Annual Report 2025

HASCOL

Turning Vision into Success

About the Theme

At Hascol, vision serves as the foundation for meaningful progress. Turning Vision into Success reflects our commitment to transforming strategic ambition into measurable results. Through disciplined execution, strengthened operations, and continuous innovation, we have focused on delivering performance that creates lasting value. By aligning our goals with opportunity and maintaining a clear focus on excellence, we continue to convert ideas into impact and vision into sustained success.

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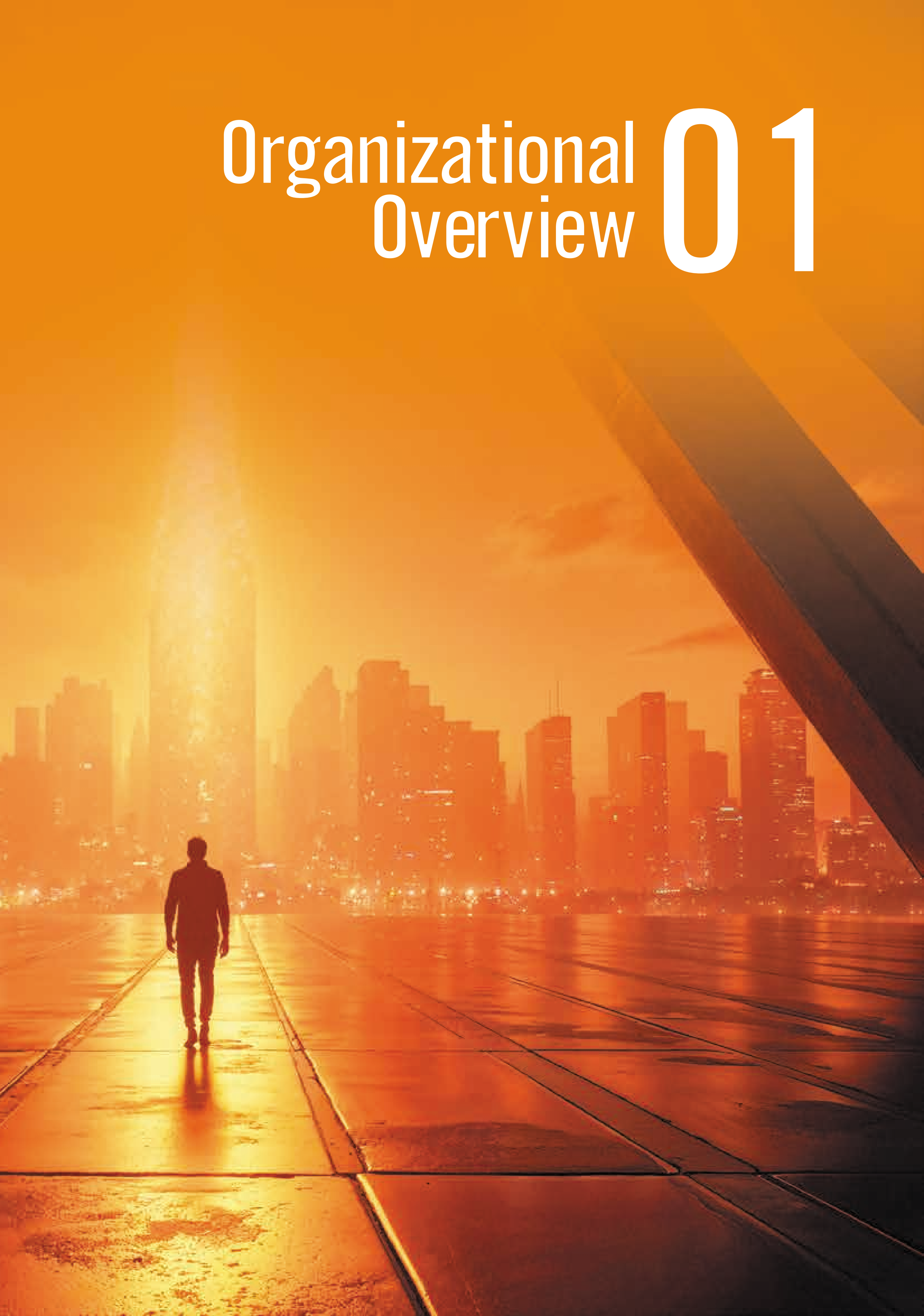
Our vision is driven by disciplined strategy and focused execution.

By aligning operational priorities with long-term objectives, we transformed plans into measurable outcomes. Every initiative undertaken reflects our commitment to delivering sustainable performance and tangible results.

Strategy in Action

Organizational Overview 01



Corporate Information

Chairman
Sir Alan Duncan

Chief Executive Officer
Mr Javed Yousuf Ahmedjee

Chief Financial Officer
Mr Amad Uddin

Company Secretary
Mr Ummad Ahmed Tanwri

Board of Directors
Sir Alan Duncan **Chairperson**
Mr Farid Arshad Masood **Director**
Mr Aernout Boot **Director**
Mr Mustafa Ashraf **Director**
Ms Naheed Memon **Director**
Mr Aamir Amin **Director**
Mr Rasul Bux Phulpoto **Director**

Audit Committee

Mr Mustafa Ashraf	(Chairperson)
Mr Farid Arshad Masood	(Member)
Mr Aamir Amin	(Member)
Mr Rasul Bux Phulpoto	(Member)

Human Resource & Remuneration Committee

Ms Naheed Memon	(Chairperson)
Sir Alan Duncan	(Member)
Mr Farid Arshad Masood	(Member)
Mr Rasul Bux Phulpoto	(Member)

Risk Committee

Mr Aamir Amin	(Chairperson)
Ms Naheed Memon	(Member)
Mr Mustafa Ashraf	(Member)
Mr Aernout Boot	(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

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

Vision

To become the leading energy marketing company in Pakistan through operational excellence, talent management, business diversification and sustainable expansion.

Mission

To gain recognition and leadership in the hydrocarbon and energy sectors, by maximizing customer satisfaction and shareholder value through continuous improvement, high quality human capital, appropriate technology, and by adhering to the Company's Core Values.

Success is built on consistent performance guided by clear intent.

Through strengthened operations, optimized supply chains, and enhanced financial discipline, we converted ambition into achievement. Each milestone marks progress toward a stronger and more resilient organization.

Performance with Purpose

Corporate Governance 02

Director Profiles

Sir Alan James Carter Duncan

Sir Alan James Carter Duncan was elected Chairman of Hascol's Board of Directors in September 2020.

Educated at Oxford and Harvard, he then spent ten years in the oil sector with Shell and a major trader.

In 1992 he was elected to the UK Parliament, and during his 30 year political career he was International Development Minister, and later Foreign Minister.

From 2020-24 he worked for Vitol.

Mr Javed Yousuf Ahmedjee

Mr Javed Yousuf Ahmedjee is a senior executive and entrepreneur with over 30 years of experience driving business transformation across energy, banking, pharmaceuticals, healthcare, education, and capital markets. His leadership spans Pakistan, Africa, and Europe, with key roles in Fortune 500 companies and regional firms. He has launched, scaled, and turned around businesses, played a pivotal role in Pakistan's largest pharmaceutical merger, and executed complex M&A across emerging markets. Notably, he led the turnaround of Puma Energy, transforming it into a commercially viable, future-ready enterprise. As a trusted business leader, board member, and adviser to institutions like Citibank, GSK, Puma Energy, Shajar Capital, and Karachi Port Trust, he provides strategic oversight, governance, and fosters entrepreneurial growth.

A Fellow member of the Institute of Chartered Accountants of Pakistan, Mr. Ahmedjee is an entrepreneur at heart-adept at identifying untapped potential, driving transformation, and ensuring long-term value creation.

Mr Aernout Boot

Mr Aernout Boot is a seasoned energy and logistics executive with over 25 years of global experience in the oil and gas industry. Specializing in the development, management, and commercialization of terminal and storage assets, he has a proven track record of driving business growth and originating investment opportunities across the Middle East, Asia, Europe, and Africa. Mr. Boot has held leadership positions at prominent companies including Petroplus International, Vopak, Carlyle Group, Vitol, and VTTI, overseeing multi-million dollar projects and leading cross-functional teams. His expertise encompasses asset development, joint venture management, terminal operations, LNG infrastructure, and energy trading. Currently, Mr. Boot is an Originator at Vitol Bahrain, developing new investment opportunities in the Middle East, East Africa, and Pakistan. He has been appointed on the Board of Directors of Hascol Petroleum Limited effective February 18, 2025.

Mr Farid Arshad Masood

Mr Farid Arshad Masood is Managing Director of Vitol Dubai having joined Vitol in 2018. Prior to joining Vitol, he has had a number of roles in Middle East, Pakistan and Africa including from 2016 to 2017 as Chief Executive for Kansai Paints Africa where he led the company through a restructuring exercise that reduced the workforce by 20% at the same time expanding the business into East and West Africa to become the largest paint supplier in Africa. From 2011 to 2015, he was responsible for Advisory Services and Asset Management at Islamic Development Bank's private sector arm. During his five year there, he expanded the advisory business from operations in the GCC to assignments in over twenty countries. He also setup the asset management business and grew it to over $800m AUM in private equity, SME and income funds. From 2000 to 2010, he was based in Pakistan where he was primarily focused on bringing foreign investment into the country.

From 2005 to 2010, he was part of the KASB Group (JV partners of Merrill Lynch) where he led the investment banking business and was CEO of KASB Securities in 2010. During his various roles, he was actively involved in bringing over $5bn of investment into the country.

In the early part of his career, he worked as a strategy consultant for Price Waterhouse in the USA, advising energy and telecommunication companies on new venture development and cross-border M&A. He holds a Bachelors and Masters in Systems and Information Engineering from the University of Virginia (USA) and a Masters from the University of Cambridge (UK).

Mr Aamir Amin

With over two decades of experience in finance, investment and corporate governance, Mr. Aamir Amin brings a wealth of expertise to Hascol Petroleum Limited. As a Chartered Accountant, his credentials underscore his proficiency. Currently holding the role of CFO at National Investment Trust Limited (NITL), a prominent Asset Management Company in Pakistan, his engagement in macroeconomic analysis and fund diversification within the Investment Committee is pivotal.

His dedication to robust corporate governance is highlighted through his role as a Nominee Director for esteemed listed companies. Leading strategy formulation, championing minority stakeholders, and nurturing vital banking relationships showcase his strategic impact. His competencies extend to IT audit, ERP implementation, and data-driven decision-making. He has also successfully spearheaded the restructuring of distressed companies, capitalizing on a nuanced understanding of market dynamics and governance principles.

Furthermore, his experience as a member of audit committees within listed company boards adds another layer to his capabilities. Collaborating in these committees, he's helped ensure accurate financial reporting, robust internal controls, and regulatory compliance. This experience enhances his ability to contribute effectively as an independent director, guiding the organization towards growth and prosperity.

He engages in community support programs extensively. He is a firm believer that an educated Pakistan is the only solution to the deep-rooted problems of Pakistan.

Mr Mustafa Ashraf

Mr Mustafa Ashraf is an advocate High Court and former Member of the Federal Board of Revenue (FBR). He has served as the Chief Commissioner of the Large Taxpayers Office (LTO), Lahore, and the Regional Tax Office (RTO), Lahore and Multan. Mr. Ashraf was Director General Inland Revenue Service (IRS) Academy FBR, and the Director General Pakistan Electric Power Company (PEPCO). Mr. Ashraf led several national delegations internationally, and has both field experience as well as at FBR HQ, in the areas of Federal Tax Planning, Dispute Resolution, Audit, Enforcement, Appeals, Revenue Generation and Federal Budgeting. He has been teaching core taxation issues at the IRS Academy and the University of Punjab, Lahore.

Mr. Ashraf is a certified director under the Code of Corporate Governance (CCG). He got trained at the Kennedy School of Government at Harvard University, Strathclyde Business School in Scotland, and Lahore University of Management Sciences (LUMS).

Ms Naheed Memon

Ms Naheed Memon has had a long and illustrious career spanning public service and private sector in Pakistan and the UK. She is currently the CEO of Oracle Power, a natural resource and power developer listed on the London stock market, developing significant projects in Pakistan and Australia. She is also the CEO of Oracle Energy, a subsidiary of Oracle Power jointly owned by a Dubai ruling family member, spearheading one of the largest Green Hydrogen production projects in South Asia. Naheed is also a director in her family-owned conglomerate, the Kings Group of Companies, in Pakistan, overseeing its extensive growth and diversification.

Naheed also serves as the Advisor to the President of Suriname, advising him on investments and special projects. She is also a Special Advisor to KlimatX, a Toronto listed blue carbon vehicle, working on the development of mangrove projects in Suriname. Naheed also serves as a Member of the Board of the Privatization Commission of Pakistan.

Naheed has worked in Private Banking for Merrill Lynch, managing a multimillion book for clients in the MENA region. She has also been the founder CEO of a consulting practice, she set up in London servicing international trade bodies, as well as large industrial clients in the oil and gas sector. Naheed has also been the CEO of Manzil Pakistan, a public policy think tank in Karachi working in a cross section of sectors, advocating for economic growth through informed policy.

Naheed served as the Chairman of the Sindh Board of Investment, Government of Sindh, for a number of years. In this position she played a pivotal role in setting up SEZs, mobilizing CPEC projects in multiple sectors, coordinating closely between Chinese and Pakistani counterparts, arranging FDI in multiple sectors in the province, facilitating investment in innovation, and improving the World Bank's Doing Business Ranking as the province's focal person. Naheed is also an adjunct faculty of Economics and Strategy at Pakistan's largest public sector business school, IBA, Karachi. She also sits as an independent director on the boards of public and private companies in Pakistan, UAE, Australia and Suriname.

Naheed holds an MBA from Imperial College, University of London, a degree in Computer Science from FAST, University of Karachi, and an MSc in Economics from Birkbeck College, University of London.

Mr. Rasul Bux Phulpoto

Mr. Rasul Bux Phulpoto is a retired BS-21 officer of the Provincial Secretariat Service (PSS), Government of Sindh. He holds degree in Arts and Law from the University of Sindh, along with professional qualifications in Human Resources, Management, Finance, and Audit.

He has held several senior positions in both federal and provincial governments. At the provincial level, he served as Secretary in key departments including Labour, Transport, Industries & Commerce, Public Health Engineering, and Works & Services. He was also Additional Secretary in departments such as Planning & Development, Population Welfare, and Social Welfare. His roles also included Project Director for the Lines Area Re-Development Project and Commissioner, Sindh Employees Social Security Institution Karachi.

At the federal level, Mr. Phulpoto served in ministries related to Housing & Works, Health, Special Education, Industries, and Local Government. He was Managing Director of Pakistan Steel Mills, CEO of PHA Foundation, Chairman of the Pakistan Tobacco Board, and Chairman of Pakistan Reinsurance Company Limited.

He currently serves as an Independent Director on the boards of the Utility Stores Corporation and the Privatization Commission of Pakistan. His past board roles include Chairmanship of SITE Limited, Sindh Workers Welfare Board, and various committee memberships with SESSI, EOBI, NITL, and other national institutions.

Mr. Phulpoto has also completed Directors' Training Programs, including certification through the Centre for Executive Education at IBA Karachi.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SUPER XT TIGER
Lubricants

Chairman's Review

On behalf of the Board of Directors of Hascol Petroleum Limited, I am pleased to present the financial results for the year ended December 31, 2025.

The year 2025 marked a period of gradual macroeconomic stabilization in Pakistan, with GDP growth of approximately 2.7% and inflation easing to around 6%. Notwithstanding these improvements, the operating environment remained complex. Geopolitical developments, particularly in the Middle East, continued to impact global energy markets, resulting in price volatility, elevated freight and insurance costs, and periodic supply chain disruptions.

In this context, the Board maintained a clear and consistent focus on strengthening governance, reinforcing compliance, and ensuring disciplined execution across all aspects of the Company's operations. The progress achieved during the year reflects a deliberate shift towards a more controlled, transparent, and accountable operating framework, aligned with regulatory expectations and industry best practices.

Operationally, the Company recorded a recovery in volumes, with total sales increasing to 541,840 metric tons compared to 433,193 metric tons in 2024. This improvement reflects a more structured approach to network management, supply planning, and commercial discipline.

Financial performance improved meaningfully during the year. Gross profit increased to PKR 3.58 billion, while EBITDA rose to PKR 2.99 billion from PKR 0.42 billion in the prior year. The Company generated a positive cash operating profit of PKR 1.04 billion, and net losses reduced to PKR 6.70 billion, compared to PKR 12.66 billion in 2024. While legacy finance costs and depreciation continue to weigh on profitability, the overall trajectory reflects improved financial discipline and tighter control over operations.

A key priority during the year remained the stabilization of the Company's financial structure. Through sustained engagement with financial institutions, upon completion of the NBP, more than 92% of the Company's banking debt will have been restructured. A formal restructuring proposal from the National Bank of Pakistan is under evaluation. These measures are expected to further strengthen liquidity, support balance sheet stability, and align the Company with a more sustainable financial profile.

From a governance standpoint, the Board exercised close oversight over management actions, with particular emphasis on strengthening internal controls, improving compliance discipline, and ensuring adherence to applicable regulatory requirements. Structured approval frameworks, enhanced segregation of duties, and strengthened monitoring mechanisms have been implemented across operations, logistics, commercial, and finance functions to reduce control gaps and improve accountability.

During the year, the Company advanced a structured governance transformation framework anchored in a Three Lines of Defense model. Business functions have been clearly aligned as the first line, with defined ownership of risks and controls. An independent risk management and compliance function is being established as the second line, supported by the development of a formal Enterprise Risk Management (ERM) framework to enable systematic risk identification, assessment, and mitigation. The third line is being strengthened through enhancement of the internal audit function, including evaluation of external support to bring in specialized expertise, improved methodologies, and independent assurance aligned with leading practices. This framework is intended to institutionalize a proactive and sustainable approach to governance, risk, and compliance across the organization.

A key enabler of this transformation is the ongoing implementation of SAP S/4HANA as the Company's enterprise-wide ERP platform. This initiative is expected to significantly strengthen the control environment by integrating core processes, standardizing workflows, embedding system-driven controls, and enabling real-time visibility across operations. The system will enhance data integrity, improve auditability through robust audit trails, and reduce reliance on manual interventions, thereby supporting compliance with regulatory and reporting requirements.

In parallel, the Company undertook targeted portfolio rationalization, including the exit from lubricant blending operations and the leasing of the facility under a long-term arrangement. This reflects a disciplined approach to capital allocation and a continued focus on core business segments.

Progress was also achieved on industry-related receivables. The finalization of IFEM audits resulted in a receivable of PKR 1.52 billion, of which approximately PKR 1.10 billion has been realized, providing important support to working capital and liquidity.

Vitol, the Company's major shareholder and strategic partner, continued to provide strong operational and strategic support, contributing to supply continuity and reinforcing governance and operational discipline.

Looking ahead, the Board will continue to prioritize governance, compliance, and financial discipline as central pillars of the Company's recovery. The continued embedding of the governance framework, implementation of integrated systems, and strengthening of internal controls will remain key focus areas to ensure sustained alignment with regulatory expectations.

While external uncertainties persist, improving macroeconomic indicators and ongoing sector reforms provide a more stable platform for recovery. Under the leadership of the Chief Executive Officer, the Company remains focused on restoring profitability, strengthening institutional capability, and rebuilding stakeholder confidence.

In closing, I would like to express my appreciation to our shareholders, customers, lenders, regulators, and employees for their continued trust and support. The Board remains committed to ensuring that Hascol evolves into a well-governed, compliant, and resilient organization.

Sir Alan Duncan
Chairman

سال کے دوران کمپنی کی مالی ساخت کا استحکام ایک اہم ترجیح رہا۔ مالیاتی اداروں کے ساتھ مسلسل رابطے کے ذریعے، NBP کے عمل کی تکمیل پر کمپنی کے 92% سے زائد بینکنگ قرضے کی تنظیمِ نو مکمل ہو چکی ہو گی۔ نیشنل بینک آف پاکستان کی جانب سے پیش کردہ باضابطہ ری اسٹرکچرنگ تجویز زیرِ غور ہے۔ یہ اقدامات لیکویڈیٹی کو مزید مضبوط بنانے، بیلنس شیٹ کے استحکام میں مدد دینے اور کمپنی کو ایک زیادہ پائیدار مالی ڈھانچے کے ساتھ ہم آہنگ کرنے میں معاون ثابت ہوں گے۔

گورننس کے حوالے سے، بورڈ نے مینجمنٹ کے اقدامات پر قریبی نگرانی رکھی، خاص طور پر اندرونی کنٹرولز کو مضبوط بنانے، کمپلائنس کے نظم و ضبط کو بہتر کرنے اور متعلقہ ریگولیٹری تقاضوں کی پابندی کو یقینی بنانے پر زور دیا گیا۔ اس مقصد کے لیے منظّم منظوری کے فریم ورک، ذمہ داریوں کی بہتر تقسیم، اور نگرانی کے مضبوط نظام نافذ کیے گئے، جو آپریشنز، لاجسٹکس، کمرشل اور فنانس کے تمام شعبوں میں کنٹرول کی کمزوریوں کو کم کرنے اور جوابدہی کو بہتر بنانے میں معاون ثابت ہوئے۔

سال کے دوران کمپنی نے گورننس میں بہتری کے لیے ایک منظّم فریم ورک متعارف کرایا جو ''تھری لائنز آف ڈیفنس'' ماڈل پر مبنی ہے۔ اس کے تحت بزنس فنکشنز کو پہلی سطح پر واضح ذمہ داریوں کے ساتھ منسلک کیا گیا، جبکہ ایک خودمختار رسک مینجمنٹ اور کمپلائنس فنکشن بطور دوسری سطح قائم کیا جا رہا ہے، جسے باضابطہ انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک کی مدد حاصل ہو گی تاکہ خطرات کی مؤثر شناخت، جائزہ اور تدارک ممکن ہو سکے۔ تیسری سطح کے طور پر اندرونی آڈٹ فنکشن کو مزید مضبوط بنایا جا رہا ہے، جس میں بیرونی ماہرین کی شمولیت، بہتر طریقہ کار اور آزادانہ یقین دہانی شامل ہے، تاکہ گورننس، رسک اور کمپلائنس کو ادارے بھر میں مؤثر اور پائیدار بنایا جا سکے۔

اس تبدیلی میں ایک اہم عنصر S/4HANA SAP کو کمپنی کے مرکزی ERP پلیٹ فارم کے طور پر نافذ کرنا ہے، جس سے بنیادی نظاموں کا انضمام، ورک فلو کی معیاری شکل، سسٹم پر مبنی کنٹرولز اور آپریشنز پر فوری نظر ممکن ہو گی۔ اس سے ڈیٹا کی درستگی، آڈٹ کے عمل میں شفافیت اور دستی مداخلت میں کمی آئے گی، جو ریگولیٹری تقاضوں کی تکمیل میں مددگار ہو گی۔

اسی دوران کمپنی نے اپنے پورٹ فولیو کو بہتر بنانے کے لیے لبریکنٹ بلینڈنگ آپریشنز سے علیحدگی اختیار کی اور اس سہولت کو طویل مدتی بنیاد پر لیز پر دے دیا، جو سرمایہ کاری کے محتاط استعمال اور بنیادی کاروبار پر توجہ کی عکاسی کرتا ہے۔

صنعت سے متعلق وصولیوں میں بھی پیش رفت ہوئی، جہاں IFEM آڈٹس کی تکمیل کے بعد 1.52 ارب روپے کی وصولی سامنے آئی، جس میں سے تقریباً 1.10 ارب روپے وصول کیے جا چکے ہیں، جس سے ورکنگ کیپیٹل اور لیکویڈیٹی کو سہارا ملا۔

کمپنی کے بڑے شیئر ہولڈر اور اسٹریٹجک پارٹنر ویٹول نے مسلسل آپریشنل اور اسٹریٹجک تعاون فراہم کیا، جس سے سپلائی کا تسلسل برقرار رہا اور گورننس و آپریشنل نظم و ضبط مزید مضبوط ہوا۔

آئندہ کے لیے، بورڈ کمپنی کی بحالی میں گورننس، کمپلائنس اور مالی نظم و ضبط کو مرکزی اہمیت دیتا رہے گا۔ گورننس فریم ورک کے مؤثر نفاذ، مربوط سسٹمز کی تکمیل اور اندرونی کنٹرولز کی مضبوطی پر توجہ برقرار رکھی جائے گی تاکہ ریگولیٹری تقاضوں سے ہم آہنگی یقینی بنائی جا سکے۔

اگرچہ بیرونی غیر یقینی صورتحال موجود ہے، تاہم بہتر ہوتے معاشی اشاریے اور شعبہ جاتی اصلاحات بحالی کے لیے ایک مستحکم بنیاد فراہم کر رہے ہیں۔ چیف ایگزیکٹو آفیسر کی قیادت میں کمپنی منافع بحال کرنے، ادارہ جاتی صلاحیت مضبوط بنانے اور اسٹیک ہولڈرز کا اعتماد بحال کرنے کے لیے پُرعزم ہے۔

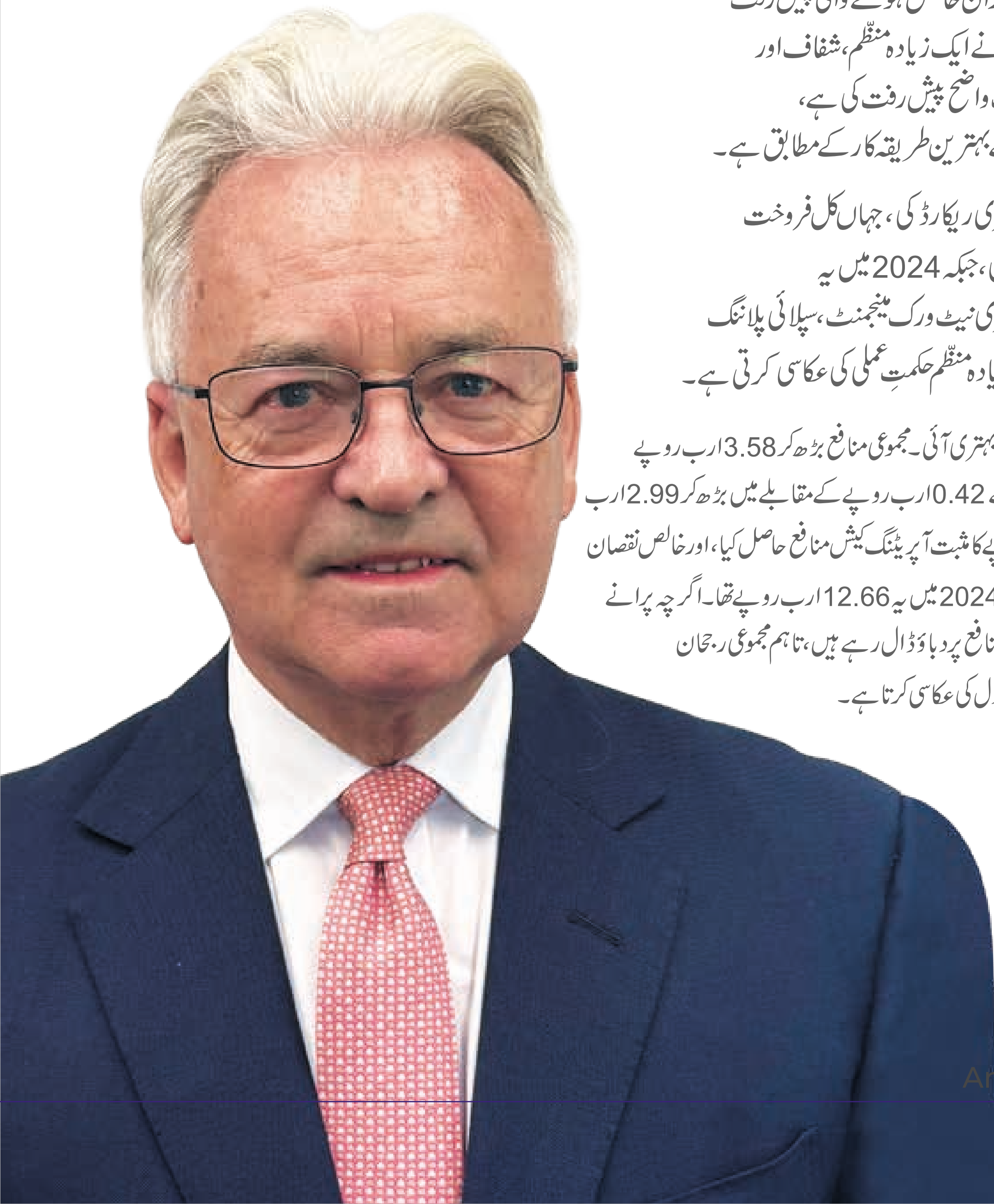
آخر میں، میں اپنے شیئر ہولڈرز، صارفین، قرض دہندگان، ریگولیٹرز اور ملازمین کا مسلسل اعتماد اور تعاون پر شکریہ ادا کرتا ہوں۔ بورڈ اس بات کے لیے پُرعزم ہے کہ ہیسکول پیٹرولیم لمیٹڈ کو ایک مضبوط، شفاف اور مستحکم ادارہ بنایا جائے۔

سر ایلن ڈنکن
چیئرمین

چیئرمین کا جائزہ

ہیسکول پیٹرولیم لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 31 دسمبر 2025 کو ختم ہونے والے سال کے مالیاتی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال 2025 پاکستان میں بتدریج معاشی استحکام کا سال رہا، جہاں جی ڈی پی کی شرح نمو تقریباً 2.7% رہی اور مہنگائی کم ہو کر تقریباً 6% تک آ گئی۔ تاہم، ان بہتریوں کے باوجود کاروباری ماحول پیچیدہ رہا۔ خاص طور پر مشرقِ وسطیٰ میں جغرافیائی و سیاسی حالات نے عالمی توانائی منڈیوں کو متاثر کیا، جس کے نتیجے میں قیمتوں میں اتار چڑھاؤ، فریٹ اور انشورنس لاگت میں اضافہ، اور سپلائی چین میں وقفے وقفے سے رکاوٹیں پیدا ہوئیں۔



اس تناظر میں، بورڈ نے کمپنی کے تمام آپریشنز میں گورننس کو مضبوط بنانے، کمپلائنس کو مستحکم کرنے اور نظم و ضبط کے ساتھ عملدرآمد کو یقینی بنانے پر مسلسل توجہ مرکوز رکھی۔ سال کے دوران حاصل ہونے والی پیش رفت اس بات کی عکاسی کرتی ہے کہ کمپنی نے ایک زیادہ منظّم، شفاف اور جوابدہ آپریٹنگ فریم ورک کی جانب واضح پیش رفت کی ہے، جو ریگولیٹری تقاضوں اور صنعت کے بہترین طریقہ کار کے مطابق ہے۔

آپریشنل طور پر، کمپنی نے حجم میں بہتری ریکارڈ کی، جہاں کل فروخت بڑھ کر 541,840 میٹرک ٹن ہو گئی، جبکہ 2024 میں یہ 433,193 میٹرک ٹن تھی۔ یہ بہتری نیٹ ورک مینجمنٹ، سپلائی پلاننگ اور کمرشل نظم و ضبط کے حوالے سے زیادہ منظّم حکمتِ عملی کی عکاسی کرتی ہے۔

سال کے دوران مالی کارکردگی میں نمایاں بہتری آئی۔ مجموعی منافع بڑھ کر 3.58 ارب روپے ہو گیا، جبکہ EBITDA گزشتہ سال کے 0.42 ارب روپے کے مقابلے میں بڑھ کر 2.99 ارب روپے ہو گیا۔ کمپنی نے 1.04 ارب روپے کا مثبت آپریٹنگ کیش منافع حاصل کیا، اور خالص نقصان کم ہو کر 6.70 ارب روپے رہ گیا، جبکہ 2024 میں یہ 12.66 ارب روپے تھا۔ اگرچہ پرانے مالی اخراجات اور ڈیپریسی ایشن اب بھی منافع پر دباؤ ڈال رہے ہیں، تاہم مجموعی رجحان بہتر مالی نظم و ضبط اور آپریشنز پر مضبوط کنٹرول کی عکاسی کرتا ہے۔

HSSE Policy

Health, Safety, Security and Environment (HSSE) is an integral part of the management philosophy of Hascol Petroleum Limited (HPL). HPL aims to achieve business excellence and strives to protect people, assets, environment and reputation.

This commitment is in the best interests of our employees, contractors, customers, stakeholders and the community at large.

In order to contribute to sustainable development, HPL is committed to:

- Providing safe, secure and healthy work environment with a cautionary attitude by exercising responsible care;
- Achieving a generative HSSE culture to prevent incidents and reducing our environmental footprint; and
- Complying with legal requirements, internal standards and adopt best practices.

To realize the above, we hereby declare our intention to:

- Set HSSE targets and goals annually to measure performance for continual improvement
- Reduce HSSE risks arising from our operations to a reasonably acceptable level
- Provide training/awareness to our employees to perform safely
- Maintain high standard of emergency response capability
- Prevent accidents, occupational diseases, fire cases and pollution
- Empower employees and contractors to report non-compliances or unsafe conditions/acts and to take immediate remedial measures to prevent incidents
- Promote pollution prevention, resource conservation, GHG emissions management, and horticulture
- Ensure all activities are carried out in accordance with company HSSE policy
- Ensure that contractors' HSSE performance is in line with our standards

This policy shall be regularly reviewed to ensure ongoing suitability. Employees and contractors have responsibility to comply with this policy and maintain high level of HSSE standards.

Life Saving Rules

Following our continuous improvement drive and to improvise over our learning from last year in HSSE,

life saving rules have been updated in 2024. Currently, we have 9 life saving rules implemented across all our facilities, which help us improve safety culture within the organization and operate safely. These life saving rules are simple "dos" and "don'ts" covering activities with the highest potential safety risk and apply to all employees and contractors.

Safe Driving: Wear your seat belt, follow speed limit, no use of mobile while driving and Follow Journey management plan

Protect yourself against a fall when working at height

Obtain authorization before entering a confined space

Follow prescribed lifting plan

Work with a valid work permit, when required

Line of Fire: Position yourself in a safe zone in relation to moving and energized equipment

Energy Isolation: Identify all energy sources, Hazardous energy sources are Isolated, locked and tagged out

No alcohol or drug while working or driving

Do not smoke outside designated smoking areas

Corporate Objectives & Business Strategy

At Hascol, our focus on sustainability and a healthy ethics plan is driven by our long-standing commitment to doing what is right.

Hascol objective is to manage its retail network by catering the fuel needs of its customer base throughout the country; reaching remote areas for domestic consumption and to cater the energy needs of all the industrial clients in an efficient and profitable manner.

Hascol Petroleum Limited recognizes oil and gas as an energy resource integral to future needs for economic development in this era of world globalization.

Our business strategy is devised in a manner that ensures fulfilling energy needs in an environmentally viable and socially responsible conduct.

At Hascol Petroleum Limited, our aspiration is to attain a high standard of performance with robust profitability as well as strengthening market position in the competitive environment. We closely liaise with our customers, partners and policy-makers to fulfill everyone's needs. A reputation is not built overnight. But when core values are in place, customers give it recognition for international standards, good governance and fair play.

Hascol Petroleum Limited transacts its business based on the following Business Principles; for which the objectives are stated below:

VALUES OF HASCOL

We at HASCOL, follow a set of business principles that let us achieve remarkable success in every aspect. These values are abide by the set of beliefs as prescribed by our founding father - Unity, Faith and Discipline. We strongly value the importance of trust, openness, teamwork and professionalism, and take great pride in how we do business. Hascol keeps its doors open for feedback/suggestions to the management and human resource and constantly emphasis on employees to demonstrate a high level of discipline in their role, establishing a culture of ingenuity.

COMPETITIVE ENVIRONMENT

HASCOL focuses on building the competitive environment that supports the practical implementation of free and fair competition amongst the industry members. We believe in following honest business practices that are sustainable and rewarding for the business in the long run. We seek to compete ethically abiding by the local and international legislation and within the framework of applicable competition laws in the relevant jurisdiction.

INTEGRITY AND HONESTY

For HASCOL, honesty, integrity, and fairness is what matters the most in all aspects of its business; be it a customers, suppliers, contractors or external partnerships while expecting the same in our interactions. The direct or indirect offer, facilitation payments, soliciting or acceptance of bribes in any form is unacceptable. Employees are expected to avoid conflicts of interest between their private activities and their part in the conduct of company business. Insider trading and passing on sensitive company information is strictly forbidden. HASCOL encourages honesty in all its dealings and business transactions that is reflected in accurate and fair financial statements of the company.

SAFEGUARDING THE HUMAN CAPITAL

HASCOL vigilantly takes care that business functions are performed safely. This is the reason we keep aligned the health, safety, security, and environmental management factors with our business functions to achieve the high potential of our employees. Our HSSE Policy and Life Saving Rules revolve around the contribution and importance our workforce provides in our growth. At HASCOL, we promote an open culture that allows every employee to come forward and address their personal concerns to the human resource on confidential basis or any issue that may affect their performance. In case of personal counselling general management do take notice. HASCOL understand that advancement in these matters will enhance their business operations and keep on exploring the area of improvement.

ECONOMICS

Profitability makes businesses fuelled up with growth, sustainability and prosperity. It speaks about the brand value and customers' commitment to the product & service. Profitability helps us to simplify business processes bringing in innovations to market more effectively. On the other hand, the considerable saving of costs frees up cash for investment for another place or plan, further improving our prospects for growth. HASCOL make sure to invest and realocate the resources in all aspects including, social, economic and environmental on micro and macro level, validating our decision making process and their outcomes.

MEETINGS AND ENGAGEMENTS

HASCOL gives importance to the views of it stakeholders and this makes it obligatory for us to share the right amount of information at right time. We lift the confidence of legitimately interested parties by representing the authentic and reliable information. The regular investor's relations programme of meetings between shareholders, analysts, senior management and directors makes the operations workout smoothly. This helps us to respond to their concern easily, and providing them feedback honestly and responsibly. Our employees also follow a stringent rule of having formal work relations and not to compromise on principles.

COMPLIANCE

We comply with all applicable laws and regulations of the Islamic Republic of Pakistan where we operate. Any breach is a matter of prompt scrutiny and immediate action against the perpetrators. Within our organization, we also have internal procedures which are just as important as our daily tasks. General Management ensures that employees follow the code of conduct and work under the assigned principles without following any shortcuts. Our retail sites ensure the safe disposal of hazardous material and other elements that cause environmental pollution.

BUSINESS BASED ON OUR PRINCIPLES

Hascol's core values of unity, faith and discipline coupled with honesty, integrity and respect for people are the basis for all the work we do and are the foundation of our Business Principles. These rules apply to all transactions, and are the basis of the behavior expected of every employee in Hascol Petroleum Limited at all times. Our reputation is based on our actions and it will be upheld if we act in accordance with the law and the Business Principles. We encourage our business partners to follow these principles. We persuade our employees to demonstrate leadership, accountability and teamwork, and through these behaviors, to contribute to the overall success of Hascol Petroleum Limited. It is the responsibility of the management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit of this statement. The application of these principles is underpinned by a comprehensive set of assurance procedures which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them.

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In return, it is the responsibility of the employees to report suspected breaches of the Business Principles to the management. The Business Principles have been fundamental to how we conduct our business and living by them is crucial to our continued success.

COUNTRY POLITICS

a. of Companies

Hascol Petroleum Limited pursues its activities within the laws and statutes of the Islamic Republic of Pakistan whereby our aim is to legitimately accomplish our commercial objectives. The initiatives of Triple Bottom Reporting are gradually evolving among the corporate circles of Pakistan, where the pillars of focus are People, Profit and Planet and Corporate Social Responsibility. Hascol Petroleum Limited as a rule of thumb does not make payments to political parties or organization, or to their affiliates /representatives whatsoever. The Company does not take part in any external/internal affairs with regulatory bodies unless compliance issue arises or authorized instruction permits us to do so. However, with such dealings, Hascol Petroleum Limited has the right to make our position known on any matters which affect us, our employees, our customers, our shareholders or the local communities in which we operate, in a manner which is in accordance with our ethical values and the best practices of our company.

b. of Employees

Hascol Petroleum Limited has encouraged the need of a friendly work environment and identified the ideal conduct for a decent workplace culture and interaction with all stakeholders. Harassment has been explicitly stated and what is unacceptable includes: jokes, insults, threats, and other unwelcome actions about a person's race, gender, age, religion, ancestry, social or economic status or educational background is strictly forbidden. Nor is any employee eligible to verbally or physically conduct himself/herself that upsets another's work performance creating a fearful or hostile work environment. Hascol Petroleum Limited has ensured to provide safe working environment based on our statements in the "Zero Harm Charter". Also, we discourage intoxication or use of illegal substance at work premises and employees violating shall be subjected to disciplinary action. Where individuals wish to engage in political activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate keeping in view the specific circumstances of that particular scenario.

