

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION [UNAUDITED]
AS AT 30 SEPTEMBER 2020

Annexure II
Ref: CS04-08-(PSX/LSE/SECP)
October 28, 2020

	Unaudited 30 September 2020	Audited 30 June 2020
	Note -----(Rupees '000)-----	
SHARE CAPITAL AND RESERVES		
Share capital	43,009,284	43,009,284
Reserves	4 17,578,719	17,269,580
	<u>651,697,387</u>	<u>628,579,143</u>
Unappropriated profit	712,285,390	688,858,007
NON CURRENT LIABILITIES		
Deferred taxation	22,902,459	24,073,280
Deferred employee benefits	26,680,599	26,531,023
Provision for decommissioning cost	5 28,342,753	27,654,493
	77,925,811	78,258,796
CURRENT LIABILITIES		
Trade and other payables	6 66,206,218	68,578,248
Unpaid dividend	7 25,170,208	25,557,624
Unclaimed dividend	210,602	210,970
	91,587,028	94,346,842
	<u>881,798,229</u>	<u>861,463,645</u>
CONTINGENCIES AND COMMITMENTS		
	8	

NON CURRENT ASSETS

Property, plant and equipment	9 115,524,262	116,355,157
Development and production assets	10 100,947,814	101,449,010
Exploration and evaluation assets	11 18,226,179	16,420,604
	234,698,255	234,224,771
Long term investments	12 52,781,071	61,217,831
Long term loans	8,066,289	8,468,690
Long term prepayments	733,156	783,536
	<u>296,278,771</u>	<u>304,694,828</u>

CURRENT ASSETS

Stores, spare parts and loose tools	17,798,932	18,726,550
Stock in trade	437,086	472,505
Trade debts	13 342,206,002	325,620,971
Loans and advances	14 13,203,220	13,322,160
Deposits and short term prepayments	1,835,027	1,313,370
Other receivables	665,714	575,305
Income tax - advance	15 41,129,322	37,118,984
Current portion of long term investments	108,322,101	95,115,426
Other financial assets	16 53,974,935	47,661,241
Cash and bank balances	5,947,119	16,842,305
	585,519,458	556,768,817
	<u>881,798,229</u>	<u>861,463,645</u>

The annexed notes 1 to 27 form an integral part of these interim financial statements.

Chief Financial Officer

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Quarter ended 30 September	
	2020	2019
	------(Rupees '000)-----	
Profit for the quarter	23,427,383	27,316,350
Other comprehensive Income for the quarter	-	-
Total comprehensive income for the quarter	<u>23,427,383</u>	<u>27,316,350</u>

The annexed notes 1 to 27 form an integral part of these interim financial statements.

Chief Financial Officer

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

Share capital	Reserves					Unappropriated profit	Total equity	
	Capital reserves				Other reserves			
	Capital reserve	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			
------(Rupees '000)-----								
Balance as at 1 July 2019	43,009,284	836,000	11,020,000	2,118,000	520,000	120,483	567,741,481	625,365,248
Total comprehensive income for the period								
Profit for the quarter	-	-	-	-	-	-	27,316,350	27,316,350
Other comprehensive income for the quarter	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	-	-	27,316,350	27,316,350
Transfer to self insurance reserve	-	-	262,831	-	-	-	(262,831)	-
Charge to self insurance reserve	-	-	(331)	-	-	-	-	(331)
Total distributions to owners of the Company	-	-	-	-	-	-	-	-
Balance as at 30 September 2019	<u>43,009,284</u>	<u>836,000</u>	<u>11,282,500</u>	<u>2,118,000</u>	<u>520,000</u>	<u>120,483</u>	<u>594,795,000</u>	<u>652,681,267</u>
Balance as at 1 July 2020	43,009,284	836,000	13,500,000	2,118,000	720,000	95,580	628,579,143	688,858,007
Total comprehensive income for the period								
Profit for the	-	-	-	-	-	-	23,427,383	23,427,383
Other comprehensive loss for the quarter	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	-	-	23,427,383	23,427,383
Transfer to self insurance reserve	-	-	362,656	-	-	-	(362,656)	-
Charge to self insurance reserve	-	-	(156)	-	-	-	156	-
Transfer from undistributed percentage return reserve by an associated company	-	-	-	-	-	(53,361)	53,361	-
Total distributions to owners of the Company	-	-	-	-	-	-	-	-
Balance as at 30 September 2020	<u>43,009,284</u>	<u>836,000</u>	<u>13,862,500</u>	<u>2,118,000</u>	<u>720,000</u>	<u>42,219</u>	<u>651,697,387</u>	<u>712,285,390</u>

The annexed notes 1 to 27 form an integral part of these interim financial statements.

