OIL AND GAS DEVELOPMENT COMPANY LIMITED

Annexure II

Ref: CS-04-08(PSX/LSE/SECP)

February 23, 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION [UNAUDITED]

AS AT 31 DECEMBER 2021

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees '000)	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Reserves	4	19,549,000	18,824,000
Unappropriated profit		761,990,535	707,810,761
		824,548,819	769,644,045
NON CURRENT LIABILITIES			
Deferred taxation		28,812,458	27,667,937
Deferred employee benefits		28,224,151	28,010,167
Provision for decommissioning cost	5	30,093,159	28,992,057
		87,129,768	84,670,161
CURRENT LIABILITIES			
Trade and other payables	6	78,322,687	72,357,460
Unpaid dividend	7	30,345,210	29,112,645
Unclaimed dividend		208,557	209,503
		108,876,454	101,679,608
TOTAL LIABILITIES		196,006,222	186,349,769
		1,020,555,041	955,993,814
CONTINGENCIES AND COMMITMENTS	8		

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees '000)	
NON CURRENT ASSETS			
Property, plant and equipment	9	93,979,554	95,745,594
Development and production assets	10	105,504,391	100,415,134
Exploration and evaluation assets	11	14,946,352	16,732,676
		214,430,297	212,893,404
Long term investments	12	39,109,097	45,525,871
Long term loans		10,014,118	8,783,849
Long term prepayments		709,261	861,430
Lease receivables	13	38,010,296	37,259,605
		302,273,069	305,324,159
CURRENT ASSETS			
Stores, spare parts and loose tools		19,551,659	19,169,273
Stock in trade		791,360	404,339
Trade debts	14	407,220,691	358,821,853
Loans and advances	15	15,226,989	15,916,922
Deposits and short term prepayments		1,848,491	1,262,865
Other receivables		908,498	822,149
Income tax - advance	16	41,508,388	45,751,659
Current portion of long term investments		136,269,512	122,465,116
Current portion of lease receivables	13	25,014,459	22,253,115
Other financial assets	17	58,546,818	56,358,320
Cash and bank balances		11,395,107	7,444,044
		718,281,972	650,669,655
		1,020,555,041	955,993,814

The annexed notes 1 to 30 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 SIX MONTHS ENDED 31 DECEMBER 2021

	Three months ended 31 December		Six months ended 31 December	
	2021	**2020**	**2021**	**2020**
	----(Rupees '000)----			
Profit for the period	35,253,379	18,881,729	68,882,792	42,225,369
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	35,253,379	18,881,729	68,882,792	42,225,369

The annexed notes 1 to 30 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 SIX MONTHS ENDED 31 DECEMBER 2021

	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 2020	43,009,284	836,000	13,500,000	2,118,000	720,000	95,580	650,285,112	710,563,976
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	42,225,369	42,225,369
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	42,225,369	42,225,369
Transfer to self insurance reserve	-	-	725,332	-	-	-	(725,332)	-
Charge to self insurance reserve	-	-	(332)	-	-	-	332	-
Transfer from undistributed percentage return reserve by an associated company	-	-	-	-	-	(53,361)	53,361	-
Transactions with owners of the Company								
Distributions								
Final dividend 2020: Rs 2.50 per share	-	-	-	-	-	-	(10,752,321)	(10,752,321)
First interim dividend 2021: Rs 2.00 per share	-	-	-	-	-	-	(8,601,857)	(8,601,857)
Total distributions to owners of the Company	-	-	-	-	-	-	(19,354,178)	(19,354,178)
Balance as at 31 December 2020	43,009,284	836,000	14,225,000	2,118,000	720,000	42,219	672,484,664	733,435,167
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 period								
Profit for the period	-	-	-	-	-	-	68,882,792	68,882,792
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	68,882,792	68,882,792
Transfer to self insurance reserve	-	-	725,148	-	-	-	(725,148)	-
Charge to self insurance reserve	-	-	(148)	-	-	-	148	-
Transactions with owners of the Company								
Distributions								
Final dividend 2021: Rs 1.50 per share	-	-	-	-	-	-	(6,451,393)	(6,451,393)
First interim dividend 2022: Rs 1.75 per share	-	-	-	-	-	-	(7,526,625)	(7,526,625)
Total distributions to owners of the Company	-	-	-	-	-	-	(13,978,018)	(13,978,018)
Balance as at 31 December 2021	43,009,284	836,000	15,675,000	2,118,000	920,000	-	761,990,535	824,548,819

