملی مفادات رکھتی ہے۔

تیل اور گیس کے ذخائر کو دریافت کرنے کے لیے OGDCL نے زیر جائزہ مدت کے دوران 221 لائن کلومیٹر 2D سسمیک ڈیٹا (لائن کلومیٹر 336:1Q2021-22 اور 21 مربع کلومیٹر 3D سسمیک ڈیٹا) (مربع کلومیٹر NIL:1Q2021-22) حاصل کیا ہے۔ جو کہ ملک کے کل حاصل کردہ 2D اور 3D سسمیک ڈیٹا کا بالترتیب 49 فیصد اور 17 فیصد ہے۔ علاوہ ازیں، کمپنی نے 1,065 لائن کلومیٹر 2D سسمیک ڈیٹا اپنے ذرائع استعمال کرتے ہوئے پرائیس/ری پرائیس بھی کیا۔ اسکے علاوہ، حضور بلاک میں 135 لائن کلومیٹر کا ارضیاتی فیلڈ ورک بھی مکمل کیا۔

ڈرلنگ کے محاذ پر OGDC نے شاہپور آباد-I تشخیصی کنویں (کنویں 3:1Q2021-22) کی کھدائی کی۔ اس کے علاوہ گذشتہ مالی سال سے تعلق رکھنے والے دو کنویں پر ڈرلنگ اور ٹیسٹنگ کا کام مکمل کیا۔ تین ماہ میں کل ڈرلنگ 11,392 میٹر ریکارڈ کی گئی (میٹر 11,678:1Q2021-22)۔

رواں مدت کے دوران، موسلا دھار بارشوں/سیلاب اور سیکورٹی کی وجہ سے کمپنی کی تلاش کی سرگرمیاں متاثر ہوئیں۔ پلان شدہ 210 مربع کلومیٹر کا 3D سسمیک سروے موسلا دھار بارشوں کی وجہ سے متاثر ہوا جبکہ پلان شدہ 84 لائن کلومیٹر کا 2D سسمیک سروے زن اور لٹہ کے بلاکس میں سیکورٹی خدشات کی وجہ سے متاثر ہوا۔ تاہم کمپنی مؤخر شدہ سسمیک سرگرمیوں کو رواں مالی سال مکمل کرنے کی ہر ممکن کوشش کرے گی۔



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