Chief Financial Officer

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Quarter ended 30 September	
	2020	2019
	----- (Rupees '000) -----	
Cash flows from operating activities		
Profit before taxation	34,020,429	39,688,365
Adjustments for:		
Depreciation	2,883,234	2,862,580
Amortization of development and production assets	4,022,637	3,779,465
Royalty	6,726,750	7,738,740
Workers' profit participation fund	1,790,549	2,088,861
Provision for employee benefits	1,164,335	882,493
Unwinding of discount on provision for decommissioning cost	563,248	743,788
Interest income	(3,592,237)	(4,094,031)
Un-realized (gain)/ loss on investments at fair value through profit or loss	(39,546)	25,471
Exchange loss on foreign currency investment and deposit accounts	680,943	2,346,850
Dividend income	(5,857)	(7,037)
Gain on disposal of property, plant and equipment	(7,470)	(1,291)
Share of profit in associate	(1,813,241)	(1,492,591)
	<u>46,393,774</u>	<u>54,561,662</u>
Changes in:		
Stores, spare parts and loose tools	927,618	273,194
Stock in trade	35,419	150,864
Trade debts	(16,585,031)	(21,480,107)
Deposits and short term prepayments	(521,657)	756,466
Advances and other receivables	430,932	(2,949,808)
Trade and other payables	(2,755,047)	(3,293,903)
Cash generated from operations	<u>27,926,008</u>	<u>28,018,368</u>
	<u>(1,387,229)</u>	<u>(7,502,527)</u>
Royalty paid	(601,049)	(1,943,783)
Employee benefits paid	50,380	(756,458)
Long term prepayments	-	(331)
Payment from self insurance reserve	(7,700,000)	(9,294,706)
Payment to workers' profit participation fund-net	(15,774,205)	(12,601,553)
Income taxes paid	<u>(25,412,103)</u>	<u>(32,099,358)</u>
Net cash generated/ (used in) from operating activities	<u>2,513,905</u>	<u>(4,080,990)</u>
Cash flows from investing activities		
Capital expenditure	(6,719,902)	(5,662,417)
Interest received	635,562	2,010,058
Dividends received	5,857	7,037
Encashment of investments	-	10,170,986
Purchase of investments	-	(11,266,161)
Proceeds from disposal of property, plant and equipment	12,267	5,529
Net cash used in investing activities	<u>(6,066,216)</u>	<u>(4,734,968)</u>
Cash flows from financing activities		
Dividends paid	(387,784)	(696,019)
Net cash used in financing activities	<u>(387,784)</u>	<u>(696,019)</u>
Net decrease in cash and cash equivalents	<u>(3,940,095)</u>	<u>(9,511,976)</u>
Cash and cash equivalents at beginning of the quarter	64,248,291	95,049,153
Effect of movements in exchange rate on cash and cash equivalents	(680,943)	(2,346,850)
Cash and cash equivalents at end of the quarter	<u><u>59,627,253</u></u>	<u><u>83,190,327</u></u>

The annexed notes 1 to 27 form an integral part of these interim financial statements.

Chief Financial Officer

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements (here in after 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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- obligation under certain employee benefits and provision for decommissioning cost have been measured at present value; and
- investments at fair value through profit or loss have been measured at fair value.

The methods used to measure fair values are described further in their respective policy notes.

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 2020.

Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2020, 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 period ended 30 September 2019.

These interim financial statements are unaudited and are being submitted to the members as required under Section 237 of Companies Act, 2017 and Rule Book of Pakistan Stock Exchange Limited.

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 2020.

3.1 IFRS 16 'Leases'

IFRS 16 'Leases', became effective from 01 January 2019, and has replaced the existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The Company has adopted IFRS 16 from 01 July 2019 except for gas supply agreements with M/s Uch Power (Private) Limited (UPL) and M/s Uch II Power (Private) Limited (Uch-II). For UPL and Uch II refer note 3.1.2 below.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

3.1.1 As a Lessee

During the quarter, the expenditure relating to short-term leases of rigs amounts to Rs 1,200 million, and has been recognized in these interim financial statements as follows:

	Unaudited 30 September 2020	Audited 30 June 2020
	------(Rupees '000)-----	
Interim statement of financial position:		
Additions during the quarter/ year:		
Development and production assets	659,642	3,852,217
Exploration and evaluation assets	539,910	1,851,890
	<u>1,199,552</u>	<u>5,704,107</u>
	Quarter ended 30 September 2020	2019
	------(Rupees '000)-----	
Interim statement of profit or loss:		
Exploration and prospecting expenditure	-	331,159
	<u>-</u>	<u>331,159</u>

