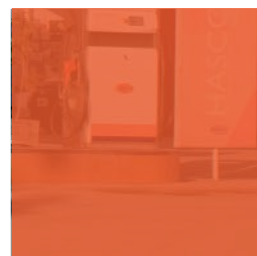
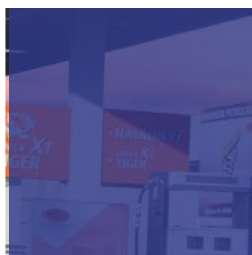
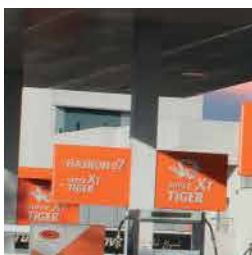




HASCOL PETROLEUM LTD.

3RD QUARTER SEPTEMBER 30, 2025



**DRIVING PROGRESS
WITH DIGITAL
PRECISION**



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CORPORATE INFORMATION

Chairman & Director

Sir Alan Duncan

Chief Executive Officer

Mr Javed Yousuf Ahmedjee

Directors

Mr Farid Arshad Masood

Mr Aernout Boot

Mr Mustafa Ashraf

Mr Aamir Amin

Ms Naheed Memon

Mr Rasul Bux Phulpoto

Chief Financial Officer

Mr Amad Uddin

Company Secretary

Mr Ummad Ahmed Tanwri

Audit Committee

Mr Mustafa Ashraf (Chairman)

Mr Farid Arshad Masood (Member)

Mr Aamir Amin (Member)

Human Resource & Remuneration Committee

Ms Naheed Memon (Chairperson)

Mr Farid Arshad Masood (Member)

Mr Aamir Amin (Member)

Risk Committee

Ms Naheed Memon (Chairperson)

Mr Farid Arshad Masood (Member)

Mr Mustafa Ashraf (Member)

Auditors

Baker Tilly Mehmood Idrees Qamar

Chartered Accountants

4th floor, Central Hotel Building,

Civil Lines, Mereweather Road, Karachi.



Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Bank of Khyber
Bank Makramah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Share Registrar

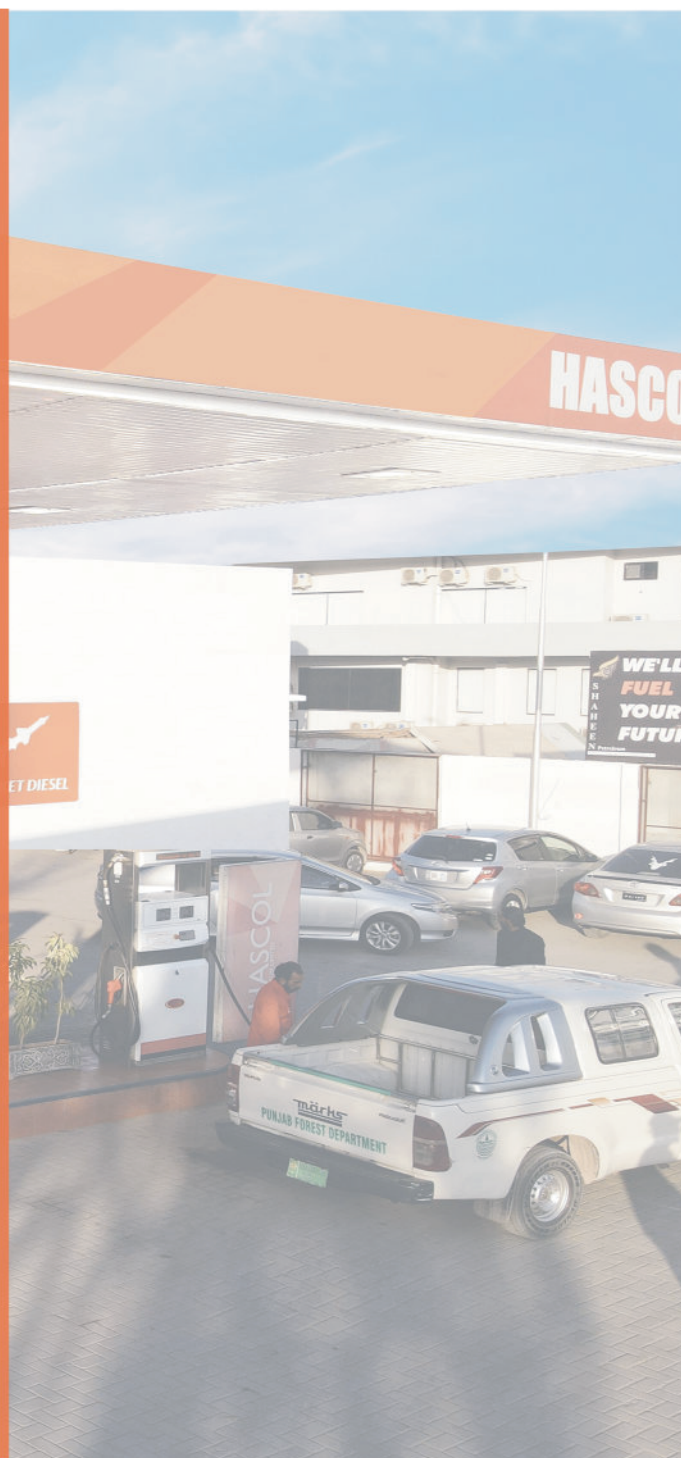
CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi

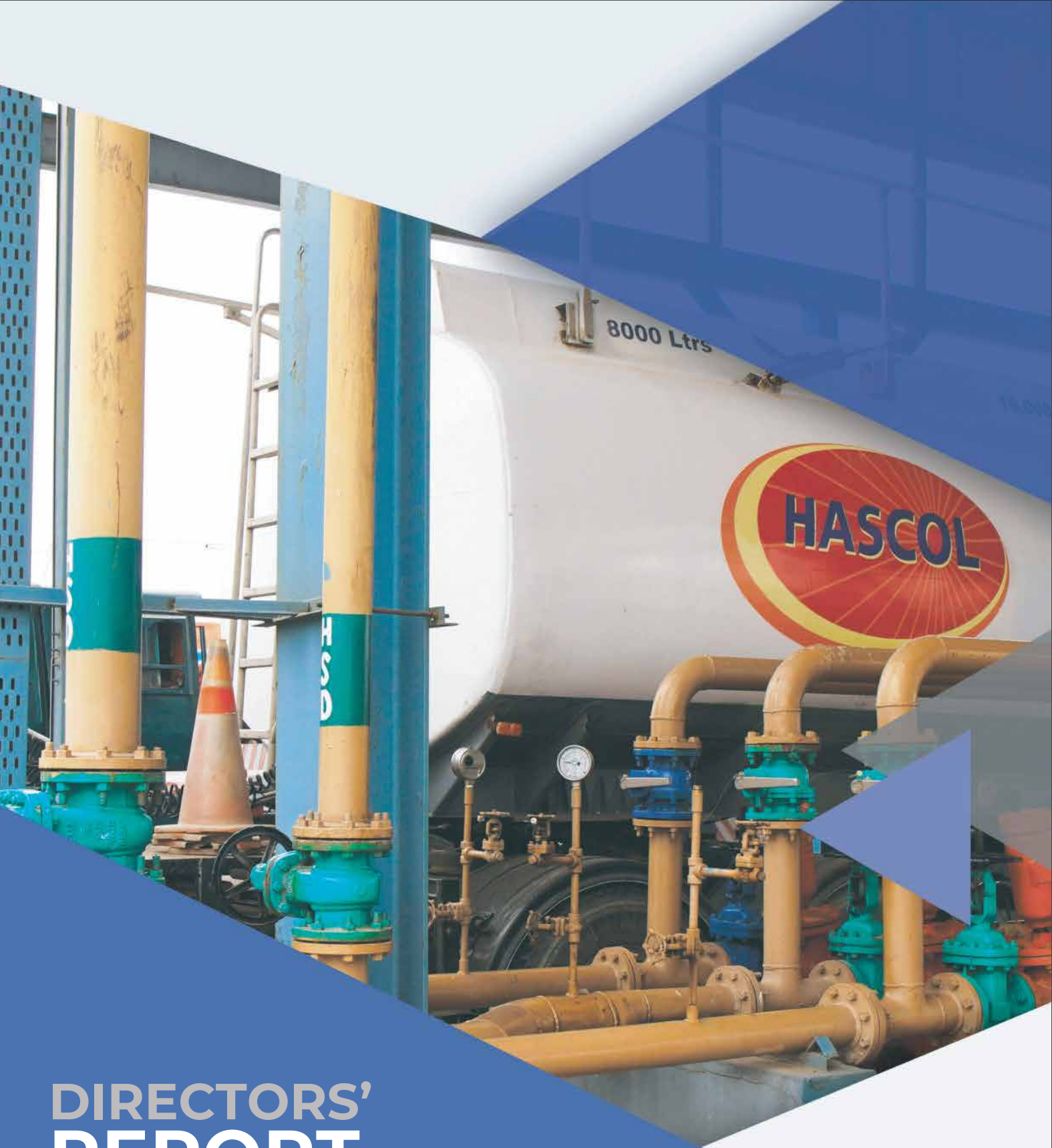
Legal Advisor

Mohsin Tayebaly & Co.
(Corporate Legal Consultants – Barristers & Advocates)
Dime Centre, Khayaban-e-Iqbal, Block 9,
Clifton, Karachi

Registered Office of the Company

The Forum, Suite No. 324, 3rd Floor,
Khayaban-e-Jami, Block-9, Clifton,
Karachi. Pakistan.
Phone: +92-21-35301343-50
Fax: +92-21-35301351UAN: 111-757-757
E-mail: info@hascol.com
Website: www.hascol.com





DIRECTORS' REPORT

The Directors are pleased to present the Company's report along with the unaudited standalone and consolidated financial statements for the nine months period ended September 30, 2025.

Financial Performance

During the period under review, the Company recorded net sales of Rs. 136.32 billion, compared to Rs. 103.70 billion in the corresponding period last year, representing a growth of approximately 31%. The financial performance for the period is summarized below:

Particulars	September 30, 2025	September 30, 2024
(Rupees in '000)		
Gross profit	3,240,506	2,960,996
Operating profit	833,761	505,106
Loss after taxation	(5,240,139)	(7,268,749)
(Rupees)		
Loss per share - Basic and Diluted	(5.24)	(7.28)

The Company reported a loss of Rs. 5.24 billion for the nine-month period, compared to a loss of Rs. 7.27 billion during the same period last year, reflecting an overall improvement in performance. This improvement is mainly attributable to growth in sales, disciplined cost management, and the reversal of accrued markup amounting to Rs. 1.5 billion recognized during the ongoing restructuring of banking liabilities.

The loss for the period is primarily driven by adverse exchange rate fluctuations resulting in a foreign exchange loss of approximately Rs. 626 million, finance cost of Rs. 4.96 billion, and incremental depreciation arising from the revaluation of fixed assets. Despite these challenges, the Company continues to make progress toward stabilizing its financial position through operational efficiency and restructuring initiatives.

The Company achieved 37% growth in sales volume during the nine-month period compared to the same period last year, despite challenging macroeconomic conditions. This performance was supported by improved supply chain coordination, efficient working capital management, and continued optimization initiatives across the retail and storage network.

The Company also maintained a positive operating result for the third quarter delivering Rs. 1.08 billion compared to Rs. 258 million in the corresponding period last year, reflecting gradual stabilization of its business model. Net cash generated from operations during the nine months was Rs. 6.10 billion, compared to Rs. 2.45 billion in the corresponding period last year, a significant improvement in liquidity management.

The management remains steadfast in its efforts to complete the restructuring of the Company's outstanding banking obligations. Constructive engagement with lenders continues to progress toward achieving sustainable repayment arrangements aimed at strengthening liquidity and ensuring uninterrupted business operations. Despite a shareholders' deficit of Rs. 91.75 billion, the Company continues as a going concern, underpinned by ongoing restructuring initiatives and positive operational cash flows.

Pakistan's macroeconomic environment remains fragile, marked by persistent inflationary pressures, currency depreciation, and political uncertainty. Global crude oil markets remained volatile during the period, influenced by geopolitical tensions—particularly the Israel–Iran and related regional conflicts—which disrupted supply dynamics and price stability. Consequently, domestic fuel prices rose by an average of approximately 6% over the nine-month period, reflecting both international price movements and exchange rate fluctuations.

In the face of these external challenges, the Company remains firmly focused on operational discipline, cost optimization, and strategic restructuring measures to strengthen its balance sheet and restore financial resilience. Management remains cautiously optimistic of achieving gradual financial stability and sustainable growth in the coming quarters.

The Board expresses its sincere appreciation to the Company's employees, customers, dealers, suppliers, banking partners, and regulatory authorities for their continued trust and cooperation. The Directors also acknowledge the efforts of the Government of Pakistan and relevant ministries in advancing energy sector reforms and promoting long-term industry sustainability.

Thanking you all.
On behalf of the Board



Javed Yousuf Ahmedjee
Chief Executive Officer



Farid Arshad Masood
Director

ان بیرونی چیلنجز کے باوجود، کمپنی عملی نظم و ضبط، اخراجات میں بہتری، اور اسٹریٹجک تنظیم نو کے اقدامات پر مضبوطی سے مرکوز ہے تاکہ اپنی بیلنس شیٹ کو مستحکم کیا جاسکے اور مالیاتی مضبوطی بحال کی جاسکے۔ انتظامیہ آئندہ سہ ماہیوں میں بتدریج مالی استحکام اور پائیدار ترقی کے حصول کے حوالے سے محتاط امید رکھتی ہے۔

بورڈ کمپنی کے تمام ملازمین، صارفین، ڈیلرز، سپلائرز، بینکنگ شراکت داروں اور ریگولیٹری اداروں کا ان کے مستقل اعتماد اور تعاون پر دلی شکریہ ادا کرتا ہے۔ ڈائریکٹرز حکومت پاکستان اور متعلقہ وزارتوں کی بھی تعریف کرتے ہیں جنہوں نے توانائی کے شعبے میں اصلاحات کو فروغ دینے اور طویل المدتی صنعتی پائیداری کے لیے اقدامات کیے۔

بورڈ کی جانب سے
تمام معززین کا شکریہ

7171
ڈائریکٹر

چیف ایگزیکٹو آفیسر

مشکل معاشی حالات کے باوجود، کمپنی نے نو (9) ماہ کی مدت کے دوران فروخت کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں 37 فیصد اضافہ حاصل کیا۔ یہ کارکردگی بہتر سپلائی چین کے ہم آہنگ نظام، ورکنگ کیپٹل کے مؤثر انتظام، اور ریٹیل واسٹوریج نیٹ ورک میں جاری اصلاحی و بہتری کے اقدامات کے باعث ممکن ہوئی۔

کمپنی نے تیسرے سہ ماہی کے دوران بھی مثبت آپریٹنگ نتائج برقرار رکھے، جو 1.08 ارب روپے رہے، جبکہ گزشتہ سال کی اسی مدت میں یہ رقم 258 ملین روپے تھی۔ یہ کارکردگی کمپنی کے کاروباری ماڈل میں بتدریج استحکام کی عکاسی کرتی ہے۔ نو (9) ماہ کے دوران آپریشنز سے حاصل شدہ خالص نقد رقم 6.10 ارب روپے رہی، جو گزشتہ سال کی اسی مدت میں 2.45 ارب روپے تھی جو کہ لیکویڈیٹی مینجمنٹ (نقدی کے مؤثر انتظام) میں نمایاں بہتری کی نشاندہی کرتی ہے۔

انتظامیہ کمپنی کی واجب الادا بینکنگ ذمہ داریوں کی تنظیم نو (ری اسٹرکچرنگ) مکمل کرنے کی کوششوں میں پُر عزم ہے۔ قرض دہندگان کے ساتھ تعمیری روابط برقرار ہیں اور پائیدار ادائیگی کے انتظامات کے حصول کی سمت میں پیش رفت جاری ہے، جس کا مقصد لیکویڈیٹی کو مضبوط بنانا اور کاروباری سرگرمیوں کا بلا تعطل تسلسل یقینی بنانا ہے۔ 91.75 ارب روپے کے شیئر ہولڈرز خسارے کے باوجود، کمپنی بحیثیت جاری کاروبار اپنا کنسرن عمل جاری رکھے ہوئے ہے، جو جاری ری اسٹرکچرنگ اقدامات اور مثبت آپریشنل کیش فلو سے مضبوط بنیادوں پر استوار ہے۔

پاکستان کا مجموعی معاشی ماحول بدستور نازک ہے، جس کی خصوصیات میں مسلسل مہنگائی کا دباؤ، کرنسی کی قدر میں کمی، اور سیاسی غیر یقینی صورتحال شامل ہیں۔ جائزہ شدہ مدت کے دوران عالمی خام تیل کی منڈیاں غیر مستحکم رہیں، جن پر جغرافیائی سیاسی تناؤ بالخصوص اسرائیل و ایران اور متعلقہ علاقائی تنازعات نے نمایاں اثر ڈالا، جس سے فراہمی کے نظام اور قیمتوں کے استحکام میں خلل پیدا ہوا۔ نتیجتاً، نو (9) ماہ کی اس مدت کے دوران ملک میں ایندھن کی قیمتوں میں اوسطاً تقریباً 6 فیصد اضافہ ہوا، جو بین الاقوامی قیمتوں میں اتار چڑھاؤ اور زر مبادلہ کی شرح میں تغیرات دونوں کی عکاسی کرتا ہے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2025 کو ختم ہونے والی نو ماہ کی مدت کے لیے غیر آڈیٹ شدہ اسٹینڈ لون اور کنسولیڈیٹڈ مالیاتی گوشواروں کے ساتھ کمپنی کی رپورٹ پیش کرنے پر خوش ہیں۔

مالیاتی نتائج:

جائزہ شدہ مدت کے دوران، کمپنی نے 136.32 ارب روپے کی خالص فروخت ریکارڈ کی، جو گزشتہ سال کی اسی مدت میں 103.70 ارب روپے کے مقابلے میں تقریباً 31 فیصد اضافہ ظاہر کرتی ہے۔

اس مدت کے دوران کمپنی کی مالی کارکردگی کا خلاصہ ذیل میں پیش کیا گیا ہے:

تفصیل	30 ستمبر 2025	30 ستمبر 2024
	(روپے 000)	
کل منافع	3,240,506	2,960,996
آپریٹنگ پروفٹ	833,761	505,106
ٹیکس کے بعد نقصان	(5,240,139)	(7,268,749)
	روپے	
نقصان فی شیئر	(5.24)	(7.28)

کمپنی نے نو (9) ماہ کی مدت کے دوران 5.24 ارب روپے کا نقصان رپورٹ کیا، جو گزشتہ سال کی اسی مدت کے دوران 7.27 ارب روپے کے نقصان کے مقابلے میں کارکردگی میں مجموعی بہتری کو ظاہر کرتا ہے۔ یہ بہتری بنیادی طور پر فروخت میں اضافہ، اخراجات کے نظم و ضبط، اور بینکنگ واجبات کی جاری ازسرنو ترتیب (ری اسٹرکچرنگ) کے دوران تسلیم کیے گئے 1.5 ارب روپے کے جمع شدہ مارک اپ کی ریورسل کے نتیجے میں حاصل ہوئی۔ اس مدت کے دوران ہونے والا نقصان بنیادی طور پر منفی زرمبادلہ شرح میں اتار چڑھاؤ کے باعث تقریباً 626 ملین روپے کے زرمبادلہ نقصان، 4.96 ارب روپے کے مالیاتی اخراجات، اور اثاثوں کی ازسرنو تشخیص (ریویلیویشن) کے نتیجے میں بڑھنے والی فرسودگی (ڈیپریسی ایشن) کی وجہ سے ہے۔ ان چیلنجز کے باوجود، کمپنی عملی کارکردگی میں بہتری اور تنظیم نو (ری اسٹرکچرنگ) کے اقدامات کے ذریعے اپنی مالی حیثیت کو مستحکم کرنے کی سمت میں پیش رفت جاری رکھے ہوئے ہے۔



Condensed Interim Unconsolidated Financial Information

Nine Months Period Ended September 30, 2025





HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT September 30, 2025

		Un-audited September 30 2025	Audited December 31 2024
		Rupees in '000	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	22,756,859	24,555,962
Right-of-use assets	7	2,253,597	2,259,741
Intangible asset	8	2,849	4,707
Long-term investments	9	2,493,744	2,493,744
Deferred taxation - net	10	-	-
Long-term deposits		117,280	118,533
Total non-current assets		27,624,329	29,432,687
Current assets			
Stock-in-trade		10,825,332	26,563,997
Trade debts		1,871,311	2,621,370
Advances	11	210,918	237,572
Deposits and prepayments	12	322,731	385,068
Other receivables	13	2,542,044	2,872,802
Accrued mark-up and profit		339	143
Short term investments		100,800	100,097
Cash and bank balances		975,921	584,624
Total current assets		16,849,396	33,365,673
TOTAL ASSETS		44,473,725	62,798,360
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(116,707,118)	(113,089,976)
Revaluation surplus on property, plant and equipment - net of tax		14,969,342	16,592,339
Total shareholders' deficit		(91,746,569)	(86,506,430)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	9,455,034	6,922,309
Lease liabilities	15	3,139,678	3,159,428
Deferred liabilities		208,666	262,066
Total non-current liabilities		12,803,378	10,343,803
Current liabilities			
Trade and other payables	16	54,243,469	68,170,859
Unclaimed dividend		356,928	356,928
Taxation - net		2,006,407	1,871,285
Accrued mark-up and profit		31,681,917	29,745,438
Short-term borrowings		25,912,611	31,080,738
Current portion of non-current liabilities	17	9,215,584	7,735,739
Total current liabilities		123,416,916	138,960,987
TOTAL LIABILITIES		136,220,294	149,304,790
TOTAL EQUITY AND LIABILITIES		44,473,725	62,798,360
CONTINGENCIES AND COMMITMENTS	18		

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

Chief Executive Officer

Chief Financial Officer

Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

		Nine months period ended		Three months period ended	
		September 30	September 30	September 30	September 30
		2025	2024	2025	2024
Note		----- Rupees in '000 -----			
Sales - net		136,370,354	103,724,074	43,419,840	39,353,800
Sales tax		(51,585)	(23,928)	(18,496)	(6,463)
Net sales		136,318,769	103,700,146	43,401,344	39,347,337
Other revenue		329,508	398,964	98,852	149,594
Net revenue		136,648,277	104,099,110	43,500,196	39,496,931
Cost of products sold		(133,407,771)	(101,138,114)	(42,509,714)	(38,201,233)
Gross profit		3,240,506	2,960,996	990,482	1,295,698
Operating expenses					
Distribution and marketing		(3,354,388)	(2,626,083)	(1,123,516)	(832,271)
Administrative		(913,079)	(682,838)	(305,825)	(219,206)
		(4,267,467)	(3,308,921)	(1,429,341)	(1,051,477)
Impairment losses on financial assets	19	(19,248)	(14,373)	(2,153)	(2,117)
Other expenses		(59,949)	(7,198)	(51,193)	(1,400)
Other income		1,939,919	874,602	1,570,926	16,856
Operating profit		833,761	505,106	1,078,721	257,560
Finance cost		(4,961,017)	(7,710,875)	(1,496,806)	(2,644,574)
Exchange (loss) / gain - net		(625,552)	349,439	201,635	(3,123)
		(5,586,569)	(7,361,436)	(1,295,171)	(2,647,697)
Loss before income tax and levy (final & minimum tax)		(4,752,808)	(6,856,330)	(216,450)	(2,390,137)
Final taxes	20.3	-	-	-	-
Minimum tax differential	20.4	(487,331)	(412,419)	(136,357)	(88,204)
Loss before income tax		(5,240,139)	(7,268,749)	(352,807)	(2,478,341)
Income tax					
- Current For the period	20.5	-	-	-	-
Prior year		-	-	-	-
- Deferred		-	-	-	-
Loss for the period		(5,240,139)	(7,268,749)	(352,807)	(2,478,341)
Loss per share - basic and diluted (Rupees)		(5.24)	(7.28)	(0.35)	(2.48)

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


Chief Executive Officer


Chief Financial Officer


Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Nine months period ended		Three months period ended	
	September 30	September 30	September 30	September 30
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Loss for the period	(5,240,139)	(7,268,749)	(352,807)	(2,478,341)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(5,240,139)	(7,268,749)	(352,807)	(2,478,341)

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



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED

STATEMENT OF CHANGES IN EQUITY - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Share Capital	Capital reserves Share premium	Revenue reserve Accumulated loss	Surplus on revaluation of property, plant and equipment	Total shareholders' deficit
	Rupees in '000				
Balance as at January 01, 2024 - audited	9,991,207	4,639,735	(106,119,722)	12,504,066	(78,984,714)
Total comprehensive loss for the period					
Loss for the period	-	-	(7,268,749)	-	(7,268,749)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(7,268,749)	-	(7,268,749)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	813,324	(813,324)	-
	-	-	(6,455,425)	(813,324)	(7,268,749)
Balance as at September 30, 2024 - unaudited	9,991,207	4,639,735	(112,575,147)	11,690,742	(86,253,463)
Balance as at January 01, 2025 - audited	9,991,207	4,639,735	(117,729,711)	16,592,339	(86,506,430)
Total comprehensive loss for the period					
Loss for the period	-	-	(5,240,139)	-	(5,240,139)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,240,139)	-	(5,240,139)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	1,622,997	(1,622,997)	-
	-	-	(3,617,142)	(1,622,997)	(5,240,139)
Balance as at September 30, 2025 - unaudited	9,991,207	4,639,735	(121,346,853)	14,969,342	(91,746,569)

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

Chief Executive Officer

Chief Financial Officer

Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

		September 30 2025	September 30 2024
		Rupees in '000	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	9,184,138	3,831,704
Finance cost paid		(2,734,851)	(1,354,236)
Taxes paid		(352,209)	(28,952)
Net cash generated from operating activities		6,097,078	2,448,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(350,621)	(47,128)
Proceeds from disposal of property, plant and equipment		356,421	230
Profit / mark up received on bank deposits and TFC		32,062	36,251
Long term deposit repaid - net		1,253	566
Net cash generated from / (used in) investing activities		39,115	(10,081)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid - net		(369,523)	(433,623)
Long-term finance paid		(207,246)	-
Net cash used in financing activities		(576,769)	(433,623)
Net increase in cash and cash equivalents		5,559,424	2,004,812
Cash and cash equivalents at beginning of the period		(30,496,114)	(34,808,722)
Cash and cash equivalents at end of the period	23	(24,936,690)	(32,803,910)

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

Chief Executive Officer

Chief Financial Officer

Director

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1. STATUS AND NATURE OF BUSINESS

1.1 Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi.