The annexed notes 1 to 30 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 SIX MONTHS ENDED 31 DECEMBER 2021

	Note	Six months ended 31 December 2021	Six months ended 31 December 2020
		-----------(Rupees '000)-----------	
Cash flows from operating activities			
Profit before taxation		105,171,741	62,069,078
Adjustments for:			
Depreciation		4,720,864	4,825,836
Amortization of development and production assets		8,581,530	8,122,400
Royalty		17,034,330	12,902,888
Workers' profit participation fund		5,535,355	3,266,794
Provision for employee benefits		2,590,788	2,336,380
Charge of provision for decommissioning cost		194,032	-
Unwinding of discount on provision for decommissioning cost		1,139,157	1,142,962
Interest income on investments and bank deposits		(4,973,976)	(6,201,874)
Interest income on lease		(3,430,721)	(3,983,625)
Un-realized loss/ (gain) on investments at fair value through profit or loss		26,652	(59,977)
Exchange (gain)/ loss on lease		(4,523,931)	1,342,557
Exchange (gain)/ loss on foreign currency investment and deposit accounts		(7,939,449)	3,172,059
Dividend income from NIT units		(7,310)	(5,857)
Gain on disposal of property, plant and equipment		(1,890)	(12,121)
Share of profit in associate		(936,342)	(3,280,239)
Stores inventory written off		99,780	-
		123,280,610	85,637,261
Changes in:			
Stores, spare parts and loose tools		(482,166)	(1,729,014)
Stock in trade		(387,021)	(16,116)
Trade debts		(48,398,838)	(15,267,405)
Deposits and short term prepayments		(585,626)	(625,654)
Advances and other receivables		(626,685)	1,240,551
Trade and other payables		469,247	(5,443,225)
Cash generated from operations		73,269,521	63,796,398
Royalty paid		(11,991,553)	(7,540,184)
Employee benefits paid		(1,773,544)	(1,493,833)
Long term prepayments		152,169	(715)
Decommissioning cost paid		(524,309)	-
Payment to workers' profit participation fund-net		(6,788,755)	(7,529,733)
Income taxes paid		(30,901,157)	(29,146,854)
		(51,827,149)	(45,711,319)
Net cash generated from operating activities		21,442,372	18,085,079
Cash flows from investing activities			
Capital expenditure		(13,450,708)	(10,631,324)
Interest received		3,798,538	3,853,731
Lease payments received		1,358,663	1,604,637
Dividends received		1,991,672	58,773
Encashment of investments		-	1,833,441
Investment in associated company		(4,176,250)	-
Proceeds from disposal of property, plant and equipment		8,875	21,779
Net cash used in investing activities		(10,469,210)	(3,258,963)
Cash flows from financing activities			
Dividends paid		(12,746,399)	(16,357,609)
Net cash used in financing activities		(12,746,399)	(16,357,609)
Net decrease in cash and cash equivalents		(1,773,237)	(1,531,493)
Cash and cash equivalents at beginning of the period		63,460,344	64,248,291
Effect of movements in exchange rate on cash and cash equivalents		7,939,449	(3,172,059)
Cash and cash equivalents at end of the period	22	69,626,556	59,544,739

The annexed notes 1 to 30 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 SIX MONTHS ENDED 31 DECEMBER 2021

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 (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 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 2021. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2021, 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 six months period ended 31 December 2020.

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 2021.

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 2022:

	Effective dates
Amendments to IFRS-3 Reference to the Conceptual Framework	01 January 2022
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
Amendments to IAS-16 Proceeds before intended use	01 January 2022
Amendments to IAS-37 Onerous Contracts - Cost of fulfilling a contract	01 January 2022
Amendments to IAS-41, IFRS-9 and IFRS-16 Annual Improvements to IFRS Standards 2018-2020	01 January 2022

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 2.6.2 to the annual audited financial statements for the year ended 30 June 2021, 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 2022 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 2022.