3.1.2 As a Lessor

The Company has gas sale agreements with M/s Uch Power (Private) Limited (UPL) and M/s Uch-II Power (Private) Limited (Uch-II). The Company is assessing its contractual arrangements with UPL and Uch-II to ascertain whether these constitute or contain "lease" based on the definition in IFRS 16. The Securities and Exchange Commission of Pakistan (SECP) vide letter dated 25 September 2020 has granted temporary exemption to the Company from application of IFRS 16 for its gas sale agreements with UPL and Uch-II for the financial statements for the year ended 30 June 2020 and interim financial statements for the quarter ended 30 September 2020. Had these aforementioned agreements with UPL and Uch-II been assessed as a leasing arrangement under IFRS 16, following adjustments to statement of financial position and statement of profit or loss would have been made:

	Cumulative effect upto 30 September 2020	30 June 2020
	------(Rupees '000)-----	
Interim statement of financial position		
Non-current assets		
Derecognition of property, plant and equipment	(15,229,054)	(15,614,384)
Recognition of finance lease receivable	44,102,856	44,821,590
Current assets		
Derecognition of trade debts	(12,000,286)	(11,357,860)
Recognition of current portion of finance lease receivable	17,204,066	16,360,220
Non-current liabilities		
(Increase) in deferred taxation	(10,751,477)	(10,793,118)
Current liabilities		
Recognition of trade and other payables		
Workers' profit participation fund - net	(1,703,879)	(1,710,479)
Increase in unappropriated profit	<u>21,622,225</u>	<u>21,705,969</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

		Effect for the three months ended 30 September	
		2020	2019
		----- (Rupees '000) -----	
Interim statement of profit or loss			
	Derecognition of sales - net	(3,180,678)	(2,946,903)
	Decrease in operating expenses on account of Depreciation	385,330	365,676
	Increase in other income on account of Exchange gain	662,282	2,203,944
	Increase in finance income	2,001,083	1,988,785
	Decrease/ (Increase) in workers' profit participation fund	6,599	(80,575)
	Decrease/ (Increase) in taxation Deferred- credit/ (charge) for the period	41,641	(518,283)
	Net effect	<u>(83,744)</u>	<u>1,012,644</u>
	(Decrease) / increase in earnings per share - basic and diluted (Rupees)	<u>-0.02</u>	<u>0.24</u>
		Unaudited	Audited
		30 September	30 June
		2020	2020
		----- (Rupees '000) -----	
4	RESERVES	Note	
	Capital reserves:		
	Capital reserve	4.1	836,000 836,000
	Self insurance reserve	4.2	13,862,500 13,500,000
	Capital redemption reserve fund - associated company	4.3	2,118,000 2,118,000
	Self insurance reserve - associated company	4.4	720,000 720,000
	Other reserves:		
	Undistributed percentage return reserve - associated company	4.5	<u>42,219</u> <u>95,580</u>
			<u><u>17,578,719</u></u> <u><u>17,269,580</u></u>
4.1	This represents bonus shares issued by former wholly owned subsidiary - Pirkoh Gas Company (Private) Limited (PGCL) prior to merger. Accordingly, the 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 12.2 for investments against this reserve. Accordingly, the reserve is not available for distribution to shareholders.		
4.3	This represents Company's share of profit set aside by an associated company to redeem redeemable preference shares in the form of cash to the preference shareholders.		
4.4	This represents Company's share of profit set aside by an associated company for self insurance of general assets, vehicles and personal accident for security personnel.		
4.5	This represents Company's share of profit set aside by an associated company from distributable profits for the year related to undistributed percentage return reserve.		