The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.

1.2 These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary and associated company, have been accounted for at cost less accumulated impairment losses, if any.

1.3 During the current period, the Company incurred a net loss of Rs. 5.24 billion (2024: Rs. 7.27 billion), resulting in net shareholders deficit of Rs. 91.75 billion (2024: Rs. 86.51 billion) as of the unconsolidated statement of financial position date. Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 106.57 billion (2024: Rs. 105.60 billion) and has defaulted in majority of its outstanding loans with banks. These conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in order to ensure the Company's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:

- a) The Board of Directors (the board) have carried out a detailed review of the profitability and cashflow forecast of the company for the twelve months following the date of balance, at the date of approval of these financial statements.
- b) The inflow from the IFEM pool in 2024 and the assurance of supply continuity was taken into account by the board to arrive at a conclusion that the company will continue to operate as a going concern and there are no current plans to file for liquidation for at least one year (12 months) from the date of the statement of financial position being authorised for issue.
- c) Except for, where a regulatory action from government department or proceedings of liquidation from a creditor(s) are initiated, wherein, the banking accounts of the Company are attached and / or seized by the relevant action of the regulator or creditor. In such case, the Company may face disruptions in its operations and may come to a halt of business operations thus challenging the going concern of the Company.

2. BASIS OF PREPARATION

These condensed interim unconsolidated financial statements of the Company for the nine month period ended September 30, 2025 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed. These condensed interim unconsolidated financial statements are being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2024.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2024.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of these condensed interim unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

4.2 During the preparation of these condensed interim unconsolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2024.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended December 31, 2024.

6. PROPERTY, PLANT AND EQUIPMENT

		Un-audited September 30 2025	Audited December 31 2024
	Note	Rupees in '000	
Operating fixed assets		20,352,696	22,194,333
Capital work-in-progress	6.3	2,404,163	2,361,629
		<u>22,756,859</u>	<u>24,555,962</u>

6.1 Movement in capital work-in-progress during the period / year is as follows:

Balance at beginning of the year	2,361,629	2,361,629
Additions during the period / year	350,621	87,924
Transfers during the period / year	(308,087)	(87,924)
	<u>2,404,163</u>	<u>2,361,629</u>

6.2 The following assets were disposed off during the period / year:

	Cost	Accumulated depreciation	Net book value
	Rupees in '000		
September 30, 2025 (un-audited)	304,813	237,940	66,873
December 31, 2024 (audited)	37,243	20,809	16,434

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

6.3 Capital work-in-progress

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
Buildings	294,575
Machinery, tanks and pumps	1,891,075
Retail sites	15,420
Furniture, office equipment and other assets	22,221
Borrowing cost capitalized	138,338
2,404,163	2,361,629

7. RIGHT-OF-USE ASSETS

Storage facility	77,453	81,541
Pumpsites	2,175,473	2,177,335
Offices	671	865
	2,253,597	2,259,741

7.1 Movement in right of use assets during the period / year is as follows:

Balance at beginning of the year	2,259,741	2,598,122
Additions during the period / year	130,068	16,583
Disposals / terminations during the period / year	(24,303)	(113,339)
Depreciation charged during the period / year	(111,909)	(241,625)
Balance at the end of the period / year	2,253,597	2,259,741

8. INTANGIBLE ASSET

Computer software	2,849	4,707
Net book value at beginning of the year	4,707	7,184
Addition	-	-
Amortization charge for the period / year	(1,858)	(2,477)
Net book value at the end of the period / year	2,849	4,707
Net book value		
Cost	19,525	19,525
Accumulated amortization	(16,676)	(14,818)
Net book value	2,849	4,707
Rate of amortization - %	33.33	33.33

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

9. LONG-TERM INVESTMENTS

		Un-audited September 30 2025	Audited December 31 2024
		Rupees in '000	
Note			
Investment in subsidiary company - at cost less impairment			
Hascombe Lubricants (Private) Limited - unquoted	9.1	-	-
Hascol Lubricants (Private) Limited - unquoted	9.2	1,968,744	1,968,744
Investment in associate - at cost			
VAS LNG (Private) Limited - unquoted	9.3	-	-
Magic River Services Limited	9.4	110,000	110,000
Karachi Hydrocarbon Terminal Limited - unquoted	9.5	412,500	-
Other Investment			
Karachi Hydrocarbon Terminal Limited - unquoted	9.5	-	412,500
		2,491,244	2,491,244
Advance against purchase of shares			
Karachi Hydrocarbon Terminal Limited - unquoted		2,500	2,500
		2,493,744	2,493,744

- 9.1** This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The Company holds ordinary shares at Rs. 10 per share.

The Company has assessed the carrying amount of its investment in Hascombe Lubricants (Private) Limited in accordance with the requirements of the applicable accounting and reporting standards and the investment has been fully impaired as subsidiary company has ceased its operations.

		Un-audited September 30 2025	Audited December 31 2024
		Rupees in '000	
Investment at cost		30,604	30,604
Movement in provision for impairment			
Balance at the beginning of the year		(30,604)	(30,604)
Provision made during the period / year		-	-
Balance at the end of the period / year		(30,604)	(30,604)
Net book value		-	-

- 9.2** This represents the Company's investment in Hascol Lubricants (Private) Limited, a wholly owned subsidiary, recognized at cost. The Company holds 315 million (December 31, 2024: 315 million) ordinary shares of Rs. 10 each. The shares of the subsidiary are not quoted in an active market.

Last year management assessed the recoverable amount of the investment in Hascol Lubricants (Private) Limited in accordance with the requirements of the applicable accounting and reporting standards, as a result, an impairment loss of Rs. 1,181.256 million.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Un-audited September 30 2025	Audited December 31 2024
	----- Rupees in '000 -----	
Investment at cost	3,150,000	3,150,000
Movement in provision for impairment		
Balance at the beginning of the year	(1,181,256)	-
Provision made during the period / year	-	(1,181,256)
Balance at the end of the period / year	(1,181,256)	(1,181,256)
Net book value	1,968,744	1,968,744

During the period, the management of Hascol Lubricants (Private) Limited ceased plant operations and leased the facility under a long-term arrangement

Company reassessed the recoverable amount of its investment in Hascol Lubricants (Private) Limited in accordance with applicable financial reporting standards. Based on this assessment, no further impairment has been recognized, as the carrying amount of the investment remains recoverable.

- 9.3** Investment in VAS LNG (Private) Limited (VL) amounts to Rs. 3 million (2024: Rs. 3 million) representing 30% (2024: 30%) equity stake and Advance against issue of shares to VAS LNG (Private) Limited which amounts to Rs. 1.02 (2024: Rs. 1.02) million.

The Company holds 0.3 million ordinary shares (December 31, 2024: 0.3 million) of Rs. 10 per share which have been provided in the year 2020 as VL has already filed liquidation in the month of October 2020 and the Company is not expecting recoverability of its investment.

	Un-audited September 30 2025	Audited December 31 2024
	----- Rupees in '000 -----	
Investment at cost	3,000	3,000
Advance against purchase of shares	1,023	1,023
Movement in provision for impairment		
Balance at the beginning of the year	(4,023)	(4,023)
Provision made during the period / year	-	-
Balance at the end of the period / year	(4,023)	(4,023)
Net book value	-	-

- 9.4** The Company made investment in Magic River Services Limited in the year 2018. It's a joint venture arrangement whereby the Company is entitled for 25% share of profit derived from sale of petroleum products by Magic River. The carrying amount of investments as of September 30, 2025 amounting to Rs. 110 million (December 31, 2024: Rs. 110 million).

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

- 9.5** The Company holds an investment of 41.25 million (December 31, 2024: 41.25 million) fully paid ordinary shares of Rs. 10 per share in Karachi Hydrocarbon Terminals Limited (KH TL), representing 9.07% (December 31, 2024: 9.07%) equity stake. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.

10. DEFERRED TAXATION - NET

Taxable temporary difference arising in respect of: Note

Revaluation of operating fixed assets

Deductible temporary difference arising in respect of:

Long term investment

Capital work in progress

Liabilities against right-of-use assets

Exchange loss

Provision for:

- Retirement benefit

- ECL on trade debts

- Short term investments - TFCs

- ECL on long term deposits

- against stock

- Suppliers and services advance

- IFEM, RD and PDC

Accelerated depreciation

Normal tax loss

Unrecognized deferred tax asset

10.1

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
(3,306,828)	(3,772,859)
351,439	351,439
582,631	594,815
946,265	941,502
83,783	56,347
60,513	47,235
2,922,240	2,806,357
1,218	1,421
14	14
35,876	35,876
904,641	902,363
695,664	695,664
539,083	354,661
17,594,509	20,224,554
21,411,048	23,239,389
(21,411,048)	(23,239,389)
-	-

- 10.1** Deferred tax asset of Rs. 21,411 million (December 31, 2024: Rs. 23,239 million) has not been recognized in these condensed interim unconsolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.

11. ADVANCES - considered good, unsecured

To employees:

- against expenses

- against salaries

Supplier and service provider

Provision for supplier and services advance

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
19,608	18,270
21,465	30,148
3,289,297	3,300,750
(3,119,452)	(3,111,596)
210,918	237,572

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

12. DEPOSITS AND PREPAYMENTS

Deposits

- Current portion of lease deposits
- Other deposits

Prepayments

- Insurance and others
- Rent

Note

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
128,637	128,637
133,241	192,406
261,878	321,043
27,761	30,152
33,092	33,873
60,853	64,025
322,731	385,068

13. OTHER RECEIVABLES

- Inland freight equalization margin ("IFEM") receivable
- Miscellaneous receivables
- Receivable against regulatory duty ("RD")
- Receivable from Hascol Lubricants (Private) Limited
- Sales tax refundable
- Price differential claims ("PDC")
- Provisioning of IFEM, RD and PDC

13.1

13.2

3,219,216	3,648,680
29,598	12,298
25,533	25,533
46,774	38,316
1,612,145	1,539,197
7,618	7,618
(2,398,840)	(2,398,840)
2,542,044	2,872,802

13.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Company together with other oil marketing companies is actively perusing the matter with the concerned authorities for the early settlement of above claim. The Company considers that the balance amount will be reimbursed by GoP in due course of time.

13.2 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM). Based on management's estimate of the recoverable amount in line with Audit Terms of Reference for fiscal years 2021 to 2023.

Company including other OMCs, have filed a Petition No. 1397/2025 before the Islamabad High Court challenging the retrospective disallowance of freight cost reimbursements under the IFEM mechanism. The dispute arose following the issuance of Audit Terms of Reference by OGRA for the fiscal years 2021 to 2023, which denied complete reimbursement for transportation costs in cases where OMCs did not meet the specified input targets for the Pipeline.

The petitioners have requested the Court to direct OGRA to revise the Audit Terms of Reference, permit recognition of actual transportation costs. They have also sought a stay on any adverse regulatory actions until the matter is resolved, OGRA has submitted its response. The case is currently pending adjudication. The outcome may impact the recoverability and classification of IFEM-related receivables or provision.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

14. LONG TERM FINANCING - secured

		Un-audited September 30 2025	Audited December 31 2024
	Note	----- Rupees in '000 -----	
Borrowing from conventional banks		17,954,455	13,977,202
Borrowing from non banking financial institutions		92,857	92,857
Sukuk certificates		500,000	500,000
		18,547,312	14,570,059
Borrowing from conventional banks		(8,499,421)	(7,054,893)
Borrowing from non banking financial institutions		(92,857)	(92,857)
Sukuk certificates		(500,000)	(500,000)
		(9,092,278)	(7,647,750)
Non-current portion of long term financing		9,455,034	6,922,309

15. LEASE LIABILITIES

Lease liability against right of use asset	15.1	3,139,678	3,159,428
		3,139,678	3,159,428

15.1 Lease liability against right of use asset

Present value of future minimum lease payments		3,262,984	3,247,417
Current portion		(123,306)	(87,989)
Non current portion		3,139,678	3,159,428

16. TRADE AND OTHER PAYABLES

Trade creditors		32,364,080	43,678,010
Payable to cartage contractors		1,595,367	3,131,698
Advance from customers - unsecured		291,216	477,273
Dealers' and customers' security deposits		709,945	721,797
Other liabilities		19,282,861	20,162,081
		54,243,469	68,170,859

17. CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term financing	14	9,092,278	7,647,750
Current portion of lease liability of right of use assets	15.1	123,306	87,989
		9,215,584	7,735,739

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Non-banking contingencies

Workers participation fund:

C.P. No.D-209 of 2019 has been filed by the Company against giving retrospective effects to Sindh Companies Profits Workers Participation Act, 2015 and the Department's demand for payment of workers participation fund for the period from 2011 to 2017 vide Show Cause Notice dated 26th May 2018.

This petition is pending before the Honorable High Court of Sindh at Karachi. The Company seems to have good arguable case.

Income tax assessments/audit proceedings:

Tax year 2022:

The return of Income for tax year 2022 for period ending 31st December, 2021 has been filed with Turnover Tax based upon notified margin of the Petroleum Products, reported deviation in Taxation Base.

The Additional Commissioner (ACIR), Karachi has issued Notice to amend assessment 122(9) read with section 122(5A) of the I.T Ordinance, 2001 on various issues including minimum tax on total turnover, CP No. 5109 of 2023 filed before Sindh High Court (SHC). The Company has requested ACIR to keep the proceeding-initiated u/s 122(9) read with Section 122(5A) of the Income Tax Ordinance, 2001 till the decision of Sindh High Court (SHC).

Tax year 2021:

The return of Income for tax year 2021 for period ending 31st December, 2020 has been filed with turnover tax based upon total receipts received against sale of petroleum products, declaring loss at Rs. 15,958,089,784 paying minimum tax at Rs. 620,929,778.

The case of the Company for tax year 2021 has not been selected for audit u/s 177, however the ADCIR has initiated assessment proceeding by issuing show-cause notice u/s 122(9) read with 122(5A) of the Ordinance but no adverse order has been passed. Thus, the deemed assessment u/s 120 for the tax year 2021 stands in the field. Furthermore, the company has applied for permission to revise tax return for filing revised tax return to claim that minimum tax u/s 113 is not payable in the year as there is gross trading loss declared in the accounts. The permission to file revised tax return has not been granted by the Commissioner Inland Revenue and the issue is open for contest by the company.

Tax year 2020:

The return for tax year 2020 was filed declaring loss at Rs. 24,776,601,250 paying minimum tax at Rs. 1,052,082,635 and claiming refund of Rs. 330,373,657.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

The return of the Company for tax year 2020 has been selected for audit u/s 177 and audit proceedings are open. However, the Company has challenged the audit notice u/s 177 before the learned High Court which has granted interim stay against the audit notice u/s 177.

Thus, the audit proceedings are suspended and, so far, the return filed is the deemed assessment order u/s 120 which remains in the field for tax year 2020. There is no tax demand created in the tax year u/s 122(5A). Furthermore, the company has applied for permission to revise tax return for filing revised tax return to claim that minimum tax u/s 113 is not payable in the year as there is gross trading loss declared in the year as per accounts. The permission to file revised tax return has not been granted by the Commissioner Inland Revenue and the issue is open for contest by the company. The tax imposed u/s 161 for alleged default in tax withholding was not upheld in appeal by the Commissioner Appeal in the Order passed u/s 129 dated 14 July 2023.

Tax year 2019:

The return filed for tax year 2019 has been selected for audit under section 177 of income tax ordinance. The order after completion of audit proceedings under section 177 has been passed by the DCIR under section 122(1)/(5) imposing tax demand of Rs. 645,750,113.

Against this order imposing tax, appeal has been filed with the Commissioner Appeal, decision vide Appeal Order No. 1000000155283732 dated 12-07-2023, mostly in favor of Company except the issue relating to Minimum Tax.

Commissioner IR, Zone III, LTO, Karachi has referred appeal before the ATIR against the Order, which is pending before Tribunal for hearing. There is no tax demand outstanding on account of order u/s 122(5A).

Tax year 2018:

In tax year 2018, the return was not selected for audit but notice under section 122(9) was issued and order under section 122(5A) was passed. In the order, under section 122(5A) minimum tax under section 113 was imposed by including Petroleum Levy of Rs. 21,768,506,000 in the turnover, Exchange loss of Rs. 307,682,807/- on import was disallowed, commission amount of Rs. 227,932,000 was disallowed for not withholding @ 20% under section 156, disallowing of Tax Credit for Enlistment on Stock Exchange claimed under section 65C Rs. 58,771,214/-, taxing franchise fee Rs. 35,210,000 and not allowing refund adjustment of Rs. 85,136,781.

Against this order under section 122(5A), an appeal was filed before Commissioner (Appeals). In the appeal order the Commissioner (Appeals) accepted the Company's appeal on the point of minimum tax u/s 113 on account of petroleum levy and as well in respect of disallowance of Commission and partly on the other points.

The Company has filed an appeal on the points the Company's appeal was not accepted by the Commissioner (Appeals) which is pending before the Appellate Tribunal Inland Revenue. Therefore, no tax demand is outstanding.

The department has further initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Company before Sindh High Court (SHC) and SHC has suspended the audit proceeding through interim order.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Tax year 2017:

ACIR passed assessment order dated February 24, 2018 under section 122(5A) of the Ordinance creating additional tax demand of Rs. 231,680,958.

Appeal was filed before the CIRA against the aforesaid assessment order who vide appellate order dated October 29, 2018 decided one issue in favour of the Company whilst other issues were decided in favour of the Department.

Appeal has been filed by the Company before the Appellate Tribunal Inland Revenue (ATIR) against CIRA's order on the points on which appeal was not accepted and the appeal is pending for hearing.

The department has initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Company before SHC and SHC has suspended the audit proceeding through interim order.

Tax year 2016:

The return of income for tax year 2016 was not selected for audit but notice under section 122(9) was issued and order under section 122(5A) was passed in which only expenses (sales promotion/royalty) and others have been disallowed against which appeal was filed before the Commissioner Appeals and in the appeal order, addition of sales promotion expense of Rs. 142,066,3100 was deleted and there was part set aside on other points.

The department has initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Company before Sindh High Court which has suspended the audit proceeding through interim order.

Tax year 2015:

The case was selected for audit and order was passed under section 122(1)/(5) for tax year 2015 in which income has been assessed at Rs. 1,003,956,567 after making the additions of Sales promotion expenses disallowed Rs. 191,639,000/- as well as disallowing first year allowance claimed under section 23A.

In the order minimum tax of Rs. 392,096,071/- plus super tax of Rs. 25,942,290/- has been imposed but minimum tax credit of Rs. 60,790,404/- has been carried forward for adjustment against normal tax in subsequent years against the order under section 122(1) imposing tax for tax year 2015.

Appeal was filed which was decided by the Commissioner Appeal in which the addition of Rs. 191,639,000/- was remanded back and Thus, this order was in part set aside.

Tax Year 2014, 2013, 2011 and 2010:

DCIR initiated proceedings for amendment of assessment under section 122 (1)(5) of the Ordinance for the above tax years which were closed through order dated June 29, 2016, June 30, 2016 and July 18, 2016, respectively creating additional tax demand of Rs. 13,141,481 for tax year 2010, Rs. 5,292,546 for tax year 2011, Rs. 24,184,624 for tax year 2013 and Rs. 126,017,974 for tax year 2014.

Appeal were filed by the Company before CIRA against the aforesaid assessment orders which were decided through combined appellate order dated November 22, 2018 whereby all the additions made by the DCIR were confirmed.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Appeals have been filed by the Company against CIRA's aforesaid order before ATIR which is pending for hearing.

Direct tax - Monitoring proceedings:

Tax Year 2021:

Tax Monitoring proceedings were initiated by the DCIR and order was passed under section 161 imposing tax for assumed default in tax withholding from payments under various heads in tax year 2021.

No Order passed has been passed.

Tax Year 2020:

Tax Monitoring proceedings were initiated by the DCIR and order was passed under section 161 imposing tax for assumed default in tax withholding from payments under various heads in tax year 2020.