BUSINESS COMPLIANCE, & ETHICS GUIDELINE

We have a Business Ethics Charter by the name of Business, Compliance & Ethics Guideline that dictates our commitment to fair dealing and highlighting ourselves as a professional entity in the oil marketing sector. Our initiative is to avoid any consequential events due to non-conformance of local and foreign legislation and be subjected to penal scrutiny. Apart from General Business Principles; Hascol Petroleum Limited has placed this additional guideline for its operational engagement with the relevant stakeholders.

CUSTOMER RELATION

Hascol Petroleum Limited will compete for business aggressively and honestly in the competitive oil marketing industry, and shall constrict itself in the following ways:

- Will not misrepresent any products, services and prices.
- Will not make false claims about our competitors.
- Product alteration / blending or change in specifications is only allowed if requested by the customer, or permitted by regulation or commercial practice.
- Only supply safe products and services that meet all applicable government standards and regulations.

SUPPLIER RELATION

Hascol Petroleum Limited shall ensure all procurement decisions are based on best value received by us and a supplier analysis needs to be conducted. Base the purchase of goods and services only on the merits of price, quality, performance and suitability.

- Avoid reciprocal agreements or exchange of favors.
- The fee or price paid for goods and services by Hascol Petroleum Limited shall represent the value of the goods or services provided.
- Hascol Petroleum Limited shall ensure its maximum ability to refrain from using suppliers who participate in the following activities:
- Supply unsafe products or services.
- Break laws or regulations.
- Hidden deals and unscrupulous commitments.

ENTERTAINMENT & GIFTS

Gifts, favor or entertainment should not be accepted or provided if it will obligate or appear to obligate the person who receives it. Employees may accept or give gifts, favors and entertainment subject to the following criteria:

- Should not have been requested or asked to be provided.
- Should not affect business relationship in any negative manner.

INFORMATION SHARING

Unless sharing information with external suppliers and customers is against the law or our standard business practise, Hascol Petroleum Limited shall encourage sharing information when it may improve the quality or use of our products. Passing on internal memos and confidential documentation / paperwork is strictly forbidden; if Hascol proprietary information is given outside the company, it has to be ensured that a written confidentiality and non-disclosure agreement is prepared, and that proper controls are established to manage the flow of information. Otherwise, the concerned employee is in serious breach of the business ethics and subject to prosecution.

GENERAL PUBLIC RELATION

Hascol Petroleum Limited considers the general public as its brand ambassador; our brilliance in products and services must outshine that of competitors; thus allow for our market share to rise at our desired optimal level. Dispelling rumours and misinforming about competitors products and services to the public is highly prohibited and any competitor that indulges in such activities must be dealt with the guidelines prescribed by OGRA and other regulations and legislation. Our business ethics guide us to avoid unnecessary comparisons and benchmarking of retrospective performance of competitors.

SOCIETY AND LOCAL COMMUNITIES

Hascol Petroleum Limited aims to be society's best friend and foster healthy relationships within our communities. Our aim is to monitor possible impacts of the actions we pursue and ensure that we create recreational facilities adjacent to our retail outlets with provision of fast food franchise chains. This was an idea provisioned by our marketing team to provide a means of light entertainment to the local residents.

In addition, Hascol Petroleum Limited takes a constructive interest in societal matters directly or indirectly related to our business and donation payments for social causes are made on a regular basis. Two well-renowned charities are regular recipients of our donations. Employees can in some instances given time off for appropriate volunteer work and can also refer to legitimate registered.

RESPONSIBILITIES

Hascol Petroleum Limited recognizes its responsibilities towards all the stakeholders. The management is responsible to continuously assess these priorities and discharge them on the basis of its assessment. These responsibilities pertain to:

- Protect shareholders' investment, and provide competitive long-term return; benchmarking other leading companies in the oil marketing industry as well as to create a brand name; and supplement growth of its affiliate brand FUCHS.

- Developing and maintaining a staunch customer base by providing products and services which offer value in terms of price, quality, safety and positive environmental and commercial expertise thereby create a brand loyalty of Hascol in customers by offering the best possible products and services.

- Employees are our most important assets and they receive utmost respect, rights, good and safe working conditions and to commensurate them with competitive terms and conditions of employment. We appreciate innovation and hard work and regular appraisals based on performance are some of the few means which we use to promote the development and best use of the talents of our employees. We recognize that commercial success depends on the full commitment of all employees.

- The external stakeholders are the contractors, dealers and suppliers with whom we seek to transact business which is mutually beneficial. The ability to promote these principles effectively will be an important factor in the decision to enter into or remain in such relationship.

- Overall, Hascol Petroleum Limited believes in conducting our business as responsible corporate members of the society, to comply with applicable laws and regulations, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

General Principles, Business, Compliance and Ethics and HSSE are subject to constant review and updated as per our business requirements. We seek continuous feedback from a variety of stakeholders and vested interest group as the dynamic and unpredictable nature of the oil marketing business demands us to be proactive.

Under Circular 10 of 2024
Gender Pay Gap Statement

Following is the gender pay gap calculated for the year ended 31 December 2025:

(i)	Mean Gender Pay Gap:	7.97%
(ii)	Median Gender Pay Gap:	(27.24%)
(iii)	Any other data / details as deemed relevant:	Nil

For & on behalf of

Board of Directors

Javed Yousuf Ahmedjee
Chief Executive Officer

Dated: 31 March 2026


GAP

Directors' Report

The Directors of your Company are pleased to present the Annual Report of the Company along with audited standalone and consolidated financial statements and auditors' report thereon for the year ended 31st December 2025.

Financial Results

Pakistan's GDP grew by approximately 2.7% in FY2025, supported by improved industrial activity, a stable services sector, and higher agricultural output. Inflation eased significantly, with CPI declining to around 6%, compared to approximately 20% in 2024.

Overall, 2025 marked a cautiously positive turning point for Pakistan's economy. The year was characterized by modest growth, a sharp disinflation trend, and early signs of macroeconomic stabilization, despite persistent structural challenges. However, the economic landscape remained complex. Geopolitical tensions including regional conflict with India, strained relations between Israel and Iran, and shifting global energy dynamics continued to weigh on economic sentiment. Additionally, climate-related disruptions, particularly flash floods and widespread damage across the country, raised concerns about supply chain interruptions and agricultural sustainability.

Macroeconomic pressures were further compounded by rising freight and insurance costs due to maritime disruptions and surcharges. Domestic freight carriers increased rates following local diesel price surges alongside sustained demand for U.S. dollars, which continued to exert pressure on the Pakistani rupee and external balances.

The external sector showed relative improvement, driven by increased remittance inflows, stronger export performance, and a gradual return on foreign investment. Nevertheless, risks persisted, particularly in relation to external debt obligations, political uncertainty, and volatility in global energy prices. These factors contributed to cautious policymaking, tighter regulatory oversight, and greater government intervention, especially in energy and commodity markets.

The standalone financial results of the Company for the year ended 31st December 2025 are shown as below:

Particulars	2025	2024
	Rupees in'000	
Gross profit	**3,575,726**	**3,333,401**
Cash operating profit / (loss)	**1,039,773**	**1,211,393**
EBITDA	**2,361,196**	**415,637**
Loss after taxation	**(6,700,245)**	**(12,660,551)**
	Rupees	
Loss per share	**(6.71)**	**(12.67)**

In 2025, the Company sold a total of 541,840 Metric ton in mixed fuel significantly higher than 433,193 metric ton sold in 2024 as the Company focused on profitable volume and managing its pricing risk better. The Company achieved positive EBITDA and generated positive cash operating profit in 2025.

During the year, the Company successfully completed the restructuring of its outstanding borrowings with some of the banks, resulting in the settlement of the related banking liabilities together with accrued mark-up thereon. The Company is also actively engaged in restructuring its remaining banking liabilities, which continue to be presented as current liabilities, with a view to strengthening its financial position and supporting improved operational performance.

Before filing of this report, the Company has received a formal offer letter from the National Bank of Pakistan Limited ("NBP") setting out the terms and conditions for the restructuring and rescheduling of the outstanding exposure comprising principal and accrued mark-up under various finance facilities. The management, in consultation with the single majority shareholder, is presently evaluating the conditions and other detailed requirements for acceptance of the proposed terms and conditions. After the inclusion of NBP in the restructuring arrangement, more than 92% of the Company's total banking debt has been successfully restructured.

During the year ended 31 December 2025, the Hascol Lubricants Private Limited, 100% wholly own subsidiary of the Company discontinued its lubricant blending operations at its blending facility located at Plots No. F-04, F-32 and F-32B, Eastern Industrial Zone, Port Qasim Authority, Karachi. In line with the Company's strategic decision to exit the loss-making segment, the facility was leased to a third party under a long-term arrangement for a period of five years.

The Company also finalized the IFEM audit 2020-23 and IFEM receivable finalized Rs. 1.52 billion. The Company received approximately PKR 1.1 billion, which enhanced its working capital. The IFEM audit for the period from July 2023 to June 2024 is in process.

The loss before tax of PKR 6,700 million is mainly driven by the following cost components:

- Financing cost of PKR 6,781 million on overdue loans;
- Depreciation and amortization amounting to PKR 2,280 million
- Reversal of provision Liability of PKR 2.28 million

Auditor's Adverse Opinion in Audit Report:

The auditors of the Company have expressed an adverse opinion on certain points in their audit report on the financial statements of the Company. The same are being addressed and the relevant explanations as to Company's view are stated as below

- The management of the Company has prepared the financial statements of the Company on the basis that the Company will continue to operate as a going concern. The management's basis of this view is disclosed in note 1.2 of the financial statements

- Currently, the Company has various pending litigations. In addition, the SECP and FIA are investigating the affairs of the Company and individuals working for the Company including Board of Directors respectively pertaining to historical financial statements till 2019, which has already been disclosed in the financial statements. Present Directors of the company who were nominated in the FIA case were exonerated and the proceedings against them have ended. The above remarks from the External Auditor are primarily to draw attention to this matter.

- The other areas forming part of adverse opinions pertains to taxation including unrecognized deferred tax mainly relating to revision of tax returns.

Cash and Stock Dividends

As the Company has incurred a loss after tax for the year ending 31 December 2025, the Directors have decided not to make any dividend appropriation for this particular year.

Corporate and Financial Reporting Framework

The management of Hascol Petroleum Limited is committed to good corporate governance and complying with best practices. As required under the Code of Corporate Governance, the directors are pleased to state as follows:

(a) The financial statements prepared by the Management of the Company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.

(b) The Company has maintained proper books of accounts as required under the Companies Act, 2017, given the management positions on certain matters as highlighted earlier in this report.

(c) The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. Changes in accounting policies, wherever made, have been adequately disclosed in the financial statements. Accounting estimates are on the basis of prudent and reasonable judgement.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and deviation, if any, has been adequately disclosed.

(e) The Board Audit Committee reviews report on the system of internal controls from the external and internal auditors and continuously seeks to improve the same.

(f) As disclosed in note 1.2 of the unconsolidated financial statements of the Company, there are no significant doubts upon the Company's ability to continue as a going concern based on management's views and the proposed restructuring plan being approved and implemented.

Health, Safety, Security & Environment (HSSE)

Hascol Petroleum Limited is committed to ensure a safe and healthy workplace, protecting the environment, and ensuring the security of its operations and assets. We abide by policies and procedures related to risk management, compliance, employee training and engagement, continuous improvement and stakeholder management. At Hascol, HSSE is an integral part of our business and considered as an important step in our ladder of success. The Company recorded its 9th Consecutive Year with Zero Lost time Injury (LTI) and achieved 10.94 million Safe Man-Hours.

Following objectives facilitate us in systematically managing HSSE at Hascol:

- Promote a culture of reporting incidents, driving Learning to help achieve an accident-free work place.
- Establish safe work guidelines to mitigate health risk associated with our job scope.
- Take necessary measure to control spills and environmental incidents.
- Ensuring Asset integrity helping us to operate safely.
- Resource Training and assets Optimization to ensure efficient and reliable operations.

Human Resource

Hascol believes in investment in its employees in terms of Training and Development and Employee Engagement activities to reap benefits for both the Company and the employees

The Company continued its policy of offering internship to promising students and a thriving Trainee Program for engineers, business and accounting graduates.

Employee Engagement initiatives included organizing International Days such as Women's Day, World's Happiness Day, Pinktober, Men's Day, etc.

Corporate Social Responsibility (CSR)

Hascol being a member of the United Nations Global Compact (UNGC) is committed to the guidelines and principles outlined by this institution.

The Company has taken steps to implement UNGC protocols and drive positive social impact.

Key Operational and Financial Data

A statement summarizing key operational and financial data for the last six years is given on page 64 of the report.

Contribution to the National Exchequer and Economy

During the year the Company has made a total contribution of PKR 48.2 billion to the national exchequer on account of import duties, general sales tax, income tax and other government levies.

Corporate Governance

The Company remains committed to conducting its business in line with the best practices of the Code of Corporate Governance, the Companies Act 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited. Details are particularly mentioned in the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2017.

Composition of the Board of Directors during the year 2025

The total number of Directors are seven (7) as per the following:

(a)	Male:	6
(b)	Female:	1

The composition of the Board is as follows:

(a)	Independent Directors:	Mr Mustafa Ashraf Ms Naheed Memon Mr Aamir Amin Mr Rasul Bux Phulpoto***
(b)	Non-executive Directors:	Sir Alan Duncan Mr Farid Arshad Masood Mr Aernout Boot*
(c)	Chief Executive Officer:	Mr Javed Ahmedjee**
(d)	Female Director:	Ms Naheed Memon

* Mr. Abdul Aziz Khalid resigned on 01 August 2024, and Mr. Aernout Boot was appointed as Director in his place effective 18 February 2025.

** Mr. Aqeel Ahmed Khan resigned on 30 April 2025, and Mr. Javed Yousuf Ahmedjee was appointed as Chief Executive Officer in his place effective 05 May 2025.

*** Mr. Rasul Bux Phulpoto was appointed as Director with effect from 22 May 2025 in place of Syed Muhammad Mujtaba Jafarey.

Board of Directors and Meetings of the Board held during the year 2025

During the year, **eight (08)** meetings of the Board of Directors were held and the attendance of each Director is given below:

S. No.	Director's Name	Meetings Attended
1	Sir Alan Duncan (Chairperson)	7
2	Mr Farid Arshad Masood (Director)	8
3	Mr Aernout Boot (Director)*	4
4	Mr Mustafa Ashraf (Director)	8
5	Ms Naheed Memon (Director)	8
6	Mr Aamir Amin (Director)	8
7	Mr Rasul Bux Phulpoto (Director)**	4

*Mr. Abdul Aziz Khalid resigned on 01 August 2024, and Mr. Aernout Boot was appointed as Director in his place effective 18 February 2025.

**Mr. Rasul Phulpoto was appointed as Director with effect from 22 May 2025 in place of Syed Muhammad Mujtaba Jafarey.

Board Committee Meetings held during the year 2025

During the year, the Audit Committee held **eight (08)** meetings. The attendance record of the Directors is as follows:

S. No.	Director's Name	Meetings Attended
1	Mr Mustafa Ashraf (Chairperson)	8
2	Mr Farid Arshad Masood (Member)	7
3	Mr Aamir Amin (Member)	8
4	Mr Rasul Bux Phulpoto (new Member)*	-

* Sub-Committees were reconstituted on 29 October 2025, pursuant to which Mr. Rasul Phulpoto was appointed as a member of BAC.

During the year, the Human Resource Committee held **seven (07)** meetings. The attendance record of the Directors is as follows:

S. No.	Director's Name	Meetings Attended
1	Ms Naheed Memon (Chairperson)	7
2	Sir Alan Duncan (new Member)*	2
3	Mr Farid Arshad Masood (Member)	7
4	Mr Rasul Bux Phulpoto (new Member)*	1
5	Mr Aamir Amin (former Member)*	6

* Sub-Committees were reconstituted on 29 October 2025, pursuant to which Sir Alan Duncan and Mr. Rasul Phulpoto were appointed as a members of BHRC in place of Mr Aamir Amin.

During the year, the Risk Committee held **four (04)** meetings. The attendance record of the Directors is as follows:

S. No.	Director's Name	Meetings Attended
1	Mr Aamir Amin (New Chairperson)*	-
2	Ms Naheed Memon (Member)	4
3	Mr Mustafa Ashraf (Member)	4
4	Mr Aernout Boot (new Member)*	-
5	Mr Farid Arshad Masood (former Member)	4

* Sub-Committees were reconstituted on 29 October 2025, pursuant to which Mr. Aamir Amin was appointed as Chairperson of BRC and Mr. Aernout Boot was appointed as a member of BRC in place of Mr Farid Arshad Masood.

Performance Evaluation of the Board

The Board Performance Evaluation for 2025 was conducted in-house and the results were circulated and shared with the Board on 19 January 2026.

Directors' Remuneration

The Company has a formal and transparent procedure for remuneration of directors in accordance with the Articles of Association of the Company and the Companies Act, 2017. The non-executive and independent directors, are paid a fee of PKR 200,000 each for attending Board meeting and Committee meeting.

Directors' Training Program

Presently, Chief Executive Officer and five (05) directors of the Company have acquired prescribed certification under the Directors' Training Program. Following directors have attended the Directors' Training Program:

- Mr. Javed Ahmedjee (CEO)
- Mr. Mustafa Ashraf (Director)
- Mr. Farid Arshad Masood (Director)
- Ms. Naheed Memon (Director)
- Mr. Aamir Amin (Director)
- Mr. Rasul Bux Phulpoto (Director)

External Auditors

The external auditors Messrs Baker Tilly Mehmood Idrees Qamar, Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for the re-appointment.

The Board on the recommendation of the Board Audit Committee has advised the appointment of Messrs Baker Tilly Mehmood Idrees Qamar, Chartered Accountants as auditors of the Company for the year 2026, subject to Shareholders' approval at the next AGM to be held on 27 April 2026.

Pattern of Shareholding

The statement of Pattern of Shareholding as at 31st December 2025 is given on page 60 of the Annual Report.

Acknowledgement

The Board acknowledges the dedication, commitment and hard work of all of its employees, and also places on record the gratitude to the shareholders, customers, financial institutions and Government authorities for their continuous support and confidence in the Company.

Future Outlook

A reasonable indication of future prospects is discussed in the Chairman's Review on page 22.

Thanking you all.

On behalf of the Board

Mr Javed Yousuf Ahmedjee
Chief Executive Officer

Farid Arshad Masood
Director

شیئر ہولڈنگ کا نمونہ:

31 دسمبر 2025 تک شیئر ہولڈنگ کے پیٹرن کی تفصیل سالانہ رپورٹ کے صفحہ 60 پر دی گئی ہے۔

اعتراف:

بورڈ کمپنی کے تمام ملازمین کی محنت، لگن اور عزم کو سراہتا ہے، اور شیئر ہولڈرز، صارفین، مالیاتی اداروں اور سرکاری حکام کا مسلسل تعاون اور اعتماد پر شکریہ ادا کرتا ہے۔

مستقبل کا لائحہ عمل:

مستقبل کے امکانات کے بارے میں مناسب رہنمائی چیئرمین کے جائزے میں صفحہ 22 پر فراہم کی گئی ہے۔

آپ سب کا شکریہ۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

ڈائریکٹر

ڈائریکٹرز کا معاوضہ:

کمپنی نے اپنے آرٹیکلز آف ایسوسی ایشن اور کمپنیز ایکٹ 2017 کے مطابق ڈائریکٹرز کے معاوضے کے لیے ایک باضابطہ اور شفاف طریقہ کار اختیار کیا ہوا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو ہر بورڈ میٹنگ اور کمیٹی میٹنگ میں شرکت کے عوض 200,000 روپے فی میٹنگ ادا کیے جاتے ہیں۔

ڈائریکٹرز ٹریننگ پروگرام:

فی الوقت کمپنی کے چیف ایگزیکٹو آفیسر اور پانچ (05) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت مطلوبہ سرٹیفکیشن حاصل کر لی ہے۔ درج ذیل ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام میں شرکت کی:

☆ جناب جاوید احمد جی (سی ای او)

☆ جناب مصطفیٰ اشرف (ڈائریکٹر)

☆ جناب فرید ارشد مسعود (ڈائریکٹر)

☆ محترمہ ناہید میمن (ڈائریکٹر)

☆ جناب عامر امین (ڈائریکٹر)

☆ جناب رسول بخش پھلپوٹو (ڈائریکٹر)

بیرونی آڈیٹرز:

کمپنی کے بیرونی آڈیٹرز میسرز بیکر تلی محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ جنرل اجلاس (AGM) کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی بنا پر اپنی دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز نے، بورڈ آڈٹ کمیٹی کی سفارش پر، میسرز بیکر تلی محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس کو سال 2026 کے لیے کمپنی کے آڈیٹرز مقرر کرنے کی سفارش کی ہے، جو کہ 27 اپریل 2026 کو منعقد ہونے والے آئندہ سالانہ جنرل اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

سال کے دوران، ہیومن ریسورس کمیٹی نے سات (07) اجلاس منعقد کئے۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
01	محترمہ ناہید میمن (چیئرپرسن)	07
02	جناب ایلن ڈنکن (نئے ممبر)*	02
03	جناب فرید ارشد مسعود (ممبر)	07
04	جناب رسول بخش پھلپوٹو (نئے ممبر)*	01
05	جناب عامر امین (سابق ممبر)*	06

(*) 29 اکتوبر 2025 کو ذیلی کمیٹیوں کی تشکیل نو کی گئی، جس کے مطابق جناب عامر امین کی جگہ جناب ایلن ڈنکن اور جناب رسول بخش پھلپوٹو کو (BHRC) کے ممبر کے طور پر مقرر کیا گیا۔

سال کے دوران، رسک کمیٹی نے چار (04) اجلاس منعقد کئے۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
01	جناب عامر امین (نئے چیئرپرسن)*	--
02	محترمہ ناہید میمن (ممبر)	04
03	جناب مصطفیٰ اشرف (ممبر)	04
04	جناب ایرنوٹ بوٹ (نیا ممبر)*	--
05	جناب فرید ارشد مسعود (سابق ممبر)	04

(*) 29 اکتوبر 2025 کو ذیلی کمیٹیوں کی تشکیل نو کی گئی جس کے مطابق جناب عامر امین کو (BRC) کا چیئرپرسن مقرر کیا گیا اور جناب فرید ارشد مسعود کی جگہ جناب ایرنوٹ بوٹ کو (BRC) کا رکن مقرر کیا گیا۔

بورڈ کی کارکردگی کا جائزہ:

2025 کے لیے بورڈ کی کارکردگی کا جائزہ اندرون ملک کیا گیا تھا اور نتائج کو 19 جنوری 2026 کو بورڈ کے ساتھ تقسیم کیا گیا تھا۔

سال 2025 کے دوران منعقد ہونے والے بورڈ کے اجلاس اور ان کے بورڈ آف ڈائریکٹرز:

سال کے دوران بورڈ آف ڈائریکٹرز کے (08) اجلاس منعقد ہوئے، تمام ڈائریکٹر کی حاضری درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
01	جناب ایلن ڈنکن (چیئر پرسن)	07
02	جناب فرید ارشد مسعود (ڈائریکٹر)	08
03	جناب ایرنوٹ بوٹ (ڈائریکٹر)*	04
04	جناب مصطفیٰ اشرف (ڈائریکٹر)	08
05	محترمہ ناہید میمن (ڈائریکٹر)	08
06	جناب عامر امین (ڈائریکٹر)	08
07	جناب رسول بخش پھلپوٹو (ڈائریکٹر)**	04

(*) جناب عبدالعزیز خالد نے 01 اگست 2024 کو استعفیٰ دے دیا، اور جناب ایرنوٹ بوٹ کو ان کی جگہ ڈائریکٹر کے طور پر مقرر کیا گیا جو 18 فروری 2025 سے نافذ العمل ہے۔

(**) جناب رسول پھلپوٹو کو جناب سید محمد مجتبیٰ جعفری کی جگہ 22 مئی 2025 سے ڈائریکٹر مقرر کیا گیا۔

سال 2025 کے دوران منعقد ہونے والے بورڈ کے اجلاس:

سال کے دوران آڈٹ کمیٹی نے آٹھ (8) اجلاس منعقد کیے جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
01	جناب مصطفیٰ اشرف (چیئر پرسن)	08
02	جناب فرید ارشد مسعود (ممبر)	07
03	جناب عامر امین (ممبر)	08
04	جناب رسول بخش پھلپوٹو (نئے ممبر)*	--

(*) 29 اکتوبر 2025 کو ذیلی کمیٹیوں کی تشکیل نو کی گئی، جس کے مطابق جناب رسول پھلپوٹو کو BAC کا رکن مقرر کیا گیا۔

سال 2025 کے دوران بورڈ آف ڈائریکٹرز کی تشکیل:

سال 2025 کے دوران بورڈ آف ڈائریکٹرز کی کل تعداد سات (7) رہی، جس کی تفصیل درج ذیل ہے:

مرد	(06)
عورت	(01)

بورڈ کی تشکیل درج ذیل ہے:

(۱) **خودمختار ڈائریکٹرز:**	جناب مصطفیٰ اشرف
	محترمہ ناہید میمن
	جناب عامر امین
	جناب رسول بخش پھلپوٹو***
(۲) **غیر ایگزیکٹو ڈائریکٹرز:**	جناب ایلن ڈنکن
	جناب فرید ارشد مسعود صاحب
	جناب ایرنوٹ بوٹ*
(۳) **چیف ایگزیکٹو آفیسر:**	جناب جاوید احمد جی**
(۴) **خاتون ڈائریکٹر:**	محترمہ ناہید میمن

* جناب عبدالعزیز خالد نے 01 اگست 2024 کو استعفیٰ دے دیا، اور جناب ایرنوٹ بوٹ کو ان کی جگہ ڈائریکٹر مقرر کیا گیا جو 18 فروری 2025 سے نافذ العمل ہے۔

** جناب عقیل احمد خان نے 30 اپریل 2025 کو استعفیٰ دے دیا، اور جناب جاوید یوسف احمد جی کو ان کی جگہ چیف ایگزیکٹو آفیسر مقرر کیا گیا جو 05 مئی 2025 سے نافذ العمل ہے۔

*** جناب رسول بخش پھلپوٹو کو سید محمد مجتبیٰ جعفری کی جگہ 22 مئی 2025 سے ڈائریکٹر مقرر کیا گیا۔

انسانی وسائل (Human Resource):

ہیسکول اپنے ملازمین میں تربیت، ترقی اور انگیجمنٹ کے ذریعے سرمایہ کاری پر یقین رکھتا ہے تاکہ کمپنی اور ملازمین دونوں کو فائدہ پہنچے۔

کمپنی نے کامیاب طلباء کے لیے انٹرنشپ کی پیشکش اور انجینئرز، بزنس اور اکاؤنٹنگ گریجویٹس کے لیے تربیتی پروگرام جاری رکھا۔

ملازمین کی انگیجمنٹ کے اقدامات میں عالمی دنوں جیسے خواتین کا دن، عالمی خوشی کا دن، Pinktober، مردوں کا دن وغیرہ کی تقریبات شامل ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR):

ہیسکول، بطور رکن اقوامِ متحدہ گلوبل کمپیکٹ (UNGC)، اس ادارے کے اصولوں اور رہنما خطوط پر عمل کرنے کے لیے پرعزم ہے۔ کمپنی نے UNGC پروٹوکول کے نفاذ کے اقدامات کیے اور مثبت سماجی اثر پیدا کرنے کے لیے اقدامات کیے ہیں۔

اہم آپریشنل اور مالیاتی اعداد و شمار:

گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار کا خلاصہ رپورٹ کے صفحہ **64** پر دیا گیا ہے۔

قومی خزانے اور معیشت میں حصہ:

سال کے دوران کمپنی نے درآمدی ڈیوٹیز، جنرل سیلز ٹیکس، انکم ٹیکس اور دیگر سرکاری محصولات کی مد میں قومی خزانے میں مجموعی طور پر 48.2 ارب روپے کا حصہ ڈالا۔

کارپوریٹ گورننس:

کمپنی اپنے کاروبار کو کوڈ آف کارپوریٹ گورننس کمپنیز ایکٹ 2017 اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز کے بہترین طریقہ کار کے مطابق چلانے کے لیے پرعزم ہے۔ اس کی تفصیلات "اسٹیٹمنٹ آف کمپلائنس ود لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 میں بیان کی گئی ہیں۔

(ت) پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) پر عمل کیا گیا ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔

(ٹ) بورڈ آڈٹ کمیٹی داخلی کنٹرول سسٹمز پر داخلی اور خارجی آڈیٹرز کی رپورٹ کا جائزہ لیتی ہے اور مسلسل بہتری کے اقدامات کرتی رہتی ہے۔

(ث) کمپنی کے علیحدہ مالی بیانات کے نوٹ 1.2 میں ظاہر کیا گیا ہے کہ انتظامیہ کے نقطہ نظر اور منظور شدہ ری اسٹرکچرنگ منصوبے کی بنیاد پر کمپنی کے جاری کاروبار کے طور پر کام جاری رکھنے کی صلاحیت پر کوئی اہم شبہات نہیں ہیں۔

صحت، حفاظت، سیکیورٹی اور ماحولیات (HSSE):

ہیسکول پیٹرولیم لمیٹڈ اپنے ملازمین کے لیے محفوظ اور صحت مند ورک پلیس فراہم کرنے، ماحول کی حفاظت کرنے، اور اپنی آپریشنز و اثاثوں کی سیکیورٹی یقینی بنانے کے لیے پرعزم ہے۔ کمپنی رسک مینجمنٹ، کمپلائنس، ملازمین کی تربیت اور انگیجمنٹ، مسلسل بہتری اور اسٹیک ہولڈر مینجمنٹ سے متعلق پالیسیز اور طریقہ کار پر عمل کرتی ہے۔ ہیسکول میں HSSE کاروبار کا لازمی حصہ ہے اور اسے کامیابی کی سیڑھی میں ایک اہم قدم سمجھا جاتا ہے۔ کمپنی نے مسلسل 9 سال بغیر کسی Lost time Injury (LTI) ریکارڈ کیا اور 10.94 ملین محفوظ مین آورز حاصل کیے۔

HSSE کو منظم انداز میں چلانے کے لیے درج ذیل مقاصد پر عمل کیا جاتا ہے:

- ☆ حادثات کی رپورٹنگ کا کلچر فروغ دینا اور سیکھنے کے عمل کے ذریعے حادثہ سے پاک ماحول کو یقینی بنانا۔
- ☆ کام کے دائرہ کار سے متعلق صحت کے خطرات کو کم کرنے کے لیے محفوظ ورک گائیڈ لائنز قائم کرنا۔
- ☆ اسپل اور ماحولیاتی حادثات پر قابو پانے کے لیے ضروری اقدامات کرنا۔
- ☆ اثاثوں کی سالمیت کو یقینی بنانا تاکہ محفوظ آپریشنز ممکن ہوں۔
- ☆ تربیت اور اثاثوں کی بہتر استعمال کو فروغ دینا تاکہ آپریشنز مؤثر اور قابل اعتماد ہوں۔

☆ فی الحال، کمپنی کے خلاف متعدد زیرالتوا قانونی مقدمات موجود ہیں۔اس کے علاوہ، SECPاور FIA کمپنی اوراس کے ملازمین بشمول بورڈ آف ڈائریکٹرز کے معاملات کی تحقیقات کرر ہے ہیں، جو 2019 تک کے تاریخی مالی بیانات سے متعلق ہیں،اور یہ مالی بیانات میں پہلے ہی ظاہر کیے جا چکے ہیں۔موجودہ ڈائریکٹرز جو FIA کیس میں نامزد تھے،ان کو بری کردیا گیااوران کے خلاف کارروائی ختم ہوچکی ہے۔ خارجی آڈیٹر کی یہ نشاندہی بنیادی طور پراس معاملے کی توجہ دلانے کے لیے کی گئی ہے۔

☆ منفی رائے کے دیگر پہلوٹیکس سے متعلق ہیں،بشمول غیر شناخت شدہ ڈیفرڈٹیکس، جو بنیادی طور پر ٹیکس ریٹرنز میں ترمیم سے متعلق ہے۔

نقدی اوراسٹاک ڈیوڈنڈز:

چونکہ کمپنی نے 31 دسمبر 2025 کوختم ہونے والے سال میں ٹیکس کے بعدنقصان اٹھایا ہے،اس لیے ڈائریکٹرز نے اس سال کے لیے کسی بھی ڈیوڈنڈ کی منظوری نہ دینے کا فیصلہ کیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

ہیسکول پیٹرولیم لمیٹڈ کی انتظامیہ اچھی کارپوریٹ گورننس اور بہترین طریقہ کار پرعمل کرنے کے لیے پرعزم ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت، ڈائریکٹرز مندرجہ ذیل بیان پیش کرنے پرخوش ہیں:

(ا) کمپنی کے مالی بیانات انتظامیہ کی جانب سے تیار کیے گئے ہیں جو کمپنی کی مالی حالت، آپریشنز کے نتائج، کیش فلواورایکویٹی میں تبدیلیوں کودرست طور پر پیش کرتے ہیں۔

(ب) کمپنی نےکمپنیز ایکٹ، 2017 کےتحت مناسب کتابیں اورریکارڈ برقراررکھے ہیں، جیسا کہ رپورٹ میں پہلے بیان کیے گئےمخصوص معاملات میں انتظامیہ کی پوزیشن کے مطابق ہے۔

(پ) مالی بیانات کی تیاری میں مستقل اورمناسب اکاؤنٹنگ پالیسیز پرعمل کیا گیا ہے۔ جہاں بھی اکاؤنٹنگ پالیسیز میں تبدیلی کی گئی، اسے مالی بیانات میں مناسب طریقے سے ظاہرکیا گیا ہے۔اکاؤنٹنگ کے تخمینے محتاط اورمعقول فیصلوں کی بنیاد پر کیے گئے ہیں۔

31 دسمبر 2025 کو ختم ہونے والے سال کے دوران کمپنی کی مکمل ملکیت والی ذیلی کمپنی ہیسکول لبریکنٹس پرائیویٹ لمیٹڈ نے پورٹ قاسم اتھارٹی، کراچی میں موجود اپنے بلینڈنگ فیسلٹی (Plots No. F-04, F-32 and F-32B,) میں لبریکنٹ بلینڈنگ آپریشنز بند کردیے۔ کمپنی کی اس اسٹریٹیجک حکمت عملی کے تحت نقصان دہ شعبے سے اخراج کے فیصلے کے مطابق یہ سہولت طویل مدتی لیز پر پانچ سال کے لیے کسی تیسرے فریق کو دے دی گئی۔

کمپنی نے IFEM آڈٹ 23-2020 کو بھی حتمی شکل دی اور اس کے نتیجے میں 1.52 ارب روپے کی وصولی طے ہوئی، جس میں سے تقریباً 1.1 ارب روپے وصول کیے گئے، جس سے ورکنگ کیپیٹل میں اضافہ ہوا۔ جولائی 2023 تا جون 2024 کے لیے IFEM آڈٹ زیرِ عمل ہے۔

کمپنی کا ٹیکس سے پہلے نقصان 6,700 ملین روپے رہا، جو درج ذیل اخراجات کی وجہ سے ہے:

☆ واجب الادا قرضوں پر مالیاتی لاگت: 6,781 ملین روپے۔
☆ ڈیپریسی ایشن اور اموریٹائزیشن: 2,280 ملین روپے۔
☆ پروویژن واجب الادا کی ریورس: 2.28 ملین روپے۔

آڈیٹر کی منفی رائے برائے آڈٹ رپورٹ:

کمپنی کے آڈیٹرز نے کمپنی کے مالی بیانات پر اپنے آڈٹ رپورٹ میں کچھ نکات پر منفی رائے دی ہے۔ ان نکات کو حل کیا جارہا ہے اور کمپنی کے نقطہ نظر کی وضاحت درج ذیل ہے:

☆ کمپنی کی انتظامیہ نے مالی بیانات اس بنیاد پر تیار کیے ہیں کہ کمپنی جاری کاروبار کے طور پر کام کرتی رہے گی۔ اس نقطہ نظر کی بنیاد مالی بیانات کے نوٹ 1.2 میں ظاہر کی گئی ہے۔

کمپنی کے 31 دسمبر 2025 کو ختم ہونے والے سال کے علیحدہ مالی نتائج ذیل میں پیش کیے گئے ہیں:

تفصیل	2025 روپے 000	2024 روپے 000
کل منافع	3,575,726	3,333,401
آپریٹنگ (لوس) / پروفٹ	1,039,773	1,211,393
EBITDA	2,361,196	415,637
ٹیکس کے بعد نقصان	(6,700,245)	(12,660,551)
	روپے	
نقصان فی شیئر	(6.71)	(12.67)

سال 2025 میں کمپنی نے مجموعی طور پر 541,840 میٹرک ٹن مکس فیول فروخت کیا، جو 2024 میں فروخت شدہ 433,193 میٹرک ٹن کے مقابلے میں نمایاں طور پر زیادہ ہے۔ اس میں کمپنی کی منافع بخش حجم پر توجہ اور قیمتوں کے خطرے کے بہتر انتظام کی حکمت عملی کا کردار رہا۔ 2025 میں کمپنی نے مثبت EBITDA حاصل کی اور کیش آپریٹنگ منافع بھی پیدا کیا۔

اس سال کے دوران، کمپنی نے کچھ بینکوں کے ساتھ اپنے زیرِ بقایا قرضوں کی کامیاب ری اسٹرکچرنگ مکمل کی، جس کے نتیجے میں متعلقہ بینکنگ واجبات اور ان پر واجب الادا مارک اپ کی ادائیگی ہوگئی۔ کمپنی اپنے باقی ماندہ بینکنگ واجبات کی ری اسٹرکچرنگ میں بھی سرگرم ہے، جو فی الحال موجودہ واجبات کے طور پر پیش کیے جا رہے ہیں، تاکہ مالی حیثیت کو مضبوط بنایا جا سکے اور آپریشنل کارکردگی میں بہتری لائی جا سکے۔

اس رپورٹ کے جمع کروانے سے قبل، کمپنی کو نیشنل بینک آف پاکستان لمیٹڈ ("NBP") کی جانب سے باضابطہ آفر لیٹر موصول ہوا ہے، جس میں مختلف فنانس سہولیات کے تحت بقایا قرض اور اس پر واجب الادا مارک اپ کی ری اسٹرکچرنگ اور ری شیڈولنگ کے شرائط و ضوابط بیان کیے گئے ہیں۔ انتظامیہ، واحد اکثریتی شیئر ہولڈر سے مشاورت کے بعد، ان شرائط اور دیگر تفصیلی تقاضوں کا جائزہ لے رہی ہے۔ NBP کو ری اسٹرکچرنگ منصوبے میں شامل کرنے کے بعد کمپنی کے کل بینکنگ قرضے کا 92% سے زائد حصہ کامیابی سے ری اسٹرکچر ہو چکا ہے۔

مالی نتائج:

مالی سال 2025 میں پاکستان کی جی ڈی پی تقریباً 2.7% رہی، جس کی وجہ صنعتی سرگرمیوں میں بہتری، خدمات کے شعبے کا استحکام اور زرعی پیداوار میں اضافہ تھا۔ مہنگائی میں نمایاں کمی آئی اور کنزیومر پرائس انڈیکس (CPI) تقریباً 6% تک آ گیا، جبکہ 2024 میں یہ تقریباً 20% تھا۔

مجموعی طور پر، 2025 پاکستان کی معیشت کے لیے محتاط انداز میں ایک مثبت موڑ ثابت ہوا، جہاں معتدل ترقی، مہنگائی میں واضح کمی اور معاشی استحکام کے ابتدائی آثار دیکھنے میں آئے، اگرچہ ساختی چیلنجز بدستور موجود رہے۔

تاہم، معاشی ماحول پیچیدہ رہا۔ جغرافیائی وسیاسی کشیدگی، بشمول بھارت کے ساتھ علاقائی تناؤ، اسرائیل اور ایران کے درمیان کشیدہ تعلقات، اور عالمی توانائی کی بدلتی صورتحال نے معاشی فضا کو متاثر کیا۔ مزید برآں، موسمیاتی تبدیلیوں کے باعث پیدا ہونے والی رکاوٹیں، خصوصاً اچانک سیلاب اور ملک بھر میں نقصانات، نے سپلائی چین میں خلل اور زرعی پائیداری سے متعلق خدشات کو بڑھایا۔

معاشی دباؤ میں مزید اضافہ سمندری نقل و حمل میں رکاوٹوں اور اضافی چارجز کے باعث فریٹ اور انشورنس لاگت میں اضافے سے ہوا۔ مقامی سطح پر ڈیزل کی قیمتوں میں اضافے کے بعد ٹرانسپورٹ نرخ بھی بڑھے، جبکہ امریکی ڈالر کی مسلسل طلب نے پاکستانی روپے اور بیرونی کھاتوں پر دباؤ برقرار رکھا۔

بیرونی شعبے میں نسبتاً بہتری دیکھی گئی، جس کی وجہ ترسیلات زر میں اضافہ، برآمدات کی بہتر کارکردگی اور غیر ملکی سرمایہ کاری کی تدریجی واپسی تھی۔ تاہم، بیرونی قرضوں کی ادائیگی، سیاسی غیر یقینی صورتحال اور عالمی توانائی کی قیمتوں میں اتار چڑھاؤ جیسے خطرات برقرار رہے، جس کے باعث خاص طور پر توانائی اور اشیائے ضروریہ کی منڈیوں میں محتاط پالیسی سازی، سخت ریگولیٹری نگرانی اور حکومتی مداخلت میں اضافہ ہوا۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2025ء کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ کے ساتھ ساتھ آڈٹ شدہ اسٹینڈ اور مالیاتی بیانات جس پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے بے حد خوشی محسوس کر رہے ہیں۔

Vision becomes reality when innovation creates impact.