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Unaudited 30 September 2020	Audited 30 June 2020
	------(Rupees '000)-----	
5 PROVISION FOR DECOMMISSIONING COST		
Balance at beginning of the quarter/ year	27,654,493	22,862,587
Provision during the quarter/ year	125,012	523,222
Decommissioning cost incurred during the quarter/ year	-	(143,978)
Reversal in respect of fields decommissioned during the quarter/ year	-	(480,019)
	<u>27,779,505</u>	<u>22,761,812</u>
Revision due to change in estimates	-	1,885,426
Unwinding of discount on provision for decommissioning cost	563,248	3,007,255
Balance at end of the quarter/ year	<u>28,342,753</u>	<u>27,654,493</u>
6 TRADE AND OTHER PAYABLES		
Creditors	786,429	670,392
Accrued liabilities	14,576,629	17,145,383
Payable to partners of joint operations	7,381,559	7,977,718
Retention money payable	6,238,881	6,133,678
Royalty payable to the Government of Pakistan	11,182,033	5,842,512
Excise duty payable	196,109	203,835
General sales tax payable	2,070,536	1,461,153
Gas Infrastructure Development Cess (GIDC) payable	6,435,793	6,874,851
Petroleum Levy payable	102,629	116,808
Withholding tax payable	143,856	306,959
Trade deposits	117,164	117,164
Workers' profit participation fund - net	1,620,281	7,529,732
Employees' pension trust	9,060,050	8,157,458
Gratuity fund	172,692	122,337
Provident fund	71,084	-
Advances from customers	2,755,105	2,621,375
Payable to benevolent fund	15	-
Other payables	3,295,373	3,296,893
	<u>66,206,218</u>	<u>68,578,248</u>
7 UNPAID DIVIDEND		

This includes an amount of Rs 25,027 million (30 June 2020: Rs 25,027 million) payable to OGDCL Employees' Empowerment Trust (OEET). The payment of dividend has been withheld since GoP is considering to revamp Benazir Employees' Stock Option Scheme (BESOS) as 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, is 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 Finance Division, GoP vide letter no. F. No. 2(39)BIU-I/2018-19 dated 15 April 2019 advised the Company to deposit the GoP share of dividend including interest, if any, lying in OEET account(s) or any other reserve/account till date in the Federal Consolidated Fund pursuant to decision of the Federal Cabinet in its meeting held on 09 April 2019.

Furthermore, PCP vide letter no. 1(1)PC/BESOS/F&A/2019 dated 08 May 2019, requested the Company not to remit any amounts on the account of BESOS in view of the decision of the Federal Cabinet. Based on the legal advice, OEET submitted its response to Petroleum Division on 05 August 2019 that the matter is pending adjudication before the Honourable Supreme Court of Pakistan, the transfer would commit breach of fiduciary duties of the trustees and therefore the directions to be kindly recalled.

During the year the Ministry of Energy, GoP, vide letter no. U.O. No. 8(9)/ 2014/D-III/BESOS, dated 27 December 2019 requested the Company to transfer Federal Government's share of dividend money to PCP on immediate basis as per the direction of Finance Division, GoP. OEET submitted its response vide letter no. OEET-127/2019 dated 30 December 2019 that in order to proceed further with the direction given above, it is requested that PCP withdraw the above mentioned letter no. F. No.13(4)12/PC/BESOS/OGDCL dated 15 May 2018 and all previous letters related to maintaining status quo in respect of this matter.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Claims against the Company not acknowledged as debts amounted to Rs 1,263 million at quarter end (30 June 2020: Rs 1,263 million).

8.1.1 During the year ended 30 June 2019, Attock Refinery Limited (ARL) filed a writ petition against the Company before Islamabad High Court on 17 December 2018 and has disputed and withheld amounts invoiced to it on account of adjustment of premium or discount as announced by Saudi Aramco for deliveries to Asian customers/destinations under the sale agreement signed on 13 March 2018. As at 30 September 2020, the amount withheld by ARL stands at Rs 2,305 million (30 June 2020: Rs 2,246 million). Further, ARL has also claimed the amounts already paid in this respect during the period 2007 to 2012 amounting to Rs 562 million (30 June 2020: Rs 562 million). The Islamabad High Court vide order dated 16 January 2019 granted interim relief to ARL until next hearing. The Company believes that the debit notes/ invoices have been raised in accordance with the sale agreements signed with GoP and no provision is required in this respect.

8.1.2 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 904.98 million (30 June 2020: Rs 833.111 million). Management believes that the matter will be decided in favour of the Company.

8.1.3 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.281 million (30 June 2020: Rs 1.281 million).

8.1.4 For contingencies related to tax matters, refer note 15.1 to 15.3 and note 19.1.

8.1.5 For contingencies related to sales tax and federal excise duty, refer note 14.1 and 14.2.

8.1.6 For matter relating to conversion of certain blocks to Petroleum Policy 2012, refer note 17.3.

8.2 Commitments

8.2.1 Commitments outstanding at quarter end amounted to Rs 40,175.852 million (30 June 2020: Rs 42,430.417 million). These include amounts aggregating to Rs 23,499.595 million (30 June 2020: Rs 24,360.796 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.

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 3,051.334 million (30 June 2020: Rs 4,899.632 million).

8.2.3 The Company's share of associate commitments for the quarter ended 30 September 2020 is Rs 6,119 million (30 June 2020: Rs 5,051 million).