Against the order passed by the Deputy Commissioner Inland Revenue Audit under section 161(1) of the Income Tax Ordinance, 2001 dated 20-07-2022 for tax year 2020, an Appeal filed against the order. Case was remanded back by CIR (Appeals) to DCIR vide Appeal Order No.100000155444670 dated 14-Jul-2023.

DCIR has repeated the same Order without providing opportunity of being heard. Appeal has been referred before CIR (Appeals) by M/S. OSMANI & AFZAL ASSOCIATES which is pending for hearing.

Tax Year 2019:

Monitoring proceedings under section 161(1A) of the Ordinance has been re-initiated by the DCIR on January 21, 2022 and subsequently order dated February 28, 2022 has passed under section 161/205 of the ordinance.

Appeal was filed by the Company against the aforesaid order before the CIRA and heard on April 2022. This appeal is filed by M/s. Grant Thornton on behalf of the company. In the appeal order u/s 129 dated 14.07.2023 the tax imposed was not confirmed and there was part set aside. Against the Commissioner Appeal's order, the company has filed appeal before the ATIR which is pending for hearing.

Tax Year 2018:

Monitoring proceedings under section 161(1A) of the Ordinance had been initiated by the DCIR on January 10, 2019. All requisite details and information had been submitted; however, order has been passed u/s 161 against which appeal has been filed with Commissioner Appeal which is pending for hearing.

Tax Year 2015:

Monitoring proceedings were initiated by the DCIR and subsequently order dated May 26, 2016 was passed under section 161/205 of the Ordinance.

Appeal was filed by the Company against the aforesaid order before the CIRA who remanded back the issues to the DCIR for re-adjudication because of non-provision of opportunity of hearing whilst at the same time accepted the Company's stance on all the issues on merit. No appeal effect proceeding has been initiated.

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Tax Year 2014:

Monitoring proceedings were initiated by the DCIR and subsequently order dated June 26, 2016 was passed under section 161/205/182 of the Ordinance.

Appeal was filed by the Company against the aforesaid order before the CIRA who deleted the tax imposed, of Rs. 6,539,880 on account of Sales Discount and of Rs. 1,181,661 on account of Purchases, by the DCIR and confirmed the tax imposed of Rs. 45,600 on account of Legal & Professional, Rs. 111,600 on account of Entertainment, Rs. 332,994 on account of Services and Rs. 141,062 on account of Supplies.

Appeal has been filed by the Company against CIRA's aforesaid order before ATIR which is pending for hearing.

Indirect tax:

Against the Sales Tax Order in Original No 02/42/2016 dated 29/06/2016 for the period January 2012 to December 2013 imposing tax on the bunkering oil supply at zero rating / not withholding sales tax and other appeal was filed and Commissioner Appeal vide his order in appeal dated 18/10/2016 set aside the ONO. Against the set aside order of the Commissioner Appeal, the appeal has been filed with ATIR, Case remanded back to DCIR Vide Appeal Order No., 3049 dated 07-08-2023, there is no tax demand in the field.

Against the department's order in which Company appeal is not accepted by CIRA, the Company has filed various appeals before the Appellate Tribunal against orders passed by the Commissioner Appeals. These appeals are mostly against remanding back of the matter relating to taxability on bunkering activity for the 12-month tax periods ended December 2014, December 2015, December 2016 and December 2017. These appeals are filed by M/s. Grant Thornton on behalf of the Company. No Further Proceeding till the finalization of pending appeal before ATIR for the Period January 2012 to December 2012.

The Company has filed appeal against the order reference 01 of 2020 dated September 30, 2020 and order reference 02 of 2020 dated September 30, 2020 passed by Deputy Commissioner Inland Revenue relating to late filing of sales tax returns for the tax periods April 2020 to June 2020 and July 2020 imposing penalty and default surcharge amounting to Rs. 14 million and Rs. 52.5 million respectively. This appeal is filed by M/s. Grant Thornton on behalf of the Company further contested by M/S. OSMANI & AFZAL ASSOCIATES. Both Orders were annulled by the Commissioner Appeals. Department has filed appeal against the Appeal Order before ATIR. No hearing till to date.

An appeal has been filed against the order reference 011/121/2021 dated October 15, 2021 passed by Deputy Commissioner Inland Revenue relating to claiming input tax twice in the respective Federal sales tax returns for the tax periods April 2018, July 2018, October 2019, December 2019, November 2020, December 2020 and January 2021 amounting to Rs. 37,115,654 along with imposing penalty of Rs. 1,855,783 and default surcharge (to be calculated) respectively on claiming of the input tax twice in respective sales tax return. This appeal is filed by M/s. Grant Thornton on behalf of the Company and further contested by M/S. OSMANI & AFZAL ASSOCIATES. Case Annulled by CIR Appeals II, Karachi with decision of no default & penalty imposed. Department filed appeal before the Appellate Tribunal.

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In 2023, DCIR passed Order No. 20/30/2023 dated 08-06-2023 against show cause notice No. 3621 dated 04-04-2023 for alleged inadmissible Input Sales Tax Claim. An appeal No. 29/A-1/LTO/2023/92 dated 15-09-2023 has been filed against the order amounting to Rs. 57,606,366 along with imposing penalty and default surcharge. Appeal is filed by M/s. OSMANI & AFZAL ASSOCIATES on behalf of the Company. Case Annulled by CIR Appeals I, Karachi and remanded back to DCIR. No Order has been passed till now.

In 2023, DCIR passed Order No. 24/56/2019 dated 07-02-2019 for alleged inadmissible input sales tax claim. An appeal No. STA/352/LTO/2019/12 dated 27-03-2019 was filed against the order amounting to Rs. 488,746,304 along with imposing penalty and default surcharge. Appeal is filed by M/s. OSMANI & AFZAL ASSOCIATES on behalf of the Company. Case Annulled by CIR Appeals I, Karachi and remanded back to DCIR. No Order has been passed till now.

Sales Tax Order in Original was passed u/s 11(2) of the Sales Tax Act 1990 dated 15-12-2022 by Deputy Commissioner, Inland Revenue audit Unit-05, Enforcement-I, LTO, Karachi for the tax period 2017-18 disallowing input tax of Rs. 343,361,000 claimed by the company in respect of sales tax paid on Transportation or Carriage services to the respective provincial tax authorities and imposing penalty of Rs 17,158,050 and default surcharge. Against this order appeal was filed by your office and the Commissioner Inland Revenue (Appeals-I), Karachi vide appeal order u/s 45B of the Sales Tax Act dated 15-09-2023 annulled the Order in Original passed u/s 11(2) of the Sales Tax Act 1990 dated 15-12-2022 for the tax period imposing tax Rs. 343,361,000 and penalty of Rs 17,158,050 and the tax demand imposed has been deleted.

Sindh Revenue Board

a) Period 2013-2019:

One combined Order No. 1139 of 2022 dated 23rd May 2022 u/s 23/47 of the Sindh Sales Tax on Services Act, 2011 has been passed by the Assistant Commissioner in the case of the Company for the 7 years period January 2013 to December 2019.

By this SRB Order no. 1139 Of 2022 dated May 23, 2022, the officer has alleged that the Company has not made payment of the sales tax pertaining to Royalty Fee, Franchise Fee and Joining fee for the tax periods January 2013 to December 2019.

Against this SRB order imposing tax, an appeal has been filed before Commissioner Appeals, SRB which is under hearing.

b) Other SRB Appeals:

The Company is contesting before the Commissioner Appeals SRB the order no 321 of 2021 dated July 02, 2021 amounting Rs. 134,137,132 passed by Assistant Commissioner Sindh Revenue Board primarily imposing liability of withheld Sindh sales tax not deposited by the Company into Sindh government treasury on oil transportation services acquired from specified vendors for the tax periods January 2018 to October 2020. This appeal is filed by M/s. Grant Thornton on behalf of the Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

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The Company is contesting before the Commissioner Appeals SRB, the imposition of the alleged differential principal withheld sales tax amount liability of Rs. 472,422 pertaining to the oil transportation services received from specified vendors in the tax period November 2020 through the Order no 322 of 2021 dated July 13, 2021 passed by Assistant Commissioner — Sindh Revenue Board. This appeal is filed by M/s. Grant Thornton on behalf of the Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES further contested by M/S. OSMANI & AFZAL ASSOCIATES. Order in Appeal No. 66/2023 dated 06-03-2023 passed with tax liability of balance principal amount of Rs. 472,422 which is paid accordingly whereas the penalty of Rs. 50,000 & default surcharge at Rs. 1,304,286 are unpaid till to date.

The Company is contesting before the Commissioner Appeals SRB, the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 33,662,070/- pertaining to providing Business Support Service to Karachi Hydrocarbon Terminal Limited and Hascol Lubricants (Private) Limited in the tax periods January 2017 to December 2019 through the Order no 808 of 2021 dated November 26, 2021, passed by Assistant Commissioner — Sindh Revenue Board. This appeal is filed by M/s. Grant Thornton on behalf of the Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

Punjab Revenue Authority

a) The Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 989,229,120/- pertaining to expenditure incurred under the head of Capital Work in Progress in the tax periods January 2017 to December 2018 through the Order no 19 of 2020 dated 30-01-2020, passed by Additional Commissioner — Punjab Revenue Authority. This appeal is filed by M/s. Grant Thornton on behalf of the Company.

b) The Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 108,199,360/- pertaining to Distribution, Selling & Administration Expenses in the tax periods January 2017 to December 2017 through the Order no 15 of 2020 dated 30-12-2019, passed by Additional Commissioner — Punjab Revenue Authority. This appeal is filed by M/s. Grant Thornton on behalf of the Company.

c) The Company contested before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 12,066,400/- pertaining to Business Support Services in the tax periods January 2017 to December 2018 through the Order no 16 of 2019 dated 30-12-2019, passed by Additional Commissioner — Punjab Revenue Authority. This appeal under section 63 of the PSTS'12 was filed by M/s. Grant Thornton on behalf of the Company. Original Order was upheld by the Commissioner Appeal, Punjab Revenue Authority vide Appeal Order No. 72/2020 dated 17-03-2021 which was received much later in Year 2022. The Appeal is being prepared along with Condonation Application to prefer before the Appellate Tribunal under section 66 of the Punjab Sales Tax on Services Act, 2012.

d) The Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 86,219,882/- pertaining to Withholding of Sales Tax on Services on Carraige of Petroleum under the Punjab Sales Tax Special Procedure (Transportation or Carraige of Petroleum through Oil Tankers) Rules, 2020 for the tax periods May-2021 to April-2023 through the Order no Eng-V/U-21/07 dated 06-12-2023, passed by Additional Commissioner — Punjab Revenue Authority. Appeal to be filed.

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Baluchistan Revenue Authority:

The Company is paying Principal amount of sales tax withholding liability to the tune of Rs. 72,203,862/- on piece meal basis against the Order No. 04/2024 dated 07-11-2023 pertaining to sales tax withholding on Carriage Contractors for the tax periods January 2018 to December 2022, passed by Additional Commissioner — Baluchistan Revenue Authority.

Shams Lubricants Pvt Ltd:

The Company has rented out storage facility in Amangarh, Noshehra KPK from Shams Lubricants and terminated the Lease Agreement on 31-08-2020 after incident of the fire. The Company had handed over few cheques of advance to Shams Lubricants, which are dishonored by Shams Lubricants. Shams Lubricants filed the instant suit in Karachi on the basis of these dishonored cheques and demanding the rent for one year as per termination clause of the lease agreement which stipulated that either party can terminate the lease agreement by serving one-year prior notice to the other party. The instant suit filed by Shams Lubricants was dismissed on 05.08.2024 for non-prosecution.

HPL terminated its oil storage agreement with the landlord Al Shamas Lubricants for the oil storage at Amangarh on 31.08.2020, valuable assets of HPL laying at the demised premises and Landlord has leased out the site to one OMC and started damaging company's owned storage facilities, HPL has filed a suit for Declaration, recovery of damages , permanent and mandatory injunctions against these two parties.

Shams Lubricants has also filed a suit for recovery of damages PKR 788,827,725/- on different accounts at district Nowshehra, same suit is pending for the evidence of the Plaintiff. The Company is vigorously contesting the case and a favorable order may be expected.

Cantonment Board vs Company

a) Chaklala Cantonment Board:

This is the Intra Court Appeal filed by the Chaklala Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Company's account is Rs. 1,317,024/- which amount is being claimed as taxes for advertisements within cantonment areas. The Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

This is the Intra Court Appeal filed by the Chaklala Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

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The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Company's account is Rs. 1,836,786/- which amount is being claimed as taxes for advertisements within cantonment areas. The Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

b) Rawalpindi Cantonment Board:

(This is the Intra Court Appeal filed by the Rawalpindi Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore. Rawalpindi Bench.

The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Company's account is Rs. 1,050,120/- which amount is being claimed as taxes for advertisements within cantonment areas. The Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

Company vs Federation of Pakistan & Others:

Suit no 1980 of 2021:

Office of Auditor General of Pakistan, on institution of MOEP, initiated audit of all OMCs including the Company and issued notices in this regard. Such audit, conducted by AGP is illegal and without any authority, hence challenged by the Company before Court of Law.

Court vide its order dated 13.09.2021 restrained AGP for taking any coercive action against the Company in pursuance of impugned notices and not to finalize or publish any report or if any report / proceeding have been prepared / initiated against the Company in pursuant of the impugned notices, no further steps shall be taken against the Company.

In respect of the likelihood of an unfavorable outcome, we are of the view that it is not easy to predict the outcome of a contested litigation, however it appears that the probability of such an outcome is quite less.

Company vs Federation of Pakistan and Commissioner Inland Revenue:

The Company filed the said petition bearing C.P. D-6503/2019 being aggrieved by the actions of the Respondent (Inland Revenue) in selection of case for audit under Section 25 of the Sales Tax Act, 1990 for tax period January 2018 to December 2018.

The Company has argued that section 25(2) states that an audit is to take place only once in every three years and an audit had already been called in 2017, and hence the recalling of the same is unlawful and ultra vires.

In this case stay in operating till date with next hearing date and there is a strong likely hood of winning this case.

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M/s Malik Enterprises (Pvt.) Limited:

M/s Malik Enterprises (Pvt.) Limited (herein after referred as "Client") is in receipt of notice dated 22.01.2024 from Officer Commanding, PAF Base, Faisal whereby after due reconciliation of accounts our client has been directed to deposit arrears of rent (the "demised premises"), failing which the principal Lease Agreement dated 12.2.2014, granting leasehold proprietary rights of the demised premises to the client, shall deemed to be terminated on account of default and the demised premises shall stand vacated from our possession.

As per clause 2.4 of the License Agreement between the client, the Company is under an obligation to make payment of license fee/ rental payment per month in advance. However, the Company have failed to tender such fee/ rent for three months i.e. November 2023, December 2023 and January 2024, accumulating to PKR 4,685,775/- (Rupees Four Million Six Hundred Eighty-Five Thousand Seven Hundred and Seventy-Five). In order to avoid default and subsequent eviction from the premises the client has made payment to the Principal Lessor amounting to PKR 5,285,775/- which includes clients share of PKR 600,000/- for the period of three months however, Company have failed to reimburse the client its own share accumulating to PKR 4,685,775/-.

The Company is obliged to make payment of the due rental amount. Failure of which the Client will reinstate eviction proceedings through rent case No. 17 of 2022 before the court of competent jurisdiction against the Licensee along with recovery of arrears at your sole risk and cost. This case is dismissed being withdrawn on account of settlement between the parties.

Federation of Pakistan and others vs Company:

a) Suit no 1008 of 2018 & Suit No. 1745 of 2025:

This is a suit filed by the Company for declaration and permanent injunction in the High Court of Sindh. The Company assailed the letter dated 08.05.2018 issued by the Oil & Gas Regulatory Authority to the Company together with its enclosure being the letter dated 05.03.2018 of the Ministry of Energy directing it to immediately stop operation / activity being carried out at the storage terminal at plot # 43, Oil Installation Area, Keamari-Karachi on the pretext that the newly constructed storage terminals are being operated without NOC from Ministry of Defence. The Court dismissed the stay application vide order dated 01.04.2019 against which the Company has filed High Court Appeal and the suit will not proceed during the pendency of appeal. However, the Appeal has been disposed of as withdrawn on 27.02.2025. Now, the matter is fixed on 28.10.2025 for issues.

b) High Court Appeal no. 175 Of 2019:

This is an appeal filed by the Company in the High Court of Sindh against the order dated 01.04.2019 passed in Suit No. 1008 of 2018 on CMA No. 7590 of 2018.

The matter relates to ZYCO terminal, in respect of NOC from Ministry of Defence. This is an appeal filed by the Company in the High Court of Sindh against the order dated 01.04.2019 passed in Suit No. 1008 of 2018 on CMA No. 7590 of 2018 whereby the ad interim order passed in favour of the Company on 11.05.2018 has been recalled and the injunction application has been dismissed.

The Court suspended operation of the impugned order dated 01.04.2019 and the matter is at the stage of hearing. However, the case was disposed of as withdrawn on 27.02.2025.

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c) Suit 1623 of 2020:

This is a suit for declaration and permanent injunction filed by the Company in the High Court of Sindh challenging the order dated 20.10.2020 passed by OGRA whereby OGRA has:

- suspended the marketing activities / sales of the Company at its outlets in KPK;
- directed other oil marketing companies to augment supplied to their retail outlets; and
- imposed a penalty of Rs. 10 million on the Company in respect of Amangarh depot.

The Court passed ad interim order restraining the defendants from taking any coercive action against the Company in pursuance of impugned order dated October 20, 2020. The case is at the stage of hearing of applications. OGRA has restored/ reinstated the marketing activities of HPL in KPK, hence this suit became infructuous.

d) Suit 1663 of 2020:

This is a suit for declaration and injunction filed by the Company in the High Court of Sindh challenging the action of OGRA in sending the Notice bearing No. OGRA-App-26-2(222)/2020 dated 26.10.2020 directing the Company to deposit 100% penalty for consideration of the review pending before OGRA whereas 50% of the penalty amount has already been deposited which was imposed on the basis of a letter bearing No. OGRA-OIL-19-3(51)2017 Vol-17 dated 22.05.2018 in respect of insufficient supplies of petroleum products. The Court passed ad interim order that OGRA shall not pass an adverse order on the Company's review application solely on the basis of non-deposit. However, the said review application was decided against the Company, therefore, the purpose of the instant Suit remains no more. Hence, the case has been disposed of on 26.02.2024 on account of being infructuous.

e) Suit 655 of 2021 & Suit No. 4069 of 2025:

This is a suit filed by the Company in the High Court of Sindh for Declaration and Permanent Injunction challenging the constitution of the Commission comprising the defendants No. 3 to 17 as its members to probe into the alleged hoarding of petroleum products, its proceedings, and the report dated 01.12.2020 published by them. Therefore, sought declaration that the impugned Commission has been constituted without legal sanction and authority and all actions taken by it including the impugned report dated 01.12.2020 are liable to be set aside. The Court passed ad interim order dated granting the Company the same relief as granted to another OMC in Suit No. 2063 of 2020 in the terms that "the business operation of the plaintiff's refinery and oil Company should not be halted without adopting due course of law and giving a fair opportunity to the plaintiff of being heard in terms of Article 10-A of the Constitution of Islamic Republic of Pakistan and principle of natural justice." The matter is still pending before the Court.

Securities and Exchange Commission of Pakistan:

a) Appeal to SECP Appellate Bench:

This is an appeal filed against an order passed by a Commissioner of the Securities & Exchange Commission of Pakistan (SECP) whereby a forensic investigation of the Company was ordered under Section 258(1) of the Companies Act, 2017. The Company appealed this order as the SECP had already concluded an investigation immediately preceding the passing of the order. The subject appeal was listed for hearing on March 18, 2022, wherein it was pointed out that the Commissioner who passed the initial order was sitting on the Appellate Bench which is contrary to natural justice. However, the appeal was dismissed by the Appellant Bench vide its Order dated 12.04.2022.

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b) Appeal against Order of SECP Appellate Bench (Misc. Appeal No. 32 of 2022):

This Appeal was preferred against the order dated 12.04.2022 passed by the Appellate Bench of the Securities & Exchange Commission of Pakistan ("SECP") in Appeal No. 4(13) Misc/ABR/22 ("Initial Appeal"). The Initial Appeal was filed against order dated 19.01.2022 passed by the Commissioner, Onsite Department, Supervision Division, SECP communicated to the Appellant vide the cover letter bearing number EMD/I&I/233/770/2019 whereby a forensic investigation of the Company was ordered under Section 258(1) of the Companies Act, 2017. The Company appealed this order as the SECP had already concluded an investigation immediately preceding the passing of the order. The Appeal was presented to the learned Single Judge of the Honorable High Court of Sindh at Karachi on 27.04.2022 who was pleased to suspend the operation of both the order dated 19.01.2022 and 12.04.2022.

In our view, the Company has good arguable case and there is no likelihood of unfavorable outcome in the above matters. The management is actively contesting the matter.

J. C. M. Petition No. 31 of 2022:

The Petitioner No.1 Company has filed this Petition before the High Court of Sindh at Karachi for sanction of the Scheme of Arrangement under Sections 279 to 283 and 285 of the Companies Act, 2017, dated September 27, 2022, between the Company, its secured creditors and members (the "Scheme"). The object to the petition is to, inter alia, obtain the sanction of the Court to the Scheme for the envisaged compromise and arrangement envisaged between the Company and its secured creditors, involving the rehabilitation of the Company by restructuring and settling the existing financial obligations / liabilities of the Company towards its secured creditors. Legal formalities are in the process of being carried out and after completion of the same, the matter will be fixed for hearing of the main petition. At this time, the secured creditors have sought modifications to the Scheme, which is being considered by the Company, after which the modified Scheme (if deemed appropriate) will be filed before the Court and presented to the creditors and members of the Company for seeking approval in accordance with the applicable laws.

Suit no 934/2022 and 935/2022:

Both suits have been filed by the past employees of the Company claiming the amount of final settlement payable to them on leaving the employment. The Company, to substantial extent, admits the financial claims of the plaintiffs however, it has taken stance that it is entitled to withhold the payment of those benefits owing to ongoing criminal proceedings by FIA.

In Suit No. 934/2022 the court has dismissed the Suit on account of non-production of evidence. Whereas, in Suit No. 935/2022, the Suit was disposed of as withdrawn.

However, as the entitlement of Plaintiffs is not substantially disputed and only the payment is deferred so we understand that the Company would already have recorded the liability in its books of accounts. Accordingly, any outcome of the matters is not likely to affect financial liability of the Company. The Company has paid the undisputed amount to the Plaintiffs.

Allah Ditto vs Company:

The instant case is filed for recovery of amount 800,000/ against the Company with respect to MOU dated 17-07-2018. The Company had filed a written statement denying their claims and matter is fixed for evidence.

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Mr. Shahnawaz vs Company

The instant case is filed for recovery of amount 1,100,000/- and damages 500,000/- against the Company with respect to MOU dated 22-10-2018 with reference to operating a filling station under the franchise of the Company on land measuring 12,000 Sq. ft bearing Survey No.228 situated at Kot Bungalow City, Nara Road Taluka Kotdiji District Khairpur. The Company have filed our written statement denying their claims. On account thereof, the issues were framed and the matter is now fixed for filing of affidavit in evidence.