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		------------(Rupees '000)------------	
4 RESERVES			
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	15,675,000	14,950,000
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
		19,549,000	18,824,000

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 12.3 for investments against this reserve. Accordingly, the 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.

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		-----------(Rupees '000)-----------	
5 PROVISION FOR DECOMMISSIONING COST			
Balance at beginning of the period/ year		28,992,057	27,654,493
Provision during the period/ year		486,254	528,908
Decommissioning cost incurred during the period/ year		(524,309)	(129,266)
		28,954,002	28,054,135
Revision due to change in estimates		-	(1,261,545)
Unwinding of discount on provision for decommissioning cost		1,139,157	2,199,467
Balance at end of the period/ year		30,093,159	28,992,057
6 TRADE AND OTHER PAYABLES			
Creditors		849,875	1,157,086
Accrued liabilities		10,664,277	13,358,536
Payable to partners of joint operations		7,845,835	7,515,704
Retention money payable		6,656,075	5,725,852
Royalty payable to the Government of Pakistan		21,391,805	16,349,028
Excise duty payable		204,712	195,272
General sales tax payable		2,992,772	1,307,195
Gas Infrastructure Development Cess (GIDC) payable	6.1	126,154	-
Petroleum levy payable		153,625	124,915
Withholding tax payable		229,240	654,860
Trade deposits		159,164	159,164
Workers' profit participation fund - net		5,535,355	6,788,755
Employees' pension trust		11,017,166	9,146,862
Gratuity fund		16,835	180,536
Provident fund		72,947	69,775
Advances from customers- unsecured		4,273,623	3,838,475
Other payables		6,133,227	5,785,445
		78,322,687	72,357,460

6.1 GIDC amounting to Rs 2,606 million (30 June 2021: Rs 4,238 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 has been presented as payable to the extent that it is received from customers but not deposited with the GoP.

On 13 August 2020, the Supreme Court of Pakistan has decided the matter of GIDC, which has restrained from charging GIDC from 01 August 2020 onward and ordered gas consumers to pay GIDC arrears due upto 31 July 2020 in installments. 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 29,846 million (30 June 2021: Rs 28,441 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.

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.

The Finance Division, GoP vide letter No. F. 2(39)-NTR/2020-F dated 19 November 2020 directed the Company to deposit all the accrued BESOS principal amount along with interest earned thereon till date in the Federal Consolidated Fund in light of the Honourable Supreme Court of Pakistan's short order dated 22 October 2020. OEET submitted its response to the Ministry of Energy, GoP on 17 December 2020 that there is no guidance or clarity on any issue in the short order and in these circumstances, it would be prudent and appropriate to await the detailed reasons for the short order, prior to taking any action in pursuance of the directives of Finance Division, GoP. PCP vide letter no.F.No. 1(20PC/BESOS(WIND-up)/2019 dated 30 December 2020, informed that fund maintained by PCP has 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. Subsequent to the period end, the Honourable Supreme Court of Pakistan has issued the detailed order and declared the BESOS scheme to be ultra vires and that any benefits arising out of this scheme are illegal and unprotected. Management intends to initiate discussion with GoP to agree on settlement of these amounts.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 Claims against the Company not acknowledged as debts amounted to Rs 740 million at year end (30 June 2021: Rs 740 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 for supplies prior to the date of signing of the 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 Islamabad High Court vide order dated 16 January 2019 granted interim relief to ARL until next hearing. The amount withheld and disputed by ARL amounts to Rs 1,292 million (30 June 2021: Rs 1,333 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 2021: Rs 562 million). 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.

8.1.3 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 1,523 million (30 June 2021: Rs 1,276 million). Management believes that the matter will be decided in favour of the Company. Also refer note 19.

8.1.4 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1 million (30 June 2021: Rs 1 million).