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

		Unaudited 30 September 2020	Audited 30 June 2020
	Note	------(Rupees '000)-----	
9	PROPERTY, PLANT AND EQUIPMENT		
Carrying amount at beginning of the quarter/ year		116,355,157	117,787,033
Additions/adjustments during the quarter/ year	9.1	2,298,661	10,788,377
Book value of disposals		(4,797)	(16,317)
Depreciation charge for the quarter/ year		(3,124,759)	(12,697,822)
Revision in estimate of decommissioning cost during the quarter/ year		-	493,886
Carrying amount at end of the quarter/ year	9.2	<u>115,524,262</u>	<u>116,355,157</u>
9.1	Additions/adjustments during the quarter/ year		
Freehold land		79,199	90
Buildings, offices and roads on freehold land		-	97,784
Buildings, offices and roads on leasehold land		5,887	164,914
Plant and machinery		1,556,476	5,207,960
Rigs		16,889	263,254
Pipelines		314,381	1,048,613
Office and domestic equipment		57,910	16,274
Office and technical data computers		167,480	59,863
Furniture and fixture		2,545	2,569
Vehicles		16,443	127,402
Decommissioning cost		-	84,430
Capital work in progress (net)		370,552	1,239,222
Stores held for capital expenditure (net)		(289,101)	2,476,002
		<u>2,298,661</u>	<u>10,788,377</u>
9.2	Property, plant and equipment comprises:		
Operating fixed assets		104,798,188	105,710,811
Capital work in progress		3,950,525	3,579,973
Stores held for capital expenditure		6,775,549	7,064,373
		<u>115,524,262</u>	<u>116,355,157</u>
10	DEVELOPMENT AND PRODUCTION ASSETS		
Carrying amount at beginning of the quarter/ year		101,449,010	91,958,684
Additions during the quarter/ year		1,419,378	16,075,710
Transferred from exploration and evaluation assets during the quarter/ year		3,978,820	6,812,898
Stores held for development and production activities (net)		(1,876,757)	2,412,807
Amortization charge for the quarter/ year		(4,022,637)	(17,247,061)
Revision in estimates of decommissioning cost during the quarter/ year		-	1,435,972
Carrying amount at end of the quarter/ year		<u>100,947,814</u>	<u>101,449,010</u>
11	EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the quarter/ year		15,699,342	15,129,892
Additions during the quarter/ year		4,668,964	17,408,312
		<u>20,368,306</u>	<u>32,538,204</u>
Cost of dry and abandoned wells during the quarter/ year		(811,048)	(10,025,964)
Cost of wells transferred to development and production assets during the quarter/ year		(3,978,820)	(6,812,898)
		<u>(4,789,868)</u>	<u>(16,838,862)</u>
		<u>15,578,438</u>	<u>15,699,342</u>
Stores held for exploration and evaluation activities		2,647,741	721,262
Balance at end of the quarter/ year		<u>18,226,179</u>	<u>16,420,604</u>

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		Unaudited 30 September 2020	Audited 30 June 2020
	Note	------(Rupees '000)-----	
12 LONG TERM INVESTMENTS			
Investment in related party - associate, quoted			
Mari Petroleum Company Limited (MPCL)	12.1	20,447,631	18,634,390
Investments at amortised cost			
Term Deposit Receipts (TDRs)	12.2	13,125,926	12,713,049
Investment in Term Finance Certificates (TFCs)	12.3	127,529,615	124,985,818
		140,655,541	137,698,867
Less: Current portion shown under current assets	12.4	(108,322,101)	(95,115,426)
		32,333,440	42,583,441
		52,781,071	61,217,831

12.1 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 2020: 20%) holding in the associate. The market value of the investment in associate as of the quarter end is Rs 36,539 million (30 June 2020: Rs 32,994 million).

12.2 This represents investments in local currency TDRs and carry effective interest rate of 13.10% to 14% (30 June 2020: 13.10% to 14%) per annum. TDRs have maturities of one (1) to five (5) years. These have been classified as non-current assets based on management's intention to reinvest in the like investment for a longer term. These investments are earmarked against self insurance reserve as explained in note 4.2 to the financial statements.

12.3 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 PHPL, 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 PHPL, 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 installments 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 GoP, covering the principal, markup, and/or any other amount becoming due for payment in respect of investment in TFCs.