Suit no 430 of 2022 vs Company:

The Plaintiff has filed instant suit for recovery of sum of Rs 79,538,150/- in lieu of retail signage services. The Company has denied the claim and has challenged the suit on maintainability. The instant suit is still pending adjudication.

Mr. Rehmat Khan Wardag:

A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills was unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards the Company.

The Company vs Province of Sindh & Others:

a. CPLA No. 1131/2021 & 2068/2022 - Hascol Petroleum Limited vs Province of Sindh & Others

The Company filed a CP. No. 7569/2019 against demand notice amounting to Rs. 259,664,859/- on 08-11-2019 under Sindh Development and Maintenance of Infrastructure Cess Act 2017. The same was dismissed by Sindh High Court and the Company along with other companies filed special leave to appeal against this judgment before Supreme Court of Pakistan ("SCP"). The Company is seeking stay order against demand notice as an instant relief and get infrastructure cess as illegal, void ab-initio.

CPLA is filed before SCP and SCP is pleased to suspend the operation of impugned judgment and directed the Company and other companies to furnish fresh bank guarantees equivalent to amount of levy claimed by the Respondents against resale of all future consignments of imported goods.

The Company filed a CP. No. 797/2020 against demand notice amounting to Rs. 3,929,866,620/- on 06.01.2020 under Sindh Development and Maintenance of Infrastructure Cess Act 2017. The same was dismissed by Sindh High Court and the Company along with other companies filed special leave to appeal against this judgment before Supreme Court of Pakistan. The Company is seeking stay order against demand notice as an instant relief and get infrastructure cess as illegal, void-ab-initio.

C.P is filed before Supreme Court of Pakistan and is pending for its listing.

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Motorway Operations & Rehabilitation Engineering (Private) Limited ('MORE') vs Company:

The matter pertains to the Agreement between the Parties with respect to the management and operation of fuel stations and ancillary facilities on the Lahore Islamabad Motorway Service Areas ('Sites'). MORE first sought unilateral amendments to the agreement and then adverse to the interest of the Company initiated negotiation with other companies. This was violation of the terms of the Agreement as the Company has 'exclusive' rights on M2 for twenty years. Therefore, Arbitration Clause of the agreement was invoked and Arbitration Application was filed. The Court was pleased to restrain MORE, inter alia, from dispossessing the Company.

The matter is now stands concluded after settlement between the parties through Agreement dated 12 November 2024, and as reflected in the Order dated 12 November 2024. therefor there are no further projected financial implications in the said matter. The parties entered into a settlement and case was withdrawn on the basis of this settlement.

Federal Investigation Agency (FIA):

During the second half of 2021, the Federal Investigation Agency (FIA) started a formal inquiry to probe the defaults incurred at banks on account of the Company. This inquiry focusses on individuals working for the Company (both Management and Board of Directors) and primarily National Bank of Pakistan. A formal First Investigation Report (FIR) was launched in January 2022 followed by a preliminary challan in High Court under the Anti Money Laundering act against thirty two (32) individuals. The Company is complying with the FIA to facilitate this investigation via provision of information. It is of extreme importance that the inquiry nor the challan is against the Company and the Company expects no outflow of economic benefit as a result of this case.

Sales contract:

In 2020, The Company entered into sales contract with Pakistan Army and Pakistan Airforce. The contracts were secured with bank guarantee issued by one of the financial institution in favour of the two customer. As per the terms and condition of the contracts; delay or not fulfilling the contract will result in encashment of the bank guarantee, liquidated damages and the ancillary risk and expenses.

During the year ended December 31, 2021, the Company due to shortage of working capital was unable to honor the partial sales commitment of the counter parties. As A result of this, the counter parties have offset the outstanding advances with receivables and bank guarantee. The contracts closure and the exact settlement amount is still under discussion. As of December 31, 2023 the Company recorded and estimated liability amounting to Rs. 934 million approximately.

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CP No. 5188/2022 - The Company vs Federation of Pakistan & others:

The Petition by the Company challenges the illegal action of the Customs Authorities. The Collectorate of Customs (Adjudication-I) on 30.08.2022 issued a show cause notice, through which they raised a demand to pay Additional Custom Duty on import of motor spirit for the period from 01.01.2020 to 30.06.2022 to the tune of Rs. 171,946,298/-. As this show cause was issued to all Oil Marketing Companies ("OMC") so the Company along with one other OMC assailed / challenged the said Show Cause Notice before the Sindh High Court. Initially, the High Court has instructed the Department not to decide on the contested show-cause notice issued vide order dated 12.10.2022. However, the High Court disposed of the matter vide Order dated 27.03.2025 and held that notices to be adjudicated vide speaking order after providing opportunity of hearing to the OMC's and till then no coercive action to be taken against them.

CP No. 4446/2022 - Regulatory duty

Federal Board of Revenue ("FBR") on 20.06.22 issued SRO 806(I)/2022 ('SRO 806') through which regulatory duty was levied at the rate of 10% ('RD') on the import of motor spirit, however it provided that the RD shall not be applicable on cargoes for which letter of credits had already been issued, or were already on the high seas. On 30.06.22, the FBR issued SRO 966(I)/2022 ('SRO 966') which levied regulatory duty on the import of a number of goods, and by way of Entry No. 128 also levied regulatory duty at the rate of 10% on motor spirits. The Custom authority refused to give any benefit to the Company under SRO 806.

On 12.02.2023, the arguments were led by the lawyer on behalf of the Petitioners and the Court heard the arguments at length. Our main argument was based on second contingency in the subject SRO related to ships on open seas. The Custom's lawyer opposed the contention on the ground that LC's were not opened till June 30, 2022, but same were opened in July and August, which is not the case of the Petitioners, however the Bench has directed the Petitioners to file the details of GDs & LCs and fixed the case on 14th March 2023, at 11am.

The matter is pending in the High Court of Sindh and the learned counsel submits that the Company is required to pay full amount of Petroleum levy and secure regulatory duty at 10% by way of bank guarantee or pay order to the extent of consignment taken out of tanks, with the collector of customs as to release the consignment. In case, petition is decided in favour of the Company, such deposited P/O shall be released and the Company legal counsel is of firm opinion of success of case in favour of the Company. This CP was dismissed on 11.04.2023, thereafter the Parties assailed the remedy before SCP which directed the customs authorities to give a hearing opportunity and decided the factual controversies. The Assistant Collector passed an assessment order against the OMCs including Company vide assessment order dated 02.10.2023. HPL filed an appeal against this assessment order before Collector of Appeal who passed the order in favour of the OMCs vide its order dated 23.02.2024.

The Customs department filed an appeal against the order of the collector before the Customs Appellate Tribunal and same appeal was accepted in favour of customs department vide order dated 12.07.2024. The Company, along with other OMCs, filed a SCRA No. 550 of 2024 before SHC wherein an interim order is passed directing the respondents to maintain status quo in respect of securities already furnished and as recorded in the order of SCP dated 10.07.2023. Now the case is pending for the final arguments of the parties.

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18.1.2 Banking contingencies

The Bank of Punjab (BOP)

a) Suit no B39 of 2021:

The Plaintiff filed a suit under Section 9 of the Ordinance for the payment and recovery of PKR 2,192,841,925.01 along with cost of funds from the date of default, and for the sale of the Company's hypothecated assets/goods/attached assets/properties. The aforementioned outstanding amount was claimed against the following facilities:

An application under Section 10 of the Ordinance for leave to defend the suit was filed on behalf of the Company claiming that the instant suit is liable to be rejected as it has not been validly instituted and fails to comply with the mandatory requirements of the Ordinance and does not disclose a cause of action. The grounds raised in the application are, inter alia. the particular finance(s) (as the term is defined in the Ordinance) on which the suit is found as due and payable by the Company is unidentified and not shown to be extended to the Company within the statement of accounts attached by the Plaintiff, and the suit has been instituted without a valid power of attorney. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act.

In response to the Company's leave to defend application, the Plaintiff submitted a replication requesting the Court to dismiss the Company's application for leave to defend.

Alongside the suit, the Plaintiff also filed an application under Section 16 of the Ordinance seeking to restrain the Company from creating any third-party interest in the immovable properties owned by the Company as well as passing an order for attachment of those properties till the disposal of the suit.

The Plaintiff subsequently filed another application under Section 16 of the Ordinance for the attachment of certain other immovable properties belonging to the Company and prayed for the Company to be restrained from creating any third-party interest in these properties as well.

The Company filed its counter-affidavits to the two applications for injunction and attachment, denying the averments made by the Plaintiff, highlighting that the necessary ingredients for the grant of any relief under the provisions of the Ordinance had not been met. The Company has submitted that in the absence of the suit establishing a valid cause of action or a failure to show the Company's intent to dispose of or remove the property over which a security has been created, the attachment application of the Plaintiff cannot be granted.

On 20 September 2021, the Honorable Court passed an order restraining the Company from creating any third-party interests in immovable properties owned by the Company. The second application was pending hearing.

The suit was decided against the Company, granting all of the reliefs sought in the Suit, by judgment dated 6 February and decree dated 21 February 2023. The Company has filed an appeal against the said judgment and decree (see Appeal no 60 of 2023).

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b) Appeal no 60 of 2023:

The Company has filed an appeal against the judgment and decree passed in Suit No. B-39 of 2021, on the grounds inter alia that: the Learned Judge failed at all to consider that the Suit was not maintainable; there was impropriety in the conduct of the proceedings and a proper hearing was not given to the Company; that the Learned Judge has failed to appreciate that the Suit falls foul of the mandatory provisions of section 9(2) and section 9(3) of the Ordinance; the Learned Judge has erroneously found that the so-called statements of accounts correspond precisely with the so-called finances itemized in the judgment; the Learned Judge has failed to determine whether any amounts were disbursed to or for the benefit of the Company under or pursuant to any of the so-called finance agreements attached in support of the Plaint and has instead based his findings on the basis merely that such so-called finance agreements were executed, incorrectly deeming the fact of execution to constitute “admissions” of disbursement and of liability on the part of the Company; the Learned Judge has failed to consider that the documents provided in respect of the purported letters of credit do not substantiate the bank’s entitlement to the Suit amount; and the Learned Judge has failed to consider whether the bank is entitled to the benefit of the securities created under the hypothecation agreement.

The bank has filed a reply to the appeal along with an application alleging perjury on the part of the Company’s officers. By way of order dated 29 March 2023, the bank’s perjury application was dismissed and the parties were directed to maintain status quo. The writ of attachment issued in the execution proceedings of the decree is also not to affect the day-to-day operations of the Company (refer Execution no 18 of 2023). As such, the decree in the Suit is not presently proceeding to execution, as the said orders continue to operate to date.

The appeal is currently pending hearing and, in our view, the Company has a strong chance of success. The parties have entered in to out-of court settlement and this appeal is disposed of accordingly. The appeal was disposed of on 29.11.2024.

c) Execution no 18 of 2023:

The Decree Holder bank has instituted proceedings for the execution of the decree dated 21 February 2023 passed in Suit No. B-39 of 2021 (see point (a) above). A writ of attachment was issued for the attachment of the properties allegedly hypothecated in favor of the bank. However, by order dated 19 April 2023 passed in the appeal (see point (b) above), the writ of attachment shall not affect the day-to-day operations of the Company.

By order of the Additional Registrar dated 10 April 2023, certain properties of the Company were sought to be attached, although such properties were not awarded by way of the decree passed in the Suit. Hence the Company has filed an application seeking to exclude the said properties from the scope of the execution proceedings. The Company’s application will be heard on the next date of hearing and is, in our view, likely to succeed.

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a) Suit no B-45 of 2022:

The Plaintiff has filed a suit for recovery of PKR 1,088,188,268 against the Company under Section 9 of the Ordinance. The Plaintiff has also prayed for a decree for recovery of the allegedly outstanding amount through the sale of hypothecated/charged properties and assets of the Company, attachment of the Company's immovable properties and other properties and for cost of funds in terms of Section 3 of the Ordinance from the date of default till satisfaction of the decretal amount, if granted.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to meaningfully defend itself; and the attached documents do not support the Plaintiffs assertions regarding the Company's alleged liability.

The Plaintiff has, simultaneously with the suit, filed an application under Section 23 (1) of the Ordinance seeking to restrain the Company from transferring or selling the hypothecated assets and mortgaged properties, to which the Company has filed its counter-affidavit objecting inter a/lia that the application for attachment of property is not maintainable under Section 23 of the Ordinance.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Samba Bank Limited

A suit under Section 9 of the Ordinance was filed against the Company and its former CEO/Director, Mr. Mumtaz Hasan Khan, (in his personal capacity as a guarantor of the Company's liabilities) for the recovery of PKR 1,018,709,744.57 against several finance facilities allegedly availed by the Company from the Plaintiff bank.

Additionally, during the pendency of the suit, the Company's assets were prayed to be attached for the settlement of the allegedly outstanding amount. However, separate applications seeking an interim injunction or attachment of the properties have not been filed by the Plaintiff.

In response, the Company filed its application for leave to defend under Section 10 of the Ordinance praying that the suit is liable to be rejected inter alia the following grounds, which renders it impossible for the Company to know the case that has to be met by it: no cause of action has been disclosed by the Plaintiff against the Company, the Plaintiff has failed to disclose or identify any particular finance(s) or finance facility(ies) (as defined in the Ordinance) on which the suit is founded, the attached documents do not support the Plaintiffs assertions especially since the liability they allegedly establish has not lapsed as of the date of the institution of the suit and that it falls foul of the disclosure requirements to be strictly met under the Ordinance. Since the statement of accounts attached as an annexure in the suit itself fail to establish any nexus with the alleged facilities in question or any disbursements to the Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'.

The Company has also highlighted that the Plaintiff failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder by way of this suit. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act.

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The suit was withdrawn by order dated 2 January 2024, in terms of an out-of- court settlement reached between the Plaintiff and the Company.

Sindh Bank Limited:

The Plaintiff has filed a suit under Section 9 of the Ordinance for the recovery of PKR 2,334,776,939.97 along with cost of funds.

The Plaintiff also prayed for permanent injunction to restrain the Company, its employees, agents or an other persons acting for and, on its behalf, directly and/or indirectly, from selling, alienating, disposing of or creating third party rights in any manner whatsoever in respect of the allegedly hypothecated assets as well as moveable and immoveable properties. Additionally, it was prayed that a judgement and decree for attachment and sale of all other assets and properties of the Company is passed to recover the outstanding amount. However, separate applications seeking an interim injunction or attachment of the properties during the pendency of the proceedings have not been filed by the Plaintiff.

An application under Section 10 of the Ordinance for leave to defend the suit has been filed on behalf of the Company contesting the allegations averred against the Company. The grounds raised in the application are, inter alia, the Plaintiff's failure to comply with the mandatory requirements of the Ordinance or to establish that: the Company as its 'customer', there is a cause of action against the Company, the particular finance(s) (as the term is defined in the Ordinance) on which the suit is found as due and payable by the Company, and/or whether any finance facility was actually disbursed to the Company pursuant to the so- called facility letters. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act. The documents attached as supporting documents to the Plaintiff's suit, inter alia the promissory notes and letter(s) of lien/setoff, suggest that certain claims are also time barred under the Ordinance.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Bank Makramah Limited:

The Plaintiff filed a suit for recovery of PKR 547,253,184.24 against the Company under Section 9 of the Ordinance. In addition, the Plaintiff bank also prayed for the Company's assets to be attached for sale to cover the outstanding costs. A separate application under Section 16 of the Ordinance seeking such attachment during the pendency of proceedings was not been filed by the Plaintiff.

In response to the Plaintiff's suit, a leave to defend application under Section 10 of the Ordinance was filed by the Company notwithstanding any prejudice to the Plaintiff's contention that the provisions of the Ordinance are contrary to Article 10-A of the Constitution. In its application, the Company argued that the Plaintiffs suit is not valid and maintainable for the following reasons, for which it is liable to be dismissed: the suit has been instituted without a valid power of attorney, no cause of action has been established against the Company by the Plaintiff, the Plaintiff's assertions that the finance facilities (the term as defined in the Ordinance) were obtained by or recovered from the Company is not supported by any evidence, and the suit fails to comply with the mandatory provisions of the Ordinance.

The suit was withdrawn by order dated 1 January 2024, in terms of an out-of- court settlement reached between the Plaintiff and the Company.

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National Bank of Pakistan:

a) National Bank of Pakistan vs Karachi Hydrocarbon Terminal Limited and another:

A suit of recovery under Section 9 of the Ordinance for PKR 4,019,323,714 along with liquidated damages, cost of funds, charges and costs till realization was instituted by the National Bank of Pakistan in respect of the term finance facility of PKR 4,000,000,000 allegedly extended by the Plaintiff to Karachi Hydro Carbon Terminal Limited (Defendant No.1), a subsidiary of the Company, and the Company as Defendant No. 2 acting as the guarantor in respect of the finance facility.

An application for leave to defend the suit under Section 10 of the Ordinance has been filed on behalf of the Company. The grounds raised therein include inter alia: the Plaintiff's failure to show any cause of action against the Company or comply with the mandatory requirements of the Ordinance, the suit being barred by limitation or otherwise premature with respect to other amounts claimed, absence of true and correct statements of accounts in support of the contention and the Plaintiff's failure to disclose the extension or disbursement of particular finances (the term as defined in the Ordinance) on the basis of which the suit is founded.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

b) Suit no B-47 of 2022:

The Plaintiff has filed a suit under Section 9 of the Ordinance against the Company and its former CEO/ Director, Mr. Mumtaz Hasan Khan (in his personal capacity as a guarantor of the Company's liabilities), for the recovery of PKR 23,669,132,888 against several finance facilities allegedly availed by the Company from the Plaintiff bank. The Plaintiff has prayed for the award of liquidated damages payable by the Company at the rate of; (i) 20% per annum from the due date to the date of recovery pursuant to the Term Finance Agreement dated March 9, 2016; (ii) 1.75% per annum from the due date to the date of recovery pursuant to the Term Finance Agreement dated May 22, 2018; (iii) 2% per annum from the seventh business day of the due date to the date of recovery pursuant to the Term Finance Agreement dated May 21, 2018; and (iv) 2% per annum from the seventh business day of due date to the date of recovery pursuant to the Finance Agreement dated October 18, 2018. Furthermore, the Plaintiff has also prayed for the attachment of the Company's properties including but not limited to all properties attached as security under the finance facilities availed by the Company.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on inter a/o the following grounds: no cause of action has been disclosed by the Plaintiff against the Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Company's alleged liability.

Along with the Plaint, the Plaintiff has filed (i) an application under Order 38 Rule 5 read with Section 151 of the Code of Civil Procedure, 1908 ("CPC") for the attachment of certain immovable properties of the Company (ii) an application under Order 39 Rules 1 and 2 read with Section 151 of the CPC, seeking to restrain the Company from inter alia, selling, transferring, alienating, or mortgaging its property, which the Plaintiff has alleged would cause irreparable loss and gravely prejudice its interests, and (iii) an application under Order 18 Rule 18 read with Section 151 of the CPC, requesting the Court to appoint the Nazir to prepare an inventory of all the assets available at various properties owned by the Company.

Ex parte ad interim orders were passed by the Court on 27 October 2022 directing the parties to maintain status quo.

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The Company has filed its counter-affidavits to each of the above applications denying the averments made by the Plaintiff. It has been highlighted that the necessary ingredients for the grant of the relief being sought have not been met, particularly as the Plaintiff has not alleged any anticipated threat of removal or disposal of the Company's properties.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed.

Bank Alfalah Limited (BAFL)

a) Suit no B-09 of 2022

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance in respect of an amount of PKR 1,130,340,813.09, along with costs, cost of funds, compensatory charges and liquidated damages from the date of default till realization. The Plaintiff has also prayed for the Court to grant a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Company.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Company; the Plaintiff has failed to disclose or appropriately identify the particular finance(s) or finance facility(ies) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to know the case that has to be met by it; and the attached documents do not support the Plaintiff's assertions and fall foul of the disclosure requirements to be strictly met under the Ordinance. It has further been stated that since the statements of accounts attached as annexures in the suit fail to establish any nexus with the alleged facilities in question or any disbursements to the Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'. Additionally, the statements of accounts attached by the Plaintiff are not certified according to the Bankers Evidence Act.

Simultaneously with the suit, the Plaintiff has filed an application under Section 16 of the Ordinance for attachment of the property owned by the Company till the final decision of the recovery suit, thereby seeking to restrain the Company from inter alia, selling, transferring, alienating, or mortgaging its property, which the Plaintiff has alleged would cause irreparable loss and gravely prejudice its interests.

In response to the above application for attachment of properties, a counter-affidavit has been filed on behalf of the Company on the grounds that the application is not maintainable under the Ordinance, as the properties in question have no nexus with the Plaintiff. Notwithstanding this, the Plaintiff has not provided any basis for apprehension of disposal of the properties.

In response to the Company's leave to defend application, the Plaintiff has submitted a replication requesting the Court to dismiss the Company's application for leave to defend.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed; and the Plaintiff will not succeed at the inter partes hearing to attach or otherwise adversely affect the Company's properties. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

b) Suit no B-22 of 2023

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance of an amount of PKR 1,029,360,639.95 along with mark-up and cost of funds, under a Diminishing Musharaka Finance facility allegedly availed by the Company from the Plaintiff bank. The Plaintiff has also prayed for a permanent injunction against the disposal or creation of third-party interests on certain mortgaged and hypothecated properties; and the sale and attachment of specified mortgaged and hypothecated properties of the Company.

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The Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance for inter alio the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Meezan Bank Limited

The Plaintiff has filed a suit under Section 9 of the Ordinance against the Company and its former CEO/ Director, Mr. Mumtaz Hasan Khan (in his personal capacity as a guarantor of the Company's liabilities), for the recovery of PKR 4,580,304,393 against several finance facilities allegedly availed by the Company from the Plaintiff bank. The Plaintiff has also prayed for the attachment of the Company's properties for the settlement of the alleged outstanding amount (a separate application seeking an interim injunction or attachment of the properties has not been filed).

In response, the application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on the grounds, inter alia, that: no cause of action has been disclosed by the Plaintiff against the Company; the Plaintiff has failed to disclose the particulars of the amounts claimed and finance (s) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to know the case that has to be met by it; and the attached documents do not support the Plaintiff's assertions. Since the statement of accounts attached as an annexure in the suit itself fail to establish any nexus with the alleged facilities in question or any disbursements to the Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'. Additionally, the statement of accounts attached by the Plaintiff are not certified according to the Bankers Evidence Act. It has also been highlighted that the Plaintiff has failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder in the suit. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

The parties have entered into the out-of-court settlement and this suit is disposed of accordingly.

Bank Islami Pakistan Limited

The Plaintiff has filed a suit for recovery of PKR 1,867,797,823.80 against the Company under Section 9 of the Ordinance. The Plaintiff has also prayed for a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Company. However, a separate application seeking an interim injunction or attachment of the property has not been filed by the Plaintiff.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Company; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Company's alleged liability. It has also been highlighted that the Plaintiff has failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder in the suit.

It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed.

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Bank of Khyber

The Plaintiff has filed a suit for recovery of PKR 2,307,039,435 against the Company under Section 9 of the Ordinance under a LC finance facility and Running Finance facility allegedly availed by the Company from the Plaintiff bank. The Plaintiff has also prayed for a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Company and a permanent injunction from selling, disposing, alienating or creating third party rights in respect of the hypothecated/charged properties and assets. Additionally, the Plaintiff has also prayed for the payment of cost of funds in terms of Section 3 of the Ordinance from the date of default till the date of realization.