8.1.5 For contingencies related to tax matters, refer note 16.1 to 16.4, note 20.1 and 20.2.

8.1.6 For contingencies related to sales tax and federal excise duty, refer note 15.1 to 15.3.

8.1.7 For matter relating to conversion of certain blocks to Petroleum Policy 2012, refer note 18.3.

8.1.8 The Company's share of associate's unavailed credit facilities issued by various banks to the associate in the ordinary course of business amounts to Rs 1,049 million (30 June 2021: Rs 2,700 million).

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) as disclosed in note 8.2.4.

8.2 Commitments

8.2.1 Commitments outstanding at the period end amounted to Rs 47,231 million (30 June 2021: Rs 41,973 million). These include amounts aggregating to Rs 29,941 million (30 June 2021: Rs 21,366 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 period end amounted to Rs 3,566 million (30 June 2021: Rs 6,375 million).

8.2.3 The Company's share of associate commitments for capital expenditure, minimum work commitment under various Petroleum Concession Agreements (PCAs) and minimum work committments of PIOL under concession agreements as at period end is Rs 7,599 million (30 June 2021: Rs 8,502 million).

8.2.4 Total outstanding committments of the consortium companies during the exploration phase of the associate, PIOL under the concession documents amounts to Rs 37,184 million which includes OGDCL's share of Rs 9,296 million.

		Note	Unaudited 31 December 2021	Audited 30 June 2021
			-----------(Rupees '000)-----------	
9	**PROPERTY, PLANT AND EQUIPMENT**			
	Carrying amount at beginning of the period /year		95,745,594	100,740,773
	Additions during the period /year	9.1	3,427,292	6,776,718
	Book value of disposals		(6,985)	(20,054)
	Depreciation charge for the period /year		(5,186,347)	(10,967,553)
	Revision in estimate of decommissioning cost during the period /year		-	(784,290)
	Carrying amount at end of the period /year	9.2	93,979,554	95,745,594
9.1	**Additions during the period /year**			
	Buildings, offices and roads on freehold land		30,371	33,804
	Buildings, offices and roads on leasehold land		75,262	760,205
	Plant and machinery		1,395,606	5,886,772
	Rigs		19,900	106,420
	Pipelines		400,739	669,025
	Office and domestic equipment		148,525	82,188
	Office and technical data computers		92,139	293,467
	Furniture and fixture		1,585	5,957
	Vehicles		28,883	136,324
	Decommissioning cost		-	42,938
	Capital work in progress (net)		722,951	(1,415,590)
	Stores held for capital expenditure (net)		511,331	175,208
			3,427,292	6,776,718

			Unaudited 31 December 2021	Audited 30 June 2021
			------------(Rupees '000)------------	
9.2	**Property, plant and equipment comprises:**			
	Operating fixed assets		83,340,434	86,341,012
	Capital work in progress		2,887,334	2,164,383
	Stores held for capital expenditure		7,751,786	7,240,199
			93,979,554	95,745,594

10 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE

Carrying amount at beginning of the period/ year	100,415,134	101,449,010
Additions during the period/ year	4,978,944	6,086,645
Transferred from exploration and evaluation assets during the period/ year	7,269,971	9,355,806
Stores held for development and production activities (net)	1,421,872	846,182
Amortization charge for the period /year	(8,581,530)	(17,864,645)
Revision in estimates of decommissioning cost during the period /year	-	542,136
Carrying amount at end of the period /year	105,504,391	100,415,134

11 EXPLORATION AND EVALUATION ASSETS

Balance at beginning of the period/ year	16,495,762	15,699,342
Additions during the period/ year	8,312,794	18,524,889
	24,808,556	34,224,231
Cost of dry and abandoned wells during the period/ year	(3,576,471)	(8,372,663)
Cost of wells transferred to development and production assets during the period/ year	(7,269,971)	(9,355,806)
	(10,846,442)	(17,728,469)
	13,962,114	16,495,762
Stores held for exploration and evaluation activities	984,238	236,914
Balance at end of the period/ year	14,946,352	16,732,676