On 23 October 2017, PHPL has 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 PHPL. PHPL requested the Company to prepare revised term sheet for onward submission to Finance division of GoP for approval. During the year, the Board of Directors resolved that management may take further steps for the extension of investor agreement with PHPL for a further period of three (3) years. Currently, management is in discussion with PHPL for signing the revised term sheet with PHPL as per the terms approved by ECC. As at 30 September 2020, the principal balance of TFCs amounting to Rs 20,500 million has been reclassified to non-current assets on the basis of expected realization of the principal balance of TFCs as per the revised term sheet to be signed with PHPL. As per the revised terms, principal repayment amounting to Rs 41,000 million was past due as at 30 September 2020. Further, interest due as of 30 September 2020 was Rs 45,529 million (30 June 2020: Rs 42,986 million) of which Rs 45,137 million (30 June 2020: Rs 39,561 million) was past due. The Company considers the principal and interest to be fully recoverable as these are backed by Sovereign Guarantee of GoP.

12.4 Current portion includes Rs 1,292.486 million (30 June 2020: Rs 879.608 million), and Rs 45,529 million (30 June 2020: Rs 42,986 million) representing accrued markup on TDRs and TFCs respectively.

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	Unaudited 30 September 2020	Audited 30 June 2020
	------(Rupees '000)-----	
13 TRADE DEBTS		
Un-secured, considered good	342,206,002	325,620,971
Un-secured, considered doubtful	101,113	101,113
	<u>342,307,115</u>	<u>325,722,084</u>
Provision for doubtful debts	(101,113)	(101,113)
	<u>342,206,002</u>	<u>325,620,971</u>

13.1 Trade debts include overdue amount of Rs 286,087 million (30 June 2020: Rs 275,195 million) on account of Inter-corporate circular debt, receivable from oil refineries and gas companies out of which Rs 133,440 million (30 June 2020: Rs 130,536 million) and Rs 110,613 million (30 June 2020: Rs 106,625 million) is 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 only to the extent that it is highly probable that a significant reversal in the amount of income recognized will not occur when the uncertainty associated with the interest/ surcharge is subsequently resolved, which is when the interest/ surcharge on delayed payments is received by the Company.

13.2 Included in trade debts is an amount of Rs 7,306 million (30 June 2020: Rs 7,617 million) receivable from three Independent Power Producers and a fertilizer company on account of Gas Infrastructural Development Cess (GIDC) and related sales tax paid/ payable thereon.

14 LOANS AND ADVANCES

14.1 This includes an amount of Rs 3,180 million (30 June 2020: 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 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, which is currently pending. FBR has linked the disposal of OGDCL's condonation request with the outcome of UPL's aforementioned CPLA. The Company and its legal advisors are confident that CPLA of UPL before Honorable Supreme Court of Pakistan will be decided in favour of the Company and 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.

14.2 This also includes recoveries of Rs 317 million (30 June 2020: 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 7,113 million (30 June 2020: Rs 7,113 million) relating to periods July 2012 to June 2015. The Honorable Appellate Tribunal Inland Revenue (ATIR) has accepted the Company's appeals for the period 2012-13, 2013-14 and subsequent to the year end, for the period 2014-15 and annulled the demands of Rs 1,821 million, Rs 4,887 million and Rs 405 million respectively, 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 judgments of ATIR for the period 2012-13 and 2013-14 on 9 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 return and sales/ production based on other sources of data. The Company believes that these demands were raised without legal validity and will be decided by IHC in its favour as already decided by ATIR in favour of the Company.

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		Unaudited 30 September 2020	Audited 30 June 2020
	Note	------(Rupees '000)-----	
15 INCOME TAX - ADVANCE			
Income tax- advance at beginning of the quarter/ year		37,118,984	20,027,510
Income tax paid during the quarter/ year		15,774,205	51,524,836
Provision for current taxation - profit or loss		(11,763,867)	(42,481,837)
Tax credit related to remeasurement gain on employee retirement benefit plans for the quarter/ year- other comprehensive income		-	8,048,475
Income tax - advance at end of the quarter/ year	15.1 to 15.3	<u>41,129,322</u>	<u>37,118,984</u>

15.1 This includes amount of Rs 21,785 million (30 June 2020: Rs 21,785 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 43,134 million which the Company claimed in its return for the tax years 2014 to 2018. 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, 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.

15.2 During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million (30 June 2020: Rs 13,370 million) by disallowing effect of price discount on sale of crude from Kunnar field and have recovered Rs 5,372 million (30 June 2020: Rs 5,372 million) from the Company upto 30 September 2020. 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.