An application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Company so as to allow the Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Company's alleged liability.

The Parties have entered into out of court settlement and the suit is disposed of accordingly.

Dubai Islamic Bank

The Plaintiff has filed a suit for recovery of PKR 1,482,545,295 against the Company under Section 9 of the Ordinance. The Plaintiff has prayed for a permanent injunction from selling, disposing, alienating or creating third party rights in respect of the hypothecated assets and mortgaged properties, as well as for sale of the mortgaged properties and the hypothecated assets and attachment of the Company's bank accounts. Furthermore, the Plaintiff has prayed for the payment of cost of funds in terms of Section 3 of the Ordinance from the date of default till the date of realization.

An application for leave to defend has been filed on behalf of the Company. However, the Plaintiff is yet to file its replication.

In our view, the application for leave to defend filed on behalf of the Company is likely to succeed.

First Women Bank Limited

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance of an amount of PKR 853,540,095.2, along with cost of funds, under a LC finance facility and Running Finance facility allegedly availed by the Company from the Plaintiff bank. The Plaintiff has also prayed for a decree for the recovery of the outstanding amount through the sale of the hypothecated and immovable and other assets of the Company.

The Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance for inter alia the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

The Company's application was filed along with an application for condonation of delay, as the Additional Registrar had incorrectly observed that the leave to defend application was not filed with the prescribed 30 days' period under the Ordinance. The condonation application has been filed on the grounds that notice of the suit was never validly served on the Company under Section 9 (5) of the Ordinance and therefore, the question of limitation does not arise. Even otherwise, the leave to defend application was filed within time for being submitted within 30 days of actual notice of the suit.

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A full inter partes hearing of the Company's condonation application has concluded and orders are reserved by the Court.

The application for condonation of delay has been accepted by the Court. It is our view that the application for leave to defend filed on behalf of the Company are likely to succeed.

Habib Bank Limited

The Plaintiff filed a suit for recovery under Section 9 of the Ordinance in respect of an amount of PKR 5,822,624,391.84, along with future mark-up, cost of funds costs of the Suit, and liquidated damages at the rate of 20% per annum in respect of finance facilities alleged to have been availed by the Company. The Plaintiff also prayed for the Court to grant a decree for recovery of the outstanding amount through the sale of moveable and immoveable assets of the Company.

The Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance inter alia the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

No replication has as yet been filed on behalf of the Plaintiff and therefore the Company's application is yet to be heard. It is our view that the application for leave to defend filed on behalf of the Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

18.2 Commitments

- I The facility for opening letters of credit (LCs) acceptances as at September 30, 2025 amounted to Rs. 23,261 (2024: Rs. 27,994) million of which the amount remaining unutilized as at that date was Rs. 223 (2024: Rs. 76) million.
- II There are no commitments for the purchases from Vitol Bahrain E.C, a party related to the Company.

- III Bank guarantees

- IV Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

Property, plant and equipment

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
765,245	-
207,427	196,864

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

19. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This represents provision for expected credit losses - ECL under IFRS 9.

20. TAXATION

20.1 The income tax returns of the Company have been filed up to tax year 2024 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

20.2 Since tax has been charged under minimum tax provisions therefore, no tax reconciliation is prepared for the year then ended.

20.3 This represents final taxes paid under section 154 of Income Tax Ordinance (ITO, 2001) representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

20.4 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

20.5 This represents current tax as specified under IAS-12 guidance issued by ICAP, after classifying final tax and portion of minimum tax as levy.

21. DISCONTINUED OPERATIONS

The Company initiated a plan to discontinue operations of its LPG plant, in alignment with its strategic objective to exit non-core business segments. Although the plant remained operational as at the reporting date, the discontinuation does not represent a major line of business and therefore has not been classified as a discontinued operation under IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.

The Company intends to lease the plant under a long-term rental arrangement, and related implementation activities are underway. The results of the LPG operations continue to be presented within continuing operations in the statement of profit or loss.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

22. CASH GENERATED FROM / (USED IN) OPERATIONS

Un-audited	Un-audited
September 30	September 30
2025	2024
----- Rupees in '000 -----	

Loss before taxation

(4,752,808)	(6,856,330)
-------------	-------------

Adjustment for:

Depreciation and amortization	2,084,709	1,284,502
Depreciation on right-of-use asset	111,909	216,852
Provision for doubtful debts	19,248	13,199
Exchange loss - unrealized	288,907	80,800
Provision for gratuity	45,743	40,861
Gain on disposal of operating fixed assets	(289,548)	(230)
Gain on termination of lease	(10,362)	-
(Reversal) / provision of advance to supplier	7,856	(1,174)
Writeback of liabilities	(1,528,156)	(767,533)
Markup / profit on bank deposits	(32,258)	(35,764)
Unrealised gain on TFC	(703)	-
Markup charged on lease liability	289,687	306,040
Finance cost	4,671,330	7,404,835
Rescheduling of financing	4,184,499	-
Changes in working capital	4,094,085	2,145,646
	9,184,138	3,831,704

22.1 Changes in working capital

(Increase) / decrease in current assets

Stock-in-trade	15,738,665	3,473,751
Trade debts	730,811	(989,098)
Deposits, prepayments and other receivables	385,239	2,476,408
Advances	26,654	(78,355)
	16,881,369	4,882,706

Decrease in current liabilities

Trade and other payables	(12,787,284)	(2,737,060)
	<u>4,094,085</u>	<u>2,145,646</u>

23. CASH AND CASH EQUIVALENTS

Cash and bank balances	975,921	378,430
Short-term borrowings	(25,912,611)	(33,182,340)
	(24,936,690)	(32,803,910)

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of associated undertakings, directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and staff retirement fund. Significant transactions with related parties, other than those disclosed elsewhere in this unconsolidated statement of financial position, are as follows:

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

24.1 Transactions with related parties

Transactions with related parties				Un-audited	Un-audited
				September 30	September 30
				2025	2024
Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	----- Rupees in '000 -----	
Karachi Hydrocarbon Terminal Ltd	Common directorship	Rendering of services	9.07%	250,251	154,433
Magic River Services Limited	Shareholding	Share of profit	25%	6,465	6,864
Hascol Lubricants (Pvt) Ltd	Shareholding	Sale, purchase and others	100%	6,629	21,081
Vitol Bahrain E.C	Associate of parent company	Procurement	N/A	38,830,312	34,337,616

24.2 Balances with related parties

Balances with related parties				Un-audited	Audited
				September 30	December 31
				2025	2024
Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	----- Rupees in '000 -----	
Magic River Services Limited	Shareholding	Investments	25%	110,000	110,000
Magic River Services Limited	Shareholding	Share of profit	25%	-	979
Hascol Lubricants (Pvt) Ltd	Shareholding	Sale, purchase and others	100%	46,774	38,316
Hascol Lubricants (Pvt) Ltd	Shareholding	Investments	100%	3,150,000	3,150,000
VAS LNG (Private) Limited	Shareholding	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Shareholding	Investments	30%	3,000	3,000
Vitol Bahrain E.C	Associate of parent company	Procurement	N/A	22,532,119	32,664,686
Karachi Hydrocarbon Terminal Ltd	Common directorship	Rendering of services	9.07%	1,535,785	1,580,167

25. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2024 and the corresponding figures in the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances of comparable period as per the condensed interim unconsolidated financial information of the Company for the nine months period ended September 30, 2024.

26. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements have been authorised for issue on **October 29, 2025** by the Board of Directors of the Company.

27. GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Consolidated Financial Information

Nine Months Period Ended September 30, 2025



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HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

		Un-audited September 30 2025	Audited December 31 2024
		Rupees in '000	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	24,217,030	26,082,055
Right-of-use assets	7	2,253,597	2,259,740
Intangible asset	8	2,849	4,707
Long-term investments	9	498,746	469,260
Deferred taxation - net	10	-	-
Long-term deposits		117,280	118,533
Total non-current assets		27,089,502	28,934,295
Current assets			
Stock-in-trade		11,249,207	27,143,335
Trade debts		1,951,548	2,824,364
Advances	11	257,577	292,360
Deposits and prepayments	12	333,471	392,544
Other receivables	13	2,518,997	2,835,103
Accrued mark-up and profit		339	257
Short term investments		100,800	100,097
Cash and bank balances		1,229,402	638,653
Total current assets		17,641,341	34,226,713
TOTAL ASSETS		44,730,843	63,161,008
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(116,894,013)	(113,260,045)
Revaluation surplus on property, plant and equipment - net of tax		15,229,391	16,852,388
Total shareholders' deficit		(91,673,415)	(86,416,450)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	9,455,034	6,922,309
Lease liabilities	15	3,139,678	3,159,428
Deferred liabilities		228,019	294,243
Total non-current liabilities		12,822,731	10,375,980
Current liabilities			
Trade and other payables	16	54,628,432	68,599,678
Unclaimed dividend		356,928	356,928
Taxation - net		1,786,055	1,682,957
Accrued mark-up and profit		31,681,917	29,745,438
Short-term borrowings		25,912,611	31,080,738
Current portion of non-current liabilities	17	9,215,584	7,735,739
Total current liabilities		123,581,527	139,201,478
TOTAL LIABILITIES		136,404,258	149,577,458
TOTAL EQUITY AND LIABILITIES		44,730,843	63,161,008
CONTINGENCIES AND COMMITMENTS	18		

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

Chief Executive Officer

Chief Financial Officer

Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF PROFIT OR LOSS ACCOUNT - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

		Nine months period ended		Three months period ended	
		September 30	Restated September 30	September 30	Restated September 30
		2025	2024	2025	2024
Note		Rupees in '000			
Sales - net		136,370,354	103,724,074	43,419,840	39,353,800
Sales tax		(51,585)	(23,928)	(18,496)	(6,463)
Net sales		136,318,769	103,700,146	43,401,344	39,347,337
Other revenue		336,137	420,045	105,481	261,240
Net revenue		136,654,906	104,120,191	43,506,825	39,608,577
Cost of products sold		(133,407,771)	(101,138,114)	(42,509,714)	(38,201,233)
Gross profit		3,247,135	2,982,077	997,111	1,407,344
Operating expenses					
Distribution and marketing		(3,354,388)	(2,626,083)	(1,123,516)	(922,836)
Administrative		(913,079)	(682,838)	(305,825)	(219,206)
		(4,267,467)	(3,308,921)	(1,429,341)	(1,142,042)
Impairment losses on financial assets	19	(19,248)	(14,373)	(2,153)	(2,117)
Other expenses		(59,949)	(7,198)	(51,193)	(1,400)
Other income		1,933,454	867,737	1,569,933	14,228
Operating profit		833,925	519,322	1,084,357	276,013
Finance cost		(4,961,017)	(7,710,875)	(1,496,806)	(2,644,574)
Exchange (loss) / gain - net		(625,552)	349,439	201,635	(3,123)
Share of profit on associate		36,930	6,865	1,984	2,628
		(5,549,639)	(7,354,571)	(1,293,187)	(2,645,069)
Loss before income tax and levy (final & minimum tax) from continuing operations		(4,715,714)	(6,835,249)	(208,830)	(2,369,056)
Final taxes	20.1	-	-	-	-
Minimum tax differential	20.2	(487,331)	(412,419)	(136,357)	(88,204)
Loss before income tax from continuing operations Income tax		(5,203,045)	(7,247,668)	(345,187)	(2,457,260)
- Current For the period	20.3	-	-	-	-
- Current Prior year		-	-	-	-
- Deferred		-	-	-	-
Loss after tax from continuing operations		(5,203,045)	(7,247,668)	(345,187)	(2,457,260)
Loss before income tax and levy (final & minimum tax) from discontinuing operations	21	(44,578)	(111,316)	(37,760)	(64,411)
Taxation		(9,342)	-	-	-
Loss after tax from discontinuing operations		(53,920)	(111,316)	(37,760)	(64,411)
Loss for the period		(5,256,965)	(7,358,984)	(382,947)	(2,521,671)
Loss per share - basic and diluted (Rupees)					
From Continues Operation		(5.21)	(7.25)	(0.35)	(2.46)
From Dscontinues Operation		(0.05)	(0.11)	(0.04)	(0.06)
Loss per share - basic and diluted (Rupees)		(5.26)	(7.37)	(0.38)	(2.52)

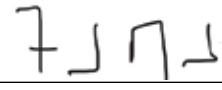
The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Nine months period ended		Three months period ended	
	September 30	Restated September 30	September 30	Restated September 30
	2025	2024	2025	2024
----- Rupees in '000 -----				
Loss for the period	(5,256,965)	(7,358,984)	(382,947)	(2,521,671)
Other comprehensive income / loss for the period	-	-	-	-
Total comprehensive loss for the period	(5,256,965)	(7,358,984)	(382,947)	(2,521,671)

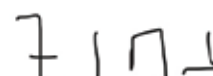
The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Share Capital	Capital reserves Share premium	Revenue reserve Accumulated loss	Surplus on revaluation of property, plant and equipment	Total shareholders' deficit
	Rupees in '000				
Balance as at January 01, 2024 - audited (restated)	9,991,207	4,639,735	(107,317,504)	12,764,115	(79,922,447)
Total comprehensive loss for the period					
Loss for the period (restated)	-	-	(7,358,984)	-	(7,358,984)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive loss for the period (restated)	-	-	(7,358,984)	-	(7,358,984)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	813,324	(813,324)	-
	-	-	(6,545,660)	(813,324)	(7,358,984)
Balance as at September 30, 2024 - unaudited (restated)	9,991,207	4,639,735	(113,863,164)	11,950,791	(87,281,431)
Balance as at January 01, 2025 - audited	9,991,207	4,639,735	(117,899,780)	16,852,388	(86,416,450)
Total comprehensive loss for the period					
Loss for the period	-	-	(5,256,965)	-	(5,256,965)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,256,965)	-	(5,256,965)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	1,622,997	(1,622,997)	-
	-	-	(3,633,968)	(1,622,997)	(5,256,965)
Balance as at September 30, 2025 - unaudited	9,991,207	4,639,735	(121,533,748)	15,229,391	(91,673,415)

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

Chief Executive Officer

Chief Financial Officer

Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF CASH FLOWS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

		September 30 2025	Restated September 30 2024
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	7,896,123	4,486,990
Finance cost paid		(1,206,695)	(1,845,230)
Taxes paid		(393,575)	(70,854)
Gratuity paid		(12,824)	(207)
Net cash generated from operating activities		6,283,029	2,570,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred Operating Fixed Assets		(350,666)	(50,042)
Proceeds from disposal of property, plant and equipment		361,427	230
Profit / mark up received on bank deposits and TFC		33,159	42,190
Investment redeemed during the year		7,444	6,666
Long term deposit repaid - net		1,253	566
Net cash generated from / (used in) investing activities		52,617	(390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid		(369,524)	(547,856)
Long-term finance paid		(207,246)	-
Net cash used in financing activities		(576,770)	(433,623)
Net increase in cash and cash equivalents		5,758,876	2,022,453
Cash and cash equivalents at beginning of the period		(30,442,085)	(34,728,025)
Cash and cash equivalents at end of the period	23	(24,683,209)	(32,705,572)

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



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Name of the Company	Status in the Group	Percentage of holding
Hascol Petroleum Limited	Holding Company	-
Hascol Lubricants (Private) Limited	Subsidiary Company	100%
Hascombe Lubricants (Private) Limited	Subsidiary Company	100%

Hascol Petroleum Limited

Hascol Petroleum Limited (the Holding Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi. The Holding Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Holding Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.

Hascol Lubricants (Private) Limited

Hascol Lubricants (Private) Limited (the Subsidiary Company) was incorporated on January 31, 2017 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at "The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi." The Company is formed to carry on the business of blending and producing of lubricating oils, greases and other petroleum products. The company is a wholly owned subsidiary of Hascol Petroleum Limited.

Hascombe Lubricants (Private) Limited

Hascombe Lubricants (Private) Limited (the Subsidiary Company) was incorporated on December 27, 2001 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi. Principal activity of the Subsidiary Company was marketing and selling imported and locally produced automobile and industrial lubricants. The company is a wholly owned subsidiary of Hascol Petroleum Limited. The Subsidiary Company has ceased to be as a going concern and therefore the financial statements of the Subsidiary Company has not been prepared on a going concern basis.

During the current period, the Group incurred a net loss of Rs. 5.26 billion (2024: Rs. 7.36 billion), resulting in net shareholders deficit of Rs. 91.67 billion (2024: Rs. 86.42 billion) as of the consolidated statement of financial position date. Further, as of that date the current liabilities of the Group exceeded its current assets by Rs. 105.94 billion (2024: Rs. 104.97 billion) and has defaulted in majority of its outstanding loans with banks. These conditions may cast significant doubt on the Group's ability to continue as a going concern. However, in order to ensure the Group's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

- a) The Board of Directors of Group have carried out a detailed review of the profitability and cashflow forecast of the company for the twelve months following the date of balance, at the date of approval of these financial statements.
- b) The inflow from the IFEM pool in 2024 and the assurance of supply continuity was taken into account by the board to arrive at a conclusion that the company will continue to operate as a going concern and there are no current plans to file for liquidation for at least one year (12 months) from the date of the statement of financial position being authorised for issue.
- c) Except for, where a regulatory action from government department or proceedings of liquidation from a creditor(s) are initiated, wherein, the banking accounts of the Company are attached and / or seized by the relevant action of the regulator or creditor. In such case, the Company may face disruptions in its operations and may come to a halt of business operations thus challenging the going concern of the Group.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Group for the Nine month period ended September 30, 2025 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed. These condensed interim consolidated financial statements are being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2024.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Group for the year ended December 31, 2024.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of these condensed interim consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2024.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2024.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

		Un-audited September 30 2025	Audited December 31 2024
		Rupees in '000	
6. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets		21,812,867	23,720,426
Capital work-in-progress	6.3	2,404,163	2,361,629
		24,217,030	26,082,055

6.1 Movement during the period / year is as follows:

Balance at beginning of the year	2,361,629	2,361,629
Additions during the period / year	350,670	87,924
Transfers during the period / year	(308,136)	(87,924)
	2,404,163	2,361,629

6.2 The following assets were disposed off during the period / year:

	Cost	Accumulated depreciation	Net book value
	Rupees in '000		
September 30, 2025 (un-audited)	305,461	238,588	66,873
December 31, 2024 (audited)	37,243	20,809	16,434

	Un-audited September 30 2025	Audited December 31 2024
	Rupees in '000	
6.3 Capital work-in-progress		
Buildings	336,568	294,575
Machinery, tanks and pumps	1,891,616	1,891,075
Retail sites	15,420	15,420
Furniture, office equipment and other assets	22,221	22,221
Borrowing cost capitalized	138,338	138,338
	2,404,163	2,361,629

7. RIGHT-OF-USE ASSETS

Storage facility	77,453	81,540
Pumpsites	2,175,473	2,177,335
Offices	671	865
	2,253,597	2,259,740

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

7.1 Movement in right of use assets during the period/year is as follows:

	Un-audited September 30 2025	Audited December 31 2024
Note	Rupees in '000	
Balance at beginning of the year	2,259,740	2,599,349
Additions during the period/year	130,068	16,583
Disposals/terminations during the period/year	(24,303)	(113,339)
Depreciation charged during the period/year	(111,909)	(242,853)
Balance at the end of the period/year	2,253,597	2,259,740

8. INTANGIBLE ASSET

Computer software

Net book value at beginning of the year	4,707	7,184
Amortization charge for the period/year	(1,858)	(2,477)
Net book value at the end of the period / year	2,849	4,707
Net book value		
Cost	21,948	21,948
Accumulated amortization	(19,099)	(17,241)
Net book value	2,849	4,707
Rate of amortization - %	33.33	33.33

9. LONG-TERM INVESTMENTS

Investment in associate - at cost

VAS LNG (Private) Limited	9.1	-	-
Magic River Services Limited	9.2	110,991	110,979
Karachi Hydrocarbon Terminal Limited	9.3	385,255	-

Other Investment - unquoted

Karachi Hydrocarbon Terminal Limited	9.3	-	355,781
		496,246	466,760

Advance against purchase of shares - with related parties

Karachi Hydrocarbon Terminal Limited		2,500	2,500
		498,746	469,260

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

- 9.1** Summarized aggregated financial information of the Holding Company's share in VAS LNG (Private) Limited is as follows:

	Un-audited September 30 2025	Audited December 31 2024
----- Rupees in '000 -----		
Total accumulated losses	5,107	5,107
Total assets	6,317	6,317
Total liabilities	(5,294)	(5,294)
Advance against issue of shares	(1,023)	(1,023)
% share in net assets	30%	30%
Total amount of net assets	-	-

- 9.2** Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.

	Un-audited September 30 2025	Audited December 31 2024
----- Rupees in '000 -----		
Balance at the beginning of the year	110,979	110,722
Share of profit for the period / year	7,456	9,599
Profit received during the period / year	(7,444)	(9,342)
Balance at the end of the period / year	110,991	110,979

- 9.3** Group Company holds an investment of 41.25 million (2024 41.25 million) fully paid ordinary shares of Rs. 10 per share in Karachi Hydrocarbon Terminals Limited (KHTL), representing 9.07% (2024 9.07%) equity stake. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.

	Un-audited September 30 2025	Audited December 31 2024
----- Rupees in '000 -----		
Balance at the beginning of the year	355,781	399,890
Share of profit/(loss) for the period/ year	29,474	(44,109)
Balance at the end of the period/ year	385,255	355,781

- 9.3.1** Summarized aggregated financial information of the Holding Company's share in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) is as follows:

	Un-audited September 30 2025	Audited December 31 2024
----- Rupees in '000 -----		
Total assets	9,047,224	8,828,790
Total liabilities	(4,795,242)	(4,901,921)
Advance against issue of shares	(2,500)	(2,500)
% share in net assets	4,249,482	3,924,369
Total amount of net assets	9.07%	9.07%
	385,255	355,781

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

10. DEFERRED TAXATION - NET

This comprises the following:

Taxable temporary difference arising in respect of:

Revaluation of operating fixed assets

Deductible temporary difference arising in respect of:

Long term investment

Capital work in progress

Liabilities against right-of-use assets

Exchange loss

Provision for:

- retirement benefit

- ECL on trade debts

- short term investments - TFCs

- ECL on long term deposits

- against stock

- suppliers and services advance

- IFEM, RD and PDC

Accelerated depreciation

Normal tax loss

Unrecognized deferred tax asset

Note

10.1

Un-audited	Audited
September 30	December 31
2025	2024
Rupees in '000	
(3,306,828)	(3,772,859)
351,439	351,439
582,631	594,815
946,265	941,502
83,783	56,347
60,513	47,235
2,922,240	2,806,357
1,218	1,421
14	14
35,876	35,876
904,641	902,363
695,664	695,664
539,083	354,661
17,594,509	20,224,554
21,411,048	23,239,389
(21,411,048)	(23,239,389)
-	-

10.1 Deferred tax asset of Rs. 21,411 million (2024: Rs. 23,239 million) has not been recognized in these condensed interim consolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.