By integrating smarter systems, embracing digital capabilities, and fostering a culture of continuous improvement, we ensured that transformation translated into operational excellence and sustained growth.

Innovation that Delivers

Stakeholders Information 03

Pattern of Shareholding

as at December 31, 2025

Categories of Shareholders		Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children				
MUSTAFA ASHRAF		1	500	0.00
AAMIR AMIN		1	500	0.00
NAHEED MEMON		1	3,000	0.00
RASUL BUX PHULPOTO		1	50	0.00
Associated Companies, undertakings and related parties		-	-	-
Sponsers		1	401,697,229	40.21
NIT and ICP		-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions		2	2,781,830	0.28
Insurance Companies		-	-	-
Modarabas and Mutual Funds		1	1	0.00
General Public				
	a. Local	17,861	548,627,765	54.91
	b. Foreign	165	1,196,311	0.12
Foreign Companies		-	-	-
Others		86	44,813,494	4.49
	Totals	**18,120**	**999,120,680**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
VITOL DUBAI LIMITED	**401,697,229**	**40.21**

Pattern of Shareholding

as at December 31, 2025

# of Shareholders	Shareholding's Slabs			Total Shares Held
2913	1	to	100	97,131
2510	101	to	500	856,363
2346	501	to	1000	2,094,073
4554	1001	to	5000	12,850,923
2069	5001	to	10000	15,619,853
812	10001	to	15000	10,227,984
501	15001	to	20000	9,238,709
357	20001	to	25000	8,408,784
274	25001	to	30000	7,825,481
161	30001	to	35000	5,329,159
136	35001	to	40000	5,255,632
91	40001	to	45000	3,900,664
200	45001	to	50000	9,869,249
60	50001	to	55000	3,182,680
73	55001	to	60000	4,280,827
49	60001	to	65000	3,083,853
46	65001	to	70000	3,168,111
41	70001	to	75000	3,018,939
37	75001	to	80000	2,896,922
31	80001	to	85000	2,587,936
30	85001	to	90000	2,646,411
19	90001	to	95000	1,772,032
147	95001	to	100000	14,636,904
31	100001	to	105000	3,173,155
20	105001	to	110000	2,172,261
21	110001	to	115000	2,373,345
16	115001	to	120000	1,888,026
32	120001	to	125000	3,956,827
13	125001	to	130000	1,664,632
11	130001	to	135000	1,470,185
15	135001	to	140000	2,080,725
6	140001	to	145000	853,247
27	145001	to	150000	4,033,107
12	150001	to	155000	1,825,882
6	155001	to	160000	953,807
17	160001	to	165000	2,781,014
10	165001	to	170000	1,688,638
13	170001	to	175000	2,264,484
9	175001	to	180000	1,600,871
12	180001	to	185000	2,198,796
2	185001	to	190000	380,000
7	190001	to	195000	1,344,359
50	195001	to	200000	9,988,600
10	200001	to	205000	2,019,623
11	205001	to	210000	2,286,604
2	210001	to	215000	422,850
6	215001	to	220000	1,310,517
7	220001	to	225000	1,563,154
4	225001	to	230000	911,262
4	230001	to	235000	936,899
3	235001	to	240000	714,366
2	240001	to	245000	485,086
14	245001	to	250000	3,499,000
4	255001	to	260000	1,028,172
6	260001	to	265000	1,575,910
4	265001	to	270000	1,075,470
3	270001	to	275000	817,022
4	275001	to	280000	1,106,094
3	280001	to	285000	850,527
6	285001	to	290000	1,725,540
1	290001	to	295000	292,400
21	295001	to	300000	6,295,500
2	300001	to	305000	605,500
3	305001	to	310000	924,500
2	310001	to	315000	630,000
2	315001	to	320000	639,709

Pattern of Shareholding
as at December 31, 2025

# of Shareholders	Shareholding's Slabs			Total Shares Held
3	320001	to	325000	975,000
5	325001	to	330000	1,636,200
3	330001	to	335000	1,000,700
2	335001	to	340000	680,000
5	345001	to	350000	1,745,228
2	350001	to	355000	701,185
1	355001	to	360000	356,000
3	365001	to	370000	1,102,525
3	370001	to	375000	1,123,166
3	375001	to	380000	1,137,847
2	380001	to	385000	763,344
1	385001	to	390000	390,000
8	395001	to	400000	3,200,000
2	400001	to	405000	808,800
1	405001	to	410000	409,000
1	410001	to	415000	410,405
2	420001	to	425000	850,000
2	445001	to	450000	900,000
1	450001	to	455000	455,000
2	455001	to	460000	917,494
1	460001	to	465000	465,000
2	475001	to	480000	955,847
2	485001	to	490000	971,463
1	490001	to	495000	494,112
12	495001	to	500000	5,999,450
4	500001	to	505000	2,009,313
2	515001	to	520000	1,039,026
2	545001	to	550000	1,100,000
1	555001	to	560000	555,432
1	585001	to	590000	589,000
2	595001	to	600000	1,200,000
1	600001	to	605000	601,766
2	610001	to	615000	1,230,000
1	615001	to	620000	620,000
1	625001	to	630000	630,000
1	630001	to	635000	635,000
1	635001	to	640000	640,000
1	640001	to	645000	643,010
1	645001	to	650000	650,000
3	670001	to	675000	2,020,140
1	675001	to	680000	680,000
1	680001	to	685000	680,960
3	695001	to	700000	2,100,000
1	705001	to	710000	707,820
1	740001	to	745000	745,000
3	745001	to	750000	2,250,000
1	755001	to	760000	756,500
1	775001	to	780000	779,412
4	790001	to	795000	3,165,187
4	795001	to	800000	3,200,000
1	805001	to	810000	808,739
1	810001	to	815000	815,000
1	815001	to	820000	817,500
1	830001	to	835000	835,000
1	840001	to	845000	844,100
1	845001	to	850000	850,000
1	855001	to	860000	859,000
2	860001	to	865000	1,729,500
1	870001	to	875000	874,817
5	895001	to	900000	4,500,000
1	925001	to	930000	928,267
3	945001	to	950000	2,849,886
2	950001	to	955000	1,906,000
1	970001	to	975000	972,344
1	975001	to	980000	980,000
		to		

Pattern of Shareholding
as at December 31, 2025

# of Shareholders	Shareholding's Slabs			Total Shares Held
1	985001	to	990000	985,500
9	995001	to	1000000	9,000,000
1	1010001	to	1015000	1,010,243
1	1015001	to	1020000	1,017,500
1	1025001	to	1030000	1,029,106
2	1055001	to	1060000	2,116,830
1	1095001	to	1100000	1,100,000
1	1135001	to	1140000	1,135,702
1	1155001	to	1160000	1,160,000
2	1195001	to	1200000	2,400,000
1	1220001	to	1225000	1,223,636
1	1260001	to	1265000	1,265,000
1	1275001	to	1280000	1,280,000
5	1295001	to	1300000	6,499,825
2	1310001	to	1315000	2,623,385
1	1325001	to	1330000	1,325,233
2	1495001	to	1500000	3,000,000
1	1520001	to	1525000	1,525,000
1	1595001	to	1600000	1,600,000
1	1655001	to	1660000	1,660,000
1	1695001	to	1700000	1,700,000
1	1720001	to	1725000	1,725,000
1	1805001	to	1810000	1,809,000
1	1845001	to	1850000	1,850,000
1	1890001	to	1895000	1,892,000
2	1995001	to	2000000	3,998,000
1	2085001	to	2090000	2,085,417
1	2145001	to	2150000	2,150,000
1	2160001	to	2165000	2,160,311
1	2220001	to	2225000	2,222,003
1	2445001	to	2450000	2,450,000
3	2495001	to	2500000	7,500,000
1	2595001	to	2600000	2,600,000
1	2695001	to	2700000	2,697,125
1	2900001	to	2905000	2,900,500
1	2945001	to	2950000	2,950,000
1	2995001	to	3000000	3,000,000
1	3995001	to	4000000	4,000,000
1	4425001	to	4430000	4,427,806
2	4995001	to	5000000	10,000,000
1	6195001	to	6200000	6,200,000
1	6370001	to	6375000	6,375,000
1	6445001	to	6450000	6,450,000
1	7065001	to	7070000	7,069,997
1	8090001	to	8095000	8,094,074
1	10135001	to	10140000	10,139,197
1	10210001	to	10215000	10,214,612
1	12495001	to	12500000	12,500,000
1	14995001	to	15000000	15,000,000
1	28360001	to	28365000	28,361,011
1	88440001	to	88445000	88,443,667
1	401695001	to	401700000	401,697,229
18120				**999,120,680**

Key Operational and Financial Data

"Rupees in '000"

	2025	2024	2023	2022	2021	2020
Profit and Loss Account						
Revenue (Gross)	**177,235,475**	143,858,095	162,747,628	71,166,729	71,366,378	132,903,803
Revenue (Net)	**177,178,976**	143,805,510	162,709,607	70,973,746	62,942,277	113,070,621
Cost of product sold	**173,878,600**	140,935,316	158,312,436	67,928,083	61,153,982	115,296,600
Gross profit / (loss)	**3,575,726**	3,333,401	4,613,765	3,182,555	1,987,678	(1,378,967)
Operating profit / (loss)	**1,245,874**	(1,729,919)	(352,750)	(822,831)	1,224,579	(13,018,190)
(Loss) / profit before tax	**(6,070,927)**	(12,058,363)	(17,159,874)	(14,058,393)	(7,164,987)	(22,470,645)
(Loss) / profit after tax	**(6,700,242)**	(12,660,551)	(17,814,348)	(14,439,536)	(7,592,131)	(23,321,416)
Earnings before interest, taxes, depreciation and amortization	**2,990,514**	415,637	(4,021,024)	(3,319,476)	1,354,525	(11,771,157)
Balance Sheet						
Share Capital	**9,991,207**	9,991,207	9,991,207	9,991,207	9,991,207	9,991,207
Property, plant and equipment	**22,748,735**	24,555,962	21,073,842	22,773,959	24,742,668	21,899,362
Inventory	**6,922,095**	26,563,997	12,069,049	8,178,013	10,255,676	11,435,266
Current assets	**12,330,250**	33,365,673	22,827,517	14,132,149	15,270,445	20,134,453
Current Labilities	**121,369,630**	138,960,987	116,902,528	90,785,374	78,571,358	76,167,273
Non current assets	**27,611,916**	29,432,687	27,456,451	29,575,900	32,010,049	39,313,812
Non current liabilities	**11,784,929**	10,343,803	12,366,154	14,101,685	16,014,742	29,359,449
Surplus on revaluation of fixed assets	**15,064,058**	16,592,339	12,504,066	13,693,779	6,381,696	3,962,410
Summary of Cash flow statement						
Cash flows from operating activities	**4,392,054**	4,861,505	4,486,883	(1,551,291)	(5,833,653)	(17,287,200)
Cash flows from investing activities	**20,108**	14,515	105,003	227,420	864,059	559,257
Cash flows from financing activities	**(669,883)**	(563,412)	(869,303)	(924,247)	(1,338,954)	10,122,121
Net cash flows during the year	**3,742,279**	4,312,608	3,722,583	(2,248,118)	(6,308,548)	(6,605,822)
Investor Information						
Profitability ratios						
Gross profit ratio	**2.02%**	2.32%	2.84%	4.48%	3.16%	-1.22%
Net profit ratio	**-3.78%**	-8.80%	-10.95%	-20.34%	-12.06%	-20.63%
EBITDA margin	**1.69%**	0.29%	-2.47%	-4.68%	2.15%	-10.41%
Cost / Income ratio	**0.98**	0.98	0.97	0.96	0.97	1.02
Liquidity Ratios						
Current ratio	**0.1 : 1**	0.24 : 1	0.2 : 1	0.16 : 1	0.19 : 1	0.26 : 1
Quick ratio	**0.04 : 1**	0.05 : 1	0.09 : 1	0.07 : 1	0.06 : 1	0.11 : 1
Cash flows from operations to sales	**2.48%**	3.38%	2.76%	-2.19%	-9.27%	-15.29%
Cash to current liabilities	**0.5%**	0.4%	0.7%	0.9%	1.3%	4.0%
Investment / Market ratios						
Earning / (loss) per share	**(6.71)**	(12.67)	(17.83)	(14.45)	(7.60)	(23.46)
Breakup value per share without surplus on revaluation of fixed assets	**(108.37)**	(103.19)	(91.57)	(74.94)	(53.73)	(50.08)
Breakup value per share with surplus on revaluation of fixed assets	**(93.29)**	(86.58)	(79.05)	(61.23)	(47.35)	(46.12)

Notice of Twenty-Fourth (24th) Annual General Meeting

Notice is hereby given that the Twenty-Fourth (24th) Annual General Meeting of Hascol Petroleum Limited will be held on Monday, **27th April 2026 at 12 noon** at **ICAP Auditorium, Chartered Accountants Avenue Clifton Block 8, Karachi** and virtually through video-link facility to transact the following business:

Ordinary Business

1. To confirm the minutes of the Annual General Meeting of the Company held on 11 June 2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31 December 2025, together with the Directors' and Auditors' reports thereon and the Review Report of the Chairman.
3. To appoint Auditors and to fix their remuneration for the financial year 2026.
4. To transact any other business with the permission of the Chair.

By Order of the Board

6th April 2026
Karachi

Ummad Ahmed Tanwri
Company Secretary

NOTES:

1) Participation of Shareholders through Online Facility

Participation in the Annual General Meeting

SECP, through its guidelines, has directed the listed companies to also arrange the provision of video link facility. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company has also arranged video link facility for attending this AGM. The shareholders interested in attending AGM through video link are requested to register their following particulars by sending an email at cdcsr@cdcsrsl.com or WhatsApp no. 0321-8200864.

Folio / CDC Account No.	Company Name	No. of shares held	Name	CNIC	Cell No.	Email Address
	Hascol Petroleum Limited					

- The video link and login credentials will be shared with the shareholders whose emails, containing all the requested particulars, are received at the above email address by or before the close of business hours (5:00 P.M.) on 24 April 2026.
- Shareholders can also send their comments / suggestions on company.secretary@hascol.com for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.
- The purpose of the aforementioned arrangements is to ensure maximum participation of the shareholders in the AGM through an online facility. Shareholders are also requested to consolidate their attendance through proxies, so that the quorum requirement may also be fulfilled.

2) Closure of Share Transfer Books

- The Share Transfer Books of the Company shall remain closed from 20 April 2026 to 27 April 2026 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the Company's Share Registrar, Messrs CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by close of business on 17 April 2026 will be treated in time to attend and vote at the meeting and for the purpose of the above entitlement to the transferees.

3) Participation in the Meeting

- Only those persons, whose names appear in the register of members of the Company as on 17 April 2026, are entitled to attend, participate in, and vote at the Annual General Meeting.

- A member of the Company entitled to attend and vote at the Annual General Meeting may appoint another person as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the time of the Meeting and must be duly stamped, signed and witnessed.

4) Requirements for appointing Proxies

- In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.

- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

- Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.

- The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.

- In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

5) Circulation / Transmission of Annual Financial Statements in Electronic Form

- In compliance with the section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2025 through email to shareholders whose email addresses are available with the Company's Share Registrar. In those cases, where email addresses are not available with the Company's Share Registrar, printed notice of AGM have been dispatched.

  However, the Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such request. The annual financial statements have also been uploaded on the Company's website and are readily accessible to the shareholders.

6) Conversion of Physical Shares Into Book-Entry Form

- The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017 (the "Act"), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of the Company having physical folios / share certificates are requested to convert their physical shares in Book Entry Form at the earliest. For this purpose, shareholders may either open an Investor Account with Central Depository Company of Pakistan Limited or a CDC sub-account with any duly recognized brokerage firm. Shareholders may also contact Company's Share Registrar, Messrs. CDC Share Registrar Services Limited in case they need any further assistance or guidance in this regard.

7) Change of Address

- Members having physical shares are requested to immediately notify the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited of any change in their registered address whereas CDC Account holders shall notify to their respective CDC Participant/Broker/Investor Account Services.

8) Miscellaneous:

- This notice has been sent to all members of the Company in accordance with Section 134(1)(a) of the Companies Act, 2017.

- For any query / information, members may contact the Share Registrar at the following address:

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

9) Statutory Code of Conduct at AGM

Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations 2018, state the Code of Conduct of Shareholders, as follows: Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

10) Transmission of the Annual Audited Financial Statements through QR-Enabled Code

The Annual Report, including the Financial Statements of the Company, can be viewed using the following QR-enabled code. The same will be shared via email in case an email address is provided by the members. A printed copy of the above referred statements can be provided to members upon request.

11) Availability of Audited Financial Statement on the Company's Website

The audited financial statement of the Company for the year ended December 31, 2025 has been made available on the Company's website **www.hascol.com** which can be viewed using the following link:

https://www.hascol.com/investor-information/investor-information/annual-reports/

12) Registration Details of Physical Shareholders

As per Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: **info@cdcsrsl.com**, website: **www.cdcsrsl.com**

لیے اپنے آپ کو اس انداز میں نہیں لائیں گے۔ مزید برآں، کمپنی کو کمپنیز ایکٹ، 2017 کے سیکشن 185 کے مطابق اپنی میٹنگوں میں اپنے شیئر ہولڈرز کو کسی بھی شکل میں تحائف تقسیم کرنے کی اجازت نہیں ہے۔

۱۰) QR- فعال کوڈ کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل

کمپنی کے مالی بیانات سمیت سالانہ رپورٹ کو درج ذیل QR- فعال کوڈ کا استعمال کرتے ہوئے دیکھا جاسکتا ہے۔
ممبران کے ذریعہ ای میل ایڈریس فراہم کرنے کی صورت میں اسے ای میل کے ذریعے شیئر کیا جائے گا۔
مذکورہ بالا بیانات کی ایک پرنٹ شدہ کاپی اراکین کو درخواست پر فراہم کی جاسکتی ہے۔

۱۱) کمپنی کی ویب سائٹ پر آڈٹ شدہ مالیاتی بیان کی دستیابی

31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کا آڈٹ شدہ مالیاتی بیان کمپنی کی ویب سائٹ www.hascol.com پر دستیاب کر دیا گیا ہے جسے درج ذیل لنک سے دیکھا جاسکتا ہے:

https://www.hascol.com/investor-information/investor-information/annual-reports/

۱۲) فزیکل شیئر ہولڈرز کی رجسٹریشن کی تفصیلات

کمپنیز ایکٹ، 2017 کے سیکشن 119 اور کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کے ریگولیشن 19 کے مطابق، تمام فزیکل شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے CNIC نمبر، پتہ، ای میل ایڈریس، رابطہ موبائل، فون نمبر فراہم کریں۔ بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہمارے شیئر رجسٹرار کو ان کے درج ذیل پتے پر فوری طور پر بھیجیں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی بھی قسم کی تکلیف سے بچا جاسکے۔

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400۔

ٹیلی فون ٹول فری: 0800-23275

ای میل: info@cdcsrsl.com

ویب سائٹ: www.cdcsrsl.com

کمپنیوں کومشورہ دیا ہے کہ وہ کمپنیز ایکٹ، 2017 کے سیکشن 72 (ایکٹ کی دفعات پر عمل کریں)۔ جس کے تحت تمام کمپنیوں کو ایکٹ کے نفاذ کے چار سالوں کے اندر فزیکل فارم میں جاری کردہ شیئرز کو بک انٹری فارم میں تبدیل کرنے کا تقاضہ کرسکتے ہیں۔ اس کے مطابق، فزیکل فولیو/شیئر سرٹیفکیٹ رکھنے والے کمپنی کے تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے، شیئر ہولڈرز یا تو سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے ساتھ ایک سرمایہ کار اکاؤنٹ کھول سکتے ہیں یا کسی بھی تسلیم شدہ بروکریج فرم کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھول سکتے ہیں۔ شیئر ہولڈرز کمپنی کے شیئر رجسٹرار، میسرز سے بھی مزید مدد یا رہنمائی کی ضرورت پڑھنے پر رابطہ کرسکتے ہیں۔

۷) ایڈریس کی تبدیلی

☆ فزیکل شیئرز رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئر کو فوری طور پر مطلع کریں۔ رجسٹرار، میسرز، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ اپنے رجسٹرڈ ایڈریس میں کسی بھی تبدیلی کے بارے میں جبکہ سی ڈی سی اکاؤنٹ ہولڈرز اپنے متعلقہ سی ڈی سی شرکت کنندہ/ بروکر/ سرمایہ کار اکاؤنٹ سروسز کو مطلع کریں گے۔

۸) متفرق

☆ یہ نوٹس کمپنی کے تمام ممبران کو سیکشن 134(1)(a) کمپنیز ایکٹ، 2017 کے مطابق بھیجا گیا ہے۔

☆ کسی بھی سوال/معلومات کے لیے ممبران درج ذیل پتے پر شیئر رجسٹرار سے رابطہ کرسکتے ہیں۔

میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،
CDC ہاؤس، B-99، بلاک-B، S.M.C.H.S.
شاہراہ فیصل،
کراچی۔

۹) AGM میں قانونی ضابطہ اخلاق

☆ کمپنیز ایکٹ 2017 کا سیکشن 215 او کمپنیز (جنرل پرووِیژنز اینڈ فارمز) ریگولیشنز 2018 کے ریگولیشن 28 میں شیئر ہولڈرز کا ضابطہ اخلاق درج ذیل ہے:

شیئر ہولڈرز کو ایسے فیصلوں کے لیے براہ راست انتظامیہ سے رجوع کرنے یا اثر ورسوخ استعمال کرنے کی اجازت نہیں ہے جس کی وجہ سے انتظامیہ کے ہموار کام کرنے میں رکاوٹیں پیدا ہوں۔ قانون میں کہا گیا ہے کہ شیئر ہولڈرز ایسا مواد نہیں لائیں گے جس سے شرکاء یا احاطے کو خطرہ ہو جہاں AGM منعقد ہو رہی ہو، خود کو AGM کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رکھیں اور کسی سیاسی وابستگی کو ظاہر کرنے کے

☆ سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا ممبر اس کے بجائے کسی دوسرے شخص کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ مؤثر ہونے کے لیے پراکسیز میٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہئیں اور ان پر با قاعدہ مہر، دستخط اور گواہان کی رضامندی کا ظاہر ہونا ضروری ہے۔

۴) پراکسیوں کی تقرری کے تقاضے

☆ افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔

☆ پراکسی فارم پر دو افراد گواہ ہوں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہونا لازمی ہوں گے۔

☆ پراکسی فارم کے ساتھ مالک کے شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ کاپی لازمی ہے۔

☆ پراکسی سالانہ جنرل میٹنگ کے وقت اپنا درست اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔

☆ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی، نامزد شخص کے دستخط کے نمونے کے ساتھ، پراکسی فارم کے ساتھ کمپنی کو جمع کرایا جائے گا، چاہے اسے پہلے بھی فراہم کیا گیا ہو۔

۵) سالانہ مالیاتی گوشواروں کی الیکٹرانک شکل میں سرکولیشن/ٹرانسمیشن

☆ کمپنیز ایکٹ 2017 کے سیکشن 223(6) کی تعمیل میں، کمپنی نے الیکٹرانک طور پر سالانہ رپورٹ 2025 کو ای میل کے ذریعے ان شیئر ہولڈرز تک پہنچادیا ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار کے پاس دستیاب ہیں۔ ان معاملات میں، جہاں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس دستیاب نہیں ہیں، AGM کا پرنٹ شدہ نوٹس بھیج دیا گیا ہے۔
تاہم، کمپنی ایسی درخواست کے ایک ہفتے کے اندر شیئر ہولڈرز کو ان کے مطالبے پر سالانہ رپورٹ کی ہارڈ کاپیاں ان کے رجسٹرڈ پتے پر مفت فراہم کرے گی، سالانہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر بھی اپ لوڈ کیے گئے ہیں اور شیئر ہولڈرز کے لیے آسانی سے قابل رسائی ہیں۔

۶) فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا

☆ ایس ای سی پی نے اپنے خط نمبر CSD/ED/Misc/2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے تمام فہرست شدہ

WhatsApp نمبر 0321-8200864 پر یا ای میل cdcsr@cdcsrsl.com پر بھیج کر تفصیلات درج کریں۔

فولیو/ CDC اکاؤنٹ کا نمبر۔	کمپنی نام	شیئرز کی منعقد تعداد	نام	شناختی کارڈ نمبر	موبائل نمبر	ای میل ایڈریس
	ہیسکول پیٹرولیم لمیٹڈ					

☆ ویڈیو لنک اور لاگ ان کی اسناد کا اشتراک ان شیئر ہولڈرز کے ساتھ کیا جائے گا جن کی ای میلز، تمام درخواست کردہ تفصیلات پر مشتمل، 24 اپریل، 2026 کو کاروباری اوقات (05:00 P.M) کے اختتام تک یا اس سے پہلے مذکورہ ای میل پتے پر موصول ہو جائیں گی۔

☆ حصص یافتگان اپنے تبصرے/تجاویز company.secretary@hascol.com پر بھی بھیج سکتے ہیں جس طرح سے AGM میں منعقد کرنے کی تجویز دی گئی ہے، جس طرح AGM میں بحث کی جا رہی ہے، اور بعد میں میٹنگ کے منٹس کا حصہ بنایا جائے گا۔

☆ مذکورہ بالا انتظامات کا مقصد ایک آن لائن سہولت کے ذریعے AGM میں شیئر ہولڈرز کی زیادہ سے زیادہ شرکت کو یقینی بنانا ہے۔ شیئر ہولڈرز سے بھی درخواست ہے کہ وہ پراکسیز کے ذریعے اپنی حاضری کو مستحکم کریں، تاکہ کورم کی ضرورت بھی پوری ہو سکے۔

۲) شیئر ٹرانسفر کتب کی بندش

☆ کمپنی کی حصص کی منتقلی کی کتابیں 20 اپریل 2026 سے 27 اپریل 2026 (دونوں دن سمیت) بند رہیں گی۔ فزیکل ٹرانسفرز/سی ڈی ایس ٹرانزیکشن آئی ڈی کی شکل میں ٹرانسفرز کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک-B، S.M.C.H.S، شاہراہ فیصل، کراچی میں ترتیب سے موصول ہوئی ہیں۔ 17 اپریل 2026 کو میٹنگ میں شرکت کرنے اور ووٹ دینے کے لیے اور منتقلی کرنے والوں کے لیے مندرجہ بالا منتقلی استحقاق کے مقصد کے لیے بروقت فور کیا جائے گا۔

۳) اجلاس میں شرکت

☆ صرف وہی افراد، جن کے نام 17 اپریل 2026 کو کمپنی کے ممبران کے رجسٹر میں موجود ہیں، سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کے حقدار ہیں۔

چوبیسویں (24 ویں) سالانہ اجلاس عام کا نوٹس

اطلاع دی جاتی ہے کہ ہیسکول پیٹرولیم لمیٹڈ کا چوبیسواں (24 واں) سالانہ اجلاس عام بروز پیر 27 اپریل 2026 کو دوپہر 12:00 بجے ICAP آڈیٹوریم، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن بلاک 8، کراچی میں مندرجہ ذیل کاروبار کو لین دین کرنے کے لیے عملی طور پر ویڈیو لنک کی سہولت کے ذریعے منعقد ہوگا۔

عام کاروبار:

ا) مورخہ 11 جون 2025 کو منعقدہ کمپنی کی ہونے والی سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا۔

۲) مورخہ 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹس اور چیرمین کی جائزہ کردہ رپورٹ کو مدِنظر رکھتے ہوئے کمپنی کے سالانہ آڈیٹ شدہ مالیاتی بیانات پر غور وفکر کر کے تشکیل دیا جائے گا۔

۳) مالی سال 2026 کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔

۴) چیئرمین کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

06 اپریل 2026
کراچی

عُماد احمد ٹانوری
کمپنی سیکرٹری

نوٹس:

ا) آن لائن سہولت کے ذریعے شیئر ہولڈرز کی شرکت۔

سالانہ جلسہ عام میں شرکت:

ایس ای سی پی نے اپنی ہدایت کے تحت لسٹڈ کمپنیوں کو ویڈیو لنک کی سہولت کی فراہمی کا بھی بندوبست کرنے کی ہدایت کی ہے۔ اسی مناسبت سے، ہمارے قابل قدر شیئر ہولڈرز کی بہترین مفاد کے لیے اور زیادہ سے زیادہ شرکت کو یقینی بنانے کے لیے، کمپنی نے اس AGM میں شرکت کے لیے ویڈیو لنک کی سہولت کا بھی انتظام کیا ہے۔ ویڈیو لنک کے ذریعے AGM میں شرکت میں دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی رجسٹریشن کرائیں۔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Statement of Free Float of Shares

FOR THE YEAR ENDED DECEMBER 31, 2025

Particulars	Quarter-1 Mar-25	Quarter-2 Jun-25	Quarter-3 Sep-25	Quarter-4 Dec-25
Total Outstanding Shares	999,120,680	999,120,680	999,120,680	999,120,680
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors / Sponsors I Senior Management Officers and their associates	4,701	4,050	4,050	4,050
Less: Shares in Physical Form	3,533,171	3,520,712	3,497,793	3,482,568
Less: Shares held by Associate companies I Group Companies (Cross holdings)	401,697,229	401,697,229	401,697,229	401,697,229
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-	-	-	-
Less: Treasury shares	-	-	-	-
Less: Any other category that are barred from selling at the review date	-	-	-	-
Free Float	**593,885,579**	**593,898,689**	**593,921,608**	**593,936,833**

Ummad Ahmed Tanwri
Company Secretary

Baker Tilly Mehmood Idrees Qamar
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INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES TO THE CHIEF EXECUTIVE OFFICER OF HASCOL PETROLEUM LIMITED

Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares (the 'Statement') of the Hascol Petroleum Limited (the Company) as of March 31, 2025, June 30, 2025, September 30, 2025 and December 31, 2025.

Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every listed company to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.9(a) of the PSX Regulations.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement as of March 31, 2025, June 30, 2025, September 30, 2025 and December 31, 2025, in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of the work performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to the Hascol Petroleum Limited's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX regulation also forms part of our assurance procedures.

With respect to identification of associates of an individual as defined in section 2 (ii) (a) of the Securities Act, 2015, we have obtained and relied on management's representations that are based on written declarations from individuals (i.e. directors, sponsors and senior management officers of the company) about their associates.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Statement as of March 31, 2025, June 30, 2025, September 30, 2025 and December 31, 2025 is prepared, in all material respects, in accordance with the PSX Regulations.

Restriction on use and distribution

This report is issued in relation to the requirements as stipulated under Regulation No 5.7.2(b)(ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

Baker Tilly Mehmood Idrees Qamar

Engagement Partner: **Muhammad Aqeel Ashraf Tabani**
Karachi.

Date: April 06, 2026

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Hascol Petroleum Limited (hereinafter referred to as 'the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors are seven (7) as per the following:

   (a) Male: 6
   (b) Female: 1

2. The composition of Board as at 31 December 2025 is as follows:

(a)	Independent Directors:	Mr. Mustafa Ashraf Ms. Naheed Memon Mr. Aamir Amin Mr. Rasul Bux Phulpoto***
(b)	Non-executive Directors:	Sir Alan Duncan Mr. Farid Arshad Masood Mr. Aernout Boot*
(c)	Chief Executive Officer:	Mr. Javed Ahmedjee**

* Mr. Abdul Aziz Khalid resigned on 01 August 2024, and Mr. Aernout Boot was appointed as Director in his place effective 18 February 2025.

** Mr. Aqeel Ahmed Khan resigned on 30 April 2025, and Mr. Javed Yousuf Ahmedjee was appointed as Chief Executive officer in his place effective 05 May 2025.

*** Mr. Rasul Bux Phulpoto was appointed as Director with effect from 22 May 2025 in place of Syed Muhammad Mujtaba Jafarey.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has approved a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Presently, Chief Executive Officer and five (05) directors of the Company have acquired prescribed certification under the Directors' Training Program:

    (i) Mr. Javed Ahmedjee (CEO)
    (ii) Mr. Mustafa Ashraf (Director)
    (iii) Mr. Farid Arshad Masood (Director)
    (iv) Ms. Naheed Memon (Director)
    (v) Mr. Aamir Amin (Director)
    (vi) Mr. Rasul Bux Phulpoto (Director)

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed three committees comprising of members as given below:

(a) **Audit Committee:**

Mr. Mustafa Ashraf	Chairperson
Mr. Farid Arshad Masood	Member
Mr. Aamir Amin	Member
Mr. Rasul Bux Phulpoto	Member

(b) **Human Resource & Remuneration Committee:**

Ms. Naheed Memon	Chairperson
Sir Alan Duncan	Member
Mr. Farid Arshad Masood	Member
Mr. Rasul Bux Phulpoto	Member

(c) **Risk Committee:**

Mr. Aamir Amin	Chairperson
Ms. Naheed Memon	Member
Mr. Mustafa Ashraf	Member
Mr. Aernout Boot	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:

a)	Audit Committee	Quarterly
b)	HR and Remuneration Committee	Half Yearly
c)	Risk Committee	Quarterly

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Karachi: 31, March 2026

Javed Yousuf Ahmedjee
Chief Executive Officer

Farid Arshad Masood
Director

bakertilly

Baker Tilly Mehmood Idrees Qamar
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TO THE MEMBERS OF HASCOL PETROLEUM LIMITED
REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of **Hascol Petroleum Limited,** for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non- compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the unconsolidated financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approvals of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

Baker Tilly Mehmood Idrees Qamar
Engagement Partner: **Muhammad Aqeel Ashraf Tabani**

Karachi
Date: April 06, 2026
UDIN: CR202510542SIwZ3Fj4s

Statement Of Compliance with the Sukuk (Privately Placed) regulations, 2017 and issue of Sukuk regulations, 2015

This statement is being presented to comply with the requirements under "Issue of Sukuk Regulations, 2015" and "Sukuk (Privately Placed) Regulations, 2017" (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP). This Statement of Compliance is for the year ended December 31, 2025.

Hascol Petroleum Limited (the Company) entered into an arrangement for issue of Sukuk amounting to Rs. 2,000 Million inclusive of Green Shoe Option of Rs. 500 Million, on December 31, 2015 for a period of 6 years including a grace period of 1 year. We state that the Company was in compliance with the Sukuk Features and Shari'ah Requirements in accordance with the Regulations up till December 31, 2024. However, the Company has defaulted in subsequent payment of Sukuk Installment which was due in early 2021.

We specifically confirm that:

- The Company has established policies and procedures for all Sukuk related transactions to comply with Sukuk Features and Shari'ah Requirements.
- The Company has implemented and maintained such internal control and risk management systems that are necessary to mitigate the risk of non-compliances of the Sukuk Features and Shari'ah Requirements, whether due to fraud or error;
- The Company has a process to ensure that the management and where appropriate the board of directors, and personnel responsible to ensure the Company's compliance with the Sukuk Features and Shari'ah Requirements are properly trained and systems are properly updated.

The Sukuk Features and Shari'ah Requirements in accordance with issue of the Regulations comprises of the following:

a. Requirements of Shariah Structure and Transaction Documents as stated in the Information Memorandum, with respect to issuance of Sukuk:

   i. Trust Deed
   ii. Musharka Agreements
   iii. Payment Agreements
   iv. Purchase Undertaking
   v. Asset Purchase Agreement
   vi. Investment Agency Agreement
   vii. Security Documents

b. Guidelines of the relevant Shariah Standards, issued by the Accounting and Auditing Organization of the Islamic Financial Institutions, as notified by the SECP;

c. Requirements of the relevant Islamic Financial Accounting Standard as notified by the SECP; and

d. Other compliances specified in the Regulations as issued by the SECP.

The above Statement has been duly endorsed by the Board of Directors of the Company.

Javed Yousuf Ahmedjee
Chief Executive Officer

Farid Arshad Masood
Director

bakertilly

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Chartered Accountants
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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF HASCOL PETROLEUM LIMITED ON SHARI'AH COMPLIANCE OF PRIVATELY PLACED SUKUK

Introduction

We were engaged by the Board of Directors ("the Board") of **Hascol Petroleum Limited** ("the Company") to express an opinion on the annexed Statement of Compliance ("Statement") prepared by management for the year ended December 31, 2025, with Sukuk Features and Shariah Requirements about whether the annexed Statement presents fairly the status of compliance with Sukuk Features and Shari'ah Requirements as required under issue of Sukuk Regulations, 2015 (repealed) and Sukuk (privately placed) Regulations, 2017 (the Regulations) and Shari'ah Opinion (Fatwa) as issued by the Shari'ah Advisor and to the extend applicable, the guidelines of Shari'ah Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the statement) is assessed comprises of the provisions of the Regulations and Shari'ah Opinion (Fatwa) as issued by the Shari'ah Advisor.

Company's Responsibilities for Shari'ah Compliance

The Board and management of the Company are responsible for the preparation of the annexed Statement and to ensure that if is free from material misstatement. It is the responsibility of the Company's Board and management to ensure that all Sukuk related financial arrangements contracts and transactions are in substance and in their legal form, in compliance with the Sukuk Features and Shari'ah Requirements as specified above. The Company's board and management are also responsible for prevention and detection of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its Sukuk related activities and also for designing, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant records and such risk management systems as the management determines is necessary to mitigate the risk of non-compliance of the Sukuk Features and Shari'ah Requirements whether due to fraud or error. They are also responsible for ensuring that personnel involved with the Compliance with the Sukuk Features and Shari'ah requirements are properly trained, and systems are properly updated.

Our Independence and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to examine the annexed Statement prepared by management and to report thereon in form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other then Audits or Review of Historical Financial Information, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we plan and perform the engagement to obtain reasonable assurance regarding the subject matter i.e. about whether the annexed Statement presents fairly the status of compliance with Sukuk Features and Shari'ah Requirement as required Under the Regulation and Shari'ah Opinion (Fatwa) issued by Shari'ah Advisor and to the extent applicable, the guidelines of Shari'ah Standards issued by AAOIFI, in all material respects.

The procedures elected depend on our professional judgment including the assessment of the risk of the Company's non-compliance with Sukuk Features and Shari'ah Requirements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to ensure compliance with Sukuk Features and Shari'ah Requirements, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Company's internal control over ensuring compliance with Sukuk Feature and Shari'ah Requirements.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Sukuk Features and Shahri'ah requirements, and consequently cannot provide absolute assurance that the objective of compliance with Sukuk Features and Shahri'ah Requirement will be met.