12 LONG TERM INVESTMENTS

Investment in related party - associate, quoted			
Mari Petroleum Company Limited (MPCL)	12.1	24,456,027	23,126,401
Investment in related party - associate, unquoted			
Pakistan International Oil Limited (PIOL)	12.2	1,798,604	-
Investment at amortised cost			
Term Deposit Receipts (TDRs)	12.3	12,854,466	12,149,470
Investment in Term Finance Certificates (TFCs)	12.4	136,269,512	132,715,116
		149,123,978	144,864,586
Less: Current portion shown under current assets		(136,269,512)	(122,465,116)
		12,854,466	22,399,470
		39,109,097	45,525,871

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 2021: 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 there off 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 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 period, 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) at Abu Dhabi Global Market 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.

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". The amount represents USD 25 million (Rs 4,176 million) invested by the Company in PIOL. Share of loss for the period amounts to Rs 2,378 million and the loss mainly represents 3D seismic cost incurred by the associates.

12.3 This represents investments in local currency TDRs and includes interest amounting to Rs 2,854 million (30 June 2021: Rs 2,149 million) carrying effective interest rate of 14% (30 June 2021: 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 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 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, 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 prepare revised term sheet for onward submission to Finance division of GoP for approval. During the year ended 30 June 2020, the Board of Directors resolved that 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 61,500 million (30 June 2021: Rs 51,250 million) was past due as at 31 December 2021. Further, interest due as of 31 December 2021 was Rs 54,270 million (30 June 2021: Rs 50,715 million) of which Rs 52,096 million (30 June 2021: Rs 48,517 million) was past due. The Company considers the principal and interest to be fully recoverable as these are backed by Sovereign Guarantee of GoP. Adjustments, if any, will be made after the execution of extention in the investor agreement. As disclosed in 2.6.2 to the annual audited financial statements for the year ended 30 June 2021, SECP has defferred the applicability of ECL model till 30 June 2022 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

13 LEASE RECEIVEABLES

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

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		------------(Rupees '000)------------	
Net investment in lease		63,024,755	59,512,720
Less: Current portion of net investment in lease	13.1	(25,014,459)	(22,253,115)
		38,010,296	37,259,605

13.1 Current portion of net investment in lease includes amounts billed to customers of Rs 18,395 million (30 June 2021: Rs 16,779 million) out of which Rs 16,913 million (30 June 2021: Rs 15,320 million) is overdue on account of inter-corporate circular debt. As disclosed in note 2.6.2 to the annual audited financial statements for the year ended 30 June 2021, SECP has deferred the applicability of ECL model till 30 June 2022 on debts due directly/ ultimately from 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.

13.2 Income relating to variable lease payments that depend on an index not included in the measurement of net investment in lease amounts to Rs 12,163 million till 31 December 2021 (30 June 2021: Rs 8,463 million) of which Rs 3,700 million has been recorded in revenue for the period (31 December 2020: Rs 3,761 million).

14 TRADE DEBTS

	Unaudited 31 December 2021	Audited 30 June 2021
	------------(Rupees '000)------------	
Un-secured, considered good	407,220,691	358,821,853
Un-secured, considered doubtful	101,113	101,113
	407,321,804	358,922,966
Provision for doubtful debts	(101,113)	(101,113)
	407,220,691	358,821,853

14.1 Trade debts include overdue amount of Rs 352,406 million (30 June 2021: Rs 303,853 million) on account of Inter-corporate circular debt, receivable from oil refineries and gas companies out of which Rs 153,337 million (30 June 2021: Rs 141,486 million) and Rs 131,281 million (30 June 2021: Rs 114,861 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. As disclosed in 2.6.2 to the annual audited financial statements for the year ended 30 June 2021, SECP has defferred the applicability of ECL model till 30 June 2022 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

15 LOANS AND ADVANCES

15.1 This includes an amount of Rs 3,180 million (30 June 2021: Rs 3,180 million) paid under protest to the 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.

15.2 This also includes recoveries of Rs 317 million (30 June 2021: 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 2021: 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.

15.3 During the period, 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 value of Condensate sold during the period from July 2008 to September 2021, pursuant to 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 IHC 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.