15.3 Income tax advance includes Rs 1,259 million (30 June 2020: 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.

		Unaudited 30 September 2020	Audited 30 June 2020
	Note	------(Rupees '000)-----	
16 OTHER FINANCIAL ASSETS			
Investment in Term Deposit Receipt (TDRs)	16.1	53,680,134	47,405,986
Investment at fair value through profit or loss - NIT units		294,801	255,255
		<u>53,974,935</u>	<u>47,661,241</u>

16.1 This represents foreign currency TDRs amounting to USD 321.124 million (30 June 2020: USD 281.320 million), and accrued interest amounting to USD 2.973 million (30 June 2020: USD 0.993 million), carrying interest rate ranging from 1.51% to 3.95% (30 June 2020: 1.45% to 5.06%) per annum, having maturities up to six months (30 June 2020: six months).

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	Quarter ended 30 September	
	2020	2019
	------(Rupees '000)-----	
17 SALES - NET		
Gross sales		
Crude oil	21,297,188	28,393,368
Gas	41,628,529	42,608,705
Liquefied petroleum gas	4,858,946	4,604,323
Sulphur	170,530	4,469
Gas processing	32,331	30,278
	<u>67,987,524</u>	<u>75,641,143</u>
Government levies		
General sales tax	(6,983,970)	(7,024,337)
Gas Infrastructure Development Cess (GIDC)	(494,105)	(1,406,413)
Petroleum levy	(304,373)	(297,380)
Excise duty	(677,006)	(709,024)
	<u>(8,459,454)</u>	<u>(9,437,154)</u>
	<u>59,528,070</u>	<u>66,203,989</u>

17.1 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.

17.2 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.

17.3 In respect of six of its operated concessions, namely, Gurgalot, Sinjhorro, 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. 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.

Oil and Gas Regulatory Authority (OGRA) has been notifying the revised wellhead prices in accordance with the Tal Block SA 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 Petroleum Concession Agreements (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.

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The Company along with other Joint Venture 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 these 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 14,053 million (30 June 2020: Rs 12,608 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).

	Quarter ended 30 September	
	2020	2019
	------(Rupees '000)-----	
18 OTHER INCOME		
Interest income	3,592,237	4,094,031
Dividend income from NIT units	5,857	7,037
Un-realized gain/ (loss) on investments at fair value through profit or loss	39,546	(25,471)
Exchange gain -net	(645,096)	(1,651,984)
Signature bonus	71,869	34,258
Liquidated damages / penalty imposed on suppliers	108,298	276,529
Others	121,685	110,168
	<u>3,294,396</u>	<u>2,844,568</u>
19 TAXATION		
Current- charge for the quarter	11,763,867	13,355,257
Deferred - charge for the quarter	(1,170,821)	(983,242)
	<u>10,593,046</u>	<u>12,372,015</u>
19.1 Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2019 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 and super tax. Total amount of tax demand against the major issues, raised in respect of assessment years 1992-93 to 2002-03 and tax years 2003-2019 amounts to Rs 116,877 million out of which an amount of Rs 103,357 million has been paid to tax authorities and has also been provided for in these interim financial statements. Also refer to note 15.1 to 15.3 of the interim financial statements.		
20 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the quarter (Rupees '000)	23,427,383	27,316,350
Average number of shares outstanding during the quarter ('000)	<u>4,300,928</u>	<u>4,300,928</u>
Earnings per share - basic (Rupees)	<u>5.45</u>	<u>6.35</u>

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

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21 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
	------(Rupees '000)-----		
30 September 2020			
Financial assets measured at fair value			
Other financial assets - NIT units	294,801	-	-
30 June 2020			
Financial assets measured at fair value			
Other financial assets - NIT units	255,255	-	-
	Quarter ended 30 September		
	2020	2019	
	------(Rupees '000)-----		

22 CASH AND CASH EQUIVALENTS

Cash and bank balances	5,947,119	8,527,571
Short term highly liquid investments		
Investment in Term Deposit Receipts	53,680,134	47,557,103
Investment in Treasury Bills (T-Bills) - Government of Pakistan	-	27,105,653
	53,680,134	74,662,756
	<u>59,627,253</u>	<u>83,190,327</u>

23 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2020: 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 company, 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 air fare, electricity, gas and telephone to entities controlled by Government of Pakistan which are not material, hence not disclosed in these interim financial statements. Transactions of the Company with related parties and balances outstanding at quarter end are as follows:

	Quarter ended 30 September	
	2020	2019
	------(Rupees '000)-----	
MPCL- Associated company (20% share holding of the Company)		
Share of profit in associate - net of taxation	1,813,241	1,492,591
Expenditure charged by joint operations partner- net	446,987	962,093
Cash calls (received)/ paid to joint operations partner- net	(269,426)	858,299
Share (various fields) payable	445,736	118,758
Share (various fields) receivable	371,182	362,821
Major shareholders		
Government of Pakistan (74.97% share holding)		
Dividend paid	-	-
Dividend paid - Privatization Commission of Pakistan	-	-