The procedures performed included:

- Evaluation of the systems, procedures and practices in place with respect to Sukuk related transactions against the Features and Shari'ah Requirements;

  Verification that payments were made on time and there was no delay;

- Test for a sample of tranactions to help ensure that these are carried out in accordance with the laid down procedures and practices; and

- Review of the statement based on our procedures performed and conclusion reached.

Conclusion

a) As stated in second para to the annexed statement of compliance, the Company has defaulted in payments of principal and profit (for the quarter ended December 31, 2020) due on January 07, 2021. Further, subsequently, no payments were made by the Company till the date of this report.

b) The VIS Credit Rating Company assigned long term credit rating to the Issue (Sukuk) and the Issuer (the Company) as Default (D) and Double C (CC with negative outlook) respectively on March 30, 2021. However, these ratings have subsequently been withdrawn on September 14, 2021 due to non-availability of information.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our conclusion.

In our opinion, except for the effects of the matters stated in para (a) and (b) above, the annexed statement prepared by management, for the year ended December 31, 2025, presents fairly the status of compliance with Sukuk Features and Shari’ah Requirements as required under the Regulation and Shari’ah Opinion (Fatwa) issued by Shari’ah Advisor, and to the extent applicable, the guidelines of Shari’ah Standards issued by AAOIFI, in all material respects.

Baker Tilly Mehmood Idrees Qamar

Engagement Partner: **Muhammad Aqeel Ashraf Tabani**

Karachi.

Date: April 06, 2026

Audited Unconsolidated Financial Statements 04

For the year ended December 31, 2025

bakertilly

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HASCOL PETROLEUM LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Adverse Opinion

We have audited the unconsolidated financial statements of **HASCOL PETROLEUM LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2025 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements, including summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the "***Basis for Adverse Opinion***" section of our report, the accompanying unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the loss, the other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

a) The Company engaged a Chartered Accountant firm to resolve the matters pertaining to fixed assets by performing physical verification, tagging, updating fixed asset records, and conducting reconciliation exercises as at the balances of December 31, 2022. Furthermore, the firm undertook reconciliation tasks related to trade debts, advances, other receivables and trade and other payables as at the balances of December 31, 2022 and made adjustments to the records where necessary. However, the tax impact including the impact on unrecognized deferred tax resulting from those adjustments had not been considered in unconsolidated financial statements for the year then ended.

Due to the absence of adjustments made in the unconsolidated financial statements pertaining to taxes, we were not able to determine the necessary adjustments related to taxation including unrecognized deferred tax, revaluation surplus and impact on retained earnings.

b) As disclosed in note 29.1 to the unconsolidated financial statements, the Company has various pending litigations. Further, the Securities and Exchange Commission of Pakistan (SECP) is investigating the affairs of the Company. The ultimate outcome of these pending litigations and investigations cannot presently be determined and hence, we cannot determine the amount of adjustments required in these unconsolidated financial statements.

   Furthermore, as disclosed in note 29.1 to the unconsolidated financial statements, the Federal Investigation Authority (FIA) is investigating the affairs of the Company.

c) As disclosed in Note 21 to the unconsolidated financial statements, the Company has disclosed long-term financing facilities amounting to Rs. 8,352.942 million (2024: 6,922.309 million) which does not meet the criteria for classification as non-current hence should have been presented as current liabilities.

d) As fully disclosed in note 1.2 of the unconsolidated financial statements, the Company has incurred a net loss of Rs. 6,700.243 million (2024: Rs. 12,660.551 million) during the year ended December 31, 2025, which has resulted in accumulated losses of Rs. 122,907.394 million (2024: Rs. 117,729.711 million) and eroded the equity to Rs. 93,212.394 million (2024: Rs. 86,506.430 million). Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 109,039.381 million (2024: Rs. 105,595.314 million) and the Company had also defaulted towards its major financing arrangements while the liquidity of the Company is dependent upon the proposed restructuring arrangements with the financial institutions and its major shareholder. As discussed in note 21 and 27, the company has repaid and made settlement agreements with the banks in the year and is currently undergoing further arrangements to restructure its borrowings. Furthermore, the situation of the Company may further deteriorate if the possible effects of matters described in Para (a) to (c) above are accounted for in these unconsolidated financial statements. These events indicate a material uncertainty that may cast significant doubts on the Company's ability to continue as a going concern, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

   The Company has made an assessment of going concern assumption and provided us the basis of the same. However, we did not consider this evidence sufficient and appropriate to support the going concern assumption. In our opinion, the going concern assumption used in preparation of these unconsolidated financial statements is inappropriate.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "**Basis for Adverse Opinion**", we have determined the following to be the key audit matters to be communicated in our report:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	**Property, Plant, and Equipment (PPE)**	
	As stated in note 5 to the unconsolidated financial statements, the Company has property, plant, and equipment (PPE) amounting to Rs. 22,748.735 million (December 31, 2024: Rs. 24,555.962 million), making it the significant aspect of the unconsolidated financial statements. In previous years, discrepancies were identified in the recording cycle of PPE including its valuation and existence. Based on the materiality levels and risk assessments considering historical backgrounds, we have identified the verification of PPE as a key audit matter.	Our key audit procedures, amongst others included the following: • Discussed with management the methodology and process adopted by the management for the recording cycle of PPE; • Performed testing on extended sample of transactions occurred during the year to verify the existence, occurrence, completeness and accuracy of these items through appropriate audit procedures, such as inspection of supporting documents, confirmation with third parties for outstanding fixed asset payments, and recalculations including the process verification. • Reviewed the Company's updated Fixed Asset Register (FAR), latest carried out revaluation of assets and the related records, assessing the completeness, accuracy, and validity of the updates made. • Tested the mathematical accuracy of calculations supporting adjustments, such as carrying values, revaluation surplus, depreciation including effect of incremental depreciation. • Performed physical inspection of fixed assets on sample basis at year end and identified the items in the fixed assets register with its asset code to verify its valuation and existence. • Obtained written representations from management regarding the completeness and accuracy of the fixed assets register.

S.No.	Key Audit Matters	How the matter was addressed in our audit
2.	**Short Term Borrowing**	
	As stated in note 27 to the unconsolidated financial statements, the Company has short-term borrowing amounting to Rs. 27,327.712 million (December 31, 2024: Rs. 31,080.738 million) and during the year the company has concluded settlement agreements with some banks whereas undergoing further arrangements with other banks either to settle the borrowings or restructure it. These material changes making it the significant aspect of the unconsolidated financial statements. Based on the materiality levels and risk assessments considering historical backgrounds, we have identified the verification of short-term borrowings as a key audit matter.	Our key audit procedures, amongst others included the following: • Checked the payments on sample basis and performed analytical procedures, reviewed its key covenants, settlements in accordance with the terms of arrangement and related accounting treatment to ensure completeness, accuracy and classification. • Performed recalculation of interest charged in accordance with the terms of agreement for its accuracy and cut-off. • Discussed with the management for the concluded and undergoing settlement agreements between the parties. Further, reviewed the terms of re-scheduling agreement for the transfer of borrowing from short term to long term and its compliances by the company with the agreed covenants to assess existence, rights and obligations, presentation and disclosure.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the unconsolidated and consolidated financial statements of the Company and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. For the matters described in the ***Basis for Adverse Opinion*** section of our report, we conclude that the other information is also materially misstated with respect to those matters.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the International Accounting and Financial Reporting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017, and for such internal control as the management determine is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report On Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) because of the effects of the matters described in ***Basis for Adverse Opinion*** section, proper books of accounts have not been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) because of the effects of the matters described in Basis for Adverse Opinion section, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of cash flows and unconsolidated statement of changes in equity together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are not in agreement with the books of account and returns.

c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Aqeel Ahraf Tabani.**

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi
Date: April 06, 2026
UDIN: AR202510542tUywZBYoa

Hascol Petroleum Limited
Unconsolidated Statement of Financial Position
As At December 31, 2025

ASSETS	Note	2025	2024
		-------------- Rupees in '000 --------------	
Non-current assets			
Property, plant and equipment	5	22,748,735	24,555,962
Right-of-use assets	6	2,243,455	2,259,741
Intangible asset	7	2,230	4,707
Long-term investments	8	2,493,744	2,493,744
Deferred taxation - net	9	-	-
Long-term deposits	10	123,752	118,533
Total non-current assets		27,611,916	29,432,687
Current assets			
Stock-in-trade	11	6,922,095	26,563,997
Trade debts	12	1,801,097	2,621,370
Advances	13	143,038	237,572
Deposits and prepayments	14	359,515	385,068
Other receivables	15	2,429,646	2,872,802
Accrued mark-up and profit	16	182	143
Short term investments	17	100,800	100,097
Cash and bank balances	18	573,877	584,624
Total current assets		12,330,250	33,365,673
TOTAL ASSETS		39,942,166	62,798,360
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	19	9,991,207	9,991,207
Reserves	20	(118,267,658)	(113,089,976)
Revaluation surplus on property, plant and equipment		15,064,058	16,592,339
Total shareholders' deficit		(93,212,393)	(86,506,430)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	21	8,352,942	6,922,309
Lease liabilities	22	3,200,014	3,159,428
Deferred liabilities	23	231,973	262,066
Total non-current liabilities		11,784,929	10,343,803
Current liabilities			
Trade and other payables	24	48,871,662	68,170,859
Unclaimed dividend	25	356,928	356,928
Taxation - net		1,938,552	1,871,285
Accrued mark-up and profit	26	32,572,050	29,745,438
Short-term borrowings	27	27,327,712	31,080,738
Current portion of non-current liabilities	28	10,302,726	7,735,739
Total current liabilities		121,369,630	138,960,987
TOTAL LIABILITIES		133,154,559	149,304,790
TOTAL EQUITY AND LIABILITIES		39,942,166	62,798,360
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Hascol Petroleum Limited
Unconsolidated Statement of Profit or Loss
For the Year Ended December 31, 2025

	Note	2025	2024
		----------- Rupees in '000	-----------
Sales - net	30	**177,235,475**	143,858,095
Sales tax		**(56,499)**	(52,585)
Net sales		**177,178,976**	143,805,510
Other revenue	31	**275,350**	463,207
Net revenue		**177,454,326**	144,268,717
Cost of sales	32	**(173,878,600)**	(140,935,316)
Gross profit		**3,575,726**	3,333,401
Distribution and marketing expenses	33	**(4,182,326)**	(3,552,176)
Administrative expenses	34	**(941,381)**	(909,738)
Operating expenses		**(5,123,707)**	(4,461,914)
Reversal / (allowance) for expected credit loss on trade debts	35	**239,634**	(67,111)
Other expenses	36	**(41,418)**	(3,787,591)
Other income	37	**2,595,639**	3,253,296
Operating proft / (loss)		**1,245,874**	(1,729,919)
Finance cost	38	**(6,781,292)**	(10,539,708)
Exchange (loss) / gain - net		**(535,509)**	211,264
		(7,316,801)	(10,328,444)
Loss before income tax and levy (final & minimum tax)		**(6,070,927)**	(12,058,363)
Final taxes	39.3	**-**	-
Minimum tax differential	39.4	**(629,315)**	(602,188)
Loss before income tax		**(6,700,242)**	(12,660,551)
Income tax			
-Current For the year	39.5	**-**	-
Prior year		**-**	-
		-	-
-Deferred		**-**	-
Loss after income tax		**(6,700,242)**	(12,660,551)
Loss per share - basic and diluted (in Rupees)	40	**(6.71)**	(12.67)

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Hascol Petroleum Limited
Unconsolidated Statement of Comprehensive Income
For the Year Ended December 31, 2025

	Note	2025	2024
		------------- (Rupees)	----------------
Loss after income tax		**(6,700,242)**	(12,660,551)
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss			
Remeasurement of actuarial loss on defined benefit obligation - net of tax	49.1.6	**(5,721)**	(15,779)
Revaluation surplus on property, plant and equipment	5.1	**-**	5,154,614
Total comprehensive loss for the year		**(6,705,963)**	(7,521,716)

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

Hascol Petroleum Limited
Unconsolidated Statement of Changes in Equity
For the Year Ended December 31, 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	9,991,207	4,639,735	(106,119,722)	12,504,066	(78,984,714)
Total comprehensive loss for the year					
Loss after taxation	-	-	(12,660,551)	-	(12,660,551)
Other comprehensive income					
Remeasurement of actuarial loss on defined benefit obligation-net of tax (note 49.1.6)	-	-	(15,779)	-	(15,779)
Revaluation surplus on property, plant and equipment	-	-	-	5,154,614	5,154,614
Total comprehensive loss for the year	-	-	(12,676,330)	5,154,614	(7,521,716)
Transferred from surplus on revaluation of property plant and equipment of incremental depreciation	-	-	1,066,341	(1,066,341)	-
	-	-	(11,609,989)	4,088,273	(7,521,716)
Balance as at December 31, 2024	9,991,207	4,639,735	(117,729,711)	16,592,339	(86,506,430)
Total comprehensive loss for the year					
Loss after taxation	**-**	**-**	**(6,700,242)**	**-**	**(6,700,242)**
Other comprehensive income					
Remeasurement of actuarial loss on defined benefit obligation-net of tax (note 49.1.6)	**-**	**-**	**(5,721)**	**-**	**(5,721)**
Revaluation surplus on property, plant and equipment	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**(6,705,963)**	**-**	**(6,705,963)**
Transferred from surplus on revaluation of property, plant and equipment of incremental depreciation & disposal	**-**	**-**	**1,528,281**	**(1,528,281)**	**-**
	-	**-**	**(5,177,683)**	**(1,528,281)**	**(6,705,964)**
Balance as at December 31, 2025	**9,991,207**	**4,639,735**	**(122,907,393)**	**15,064,058**	**(93,212,394)**

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Hascol Petroleum Limited
Unconsolidated Statement of Cash Flows
For the Year Ended December 31, 2025

	Note	2025	2024
		-------------- (Rupees)	----------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	**6,992,129**	8,695,103
Finance cost paid		**(2,040,364)**	(3,778,524)
Taxes paid		**(559,711)**	(45,074)
Contributions to gratuity fund	49.1.4	**-**	(10,000)
Net cash generated from operating activities		**4,392,054**	4,861,505
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred	5.6.1	**(433,003)**	(87,924)
Proceeds from disposal of property, plant and equipment		**406,421**	51,134
Profit / mark-up received on bank deposits and TFC's		**51,909**	67,535
Long-term deposits - net		**(5,219)**	(16,230)
Net cash generated from investing activities		**20,108**	14,515
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid - net		**(438,887)**	(563,412)
Long-term finance repaid		**(230,996)**	-
Net cash used in financing activities		**(669,883)**	(563,412)
Net increase in cash and cash equivalents		**3,742,279**	4,312,608
Cash and cash equivalents at the beginning of the year	18 & 27	**(30,496,114)**	(34,808,722)
Cash and cash equivalents at the end of the year	44	**(26,753,835)**	(30,496,114)

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

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 During the current year, the Company incurred a net loss of Rs. 6.7 billion (2024 - Rs. 12.66 billion), resulting in net shareholders deficit of Rs. 93.21 billion (2024 - Rs. 86.51 billion) as of the statement of financial position date. Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 109.04 billion (2024 - Rs. 105.6 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 sizeable inflow from IFEM pool for the years 2024 and 2025; and the assurance of supply continuity, and the continued generation of positive cash flows from operations was taken into account by the board of directors 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 authorized for issue. Furthermore, the ongoing restructuring of the banking creditors is expected to be completed during the year 2026 as indicated by the issuance of a formal offer letter by the National Bank of Pakistan (NBP) duly notified to the Pakistan Stock Exchange (PsX) by both NBP and the company referenced in note 27.3 of these financial statements.

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.

1.3 Geographical location and address of business units

The business unit of the Company include the following:

Business unit	Geographical location
Head Office	The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi

Regional marketing, sales offices and invoicing points are located across the country. The Company owns retail operation sites and sites operated through dealers across Pakistan and Northern areas.

1.4 Capacity and production

Considering the nature of the Company's business, the information regarding production has no relevance whereas product storage capacities at company's owned facilities during the current year is detailed below:

Description	Storage capacity metric tons HSD	Storage capacity metric tons PMG
Daulatpur depot	4,000	2,250
Shikarpur depot	16,200	2,700
Mehmoodkot depot	9,000	4,500
Machike depot	6,000	3,500
Sahiwal depot	6,000	3,500
Kotlajam depot	5,100	4,500
Thalliyan depot	8,000	12,000

2. BASIS OF PREPARATION

2.1 Separate financial statements

These financial statements are the separate financial statements of the Company in which investment in subsidiary and associate is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements of the Company are prepared and presented separately.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprises of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. In case where the provisions and directives issued under the Companies Act 2017 differ, the provisions or directives of the Companies Act, 2017 shall prevail.

These financial statements are being submitted to the shareholders as required under section 223 of the Companies Act 2017 and the Pakistan Stock Exchange Regulations.

2.3 Accounting convention

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Investment at fair value through other comprehensive income	Fair value
Net defined benefit liability	Present value of the defined benefit obligation
Property, plant and equipment	Revalued amounts
Foreign currency monetary liabilities / assets	Spot exchange rates
Lease liability	Present value lease payments

2.3.1 In these financial statements, except for the statement of cash flows, all the transactions have been accounted for on an accrual basis.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.5 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

2.5.1 Amendments to the approved accounting standards and application guidance that became effective during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

IAS 1 **Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendmentsto IAS 1**

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement and that a right to defer settlement must exist at the end of the reporting period. The amendments further clarify that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Also it has been clarified that an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

IAS 7 and IFRS 7 **Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements

IFRS 16 **Lease Liability in a Sale and Leaseback-Amendments to IFRS 16**

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

IAS 12 **International tax reform - Pillar Two model rules (amendments)**

The amendments to IAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two model rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply to annual reporting periods beginning on or after January 01, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the Company's financial statements.

IAS 12 Application Guidance issued by Institute of Chartered Accountants of Pakistan

On May 15, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued a circular titled 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes.' Pursuant to the release of the circular, the Company has changed the presentation for minimum taxes and final taxes.

The change has been applied retrospectively, however, has not affected any component of equity for the prior period presented in these financial statements.

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IAS 21 Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 clarify that a currency is exchangeable if it can be exchanged for another without undue delay; otherwise, the spot rate is estimated based on an orderly transaction reflecting prevailing economic conditions. Regarding disclosure, when a currency is not exchangeable, an entity must disclose information enabling users to evaluate how the lack of exchangeability affects or is expected to affect financial performance, position, and cash flows. Conforming changes were also made to IFRS 1.

The amendments had no impact on the Company's financial statements.

2.5.2 Standards, annual improvements and amendments to the approved accounting standards that are not yet effective

The following standards, annual improvements and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Standards / amendments		Effective date (annual periods beginning on or after)
IFRS 17	Insurance contracts	January 01, 2026
IFRS 7 / IFRS 9	Classification and measurement of financial instruments - amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18	Presentation and disclosure in financial statements	January 01, 2027
IFRS 19	Subsidiaries without public accountability: Disclosures	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency - amendments to IAS 21	January 01, 2027
IFRS 10 / IAS 28	Sale or contribution of assets between an investor and its associate or joint venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, the following standard has been issued by IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards		IASB Effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 01, 2009

The Company expects that above standards, annual improvements and amendments to the approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in these unconsolidated financial statements:

Control over investments in subsidiaries

Management assesses whether or not the Company has control over its investment in subsidiaries based on whether the Company has the power to direct the relevant activities of the investees unilaterally.

Management consider the Company's absolute size of holding in subsidiaries and relative size of and dispersion of the shareholding owned by the other shareholders. After assessment, the directors, concluded that the Company has a sufficiently dominant voting interest to direct the relevant activities of subsidiaries and therefore Company has control over investment in subsidiaries.

Equity accounting investees

Management assesses whether or not the Company has significant influence over an investee. Management consider the Company's representation on the board of directors or equivalent governing body of the investee, participation in policy making processes, including participation in decisions about dividends or other distributions, material transactions between the investor and the investee, interchange of managerial personnel and provision of essential technical information.

3.2 Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment

Carrying value of property, plant and equipment

Management performs impairment reviews on the Company's property, plant and equipment assets at least annually with reference to indicators in IAS 36 'Impairment of Assets'. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

Key assumptions and estimates in the impairment models relate to: commodity prices and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets. Assumptions reflect that a market participant would consider when valuing the asset. Judgment is also required in establishing the appropriate grouping of assets into cash generating units.

Useful life of intangible assets

Amortisation is charged so as to write off the cost of the intangible assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as:

I Expected usage of the assets by the Company;

II Typical product life cycle for the asset and public information on estimates of useful lives of similar type of assets used in similar way.

III Technical, technological, commercial or other types of obsolescence and the period of control over the assets.

IV Legal or similar limits on the use of the asset, such as the expiry dates of related leases.

Useful lives of property, plant and equipment and right of use assets

Depreciation is charged so as to write off the value of assets over their estimated useful lives. In case of ROU assets, depreciation is charged over lower of useful lives and lease term. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Impairment loss on investments in associates

The Company reviews its investments in associates periodically and evaluates the objective evidence of impairment. Objective evidence includes the performance of associate, the future business model, local economic conditions and other relevant factors. Based on the objective evidences, the Company determines the need for impairment loss on investments in associates.

Income tax

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

I Recent arm's length market transactions;

II Current fair value of another instrument that is substantially the same;

III The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; and

IV Other valuation models.

Impairment loss allowance

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the creditworthiness of the counterparty, timing and value of anticipated future payments and actions that can be taken to mitigate the risk of non-payment.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Discounting of lease payments

The lease payments are discounted using the Company incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease by inquiring it from local banks. Alternatively the Company estimates IBR by using weighted average cost of short term borrowings at the end of each quarter.

Revaluation of property, plant and equipment

The Company applies revaluation model and revalued its property, plant and equipment every three years. Management has applied judgement and estimates in assessing the fair value of the property, plant and equipment.

Net realizable value of stock in trade

The Company values inventory at lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Management while estimating the net realisable value take into account the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

Provision and contingencies

The Company recognizes provision when Management is in a position to make reliable estimate of the expenditure required to settle the present obligation and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation. If the said criteria are not met, then Management reflect the same as contingent liability.

Provision for gratuity

The Company operates funded gratuity scheme whereby Management estimates the liability at reporting date using projected unit credit method. For details please refer note 49.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Initial recognition

Operating fixed assets

An item of property, plant and equipment is initially recognized at cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Operating fixed assets under construction are disclosed as capital work in progress (CWIP). The cost of self constructed assets includes the cost of materials, fixed labour and any other cost directly attributable to bringing the asset into service for its intended use including, where applicable, the cost of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

The assets which are available for intended use are initially capitalized at cost as operating fixed asset and depreciated over its useful life. While assets under construction are capitalized to CWIP.

Capital work-in-progress

CWIP is stated at cost less accumulated impairment losses, if any. All expenditure in connection with specific assets incurred during construction / installation period are carried to CWIP. These expenditures are transferred to operating fixed assets as and when these are available for intended use.

4.1.2 Measurement subsequent to initial recognition

Carried using revaluation model

Following classes of operating owned assets are subsequently measured under revaluation model (i.e. fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses).

- Land lease hold;
- Building on lease hold land;
- Tanks and pipelines;
- Dispensing pumps;
- Plant and machinery;

- Electrical, mechanical and fire fighting equipment;
- Furniture, office equipment and other assets;
- Computer auxiliaries; and
- Motor cars.

Fair value is determined by external professional valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

A revaluation surplus is recorded in statement of comprehensive income and credited to the asset revaluation surplus in equity. However, the increase is recorded in the unconsolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the unconsolidated statement of profit or loss, however, decrease is recorded in statement of comprehensive income to the extent of any credit balance entry in revaluation surplus is respect of the same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revaluation of carrying amount of the asset and the depreciation based on asset's original cost. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit / loss.

Carried using cost model

Fixed assets other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Operating fixed assets are generally depreciated on a straight-line basis over their estimated useful lives. Depreciation is provided at the rates as disclosed in note 5.1.

Items of operating fixed assets are measured at cost / revalued amount less accumulated depreciation and impairment losses. Depreciation is charged from the month of addition and no depreciation is charged in the month of disposal.

An item of operating fixed assets and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the unconsolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The consideration receivable on disposal of an item of operating fixed assets or an intangible asset is recognised initially at its fair value by the Company. However, if payment for the item is deferred, the consideration receivable is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost. Useful lives and residual values are reviewed at each reporting date.

Major maintenance, inspection and repairs

Expenditure on major maintenance, refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Company, the expenditure is capitalised.

Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

4.2 Leases

Company as a lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For such leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

I fixed lease payments (including in-substance fixed payments), less any lease incentives;

II variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

III the amount expected to be payable by the lessee under residual value guarantees;

IV the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

V payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

I The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

II The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in rate in which case a revise discount rate is used).

III A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position. The Company applies IAS-36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the unconsolidated statement of profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

4.3 Intangible asset - computer software

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the unconsolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the unconsolidated statement of profit or loss when the asset is derecognised.

4.4 Financial instruments

In the normal course of business the Company uses financial instruments, principally investments, trade and other receivables, cash and cash equivalents, term deposits, loans and borrowings and trade and other payables.

Classification

Financial assets

The Company classifies its financial assets as follows:

I Financial assets at amortised cost
II Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
III Financial assets at Fair Value Through Profit or Loss (FVTPL)

To determine their classification and measurement category, all financial assets, except equity instruments and derivatives, is assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Contractual cash flow characteristics test

The Company assesses whether the financial instruments' cash flows represent Solely for Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

The Company reclassifies a financial asset only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Financial liabilities

All financial liabilities are classified as "amortised cost" other than negative fair value of derivatives which are carried at "fair value through profit or loss".

Recognition / derecognition

A financial asset or a financial liability is recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (in whole or in part) is derecognized when the contractual rights to receive cash flows from the financial asset has expired or the Company has transferred substantially all risks and rewards of ownership and has not retained control. If the Company has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated statement of profit or loss.

All regular way purchase and sale of financial assets are recognized using settlement date accounting. Changes in fair value between the trade date and settlement date are recognized in the unconsolidated statement of profit or loss or in the statement of comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

Measurement

All financial assets or financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue are added except for those financial instruments classified as “at fair value through profit or loss”.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Cash and cash equivalents, trade and receivables and other assets are classified as financial assets at amortised cost.

Financial assets at FVOCI

A debt instrument is measured at FVOCI if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell. These assets are subsequently measured at fair value, with change in fair value recognized in OCI. Interest income calculated using effective interest method, foreign exchange gains / losses and impairment are recognized in the unconsolidated statement of profit or loss. On de-recognition, gains and losses accumulated in the OCI are reclassified to the unconsolidated statement of profit and loss.

For an equity instrument; upon initial recognition, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis. Gains and losses on these equity instruments are never recycled to the unconsolidated statement of profit or loss. Dividends are recognised in statement of profit or loss when the right to receive has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses may be reclassified from fair value reserve to retained earnings in the statement of changes in equity.

Financial asset at FVTPL

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. This also includes equity instruments held-for-trading and are recorded and measured in the statement of financial position at fair value.

Changes in fair values and dividend income are recorded in the unconsolidated statement of profit or loss according to the terms of the contract, or when the right to receive has been established.

Financial liabilities

Financial liabilities “other than at fair value through profit or loss” are subsequently measured and carried at amortized cost using the effective yield method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss. Equity interests are classified as financial liabilities if there is a contractual obligation to deliver cash or another financial asset.

Financial guarantees

Financial guarantees are subsequently measured at the higher of the amount initially recognized less any cumulative amortization and the best estimate of the present value of the amount required to settle any financial obligation arising as a result of the guarantee.

4.5 Off setting of financial assets and financial liabilities

Financial assets and liabilities are off set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to off-set the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and equity instrument.

4.7 Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received. Transaction costs directly attributable to the issue of ordinary share are recognized as deduction from equity.

4.8 Share premium reserves

Share premium is recorded on issue of shares in accordance with the requirements of section 83 of the Companies Act, 2017 and Rule 5 of the Companies (Issue of Capital) Rules, 1996 amendment pursuant of S.R.O 34 (I)/2016 dated 19th January 2016. The premium is available for use as per section 81 of the Companies Act, 2017.

4.9 Dividend distribution

Final dividend distribution to the Company's shareholders is recognized as a liability in the financial statement in the period in which the dividends are approved, while interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

4.10 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is calculated by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.11 Investment in subsidiary

A subsidiary is an entity controlled by the Company. The Company controls an investee when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect the return through its power over the investee. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

Investment in subsidiary are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss.

4.12 Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but also neither has control nor joint control over those policies.

Investment in associate are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense.

Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss.

When necessary the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS-36 ‘Impairment of Assets’ as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS-36 to the extent that the recoverable amount of the investment subsequently increases.

When the Company transacts with an associate profits and losses resulting from the transactions with the associate is recognized in the Company’s financial statements only to the extent of interests in the associate that are not related to the Company.

4.13 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business, if longer. If not, they are presented as non-current liabilities.

Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities with corresponding impact to the unconsolidated statement of profit or loss.

4.14 Trade and other receivables

Receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case they are recognized at fair value and subsequently measured at amortized cost using effective interest method less loss allowance. Trade debts and other receivables considered irrecoverable are written-off.

Exchange gains and losses arising on translation in respect of trade debts and other receivables in foreign currency are added to the carrying amount of the respective receivables with corresponding impact in the unconsolidated statement of profit or loss.

4.15 Advance and deposits

These are stated at cost less provision for doubtful balances, if any. Deposits represent security deposits from dealers by virtue of agreement and are interest free. These are repayable on cancellation on dealership contract with dealers.

4.16 Stock-in-trade

Inventories are stated at the lower of cost or net realisable value. Costs comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in selling. The cost of the inventory is determined using FIFO method.

Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon. Provision is made for obsolete / slow moving stocks where necessary and recognized in the unconsolidated statement of profit or loss. Net realizable value represents the estimated selling value price in the ordinary course of business less estimated costs necessary in order to make the sale.

4.17 Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the unconsolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the unconsolidated statement of profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment of financial assets

The Company recognizes ECL for cash and bank balances, due from related parties, and other assets using the general approach and uses the simplified approach for trade receivables as allowed by IFRS 9.

General approach

The Company applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

Simplified approach

The Company applies simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default.

The Company derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

I when there is a breach of financial covenants by the debtor; or

II information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Company incorporates forward-looking information based on expected changes in macro- economic factors in assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

4.18 Short term investments

This represent placement in TFCs with financial institution. These are measured at fair value through profit or loss account and any gain or loss on this instrument subsequently measured is recognised in the unconsolidated statement of profit or loss and presented in finance income / cost in the period in which it arises.

4.19 Cash and cash equivalents

Cash and cash equivalents are carried in the financial statement at amortized cost. For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, demand deposit, bank balances, short term borrowings and other items of current assets and current liabilities which qualify as cash equivalent.

4.20 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of this discounting is recognised as finance cost.

Amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognized as liability in the statement of financial position.

4.21 Commitment

Commitments are disclosed in the financial statements at committed amount which is presented in Pakistani Rupees.

4.22 Ijarah

Leased assets which are obtained under Ijarah agreement are not recognized in the Company's financial statements and are treated as operating lease based on IFAS 2 issued by the ICAP and notified by SECP vide S.R.O. 43(1) / 2007 dated 22 May 2007. Ujrah payments made under an Ijarah are charged to the profit or loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of time pattern of the user's benefit even if the payment are not on that basis.

4.23 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani Rupees at exchange rates ruling at the value dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies (including monetary assets and liabilities considered as a net investment in foreign operation) are translated into Pakistani Rupees at exchange rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the Pakistani Rupees at the beginning of the period, adjusted for effective interest and payments during the period and the amortised costs in foreign currency translated at the exchange rate at the end of the period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Pakistani Rupees at the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the unconsolidated statement of profit or loss as part of the fair value gain or loss.

4.24 Taxation

4.24.1 Levy - final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21 / IAS - 37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC – 21 / IAS – 37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS – 12 “Income taxes” and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC – 21 / IAS – 37.

4.24.2 Taxation

Income tax expense comprises current, prior and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current tax

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted.

Prior tax

The charge for prior tax includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax

Deferred tax is recognized using statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.25 Revenue recognition

Revenue from sale of oil

The process for applying the requirements of standard is separated into five steps:

I Step 1 – Identify the contract with a customer

II Step 2 – Identify the separate performance obligations in the contract

III Step 3 – Determine the transaction price

IV Step 4 – Allocate the transaction price to the separate performance obligations in the contract

V Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation

The Company recognises revenue over time if any one of the following criteria is met:

I The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

II The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

III The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue can be measured reliably and is stated net of sales taxes and discounts. If advances are received from customers for future contractual services, the revenue is deferred until the services are provided.

Where revenue contains a significant financing element, the financing element is shown as a financing item and revenues are adjusted by a corresponding amount.

Other revenue

Non-fuel retail income and other revenue (including license fee) is recognized on an accrual basis.

Handling, storage and other services income is recognized when the services have been rendered.

Other income

Dividend income is recognized when the Company's right to receive the dividend is established.

Return on bank deposits is recognized when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applicable.

Rental income from short term lease or low value lease is recognized on a straight line basis over the terms of the relevant lease.

4.26 Retirement and other service benefits

Approved defined benefit funded gratuity plan

Approved defined benefit funded gratuity plan for employees who have completed five years of service. The amount arising as a result of remeasurements of employee retirement benefits are recognised immediately in other comprehensive income. Past service cost and curtailments are recognised in the unconsolidated statement of profit or loss, in the period in which a change takes place.

Annual provision is made on the basis of actuarial valuation carried out by independent actuary using the Projected Unit Credit Method, related details of which are given in note 49 to the financial statements. Latest valuation was conducted as at December 31, 2025.

Contributory provident fund

The Company operates an approved contributory provident fund for all its permanent employees. The contribution to the fund is made by the Company as well as the employees at the rate of 5.72% percent of the basic salary.

4.27 Segmental reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segment results are reviewed regularly by the Company's Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Chief Executive Officer (Chief Operating Decision Maker), in deciding how to allocate resources and in assessing performance.

The accounting policies of the operating segments are the same as the Company's accounting policies described in this note, except that IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the Chief Operating Decision Maker.

4.28 Fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods.

Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

I In the principal market for the asset or liability, or
II In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

4.29 Finance income and expenses

Finance income comprises foreign exchange gains and interest income. Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of the respective assets. Interest revenue earned on deposits of borrowed funds is netted off against the cost of the borrowed funds added to the cost of the respective assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

4.30 Related party transactions

All transactions with related parties are carried out by the Company at arm's length price using the comparable uncontrolled valuation method.

4.31 Investment income

Investment income comprises dividend income, impairment losses on investments, gains and losses on sale of investments and fair value changes on investments held at fair value through profit and loss and held for trading. Dividend income is recognised when the right to receive the dividend is established.

4.32 Events after the reporting date

The Company financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the financial statements when material.

4.33 Operating expenses

Operating expenses are recognised in the unconsolidated statement of profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

4.34 Unclaimed dividend

Dividend declared and payable prior to the preceeding three years from reporting date are recognized as unclaimed dividend.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		Rupees in '000	
Operating fixed assets	5.1	20,334,706	22,194,333
Capital work-in-progress	5.6	2,414,029	2,361,629
		22,748,735	24,555,962

5.1 Operating fixed assets

	Owned assets										Leased Assets	
								Vehicles			Vehicles	
	Leasehold Land	Building on lease hold land	Tanks and pipelines	Dispensing pumps	Plant and machinery	Electrical, mechanical and fire fighting equipment	Furniture, office equipment and other assets	Tank lorries	Motor cars	Computer auxiliaries	Tank lorries	Total operating fixed assets
	Rupees in '000											
At December 31, 2024												
Cost / revalued amount	4,621,830	9,725,318	6,189,481	3,649,854	1,200,344	2,633,011	348,820	1,559,034	212,490	67,418	293,198	30,500,798
Accumulated depreciation	-	(2,253,806)	(1,157,893)	(1,774,008)	(358,335)	(1,170,511)	(220,152)	(1,031,281)	(118,119)	(52,713)	(169,647)	(8,306,465)
Net book value	4,621,830	7,471,512	5,031,588	1,875,846	842,009	1,462,500	128,668	527,753	94,371	14,705	123,551	22,194,333
Year ended December 31, 2025												
Opening net book value	4,621,830	7,471,512	5,031,588	1,875,846	842,009	1,462,500	128,668	527,753	94,371	14,705	123,551	22,194,333
Addition / transfer from CWIP (note 5.6.1)	-	162,211	16,193	78,719	8,639	56,311	5,089	-	37,508	15,933	-	380,603
Reclassification												
Cost	-	-	-	-	-	-	-	293,198	-	-	(293,198)	-
Accumulated depreciation	-	-	-	-	-	-	-	(169,647)	-	-	169,647	-
	-	-	-	-	-	-	-	123,551	-	-	(123,551)	-
Disposals (note 5.5)												
Cost	-	(80,634)	(5,907)	(5,269)	(2,806)	(74)	(83)	(281,531)	(22,920)	(363)	-	(399,587)
Accumulated depreciation	-	27,781	2,880	2,837	1,369	59	83	215,001	22,920	20	-	272,950
	-	(52,853)	(3,027)	(2,432)	(1,437)	(15)	-	(66,530)	-	(343)	-	(126,637)
Depreciation charge for the year (note 5.4)	-	(691,487)	(421,094)	(261,461)	(108,586)	(375,340)	(44,213)	(168,514)	(36,367)	(6,531)	-	(2,113,593)
Closing net book value	4,621,830	6,889,383	4,623,660	1,690,672	740,625	1,143,456	89,544	416,260	95,512	23,764	-	20,334,706
At December 31, 2025												
Cost / revalued amount	4,621,830	9,806,895	6,199,767	3,723,304	1,206,177	2,689,248	353,826	1,570,701	227,078	82,988	-	30,481,814
Accumulated depreciation	-	(2,917,512)	(1,576,107)	(2,032,632)	(465,552)	(1,545,792)	(264,282)	(1,154,441)	(131,566)	(59,224)	-	(10,147,108)
Net book value	4,621,830	6,889,383	4,623,660	1,690,672	740,625	1,143,456	89,544	416,260	95,512	23,764	-	20,334,706
Depreciation rate - %	-	5	5	6.67	5	10	20	10	20	33.33	10	

	Owned assets										Leased Assets		
								Vehicles			Vehicles		
	Leasehold Land	Building on lease hold land	Tanks and pipelines	Dispensing pumps	Plant and machinery	Electrical, mechanical and fire fighting equipment	Furniture, office equipment and other assets	Tank lorries	Motor cars	Computer auxiliaries	Tank lorries	Motor cars	Total operating fixed assets
	Rupees in '000												
Cost as at January 1, 2024	4,100,083	7,829,367	4,535,677	3,223,490	1,020,626	2,162,632	314,912	565,658	125,697	60,843	1,323,519	86,793	25,349,297
Acc. depreciation as at January 1, 2024	-	(1,751,177)	(873,193)	(1,491,689)	(280,201)	(888,921)	(183,629)	(360,231)	(65,258)	(51,264)	(672,715)	(18,806)	(6,637,084)
Net book value as at January 01, 2024	4,100,083	6,078,190	3,662,484	1,731,801	740,425	1,273,711	131,283	205,427	60,439	9,579	650,804	67,987	18,712,213
Year ended December 31, 2024													
Opening net book value	4,100,083	6,078,190	3,662,484	1,731,801	740,425	1,273,711	131,283	205,427	60,439	9,579	650,804	67,987	18,712,213
Addition / transfer from CWIP (note 5.6.1)	-	46,495	15,399	-	2,304	15,385	5,336	-	-	3,005	-	-	87,924
Revaluation	505,754	1,848,374	1,642,555	426,325	237,235	461,416	29,087	-	-	3,868	-	-	5,154,614
Impairment - net	15,993	1,082	(4,150)	39	(59,821)	(6,422)	(515)	-	-	-	-	-	(53,794)
Reclassification													
Cost	-	-	-	-	-	-	-	1,030,321	86,793	-	(1,030,321)	(86,793)	-
Accumulated depreciation	-	-	-	-	-	-	-	(532,388)	(18,806)	-	532,388	18,806	-
	-	-	-	-	-	-	-	497,933	67,987	-	(497,933)	(67,987)	-
Disposals (note 5.5)													
Cost	-	-	-	-	-	-	-	(36,945)	-	(298)	-	-	(37,243)
Accumulated depreciation	-	-	-	-	-	-	-	20,511	-	298	-	-	20,809
	-	-	-	-	-	-	-	(16,434)	-	-	-	-	(16,434)
Depreciation charge for the year (note 5.4)	-	(502,629)	(284,700)	(282,319)	(78,134)	(281,590)	(36,523)	(159,173)	(34,055)	(1,747)	(29,320)	-	(1,690,190)
Closing net book value	4,621,830	7,471,512	5,031,588	1,875,846	842,009	1,462,500	128,668	527,753	94,371	14,705	123,551	-	22,194,333
At December 31, 2024													
Cost / revalued amount	4,621,830	9,725,318	6,189,481	3,649,854	1,200,344	2,633,011	348,820	1,559,034	212,490	67,418	293,198	-	30,500,798
Accumulated depreciation	-	(2,253,806)	(1,157,893)	(1,774,008)	(358,335)	(1,170,511)	(220,152)	(1,031,281)	(118,119)	(52,713)	(169,647)	-	(8,306,465)
Net book value	4,621,830	7,471,512	5,031,588	1,875,846	842,009	1,462,500	128,668	527,753	94,371	14,705	123,551	-	22,194,333
Depreciation rate - %	-	5	5	7	5	10	20	10	20	33.33	10	20	

5.2 Assets not in possession of the Company

Due to large number of dealers, it is impracticable to disclose the name of each person having possession of operating fixed assets, as required under Paragraph 12 of Part II of the 4th Schedule to the Companies Act, 2017.