11. ADVANCES - considered good, unsecured

To employees

- against expenses

- against salaries

Supplier & Service provider

Provision for Supplier & Services Advance

Un-audited	Audited
September 30	December 31
2025	2024
Rupees in '000	
20,299	18,961
23,028	31,070
3,333,702	3,353,925
(3,119,452)	(3,111,596)
257,577	292,360

12. DEPOSITS AND PREPAYMENTS

Deposits

- current portion of lease deposits

- other deposits

Prepayments

- Insurance and others

- Rent

128,637	128,637
141,605	198,607
270,242	327,244
30,137	30,495
33,092	34,805
63,229	65,300
333,471	392,544

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

13. OTHER RECEIVABLES

		Un-audited	Audited
		September 30	December 31
		2025	2024
	Note	Rupees in '000	
Inland freight equalization margin ("IFEM") receivable		3,219,216	3,648,680
Miscellaneous receivables		53,325	12,915
Receivable against regulatory duty ("RD")		25,533	25,533
Sales tax refundable		1,612,145	1,539,197
Price differential claims ("PDC")	13.1	7,618	7,618
Provisioning of IFEM, RD and PDC	13.2	(2,398,840)	(2,398,840)
		2,518,997	2,835,103

13.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Group together with other oil marketing companies is actively perusing the matter with the concerned authorities for the early settlement of above claim. The Group considers that the balance amount will be reimbursed by GoP in due course of time.

13.2 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM). Based on management's estimate of the recoverable amount in line with Audit Terms of Reference for fiscal years 2021 to 2023.

The Holding Company including other OMCs, have filed a Petition No. 1397/2025 before the Islamabad High Court challenging the retrospective disallowance of freight cost reimbursements under the IFEM mechanism. The dispute arose following the issuance of Audit Terms of Reference by OGRA for the fiscal years 2021 to 2023, which denied complete reimbursement for transportation costs in cases where OMCs did not meet the specified input targets for the Pipeline.

The petitioners have requested the Court to direct OGRA to revise the Audit Terms of Reference, permit recognition of actual transportation costs. They have also sought a stay on any adverse regulatory actions until the matter is resolved, OGRA has submitted its response. The case is currently pending adjudication. The outcome may impact the recoverability and classification of IFEM-related receivables or provision.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

14. LONG TERM FINANCING - secured

Borrowing from conventional banks
Borrowing from non banking financial institutions
Sukuk certificates

Current portion of long term financing

Borrowing from conventional banks
Borrowing from non banking financial institutions
Sukuk certificates

Non-current portion of long term financing

Note

Un-audited	Audited
September 30	December 31
2025	2024

----- Rupees in '000 -----

17,954,455	13,977,202
92,857	92,857
500,000	500,000
18,547,312	14,570,059
(8,499,421)	(7,054,893)
(92,857)	(92,857)
(500,000)	(500,000)
(9,092,278)	(7,647,750)
9,455,034	6,922,309

15. LEASE LIABILITIES

Lease liability against right of use asset

15.1

3,139,678	3,159,428
-----------	-----------

15.1 Lease liability against right of use asset

Present value of future minimum lease payments
Current portion

Non-current portion

3,262,984	3,247,417
(123,306)	(87,989)
3,139,678	3,159,428

16. TRADE AND OTHER PAYABLES

Trade creditors
Payable to cartage contractors
Advance from customers - unsecured
Dealers' and customers' security deposits
Other liabilities

32,433,101	43,873,007
1,599,094	3,139,059
311,631	497,688
709,945	721,797
19,574,662	20,368,127
54,628,432	68,599,678

17. CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term financing
Current portion of lease liability of right of use assets

14

15.1

9,092,278	7,647,750
123,306	87,989
9,215,584	7,735,739

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

18. CONTINGENCIES AND COMMITMENTS

18.1 CONTINGENCIES

18.1.1 Non-banking contingencies

Workers participation fund:

C.P. No.D-209 of 2019 has been filed by the Holding Company against giving retrospective effects to Sindh Companies Profits Workers Participation Act, 2015 and the Department's demand for payment of workers participation fund for the period from 2011 to 2017 vide Show Cause Notice dated 26th May 2018.

This petition is pending before the Honorable High Court of Sindh at Karachi. The Holding Company seems to have good arguable case.

Income tax assessments/audit proceedings:

Tax year 2022:

The return of Income for tax year 2022 for period ending 31st December, 2021 has been filed with Turnover Tax based upon notified margin of the Petroleum Products, reported deviation in Taxation Base.

The Additional Commissioner (ACIR), Karachi has issued Notice to amend assessment 122(9) read with section 122(5A) of the I.T Ordinance, 2001 on various issues including minimum tax on total turnover, CP No. 5109 of 2023 filed before Sindh High Court (SHC). the Holding Company has requested ACIR to keep the proceeding-initiated u/s 122(9) read with Section 122(5A) of the Income Tax Ordinance, 2001 till the decision of Sindh High Court (SHC).

Tax year 2021:

The return of Income for tax year 2021 for period ending 31st December, 2020 has been filed with turnover tax based upon total receipts received against sale of petroleum products, declaring loss at Rs. 15,958,089,784 paying minimum tax at Rs. 620,929,778.

The case of the Holding Company for tax year 2021 has not been selected for audit u/s 177, however the ADCIR has initiated assessment proceeding by issuing show-cause notice u/s 122(9) read with 122(5A) of the Ordinance but no adverse order has been passed. Thus, the deemed assessment u/s 120 for the tax year 2021 stands in the field. Furthermore, the company has applied for permission to revise tax return for filing revised tax return to claim that minimum tax u/s 113 is not payable in the year as there is gross trading loss declared in the accounts. The permission to file revised tax return has not been granted by the Commissioner Inland Revenue and the issue is open for contest by the Holding Company.

Tax year 2020:

The return for tax year 2020 was filed declaring loss at Rs. 24,776,601,250 paying minimum tax at Rs. 1,052,082,635 and claiming refund of Rs. 330,373,657.

The return of the Holding Company for tax year 2020 has been selected for audit u/s 177 and audit proceedings are open. However, the Holding Company has challenged the audit notice u/s 177 before the learned High Court which has granted interim stay against the audit notice u/s 177.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Thus, the audit proceedings are suspended and, so far, the return filed is the deemed assessment order u/s 120 which remains in the field for tax year 2020. There is no tax demand created in the tax year u/s 122(5A). Furthermore, the Holding Company has applied for permission to revise tax return for filing revised tax return to claim that minimum tax u/s 113 is not payable in the year as there is gross trading loss declared in the year as per accounts. The permission to file revised tax return has not been granted by the Commissioner Inland Revenue and the issue is open for contest by the Holding Company. The tax imposed u/s 161 for alleged default in tax withholding was not upheld in appeal by the Commissioner Appeal in the Order passed u/s 129 dated 14 July 2023.

Tax year 2019:

The return filed for tax year 2019 has been selected for audit under section 177 of income tax ordinance. The order after completion of audit proceedings under section 177 has been passed by the DCIR under section 122(1)/(5) imposing tax demand of Rs. 645,750,113.

Against this order imposing tax, appeal has been filed with the Commissioner Appeal, decision vide Appeal Order No. 1000000155283732 dated 12-07-2023, mostly in favor of Company except the issue relating to Minimum Tax.

Commissioner IR, Zone III, LTO, Karachi has referred appeal before the ATIR against the Order, which is pending before Tribunal for hearing. There is no tax demand outstanding on account of order u/s 122(5A).

Tax year 2018:

In tax year 2018, the return was not selected for audit but notice under section 122(9) was issued and order under section 122(5A) was passed. In the order, under section 122(5A) minimum tax under section 113 was imposed by including Petroleum Levy of Rs. 21,768,506,000 in the turnover, Exchange loss of Rs. 307,682,807/- on import was disallowed, commission amount of Rs. 227,932,000 was disallowed for not withholding @ 20% under section 156, disallowing of Tax Credit for Enlistment on Stock Exchange claimed under section 65C Rs. 58,771,214/-, taxing franchise fee Rs. 35,210,000 and not allowing refund adjustment of Rs. 85,136,781.

Against this order under section 122(5A), an appeal was filed before Commissioner (Appeals). In the appeal order the Commissioner (Appeals) accepted the Holding Company's appeal on the point of minimum tax u/s 113 on account of petroleum levy and as well in respect of disallowance of Commission and partly on the other points.

The Holding Company has filed an appeal on the points the Holding Company's appeal was not accepted by the Commissioner (Appeals) which is pending before the Appellate Tribunal Inland Revenue. Therefore, no tax demand is outstanding.

The department has further initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Holding Company before Sindh High Court (SHC) and SHC has suspended the audit proceeding through interim order.

Tax year 2017:

ACIR passed assessment order dated February 24, 2018 under section 122(5A) of the Ordinance creating additional tax demand of Rs. 231,680,958.

Appeal was filed before the CIRA against the aforesaid assessment order who vide appellate order dated October 29, 2018 decided one issue in favour of the Holding Company whilst other issues were decided in favour of the Department.

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Appeal has been filed by the Holding Company before the Appellate Tribunal Inland Revenue (ATIR) against CIRA's order on the points on which appeal was not accepted and the appeal is pending for hearing.

The department has initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Holding Company before SHC and SHC has suspended the audit proceeding through interim order.

Tax year 2016:

The return of income for tax year 2016 was not selected for audit but notice under section 122(9) was issued and order under section 122(5A) was passed in which only expenses (sales promotion/royalty) and others have been disallowed against which appeal was filed before the Commissioner Appeals and in the appeal order, addition of sales promotion expense of Rs. 142,066,3100 was deleted and there was part set aside on other points.

The department has initiated audit proceedings under section 177 of the Ordinance which has been challenged by the Holding Company before Sindh High Court which has suspended the audit proceeding through interim order.

Tax year 2015:

The case was selected for audit and order was passed under section 122(1)/(5) for tax year 2015 in which income has been assessed at Rs. 1,003,956,567 after making the additions of Sales promotion expenses disallowed Rs. 191,639,000/- as well as disallowing first year allowance claimed under section 23A.

In the order minimum tax of Rs. 392,096,071/- plus super tax of Rs. 25,942,290/- has been imposed but minimum tax credit of Rs. 60,790,404/- has been carried forward for adjustment against normal tax in subsequent years against the order under section 122(1) imposing tax for tax year 2015.

Appeal was filed which was decided by the Commissioner Appeal in which the addition of Rs. 191,639,000/- was remanded back and Thus, this order was in part set aside.

Tax Year 2014, 2013, 2011 and 2010:

DCIR initiated proceedings for amendment of assessment under section 122 (1)(5) of the Ordinance for the above tax years which were closed through order dated June 29, 2016, June 30, 2016 and July 18, 2016, respectively creating additional tax demand of Rs. 13,141,481 for tax year 2010, Rs. 5,292,546 for tax year 2011, Rs. 24,184,624 for tax year 2013 and Rs. 126,017,974 for tax year 2014.

Appeal were filed by the Holding Company before CIRA against the aforesaid assessment orders which were decided through combined appellate order dated November 22, 2018 whereby all the additions made by the DCIR were confirmed.

Appeals have been filed by the Holding Company against CIRA's aforesaid order before ATIR which is pending for hearing.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Direct tax - Monitoring proceedings:

Tax Year 2021:

Tax Monitoring proceedings were initiated by the DCIR and order was passed under section 161 imposing tax for assumed default in tax withholding from payments under various heads in tax year 2021.

No Order passed has been passed.

Tax Year 2020:

Tax Monitoring proceedings were initiated by the DCIR and order was passed under section 161 imposing tax for assumed default in tax withholding from payments under various heads in tax year 2020.

Against the order passed by the Deputy Commissioner Inland Revenue Audit under section 161(1) of the Income Tax Ordinance, 2001 dated 20-07-2022 for tax year 2020, an Appeal filed against the order. Case was remanded back by CIR (Appeals) to DCIR vide Appeal Order No. 100000155444670 dated 14-Jul-2023.

DCIR has repeated the same Order without providing opportunity of being heard. Appeal has been referred before CIR (Appeals) by M/S. OSMANI & AFZAL ASSOCIATES which is pending for hearing.

Tax Year 2019:

Monitoring proceedings under section 161(1A) of the Ordinance has been re-initiated by the DCIR on January 21, 2022 and subsequently order dated February 28, 2022 has passed under section 161/205 of the ordinance.

Appeal was filed by the Holding Company against the aforesaid order before the CIRA and heard on April 2022. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company. In the appeal order u/s 129 dated 14.07.2023 the tax imposed was not confirmed and there was part set aside. Against the Commissioner Appeal's order, the Holding Company has filed appeal before the ATIR which is pending for hearing.

Tax Year 2018:

Monitoring proceedings under section 161(1A) of the Ordinance had been initiated by the DCIR on January 10, 2019. All requisite details and information had been submitted; however, order has been passed u/s 161 against which appeal has been filed with Commissioner Appeal which is pending for hearing.

Tax Year 2015:

Monitoring proceedings were initiated by the DCIR and subsequently order dated May 26, 2016 was passed under section 161/205 of the Ordinance.

Appeal was filed by the Holding Company against the aforesaid order before the CIRA who remanded back the issues to the DCIR for re-adjudication because of non-provision of opportunity of hearing whilst at the same time accepted the Holding Company's stance on all the issues on merit. No appeal effect proceeding has been initiated.

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Tax Year 2014:

Monitoring proceedings were initiated by the DCIR and subsequently order dated June 26, 2016 was passed under section 161/205/182 of the Ordinance.

Appeal was filed by the Holding Company against the aforesaid order before the CIRA who deleted the tax imposed, of Rs. 6,539,880 on account of Sales Discount and of Rs. 1,181,661 on account of Purchases, by the DCIR and confirmed the tax imposed of Rs. 45,600 on account of Legal & Professional, Rs. 111,600 on account of Entertainment, Rs. 332,994 on account of Services and Rs. 141,062 on account of Supplies.

Appeal has been filed by the Holding Company against CIRA's aforesaid order before ATIR which is pending for hearing.

Indirect tax:

Against the Sales Tax Order in Original No 02/42/2016 dated 29/06/2016 for the period January 2012 to December 2013 imposing tax on the bunkering oil supply at zero rating / not withholding sales tax and other appeal was filed and Commissioner Appeal vide his order in appeal dated 18/10/2016 set aside the ONO. Against the set aside order of the Commissioner Appeal, the appeal has been filed with ATIR, Case remanded back to DCIR Vide Appeal Order No. 3049 dated 07-08-2023, there is no tax demand in the field.

Against the department's order in which Company appeal is not accepted by CIRA, the Holding Company has filed various appeals before the Appellate Tribunal against orders passed by the Commissioner Appeals. These appeals are mostly against remanding back of the matter relating to taxability on bunkering activity for the 12-month tax periods ended December 2014, December 2015, December 2016 and December 2017. These appeals are filed by M/s. Grant Thornton on behalf of the Holding Company. No Further Proceeding till the finalization of pending appeal before ATIR for the Period January 2012 to December 2012.

The Holding Company has filed appeal against the order reference 01 of 2020 dated September 30, 2020 and order reference 02 of 2020 dated September 30, 2020 passed by Deputy Commissioner Inland Revenue relating to late filing of sales tax returns for the tax periods April 2020 to June 2020 and July 2020 imposing penalty and default surcharge amounting to Rs. 14 million and Rs. 52.5 million respectively. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company further contested by M/S. OSMANI & AFZAL ASSOCIATES. Both Orders were annulled by the Commissioner Appeals. Department has filed appeal against the Appeal Order before ATIR. No hearing till to date.

An appeal has been filed against the order reference 011/121/2021 dated October 15, 2021 passed by Deputy Commissioner Inland Revenue relating to claiming input tax twice in the respective Federal sales tax returns for the tax periods April 2018, July 2018, October 2019, December 2019, November 2020, December 2020 and January 2021 amounting to Rs. 37,115,654 along with imposing penalty of Rs. 1,855,783 and default surcharge (to be calculated) respectively on claiming of the input tax twice in respective sales tax return. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company and further contested by M/S. OSMANI & AFZAL ASSOCIATES. Case Annulled by CIR Appeals II, Karachi with decision of no default & penalty imposed. Department filed appeal before the Appellate Tribunal.

In 2023, DCIR passed Order No. 20/30/2023 dated 08-06-2023 against show cause notice No. 3621 dated 04-04-2023 for alleged inadmissible Input Sales Tax Claim. An appeal No. 29/A-1/LTO/2023/92 dated 15-09-2023 has been filed against the order amounting to Rs. 57,606,366 along with imposing penalty and default surcharge. Appeal is filed by M/s. OSMANI & AFZAL ASSOCIATES on behalf of the Holding Company. Case Annulled by CIR Appeals I, Karachi and remanded back to DCIR. No Order has been passed till now.

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Sindh Revenue Board

a) Period 2013-2019:

One combined Order No. 1139 of 2022 dated 23rd May 2022 u/s 23/47 of the Sindh Sales Tax on Services Act, 2011 has been passed by the Assistant Commissioner in the case of the Holding Company for the 7 years period January 2013 to December 2019.

By this SRB Order no. 1139 Of 2022 dated May 23, 2022, the officer has alleged that the Holding Company has not made payment of the sales tax pertaining to Royalty Fee, Franchise Fee and Joining fee for the tax periods January 2013 to December 2019.

Against this SRB order imposing tax, an appeal has been filed before Commissioner Appeals, SRB which is under hearing.

b) Other SRB Appeals:

The Holding Company is contesting before the Commissioner Appeals SRB the order no 321 of 2021 dated July 02, 2021 amounting Rs. 134,137,132 passed by Assistant Commissioner Sindh Revenue Board primarily imposing liability of withheld Sindh sales tax not deposited by the Holding Company into Sindh government treasury on oil transportation services acquired from specified vendors for the tax periods January 2018 to October 2020. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

The Holding Company is contesting before the Commissioner Appeals SRB, the imposition of the alleged differential principal withheld sales tax amount liability of Rs. 472,422 pertaining to the oil transportation services received from specified vendors in the tax period November 2020 through the Order no 322 of 2021 dated July 13, 2021 passed by Assistant Commissioner — Sindh Revenue Board. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES further contested by M/S. OSMANI & AFZAL ASSOCIATES. Order in Appeal No. 66/2023 dated 06-03-2023 passed with tax liability of balance principal amount of Rs. 472,422 which is paid accordingly whereas the penalty of Rs. 50,000 & default surcharge at Rs. 1,304,286 are unpaid till to date.

The Holding Company is contesting before the Commissioner Appeals SRB, the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 33,662,070/- pertaining to providing Business Support Service to Karachi Hydrocarbon Terminal Limited and Hascol Lubricants (Private) Limited in the tax periods January 2017 to December 2019 through the Order no 808 of 2021 dated November 26, 2021, passed by Assistant Commissioner — Sindh Revenue Board. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

Punjab Revenue Authority

a) The Holding Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 989,229,120/- pertaining to expenditure incurred under the head of Capital Work in Progress in the tax periods January 2017 to December 2018 through the Order no 19 of 2020 dated 30-01-2020, passed by Additional Commissioner — Punjab Revenue Authority. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company.

HASCOL PETROLEUM LIMITED

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b) The Holding Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 108,199,360/- pertaining to Distribution, Selling & Administration Expenses in the tax periods January 2017 to December 2017 through the Order no 15 of 2020 dated 30-12-2019, passed by Additional Commissioner — Punjab Revenue Authority. This appeal is filed by M/s. Grant Thornton on behalf of the Holding Company.

c) The Holding Company contested before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 12,066,400/- pertaining to Business Support Services in the tax periods January 2017 to December 2018 through the Order no 16 of 2019 dated 30-12-2019, passed by Additional Commissioner — Punjab Revenue Authority. This appeal under section 63 of the PSTS'12 was filed by M/s. Grant Thornton on behalf of the Holding Company. Original Order was upheld by the Commissioner Appeal, Punjab Revenue Authority vide Appeal Order No. 72/2020 dated 17-03-2021 which was received much later in Year 2022. The Appeal is being prepared along with Condonation Application to prefer before the Appellate Tribunal under section 66 of the Punjab Sales Tax on Services Act, 2012.

d) The Holding Company is contesting before the Commissioner Appeals PRA, Lahore the imposition of the alleged principal amount of sales tax liability to the tune of Rs. 86,219,882/- pertaining to Withholding of Sales Tax on Services on Carriage of Petroleum under the Punjab Sales Tax Special Procedure (Transportation or Carriage of Petroleum through Oil Tankers) Rules, 2020 for the tax periods May-2021 to April-2023 through the Order no Eng-V/U-21/07 dated 06-12-2023, passed by Additional Commissioner — Punjab Revenue Authority. Appeal to be filed.

Baluchistan Revenue Authority:

The Holding Company is paying Principal amount of sales tax withholding liability to the tune of Rs. 72,203,862/- on piece meal basis against the Order No. 04/2024 dated 07-11-2023 pertaining to sales tax withholding on Carriage Contractors for the tax periods January 2018 to December 2022, passed by Additional Commissioner — Baluchistan Revenue Authority.

Shams Lubricants Pvt Ltd:

The Holding Company has rented out storage facility in Amangarh, Noshehra KPK from Shams Lubricants and terminated the Lease Agreement on 31-08-2020 after incident of the fire. The Holding Company had handed over few cheques of advance to Shams Lubricants, which are dishonored by Shams Lubricants. Shams Lubricants filed the instant suit in Karachi on the basis of these dishonored cheques and demanding the rent for one year as per termination clause of the lease agreement which stipulated that either party can terminate the lease agreement by serving one-year prior notice to the other party. The instant suit filed by Shams Lubricants was dismissed on 05.08.2024 for non-prosecution.

HPL terminated its oil storage agreement with the landlord Al Shamas Lubricants for the oil storage at Amangarh on 31.08.2020, valuable assets of HPL laying at the demised premises and Landlord has leased out the site to one OMC and started damaging company's owned storage facilities, HPL has filed a suit for Declaration, recovery of damages, permanent and mandatory injunctions against these two parties.

Shams Lubricants has also filed a suit for recovery of damages PKR 788,827,725/- on different accounts at district Nowshehra, same suit is pending for the evidence of the Plaintiff. The Holding Company is vigorously contesting the case and a favorable order may be expected.

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Cantonment Board vs The Holding Company

a) Chaklala Cantonment Board:

This is the Intra Court Appeal filed by the Chaklala Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Holding Company's account is Rs. 1,317,024/- which amount is being claimed as taxes for advertisements within cantonment areas. The Holding Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

This is the Intra Court Appeal filed by the Chaklala Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Holding Company's account is Rs. 1,836,786/- which amount is being claimed as taxes for advertisements within cantonment areas. The Holding Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

b) Rawalpindi Cantonment Board:

(This is the Intra Court Appeal filed by the Rawalpindi Cantonment Board in which they have challenged the judgment dated 09.03.2020 passed by Mr. Shamas Mehmood Mirza, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

The ICA is pending before Division Bench of Honorable Lahore High Court, Rawalpindi Bench. The date of the ICA is 11.10.2023 on which the case is adjourned for arguments and next date of hearing has not been fixed till now.

The financial implication of the litigation on the Holding Company's account is Rs. 1,050,120/- which amount is being claimed as taxes for advertisements within cantonment areas. The Holding Company is vigorously pursuing this appeal and, in our view, has a strong defense and is likely to succeed in this matter.

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The Holding Company vs Federation of Pakistan & Others:

Suit no 1980 of 2021:

Office of Auditor General of Pakistan, on institution of MOEP, initiated audit of all OMCs including the Holding Company and issued notices in this regard. Such audit, conducted by AGP is illegal and without any authority, hence challenged by the Holding Company before Court of Law.

