

"Business and Financial Analysis of  
Pakistan Petroleum Limited (2010-14"



**BY:**

Ammar Rasheed                      01-122132-010

Quratulain Malik                    01-122132-035

**MBA**

**Supervisor:**

Mr. Ajab Khan Burki

**Department of Management Sciences**

**Bahria University Islamabad**

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# **EXECUTIVE SUMMARY**

Pakistan Petroleum Limited (PPL) is one of Pakistan's most leading firms in the oil and gas sector. It came into being in the 1950s and since then it has been a major performer within the sector of energy and petroleum industry. Currently it contributes to 20 percent of the natural gas supply along with other forms of petroleum. The following research report is based on the business and financial analysis of the said company. It starts with an introduction of the company's establishment and past and present operations. It moves on to highlight the current equity value structure of the organization and also reveals the CSR activities the company is presently engaged in. The company has also initiated various new business ventures within the oil refinery and reserves category. We have mentioned the various companies which pose as a competition for PPL's performance and supremacy. However, due to the lack of time, this project only focused on analyzing the performance of PPL against only one major competitor that is Pakistan Oilfields Limited. We performed a ratio analysis to compare and contrast PPL's financial performance against POL. For this purpose we used the following ratios: profitability ratio, liquidity ratio, efficiency ratio, leverage ratio and return to investor's ratio. We also looked into the sales growth ratio of the two companies for more assessment purposes. The financial analysis revealed that PPL's financial structure along with its asset holdings have proved to be highly profitable with continually growing sales revenue based on the increasing oil reservoirs and production. The liquidity and profitability ratios provide the company with ample room in order to pay back its debtors, while the high return on investor's marks it as a highly feasible organization to invest in. To better understand the future profitability of the organization, we performed a SWOT analysis to establish whether or not it holds the strengths and opportunities to stand firm in the future. Based on this and on the projected performance of the overall Oil and Gas sector of Pakistan, we conclude the report with recommendations for more enhanced future performance.

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