Operating fixed assets held by dealers of retail outlets of the Company are tanks and pipelines dispensing pumps, plant and machinery, electrical, mechanical and fire fighting equipment's. These assets are not in possession of the Company as these have been provided to dealers of retail outlets to facilitate them to promote and sell the Company's products.

5.3 Details of immovable assets

The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land in square yards
Depots		
Daulatpur depot	Taluka Qazi Ahmed, District Shaheed Benazirabad, Nawabshah	35,428
Kotlajam depot	Kotlajam Dagar, Tehsil & District Bhakhar, Mianwali	29,040
Machike depot	Chak Dhantpura, Machike, District Sheikhupura	139,584
Mehmood kot depot	Qasba Gujrat, Tehsil Kot Addu, District Muzzafargarh	29,554
Sahiwal depot	Pakpattan Road, Tehsil & District Sahiwal	28,435
Marshal Gas depot	Naclass No.213, Deh Konkar, Gadaptown, Karachi	14,520
Others		
LPG terminal	Plot of land bearing No. B-26, B-27 and G2 situated at North Western Industrial Zone, Port Qasim Authority, Bin Qasim, Karachi	90,508
Retail outlet	Main Raiwind Road, Hadbast Mouza Bhobattian, Tehsil Raiwind, District Lahore	2,118
Karachi office	Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi	386
Lahore office	Office No. 5-I, measuring 6,010 Sq. Ft., 5th Floor, constructed over Plot No. 19, Khayaban-e-Aiwan-e-Iqbal, Lahore	6,101

5.4 Allocation of depreciation expense

The depreciation charged for the year has been allocated as follows:

	Note	2025	2024
		------------ Rupees in '000	-----------
Distribution and marketing expenses	33	**1,988,720**	1,643,431
Administrative expenses	34	**124,873**	46,759
		2,113,593	1,690,190

5.5 Disposal of assets

During the year written down value of operating fixed assets that have been disposed-off amount to Rs. 127 million (2024: Rs. 16 million). Details of operating fixed assets disposed off with WDV above Rs. 500,000 are given below:

	Cost	Accumlated deprecition	Net book value	Sale proceeds	Gain / (loss)	Particulars of buyer	Mode of disposal
	------------------------- Rupees in 000				---------------------------		
Retail Site	94,773	35,009	59,764	50,000	(9,764)	Taj Corporation	Outright Sale
Tank lorries	281,531	215,001	66,530	341,945	275,415	Pakistan Tanker-Company	Outright Sale
2025	**376,304**	**250,010**	**126,294**	**391,945**	**265,651**		
2024	36,945	20,511	16,434	51,024	34,590		

	Note	2025	2024
		------------ Rupees in '000	-----------
5.6 Capital work-in-progress			
Buildings		**287,432**	294,575
Machinery, tanks and pumps		**1,888,775**	1,891,075
Retail sites		**77,263**	15,420
Furniture, office equipment and other assets		**22,221**	22,221
Borrowing cost capitalized		**138,338**	138,338
		2,414,029	2,361,629
5.6.1 Movement in capital work-in-progress during the year is as follows:			
Balance at the beginning of the year		**4,413,236**	4,413,236
Additions during the year		**433,003**	87,924
Transfers during the year	5.1	**(380,603)**	(87,924)
		4,465,636	4,413,236
Provisions for CWIP	5.6.2	**(2,051,607)**	(2,051,607)
Balance at the end of the year		**2,414,029**	2,361,629
5.6.2 Movement of provision for CWIP			
Balance at the beginning of the year		**2,051,607**	2,051,607
Provisions made during the year		**-**	-
Balance at the end of the year		**2,051,607**	2,051,607

5.6.3 The Capital work in progress (CWIP) carrying amount, provision and its fair value are as follows:

	Carrying amount	Provision	Net carrying amount
	---------------------- Rupees in '000 ----------------------		
December 31, 2025			
Buildings	**1,014,379**	**726,947**	**287,432**
Machinery, tanks and pumps	**2,710,743**	**821,968**	**1,888,775**
Retail sites	**573,371**	**496,108**	**77,263**
Others	**167,143**	**6,584**	**160,559**
	4,465,636	**2,051,607**	**2,414,029**
December 31, 2024			
Buildings	1,021,522	726,947	294,575
Machinery, tanks and pumps	2,713,043	821,968	1,891,075
Retail sites	511,528	496,108	15,420
Others	167,143	6,584	160,559
	4,413,236	2,051,607	2,361,629

Provision of Rs. 2 billion mainly comprise of the following:

a) Management estimates of the recoverable amount for retail sites & others amounting to Rs. 0.5 billion; and

b) Decrease in fair value based on valuation carried out by the independent valuer for Thalian Depot Hub & Machike B & C amounting to Rs. 1.5 billion.

6. RIGHT-OF-USE ASSETS

The Company's leases mainly comprise of storage facilities, pump sites and offices. Information about leases for which the Company is a lessee is presented below.

	Storage facility	Pumpsites	Offices	Total
	--------------------------- Rupees in '000 ------------------------------			
Balance as at January 01, 2025	**81,541**	**2,177,335**	**865**	**2,259,741**
Additions during the year (note 22.1.1)	**-**	**172,096**	**-**	**172,096**
Disposals / terminations	**-**	**(24,303)**	**-**	**(24,303)**
Depreciation charge for the year (note 6.2)	**(5,452)**	**(158,367)**	**(260)**	**(164,079)**
Balance as at December 31, 2025	**76,089**	**2,166,761**	**605**	**2,243,455**
Balance as at January 01, 2024	86,993	2,329,613	181,516	2,598,122
Additions during the year (note 22.1.1)	-	16,583	-	16,583
Disposals / terminations	-	(9,267)	(104,072)	(113,339)
Depreciation charge for the year (note 6.2)	(5,452)	(159,594)	(76,579)	(241,625)
Balance as at December 31, 2024	81,541	2,177,335	865	2,259,741

6.1 The right-of-use assets are depreciated on straight line basis on lower of remaining lease term and useful life.

		Note	2025	2024
			------------ Rupees in '000 -----------	
6.2	**Amounts recognized in statement of profit or loss**			
	Depreciation on right-of-use assets			
	Cost of sales	32.2	**5,452**	5,452
	Distribution and marketing expenses	33	**158,367**	159,595
	Administrative expenses	34	**260**	76,579
			164,079	241,626
	Finance cost			
	Interest on lease liabilities	38	**386,160**	398,866
	Amounts recognized in statement of cashflows			
	Total outflow for leases - net	22.1.1	**438,887**	563,412
7.	**INTANGIBLE ASSET**			
	Computer software		**2,230**	4,707
	Net carrying value			
	Net book value at beginning of the year		**4,707**	7,184
	Addition for the year		**-**	-
	Amortization charge for the year	34	**(2,477)**	(2,477)
	Net book value at the end of the year		**2,230**	4,707
	Net book value			
	Gross carrying value			
	Cost		**19,525**	19,525
	Development expenditure		**-**	-
	Accumulated amortization		**(17,295)**	(14,818)
	Net book value at the end of the year		**2,230**	4,707
	Rate of amortization - %		**33.33**	33.33
7.1	Intangible assets mainly comprise of operational softwares.			
8.	**LONG-TERM INVESTMENTS**			
	Investment in subsidiary company - at cost less impairment			
	Hascombe Lubricant (Private) Limited - unquoted	8.1	**-**	-
	Hascol Lubricant (Private) Limited - unquoted	8.2	**1,968,744**	1,968,744
	Investment in associated companies - at cost			
	VAS LNG (Private) Limited - unquoted	8.3	**-**	-
	Magic River Services Limited	8.4	**110,000**	110,000
	Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	8.5	**412,500**	-
	Other Investment			
	Karachi Hydrocarbon Terminal Limited - unquoted	8.5	**-**	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

8.1 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 Lubricant (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.

	2025	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 year	**-**	-
Balance at the end of the year	**(30,604)**	(30,604)
Net book value	**-**	-

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

	Note	2025	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 year	36	**-**	(1,181,256)
Balance at the end of the year		**(1,181,256)**	(1,181,256)
Net book value		**1,968,744**	1,968,744

8.3 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 nil ordinary shares (2024: 0.3 million) of Rs. 10 per share which have been provided in the year 2020. as VL had filed liquidation in the month of October 2020.

During the period, VL has been dissolved under Section 426 of the Companies Act, 2017. The notice of dissolution was published in the Official Gazette dated 27 August 2025.

	2025	2024
	Rupees in '000	
Investment at cost	**-**	3,000
Advance against purchase of shares	**-**	1,023
Movement in provision for impairment		
Balance at the beginning of the year	**(4,023)**	(4,023)
Written off during the year	**4,023**	-
Balance at the end of the year	**-**	(4,023)
Net book value	**-**	-

8.4 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 31 December 2025 amounting to Rs. 110 million (2024: Rs. 110 million).

8.5 The Company holds an investment of 41.25 million fully paid ordinary shares of Rs. 10 per share in Karachi Hydrocarbon Terminals Limited (KHTL). As of December 31, 2025, this investment is classified as an investment in an associate due to common directorship, in accordance with IAS 28. However, as of December 31, 2024, there was no common director on the Board of KHTL.

9. DEFERRED TAXATION - NET

	2025	2024
	------------ Rupees in '000 -----------	
Taxable temporary difference arising in respect of :		
Revaluation of operating fixed assets	**(3,334,295)**	(3,772,859)
Deductible temporary difference arising in respect of :		
Long term investment	**351,439**	351,439
Capital work in progress	**594,966**	594,815
Liabilities against right-of-use assets	**966,315**	941,502
Exchange loss	**51,710**	56,347
Provision for :		
- retirement benefit	**67,272**	47,235
- ECL on trade debts	**2,737,606**	2,806,357
- short term investments - TFCs	**1,422**	1,421
- ECL on long term deposits	**14**	14
- against stock	**35,876**	35,876
- suppliers and services advance	**910,333**	902,363
- IFEM, RD and PDC	**464,434**	695,664
Accelerated depreciation	**507,549**	354,661
Normal tax loss	**18,377,534**	20,224,554
	21,732,175	23,239,389
Unrecognized deferred tax asset	**(21,732,175)**	(23,239,389)
	-	-

9.1 Deferred tax asset of Rs. 21,732 million (2024: Rs. 23,239 million) has not been recognised in these unconsolidated financial statements due to uncertainty in availability of future taxable profits based on financial projections of future years.

However, in future years and based on the availablility of taxable profits, the unutilized deffered tax asset will be recognized.

		Note	2025	2024
			------------ Rupees in '000 -----------	
10.	**LONG-TERM DEPOSITS**			
	Lease deposits		**116,811**	128,637
	Current portion of lease deposits	14	**(116,811)**	(128,637)
			-	-
	Deposits against:			
	- retail outlets		**70,094**	70,094
	- others		**53,705**	48,486
			123,799	118,580
			123,799	118,580
	Allowance for ECL on long term deposits	10.1	**(47)**	(47)
			123,752	118,533
10.1	**Allowance for ECL on long term deposits**			
	Balance at the beginning of the year		**47**	47
	Allowance made during the year		**-**	-
	Balance at the end of the year		**47**	47
11.	**STOCK-IN-TRADE**			
	Finished goods			
	- Fuels		**7,045,806**	21,857,751
	- Stock in transit		**-**	4,829,957
	Provision against stock	11.1	**(123,711)**	(123,711)
		32	**6,922,095**	26,563,997
11.1	**Movement in provision against stock**			
	Balance at the beginning of the year		**123,711**	123,711
	Provisions made during the year		**-**	-
	Balance at the end of the year		**123,711**	123,711
12.	**TRADE DEBTS**			
	Unsecured, considered good		**1,801,097**	2,621,370
	Considered doubtful		**9,440,019**	9,679,653
			11,241,116	12,301,023
	Allowance for expected credit loss (ECL)	12.1	**(9,440,019)**	(9,679,653)
			1,801,097	2,621,370

12.1 The Company recognises the expected credit losses for trade debts using the simplified approach. As per the simplified approach, the loss allowance as at December 31, 2025 and 2024 as per IFRS 9 is as follows:

	Note	2025	2024
		------------ Rupees in '000 -----------	
Movement of allowance for ECL			
Balance at the beginning of the year		9,679,653	9,617,070
(Reversal) / Allowance made during the year	37 & 35	(239,634)	67,111
Write-off during the year		-	(4,528)
Balance at the end of the year		9,440,019	9,679,653

12.1.1 The Board of Directors of the company approved provision of Rs. 9,440 million (2024: Rs. 9,680 million) against doubtful receivables and write off of Rs. nil (2024: Rs. 4.5 million) in the financial statements for the year ended December 31, 2025.

13. ADVANCES

	Note	2025	2024
		------------ Rupees in '000 -----------	
Advances - considered good, unsecured			
Supplier and service provider	13.1	3,264,471	3,300,750
To employees:			
- against expenses	13.2	325	18,270
- against salaries	13.2	17,321	30,148
Provision against advance to supplier and services providers	13.3	(3,139,079)	(3,111,596)
		143,038	237,572

13.1 This includes advance to suppliers in the normal course of business as per commercial terms, currently the Company has 89 (2024: 66) suppliers whose advances exceed Rs. 1 million and these are given for procurement of equipment, fleet card operations, monitoring fee, consultancy and storages facilities.

13.2 This includes advance to employees against expenses and salaries as per employment terms, currently the company has 3 (2024: 17) employees whose advance exceed Rs. 1 million.

	Note	2025	2024
		------------ Rupees in '000 -----------	
13.3 Movement of provision for suppliers and service provider			
Balance at the beginning of the year		3,111,596	2,384,993
Provisions made during the year	36	27,483	726,603
Balance at the end of the year		3,139,079	3,111,596

14. DEPOSITS AND PREPAYMENTS

	Note	2025	2024
Deposits			
Current portion of long term lease deposits	10	116,811	128,637
Other deposits		133,241	192,406
		250,052	321,043
Prepayments			
Insurance and others		76,018	30,152
Rent		33,445	33,873
		109,463	64,025
		359,515	385,068

		Note	2025	2024
			------------ Rupees in '000 -----------	
15.	**OTHER RECEIVABLES**			
	Inland freight equalization margin ("IFEM") receivable		**2,311,008**	3,648,680
	Miscellaneous receivables	15.1	**16,029**	12,298
	Receivable against regulatory duty ("RD")		**-**	25,533
	Receivable from Hascol Lubricants (Private) Limited	42.2	**-**	38,316
	Sales tax refundable		**1,699,634**	1,539,197
	Price differential claims ("PDC")	15.2	**-**	7,618
	Provisioning of IFEM, RD and PDC	15.3	**(1,597,025)**	(2,398,840)
			2,429,646	2,872,802

15.1 This includes amount receivable from Magic River Limited (an associated Company) against share of profit amounting to Rs. nil (2024: Rs. 0.98 million).

15.2 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 outstanding balance has been written off during the period.

		Note	2025	2024
			------------ Rupees in '000 -----------	
15.3	**Movement of provision for IFEM, RD and PDC**			
	Balance at the beginning of the year		**2,398,840**	1,694,427
	Written off during the period		**(288,287)**	(1,113,832)
	(Reversal) / Provisions made during the year	37 & 36	**(513,528)**	1,818,245
	Balance at the end of the year	15.3.1	**1,597,025**	2,398,840

15.3.1 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).

During the year, the IFEM audit from July 2020 to June 2023 was completed by an audit firm appointed by OGRA.

		2025	2024
		--------- Rupees in '000 --------	
16.	**ACCRUED MARK-UP AND PROFIT**		
	From conventional banks	**181**	128
	From Islamic banks	**1**	15
		182	143

17. SHORT TERM INVESTMENT

The Company placed investment in fully paid-up, rated, privately placed, perpetual, unsecured, sub-ordinated, non-cumulative and contingent convertible debt instrument from Habib Bank Limited in the nature of Term Finance Certificates (“TFCs”). These carry mark-up at the rate of 3 month KIBOR+1.6% payable quarterly.

	2025	2024
	------------ Rupees in '000 -----------	
18. CASH AND BANK BALANCES		
Balances with banks - in current accounts:		
- Conventional banks	**188,822**	105,644
- Dividend account	**18,610**	18,610
- Islamic banks	**4**	4
	207,436	124,258
Balances with banks - in saving accounts:		
- Conventional banks	**262,084**	405,647
- Islamic banks	**1,539**	1,469
	263,623	407,116
Cash in hand	**102,818**	53,250
	573,877	584,624

18.1 These carry mark-up / profit ranging from 9.00% to 11.00% per annum (2024: Ranging from 13.52% to 16.88% per annum).

19. SHARE CAPITAL

19.1 Authorized share capital

2025	2024	2025	2024
Number of shares		--------- Rupees in '000 --------	
5,000,000,000	5,000,000,000	**50,000,000**	50,000,000

19.2 Issued, subscribed and paid-up share capital

2025	2024		Note	2025	2024
Number of shares				--------- Rupees in '000 --------	
89,540,000	89,540,000	Ordinary shares of Rs. 10 each fully paid in cash		**895,400**	895,400
1,060,000	1,060,000	Ordinary shares of Rs. 10 each for consideration other than cash	19.3	**10,600**	10,600
9,966,000	9,966,000	Annual bonus @ 11% December 2014		**99,660**	99,660
20,113,200	20,113,200	Interim bonus @ 20% June 2015		**201,132**	201,132
24,135,840	24,135,840	Right issue @ 20% September 2017		**241,358**	241,358
36,203,760	36,203,760	Bonus issue @ 25% September 2018		**362,038**	362,038
18,101,880	18,101,880	Bonus issue @ 25% December 2018		**181,019**	181,019
800,000,000	800,000,000	Right issue @ 401.77% January 2020	19.4	**8,000,000**	8,000,000
999,120,680	999,120,680			**9,991,207**	9,991,207

19.3 These were issued on December 8, 2004 for consultancy, feasibility study, travel and other expenses.

19.4 The right shares were issued for the purpose of meeting the working capital requirements of the Company.

19.5 Vitol Dubai Limited an associated Company held 401,697,229 shares (2024: 401,697,229 shares) which represents 40.21% (2024 : 40.21%) of the equity stake in the Company.

19.6 The Company has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2025	2024
		------------ Rupees in '000	-----------
20. RESERVES			
Capital			
Share premium	20.1	**4,639,735**	4,639,735
Revenue			
Accumulated losses		**(122,907,393)**	(117,729,711)
		(118,267,658)	(113,089,976)

20.1 The reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

	Note	2025	2024
		------------ Rupees in '000	-----------
21. LONG TERM FINANCING - secured			
Borrowings from conventional banks	21.1	**17,930,706**	13,977,202
Borrowings from Non-Banking Financial Institutions	21.2	**92,857**	92,857
Sukuk certificates	21.3	**500,000**	500,000
		18,523,563	14,570,059
Current portion of long term financing			
Borrowings from conventional banks		**(9,577,764)**	(7,054,893)
Borrowings from Non-Banking Financial Institutions		**(92,857)**	(92,857)
Sukuk certificates		**(500,000)**	(500,000)
	28	**(10,170,621)**	(7,647,750)
Non - current portion of long term financing		**8,352,942**	6,922,309

Terms and conditions of borrowings are as follows:

	Particulars	Note	Number of installments and commencement month	Grace period	Date of final repayment	Markup rate per annum	Installment amount	Outstanding Principal	
								2025	2024
								Rupees in '000	
21.1	**Borrowings from conventional banks**								
	National Bank of Pakistan Loan-1 Under LTF scheme	21.1.1	16 quarterly March-17	1 year	December 31, 2020	three month Kibor + 2.5% payable quarterly	31,250	93,750	93,750
	National Bank of Pakistan Loan-2 Under LTF scheme	21.1.2	16 quarterly August-19	1 year	May 27, 2023	three month Kibor + 1.5% payable quarterly	65,625	706,875	706,875
	National Bank of Pakistan Loan-3 Under LTF scheme	21.1.3	16 quarterly August-19	1 year	May 21, 2023	three month Kibor + 1.5% payable quarterly	37,500	350,500	350,500
	Syndicated Loan from multiple banks Conversion of Short term financing	21.1.4	28 quarterly September-20	Nil	June 30, 2027	three month Kibor + 1.6% payable quarterly	Step up installment	11,005,864	11,005,864
	Sindh Bank - LTL Restructured loan	21.1.5	11 yearly December-24	Nil	December 31, 2035	Cost of fund of available from SBP	202,246	1,617,967	1,820,213
	Bank of Khyber- LTL Restructured loan	21.1.6	10 yearly September-25	Nil	June 30, 2035	Cost of fund of available from SBP	175,775	1,434,899	-
	Askari Bank Limited - LTL Restructured loan	21.1.7	10 yearly October-25	Nil	March 31, 2035	Cost of fund of available from SBP	334,140	2,720,851	-
21.2	**Borrowings from Non-Banking Financial Institutions**								
	Pak Oman Investment Company Limited Loan 6 Under LTF scheme	21.2.1	42 monthly January-18	6 months	June 23, 2021	six month Kibor + 2.5% payable monthly	2,381	16,667	16,667
	Pak Oman Investment Company Limited Loan 7 Under LTF scheme	21.2.2	42 monthly February-18	6 months	July 18, 2021	six month Kibor + 2.5% payable monthly	9,524	76,190	76,190
21.3	**Sukuk certificates**	21.3.1	20 quarterly January-16	1 year	January 5, 2022	three month Kibor + 1.5% payable quarterly	100,000	500,000	500,000
								18,523,563	14,570,059

21.1.1 This represents term loan facility from National Bank of Pakistan for construction of storage depot at Mehmood Kot - Muzaffar Garh. The facility is secured against exclusive charge / mortgage of Rs. 666.67 million over the entire land and building, installation and machinery of the storage depot, personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), post dated cheques covering facility amount and corporate guarantee of M/s: Fossil Energy (Private) Limited and M/s: Marshal Gas (Private) Limited.

21.1.2 This represents term finance facility from National Bank of Pakistan for construction of storage depot at Thaliyan for the future expansion plans and working capital requirements of the Company which is secured against exclusive charge over the Company's entire fixed assets, excluding land & building, situated at Thaliyan with 25% margin amounting to Rs. 1,400 million, with personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), corporate guarantee from M/s: Fossil Energy Pvt. Ltd and M/s: Marshal Gas Pvt. Ltd. and a post dated cheque covering the facility obtained by the Company.

21.1.3 This represents term finance facility from National Bank of Pakistan for the construction of storage depot at Kotla Jam in order to meet the future expansion plans and working capital requirements of the Company which is secured against an exclusive hypothecation / mortgage charge over the Company's land & building, Plant & Equipment, installations and equipment of the storage depot situated at the Kolta Jam site with 25% margin amounting to Rs. 800 million, with personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), corporate guarantee from M/s: Fossil Energy Pvt. Ltd and M/s: Marshal Gas Pvt. Ltd. and post-dated cheques covering the facility obtained by the Company.

21.1.4 This represents syndicated term finance facility from syndicate lenders and National Bank of Pakistan acts as Security Trustee for the lenders. This facility is secured against :

I First pari passu charge over the Company's land & building, Plant & Equipment, installations and equipment of the storage depot situated at (a) Mehmoodkot, (b) Kolta Jam, (c) Sahiwal (d) Machike and (e) Daulatpur in favor of Security Trustee, with 15% margin.

II First pari passu charge over the Company's fixed assets excluding land & building of the storage depot situated at (a) Amangarh, (b) Kemari, (c) Hub, (d) Thaliyan and (e) Shikarpur, in favor of Security Trustee, with 15% margin.

III First pari passu charge over the Company's fixed assets excluding land & building situated at specific 29 retail sites, in favor of Security Trustee, with 15% margin.

IV First equitable mortgage over the Company's land for retail outlet situated at Main Raiwind Road, Tehsil Raiwind, District Lahore, in favor of Security Trustee, with 15% margin.

V Lien on bank accounts maintained with National Bank of Pakistan.

21.1.5 During the year, the Company entered into agreement with Sindh Bank Limited for the rescheduling of the loan amounting PKR 2.02 billion (RF - 395 million and 1,627 million Overdue Acceptance). As per the agreement The company paid 10% of the loan amount to convert it into Short term facility (LC/BG) and the remainig 90% of the loan converted into LTL with a tenor of 11 years.

Furthermore, as per the agreement the Accrued markup was recalculated at Cost of Fund (Sindh Bank) instead of the commercial rate, resulting in reversal of markup liability.

During the current period, the Company further paid 10% of the loan amount to convert it into a short-term facility (LC/BG).

Additionally, as per the settlement terms, the company shall pay accrued markup to be calculated on the Sindh Bank's Cost of Funds (instead of the commercial rate) and is scheduled for repayment in the year 2036 and 2037.

21.1.6 During the period, the Company enter into agreement with The Bank of Khyber for rescheduling a loan totaling PKR 1.81 billion (comprising PKR 484 million in Running Finance and PKR 1,322 million in Overdue Acceptance). Under the terms, the Company made an upfront payment of 10% of the principal amount, converted an additional 10% of the principal into working capital facilities (in the form of local and import Letters of Credit), and restructured the remaining 80% of the loan into a Long-Term Loan with a 10-year tenor.

Additionally, as per the settlement terms, the company shall pay accrued markup to be calculated on the Bank of Khyber's Cost of Funds (instead of the commercial rate) and is scheduled for repayment in years 11 and 12 OR equity conversion option in line with Government Banks collectively.

For the first two years of restructuring quarterly installments of Rs. 5 million will be paid. Thereafter, quarterly installments of Rs. 43.941 million will be paid.

21.1.7 "During the period the Company entered into agreement with Askari Bank Limited for rescheduling of a Loan including accrued markup, amounting to PKR 3.726 billion (Principal 3,044 million, negotiated COF / Markup 682 million).

Under the terms of the agreement, the Company agree to pay an upfront payment equivalent to 10% of principal amount, with the remaining balance of the loan and markup restructured into a long-term facility. The restructured loan is to be repaid through quarterly instalments commencing from September 2025 and continuing until March 2035.

Furthermore, as per the agreement the Accrued markup will be recalculated at Cost of Fund instead of the commercial rate, resulting in reversal of markup liability and is scheduled to be paid in the year 2035 to 2037.

21.2.1 This represents term finance facility from Pak Oman Investment Company Limited for the establishment of Sahiwal depot. The facility was initially secured against first pari passu charge of Rs 533 million on land, building, plant, machinery and equipment of the Company situated at Sahiwal depot with 25% margin. The above first pari passu charge now stands reduced to Rs. 277 million.

21.2.2 This represents term finance facility from Pak Oman Investment Company Limited for the establishment of Sahiwal depot. The facility was secured against exclusive charge on land, building, plant, machinery and equipment of the Company situated at Sahiwal depot with 25% margin maintained all times and personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman) to an aggregate amount of Rs. 150 million.

21.3.1 This represents rated and secured privately placed long term Islamic certificates (Sukuk) amounting to Rs. 2,000 million, issued to meet working capital requirements and future expansion plans of the Company. Bank Makramah Limited was the lead financial advisor and arranger while Meezan Bank Limited is acting as Shari'ah structuring advisor for the Sukuk. The facility was initially secured against first pari-passu charge of Rs. 2,667 million over specific depots and retail outlets of the Company inclusive of 25% margin. The above first pari passu charge now stands reduced to Rs. 1,066 million.

		Note	2025	2024
			------------ Rupees in '000 -----------	
22.	**LEASE LIABILITIES**			
	Lease liability against right-of-use asset	22.1	**3,200,014**	3,159,428
22.1	**Lease liability of right-of-use asset**			
	Present value of future minimum lease payments		**3,332,119**	3,247,417
	Current portion	28.	**(132,105)**	(87,989)
	Non-current portion		**3,200,014**	3,159,428
22.1.1	**Movement during the year**			
	Balance as at January 01,		**3,247,417**	3,537,520
	Additions during the year	6	**172,096**	16,583
	Accretion of interest	38	**386,160**	398,866
	Terminations during the year		**(34,667)**	(142,140)
	Lease rentals during the year	6.2	**(438,887)**	(563,412)
			3,332,119	3,247,417
	Current portion shown under current liability	28	**(132,105)**	(87,989)
	Balance as at December 31,		**3,200,014**	3,159,428
22.1.2	**Maturity analysis**			
	Gross lease liabilities - minimum lease payments are as follows:			
	Not later than one year		**507,347**	462,442
	Later than one year but not later than five years		**2,063,399**	2,004,405
	Later than five years		**4,916,176**	5,285,305
			7,486,922	7,752,152
	Future finance charge		**(4,154,803)**	(4,504,735)
	Present value of finance lease liabilities		**3,332,119**	3,247,417
23.	**DEFERRED LIABILITIES**			
	HPL gratuity fund	49	**231,973**	162,923
	Non-current portion of other liabilty		**-**	99,143
			231,973	262,066

24. TRADE AND OTHER PAYABLES

	Note	2025	2024
		------------ Rupees in '000 -----------	
Trade creditors	24.1	**25,485,662**	43,658,787
Payable to cartage contractors		**1,447,691**	3,131,698
Advance from customers - unsecured	24.2	**534,292**	477,273
Receivable from Hascol Lubricants (Private) Limited	42.2	**300,130**	-
Dealers' and customers' security deposits	24.3	**725,718**	721,797
Other liabilities	24.4	**20,378,169**	20,181,304
		48,871,662	68,170,859

24.1 Trade creditors includes procurement of fuel from local refineries and imports and associated duties and levies.

24.1.1 This includes Rs. 16,134 million (2024: Rs. 32,665 million) amount payable to M/s: Vitol Bahrain E.C which is a related party. This also includes demurrage amounting to Rs. 3,933 million (2024: Rs. 4,024 million) which will be cleared upon SBP approval.

24.2 This represents advances received from customers pertaining to sale of petroleum products. The carrying amount as of December 31, 2025 amounting to Rs. 534 million (2024: Rs. 477 million)

24.3 The security deposits are non-interest bearing and are refundable on termination of contracts. These security deposits are not kept in separate bank account since the Company can utilize these funds as per terms of the agreements.

24.4 Other liabilities represent payable against repair and maintenance in operation and retail site, litigation claims, storage charges, rentals, insurance and other miscellaneous liabilities. The carrying amount as of December 31, 2025 amounting to Rs. 20,378 million (2024: Rs. 20,181 million).

25. UNCLAIMED DIVIDEND

	2025	2024
	------------ Rupees in '000 -----------	
Balance at the beginning of the year	**356,928**	356,928
Payments during the year	**-**	-
Balance at the end of the year	**356,928**	356,928

25.1 This includes Rs. 338.319 million (2024: Rs. 338.319 million) amount payable to M/s. Vitol Dubai Limited which is a related party.

26. ACCRUED MARK-UP AND PROFIT

	2025	2024
	------------ Rupees in '000 -----------	
Long-term financing	**13,530,386**	9,436,243
Short-term borrowings	**19,041,664**	20,309,195
	32,572,050	29,745,438

	2025	2024
	------------ Rupees in '000 -----------	
27. SHORT-TERM BORROWINGS		
Borrowings from conventional banks - secured		
Habib Bank Limited	**3,727,115**	3,024,933
Askari Bank Limited	**-**	3,044,001
National Bank of Pakistan	**10,433,121**	10,433,121
Bank of Punjab	**1,933,599**	-
Bank of Khyber	**180,000**	1,806,124
First women bank limited	**665,147**	665,147
Samba Bank Limited	**729,306**	836,271
Habib Metropolitan Bank Limited	**2,906,504**	3,393,276
Faysal Bank Limited	**1,506,631**	1,716,859
	22,081,423	24,919,732
Borrowings from Islamic bank - secured		
Meezan Bank Limited	**1,603,076**	2,091,493
BankIslami Pakistan Limited	**840,026**	840,025
Al Baraka Bank (Pakistan) Limited	**1,478,645**	1,692,425
Dubai Islamic Bank Pakistan Limited	**655,901**	655,900
Bank Alfalah Limited	**668,641**	881,163
	5,246,289	6,161,006
	27,327,712	31,080,738

27.1 These facilities were availed from various commercial banks aggregating to Rs. 27,328 million (2024: Rs. 31,081 million). The rates of mark-up/profit ranges from 1-6 months KIBOR plus 1.10% to 2% (2024: 1-6 months KIBOR plus 1.10% to 10%). These arrangements are secured against hypothecation charge over the Company's present and future current assets with 25% margin.

27.2 During the year, the Company recognized the reversal of the principal and accrued markup as other income in the financial statements.

	2025		
	Principal	**Markup**	**Total**
	-------------------- Rupees in '000 ------------------		
Askari Bank Limited	**-**	**899,717**	**899,717**
Bank of Khyber	**-**	**628,439**	**628,439**
	-	**1,528,156**	**1,528,156**

	2024		
	Principal	Markup	Total
	-------------------- Rupees in '000 ------------------		
MCB Bank Limited	268,803	275,300	544,103
United Bank Limited	522,803	478,026	1,000,829
Bank Makramah Limited	-	223,730	223,730
Bank of Punjab	-	738,000	738,000
Sindh Bank Limited	-	516,000	516,000
	791,606	2,231,056	3,022,662

27.3 “Subsequent to the year ended December 31, 2025 and before the authorization of these financial statements, the Company received a formal offer letter from National Bank of Pakistan (NBP) outlining the terms and conditions to restructure and reschedule the exposure covering the principal and markup outstanding against various financing facilities.

The management, in coordination with the single majority shareholder, is currently reviewing the conditions precedent and the detailed requirements for acceptance of the proposed terms and conditions of the offer.

	Note	2025	2024
		--------- Rupees in '000 --------	
28. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	21	**10,170,621**	7,647,750
Current portion of lease liability of right-of-use assets	22.1	**132,105**	87,989
		10,302,726	7,735,739

29. CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 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 2025:

The last income tax return filed by the company is for Tax Year 2025, period ending 31/12/2024. In the last return filed for Tax Year 2025, the following has been declared:

- Minimum Tax paid u/s 113 Rs. 18,495,788
- Business loss Rs .21,791,114,932
- Refundable amount Rs. 23,116,730

The case of the company for tax year 2025 has not been selected for audit u/s 177. However, notice 122(5A) of the Ordinance, was issued by the Additional Commissioner IR and assessment order u/s 122(5A) has been passed imposing tax. Against the order u/s 122(5A) imposing tax the company has filed an appeal before the Commissioner Inland Revenue (Appeals) which is pending for hearing and the appeal is likely to succeed.

Tax year 2024:

The income tax return has been filed by the company is for Tax Year 2024, period ending 31/12/2023. In the return filed for Tax Year 2024, the following has been declared:

- Minimum Tax paid u/s 113 Rs. 18,495,788
- Business loss Rs. 16,738,567,000

The case of the company for tax year 2024 has not been selected for audit u/s 177 nor there is any notice issued u/s 176 or 122(5A) of the Ordinance, however rectification order passed u/s 221(1) of the Income Tax Ordinance, 2001, dated 08-07-2025 by the Deputy Commissioner Inland Revenue, Unit-03, Range-B, Zone-III, LTO, Karachi amending the deemed order u/s 120(1) imposing minimum tax u/s 113 on gross turnover creating tax demand of Rs 778,897,228.However, on the appeal filed by the company and handled by our office, the learned Appellate Tribunal Inland Revenue has not upheld the tax imposed u/s 113 and has decided the appeal in favor of the company deleting the tax imposed vide ATIR Appeal Order ITA No 1074/KB/2025 dated 5-12-2025.

Tax year 2023:

The income tax return has been filed by the company for Tax Year 2023, period ending 31/12/2022. In the return filed for Tax Year 2023, the following has been declared:

- Normal Tax Income (Property)	Rs. 38,164,800
- Minimum Tax paid u/s 113	Rs. 17,621,922
- Business loss	Rs 10,230,256,616
- Refundable amount	Rs. 7,017,346

The case of the company for tax year 2023 has not been selected for audit u/s 177 nor there is any notice issued u/s 176 or 122(5A) of the Ordinance, however rectification order passed u/s 221(1) of the Income Tax Ordinance, 2001, dated 10-07-2025 by the Deputy Commissioner Inland Revenue, Unit-03, Range-B, Zone-III, LTO, Karachi amending the deemed order u/s 120(1) imposing minimum tax u/s 113 on gross turnover creating tax demand of Rs 330,913,922. However, on the appeal filed by the company and handled by our office, the learned Appellate Tribunal Inland Revenue has not upheld the tax imposed u/s 113 and has decided the appeal in favor of the company deleting the tax imposed vide ATIR Appeal Order ITA No 1073/KB/2025 dated 5-12-2025.

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. 15,129,520,384 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.

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/s113 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.

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.

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.

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."

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.

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.

- 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 Lubricant (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.

- The company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the company against the Order-in-Original No. 3639 of 2025 dated 10-09-2025 passed under Section 23 of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 331,785,335 for the Tax Periods January 2023 to December 2023 which is pending for hearing.

- The company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the company against the Order-in-Original No. 3760 of 2025 dated 01-10-2025 passed under Section 47(1B) of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 463,308,216 for the Tax Periods July 2020 to June 2021 which is pending for hearing.

- The company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the company against the Order-in-Original No. 3630 of 2025 dated 03-09-2025 passed under Section 43 and 44 of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 3,523,184 for the Tax Periods February 2025 to March 2025 which is pending for hearing.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES. 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.

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 Oilco 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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

  The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

  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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore. Rawalpindi Bench.

The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

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. The said suit has been transfer from High Court to District Court Karachi and has been renumbered has suit number 5213 of 2025 presently pending before the Senior Civil Judge.

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.

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 reinitiate 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.

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 applicaion was decieded 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 infructous.

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.

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.

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

PLA 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.

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.

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 oppotunity 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 controvercies.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 is 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.

29.1.2 Banking contingencies

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.

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.

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

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.

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/io 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.

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.

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.

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 o1io 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 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 into the out-of-court settlement and this suit is disposed of accrodingly.

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.

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.

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

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

29.1.3 Commitments

I The facility for opening letters of credit (LCs) acceptances as at December 31, 2025 amounted to Rs. 12,433 million (2024: Rs. 27,994 million) of which the amount remaining unutilized as at that date was Rs. 252 million (2024: Rs. 76 million).

II There are no commitments for the purchases from Vitol Bahrain E.C, a party related to the Company.