16 INCOME TAX - ADVANCE

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees '000)	
Income tax- advance at beginning of the period/ year		45,751,659	37,118,984
Income tax paid during the period/ year		30,901,157	54,879,431
Provision for current taxation - profit or loss	20	(35,144,428)	(44,650,382)
Tax charge related to remeasurement gain on employee retirement benefit plans - other comprehensive income		-	(1,596,374)
Income tax - advance at end of the period/ year	16.1 to 16.4	41,508,388	45,751,659

16.1 This includes amount of Rs 29,727 million (30 June 2021: Rs 29,727 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 58,744 million (30 June 2021: 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 of Additional Commissioner Inland Revenue with the CIRA for tax year 2020 on 19 April 2021 which are currently pending adjudication. 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.

16.2 During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million (30 June 2021: 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 2021: Rs 5,372 million) from the Company. 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.

16.3 Income tax advance includes Rs 1,259 million (30 June 2021: 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.

16.4 Tax authorities have raised demand of Rs 15,295 million (30 June 2021: Rs 15,295million) for tax year 2020 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 and Workers' profit participation fund (WPPF) out of which Rs 4,558 million has been paid. Appeal has been filed by the Company before CIRA on 19 April 2021, which is 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 respect of these in the financial statements.

17 OTHER FINANCIAL ASSETS

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		------------(Rupees '000)------------	
Investment in Term Deposit Receipt (TDRs) - at amortised cost	17.1	58,231,449	56,016,300
Investment at fair value through profit or loss - NIT units		315,369	342,020
		58,546,818	56,358,320

17.1 This represents foreign currency TDRs amounting to USD 328.923 million (30 June 2021: USD 356.149 million), and accrued interest amounting to USD 1.506 million (30 June 2021: USD 0.453 million), carrying interest rate ranging from 1.10% to 3.75% (30 June 2021: 0.60% to 1.55%) per annum, having maturities up to six months (30 June 2021: six months).

	Three months ended 31 December		Six months ended 31 December	
	2021	**2020**	**2021**	**2020**
	(Rupees '000)			
18 SALES - NET				
Gross sales				
Crude oil	45,053,913	20,903,914	84,740,576	42,201,102
Gas	37,813,058	34,601,502	74,842,286	72,555,248
Liquefied petroleum gas	11,803,077	6,392,857	20,580,066	11,251,803
Sulphur	315,539	166,734	345,604	337,264
Gas processing	-	29,078	8,119	61,409
	94,985,587	62,094,085	180,516,651	126,406,826
Government levies				
General sales tax	(14,405,430)	(6,472,470)	(27,446,027)	(13,456,440)
Petroleum levy	(347,696)	(360,043)	(691,786)	(664,416)
Excise duty	(599,775)	(629,124)	(1,215,581)	(1,306,130)
	(15,352,901)	(7,461,637)	(29,353,394)	(15,426,986)
	79,632,686	54,632,448	151,163,257	110,979,840

18.1 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.

18.2 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.

18.3 In respect of six of its operated concessions, namely, Gurgalot, Sinjhoro, 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.

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 interim 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 19,462 million (30 June 2021: Rs 16,876 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).

	Note	Three months ended 31 December 2021	Three months ended 31 December 2020	Six months ended 31 December 2021	Six months ended 31 December 2020
		(Rupees '000)			
19 FINANCE AND OTHER INCOME					
Interest income on:					
Investments and bank deposits		2,540,088	2,609,637	4,973,976	6,201,874
Finance income - lease		1,727,724	1,982,542	3,430,721	3,983,625
Dividend income from NIT units		-	-	7,310	5,857
Un-realized gain on investments at fair value through profit or loss		(909)	20,431	(26,652)	59,977
Exchange gain/ (loss) -net		5,652,746	(4,270,204)	11,958,091	(4,253,018)
Signature bonus/ contract renewal fee	19.1	143,040	81,751	246,660	153,620
Liquidated damages / penalty imposed on suppliers		109,422	136,709	134,917	245,007
Others		187,190	78,790	511,905	200,475
		10,359,301	639,656	21,236,928	6,597,417

19.1 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.