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	Quarter ended 30 September	
	2020	2019
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS -continued		
OGDCL Employees' Empowerment Trust (OEET) (10.05% share holding)		
Dividend payable	25,027,074	22,109,798
Related parties by virtue of GoP holdings and /or common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	16,996,384	17,596,606
Trade debts as at 30 September	122,013,983	94,495,027
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	249,754	130,553
Purchase of petroleum, oil and lubricants	962,115	1,154,800
Payable as at 30 September	178,161	98,867
Pakistan Petroleum Limited		
Payable as at 30 September	-	506
Expenditure charged to joint operations partner- net	1,508,470	3,358,140
Cash calls (received)/ paid to joint operations partner- net	(931,658)	2,380,213
Share (various fields) receivable	2,961,749	1,277,195
Share (various fields) payable	3,320,635	1,960,290
Pak Arab Refinery Company Limited		
Sale of crude oil	2,478,209	4,377,131
Trade debts as at 30 September	1,897,023	2,464,852
PARCO Pearl Gas (Private) Limited		
Sale of liquefied petroleum gas	71,394	56,347
Pakistan Refinery Limited		
Sale of crude oil	859,618	2,093,672
Trade debts as at 30 September	2,681,968	2,527,691
Engro Fertilizers Limited		
Sale of natural gas	-	396,352
Trade debts as at 30 September	-	1,176,880
State Bank of Pakistan		
Balance of investment in Treasury Bills as at 30 September	-	37,823,838
Interest earned on Treasury Bills	-	1,334,304
Interest receivable on Treasury Bills as at 30 September	-	780,436
Habib Bank Limited		
Balance at bank as at 30 September	-	3,787,652
Interest earned on deposits	-	49,957
Sui Southern Gas Company Limited		
Sale of natural gas	13,015,670	14,405,950
Sale of liquefied petroleum gas	91,911	95,593
Pipeline rental charges	9,165	9,165
Trade debts as at 30 September	142,955,181	118,883,534

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	Quarter ended 30 September	
	2020	2019
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS -continued		
Government Holdings (Private) Limited (GHPL)		
Payable as at 30 September	320,859	271,997
Expenditure charged to joint operations partner	728,208	1,372,914
Cash calls (received)/ paid from joint operations partner	(609,203)	821,151
GHPL share (various fields) receivable	1,832,752	1,848,781
GHPL share (various fields) payable	-	14,540
Related parties by virtue of GoP holdings		
National Investment Trust		
Investment as at 30 September	294,801	221,521
Dividend received	5,857	7,037
National Bank of Pakistan		
Balance at bank as at 30 September	654,922	1,042,055
Balance of investment in TDRs as at 30 September	16,070,650	780,400
Interest earned during the year	204,695	56,635
Power Holding (Private) Limited (PHPL)		
Markup earned	2,543,797	1,890,156
Balance of investment in TFCs not yet due as at 30 September	51,250,000	-
Balance of past due principal repayment of TFCs as at 30 September	30,750,000	82,000,000
Balance of markup receivable on TFCs not yet due as at 30 September	392,050	-
Balance of past due markup receivable on TFCs as at 30 September	45,137,565	33,621,700
Sui Southern Gas Company LPG (Pvt) Limited		
Sale of liquefied petroleum gas	71,638	98,201
National Insurance Company Limited		
Insurance premium paid	22,188	142,758
Payable as at 30 September	-	164
National Logistic Cell		
Crude transportation charges paid	525,562	311,223
Payable as at 30 September	589,772	869,643
Enar Petrotech Services Limited		
Consultancy services	10,404	3,748
Payable as at 30 September	10,456	4,561
Enar Petroleum Refining Facility		
Sale of crude oil	3,251,080	4,380,097
Trade debts as at 30 September	1,919,587	2,560,738
Other related parties		
Contribution to pension fund	-	1,220,644
Contribution to gratuity fund	-	-
Remuneration including benefits and perquisites of key management personnel	158,285	190,172

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24 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 2020.

25 GENERAL

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

26 NON ADJUSTING EVENT AFTER REPORTING DATE

26.1 The members approved final cash dividend relating to the year ended 30 June 2020 at the rate of Rs 2.50 per share amounting to Rs 10,752 million in their Annual General Meeting held on 28 October 2020.

26.2 The Board of Directors approved interim cash dividend at the rate of Rs 2.00 per share amounting to Rs 8,602 million in its meeting held on 28 October 2020.

27 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 28 October 2020 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive

Director