		Note	2025	2024
			------------ Rupees in '000	------------
III	Bank guarantees		765,245	-
IV	Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:			
	Property, plant and equipment		133,272	196,864
30.	**SALES - NET**			
	Sale of petroleum products inclusive of sales tax		179,253,669	144,849,719
	Sales discount		(2,018,194)	(991,624)
			177,235,475	143,858,095
31.	**OTHER REVENUE**			
	Owned tank lorries - net		-	253,340
	Franchise fee		128,705	103,607
	Joining fee for petrol pump operators		48,711	1,787
	Non fuel retail and lubricants		97,934	104,473
			275,350	463,207
32.	**COST OF SALES**			
	Opening stock - fuel		26,563,997	12,069,049
	Fuel purchased	32.1	101,550,509	114,682,492
	Duties, levies and depreciation	32.2	52,686,189	40,747,772
	Closing stock - fuel and petrochemical	11	(6,922,095)	(26,563,997)
			173,878,600	140,935,316

32.1 This includes fuel purchased from local refineries, imports and provision of inventory.

32.1.1 This also includes shipping cost charged by supplier amounting to Rs. 10.5 million (2024: Rs. 90 million).

		Note	2025	2024
			------------ Rupees in '000 ------------	
32.2	**Duties, levies and depreciation**			
	Petroleum development levy	32.2.1	**46,799,334**	36,293,237
	Climate Support Levy		**718,149**	-
	Inland freight equalization margin		**3,798,592**	3,324,318
	Storage and handling charges		**600,778**	439,991
	Depreciation on right-of-use asset (storage & handling)	6.2	**5,452**	5,452
	Freight		**763,884**	684,774
			52,686,189	40,747,772

32.2.1 This includes additional petroleum development levy on direct sales.

		Note	2025	2024
33.	**DISTRIBUTION AND MARKETING EXPENSES**			
	Salaries, wages and other benefits	34.1	**888,021**	780,929
	Depreciation on property, plant and equipment	5.4	**1,988,720**	1,643,431
	Depreciation on right-of-use asset	6.2	**158,367**	159,595
	Rent, rates and taxes		**299,583**	273,216
	Fuel and power		**223,214**	152,764
	Traveling and conveyance		**93,113**	85,923
	Repairs and maintenance		**262,911**	242,851
	Insurance		**67,623**	104,596
	Commission		**128,444**	63,989
	Advertising and publicity		**11,935**	3,411
	Printing, communication and stationery		**29,192**	27,029
	Fees and subscription		**19,773**	10,947
	Owned tank lorries - net		**4,457**	-
	Legal and professional charges		**6,973**	3,495
			4,182,326	3,552,176
34.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	34.1	**423,452**	513,923
	Fee and subscription		**12,450**	12,450
	Legal and professional charges		**75,801**	116,898
	Traveling and conveyance		**46,232**	49,735
	Insurance		**39,992**	8,234
	Repairs and maintenance		**111,061**	39,500
	Depreciation on right-of-use asset	6.2	**260**	76,579
	Depreciation on property, plant and equipment	5.4	**124,873**	46,759
	Rent, rates and taxes		**52,166**	3,938
	Printing, communication and stationery		**27,993**	14,749
	Advertising and publicity		**3,159**	1,815
	Fuel and power		**9,810**	12,275
	Auditor's remuneration	34.2	**11,655**	10,406
	Amortization	7	**2,477**	2,477
			941,381	909,738
34.1	Salaries and other benefits relating to distribution and administrative expense include:			
	- Gratuity	49.1.5	**60,992**	54,481
	- Contribution to provident fund		**25,989**	27,339

		Note	2025	2024
			------------ Rupees in '000 ------------	
34.2	**Auditor's remuneration**			
	Statutory audit		**6,406**	5,720
	Certifications		**1,109**	990
	Shari'ah audit fee		**1,047**	935
	Half yearly review		**1,232**	1,100
	Out of pocket expenses		**1,060**	946
	Consolidation		**801**	715
			11,655	10,406
35.	**(REVERSAL) / ALLOWANCE FOR EXPECTED CREDIT LOSS ON TRADE DEBTS**	12.1	**(239,634)**	**67,111**
36.	**OTHER EXPENSES**			
	IFEM provisioning	15.3	**-**	1,818,245
	Impairment on investment	8.2	**-**	1,181,256
	Impairment on property, plant and equipment	5.1	**-**	53,794
	Provisioning of advances	13.3 & 36.2	**27,483**	726,603
	Penalty	36.1	**13,935**	7,693
			41,418	3,787,591

36.1 This represents penalty paid to Oil and Gas Regulatory Authority, Federal Board of Revenue and Collector of Customs.

36.2 This includes Rs. 7.86 million (2024: 721.68 million provision against amount paid to custom collectorate in the year 2022 and the case is pending in the honorable Sindh High Court for the recoverability of regulatory duty) .

		Note	2025	2024
37.	**OTHER INCOME**		------------ Rupees in '000 ------------	
	Income from financial assets			
	Markup / profit on:			
	- deposit with conventional banks		**29,132**	44,235
	- TFCs		**22,816**	22,816
	- Fair value change of TFC		**703**	-
			52,651	67,051
	Income from non-financial assets			
	Gain on disposal of operating fixed assets		**279,784**	34,700
	Gain on disposal of ROU assets		**10,363**	28,801
	Reversal of IFEM provisioning	15.3	**513,528**	
	Reversal of liability	27.2	**1,528,156**	3,022,662
	Scrap sales		**5,426**	3,469
	Rental income and others		**205,731**	96,613
			2,542,988	3,186,245
			2,595,639	3,253,296

		Note	2025	2024
			------------ Rupees in '000 ------------	
38.	**FINANCE COST**			
	Conventional			
	Short term borrowings		3,257,386	5,788,002
	Letter of credit / import contract		12,481	3,982
	Long term borrowings		1,860,365	2,438,294
	Interest cost on lease liability on right-of-use asset	22.1.1	386,160	398,866
	Unwinding of discount		18,358	30,373
	Bank charges		206,355	154,952
			5,741,105	8,814,469
	Islamic			
	Short term borrowings		563,964	777,287
	Long term borrowings		476,223	947,952
			1,040,187	1,725,239
			6,781,292	10,539,708

39. TAXATION

39.1 The income tax returns of the Company have been filed up to tax year 2025 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.

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

39.3 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.

39.4 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.

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

39.6 During the year ended December 31, 2025 and 2024, provision for tax is based on minimum tax regime. Accordingly, tax reconciliation has not been presented in these unconsolidated financial statements.

		2025	2024
		--------- Rupees in '000 --------	
40.	**LOSS PER SHARE - basic and diluted**		
	Loss for the year (Rupees in thousand)	(6,700,242)	(12,660,551)
	Weighted average number of ordinary shares (in thousand)	999,121	999,121
	Loss per share from continued operations - basic and diluted (Rupees)	(6.71)	(12.67)

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees in '000					
Director's fee	-	12,450	-	-	12,450	-
Managerial remuneration	48,077	-	354,442	48,600	-	357,037
Cost of living allowance	5,342	-	39,570	5,400	-	39,671
Reimbursement of medical expenses	135	-	2,138	475	-	10,397
Retirement benefits	2,724	-	18,751	2,780	-	19,107
	56,278	12,450	414,901	57,255	12,450	426,212
Number of person(s)	2*	7	106	1	7	105

* This pertains to vacation and new appointment during the year of the Chief Executive Officer.

41.1 The Chief Executive Officer and certain executives are also provided with free use of Company maintained cars and cellular connections. In addition, the Chief Executive Officer is provided with free security services in accordance with the terms of employment.

42. 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:

42.1 Transactions with related parties

Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	2025	2024
				Rupees in '000	
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Rendering of services	9.07%	304,423	379,365
Magic River Services Limited	Shareholding	Share of profit	25%	10,285	9,599
Hascol Lubricants (Private) Limited	Shareholding	Sale, purchase and others	100%	55,444	30,351
Hascol Lubricants (Private) Limited	Shareholding	Procurement	100%	49,495	2,889
Vitol Bahrain E.C	Associate of Parent Co.	Procurement	N/A	44,513,313	60,352,717

42.2 Balances with related parties

Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	2025	2024
				Rupees in '000	
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Advance against issue of shares	9.07%	2,500	-
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Investments	9.07%	412,500	-
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Rendering of services	9.07%	1,573,981	-
Magic River Services Limited	Shareholding	Investments	25%	110,000	110,000
Magic River Services Limited	Shareholding	Share of profit	25%	-	979
Hascol Lubricants (Private) Limited	Shareholding	Sale, purchase and others	100%	300,130	38,316
Hascol Lubricants (Private) Limited	Shareholding	Investments	100%	3,150,000	3,150,000
VAS LNG (Private) Limited	Shareholding	Advance against issue of shares	30%	-	1,023
VAS LNG (Private) Limited	Shareholding	Investments	30%	-	3,000
Vitol Bahrain E.C	Associate of Parent Co.	Procurement	N/A	16,134,156	32,664,686

		Note	2025	2024
			------------ Rupees in '000 ------------	
43.	**CASH GENERATED FROM OPERATIONS**			
	Loss before taxation		**(6,070,927)**	(12,058,363)
	Adjustment for:			
	Depreciation on property, plant and equipment	5.4	**2,113,593**	1,690,190
	Depreciation on right-of-use asset	6.2	**164,079**	241,625
	Amortization	7	**2,477**	2,477
	(Reversal) / Provision for IFEM, RD & PDC	15.3	**(513,528)**	1,818,245
	Written-off IFEM, RD & PDC	15.3	**(288,287)**	(1,113,832)
	Impairment on investment	36	**-**	1,181,256
	Impairment on property, plant and equipment	36	**-**	53,794
	(Reversal) / Provision of allowance for ECL	12.1	**(239,634)**	67,111
	Exchange loss - unrealized		**178,312**	194,350
	Provision for gratuity	49.1.5	**60,991**	54,481
	Gain on disposal of operating fixed assets	37	**(279,784)**	(34,700)
	Gain on termination of lease	37	**(10,363)**	(28,801)
	Reversal of Markup	27.2	**(1,528,156)**	(2,231,056)
	Provision of advance to supplier	36	**27,483**	726,603
	Unrealised gain on TFC	37	**(703)**	-
	Markup / profit on bank deposits	37	**(51,948)**	(67,051)
	Markup charged on lease liability	38	**386,160**	398,866
	Finance cost	38	**6,395,132**	10,140,842
	Reclassification of short term loan as long term loan		**4,184,500**	932,644
	Changes in working capital	43.1	**2,462,732**	4,495,366
	Cash generated from operations		**6,992,129**	6,464,047
43.1	**Changes in working capital**			
	Current assets			
	Stock-in-trade	11	**19,641,902**	(14,494,948)
	Trade debts	12	**1,059,907**	(1,734,448)
	Advances	13	**67,051**	(88,892)
	Deposits and prepayments	14	**25,553**	(16,549)
	Other receivables	15	**1,244,971**	4,047,381
			22,039,384	(12,287,456)
	Current liabilities			
	Trade and other payables	24	**(19,576,652)**	16,782,822
	Changes in working capital		**2,462,732**	4,495,366
44.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	18	**573,877**	584,624
	Short-term borrowings	27	**(27,327,712)**	(31,080,738)
			(26,753,835)	(30,496,114)

45. OPERATING SEGMENTS

These unconsolidated financial statements have been prepared on the basis of a single reportable segment.

- Sales from petroleum products represent 100% (2024: 100%) of total revenues of the Company.
- Out of total sales of the Company 100% (2024: 100%) related to customers in Pakistan.
- All non-current assets of the Company as at December 31, 2025 are located in Pakistan.

The Company sells its product to dealers, government agencies and autonomous bodies, independent power projects and other corporate customers.

Sales to ten major customers of the Company are around 10.83% during the year ended December 31, 2025 (2024: 11.38%).

46. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2025	2024
		Rupees in '000	
Financial assets as per statement of financial position			
Fair value through profit or loss			
Short term investments	17	**100,800**	100,097
At cost			
Long term investments	8	**3,705,604**	3,709,627
At amortized cost - gross values			
Deposits	14 & 10	**373,851**	439,623
Trade debts	12	**11,241,116**	12,301,023
Other receivables	15	**2,327,037**	3,699,294
Accrued mark-up and profit	16	**182**	143
Cash and bank balances	18	**573,877**	584,624
		14,516,063	17,024,707
Total financial assets		**18,322,467**	20,834,431
Financial liabilities as per statement of financial position			
At amortized cost - gross values			
Long-term and short term financing	21	**18,523,563**	14,570,059
Unclaimed dividend	25	**356,928**	356,928
Trade and other payables	24	**48,337,370**	67,693,586
Accrued mark-up and profit	26	**32,572,050**	29,745,438
Short-term borrowings	27	**27,327,712**	31,080,738
Total financial liabilities		**127,117,623**	143,446,749

47. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

a) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the unconsolidated statement of financial position are as follows:

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees in '000			
Financial assets				
Long term investments	3,705,604	3,705,604	3,709,627	3,709,627
Deposits	373,851	373,851	439,623	439,623
Trade debts	11,241,116	11,241,116	12,301,023	12,301,023
Other receivables	2,327,037	2,327,037	3,699,294	3,699,294
Short term investment	100,800	100,800	100,097	100,097
Accrued mark-up and profit	182	182	143	143
Cash and bank balances	573,877	573,877	584,624	584,624
	18,322,467	18,322,467	20,834,431	20,834,431

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees in '000			
Financial liabilities				
Long-term and short term financing	18,523,563	18,523,563	14,570,059	14,570,059
Unclaimed dividend	356,928	356,928	356,928	356,928
Trade and other payables	48,337,370	48,337,370	67,693,586	67,693,586
Accrued mark-up and profit	32,572,050	32,572,050	29,745,438	29,745,438
Short-term borrowings	27,327,712	27,327,712	31,080,738	31,080,738
	127,117,623	127,117,623	143,446,749	143,446,749

b) Valuation of financial instruments

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

c) Financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000				
Short term investments	**100,800**	**100,800**	**-**	**-**	**100,800**
Long term investments at cost	**3,705,604**	**-**	**-**	**3,705,604**	**3,705,604**
Total	**3,806,404**	**100,800**	**-**	**3,705,604**	**3,806,404**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
Short term investments	100,097	100,097	-	-	100,097
Long term investments at cost	3,709,627	-	-	3,709,627	3,709,627
Total	3,809,724	100,097	-	3,709,627	3,809,724

d) Non-financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000				
Building on lease hold land	**6,889,383**	**-**	**-**	**6,889,383**	**6,889,383**
Tanks and pipelines	**4,623,660**	**-**	**-**	**4,623,660**	**4,623,660**
Dispensing pumps	**1,690,672**	**-**	**-**	**1,690,672**	**1,690,672**
Plant and machinery	**740,625**	**-**	**-**	**740,625**	**740,625**
Electrical, mechanical and	**1,143,456**			**1,143,456**	**1,143,456**
fire fighting equipment		**-**	**-**		**-**
Furniture, office equipment	**89,544**	**-**	**-**	**89,544**	**89,544**
and other assets					**-**
Vehicles	**511,772**	**-**	**-**	**511,772**	**511,772**
Computer auxiliaries	**23,764**	**-**	**-**	**23,764**	**23,764**
	15,712,876	**-**	**-**	**15,712,876**	**15,712,876**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	---------- Rupees in '000 ----------				
Building on lease hold land	7,471,512	-	-	7,471,512	7,471,512
Tanks and pipelines	5,031,588	-	-	5,031,588	5,031,588
Dispensing pumps	1,875,846	-	-	1,875,846	1,875,846
Plant and machinery	842,009	-	-	842,009	842,009
Electrical, mechanical and fire fighting equipment	1,462,500	-	-	1,462,500	1,462,500
Furniture, office equipment and other assets	128,668	-	-	128,668	128,668
Vehicles	622,124	-	-	622,124	622,124
Computer auxiliaries	14,705	-	-	14,705	14,705
	17,448,952	-	-	17,448,952	17,448,952

48. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company is exposed to the following risks from its use of financial instruments:

	Note
- Market risk	
- Credit risk and concentration of credit risk	48.1.1
- Liquidity risk	48.1.2
- Operational risk	48.1.3
	48.1.4

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring any increase in risk, and the Company's management of capital.

48.1 Financial risk management

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities.

The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board oversee how management monitors compliance with the Company's risk management policies and procedures, and review the adequacy of risk management framework in relation to the risks faced by the Company.

48.1.1 Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The objective of market risk management is to manage and control market risk exposures within an acceptable range. The market risk includes:

(a) Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company imports petroleum product and is thus exposed to currency risk in respect to foreign creditors, which at the year end amount to USD 100.677 million (2024: USD 156.264 million) having PKR equivalent amount of Rs. 28,202 million (2024: Rs. 43,527 million). The average rates applied during the year is Rs. 281.65 per USD (2024: Rs. 278.52 per USD) and the spot rate as at December 31, 2025 is Rs. 280.12 per USD (2024: Rs. 278.55 per USD).

The Company manages its currency risk by close monitoring of currency markets. Under regulatory requirements, the Company cannot hedge its currency risk exposure. Consequently, the Company recorded net exchange loss amounting to Rs. 536 million (2024: Loss Rs. -211 million) during the year.

Sensitivity analysis

As at December 31, 2025, if the Pakistani Rupee had weakened / strengthened by 5% against USD with all other variables held constant, loss / profit for the year would have been lower / higher by Rs. 1,410 million (2024: Rs. 2,176 million).

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises due to long-term financing and short term borrowings. At the balance sheet date the interest rate profile of the Company's mark-up bearing financial instruments is summarized as follows:

Cash flow sensitivity for variable rate instruments

A change of 100 basis points (bps) in interest rates at the reporting date would effect on profit or loss before tax is shown below. This analysis assumes that all other variables, in particular foreign currency rates remain constant.

Cash flow sensitivity of variable rate instruments

	Profit or (loss)		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	---------------------------- Rupees in '000	----------------------------		
(Expense) / income				
As at December 31, 2025	**(65,335)**	**65,335**	**(46,388)**	**46,388**
As at December 31, 2024	(102,792)	102,792	(72,982)	72,982

b) Interest / profit rate risk (continued)

	Effective yield/ interest/profit rate % (Per annum)	Exposed to yield/interest/profit risk			Non-interest/profit bearing			Total
2025		Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	
		Rupees. in '000						
Financial assets at gross values								
Long term investments	-	-	-	-	-	3,705,604	3,705,604	3,705,604
Deposits	-	-	-	-	250,052	123,799	373,851	373,851
Trade debts	-	-	-	-	11,241,116	-	11,241,116	11,241,116
Other receivables	-	-	-	-	2,327,037	-	2,327,037	2,327,037
Accrued mark-up and profit	-	-	-	-	182	-	182	182
Short term investments	11.98-13.44	100,800	-	100,800	-	-	-	100,800
Cash and bank balances	8.00-8.50	263,623	-	263,623	310,254	-	310,254	573,877
		364,423	-	364,423	14,128,641	3,829,403	17,958,044	18,322,467
Financial liabilities at gross values								
Long term and short term finances	11.48-15.10	10,170,621	8,352,942	18,523,563	-	-	-	18,523,563
Unclaimed dividend	-	-	-	-	356,928	-	356,928	356,928
Trade and other payables	-	-	-	-	48,337,370	-	48,337,370	48,337,370
Accrued mark-up and profit	-	-	-	-	32,572,050	-	32,572,050	32,572,050
Short-term borrowings	11.48-13.44	27,327,712	-	27,327,712	-	-	-	27,327,712
		37,498,333	8,352,942	45,851,275	81,266,348	-	81,171,177	127,022,452
On financial position gap		(37,133,910)	(8,352,942)	(45,486,852)	67,137,707	3,829,403	(63,308,304)	(108,795,156)

	Effective yield/ interest/profit rate % (Per annum)	Exposed to yield/interest/profit risk			Non-interest/profit bearing			Total
2024		Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	
		Rupees. in '000						
Financial assets at gross values								
Long term investments	-	-	-	-	-	3,709,627	3,709,627	3,709,627
Deposits	-	-	-	-	321,043	118,580	439,623	439,623
Trade debts	-	-	-	-	12,301,023	-	12,301,023	12,301,023
Other receivables	-	-	-	-	3,699,294	-	3,699,294	3,699,294
Accrued mark-up and profit	-	-	-	-	143	-	143	143
Short term investments	22.73-22.84	100,097	-	100,097	-	-	-	100,097
Cash and bank balances	13.52-16.88	407,116	-	407,116	177,508	-	177,508	584,624
		507,213	-	507,213	16,499,011	3,828,207	20,327,218	20,834,431
Financial liabilities at gross values								
Long term and short term finances	9.85-24.56	7,647,750	6,922,309	14,570,059	-	-	-	14,570,059
Unclaimed dividend	-	-	-	-	356,928	-	356,928	356,928
Trade and other payables	-	-	-	-	67,693,586	-	67,693,586	67,693,586
Accrued mark-up and profit	-	-	-	-	29,745,438	-	29,745,438	29,745,438
Short-term borrowings	9.00-25.38	31,080,738	-	31,080,738	-	-	-	31,080,738
		38,728,488	6,922,309	45,650,797	97,795,952	-	97,795,952	143,446,749
On financial position gap		(38,221,275)	(6,922,309)	(45,143,584)	(81,296,941)	3,828,207	(77,468,734)	(122,612,318)

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark-up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuers, or factors affecting all or similar financial instruments traded in the market. The Company is not exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. Nil (2024: Rs. Nil) at the unconsolidated statement of financial position date. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

48.1.2 Credit risk and concentration of credit risk:

The value of investment subject to equity price risk are, in almost all instance, based on quoted market price as of the reporting date except for unquoted investments which are carried at cost. Market prices are subject to fluctuation and consequently the amount realized as a result of subsequent sale of an investment may differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investment and general market condition. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The credit quality of receivables can be assessed with reference to the historical performance with no or some defaults in recent history. The Company manages credit risk of receivables through the monitoring of credit exposures, limiting transactions with specific customers and continuous assessment of credit worthiness of its customers. The gross carrying values of financial assets which are neither past due nor impaired are as under:

	2025	2024
	Rupees in '000	
Long term investments	3,705,604	3,709,627
Deposits	373,851	439,623
Trade debts - unsecured	11,241,116	12,301,023
Other receivables	2,327,037	3,699,294
Accrued mark-up and profit	182	143
Short term investments	100,800	100,097
Cash and bank balances	573,877	584,624
	18,322,467	20,834,431

	2025		2024	
	Gross	Impaired	Gross	Impaired
	Rupees in '000			
Aging analysis of trade debts:				
Past due 1-30 days	1,751,669	373	2,306,605	487
Past due 31-90 days	49,810	11	315,323	71
Past due 91-180 days	39,563	39,563	82,439	82,439
Past due 181-365 days	22,849	22,849	147,084	147,084
Over 1 year	9,377,225	9,377,223	9,449,572	9,449,572
	11,241,116	9,440,019	12,301,023	9,679,653

The credit risk for bank balances is considered to be negligible, since the counterparties are reputable banks and institutions with high quality external credit ratings. The credit quality of bank balances that are neither past due nor impaired can be assessed with reference to external credit ratings as follows:

	Rating agency	Short term	Long term
Islamic Banks			
Al Baraka Bank Pakistan Limited	JCR- VIS	A-1	AA-
Bank Islami Pakistan Limited	PACRA	A1	AA-
Meezan Bank Limited	JCR- VIS	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
Dubai Islamic Bank Pakistan	JCR- VIS	A-1+	AA

	Rating agency	Short term	Long term
Conventional banks			
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Bank Al Falah Limited	PACRA	A-1+	AAA
Bank of Khyber	PACRA-VIS	A-1/A-1	A+/AA-
Bank of Punjab	PACRA	A-1+	AA+
Faysal Bank Limited	PACRA-VIS	A-1+/A-1+	AA/AA+
First Women Bank Limited	PACRA	A-2	A-
MCB Bank Limited	PACRA	A-1+	AAA
National Bank of Pakistan	PACRA-VIS	A-1+/A-1+	AAA/AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Habib Bank Limited	JCR- VIS	A-1+	AAA
SAMBA Bank Limited	PACRA	A-1	AA
Sindh Bank Limited	JCR- VIS	A-1+	AA-
Bank Makramah Limited Formerly Summit Bank Limited	JCR- VIS	A-3	BBB-
United Bank Limited	JCR- VIS	A-1+	AAA
Pak Oman Investment Company Limited	JCR- VIS	A-1+	AA+
Soneri Bank Limited	PACRA	A-1+	AA-

48.1.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customers. The Company's financial liabilities have contractual maturities as summarized below:

	2025		
	Within one year	**Over one year**	**Total**
	Rupees in '000		
Long term and short term finances	**10,170,621**	**8,352,942**	**18,523,563**
Trade and other payable	**48,337,370**	**-**	**48,337,370**
Unclaimed dividend	**356,928**	**-**	**356,928**
Mark-up accrued	**32,572,050**	**-**	**32,572,050**
Short-term borrowings	**27,327,712**	**-**	**27,327,712**
	118,764,681	**8,352,942**	**127,117,623**

	2024		
	Within one year	Over one year	Total
	Rupees in '000		
Long term and short term finances	7,647,750	6,922,309	14,570,059
Trade and other payable	67,693,586	-	67,693,586
Unclaimed dividend	356,928	-	356,928
Mark-up accrued	29,745,438	-	29,745,438
Short-term borrowings	31,080,738	-	31,080,738
	136,524,440	6,922,309	143,446,749

	Long term financing	Short term borrowing	Letter of credit	Total principal	Accrued mark-up	Total exposure including mark-up
	------ Rupees in '000 ------					
December 31, 2025						
Financial Institutions exposure						
National Bank of Pakistan	8,251,682	10,433,121	-	18,684,803	16,367,256	35,052,059
Habib Metropolitan Bank Ltd	-	2,906,504	605,022	3,511,526	27,190	3,538,716
Habib Bank Ltd	-	3,727,115	1,410,620	5,137,735	1,033,152	6,170,887
Meezan Bank Ltd	1,775,138	1,603,076	-	3,378,214	2,597,718	5,975,932
Askari Bank Ltd	2,720,851	-	-	2,720,851	902,682	3,623,533
Bank of Punjab	-	1,933,599	802,313	2,735,912	1,234,442	3,970,354
Sindh Bank Ltd	1,617,968	-	402,245	2,020,213	1,282,382	3,302,595
Faysal Bank Ltd	-	1,506,631	-	1,506,631	1,872,730	3,379,361
Bank of Khyber	1,434,899	180,000	-	1,614,899	923,564	2,538,463
Bank Alfalah Ltd	798,813	668,641	-	1,467,454	1,115,956	2,583,410
Al Baraka Bank Ltd	-	1,478,645	-	1,478,645	1,225,198	2,703,843
Bank Islami Pakistan Ltd	710,056	840,026	-	1,550,082	1,110,759	2,660,841
Dubai Islamic Bank Pakistan Ltd	621,299	655,901	-	1,277,200	1,134,948	2,412,148
Samba Bank Ltd	-	729,306	-	729,306	750,858	1,480,164
First Women Bank Ltd	-	665,147	-	665,147	530,687	1,195,834
Bank Makramah Ltd	-	-	363,000	363,000	-	363,000
Pak Oman Investment Co. Ltd	92,857	-	-	92,857	46,475	139,332
Sukuk	500,000	-	-	500,000	416,053	916,053
	18,523,563	**27,327,712**	**3,583,200**	**49,434,475**	**32,572,050**	**82,006,525**

	Long term financing	Short term borrowing	Letter of credit	Total principal	Accrued mark-up	Total exposure including mark-up
	------ Rupees in '000 ------					
December 31, 2024						
Financial Institutions exposure						
National Bank of Pakistan	8,251,682	10,433,121	-	18,684,803	13,877,955	32,562,758
Habib Metropolitan Bank Ltd	-	3,393,276	200,580	3,593,856	409,752	4,003,608
Habib Bank Ltd	-	3,024,933	1,948,230	4,973,163	1,478,994	6,452,157
Meezan Bank Ltd	1,775,139	2,091,493	-	3,866,632	2,179,523	6,046,155
Askari Bank Ltd	-	3,044,001	-	3,044,001	1,379,820	4,423,821
Bank of Punjab	-	-	2,883,570	2,883,570	1,208,909	4,092,479
Sindh Bank Ltd	1,820,214	-	202,245	2,022,459	1,009,396	3,031,855
Faysal Bank Ltd	-	1,716,859	-	1,716,859	1,550,740	3,267,599
Bank of Khyber	-	1,806,124	-	1,806,124	1,326,614	3,132,738
Bank Alfalah Ltd	798,813	881,163	-	1,679,976	939,623	2,619,599
Al Baraka Bank Ltd	-	1,692,425	-	1,692,425	1,028,865	2,721,290
Bank Islami Pakistan Ltd	710,056	840,025	-	1,550,081	925,422	2,475,503
Dubai Islamic Bank Pakistan Ltd	621,298	655,900	-	1,277,198	960,220	2,237,418
Samba Bank Ltd	-	836,271	-	836,271	645,036	1,481,307
First Women Bank Ltd	-	665,147	-	665,147	436,778	1,101,925
Bank Makramah Ltd	-	-	363,000	363,000	-	363,000
Pak Oman Investment Co. Ltd	92,857	-	-	92,857	37,329	130,186
Sukuk	500,000	-	-	500,000	350,462	850,462
	14,570,059	**31,080,738**	**5,597,625**	**51,248,422**	**29,745,438**	**80,993,860**

48.1.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- operational and qualitative track record of the plant and equipment supplier and related service providers.

	Note	2025	2024
		------------ Rupees in '000	-----------
49. STAFF RETIREMENT BENEFITS			
HPL gratuity fund	49.1	231,973	162,923
HPL provident fund	49.2	-	-

49.1 The Company operates an approved gratuity fund for its employees who have completed the employment period of 5 years. Provision is created for the benefit of the scheme on the basis of actuarial valuations. Number of eligible employees covered in fund are 196 (2024: 218).

	Note	2025	2024
		------------ Rupees in '000	-----------
49.1.1 Movement in liability recognized in unconsolidated statement of financial position			
Present value of defined benefit obligations	49.1.3	262,858	252,155
Fair value of plan assets	49.1.4	(30,885)	(89,232)
Statement of financial position liability		231,973	162,923
49.1.2 Movement in liability recognized in unconsolidated statement of financial position			
Net defined benefit liability as at January 01,		162,923	96,218
Net benefit cost / (income) for the year ended	49.1.5	60,992	54,481
Actual contribution by the employer		-	(10,000)
Remeasurement recognized in OCI during the year		8,058	22,224
Net defined benefit liability as at December 31,		231,973	162,923
49.1.3 Movement in present value of the defined benefit obligation			
Present value of defined obligation as at January 01,		252,155	207,263
Current service cost		41,207	39,759
Interest cost		32,455	34,541
Benefits payable to outgoing members by the fund		(65,277)	(45,157)
		260,540	236,406
Remeasurement loss		2,318	15,749
Present value of defined obligation as at December 31,		262,858	252,155

	2025	2024
	------------ Rupees in '000 -----------	
49.1.4 Movement in fair value of plan assets		
Fair value of plan assets at the beginning of the year	89,232	111,045
Expected return on plan assets	12,670	19,819
Contributions made by the company	-	10,000
Benefits paid during the year	(65,277)	(45,157)
Remeasurements: Actuarial loss	(5,740)	(6,475)
Fair value of plan assets at the end of the year	30,885	89,232
49.1.5 Expense recognized in the unconsolidated statement of profit or loss		
Current service cost	41,207	39,759
Interest cost	32,455	34,541
Expected return on plan assets	(12,670)	(19,819)
	60,992	54,481
49.1.6 Remeasurement recognized in unconsolidated statement of comprehensive income		
Remeasurement of defined benefit obligation - loss	(2,318)	(15,749)
Remeasurement on Plan Assets - loss	(5,740)	(6,475)
	(8,058)	(22,224)
Less: Deferred tax effect	2,337	6,445
	(5,721)	(15,779)
49.1.7 Analysis of present value of defined benefit obligation		
Split by vested / non - vested		
(i) Vested benefits	222,704	193,002
(ii) Non-vested benefits	40,154	59,152
Split by benefits earned to date		
(i) Present value of guaranteed benefits	135,831	114,915
(ii) Present value of benefits attributable to future salary increase	127,027	137,240
Expected distribution of timing of benefit payments time in years		
Within first year from the end of financial year	16,658	14,878
Within second years from the end of financial year	66,462	28,088
Within third years from the end of financial year	30,044	67,857
Within fourth years from the end of financial year	38,360	3,745
Within five years from the end of financial year	48,589	40,930
Within six to ten years from the end of financial year	276,425	326,728

	2025	2024
	----------- Percentage -----------	
Sensitivity analysis on significant actuarial assumptions on present value of defined benefit obligation		
Discount rate +1%	**245,355**	234,809
Discount rate -1%	**282,859**	271,884
Expected rate of salary increase +1%	**279,024**	272,905
Expected rate of salary increase -1%	**248,421**	233,615
Maturity profile of present value of defined benefit obligation		
Weighted average duration of the present value of defined benefit obligation (years)	**7.10**	7.32
Key statistics		
Average age (time in years)	**41.80**	41.50
Average service (time in years)	**6.22**	5.94
Average entry age (time in years)	**35.58**	35.56
Retirement assumption age (time in years)	**60**	60
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1

The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).

49.1.8 Historical information of staff retirement benefits

	2025	2024	2023	2022	2021
	------------ Rupees in '000 ------------				
Present value of gratuity	**231,973**	162,923	96,218	182,132	138,075

49.1.9 The recognized gratuity expense for the year ending December 31, 2025 works out to be Rs. 60.99 million.

49.1.10 Actuarial assumptions

The following significant assumptions were used in the valuation carried out at the balance sheet date using the projected unit credit method:

	2025	2024
	------------ % per annum ------------	
- Expected long-term rate of increase in salary level	**11.00**	12.25
- Discount rate	**11.00**	12.25

49.2 The Company operates approved provident fund for its eligible employees as of December 31, 2025. Details of assets and investments of the fund is as follows:

	Note	2025	2024
		------------ Rupees in '000 -----------	
Size of fund - total net assets (Rupees in '000)		**326,922**	302,553
Number of members		**179**	204
Cost of investments made (Rupees in '000)		**331,450**	311,100
Percentage of investments made		**100%**	100%
Fair value of investments (Rupees in '000)	49.2.1	**327,650**	306,664

	2025 Unaudited		2024 Unaudited	
	Investments (Rs. in '000)	% of investment	Investments (Rs. in '000)	% of investment
Saving bank accounts	236,450	72	216,100	70
Term finance certificate	91,200	28	90,564	30
	327,650	100	306,664	100

49.2.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

50. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index.

S.No.	Description	Explanation
(i)	Loans and advances	Non-interest bearing as disclosed in note 13.
(ii)	Deposits	Non-interest bearing as disclosed in note 10 and 14.
(iii)	Segment revenue	Disclosed in note 45.
(iv)	Bank balances	Placed under interest arrangement and Shariah permissible arrangement as disclosed in note 18.
(v)	Income on bank deposits	Placed under interest arrangement and Shariah permissible arrangement as disclosed in note 37.
(vi)	All sources of income	Disclosed in note 30, 31 and 37.
(vii)	Exchange gain	Not applicable during the year.
(viii)	Mark up paid on Islamic mode of financing	Disclosed in note 38.
(ix)	Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:

S.No.	Names of Islamic bank
1	Al Baraka Bank Pakistan Limited
2	Bank Islami Pakistan Limited
3	Meezan Bank Limited
4	MCB Islamic Bank Limited
5	Dubai Islamic Bank Pakistan

51. COMPARATIVE FIGURES

Items presented in these unconsolidated statement of financial position as at December 31, 2025 have been reclassified to confirm to current year's presentation.

52. NUMBER OF EMPLOYEES

	2025	2024
	---------------- Numbers ---------------	
Total number of employees as at year end	229	263
Average number of employees during the year	247	276

53 DISCOUNTINUED 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.

54. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue on **March 31, 2026** by the Board of Directors of the Company.

Chief Executive Officer	Chief Financial Officer	Director

Audited Consolidated Financial Statements

For the year ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HASCOL PETROLEUM LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed consolidated financial statements of **HASCOL PETROLEUM LIMITED** ("the parent) and its subsidiaries (together referred as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including summary of material accounting policies and other explanatory information.

In our opinion, because of the significance of the matters described in the ***"Basis for Adverse Opinion"*** section of our report, the annexed consolidated financial statements of the Group do not give true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standard as applicable in Pakistan.

Basis for Adverse Opinion

a) The Group engaged a Chartered Accountant firm to resolve the matters pertaining to fixed assets by performing physical verification, tagging, updating fixed asset records, and conducting reconciliation exercises as at the balances of December 31, 2022. Furthermore, the firm undertook reconciliation tasks related to trade debts, advances, other receivables and trade and other payables as at the balances of December 31, 2022 and made adjustments to the records where necessary. However, the tax impact including the impact on unrecognized deferred tax resulting from those adjustments had not been considered in consolidated financial statements for the year then ended.

Due to the absence of adjustments made in the consolidated financial statements pertaining to taxes, we were not able to determine the necessary adjustments related to taxation including unrecognized deferred tax, revaluation surplus and impact on retained earnings.

b) As disclosed in note 30.1 to the consolidated financial statements, the Group has various pending litigations. Further, the Securities and Exchange Commission of Pakistan (SECP) is investigating the affairs of the Group. The ultimate outcome of these pending litigations and investigations cannot presently be determined and hence, we cannot determine the amount of adjustments required in these consolidated financial statements.

   Furthermore, as disclosed in note 30.1 to the consolidated financial statements, the Federal Investigation Authority (FIA) is investigating the affairs of the Group.

c) As disclosed in Note 22 to the consolidated financial statements, the Group has disclosed long-term financing facilities amounting to Rs. 8,352.942 million (2024: 6,922.309 million) which does not meet the criteria for classification as non-current hence should have been presented as current liabilities.

d) As fully disclosed in note 1.2 of the consolidated financial statements, the Group has incurred a net loss of Rs. 6,770.268 million (2024: Rs. 11,631.684 million) during the year ended December 31, 2025, which has resulted in accumulated losses of Rs. 122,872.438 million (2024: Rs. 117,899.780 million) and eroded the equity to Rs. 93,177.363 million (2024: Rs. 86,416.450 million). Further, as of that date the current liabilities of the Group exceeded its current assets by Rs. 108,495.95 million (2024: 104,974.77 million) and the Group had also defaulted towards its major financing arrangements while the liquidity of the Group is dependent upon the proposed restructuring arrangements with the financial institutions and its major shareholder. As discussed in note 22 and 28, the Group has repaid and made settlement agreements with the banks in the year and is currently undergoing further arrangements to restructure its borrowings. Furthermore, the situation of the Group may further deteriorate if the possible effects of matters described in Para (a) to (c) above are accounted for in these consolidated financial statements. These events indicate a material uncertainty that may cast significant doubts on the Group's ability to continue as a going concern, therefore the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

   The Group has made an assessment of going concern assumption and provided us the basis of the same. However, we did not consider this evidence sufficient and appropriate to support the going concern assumption. In our opinion, the going concern assumption used in preparation of these consolidated financial statements is inappropriate.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the ***"Basis for Adverse Opinion",*** we have determined the following to be the key audit matters to be communicated in our report:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	**Property, Plant, and Equipment (PPE)**	
	As stated in note 5 to the consolidated financial statements, the Group has property, plant, and equipment (PPE) amounting to Rs. 23,383.063 million (December 31, 2024: Rs. 26,082.055 million), making it the significant aspect of the consolidated financial statements. In the previous years, discrepancies were identified in the recording cycle of PPE including its valuation and existence. Based on the materiality levels and risk assessments considering historical backgrounds, we have identified the verification of PPE as a key audit matter.	Our key audit procedures, amongst others included the following: • Discussed with management the methodology and process adopted by the management for the recording cycle of PPE; • Performed testing on extended sample of transactions occurred during the year to verify the existence, occurrence, completeness and accuracy of these items through appropriate audit procedures, such as inspection of supporting documents, confirmation with third parties for outstanding fixed asset payments, and recalculations including the process verification. • Reviewed the Groups' updated Fixed Asset Register (FAR), latest carried out revaluation of assets and related records, assessing the completeness, accuracy, and validity of the updates made. • Tested the mathematical accuracy of calculations supporting adjustments, such as carrying values, revaluation surplus, depreciation including effect of incremental depreciation. • Performed physical inspection of fixed assets on sample basis at year end and identified the items in the fixed assets register with its asset code to verify its valuation and existence. • Obtained written representations from management regarding the completeness and accuracy of the fixed assets register.