20 TAXATION

Current- charge for the period	18,115,660	11,107,030	35,144,428	22,870,897
Deferred- charge/ (credit) for the period	(466,963)	(1,814,726)	1,144,521	(3,027,188)
	17,648,697	9,292,304	36,288,949	19,843,709

20.1 Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2020 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 to 2020 amounts to Rs 134,995 million out of which an amount of Rs 131,654 million has been paid to tax authorities and has also been provided for in these interim financial statements. Also refer to note 16.1 to 16.4 of these interim financial statements.

20.2 During the year ended 30 June 2021, the tax authorities have raised demand of Rs 4,311 million for tax years 2013 and 2016 on account of alleged issue of not offering consideration of sale of working interest in a block for tax and by making disallowances on account of GIDC payable and certain expenditure due to alleged non deduction of withholding taxes. Appeals have been filed by the Company before CIRA for assessment year 2013 and 2016 on 30 June 2021 and 26 March 2021 respectively, which are currently pending adjudication. Management is confident that the above demands 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 respect of these in the interim financial statements.

	Three months ended 31 December 2021	Three months ended 31 December 2020	Six months ended 31 December 2021	Six months ended 31 December 2020
21 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period (Rupees '000)	35,253,379	18,881,729	68,882,792	42,225,369
Average number of shares outstanding during the period ('000)	4,300,928	4,300,928	4,300,928	4,300,928
Earnings per share - basic (Rupees)	8.20	4.39	16.02	9.82

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

	Six months ended 31 December	
	2021	2020
	(Rupees '000)	

22 CASH AND CASH EQUIVALENTS

Cash and bank balances	11,395,107	36,128,366
Short term highly liquid investments		
Investment in Term Deposit Receipts	58,231,449	23,416,373
	69,626,556	59,544,739

23 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)		
31 December 2021			
Financial assets measured at fair value			
Other financial assets - NIT units	315,369	-	-
30 June 2021			
Financial assets measured at fair value			
Other financial assets - NIT units	342,020	-	-

24 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2021: 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 airfare, electricity, telephone, gas, yield analysis required under Petroleum Concession Agreements and make regulartory payments to entities controlled by 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 these interim financial statements. Transactions of the Company with related parties and balances outstanding at period end are as follows:

	Six months ended 31 December	
	2021	2020
	(Rupees '000)	
MPCL- Associated company-20% share holding of the Company and common directorship		
Share of profit in associate - net of taxation	3,313,988	3,280,239
Dividend received	1,984,362	52,916
Expenditure charged to joint operations partner- net	775,171	500,632
Cash calls received from joint operations partner- net	158,755	793,306
Share (various fields) payable as at 31 December	904,298	486,224
Share (various fields) receivable as at 31 December	1,310,628	123,877

	Six months ended 31 December	
	2021	**2020**
	-------------(Rupees '000)-------------	
RELATED PARTIES TRANSACTIONS- continued		
PIOL- Associated company-25% share holding of the Company		
Cost of investment	4,176,250	-
Share of loss in associate	(2,377,646)	-
Major shareholders		
Government of Pakistan (74.97% share holding)		
Dividend paid	9,431,761	13,059,361
Dividend paid - Privatization Commission of Pakistan	1,047,998	1,451,074
OGDCL Employees' Empowerment Trust (10.05% share holding) - note 7		
Dividend payable	29,845,981	26,971,924
Related parties by virtue of GoP holdings and /or common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	30,528,962	33,107,902
Trade debts as at 31 December	142,590,249	120,559,711
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	814,906	399,100
Purchase of petroleum, oil and lubricants	22,033	1,379,992
Payable as at 31 December	10,000	8,200
Advance against sale of LPG as at 31 December	97,963	89,519
Pakistan Petroleum Limited		
Expenditure charged to joint operations partner- net	1,022,128	1,994,305
Cash calls received from joint operations partner- net	2,814,240	1,797,893
Share (various fields) receivable as at 31 December	2,212,188	2,304,319
Share (various fields) payable as at 31 December	1,324,025	2,418,307
Pak Arab Refinery Company Limited		
Sale of crude oil	14,729,862	5,416,675
Trade debts as at 31 December	6,677,093	2,552,706
PARCO Pearl Gas (Private) Limited		
Sale of liquefied petroleum gas	402,779	202,041
Advance against sale of LPG as at 31 December	34,631	21,962
Pakistan Refinery Limited		
Sale of crude oil	4,292,844	1,775,442
Trade debts as at 31 December	3,714,322	1,861,723
Khyber Pakhtunkhwa Oil & Gas Company		
Expenditure charged to joint operations partner	83,575	52,698
Cash calls received from joint operations partner	90,367	77,710
KPOGCL share (various fields) receivable as at 31 December	40,236	9,988