Court vide its order dated 13.09.2021 restrained AGP for taking any coercive action against the Holding Company in pursuance of impugned notices and not to finalize or publish any report or if any report / proceeding have been prepared / initiated against the Holding Company in pursuant of the impugned notices, no further steps shall be taken against the Holding Company.

In respect of the likelihood of an unfavorable outcome, we are of the view that it is not easy to predict the outcome of a contested litigation, however it appears that the probability of such an outcome is quite less.

The Holding Company vs Federation of Pakistan and Commissioner Inland Revenue:

The Holding Company filed the said petition bearing C.P. D-6503/2019 being aggrieved by the actions of the Respondent (Inland Revenue) in selection of case for audit under Section 25 of the Sales Tax Act, 1990 for tax period January 2018 to December 2018.

The Holding Company has argued that section 25(2) states that an audit is to take place only once in every three years and an audit had already been called in 2017, and hence the recalling of the same is unlawful and *ultra vires*.

In this case stay in operating till date with next hearing date and there is a strong likelihood of winning this case.

M/s Malik Enterprises (Pvt.) Limited:

M/s Malik Enterprises (Pvt.) Limited (herein after referred as "Client") is in receipt of notice dated 22.01.2024 from Officer Commanding, PAF Base, Faisal where by after due reconciliation of accounts our client has been directed to deposit arrears of rent (the "demised premises"), failing which the principal Lease Agreement dated 12.2.2014, granting leasehold proprietary rights of the demised premises to the client, shall be deemed to be terminated on account of default and the demised premises shall stand vacated from our possession.

As per clause 2.4 of the License Agreement between the client, the Holding Company is under an obligation to make payment of license fee/ rental payment per month in advance. However, the Holding Company have failed to tender such fee/ rent for three months i.e. November 2023, December 2023 and January 2024, accumulating to PKR 4,685,775/- (Rupees Four Million Six Hundred Eighty-Five Thousand Seven Hundred and Seventy-Five). In order to avoid default and subsequent eviction from the premises the client has made payment to the Principal Lessor amounting to PKR 5,285,775/- which includes clients share of PKR 600,000/- for the period of three months however, Company have failed to reimburse the client its own share accumulating to PKR 4,685,775/-.

The Holding Company is obliged to make payment of the due rental amount. Failure of which the Client will reinstitute eviction proceedings through rent case No. 17 of 2022 before the court of competent jurisdiction against the Licensee along with recovery of arrears at your sole risk and cost. This case is dismissed being withdrawn on account of settlement between the parties.

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Federation of Pakistan and others vs The Holding Company:

a) Suit no 1008 of 2018 & Suit No. 1745 of 2025:

This is a suit filed by the Holding Company for declaration and permanent injunction in the High Court of Sindh. the Holding Company assailed the letter dated 08.05.2018 issued by the Oil & Gas Regulatory Authority to the Holding Company together with its enclosure being the letter dated 05.03.2018 of the Ministry of Energy directing it to immediately stop operation / activity being carried out at the storage terminal at plot # 43, Oil Installation Area, Keamari-Karachi on the pretext that the newly constructed storage terminals are being operated without NOC from Ministry of Defence. The Court dismissed the stay application vide order dated 01.04.2019 against which the Holding Company has filed High Court Appeal and the suit will not proceed during the pendency of appeal. However, the Appeal has been disposed of as withdrawn on 27.02.2025. Now, the matter is fixed on 28.10.2025 for issues.

b) High Court Appeal no. 175 Of 2019:

This is an appeal filed by the Holding Company in the High Court of Sindh against the order dated 01.04.2019 passed in Suit No. 1008 of 2018 on CMA No. 7590 of 2018.

The matter relates to ZYCO terminal, in respect of NOC from Ministry of Defence. This is an appeal filed by the Holding Company in the High Court of Sindh against the order dated 01.04.2019 passed in Suit No. 1008 of 2018 on CMA No. 7590 of 2018 whereby the ad interim order passed in favour of the Holding Company on 11.05.2018 has been recalled and the injunction application has been dismissed.

The Court suspended operation of the impugned order dated 01.04.2019 and the matter is at the stage of hearing. However, the case was disposed of as withdrawn on 27.02.2025.

c) Suit 1623 of 2020:

This is a suit for declaration and permanent injunction filed by the Holding Company in the High Court of Sindh challenging the order dated 20.10.2020 passed by OGRA whereby OGRA has:

- suspended the marketing activities / sales of the Holding Company at its outlets in KPK;
- directed other oil marketing companies to augment supplied to their retail outlets; and
- imposed a penalty of Rs. 10 million on the Holding Company in respect of Amangarh depot.

The Court passed ad interim order restraining the defendants from taking any coercive action against the Holding Company in pursuance of impugned order dated October 20, 2020. The case is at the stage of hearing of applications. OGRA has restored/ reinstated the marketing activities of HPL in KPK, hence this suit became infructuous.

d) Suit 1663 of 2020:

This is a suit for declaration and injunction filed by the Holding Company in the High Court of Sindh challenging the action of OGRA in sending the Notice bearing No. OGRA-App-26-2(222)/2020 dated 26.10.2020 directing the Holding Company to deposit 100% penalty for consideration of the review pending before OGRA whereas 50% of the penalty amount has already been deposited which was imposed on the basis of a letter bearing No. OGRA-OIL-19-3(51)2017 Vol-17 dated 22.05.2018 in respect of insufficient supplies of petroleum products. The Court passed ad interim order that OGRA shall not pass an adverse order on the Holding Company's review application solely on the basis of non-deposit. However, the said review applicaion was decieded against the Holding Company, therefore, the purpose of the instant Suit remains no more. Hence, the case has been disposed of on 26.02.2024 on account of being infructuous.

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e) Suit 655 of 2021 & Suit No. 4069 of 2025:

This is a suit filed by the Holding Company in the High Court of Sindh for Declaration and Permanent Injunction challenging the constitution of the Commission comprising the defendants No. 3 to 17 as its members to probe into the alleged hoarding of petroleum products, its proceedings, and the report dated 01.12.2020 published by them. Therefore, sought declaration that the impugned Commission has been constituted without legal sanction and authority and all actions taken by it including the impugned report dated 01.12.2020 are liable to be set aside. The Court passed an interim order dated granting the Holding Company the same relief as granted to another OMC in Suit No. 2063 of 2020 in the terms that "the business operation of the plaintiff's refinery and oil Company should not be halted without adopting due course of law and giving a fair opportunity to the plaintiff of being heard in terms of Article 10-A of the Constitution of Islamic Republic of Pakistan and principle of natural justice." The matter is still pending before the Court.

Securities and Exchange Commission of Pakistan:

a) Appeal to SECP Appellate Bench:

This is an appeal filed against an order passed by a Commissioner of the Securities & Exchange Commission of Pakistan (SECP) whereby a forensic investigation of the Holding Company was ordered under Section 258(1) of the Companies Act, 2017. The Holding Company appealed this order as the SECP had already concluded an investigation immediately preceding the passing of the order. The subject appeal was listed for hearing on March 18, 2022, wherein it was pointed out that the Commissioner who passed the initial order was sitting on the Appellate Bench which is contrary to natural justice. However, the appeal was dismissed by the Appellate Bench vide its Order dated 12.04.2022.

b) Appeal against Order of SECP Appellate Bench (Misc. Appeal No. 32 of 2022):

This Appeal was preferred against the order dated 12.04.2022 passed by the Appellate Bench of the Securities & Exchange Commission of Pakistan ("SECP") in Appeal No. 4(13) Misc/ABR/22 ("Initial Appeal"). The Initial Appeal was filed against order dated 19.01.2022 passed by the Commissioner, Onsite Department, Supervision Division, SECP communicated to the Appellant vide the cover letter bearing number EMD/I&I/233/770/2019 whereby a forensic investigation of the Holding Company was ordered under Section 258(1) of the Companies Act, 2017. The Holding Company appealed this order as the SECP had already concluded an investigation immediately preceding the passing of the order. The Appeal was presented to the learned Single Judge of the Honorable High Court of Sindh at Karachi on 27.04.2022 who was pleased to suspend the operation of both the order dated 19.01.2022 and 12.04.2022.

In our view, the Holding Company has good arguable case and there is no likelihood of unfavorable outcome in the above matters. The management is actively contesting the matter.

J. C. M. Petition No. 31 of 2022:

The Petitioner No. 1 Company has filed this Petition before the High Court of Sindh at Karachi for sanction of the Scheme of Arrangement under Sections 279 to 283 and 285 of the Companies Act, 2017, dated September 27, 2022, between the Holding Company, its secured creditors and members (the "Scheme"). The object to the petition is to, inter alia, obtain the sanction of the Court to the Scheme for the envisaged compromise and arrangement envisaged between the Holding Company and its secured creditors, involving the rehabilitation of the Holding Company by restructuring and settling the existing financial obligations / liabilities of the Holding Company towards its secured creditors. Legal formalities are in the process of being carried out and after completion of the same, the matter will be fixed for hearing of the main petition. At this time, the secured creditors have sought modifications to the Scheme, which is being considered by the Holding Company, after which the modified Scheme (if deemed appropriate) will be filed before the Court and presented to the creditors and members of the Holding Company for seeking approval in accordance with the applicable laws.

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Suit no 934/2022 and 935/2022:

Both suits have been filed by the past employees of the Holding Company claiming the amount of final settlement payable to them on leaving the employment. the Holding Company, to substantial extent, admits the financial claims of the plaintiffs however, it has taken stance that it is entitled to withhold the payment of those benefits owing to ongoing criminal proceedings by FIA.

In Suit No. 934/2022 the court has dismissed the Suit on account of non-production of evidence. Whereas, in Suit No. 935/2022, the Suit was disposed of as withdrawn.

However, as the entitlement of Plaintiffs is not substantially disputed and only the payment is deferred so we understand that the Holding Company would already have recorded the liability in its books of accounts. Accordingly, any outcome of the matters is not likely to affect financial liability of the Holding Company. the Holding Company has paid the undisputed amount to the Plaintiffs.

Allah Ditto vs The Holding Company:

The instant case is filed for recovery of amount 800,000/ against the Holding Company with respect to MOU dated 17-07-2018. the Holding Company had filed a written statement denying their claims and matter is fixed for evidence.

Mr. Shahnawaz vs The Holding Company:

The instant case is filed for recovery of amount 1,100,000/ and damages 500,000/ against the Holding Company with respect to MOU dated 22-10-2018 with reference to operating a filling station under the franchise of the Holding Company on land measuring 12,000 Sq. ft bearing Survey No.228 situated at Kot Bungalow City, Nara Road Taluka Kotdiji District Khairpur. the Holding Company have filed our written statement denying their claims. On account thereof, the issues were framed and the matter is now fixed for filing of affidavit in evidence.

Suit no 430 of 2022 vs The Holding Company:

The Plaintiff has filed instant suit for recovery of sum of Rs 79,538,150/- in lieu of retail signage services. the Holding Company has denied the claim and has challenged the suit on maintainability. The instant suit is still pending adjudication.

Mr. Rehmat Khan Wardag:

A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Holding Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills was unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards the Holding Company.

The Holding Company vs Province of Sindh & Others:

a. CPLA No. 1131/2021 & 2068/2022 - Hascol Petroleum Limited vs Province of Sindh & Others

The Holding Company filed a CP. No. 7569/2019 against demand notice amounting to Rs. 259,664,859/- on 08-11-2019 under Sindh Development and Maintenance of Infrastructure Cess Act 2017. The same was dismissed by Sindh High Court and the Holding Company along with other companies filed special leave to appeal against this judgment before Supreme Court of Pakistan ("SCP"). the Holding Company is seeking stay order against demand notice as an instant relief and get infrastructure cess as illegal, void ab-initio.

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CPLA is filed before SCP and SCP is pleased to suspend the operation of impugned judgment and directed the Holding Company and other companies to furnish fresh bank guarantees equivalent to amount of levy claimed by the Respondents against resale of all future consignments of imported goods.

The Holding Company filed a CP. No. 797/2020 against demand notice amounting to Rs. 3,929,866,620/- on 06.01.2020 under Sindh Development and Maintenance of Infrastructure Cess Act 2017. The same was dismissed by Sindh High Court and the Holding Company along with other companies filed special leave to appeal against this judgment before Supreme Court of Pakistan. the Holding Company is seeking stay order against demand notice as an instant relief and get infrastructure cess as illegal, void-ab-initio.

C.P is filed before Supreme Court of Pakistan and is pending for its listing.

Motorway Operations & Rehabilitation Engineering (Private) Limited ('MORE') vs Company:

The matter pertains to the Agreement between the Parties with respect to the management and operation of fuel stations and ancillary facilities on the Lahore Islamabad Motorway Service Areas ('Sites'). MORE first sought unilateral amendments to the agreement and then adverse to the interest of the Holding Company initiated negotiation with other companies. This was violation of the terms of the Agreement as the Holding Company has 'exclusive' rights on M2 for twenty years. Therefore, Arbitration Clause of the agreement was invoked and Arbitration Application was filed. The Court was pleased to restrain MORE, inter alia, from dispossessing the Holding Company.

The matter is now stands concluded after settlement between the parties through Agreement dated 12 November 2024, and as reflected in the Order dated 12 November 2024. therefor there are no further projected financial implications in the said matter. The parties entered into a settlement and case was withdrawn on the basis of this settlement.

Federal Investigation Agency (FIA):

During the second half of 2021, the Federal Investigation Agency (FIA) started a formal inquiry to probe the defaults incurred at banks on account of the Holding Company. This inquiry focusses on individuals working for the Holding Company (both Management and Board of Directors) and primarily National Bank of Pakistan. A formal First Investigation Report (FIR) was launched in January 2022 followed by a preliminary challan in High Court under the Anti Money Laundering act against thirty two (32) individuals. the Holding Company is complying with the FIA to facilitate this investigation via provision of information. It is of extreme importance that the inquiry nor the challan is against the Holding Company and the Holding Company expects no outflow of economic benefit as a result of this case.

Sales contract:

In 2020, the Holding Company entered into sales contract with Pakistan Army and Pakistan Airforce. The contracts were secured with bank guarantee issued by one of the financial institution in favour of the two customer. As per the terms and condition of the contracts; delay or not fulfilling the contract will result in encashment of the bank guarantee, liquidated damages and the ancillary risk and expenses.

During the year ended December 31, 2021, the Holding Company due to shortage of working capital was unable to honor the partial sales commitment of the counter parties. As A result of this, the counter parties have offset the outstanding advances with receivables and bank guarantee. The contracts closure and the exact settlement amount is still under discussion. As of December 31, 2023 the Holding Company recorded and estimated liability amounting to Rs. 934 million approximately.

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CP No. 5188/2022 - The Holding Company vs Federation of Pakistan & others:

The Petition by the Holding Company challenges the illegal action of the Customs Authorities. The Collectorate of Customs (Adjudication-I) on 30.08.2022 issued a show cause notice, through which they raised a demand to pay Additional Custom Duty on import of motor spirit for the period from 01.01.2020 to 30.06.2022 to the tune of Rs. 171,946,298/-. As this show cause was issued to all Oil Marketing Companies ("OMC") so the Holding Company along with one other OMC assailed / challenged the said Show Cause Notice before the Sindh High Court. Initially, the High Court has instructed the Department not to decide on the contested show-cause notice issued vide order dated 12.10.2022. However, the High Court disposed of the matter vide Order dated 27.03.2025 and held that notices to be adjudicated vide speaking order after providing opportunity of hearing to the OMC's and till then no coercive action to be taken against them.

CP No. 4446/2022 - Regulatory duty

Federal Board of Revenue ("FBR") on 20.06.22 issued SRO 806(I)/2022 ('SRO 806') through which regulatory duty was levied at the rate of 10% ('RD') on the import of motor spirit, however it provided that the RD shall not be applicable on cargoes for which letter of credits had already been issued, or were already on the high seas. On 30.06.22, the FBR issued SRO 966(I)/2022 ('SRO 966') which levied regulatory duty on the import of a number of goods, and by way of Entry No. 128 also levied regulatory duty at the rate of 10% on motor spirits. The Custom authority refused to give any benefit to the Holding Company under SRO 806.

On 12.02.2023, the arguments were led by the lawyer on behalf of the Petitioners and the Court heard the arguments at length. Our main argument was based on second contingency in the subject SRO related to ships on open seas. The Custom's lawyer opposed the contention on the ground that LC's were not opened till June 30, 2022, but same were opened in July and August, which is not the case of the Petitioners, however the Bench has directed the Petitioners to file the details of GDs & LCs and fixed the case on 14th March 2023, at 11am.

The matter is pending in the High Court of Sindh and the learned counsel submits that the Holding Company is required to pay full amount of Petroleum levy and secure regulatory duty at 10% by way of bank guarantee or pay order to the extent of consignment taken out of tanks, with the collector of customs as to release the consignment. In case, petition is decided in favour of the Holding Company, such deposited P/O shall be released and the Holding Company legal counsel is of firm opinion of success of case in favour of the Holding Company. This CP was dismissed on 11.04.2023, thereafter the Parties assailed the remedy before SCP which directed the customs authorities to give a hearing opportunity and decided the factual controversies. The Assistant Collector passed an assessment order against the OMCs including Company vide assessment order dated 02.10.2023. HPL filed an appeal against this assessment order before Collector of Appeal who passed the order in favour of the OMCs vide its order dated 23.02.2024.

The Customs department filed an appeal against the order of the collector before the Customs Appellate Tribunal and same appeal was accepted in favour of customs department vide order dated 12.07.2024. the Holding Company, along with other OMCs, filed a SCRA No. 550 of 2024 before SHC wherein an interim order is passed directing the respondents to maintain status quo in respect of securities already furnished and as recorded in the order of SCP dated 10.07.2023. Now the case is pending for the final arguments of the parties.

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18.1.2 Banking contingencies

The Bank of Punjab (BOP)

a) Suit no B39 of 2021:

The Plaintiff filed a suit under Section 9 of the Ordinance for the payment and recovery of PKR 2,192,841,925.01 along with cost of funds from the date of default, and for the sale of the Holding Company's hypothecated assets/goods/attached assets/properties. The aforementioned outstanding amount was claimed against the following facilities:

An application under Section 10 of the Ordinance for leave to defend the suit was filed on behalf of the Holding Company claiming that the instant suit is liable to be rejected as it has not been validly instituted and fails to comply with the mandatory requirements of the Ordinance and does not disclose a cause of action. The grounds raised in the application are, inter alia. the particular finance(s) (as the term is defined in the Ordinance) on which the suit is found as due and payable by the Holding Company is unidentified and not shown to be extended to the Holding Company within the statement of accounts attached by the Plaintiff, and the suit has been instituted without a valid power of attorney. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act.

In response to the Holding Company's leave to defend application, the Plaintiff submitted a replication requesting the Court to dismiss the Holding Company's application for leave to defend.

Alongside the suit, the Plaintiff also filed an application under Section 16 of the Ordinance seeking to restrain the Holding Company from creating any third-party interest in the immovable properties owned by the Holding Company as well as passing an order for attachment of those properties till the disposal of the suit.

The Plaintiff subsequently filed another application under Section 16 of the Ordinance for the attachment of certain other immovable properties belonging to the Holding Company and prayed for the Holding Company to be restrained from creating any third-party interest in these properties as well.

the Holding Company filed its counter-affidavits to the two applications for injunction and attachment, denying the averments made by the Plaintiff, highlighting that the necessary ingredients for the grant of any relief under the provisions of the Ordinance had not been met. the Holding Company has submitted that in the absence of the suit establishing a valid cause of action or a failure to show the Holding Company's intent to dispose of or remove the property over which a security has been created, the attachment application of the Plaintiff cannot be granted.

On 20 September 2021, the Honorable Court passed an order restraining the Holding Company from creating any third-party interests in immovable properties owned by the Holding Company. The second application was pending hearing.

The suit was decided against the Holding Company, granting all of the reliefs sought in the Suit, by judgment dated 6 February and decree dated 21 February 2023. the Holding Company has filed an appeal against the said judgment and decree (see Appeal no 60 of 2023).

However the parties have entered in to out-of court settlement and the decree is not therefore presently executable.

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b) Appeal no 60 of 2023:

The Holding Company has filed an appeal against the judgment and decree passed in Suit No. B-39 of 2021, on the grounds inter alia that: the Learned Judge failed at all to consider that the Suit was not maintainable; there was impropriety in the conduct of the proceedings and a proper hearing was not given to the Holding Company; that the Learned Judge has failed to appreciate that the Suit falls foul of the mandatory provisions of section 9(2) and section 9(3) of the Ordinance; the Learned Judge has erroneously found that the so-called statements of accounts correspond precisely with the so-called finances itemized in the judgment; the Learned Judge has failed to determine whether any amounts were disbursed to or for the benefit of the Holding Company under or pursuant to any of the so-called finance agreements attached in support of the Plaint and has instead based his findings on the basis merely that such so-called finance agreements were executed, incorrectly deeming the fact of execution to constitute "admissions" of disbursement and of liability on the part of the Holding Company; the Learned Judge has failed to consider that the documents provided in respect of the purported letters of credit do not substantiate the bank's entitlement to the Suit amount; and the Learned Judge has failed to consider whether the bank is entitled to the benefit of the securities created under the hypothecation agreement.

The bank has filed a reply to the appeal along with an application alleging perjury on the part of the Holding Company's officers. By way of order dated 29 March 2023, the bank's perjury application was dismissed and the parties were directed to maintain status quo. The writ of attachment issued in the execution proceedings of the decree is also not to affect the day-to-day operations of the Holding Company (refer Execution no 18 of 2023). As such, the decree in the Suit is not presently proceeding to execution, as the said orders continue to operate to date.

The appeal is currently pending hearing and, in our view, the Holding Company has a strong chance of success. The parties have entered in to out-of court settlement and this appeal is disposed of accordingly. The appeal was disposed of on 29.11.2024.

c) Execution no 18 of 2023:

The Decree Holder bank has instituted proceedings for the execution of the decree dated 21 February 2023 passed in Suit No. B-39 of 2021 (see point (a) above). A writ of attachment was issued for the attachment of the properties allegedly hypothecated in favor of the bank. However, by order dated 19 April 2023 passed in the appeal (see point (b) above), the writ of attachment shall not affect the day-to-day operations of the Holding Company.

By order of the Additional Registrar dated 10 April 2023, certain properties of the Holding Company were sought to be attached, although such properties were not awarded by way of the decree passed in the Suit. Hence the Holding Company has filed an application seeking to exclude the said properties from the scope of the execution proceedings. the Holding Company's application will be heard on the next date of hearing and is, in our view, likely to succeed.

Further, it is our view that the decree will be set aside in the appeal and as such the execution proceedings will become infructuous. The parties have entered in to out-of court settlement and this execution is disposed of accordingly.

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a) Suit no B-45 of 2022

The Plaintiff has filed a suit for recovery of PKR 1,088,188,268 against the Holding Company under Section 9 of the Ordinance. The Plaintiff has also prayed for a decree for recovery of the allegedly outstanding amount through the sale of hypothecated/charged properties and assets of the Holding Company, attachment of the Holding Company's immovable properties and other properties and for cost of funds in terms of Section 3 of the Ordinance from the date of default till satisfaction of the decretal amount, if granted.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Holding Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to meaningfully defend itself; and the attached documents do not support the Plaintiffs assertions regarding the Holding Company's alleged liability.