S.No.	Key Audit Matters	How the matter was addressed in our audit
2.	**Short Term Borrowing**	
	As stated in note 28 to the consolidated financial statements, the Group has short term borrowing amounting to Rs. 27,327.712 million (December 31, 2024: Rs. 31,080.738 million) and during the year the Group has concluded settlement agreements with some banks whereas undergoing further arrangements with other banks either to settle the borrowings or restructure it. These material changes making it the significant aspect of the consolidated financial statements. Based on the materiality levels and risk assessments considering historical backgrounds, we have identified the verification of short term borrowings as a key audit matter.	Our key audit procedures, amongst others included the following: • Checked the payments on sample basis and performed analytical procedures, reviewed its key covenants, settlements in accordance with the terms of arrangement and related accounting treatment to ensure completeness, accuracy and classification. • Performed recalculation of interest charged in accordance with the terms of agreement for its accuracy and cut-off. • Discussed with the management for the concluded and undergoing settlement agreements between the parties. Further, reviewed the terms of re-scheduling agreement for the transfer of borrowing from short term to long term and its compliances by the Group with the agreed covenants to assess existence, rights and obligations, presentation and disclosure.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the consolidated financial statements of the Group and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. For the matters described in the ***Basis for Adverse Opinion*** section of our report, we conclude that the other information is also materially misstated with respect to those matters.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017), and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Aqeel Ahraf Tabani.**

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi
Date: April 06, 2026
UDIN: AR202510542h5O7y0HVD

Hascol Petroleum Limited
Consolidated Statement of Financial Position
As At December 31, 2025

	Note	2025	2024
		------------- Rupees in '000 -------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**23,383,063**	26,082,055
Right-of-use assets	6	**2,243,454**	2,259,740
Intangible asset	7	**2,230**	4,707
Long-term investments	8	**468,968**	469,260
Investment property	9	**885,246**	-
Deferred taxation - net	10	**-**	-
Long-term deposits	11	**123,752**	118,533
Total non-current assets		**27,106,713**	28,934,295
Current assets			
Stock-in-trade	12	**7,180,378**	27,143,335
Trade debts	13	**1,817,432**	2,824,364
Advances	14	**157,832**	292,360
Deposits and prepayments	15	**364,441**	392,544
Other receivables	16	**2,475,135**	2,835,103
Accrued mark-up and profit	17	**182**	257
Short term investments	18	**100,800**	100,097
Cash and bank balances	19	**582,902**	638,653
Total current assets		**12,679,102**	34,226,713
TOTAL ASSETS		**39,785,815**	63,161,008
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	20	**9,991,207**	9,991,207
Reserves	21	**(118,232,703)**	(113,260,045)
Revaluation surplus on property, plant and equipment		**15,064,133**	16,852,388
Total shareholders' deficit		**(93,177,363)**	(86,416,450)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	22	**8,352,942**	6,922,309
Lease liabilities	23	**3,200,014**	3,159,428
Deferred liabilities	24	**235,167**	294,243
Total non-current liabilities		**11,788,123**	10,375,980
Current liabilities			
Trade and other payables	25	**48,901,094**	68,599,678
Unclaimed dividend	26	**356,928**	356,928
Taxation - net		**1,714,545**	1,682,957
Accrued mark-up and profit	27	**32,572,050**	29,745,438
Short-term borrowings	28	**27,327,712**	31,080,738
Current portion of non-current liabilities	29	**10,302,726**	7,735,739
Total current liabilities		**121,175,055**	139,201,478
TOTAL LIABILITIES		**132,963,178**	149,577,458
TOTAL EQUITY AND LIABILITIES		**39,785,815**	63,161,008
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Hascol Petroleum Limited
Consolidated Statement of Profit or Loss
For the Year Ended December 31, 2025

	Note	2025	2024
		------------ Rupees in '000 ------------	
Sales - net	31	**177,235,475**	143,854,718
Sales tax		**(56,499)**	(52,585)
Net sales		**177,178,976**	143,802,133
Other revenue	32	**283,300**	477,339
Net revenue		**177,462,276**	144,279,472
Cost of sales	33	**(173,878,600)**	(140,935,316)
Gross profit		**3,583,676**	3,344,156
Distribution and marketing expenses	34	**(4,182,326)**	(3,552,176)
Administrative expenses	35	**(957,698)**	(910,619)
Operating expenses		**(5,140,024)**	(4,462,795)
Reversal / (allowance) for expected credit loss on trade debts	36	**239,634**	(67,111)
Other expenses	37	**(73,595)**	(2,614,130)
Other income	38	**2,585,341**	3,246,407
Operating proft / (loss)		**1,195,032**	(553,473)
Finance cost	39	**(6,781,482)**	(10,539,875)
Exchange (loss) / gain - net		**(535,509)**	211,264
Share of profit / (loss) from associates		**10,972**	(34,510)
		(7,306,019)	(10,363,121)
Loss before income tax and levy (final & minimum tax)		**(6,110,987)**	(10,916,594)
Final taxes	40.3	**-**	-
Minimum tax differential	40.4	**(629,414)**	(602,188)
Loss before income tax		**(6,740,401)**	(11,518,782)
Income tax - Current year	40.5	**-**	-
Loss after tax from continuning operations		**(6,740,401)**	(11,518,782)
Loss before income tax and levy (final & minimum tax) from discontinuing operations	41.1.1	**(19,817)**	(109,005)
Taxation		**(10,049)**	(3,897)
Loss after tax from discontinuning operations		**(29,866)**	(112,902)
Loss after income tax		**(6,770,267)**	(11,631,684)
Loss per share - basic and diluted (in Rupees)	41	**(6.78)**	(11.64)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Hascol Petroleum Limited
Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2025

	Note	2025	2024
		---------- Rupees in '000 ----------	
Loss after income tax		**(6,770,267)**	(11,631,684)
Items that will not be reclassified subsequently to consolidated statement of profit or loss			
Remeasurement of actuarial loss on defined benefit obligation - net of tax	50.1.6	**(5,721)**	(16,933)
Revaluation surplus on property, plant and equipment	5.1	**15,075**	5,154,614
Total comprehensive loss for the year		**(6,760,913)**	(6,494,003)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Hascol Petroleum Limited
Consolidated Statement of Changes in Equity
For the Year Ended December 31, 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 - restated	9,991,207	4,639,735	(107,317,504)	12,764,115	(79,922,447)
Total comprehensive loss for the year					
Loss after taxation	-	-	(11,631,684)	-	(11,631,684)
Other comprehensive income					
Remeasurement of actuarial loss on defined benefit obligation-net of tax (note 50.1.6)	-	-	(16,933)	-	(16,933)
Revaluation surplus on property, plant and equipment	-	-	-	5,154,614	5,154,614
Total comprehensive loss for the year	-	-	(11,648,617)	5,154,614	(6,494,003)
Transferred from surplus on revaluation of property, plant and equipment of incremental depreciation	-	-	1,066,341	(1,066,341)	-
	-	-	(10,582,276)	4,088,273	(6,494,003)
Balance as at December 31, 2024	9,991,207	4,639,735	(117,899,780)	16,852,388	(86,416,450)
Total comprehensive loss for the year					
Loss after taxation	-	-	(6,770,267)	-	(6,770,267)
Other comprehensive income					
Remeasurement of actuarial loss on defined benefit obligation-net of tax (note 50.1.6)	-	-	(5,721)	-	(5,721)
Revaluation surplus on property, plant and equipment	-	-	-	15,075	15,075
Total comprehensive loss for the year	-	-	(6,775,988)	15,075	(6,760,913)
Transferred from surplus on revaluation of property, plant and equipment of incremental depreciation & disposal	-	-	1,528,281	(1,528,281)	-
Transferred from surplus on revaluation of property, plant and equipment into Investment property.	-	-	275,049	(275,049)	-
	-	-	(4,972,658)	(1,788,255)	(6,760,913)
Balance as at December 31, 2025	9,991,207	4,639,735	(122,872,438)	15,064,133	(93,177,363)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Hascol Petroleum Limited
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025

	Note	2025	2024
		----------- Rupees in '000 -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	44	7,004,823	6,492,367
Finance cost paid		(2,040,554)	(1,550,593)
Taxes paid		(605,538)	(101,452)
Contributions to gratuity fund	50.1.4	(28,982)	(10,207)
Net cash generated from operating activities		4,329,749	4,830,115
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred	5.8.1	(433,052)	(90,757)
Proceeds from disposal of property, plant and equipment		411,427	51,134
Investment redeemed during the year		11,264	9,342
Profit / mark-up received on bank deposits and TFC's		52,989	67,985
Long-term deposits - net		(5,219)	(16,230)
Net cash generated from investing activities		37,409	21,474
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid - net		(438,887)	(565,649)
Long-term finance repaid		(230,996)	-
Net cash used in financing activities		(669,883)	(565,649)
Net increase in cash and cash equivalents		3,697,275	4,285,940
Cash and cash equivalents at the beginning of the year	19 & 28	(30,442,085)	(34,728,025)
Cash and cash equivalents at the end of the year	45	(26,744,810)	(30,442,085)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

1. STATUS AND NATURE OF BUSINESS

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%

1.1 Group Companies

1.11 Holding Company

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.

1.12 Subsidiaries

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. The group management has not prepared the financial statements of Hascombe Lubricants (Private) Limited as at December 31, 2023 and December 31, 2024. The consolidation has been made on the basis of last available audited financial statements of Hascombe Lubricants (Private) Limited as at December 31, 2018. The group management considers the subsidiary as insignificant component based on the following balances at December 31, 2018:

	2018 Rupees
Share capital	97,798,000
Total accumulated losses	(106,576,339)
Net assets	(8,778,339)
Total assets	-
Total liabilities	(8,778,339)
Total amount of net assets	**(8,778,339)**

1.2 During the current year, the Group incurred a net loss of Rs. 6.77 billion (2024 Rs. 11.63 billion), resulting in net shareholders deficit of Rs. 93.18 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. 108.5 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:

a) The Board of Directors (the board) have carried out a detailed review of the profitability and cashflow forecast of the Group for the twelve months following the date of balance, at the date of approval of these financial statements.

b) The sizeable inflow from IFEM pool for the years 2024 and 2025; and the assurance of supply continuity, and the continued generation of positive cash flows from operations was taken into account by the board of directors to arrive at a conclusion that the Group 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 authorized for issue. Furthermore, the ongoing restructuring of the banking creditors is expected to be completed during the year 2026 as indicated by the issuance of a formal offer letter by the National Bank of Pakistan (NBP) duly notified to the Pakistan Stock Exchange (PsX) by both NBP and the Group referenced in note 27.3 of these financial statements.

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 Group are attached and / or seized by the relevant action of the regulator or creditor. In such case, the Group may face disruptions in its operations and may come to a halt of business operations thus challenging the going concern of the Group.

1.3 Geographical location and address of business units

The business unit of the Group include the following:

Business unit	Geographical location
Head Office	The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi

Regional marketing, sales offices and invoicing points are located across the country. The Group owns retail operation sites and sites operated through dealers across Pakistan and Northern areas.

1.4 Capacity and production

Considering the nature of the Group's business, the information regarding production has no relevance whereas product storage capacities at Group's owned facilities during the current year is detailed below:

Description	Storage capacity metric tons	
	HSD	PMG
Daulatpur depot	4,000	2,250
Shikarpur depot	16,200	2,700
Mehmoodkot depot	9,000	4,500
Machike depot	6,000	3,500
Sahiwal depot	6,000	3,500
Kotlajam depot	5,100	4,500
Thalliyan depot	8,000	12,000

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The consolidated financial statements includes the financial statement of Holding Company and its subsidiaries, comprising together 'the Group'. Control is achieved when the Holding Company:

- has a power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary. These consolidated financial statements include Hascol Petroleum Limited and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiary).

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line by line basis and the carrying value of the investment held by the Holding Company has been eliminated against corresponding Holding in subsidiaries' shareholders' equity in the consolidated financial statements. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The financial statements of subsidiary are prepared for the same reporting period as Holding Company, using accounting policies that are generally consistent with those of the holding company.

2.1.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Holding Company.

2.1.2 Loss of control

When the Group losses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable IFRSs). If the Group retained any investment retained in previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for an equity-accounted investee or as an investment at fair value through other comprehensive income depending on the level of influence retained.

2.1.3 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprises of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. In case where the provisions and directives issued under the Companies Act 2017 differ, the provisions or directives of the Companies Act, 2017 shall prevail.

These financial statements are being submitted to the shareholders as required under section 223 of the Companies Act 2017 and the Pakistan Stock Exchange Regulations.

2.3 Accounting convention

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Investment at fair value through other comprehensive income	Fair value
Net defined benefit liability	Present value of the defined benefit obligation
Property, plant and equipment	Revalued amounts
Foreign currency monetary liabilities / assets	Spot exchange rates
Lease liability	Present value lease payments

2.3.1 In these financial statements, except for the statement of cash flows, all the transactions have been accounted for on an accrual basis.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.5 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

2.5.1 Amendments to the approved accounting standards and application guidance that became effective during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement and that a right to defer settlement must exist at the end of the reporting period. The amendments further clarify that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Also it has been clarified that an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's financial statements.

IAS 7 and IFRS 7 Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements

IFRS 16 Lease Liability in a Sale and Leaseback-Amendments to IFRS 16

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

IAS 12 International tax reform - Pillar Two model rules (amendments)

The amendments to IAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two model rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply to annual reporting periods beginning on or after January 01, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the Group's financial statements.

IAS 12 Application Guidance issued by Institute of Chartered Accountants of Pakistan

On May 15, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued a circular titled 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes.' Pursuant to the release of the circular, the Group has changed the presentation for minimum taxes and final taxes.

The change has been applied retrospectively, however, has not affected any component of equity for the prior period presented in these financial statements.

IAS 21 Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 clarify that a currency is exchangeable if it can be exchanged for another without undue delay; otherwise, the spot rate is estimated based on an orderly transaction reflecting prevailing economic conditions. Regarding disclosure, when a currency is not exchangeable, an entity must disclose information enabling users to evaluate how the lack of exchangeability affects or is expected to affect financial performance, position, and cash flows. Conforming changes were also made to IFRS 1.

The amendments had no impact on the Group's financial statements.

2.5.2 Standards, annual improvements and amendments to the approved accounting standards that are not yet effective

The following standards, annual improvements and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Standards / amendments		Effective date (annual periods beginning on or after)
IFRS 17	Insurance contracts	January 01, 2026
IFRS 7 / IFRS 9	Classification and measurement of financial instruments - amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18	Presentation and disclosure in financial statements	January 01, 2027
IFRS 19	Subsidiaries without public accountability: Disclosures	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency - amendments to IAS 21	January 01, 2027
IFRS 10 / IAS 28	Sale or contribution of assets between an investor and its associate or joint venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, the following standard has been issued by IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 01, 2009

The Group expects that above standards, annual improvements and amendments to the approved accounting standards will not have any material impact on the Group's financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in these consolidated financial statements:

Control over investments in subsidiaries

Management assesses whether or not the Group has control over its investment in subsidiaries based on whether the Group has the power to direct the relevant activities of the investees unilaterally.

Management consider the Group's absolute size of holding in subsidiaries and relative size of and dispersion of the shareholding owned by the other shareholders. After assessment, the directors, concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of subsidiaries and therefore Group has control over investment in subsidiaries.

Equity accounting investees

Management assesses whether or not the Group has significant influence over an investee. Management consider the Group's representation on the board of directors or equivalent governing body of the investee, participation in policy making processes, including participation in decisions about dividends or other distributions, material transactions between the investor and the investee, interchange of managerial personnel and provision of essential technical information.

3.2 Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment

Carrying value of property, plant and equipment

Management performs impairment reviews on the Group's property, plant and equipment assets at least annually with reference to indicators in IAS 36 'Impairment of Assets'. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

Key assumptions and estimates in the impairment models relate to: commodity prices and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets. Assumptions reflect that a market participant would consider when valuing the asset. Judgment is also required in establishing the appropriate grouping of assets into cash generating units.

Useful life of intangible assets

Amortisation is charged so as to write off the cost of the intangible assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as:

I Expected usage of the assets by the Group;

II Typical product life cycle for the asset and public information on estimates of useful lives of similar type of assets used in similar way.

III Technical, technological, commercial or other types of obsolescence and the period of control over the assets.

IV Legal or similar limits on the use of the asset, such as the expiry dates of related leases.

Useful lives of property, plant and equipment and right of use assets

Depreciation is charged so as to write off the value of assets over their estimated useful lives. In case of ROU assets, depreciation is charged over lower of useful lives and lease term. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Impairment loss on investments in associates

The Group reviews its investments in associates periodically and evaluates the objective evidence of impairment. Objective evidence includes the performance of associate, the future business model, local economic conditions and other relevant factors. Based on the objective evidences, the Group determines the need for impairment loss on investments in associates.

Income tax

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

I Recent arm's length market transactions;

II Current fair value of another instrument that is substantially the same;

III The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; and

IV Other valuation models.

Impairment loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the creditworthiness of the counterparty, timing and value of anticipated future payments and actions that can be taken to mitigate the risk of non-payment.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Discounting of lease payments

The lease payments are discounted using the Group incremental borrowing rate (“IBR”). Management has applied judgments and estimates to determine the IBR at the commencement of lease by inquiring it from local banks. Alternatively the Group estimates IBR by using weighted average cost of short term borrowings at the end of each quarter.

Revaluation of property, plant and equipment

The Group applies revaluation model and revalued its property, plant and equipment every three years. Management has applied judgement and estimates in assessing the fair value of the property, plant and equipment.

Net realizable value of stock in trade

The Group values inventory at lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Management while estimating the net realisable value take into account the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

Provision and contingencies

The Group recognizes provision when Management is in a position to make reliable estimate of the expenditure required to settle the present obligation and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation. If the said criteria are not met, then Management reflect the same as contingent liability.

Provision for gratuity

The Group operates funded gratuity scheme whereby Management estimates the liability at reporting date using projected unit credit method. For details please refer note 49.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Initial recognition

Operating fixed assets

An item of property, plant and equipment is initially recognized at cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Operating fixed assets under construction are disclosed as capital work in progress (CWIP). The cost of self constructed assets includes the cost of materials, fixed labour and any other cost directly attributable to bringing the asset into service for its intended use including, where applicable, the cost of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

The assets which are available for intended use are initially capitalized at cost as operating fixed asset and depreciated over its useful life. While assets under construction are capitalized to CWIP.

Capital work-in-progress

CWIP is stated at cost less accumulated impairment losses, if any. All expenditure in connection with specific assets incurred during construction / installation period are carried to CWIP. These expenditures are transferred to operating fixed assets as and when these are available for intended use.

4.1.2 Measurement subsequent to initial recognition

Carried using revaluation model

Following classes of operating owned assets are subsequently measured under revaluation model (i.e. fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses).

- Land lease hold;

- Building on lease hold land;

- Tanks and pipelines;

- Dispensing pumps;

- Plant and machinery;

- Electrical, mechanical and fire fighting equipment;

- Furniture, office equipment and other assets;

- Computer auxiliaries; and

- Motor cars.

Fair value is determined by external professional valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

A revaluation surplus is recorded in statement of comprehensive income and credited to the asset revaluation surplus in equity. However, the increase is recorded in the consolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the consolidated statement of profit or loss, however, decrease is recorded in statement of comprehensive income to the extent of any credit balance entry in revaluation surplus is respect of the same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revaluation of carrying amount of the asset and the depreciation based on asset's original cost. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit / loss.

Carried using cost model

Fixed assets other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Operating fixed assets are generally depreciated on a straight-line basis over their estimated useful lives. Depreciation is provided at the rates as disclosed in note 5.1.

Items of operating fixed assets are measured at cost / revalued amount less accumulated depreciation and impairment losses. Depreciation is charged from the month of addition and no depreciation is charged in the month of disposal.

An item of operating fixed assets and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The consideration receivable on disposal of an item of operating fixed assets or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration receivable is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost. Useful lives and residual values are reviewed at each reporting date.

Major maintenance, inspection and repairs

Expenditure on major maintenance, refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised.

Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

4.2 Leases

Group as a lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For such leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

I fixed lease payments (including in-substance fixed payments), less any lease incentives;

II variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

III the amount expected to be payable by the lessee under residual value guarantees;

IV the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

V payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

I The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

II The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in rate in which case a revise discount rate is used).

III A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position. The Group applies IAS-36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the consolidated statement of profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

4.3 Intangible asset - computer software

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

4.4 Financial instruments

In the normal course of business the Group uses financial instruments, principally investments, trade and other receivables, cash and cash equivalents, term deposits, loans and borrowings and trade and other payables.

Classification

Financial assets

The Group classifies its financial assets as follows:

I Financial assets at amortised cost

II Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

III Financial assets at Fair Value Through Profit or Loss (FVTPL)

To determine their classification and measurement category, all financial assets, except equity instruments and derivatives, is assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Contractual cash flow characteristics test

The Group assesses whether the financial instruments' cash flows represent Solely for Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

The Group reclassifies a financial asset only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Financial liabilities

All financial liabilities are classified as "amortised cost" other than negative fair value of derivatives which are carried at "fair value through profit or loss".

Recognition / derecognition

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (in whole or in part) is derecognized when the contractual rights to receive cash flows from the financial asset has expired or the Group has transferred substantially all risks and rewards of ownership and has not retained control. If the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of profit or loss.

All regular way purchase and sale of financial assets are recognized using settlement date accounting. Changes in fair value between the trade date and settlement date are recognized in the consolidated statement of profit or loss or in the statement of comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

Measurement

All financial assets or financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue are added except for those financial instruments classified as "at fair value through profit or loss".

Financial assets at amortised cost

A financial asset is measured at amortised cost if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Cash and cash equivalents, trade and receivables and other assets are classified as financial assets at amortised cost.

Financial assets at FVOCI

A debt instrument is measured at FVOCI if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell. These assets are subsequently measured at fair value, with change in fair value recognized in OCI. Interest income calculated using effective interest method, foreign exchange gains / losses and impairment are recognized in the consolidated statement of profit or loss. On de-recognition, gains and losses accumulated in the OCI are reclassified to the consolidated statement of profit and loss.

For an equity instrument; upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to the consolidated statement of profit or loss. Dividends are recognised in statement of profit or loss when the right to receive has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses may be reclassified from fair value reserve to retained earnings in the statement of changes in equity.

Financial asset at FVTPL

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. This also includes equity instruments held-for-trading and are recorded and measured in the statement of financial position at fair value.

Changes in fair values and dividend income are recorded in the consolidated statement of profit or loss according to the terms of the contract, or when the right to receive has been established.

Financial liabilities

Financial liabilities "other than at fair value through profit or loss" are subsequently measured and carried at amortized cost using the effective yield method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss. Equity interests are classified as financial liabilities if there is a contractual obligation to deliver cash or another financial asset.

Financial guarantees

Financial guarantees are subsequently measured at the higher of the amount initially recognized less any cumulative amortization and the best estimate of the present value of the amount required to settle any financial obligation arising as a result of the guarantee.

4.5 Off setting of financial assets and financial liabilities

Financial assets and liabilities are off set and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to off-set the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6 Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and equity instrument.

4.7 Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received. Transaction costs directly attributable to the issue of ordinary share are recognized as deduction from equity.

4.8 Share premium reserves

Share premium is recorded on issue of shares in accordance with the requirements of section 83 of the Companies Act, 2017 and Rule 5 of the Companies (Issue of Capital) Rules, 1996 amendment pursuant of S.R.O 34 (I)/2016 dated 19th January 2016. The premium is available for use as per section 81 of the Companies Act, 2017.

4.9 Dividend distribution

Final dividend distribution to the Group's shareholders is recognized as a liability in the financial statement in the period in which the dividends are approved, while interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

4.10 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is calculated by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.11 Investment in subsidiary

A subsidiary is an entity controlled by the Group. The Group controls an investee when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect the return through its power over the investee. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

Investment in subsidiary are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the consolidated statement of profit or loss.

4.12 Investment in associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but also neither has control nor joint control over those policies.

Investment in associate are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense.

Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the consolidated statement of profit or loss.

When necessary the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS-36 ‘Impairment of Assets’ as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS-36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with an associate profits and losses resulting from the transactions with the associate is recognized in the Group’s financial statements only to the extent of interests in the associate that are not related to the Group.

4.13 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business, if longer. If not, they are presented as non-current liabilities.

Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities with corresponding impact to the consolidated statement of profit or loss.

4.14 Trade and other receivables

Receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case they are recognized at fair value and subsequently measured at amortized cost using effective interest method less loss allowance. Trade debts and other receivables considered irrecoverable are written-off.

Exchange gains and losses arising on translation in respect of trade debts and other receivables in foreign currency are added to the carrying amount of the respective receivables with corresponding impact in the consolidated statement of profit or loss.

4.15 Advance and deposits

These are stated at cost less provision for doubtful balances, if any. Deposits represent security deposits from dealers by virtue of agreement and are interest free. These are repayable on cancellation on dealership contract with dealers.

4.16 Stock-in-trade

Inventories are stated at the lower of cost or net realisable value. Costs comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in selling. The cost of the inventory is determined using FIFO method.

Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon. Provision is made for obsolete / slow moving stocks where necessary and recognized in the consolidated statement of profit or loss. Net realizable value represents the estimated selling value price in the ordinary course of business less estimated costs necessary in order to make the sale.

4.17 Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment of financial assets

The Group recognizes ECL for cash and bank balances, due from related parties, and other assets using the general approach and uses the simplified approach for trade receivables as allowed by IFRS 9.

General approach

The Group applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

Simplified approach

The Group applies simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default.

The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

I when there is a breach of financial covenants by the debtor; or

II information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group incorporates forward-looking information based on expected changes in macro- economic factors in assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

4.18 Short term investments

This represent placement in TFCs with financial institution. These are measured at fair value through profit or loss account and any gain or loss on this instrument subsequently measured is recognised in the consolidated statement of profit or loss and presented in finance income / cost in the period in which it arises.

4.19 Cash and cash equivalents

Cash and cash equivalents are carried in the financial statement at amortized cost. For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, demand deposit, bank balances, short term borrowings and other items of current assets and current liabilities which qualify as cash equivalent.

4.20 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of this discounting is recognised as finance cost.

Amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognized as liability in the statement of financial position.

4.21 Commitment

Commitments are disclosed in the financial statements at committed amount which is presented in Pakistani Rupees.

4.22 Ijarah

Leased assets which are obtained under Ijarah agreement are not recognized in the Group's financial statements and are treated as operating lease based on IFAS 2 issued by the ICAP and notified by SECP vide S.R.O. 43(1) / 2007 dated 22 May 2007. Ujrah payments made under an Ijarah are charged to the profit or loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of time pattern of the user's benefit even if the payment are not on that basis.

4.23 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani Rupees at exchange rates ruling at the value dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies (including monetary assets and liabilities considered as a net investment in foreign operation) are translated into Pakistani Rupees at exchange rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the Pakistani Rupees at the beginning of the period, adjusted for effective interest and payments during the period and the amortised costs in foreign currency translated at the exchange rate at the end of the period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Pakistani Rupees at the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated statement of profit or loss as part of the fair value gain or loss.

4.24 Taxation

4.24.1 Levy - final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21 / IAS - 37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC – 21 / IAS – 37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, Group designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS – 12 “Income taxes” and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC – 21 / IAS – 37.

4.24.2 Taxation

Income tax expense comprises current, prior and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current tax

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted.

Prior tax

The charge for prior tax includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax

Deferred tax is recognized using statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.25 Revenue recognition

Revenue from sale of oil

The process for applying the requirements of standard is separated into five steps:

I Step 1 – Identify the contract with a customer

II Step 2 – Identify the separate performance obligations in the contract

III Step 3 – Determine the transaction price

IV Step 4 – Allocate the transaction price to the separate performance obligations in the contract

V Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue over time if any one of the following criteria is met:

I The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

II The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

III The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably and is stated net of sales taxes and discounts. If advances are received from customers for future contractual services, the revenue is deferred until the services are provided.

Where revenue contains a significant financing element, the financing element is shown as a financing item and revenues are adjusted by a corresponding amount.

Other revenue

Non-fuel retail income and other revenue (including license fee) is recognized on an accrual basis.

Handling, storage and other services income is recognized when the services have been rendered.

Other income

Dividend income is recognized when the Group's right to receive the dividend is established.

Return on bank deposits is recognized when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applicable.

Rental income from short term lease or low value lease is recognized on a straight line basis over the terms of the relevant lease.

4.26 Retirement and other service benefits

Approved defined benefit funded gratuity plan

Approved defined benefit funded gratuity plan for employees who have completed five years of service. The amount arising as a result of remeasurements of employee retirement benefits are recognised immediately in other comprehensive income. Past service cost and curtailments are recognised in the consolidated statement of profit or loss, in the period in which a change takes place.

Annual provision is made on the basis of actuarial valuation carried out by independent actuary using the Projected Unit Credit Method, related details of which are given in note 49 to the financial statements. Latest valuation was conducted as at December 31, 2025.

Contributory provident fund

The Group operates an approved contributory provident fund for all its permanent employees. The contribution to the fund is made by the Group as well as the employees at the rate of 5.72% percent of the basic salary.

4.27 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segment results are reviewed regularly by the Group's Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Chief Executive Officer (Chief Operating Decision Maker), in deciding how to allocate resources and in assessing performance.

The accounting policies of the operating segments are the same as the Group's accounting policies described in this note, except that IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the Chief Operating Decision Maker.

4.28 Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods.

Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

I In the principal market for the asset or liability, or

II In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

4.29 Finance income and expenses

Finance income comprises foreign exchange gains and interest income. Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of the respective assets. Interest revenue earned on deposits of borrowed funds is netted off against the cost of the borrowed funds added to the cost of the respective assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.30 Related party transactions

All transactions with related parties are carried out by the Group at arm's length price using the comparable uncontrolled valuation method.

4.31 Investment income

Investment income comprises dividend income, impairment losses on investments, gains and losses on sale of investments and fair value changes on investments held at fair value through profit and loss and held for trading. Dividend income is recognised when the right to receive the dividend is established.

4.32 Events after the reporting date

The Group financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the financial statements when material.

4.33 Operating expenses

Operating expenses are recognised in the consolidated statement of profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the Group incurs an obligation, which is typically when the related goods are sold.

4.34 Unclaimed dividend

Dividend declared and payable prior to the preceeding three years from reporting date are recognized as unclaimed dividend.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		------------ Rupees in '000 ------------	
Operating fixed assets	5.1	20,969,034	23,720,426
Capital work-in-progress	5.8	2,414,029	2,361,629
		23,383,063	26,082,055

5.1 Operating fixed assets

	Owned assets										Leased Assets	
								Vehicles			Vehicles	
	Leasehold Land	Building on lease hold land	Tanks and pipelines	Dispensing pumps	Plant and machinery	Electrical, mechanical and fire fighting equipment	Furniture, office equipment and other assets	Tank lorries	Motor cars	Computer auxiliaries	Tank lorries	Total operating fixed assets
	------ Rupees in '000 ------											
At December 31, 2024												
Cost / revalued amount	5,011,830	10,373,558	6,509,559	3,685,860	1,696,212	2,743,998	382,650	1,559,034	245,212	80,251	293,198	32,581,362
Accumulated depreciation	-	(2,437,017)	(1,252,698)	(1,783,996)	(505,093)	(1,231,534)	(237,526)	(1,031,281)	(150,480)	(61,664)	(169,647)	(8,860,936)
Net book value	5,011,830	7,936,541	5,256,861	1,901,864	1,191,119	1,512,464	145,124	527,753	94,732	18,587	123,551	23,720,426
Year ended December 31, 2025												
Opening net book value	5,011,830	7,936,541	5,256,861	1,901,864	1,191,119	1,512,464	145,124	527,753	94,732	18,587	123,551	23,720,426
Addition / transfer from CWIP (note 5.6.1)	-	162,211	16,193	78,719	8,639	56,360	5,089	-	37,508	15,933	-	380,652
Revaluation / (Impairment)	15,000	38,714	6,952	804	12,019	-	-	-	-	-	-	73,489
Reclassification												
Cost	-	-	-	-	(1,245)	1,245	-	293,198	-	-	(293,198)	-
Accumulated depreciation	-	-	-	-	9,235	(9,235)	-	(169,647)	-	-	169,647	-
	-	-	-	-	7,990	(7,990)	-	123,551	-	-	(123,551)	-
Disposals (note 5.5)												
Cost	-	(80,634)	(5,907)	(5,269)	(2,806)	(74)	(83)	(281,531)	(24,043)	(363)	-	(400,710)
Accumulated depreciation	-	27,781	2,880	2,837	1,369	59	83	215,001	24,043	20	-	274,073
	-	(52,853)	(3,027)	(2,432)	(1,437)	(15)	-	(66,530)	-	(343)	-	(126,637)
Transfer to investment property												
Cost	(405,000)	(686,954)	-	-	-	-	-	-	-	-	-	(1,091,954)
Accumulated depreciation	-	206,708	-	-	-	-	-	-	-	-	-	206,708
	(405,000)	(480,246)	-	-	-	-	-	-	-	-	-	(885,246)
Depreciation charge for the year (note 5.6)	-	(714,985)	(436,275)	(263,175)	(141,342)	(376,221)	(47,596)	(168,514)	(36,692)	(8,850)	-	(2,193,650)
Closing net book value	4,621,830	6,889,382	4,840,704	1,715,780	1,076,988	1,184,598	102,617	416,260	95,548	25,327	-	20,969,034
At December 31, 2025												
Cost / revalued amount	4,621,830	9,806,895	6,526,797	3,760,114	1,712,819	2,801,529	387,656	1,570,701	258,677	95,821	-	31,542,839
Accumulated depreciation	-	(2,917,513)	(1,686,093)	(2,044,334)	(635,831)	(1,616,931)	(285,039)	(1,154,441)	(163,129)	(70,494)	-	(10,573,805)
Net book value	4,621,830	6,889,382	4,840,704	1,715,780	1,076,988	1,184,598	102,617	416,260	95,548	25,327	-	20,969,034
Depreciation rate - %	-	5	5	6.67	5	10	20	10	20	33.33	10	

	Owned assets										Leased Assets		
								Vehicles			Vehicles		
	Leasehold Land	Building on lease hold land	Tanks and pipelines	Dispensing pumps	Plant and machinery	Electrical, mechanical and fire fighting equipment	Furniture, office equipment and other assets	Tank lorries	Motor cars	Computer auxiliaries	Tank lorries	Motor cars	Total operating fixed assets
	----------	----------	----------	----------	----------	----------	Rupees in '000	----------	----------	----------	----------	----------	----------
Cost as at January 1, 2024	4,490,083	8,477,607	4,855,755	3,257,077	1,516,494	2,273,619	348,742	565,658	158,286	73,395	1,323,519	86,793	27,427,028
Acc. depreciation as at January 1, 2024	-	(1,903,057)	(952,817)	(1,500,054)	(403,439)	(939,831)	(197,620)	(360,231)	(92,100)	(57,598)	(672,715)	(18,806)	(7,098,268)
Net book value as at January 01, 2024	4,490,083	6,574,550	3,902,938	1,757,023	1,113,055	1,333,788	151,122	205,427	66,186	15,797	650,804	67,987	20,328,760
Year ended December 31, 2024													
Opening net book value	4,490,083	6,574,550	3,902,938	1,757,023	1,113,055	1,333,788	151,122	205,427	66,186	15,797	650,804	67,987	20,328,760
Addition / transfer from CWIP (note 5.6.1)	-	46,495	15,399	2,419	2,304	15,385	5,336	-	133	3,286	-	-	90,757
Revaluation	505,754	1,848,374	1,642,555	426,325	237,235	461,416	29,087	-	-	3,868	-	-	5,154,614
Impairment - net	15,993	1,082	(4,150)	39	(59,821)	(6,422)	(515)	-	-	-	-	-	(53,794)
Reclassification													
Cost	-	-	-	-	-	-	-	1,030,321	86,793	-	(1,030,321)	(86,793)	-
Accumulated depreciation	-	-	-	-	-	-	-	(532,388)	(18,806)	-	532,388	18,806	-
	-	-	-	-	-	-	-	497,933	67,987	-	(497,933)	(67,987)	-
Disposals (note 5.5)													
Cost	-	-	-	-	-	-	-	(36,945)	-	(298)	-	-	(37,243)
Accumulated depreciation	-	-	-	-	-	-	-	20,511	-	298	-	-	20,809
	-	-	-	-	-	-	-	(16,434)	-	-	-	-	(16,434)
Depreciation charge for the year (note 5.6)	-	(533,960)	(299,881)	(283,942)	(101,654)	(291,703)	(39,906)	(159,173)	(39,574)	(4,364)	(29,320)	-	(1,783,477)
Closing net book value	5,011,830	7,936,541	5,256,861	1,901,864	1,191,119	1,512,464	145,124	527,753	94,732	18,587	123,551	-	23,720,426
At December 31, 2024													
Cost / revalued amount	5,011,830	10,373,558	6,509,559	3,685,860	1,696,212	2,743,998	382,650	1,559,034	245,212	80,251	293,198	-	32,581,362
Accumulated depreciation	-	(2,437,017)	(1,252,698)	(1,783,996)	(505,093)	(1,231,534)	(237,526)	(1,031,281)	(150,480)	(61,664)	(169,647)	-	(8,860,936)
Net book value	5,011,830	7,936,541	5,256,861	1,901,864	1,191,119	1,512,464	145,124	527,753	94,732	18,587	123,551	-	23,720,426
Depreciation rate - %	-	5	5	7	5	10	20	10	20	33.33	10	20	

5.2 In September 30, 2025 the wholly own Subsidiary Company engaged independent valuer to carry out fresh valuations of lube oil blending plants. Market values (fair values and forced sales values of these assets are Rs. 1,513 million and Rs. 1,179 million respectively.

	Historical cost	Change in fair value	Cost / revalued amount
	----------	Rupees in '000	----------
Blending plant Assets			
Lease hold Land	129,951	275,049	405,000
Building	730,655	(43,701)	686,954
Plant and machinery	592,896	(86,254)	506,642
Tanks and pipelines	382,688	(55,659)	327,029
Pumps	42,573	(5,763)	36,810
Laboratory equipment	116,402	(12,942)	103,460
Other own assets			
Vehicles	31,599	-	31,599
Electrical and mechanical equipment	8,821	-	8,821
Furniture, office equipment and other assets	33,829	-	33,829
Computer auxiliaries	12,833	-	12,833
	2,082,247	70,730	2,152,977

5.3 Had there been no revaluation, the written down value of the following wholly own Subsidiary Company's assets in the consolidated statement of financial as at 31 December 2025, after the transferred land and building into investment property, would have been as follows:

	Historical cost	Accumulated depreciation	Net book value
	----------------------	Rupees in '000	------------------
Blending plant Assets			
Lease hold Land	-	-	-
Building	-	-	-
Plant and machinery	592,896	(182,528)	410,368
Tanks and pipelines	382,688	(117,894)	264,794
Pumps	42,573	(12,532)	30,041
Laboratory equipment	116,402	(71,009)	45,393
Other own assets			
Vehicles	31,599	(31,563)	36
Electrical and mechanical equipment	8,821	(4,940)	3,881
Furniture, office equipment and other assets	33,829	(20,757)	13,072
Computer auxiliaries	12,833	(11,271)	1,562
	1,221,641	(452,494)	769,147

5.4 Assets not in possession of the Group

Due to large number of dealers, it is impracticable to disclose the name of each person having possession of operating fixed assets, as required under Paragraph 12 of Part II of the 4th Schedule to the Companies Act, 2017.

Operating fixed assets held by dealers of retail outlets of the Group are tanks and pipelines dispensing pumps, plant and machinery, electrical, mechanical and fire fighting equipment's. These assets are not in possession of the Group as these have been provided to dealers of retail outlets to facilitate them to promote and sell the Group's products.