	Six months ended 31 December	
	2021	**2020**
	------------(Rupees '000)------------	
RELATED PARTIES TRANSACTIONS- continued		
Sindh Energy Holding Company Limited		
Expenditure charged to joint operations partner	21,006	8,776
SEHCL share (various fields) receivable as at 31 December	90,356	69,350
Sui Southern Gas Company Limited		
Sale of natural gas	20,785,240	23,675,095
Sale of liquefied petroleum gas	436,235	254,157
Pipeline rental charges	18,330	18,330
Trade debts as at 31 December	161,475,287	144,638,109
Advance against sale of LPG as at 31 December	103,989	6,102
Sui Southern Gas Company LPG (Pvt) Limited		
Sale of liquefied petroleum gas	256,017	216,516
Advance against sale of LPG as at 31 December	39,176	20,452
Government Holdings (Private) Limited (GHPL)		
Expenditure charged to joint operations partner- net	1,956,784	1,529,371
Cash calls received from joint operations partner- net	1,430,254	1,565,351
GHPL share (various fields) receivable as at 31 December	2,932,776	1,678,950
GHPL share (various fields) payable as at 31 December	2,808,966	1,450,610
National Investment Trust		
Investment as at 31 December	315,369	315,233
Dividend received	7,310	5,857
National Bank of Pakistan		
Balance at bank as at 31 December	1,331,607	6,998,512
Balance of investment in TDRs as at 31 December	17,130,614	11,532,278
Interest earned	170,189	301,241
Power Holding Limited (PHL)		
Mark-up earned	3,554,397	4,261,349
Balance of investment in TFCs not yet due as at 31 December	20,500,000	41,000,000
Balance of past due principal repayment of TFCs as at 31 December	61,500,000	41,000,000
Balance of mark-up receivable on TFCs not yet due as at 31 December	2,173,067	2,109,602
Balance of past due mark-up receivable on TFCs as at 31 December	52,096,445	45,137,565
National Insurance Company Limited		
Insurance premium paid	601,246	659,823
Payable as at 31 December	164	38,918
National Logistic Cell		
Crude transportation charges paid	1,081,152	1,064,124
Payable as at 31 December	533,170	567,730

	Six months ended 31 December	
	2021	**2020**
	-------------(Rupees '000)------------	
RELATED PARTIES TRANSACTIONS- continued		
Enar Petrotech Services Limited		
Consultancy services	21,353	13,688
Payable as at 31 December	1,395	2,973
Enar Petroleum Refining Facility		
Sale of crude oil	12,116,487	6,522,611
Trade debts as at 31 December	3,531,863	2,011,726
Other related parties		
Contribution to gratuity fund	276,418	22,337
Remuneration including benefits and perquisites of key management personnel	328,871	360,722

25 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 31 December 2021	Placed under Shariah permissible arrangement	17,071
ii)	Return on bank deposits for the period ended 31 December 2021	Placed under Shariah permissible arrangement	1.22
iii)	Relationship with banks having Islamic windows	Meezan Bank Limited & Dubai Islamic Bank	

Disclosures other than above are not applicable to the Company.

26 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 2021.

27 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 period. 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 31 December 2021. 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.

28 NON ADJUSTING EVENT AFTER REPORTING DATE

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 23 February 2022.

29 GENERAL

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

30 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 23 February 2022 by the Board of Directors of the Company.

Chief Financial Officer	**Chief Executive**	**Director**