The Plaintiff has, simultaneously with the suit, filed an application under Section 23 (1) of the Ordinance seeking to restrain the Holding Company from transferring or selling the hypothecated assets and mortgaged properties, to which the Holding Company has filed its counter-affidavit objecting inter alia that the application for attachment of property is not maintainable under Section 23 of the Ordinance.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Samba Bank Limited

A suit under Section 9 of the Ordinance was filed against the Holding Company and its former CEO/ Director, Mr. Mumtaz Hasan Khan, (in his personal capacity as a guarantor of the Holding Company's liabilities) for the recovery of PKR 1,018,709,744.57 against several finance facilities allegedly availed by the Holding Company from the Plaintiff bank.

Additionally, during the pendency of the suit, the Holding Company's assets were prayed to be attached for the settlement of the allegedly outstanding amount. However, separate applications seeking an interim injunction or attachment of the properties have not been filed by the Plaintiff.

In response, the Holding Company filed its application for leave to defend under Section 10 of the Ordinance praying that the suit is liable to be rejected inter alia the following grounds, which renders it impossible for the Holding Company to know the case that has to be met by it: no cause of action has been disclosed by the Plaintiff against the Holding Company, the Plaintiff has failed to disclose or identify any particular finance(s) or finance facility(ies) (as defined in the Ordinance) on which the suit is founded, the attached documents do not support the Plaintiffs assertions especially since the liability they allegedly establish has not lapsed as of the date of the institution of the suit and that it falls foul of the disclosure requirements to be strictly met under the Ordinance. Since the statement of accounts attached as an annexure in the suit itself fail to establish any nexus with the alleged facilities in question or any disbursements to the Holding Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'.

The Holding Company has also highlighted that the Plaintiff failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder by way of this suit. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act.

The suit was withdrawn by order dated 2 January 2024, in terms of an out-of- court settlement reached between the Plaintiff and the Holding Company.

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

Sindh Bank Limited:

The Plaintiff has filed a suit under Section 9 of the Ordinance for the recovery of PKR 2,334,776,939.97 along with cost of funds.

The Plaintiff also prayed for permanent injunction to restrain the Holding Company, its employees, agents or an other persons acting for and, on its behalf, directly and/or indirectly, from selling, alienating, disposing of or creating third party rights in any manner whatsoever in respect of the allegedly hypothecated assets as well as moveable and immoveable properties. Additionally, it was prayed that a judgement and decree for attachment and sale of all other assets and properties of the Holding Company is passed to recover the outstanding amount. However, separate applications seeking an interim injunction or attachment of the properties during the pendency of the proceedings have not been filed by the Plaintiff.

An application under Section 10 of the Ordinance for leave to defend the suit has been filed on behalf of the Holding Company contesting the allegations averred against the Holding Company. The grounds raised in the application are, inter alia, the Plaintiff's failure to comply with the mandatory requirements of the Ordinance or to establish that: the Holding Company as its 'customer', there is a cause of action against the Holding Company, the particular finance(s) (as the term is defined in the Ordinance) on which the suit is found as due and payable by the Holding Company, and/or whether any finance facility was actually disbursed to the Holding Company pursuant to the so- called facility letters. Additionally, the statement of accounts attached by the Plaintiff were not certified according to the Bankers Evidence Act. The documents attached as supporting documents to the Plaintiff's suit, inter alia the promissory notes and letter(s) of lien/setoff, suggest that certain claims are also time barred under the Ordinance.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Bank Makramah Limited:

The Plaintiff filed a suit for recovery of PKR 547,253,184.24 against the Holding Company under Section 9 of the Ordinance. In addition, the Plaintiff bank also prayed for the Holding Company's assets to be attached for sale to cover the outstanding costs. A separate application under Section 16 of the Ordinance seeking such attachment during the pendency of proceedings was not been filed by the Plaintiff.

In response to the Plaintiff's suit, a leave to defend application under Section 10 of the Ordinance was filed by the Holding Company notwithstanding any prejudice to the Plaintiff's contention that the provisions of the Ordinance are contrary to Article 10-A of the Constitution. In its application, the Holding Company argued that the Plaintiffs suit is not valid and maintainable for the following reasons, for which it is liable to be dismissed: the suit has been instituted without a valid power of attorney, no cause of action has been established against the Holding Company by the Plaintiff, the Plaintiff's assertions that the finance facilities (the term as defined in the Ordinance) were obtained by or recovered from the Holding Company is not supported by any evidence, and the suit fails to comply with the mandatory provisions of the Ordinance.

The suit was withdrawn by order dated 1 January 2024, in terms of an out-of- court settlement reached between the Plaintiff and the Holding Company.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

National Bank of Pakistan:

a) National Bank of Pakistan vs Karachi Hydrocarbon Terminal Limited and another:

A suit of recovery under Section 9 of the Ordinance for PKR 4,019,323,714 along with liquidated damages, cost of funds, charges and costs till realization was instituted by the National Bank of Pakistan in respect of the term finance facility of PKR 4,000,000,000 allegedly extended by the Plaintiff to Karachi Hydro Carbon Terminal Limited (Defendant No.1), a subsidiary of the Holding Company, and the Holding Company as Defendant No. 2 acting as the guarantor in respect of the finance facility.

An application for leave to defend the suit under Section 10 of the Ordinance has been filed on behalf of the Holding Company. The grounds raised therein include inter alia: the Plaintiff's failure to show any cause of action against the Holding Company or comply with the mandatory requirements of the Ordinance, the suit being barred by limitation or otherwise premature with respect to other amounts claimed, absence of true and correct statements of accounts in support of the contention and the Plaintiff's failure to disclose the extension or disbursement of particular finances (the term as defined in the Ordinance) on the basis of which the suit is founded.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

b) Suit no B-47 of 2022:

The Plaintiff has filed a suit under Section 9 of the Ordinance against the Holding Company and its former CEO/Director, Mr. Mumtaz Hasan Khan (in his personal capacity as a guarantor of the Holding Company's liabilities), for the recovery of PKR 23,669,132,888 against several finance facilities allegedly availed by the Holding Company from the Plaintiff bank. The Plaintiff has prayed for the award of liquidated damages payable by the Holding Company at the rate of; (i) 20% per annum from the due date to the date of recovery pursuant to the Term Finance Agreement dated March 9, 2016; (ii) 1.75% per annum from the due date to the date of recovery pursuant to the Term Finance Agreement dated May 22, 2018; (iii) 2% per annum from the seventh business day of the due date to the date of recovery pursuant to the Term Finance Agreement dated May 21, 2018; and (iv) 2% per annum from the seventh business day of due date to the date of recovery pursuant to the Finance Agreement dated October 18, 2018. Furthermore, the Plaintiff has also prayed for the attachment of the Holding Company's properties including but not limited to all properties attached as security under the finance facilities availed by the Holding Company.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on inter a/io the following grounds: no cause of action has been disclosed by the Plaintiff against the Holding Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Holding Company's alleged liability.

Along with the Plaint, the Plaintiff has filed (i) an application under Order 38 Rule 5 read with Section 151 of the Code of Civil Procedure, 1908 ("CPC") for the attachment of certain immovable properties of the Holding Company (ii) an application under Order 39 Rules 1 and 2 read with Section 151 of the CPC, seeking to restrain the Holding Company from inter alia, selling, transferring, alienating, or mortgaging its property, which the Plaintiff has alleged would cause irreparable loss and gravely prejudice its interests, and (iii) an application under Order 18 Rule 18 read with Section 151 of the CPC, requesting the Court to appoint the Nazir to prepare an inventory of all the assets available at various properties owned by the Holding Company.

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Ex parte ad interim orders were passed by the Court on 27 October 2022 directing the parties to maintain status quo.

The Holding Company has filed its counter-affidavits to each of the above applications denying the averments made by the Plaintiff. It has been highlighted that the necessary ingredients for the grant of the relief being sought have not been met, particularly as the Plaintiff has not alleged any anticipated threat of removal or disposal of the Holding Company's properties.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed.

Bank Alfalah Limited (BAFL)

a) Suit no B-09 of 2022

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance in respect of an amount of PKR 1,130,340,813.09, along with costs, cost of funds, compensatory charges and liquidated damages from the date of default till realization. The Plaintiff has also prayed for the Court to grant a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Holding Company.

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Holding Company; the Plaintiff has failed to disclose or appropriately identify the particular finance(s) or finance facility(ies) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to know the case that has to be met by it; and the attached documents do not support the Plaintiff's assertions and fall foul of the disclosure requirements to be strictly met under the Ordinance. It has further been stated that since the statements of accounts attached as annexures in the suit fail to establish any nexus with the alleged facilities in question or any disbursements to the Holding Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'. Additionally, the statements of accounts attached by the Plaintiff are not certified according to the Bankers Evidence Act.

Simultaneously with the suit, the Plaintiff has filed an application under Section 16 of the Ordinance for attachment of the property owned by the Holding Company till the final decision of the recovery suit, thereby seeking to restrain the Holding Company from inter alia, selling, transferring, alienating, or mortgaging its property, which the Plaintiff has alleged would cause irreparable loss and gravely prejudice its interests.

In response to the above application for attachment of properties, a counter- affidavit has been filed on behalf of the Holding Company on the grounds that the application is not maintainable under the Ordinance, as the properties in question have no nexus with the Plaintiff. Notwithstanding this, the Plaintiff has not provided any basis for apprehension of disposal of the properties.

In response to the Holding Company's leave to defend application, the Plaintiff has submitted a replication requesting the Court to dismiss the Holding Company's application for leave to defend.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed; and the Plaintiff will not succeed at the inter partes hearing to attach or otherwise adversely affect the Holding Company's properties. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

b) Suit no B-22 of 2023

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance of an amount of PKR 1,029,360,639.95 along with mark-up and cost of funds, under a Diminishing Musharaka Finance facility allegedly availed by the Holding Company from the Plaintiff bank. The Plaintiff has also prayed for a permanent injunction against the disposal or creation of third-party interests on certain mortgaged and hypothecated properties; and the sale and attachment of specified mortgaged and hypothecated properties of the Holding Company.

The Holding Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance for inter alia the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

Meezan Bank Limited

The Plaintiff has filed a suit under Section 9 of the Ordinance against the Holding Company and its former CEO/Director, Mr. Mumtaz Hasan Khan (in his personal capacity as a guarantor of the Holding Company's liabilities), for the recovery of PKR 4,580,304,393 against several finance facilities allegedly availed by the Holding Company from the Plaintiff bank. The Plaintiff has also prayed for the attachment of the Holding Company's properties for the settlement of the alleged outstanding amount (a separate application seeking an interim injunction or attachment of the properties has not been filed).

In response, the application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on the grounds, inter alia, that: no cause of action has been disclosed by the Plaintiff against the Holding Company; the Plaintiff has failed to disclose the particulars of the amounts claimed and finance (s) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to know the case that has to be met by it; and the attached documents do not support the Plaintiff's assertions. Since the statement of accounts attached as an annexure in the suit itself fail to establish any nexus with the alleged facilities in question or any disbursements to the Holding Company of the amounts under dispute, the assertions of the Plaintiff stand unsubstantiated in establishing an 'open and shut case'. Additionally, the statement of accounts attached by the Plaintiff are not certified according to the Bankers Evidence Act. It has also been highlighted that the Plaintiff has failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder in the suit. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

The parties have entered into the out-of-court settlement and this suit is disposed of accordingly.

Bank Islami Pakistan Limited

The Plaintiff has filed a suit for recovery of PKR 1,867,797,823.80 against the Holding Company under Section 9 of the Ordinance. The Plaintiff has also prayed for a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Holding Company. However, a separate application seeking an interim injunction or attachment of the property has not been filed by the Plaintiff.

HASCOL PETROLEUM LIMITED

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

In response, an application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Holding Company; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Holding Company's alleged liability. It has also been highlighted that the Plaintiff has failed to show the nexus of the Hypothecation Agreement dated 12 October 2018 to the facility under dispute, and would also be in violation of the Agreement in the event that it seeks to enforce the securities created thereunder in the suit.

It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed.

Bank of Khyber

The Plaintiff has filed a suit for recovery of PKR 2,307,039,435 against the Holding Company under Section 9 of the Ordinance under a LC finance facility and Running Finance facility allegedly availed by the Holding Company from the Plaintiff bank. The Plaintiff has also prayed for a decree for recovery of the outstanding amount through the sale of hypothecated/charged properties and assets of the Holding Company and a permanent injunction from selling, disposing, alienating or creating third party rights in respect of the hypothecated/charged properties and assets. Additionally, the Plaintiff has also prayed for the payment of cost of funds in terms of Section 3 of the Ordinance from the date of default till the date of realization.

An application for leave to defend under Section 10 of the Ordinance has been filed on behalf of the Holding Company on inter alia the following grounds: no cause of action has been disclosed by the Plaintiff against the Holding Company; the suit is liable to be dismissed as it falls foul of Section 9 of the Ordinance; the Plaintiff has failed to disclose material particulars or identify the basis of the finance(s) (as defined in the Ordinance) allegedly availed by the Holding Company so as to allow the Holding Company to meaningfully defend itself; and the attached documents do not support the Plaintiff's assertions regarding the Holding Company's alleged liability.

The Parties have entered into out of court settlement and the suit is disposed of accordingly.

Dubai Islamic Bank

The Plaintiff has filed a suit for recovery of PKR 1,482,545,295 against the Holding Company under Section 9 of the Ordinance. The Plaintiff has prayed for a permanent injunction from selling, disposing, alienating or creating third party rights in respect of the hypothecated assets and mortgaged properties, as well as for sale of the mortgaged properties and the hypothecated assets and attachment of the Holding Company's bank accounts. Furthermore, the Plaintiff has prayed for the payment of cost of funds in terms of Section 3 of the Ordinance from the date of default till the date of realization.

An application for leave to defend has been filed on behalf of the Holding Company. However, the Plaintiff is yet to file its replication.

In our view, the application for leave to defend filed on behalf of the Holding Company is likely to succeed.

First Women Bank Limited

The Plaintiff has filed a suit for recovery under Section 9 of the Ordinance of an amount of PKR 853,540,095.2, along with cost of funds, under a LC finance facility and Running Finance facility allegedly availed by the Holding Company from the Plaintiff bank. The Plaintiff has also prayed for a decree for the recovery of the outstanding amount through the sale of the hypothecated and immovable and other assets of the Holding Company.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

The Holding Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance for inter alia the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

The Holding Company's application was filed along with an application for condonation of delay, as the Additional Registrar had incorrectly observed that the leave to defend application was not filed with the prescribed 30 days' period under the Ordinance. The condonation application has been filed on the grounds that notice of the suit was never validly served on the Holding Company under Section 9 (5) of the Ordinance and therefore, the question of limitation does not arise. Even otherwise, the leave to defend application was filed within time for being submitted within 30 days of actual notice of the suit.

A full inter partes hearing of the Holding Company's condonation application has concluded and orders are reserved by the Court.

The application for condonation of delay has been accepted by the Court. It is our view that the application for leave to defend filed on behalf of the Holding Company are likely to succeed.

Habib Bank Limited

The Plaintiff filed a suit for recovery under Section 9 of the Ordinance in respect of an amount of PKR 5,822,624,391.84, along with future mark-up, cost of funds costs of the Suit, and liquidated damages at the rate of 20% per annum in respect of finance facilities alleged to have been availed by the Holding Company. The Plaintiff also prayed for the Court to grant a decree for recovery of the outstanding amount through the sale of moveable and immoveable assets of the Holding Company.

The Holding Company has filed its application for leave to defend under Section 10 of the Ordinance seeking that the suit be rejected and/or dismissed on the basis that it is not validly instituted, and falls foul of the requirements of Section 9 of the Ordinance inter alia the following reasons: failure of the Plaintiff to disclose the cause of action or the disbursements made against any identified finance (the term as defined under the Ordinance) facilities claimed to be extended by the Plaintiff.

No replication has as yet been filed on behalf of the Plaintiff and therefore the Holding Company's application is yet to be heard. It is our view that the application for leave to defend filed on behalf of the Holding Company is likely to succeed. The parties have entered in to out-of court settlement and this suit is disposed of accordingly.

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18.2 Commitments

- I The facility for opening letters of credit (LCs) acceptances as at September 30, 2025 amounted to Rs. 23,261 (2024: Rs. 27,994) million of which the amount remaining unutilized as at that date was Rs. 223 (2024: Rs. 76) million.
- II There are no commitments for the purchases from Vitol Bahrain E.C, a party related to the Holding Company.

- III Bank guarantees
- IV Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

- Property, plant and equipment

Un-audited	Audited
September 30	December 31
2025	2024
----- Rupees in '000 -----	
765,245	-
207,427	196,864

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19. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This represents provision for expected credit losses - ECL under IFRS 9.

20. TAXATION

20.1 This represents final taxes paid under section 154 of Income Tax Ordinance (ITO, 2001) representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

20.2 This represents portion of minimum tax paid under section 113 and 153(1)(b) of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

20.3 This represents current tax as specified under IAS-12 guidance issued by ICAP, after classifying final tax and portion of minimum tax as levy.

20.4 During the period ended September 30, 2025 and 2024, provision for tax is based on minimum tax regime. Accordingly, tax reconciliation has not been presented in these consolidated financial statements.

21. LOSS FROM DISCONTINUED OPERATIONS

21.1 During the period, the Group's wholly-owned subsidiary, Hascol Lubricants (Private) Limited, was in process of ceasing operations at its blending plant facility located in Port Qasim, Karachi. This decision forms part of the Group's strategic plan to exit the blending segment and lease the facility to third parties under a long-term rental arrangement.

Current Status as of the Reporting Date

- Blending operations have been ceased.

- A lease agreement with tenant has been signed and possession of the facility has been handed over on October 1st 2025.

In accordance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, the blending operations have been classified as a discontinued operation as they represent a separate major line of business. The results of the discontinued operation are presented separately in the condensed interim consolidated statement of profit or loss for the current and comparative periods.

HASCOL PETROLEUM LIMITED

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

	Nine months period ended		Three months period ended	
	Un-audited	Un-audited	Un-audited	Un-audited
		Restated		Restated
	September 30	September 30	September 30	September 30
	2025	2024	2025	2024
----- Rupees in '000 -----				
Sales - net	880,360	1,513,620	120,555	374,514
Sales tax	(133,022)	(224,364)	(19,549)	(58,371)
Net sales of discontinued operations	747,338	1,289,256	101,006	316,143
Other Revenue	359	3,184	58	1,235
Net Revenue	747,697	1,292,440	101,064	317,378
Cost of products sold	(646,204)	(1,072,982)	(111,442)	(236,914)
Gross profit from discontinued operations	101,493	219,458	(10,378)	80,464
Operating expenses	(154,718)	(341,500)	(33,269)	(145,105)
Other income	9,166	11,207	7,535	379
other expense	(519)	(481)	(101)	(149)
Loss before taxation from discontinued operations	(44,578)	(111,316)	(36,213)	(64,411)
Taxation	(9,342)	-	-	-
Loss before from discontinued operations	(53,920)	(111,316)	(36,213)	(64,411)

Un-audited	Un-audited
September 30	September 30
2025	2024

21.1.2 Cash flow from discontinued operations

Cash flow from Operating Activities	185,949	267,069
Cash flow from Investing Activities	13,502	9,691
Cash flow from Financing Activities	-	(114,233)
Net decrease in cash and cash equivalents	199,451	162,527
Cash and cash equivalents at beginning of the period	54,029	80,697
Cash and cash equivalents at end of the period	253,480	243,224

21.2 The Holding Company initiated a plan to discontinue operations of its LPG plant, in alignment with its strategic objective to exit non-core business segments. Although the plant remained operational as at the reporting date, the discontinuation does not represent a major line of business and therefore has not been classified as a discontinued operation under IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.

The Holding Company intends to lease the plant under a long-term rental arrangement, and related implementation activities are underway. The results of the LPG operations continue to be presented within continuing operations in the statement of profit or loss.

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

22. CASH USED IN FROM OPERATIONS

Loss before taxation

Adjustment for:

Depreciation and amortization
Depreciation on right-of-use asset
Share of profit on associate
Provision of allowance for ECL
Exchange loss - unrealized
Provision for gratuity
Gain on disposal of operating fixed assets
Gain on termination of lease
(Reversal) / provision of advance to supplier
Writeback of liabilities
Markup / profit on bank deposits
Unrealised gain on TFC
Markup charged on lease liability
Finance cost
Rescheduling of financing
Changes in working capital

Un-audited	Un-audited
September 30	Restated
2025	September 30
	2024
----- Rupees in '000 -----	
(4,760,292)	(6,946,565)
2,150,676	1,354,468
111,909	219,329
(36,930)	(6,865)
(19,248)	13,199
289,283	80,800
45,743	40,861
(294,554)	(230)
(10,362)	-
7,856	(1,174)
(1,528,156)	(767,533)
(33,241)	(41,405)
(703)	-
289,687	306,040
4,671,330	7,405,099
4,184,499	-
2,828,626	2,830,966
7,896,123	4,486,990

22.1 Changes in working capital

(Increase) / decrease in current assets

Stock-in-trade
Trade debts
Deposits, prepayments and other receivables
Advances

Increase / (decrease) in current liabilities

Trade and other payables

15,894,128	3,556,807
892,064	(1,003,213)
367,323	2,466,876
34,783	631,550
17,188,298	5,652,020
(14,359,672)	(2,821,054)
2,828,626	2,830,966

23. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short-term borrowings

1,229,402	476,768
(25,912,611)	(33,182,340)
(24,683,209)	(32,705,572)

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of associated undertakings, directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and staff retirement fund. Significant transactions with related parties, other than those disclosed elsewhere in this consolidated statement of financial position, are as follows:

24.1 Transactions with related parties

				Un-audited	Un-audited
				September 30	September 30
				2025	2024
----- Rupees in '000 -----					
Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding		
Karachi Hydrocarbon Terminal Limited	Common directorship	Rendering of services	9.07%	250,251	154,433
Magic River Services Limited	Shareholding	Share of profit	25%	7,456	6,865
Vitol Bahrain E.C	Associate of parent company	Procurement	N/A	38,830,312	34,337,616

24.2 Balances with related parties

Balances with related parties				Un-audited	Audited
				September 30	December 31
Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	2025	2024
----- Rupees in '000 -----					
Magic River Services Limited	Shareholding	Investments	25%	110,000	110,000
Magic River Services Limited	Shareholding	Share of profit	25%	991	979
VAS LNG (Private) Limited	Shareholding	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Shareholding	Investments	30%	3,000	3,000
Vitol Bahrain E.C	Associate of parent company	Procurement	N/A	22,532,119	32,664,686
Karachi Hydrocarbon Terminal Ltd	Common directorship	Rendering of services	N/A	1,535,785	1,580,167

25. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited financial statements of the Group for the year ended December 31, 2024 and the corresponding figures in the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the condensed interim consolidated financial information of the Group for the nine months period ended September 30, 2024.

26. DATE OF AUTHORISATION

These condensed interim consolidated financial statements have been authorised for issue on **October 29, 2025** by the Board of Directors of the Group.

27. GENERAL

All amounts have been rounded to the nearest thousand.



Chief Executive Officer



Chief Financial Officer



Director



Hascol Petroleum Limited

The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami,
Block-9, Clifton, Karachi. Pakistan