5.5 Details of immovable assets

The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land in square yards
Depots		
Daulatpur depot	Taluka Qazi Ahmed, District Shaheed Benazirabad, Nawabshah	35,428
Kotlajam depot	Kotlajam Dagar, Tehsil & District Bhakhar, Mianwali	29,040
Machike depot	Chak Dhantpura, Machike, District Sheikhupura	139,584
Mehmood kot depot	Qasba Gujrat, Tehsil Kot Addu, District Muzzafargarh	29,554
Sahiwal depot	Pakpattan Road, Tehsil & District Sahiwal	28,435
Marshal Gas depot	Naclass No.213, Deh Konkar, Gadaptown, Karachi	14,520
Lube Oil Blending Plant	F-04, F-32 & F-32B, Eastern Industrial Zone, PQA, Bin Qasim Town, Karachi.	29,040

Description of location	Address	Total area of land in square yards
Others		
LPG terminal	Plot of land bearing No. B-26, B-27 and G2 situated at North Western Industrial Zone, Port Qasim Authority, Bin Qasim, Karachi	90,508
Retail outlet	Main Raiwind Road, Hadbast Mouza Bhobattian, Tehsil Raiwind, District Lahore	2,118
Karachi office	Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi	386
Lahore office	Office No. 5-I, measuring 6,010 Sq. Ft., 5th Floor, constructed over Plot No. 19, Khayaban-e-Aiwan-e-Iqbal, Lahore	6,101

5.6 Allocation of depreciation expense

The depreciation charged for the year has been allocated as follows:

	Note	2025	2024
		Rupees in '000	
Distribution and marketing expenses	34	**1,988,720**	1,643,431
Administrative expenses	35	**144,801**	53,156
Cost of sales	33	**60,129**	86,890
		2,193,650	1,783,477

5.7 Disposal of assets

During the year written down value of operating fixed assets that have been disposed-off amount to Rs. 127 million (2024: Rs. 16 million). Details of operating fixed assets disposed off with WDV above Rs. 500,000 are given below:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Particulars of buyers	Mode of disposal
	Rupees in 000						
Retail Site	94,773	35,009	59,764	50,000	(9,764)	Taj Corporation	Outright Sale
Tank lorries	281,531	215,001	66,530	341,945	275,415	Pakistan Tanker Company	Outright Sale
2025	**376,304**	**250,010**	**126,294**	**391,945**	**265,651**		
2024	36,945	20,511	16,434	51,024	34,590		

	Note	2025	2024
		------------ Rupees in '000 ------------	
5.8 Capital work-in-progress			
Buildings		**287,432**	294,575
Machinery, tanks and pumps		**1,888,775**	1,891,075
Retail sites		**77,263**	15,420
Furniture, office equipment and other assets		**22,221**	22,221
Borrowing cost capitalized		**138,338**	138,338
		2,414,029	2,361,629
5.8.1 Movement in capital work-in-progress during the year is as follows:			
Balance at the beginning of the year		**4,413,236**	4,413,236
Additions during the year		**433,052**	87,924
Transfers during the year	5.1	**(380,652)**	(87,924)
		4,465,636	4,413,236
Provisions for CWIP	5.8.2	**(2,051,607)**	(2,051,607)
Balance at the end of the year		**2,414,029**	2,361,629
5.8.2 Movement of provision for CWIP			
Balance at the beginning of the year		**2,051,607**	2,051,607
Provisions made during the year		**-**	-
Balance at the end of the year		**2,051,607**	2,051,607

5.8.3 The Capital work in progress (CWIP) carrying amount, provision and its fair value are as follows:

	Carrying amount	Provision	Net carrying amount
	------------------- Rupees in '000		-----------------
December 31, 2025			
Buildings	**1,014,379**	**726,947**	**287,432**
Machinery, tanks and pumps	**2,710,743**	**821,968**	**1,888,775**
Retail sites	**573,371**	**496,108**	**77,263**
Others	**167,143**	**6,584**	**160,559**
	4,465,636	**2,051,607**	**2,414,029**
December 31, 2024			
Buildings	1,021,522	726,947	294,575
Machinery, tanks and pumps	2,713,043	821,968	1,891,075
Retail sites	511,528	496,108	15,420
Others	167,143	6,584	160,559
	4,413,236	2,051,607	2,361,629

Provision of Rs. 2 billion mainly comprise of the following:

a) Management estimates of the recoverable amount for retail sites & others amounting to Rs. 0.5 billion; and

b) Decrease in fair value based on valuation carried out by the independent valuer for Thalian Depot Hub & Machike B & C amounting to Rs. 1.5 billion.

6. RIGHT-OF-USE ASSETS

The Group's leases mainly comprise of storage facilities, pump sites and offices. Information about leases for which the Group is a lessee is presented below.

	Storage facility	Pumpsites	Offices	Total
	Rupees in '000			
Balance as at January 01, 2025	**81,540**	**2,177,335**	**865**	**2,259,740**
Additions during the year (note 22.1.1)	**-**	**172,096**	**-**	**172,096**
Disposals / terminations	**-**	**(24,303)**	**-**	**(24,303)**
Depreciation charge for the year (note 6.2)	**(5,452)**	**(158,367)**	**(260)**	**(164,079)**
Balance as at December 31, 2025	**76,088**	**2,166,761**	**605**	**2,243,454**
Balance as at January 01, 2024	88,220	2,329,613	181,516	2,599,349
Additions during the year (note 22.1.1)	-	16,583	-	16,583
Disposals / terminations	-	(9,267)	(104,072)	(113,339)
Depreciation charge for the year (note 6.2)	(6,680)	(159,594)	(76,579)	(242,853)
Balance as at December 31, 2024	81,540	2,177,335	865	2,259,740

6.1 The right-of-use assets are depreciated on straight line basis on lower of remaining lease term and useful life.

	Note	2025	2024
		Rupees in '000	
6.2 Amounts recognized in statement of profit or loss			
Depreciation on right-of-use assets			
Cost of sales	33.2	**5,452**	5,452
Distribution and marketing expenses	34	**158,367**	159,595
Administrative expenses	35	**260**	76,578
		164,079	241,625
Finance cost			
Interest on lease liabilities	39	**386,160**	399,003
Amounts recognized in statement of cashflows			
Total outflow for leases - net	23.1.1	**438,887**	563,412

7. INTANGIBLE ASSET

	Note	2025	2024
Computer software		**2,230**	4,707
Net carrying value			
Net book value at beginning of the year		**4,707**	7,184
Addition for the year		**-**	-
Amortization charge for the year	35	**(2,477)**	(2,477)
Net book value at the end of the year		**2,230**	4,707

	Note	2025	2024
		------------ Rupees in '000 ------------	
Net book value			
Gross carrying value			
Cost		**21,948**	21,948
Development expenditure		**-**	-
Accumulated amortization		**(19,718)**	(17,241)
Net book value at the end of the year		**2,230**	4,707
Rate of amortization - %		**33.33**	33.33

7.1 Intangible assets mainly comprise of operational softwares.

8. LONG-TERM INVESTMENTS

	Note	2025	2024
Investment in associated companies - at cost			
VAS LNG (Private) Limited - unquoted	8.1	**-**	-
Magic River Services Limited	8.2	**110,687**	110,979
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	8.3	**355,781**	-
Other Investment			
Karachi Hydrocarbon Terminal Limited - unquoted	8.3	**-**	355,781
		466,468	466,760
Advance against purchase of shares			
Karachi Hydrocarbon Terminal Limited - unquoted		**2,500**	2,500
		468,968	469,260

8.1 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 nil ordinary shares (2024: 0.3 million) of Rs. 10 per share which have been provided in the year 2020. as VL had filed liquidation in the month of October 2020.

During the period, VL has been dissolved under Section 426 of the Companies Act, 2017. The notice of dissolution was published in the Official Gazette dated 27 August 2025.

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

	2025	2024
	------------ Rupees in '000 ------------	
Total accumulated losses	**-**	5,107
Total assets	**-**	6,317
Total liabilities	**-**	(5,294)
Advance against issue of shares	**-**	(1,023)
	-	-
% share in net assets	**0%**	30%
Total amount of net assets	**-**	-

8.2 Investment in Magic River is a joint venture arrangement whereby the Company is entitled for 25% share of profit derived from sale of petroleum products by Magic River.

	2025	2024
	------------ Rupees in '000 ------------	
Balance at the beginning of the year	**110,979**	110,722
Share of profit for the year	**10,972**	9,599
Profit received during the year	**(11,264)**	(9,342)
Balance at the end of the year	**110,687**	110,979

8.3 Group Company holds an investment of 41.25 million fully paid ordinary shares of Rs. 10 per share in Karachi Hydrocarbon Terminals Limited (KHTL). As of December 31, 2025, this investment is classified as an investment in an associate due to common directorship, in accordance with IAS 28. However, as of December 31, 2024, there was no common director on the Board of KHTL.

	2025	2024
	------------ Rupees in '000 ------------	
Balance at the beginning of the year	**355,781**	399,890
Share of loss for the year	**-**	(44,109)
Balance at the end of the year	**355,781**	355,781

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

	2025	2024
	------------ Rupees in '000 ------------	
Total assets	**8,828,790**	8,828,790
Total liabilities	**(4,901,921)**	(4,901,921)
Advance against issue of shares	**(2,500)**	(2,500)
	3,924,369	3,924,369
% share in net assets	**9.07%**	9.07%
Total amount of net assets	**355,781**	355,781

9. Investment property

	2025	2024
Opening balance	**-**	-
Transfer from PPE	**885,246**	-
	885,246	-

9.1 During the year ended 31 December 2025, the wholly own Subsidiary Company discontinued its lubricant blending operations at its Lubricant Blending Facility having a total covered area of 29,040 square feet and located at Plots No. F-04, F-32 and F-32/B (Chemical Area), Eastern Industrial Zone, Port Qasim Authority, Karachi. Following cessation of owner occupation on 30 September 2025, possession of the facility was handed over to the lessee on 1 October 2025 under a five-year lease arrangement with a third party. As the property is held to earn rentals, the land and building relating to the facility meet the definition of investment property. The plant and machinery leased under the same arrangement are separately identifiable and, accordingly, are not included in investment property.

9.2 Accordingly, with effect from 1 October 2025, the relevant property was transferred from property, plant and equipment to investment property in accordance with IAS 40. On the date of transfer, the property was measured at fair value of Rs. 885 million. The difference between the carrying amount immediately before transfer and its fair value at the date of transfer was accounted for in the same manner as a revaluation in accordance with IAS 16. Subsequent to transfer, the property is measured at fair value at each reporting date, and any change in fair value is recognised in profit or loss. The fair value of the investment property as at 31 December has remained unchanged since the date of transfer.

The fair value of investment property has been valued by Ms Joseph Lobo (Pvt) Limited. The valuation was carried out using the market comparison approach for land and the replacement cost less depreciation method for buildings

10. DEFERRED TAXATION - NET

	Note	2025	2024
		------------ Rupees in '000	-------------
Taxable temporary difference arising in respect of :			
Revaluation of operating fixed assets		**(3,334,295)**	(3,772,859)
Deductible temporary difference arising in respect of :			
Long term investment		**351,439**	351,439
Capital work in progress		**594,966**	594,815
Liabilities against right-of-use assets		**966,315**	941,502
Exchange loss		**51,710**	56,347
Provision for :			
- retirement benefit		**67,272**	47,235
- ECL on trade debts		**2,737,606**	2,806,357
- short term investments - TFCs		**1,422**	1,421
- ECL on long term deposits		**14**	14
- against stock		**35,876**	35,876
- suppliers and services advance		**910,333**	902,363
- IFEM, RD and PDC		**464,434**	695,664
Accelerated depreciation		**507,549**	354,661
Normal tax loss		**18,377,534**	20,224,554
		21,732,175	23,239,389
Unrecognized deferred tax asset	10.1	**(21,732,175)**	(23,239,389)
		-	-

10.1 Deferred tax asset of Rs. 21,732 million (2024: Rs. 23,239 million) has not been recognised in these consolidated financial statements due to uncertainty in availability of future taxable profits based on financial projections of future years.

However, in future years and based on the availablility of taxable profits, the unutilized deffered tax asset will be recognized.

	Note	2025	2024
		------------ Rupees in '000 ------------	
11. LONG-TERM DEPOSITS			
Lease deposits		116,811	128,637
Current portion of lease deposits		(116,811)	(128,637)
		-	-
Deposits against:			
- retail outlets		70,094	70,094
- others		53,705	48,486
		123,799	118,580
		123,799	118,580
Allowance for ECL on long term deposits	11.1	(47)	(47)
		123,752	118,533
11.1 Allowance for ECL on long term deposits			
Balance at the beginning of the year		47	47
Allowance made during the year		-	-
Balance at the end of the year		47	47
12. STOCK-IN-TRADE			
Raw and packing materials		112,246	177,080
Finished goods			
- fuels		7,045,806	21,857,751
- lubricants		146,037	279,265
		7,191,843	22,137,016
Stock in transit		-	4,952,950
Provision against slow moving stock	12.1	(123,711)	(123,711)
	33	7,180,378	27,143,335
12.1 Movement in provision against stock			
Balance at the beginning of the year		123,711	146,988
Provisions / reversal made during the year		-	(23,277)
Balance at the end of the year		123,711	123,711
13. TRADE DEBTS			
Unsecured, considered good		1,817,432	2,824,364
Considered doubtful		9,572,942	9,784,915
		11,390,374	12,609,279
Less: Allowance for expected credit loss (ECL)	13.1	(9,572,942)	(9,784,915)
		1,817,432	2,824,364

13.1 The Group recognises the expected credit losses for trade debts using the simplified approach. As per the simplified approach, the loss allowance as at December 31, 2025 and 2024 as per IFRS 9 is as follows:

	Note	2025	2024
		Rupees in '000	
Movement of allowance for ECL			
Balance at the beginning of the year		**9,784,915**	9,724,444
(Reversal) / Allowance made during the year	38 & 36	**(211,973)**	64,999
Write-off during the year		**-**	(4,528)
Balance at the end of the year		**9,572,942**	9,784,915

13.1.1 The Board of Directors of the Holding Company approved provision of Rs. 9,573 million (2024: Rs. 9,785 million) against doubtful receivables and write off of Rs. nil (2024: Rs. 4.5 million) in the financial statements for the year ended December 31, 2025.

14. ADVANCES

	Note	2025	2024
		Rupees in '000	
Advances - considered good, unsecured			
Supplier and service provider	14.1	**3,311,442**	3,353,925
To employees:			
- against expenses	14.2	**325**	18,961
- against salaries	14.2	**17,321**	31,070
Provision against advance to supplier and services providers	14.3	**(3,171,256)**	(3,111,596)
		157,832	292,360

14.1 This includes advance to suppliers in the normal course of business as per commercial terms, currently the Group has 96 (2024: 66) suppliers whose advances exceed Rs. 1 million and these are given for procurement of equipment, fleet card operations, monitoring fee, consultancy and storages facilities.

14.2 This includes advance to employees against expenses and salaries as per employment terms, currently the Group has 3 (2024: 17) employees whose advance exceed Rs. 1 million.

14.3 Movement of provision for suppliers and service provider

	Note	2025	2024
		Rupees in '000	
Balance at the beginning of the year		**3,111,596**	2,384,993
Provisions made during the year	37	**59,660**	726,603
Balance at the end of the year		**3,171,256**	3,111,596

15. DEPOSITS AND PREPAYMENTS

	Note	2025	2024
Deposits			
Current portion of long term lease deposits	11	**116,811**	128,637
Other deposits		**138,167**	198,607
		254,978	327,244
Prepayments			
Insurance and others		**76,018**	30,495
Rent		**33,445**	34,805
		109,463	65,300
		364,441	392,544

16. OTHER RECEIVABLES

	Note	2025	2024
		------------ Rupees in '000 ------------	
Inland freight equalization margin ("IFEM") receivable		**2,311,008**	3,648,680
Miscellaneous receivables	16.1	**61,518**	12,915
Receivable against regulatory duty ("RD")		**-**	25,533
Sales tax refundable		**1,699,634**	1,539,197
Price differential claims ("PDC")	16.2	**-**	7,618
Provisioning of IFEM, RD and PDC	16.3	**(1,597,025)**	(2,398,840)
		2,475,135	2,835,103

16.1 This includes amount receivable from Magic River Limited (an associated Company) against share of profit amounting to Rs. nil (2024: Rs. 0.98 million).

16.2 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 outstanding balance has been written off during the period.

16.3 Movement of provision for IFEM, RD and PDC

	Note	2025	2024
		------------ Rupees in '000 ------------	
Balance at the beginning of the year		**2,398,840**	1,694,427
Written off during the period		**(288,287)**	(1,113,832)
(Reversal) / Provisions made during the year	38 & 37	**(513,528)**	1,818,245
Balance at the end of the year	16.3.1	**1,597,025**	2,398,840

16.3.1 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).

During the year, the IFEM audit from July 2020 to June 2023 was completed by an audit firm appointed by OGRA.

17. ACCRUED MARK-UP AND PROFIT

	2025	2024
	------------ Rupees in '000 ------------	
From conventional banks	**181**	242
From Islamic banks	**1**	15
	182	257

18. SHORT TERM INVESTMENT

The Holding Company placed investment in fully paid-up, rated, privately placed, perpetual, unsecured, sub-ordinated, non-cumulative and contingent convertible debt instrument from Habib Bank Limited in the nature of Term Finance Certificates (“TFCs”). These carry mark-up at the rate of 3 month KIBOR+1.6% payable quarterly.

	2025	2024
	Rupees in '000	
19. CASH AND BANK BALANCES		
Balances with banks - in current accounts:		
- Conventional banks	189,989	127,156
- Dividend account	18,610	18,610
- Islamic banks	4	4
	208,603	145,770
Balances with banks - in saving accounts:		
- Conventional banks	269,942	438,094
- Islamic banks	1,539	1,469
	271,481	439,563
Cash in hand	102,818	53,320
	582,902	638,653

19.1 These carry mark-up / profit ranging from 9.00% to 11.00% per annum (2024: Ranging from 13.52% to 16.88% per annum).

20. SHARE CAPITAL

20.1 Authorized share capital

2025	2024		2025	2024
Number of shares			Rupees in '000	
5,000,000,000	5,000,000,000		50,000,000	50,000,000

20.2 Issued, subscribed and paid-up share capital

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
89,540,000	89,540,000	Ordinary shares of Rs. 10 each fully paid in cash		895,400	895,400
1,060,000	1,060,000	Ordinary shares of Rs. 10 each for consideration other than cash	20.3	10,600	10,600
9,966,000	9,966,000	Annual bonus @ 11% December 2014		99,660	99,660
20,113,200	20,113,200	Interim bonus @ 20% June 2015		201,132	201,132
24,135,840	24,135,840	Right issue @ 20% September 2017		241,358	241,358
36,203,760	36,203,760	Bonus issue @ 25% September 2018		362,038	362,038
18,101,880	18,101,880	Bonus issue @ 25% December 2018		181,019	181,019
800,000,000	800,000,000	Right issue @ 401.77% January 2020	20.4	8,000,000	8,000,000
999,120,680	999,120,680			9,991,207	9,991,207

20.3 These were issued on December 8, 2004 for consultancy, feasibility study, travel and other expenses.

20.4 The right shares were issued for the purpose of meeting the working capital requirements of the Group.

20.5 Vitol Dubai Limited an associated Company held 401,697,229 shares (2023: 401,697,229 shares) which represents 40.21% (2023 : 40.21%) of the equity stake in the Group.

20.6 The Group has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2025	2024
		Rupees in '000	
21. RESERVES			
Capital			
Share premium	21.1	**4,639,735**	4,639,735
Revenue			
Accumulated losses		**(122,872,438)**	(117,899,780)
		(118,232,703)	(113,260,045)

21.1 The reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

	Note	2025	2024
		Rupees in '000	
22. LONG TERM FINANCING - secured			
Borrowings from conventional banks	22.1	**17,930,706**	13,977,202
Borrowings from Non-Banking Financial Institutions	22.2	**92,857**	92,857
Sukuk certificates	22.3	**500,000**	500,000
		18,523,563	14,570,059
Current portion of long term financing			
Borrowings from conventional banks		**(9,577,764)**	(7,054,893)
Borrowings from Non-Banking Financial Institutions		**(92,857)**	(92,857)
Sukuk certificates		**(500,000)**	(500,000)
	29	**(10,170,621)**	(7,647,750)
Non - current portion of long term financing		**8,352,942**	6,922,309

Terms and conditions of borrowings are as follows:

Particulars	Note	Number of installments and commencement month	Grace period	Date of final repayment	Markup rate per annum	Installment amount	Outstanding Principal 2025	Outstanding Principal 2024
							Rupees in '000	
22.1 Borrowings from conventional banks								
National Bank of Pakistan Loan-1 Under LTF scheme	22.1.1	16 quarterly March-17	1 year	December 31, 2020	three month Kibor + 2.5% payable quarterly	31,250	**93,750**	93,750
National Bank of Pakistan Loan-2 Under LTF scheme	22.1.2	16 quarterly August-19	1 year	May 27, 2023	three month Kibor + 1.5% payable quarterly	65,625	**706,875**	706,875
National Bank of Pakistan Loan-3 Under LTF scheme	22.1.3	16 quarterly August-19	1 year	May 21, 2023	three month Kibor + 1.5% payable quarterly	37,500	**350,500**	350,500
Syndicated Loan from multiple banks Conversion of Short term financing	22.1.4	28 quarterly September-20	Nil	June 30, 2027	three month Kibor + 1.6% payable quarterly	Step up installment	**11,005,864**	11,005,864
Sindh Bank - LTL Restructured loan	22.1.5	11 yearly December-24	Nil	December 31, 2035	Cost of fund of available from SBP	202,246	**1,617,967**	1,820,213
Bank of Khyber- LTL Restructured loan	22.1.6	10 yearly September-25	Nil	June 30, 2035	Cost of fund of available from SBP	175,775	**1,434,899**	-
Askari Bank Limited - LTL Restructured loan	22.1.7	10 yearly October-25	Nil	March 31, 2035	Cost of fund of available from SBP	334,140	**2,720,851**	-
22.2 Borrowings from Non-Banking Financial Institutions								
Pak Oman Investment Company Limited Loan 6 Under LTF scheme	22.2.1	42 monthly January-18	6 months	June 23, 2021	six month Kibor + 2.5% payable monthly	2,381	**16,667**	16,667
Pak Oman Investment Company Limited Loan 7 Under LTF scheme	22.2.2	42 monthly February-18	6 months	July 18, 2021	six month Kibor + 2.5% payable monthly	9,524	**76,190**	76,190
22.3 Sukuk certificates	22.3.1	20 quarterly January-16	1 year	January 5, 2022	three month Kibor + 1.5% payable quarterly	100,000	**500,000**	500,000
							18,523,563	14,570,059

22.1.1 This represents term loan facility from National Bank of Pakistan for construction of storage depot at Mehmood Kot - Muzaffar Garh. The facility is secured against exclusive charge / mortgage of Rs. 666.67 million over the entire land and building, installation and machinery of the storage depot, personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), post dated cheques covering facility amount and corporate guarantee of M/s: Fossil Energy (Private) Limited and M/s: Marshal Gas (Private) Limited.

22.1.2 This represents term finance facility from National Bank of Pakistan for construction of storage depot at Thaliyan for the future expansion plans and working capital requirements of the Company which is secured against exclusive charge over the Holding Company's entire fixed assets, excluding land & building, situated at Thaliyan with 25% margin amounting to Rs. 1,400 million, with personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), corporate guarantee from M/s: Fossil Energy Pvt. Ltd and M/s: Marshal Gas Pvt. Ltd. and a post dated cheque covering the facility obtained by the Holding Company.

22.1.3 This represents term finance facility from National Bank of Pakistan for the construction of storage depot at Kotla Jam in order to meet the future expansion plans and working capital requirements of the Holding Company which is secured against an exclusive hypothecation / mortgage charge over the Holding Company's land & building, Plant & Equipment, installations and equipment of the storage depot situated at the Kolta Jam site with 25% margin amounting to Rs. 800 million, with personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman), corporate guarantee from M/s: Fossil Energy Pvt. Ltd and M/s: Marshal Gas Pvt. Ltd. and post-dated cheques covering the facility obtained by the Holding Company.

22.1.4 This represents syndicated term finance facility from syndicate lenders and National Bank of Pakistan acts as Security Trustee for the lenders. This facility is secured against :

I First pari passu charge over the Holding Company's land & building, Plant & Equipment, installations and equipment of the storage depot situated at (a) Mehmoodkot, (b) Kolta Jam, (c) Sahiwal (d) Machike and (e) Daulatpur in favor of Security Trustee, with 15% margin.

II First pari passu charge over the Holding Company's fixed assets excluding land & building of the storage depot situated at (a) Amangarh, (b) Kemari, (c) Hub, (d) Thaliyan and (e) Shikarpur, in favor of Security Trustee, with 15% margin.

III First pari passu charge over the Holding Company's fixed assets excluding land & building situated at specific 29 retail sites, in favor of Security Trustee, with 15% margin.

IV First equitable mortgage over the Holding Company's land for retail outlet situated at Main Raiwind Road, Tehsil Raiwind, District Lahore, in favor of Security Trustee, with 15% margin.

V Lien on bank accounts maintained with National Bank of Pakistan.

22.1.5 During the year, the Holding Company entered into agreement with Sindh Bank Limited for the rescheduling of the loan amounting PKR 2.02 billion (RF - 395 million and 1,627 million Overdue Acceptance). As per the agreement The Holding Company paid 10% of the loan amount to convert it into Short term facility (LC/BG) and the remainig 90% of the loan converted into LTL with a tenor of 11 years.

Furthermore, as per the agreement the Accrued markup was recalculated at Cost of Fund (Sindh Bank) instead of the commercial rate, resulting in reversal of markup liability.

During the current period, the Holding Company further paid 10% of the loan amount to convert it into a short-term facility (LC/BG).

Additionally, as per the settlement terms, the Holding Company shall pay accrued markup to be calculated on the Sindh Bank's Cost of Funds (instead of the commercial rate) and is scheduled for repayment in the year 2036 and 2037.

22.1.6 During the period, the Holding Company enter into agreement with The Bank of Khyber for rescheduling a loan totaling PKR 1.81 billion (comprising PKR 484 million in Running Finance and PKR 1,322 million in Overdue Acceptance). Under the terms, the Holding Company made an upfront payment of 10% of the principal amount, converted an additional 10% of the principal into working capital facilities (in the form of local and import Letters of Credit), and restructured the remaining 80% of the loan into a Long-Term Loan with a 10-year tenor.

Additionally, as per the settlement terms, the Holding Company shall pay accrued markup to be calculated on the Bank of Khyber's Cost of Funds (instead of the commercial rate) and is scheduled for repayment in years 11 and 12 OR equity conversion option in line with Government Banks collectively.

For the first two years of restructuring quarterly installments of Rs. 5 million will be paid. Thereafter, quarterly installments of Rs. 43.941 million will be paid.

22.1.7 During the period the Holding Company entered into agreement with Askari Bank Limited for rescheduling of a Loan including accrued markup, amounting to PKR 3.726 billion (Principal 3,044 million, negotiated COF / Markup 682 million).

Under the terms of the agreement, the Holding Company agree to pay an upfront payment equivalent to 10% of principal amount, with the remaining balance of the loan and markup restructured into a long-term facility. The restructured loan is to be repaid through quarterly instalments commencing from September 2025 and continuing until March 2035.

Furthermore, as per the agreement the Accrued markup will be recalculated at Cost of Fund instead of the commercial rate, resulting in reversal of markup liability and is scheduled to be paid in the year 2035 to 2037.

22.2.1 This represents term finance facility from Pak Oman Investment Company Limited for the establishment of Sahiwal depot. The facility was initially secured against first pari passu charge of Rs 533 million on land, building, plant, machinery and equipment of the Holding Company situated at Sahiwal depot with 25% margin. The above first pari passu charge now stands reduced to Rs. 277 million.

22.2.2 This represents term finance facility from Pak Oman Investment Company Limited for the establishment of Sahiwal depot. The facility was secured against exclusive charge on land, building, plant, machinery and equipment of the Holding Company situated at Sahiwal depot with 25% margin maintained all times and personal guarantee of Mr. Mumtaz Hasan Khan (Ex-Chairman) to an aggregate amount of Rs. 150 million.

22.3.1 This represents rated and secured privately placed long term Islamic certificates (Sukuk) amounting to Rs. 2,000 million, issued to meet working capital requirements and future expansion plans of the Company. Bank Makramah Limited was the lead financial advisor and arranger while Meezan Bank Limited is acting as Shari'ah structuring advisor for the Sukuk. The facility was initially secured against first pari-passu charge of Rs. 2,667 million over specific depots and retail outlets of the Company inclusive of 25% margin. The above first pari passu charge now stands reduced to Rs. 1,066 million.

		Note	2025	2024
			------------ Rupees in '000	-------------
23.	**LEASE LIABILITIES**			
	Lease liability against right-of-use asset	23.1	**3,200,014**	3,159,428
23.1	**Lease liability of right-of-use asset**			
	Present value of future minimum lease payments		**3,332,119**	3,247,417
	Current portion	29.	**(132,105)**	(87,989)
	Non-current portion		**3,200,014**	3,159,428

	Note	2025	2024
		Rupees in '000	
23.1.1 Movement during the year			
Balance as at January 01,		3,247,417	3,537,520
Additions during the year	6	172,096	16,583
Accretion of interest	39	386,160	398,866
Terminations during the year		(34,667)	(142,140)
Lease rentals during the year	6.2	(438,887)	(563,412)
		3,332,119	3,247,417
Current portion shown under current liability	29	(132,105)	(87,989)
Balance as at December 31,		3,200,014	3,159,428
23.1.2 Maturity analysis			
Gross lease liabilities - minimum lease payments are as follows:			
Not later than one year		507,347	462,442
Later than one year but not later than five years		2,063,399	2,004,405
Later than five years		4,916,176	5,285,305
		7,486,922	7,752,152
Future finance charge		(4,154,803)	(4,504,735)
Present value of finance lease liabilities		3,332,119	3,247,417

24. DEFERRED LIABILITIES

	Note	2025	2024
HPL gratuity fund	50	235,167	195,100
Non-current portion of other liabilty		-	99,143
		235,167	294,243

25. TRADE AND OTHER PAYABLES

	Note	2025	2024
Trade creditors	25.1	25,512,899	43,873,007
Payable to cartage contractors		1,451,862	3,139,059
Advance from customers - unsecured	25.2	556,830	497,688
Dealers' and customers' security deposits	25.3	760,718	721,797
Other liabilities	25.4	20,618,785	20,368,127
		48,901,094	68,599,678

25.1 Trade creditors includes procurement of fuel from local refineries and imports and associated duties and levies.

25.1.1 This includes Rs. 16,134 million (2024: Rs. 32,665 million) amount payable to M/s: Vitol Bahrain E.C which is a related party. This also includes demurrage amounting to Rs. 3,933 million (2024: Rs. 4,024 million) which will be cleared upon SBP approval.

25.2 This represents advances received from customers pertaining to sale of petroleum products. The carrying amount as of December 31, 2025 amounting to Rs. 534 million (2024: Rs. 477 million).

25.3 The security deposits are non-interest bearing and are refundable on termination of contracts. These security deposits are not kept in separate bank account since the Group can utilize these funds as per terms of the agreements.

25.4 Other liabilities represent payable against repair and maintenance in operation and retail site, litigation claims, storage charges, rentals, insurance and other miscellaneous liabilities. The carrying amount as of December 31, 2025 amounting to Rs. 20,619 million (2024: Rs. 20,368 million).

		2025	2024
		------------ Rupees in '000 ------------	
26.	**UNCLAIMED DIVIDEND**		
	Balance at the beginning of the year	356,928	356,928
	Payments during the year	-	-
	Balance at the end of the year	356,928	356,928

26.1 This includes Rs. 338.319 million (2024: Rs. 338.319 million) amount payable to M/s. Vitol Dubai Limited which is a related party.

		2025	2024
		------------ Rupees in '000 ------------	
27.	**ACCRUED MARK-UP AND PROFIT**		
	Long-term financing	13,530,386	9,436,243
	Short-term borrowings	19,041,664	20,309,195
		32,572,050	29,745,438
28.	**SHORT-TERM BORROWINGS**		
	Borrowings from conventional banks - secured		
	Habib Bank Limited	3,727,115	3,024,933
	Askari Bank Limited	-	3,044,001
	National Bank of Pakistan	10,433,121	10,433,121
	Bank of Punjab	1,933,599	-
	Bank of Khyber	180,000	1,806,124
	First women bank limited	665,147	665,147
	Samba Bank Limited	729,306	836,271
	Habib Metropolitan Bank Limited	2,906,504	3,393,276
	Faysal Bank Limited	1,506,631	1,716,859
		22,081,423	24,919,732
	Borrowings from Islamic bank - secured		
	Meezan Bank Limited	1,603,076	2,091,493
	BankIslami Pakistan Limited	840,026	840,025
	Al Baraka Bank (Pakistan) Limited	1,478,645	1,692,425
	Dubai Islamic Bank Pakistan Limited	655,901	655,900
	Bank Alfalah Limited	668,641	881,163
		5,246,289	6,161,006
		27,327,712	31,080,738

28.1 These facilities were availed from various commercial banks aggregating to Rs. 27,328 million (2024: Rs. 31,081 million). The rates of mark-up/profit ranges from 1-6 months KIBOR plus 1.10% to 2% (2024: 1-6 months KIBOR plus 1.10% to 10%). These arrangements are secured against hypothecation charge over the Holding Company's present and future current assets with 25% margin.

28.2 During the year, the Holding Company recognized the reversal of the principal and accrued markup as other income in the financial statements.

	2025		
	Principal	Markup	Total
	Rupees in '000		
Askari Bank Limited	-	899,717	899,717
Bank of Khyber	-	628,439	628,439
	-	1,528,156	1,528,156

	2024		
	Principal	Markup	Total
	Rupees in '000		
MCB Bank Limited	268,803	275,300	544,103
United Bank Limited	522,803	478,026	1,000,829
Bank Makramah Limited	-	223,730	223,730
Bank of Punjab	-	738,000	738,000
Sindh Bank Limited	-	516,000	516,000
	791,606	2,231,056	3,022,662

28.3 Subsequent to the year ended December 31, 2025 and before the authorization of these financial statements, the Holding Company received a formal offer letter from National Bank of Pakistan (NBP) outlining the terms and conditions to restructure and reschedule the exposure covering the principal and markup outstanding against various financing facilities.

The management, in coordination with the single majority shareholder, is currently reviewing the conditions precedent and the detailed requirements for acceptance of the proposed terms and conditions of the offer.

	Note	2025	2024
		Rupees in '000	
29. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	22	10,170,621	7,647,750
Current portion of lease liability of right-of-use assets	23.1	132,105	87,989
		10,302,726	7,735,739

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 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 2025:

The last income tax return filed by the Holding Company is for Tax Year 2025, period ending 31/12/2024. In the last return filed for Tax Year 2025, the following has been declared:

- Minimum Tax paid u/s 113 Rs. 18,495,788
- Business loss Rs .21,791,114,932
- Refundable amount Rs. 23,116,730

The case of the Holding Company for tax year 2025 has not been selected for audit u/s 177. However, notice 122(5A) of the Ordinance, was issued by the Additional Commissioner IR and assessment order u/s 122(5A) has been passed imposing tax. Against the order u/s 122(5A) imposing tax the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) which is pending for hearing and the appeal is likely to succeed.

Tax year 2024:

The income tax return has been filed by the Holding Company is for Tax Year 2024, period ending 31/12/2023. In the return filed for Tax Year 2024, the following has been declared:

- Minimum Tax paid u/s 113 Rs. 18,495,788
- Business loss Rs. 16,738,567,000

The case of the Holding Company for tax year 2024 has not been selected for audit u/s 177 nor there is any notice issued u/s 176 or 122(5A) of the Ordinance, however rectification order passed u/s 221(1) of the Income Tax Ordinance, 2001, dated 08-07-2025 by the Deputy Commissioner Inland Revenue, Unit-03, Range-B, Zone-III, LTO, Karachi amending the deemed order u/s 120(1) imposing minimum tax u/s 113 on gross turnover creating tax demand of Rs 778,897,228.However, on the appeal filed by the Holding Company and handled by our office, the learned Appellate Tribunal Inland Revenue has not upheld the tax imposed u/s 113 and has decided the appeal in favor of the Holding Company deleting the tax imposed vide ATIR Appeal Order ITA No 1074/KB/2025 dated 5-12-2025.

Tax year 2023:

The income tax return has been filed by the Holding Company for Tax Year 2023, period ending 31/12/2022. In the return filed for Tax Year 2023, the following has been declared:

- Normal Tax Income (Property)	Rs. 38,164,800
- Minimum Tax paid u/s 113	Rs. 17,621,922
- Business loss	Rs 10,230,256,616
- Refundable amount	Rs. 7,017,346

The case of the Holding Company for tax year 2023 has not been selected for audit u/s 177 nor there is any notice issued u/s 176 or 122(5A) of the Ordinance, however rectification order passed u/s 221(1) of the Income Tax Ordinance, 2001, dated 10-07-2025 by the Deputy Commissioner Inland Revenue, Unit-03, Range-B, Zone-III, LTO, Karachi amending the deemed order u/s 120(1) imposing minimum tax u/s 113 on gross turnover creating tax demand of Rs 330,913,922. However, on the appeal filed by the Holding Company and handled by our office, the learned Appellate Tribunal Inland Revenue has not upheld the tax imposed u/s 113 and has decided the appeal in favor of the Holding Company deleting the tax imposed vide ATIR Appeal Order ITA No 1073/KB/2025 dated 5-12-2025.

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. 15,129,520,384 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 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 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.

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 Holding 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/s113 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.

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.

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.

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.

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 Holding 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.

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 Holding 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 Holding 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 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 Lubricant (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.

- The Holding Company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the Holding Company against the Order-in-Original No. 3639 of 2025 dated 10-09-2025 passed under Section 23 of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 331,785,335 for the Tax Periods January 2023 to December 2023 which is pending for hearing.

- The Holding Company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the Holding Company against the Order-in-Original No. 3760 of 2025 dated 01-10-2025 passed under Section 47(1B) of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 463,308,216 for the Tax Periods July 2020 to June 2021 which is pending for hearing.

- The Holding Company is contesting an appeal before the Commissioner (Appeals) Sindh Revenue Board which has been filed by the Holding Company against the Order-in-Original No. 3630 of 2025 dated 03-09-2025 passed under Section 43 and 44 of the Sindh Sales Tax on Services Act, 2011 creating a tax demand of Rs. 3,523,184 for the Tax Periods February 2025 to March 2025 which is pending for hearing.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES.

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 and being contested by M/S. OSMANI & AFZAL ASSOCIATES. 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 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.

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 Oilco and started damaging Holding 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.

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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

  The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore, Rawalpindi Bench.

  The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

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. Jawad Hassan, Honorable Judge, Lahore High Court Lahore. Rawalpindi Bench.

The last date of the ICA is 23.12.2025 final arguments on behalf of respondants have been heard, hence, the ICA is now reserved for final order.

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.

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. The said suit has been transfer from High Court to District Court Karachi and has been renumbered has suit number 5213 of 2025 presently pending before the Senior Civil Judge.

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.

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 likely hood 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 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 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, Holding 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 reinitiate 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 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 infructous.

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 ad 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 Holding 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 Appellant 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 Holding 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.

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 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 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 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.

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 Holding 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.

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 oppotunity 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 controvercies.The Assistant Collector passed an assessment order against the OMCs including Holding 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 is 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.

30.1.2 Banking contingencies

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.

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.

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

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.

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.

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.

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 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 o1io 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 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 into the out-of-court settlement and this suit is disposed of accrodingly.

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.

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.

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.

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

30.1.3 Commitments

I The facility for opening letters of credit (LCs) acceptances as at December 31, 2025 amounted to Rs. 12,433 million (2024: Rs. 27,994 million) of which the amount remaining unutilized as at that date was Rs. 252 million (2024: Rs. 76 million).

II There are no commitments for the purchases from Vitol Bahrain E.C, a party related to the Group.

		2025	2024
		------------ Rupees in '000 -----------	
III	Bank guarantees	**765,245**	-
IV	Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
	Property, plant and equipment	**133,272**	196,864

31. SALES - NET

	2025	2024
Sale of petroleum products inclusive of sales tax	**179,253,669**	144,846,342
Sales discount	**(2,018,194)**	(991,624)
	177,235,475	143,854,718

32. OTHER REVENUE

	2025	2024
Owned tank lorries - net	**-**	264,096
Franchise fee	**128,705**	103,607
Joining fee for petrol pump operators	**48,711**	1,787
Non fuel retail and lubricants	**97,934**	107,849
Rental income		
Investment porperty	**4,650**	-
leased plant and machinery	**3,300**	-
	283,300	477,339

32.1 Rental income earned from the lease of the blending plant for the year ended 31 December 2025 amounted to Rs. 7.95 million (2024: Rs. nil). As the lease arrangement includes both investment property and separately identifiable plant and machinery, total lease income has been apportioned between these components on the basis of their relative fair values, used as a provisional proxy for relative stand-alone prices. On this basis, rental income attributable to investment property amounted to Rs. 4.65 million (2024: Rs. nil), while the balance of Rs. 3.30 million (2024: Rs. nil) relates to leased plant and machinery.

33 COST OF SALES

	Note	2025	2024
		------------ Rupees in '000 -----------	
Opening stock - fuel		**26,563,997**	12,069,049
Fuel purchased	33.1	**101,550,509**	114,682,492
Duties, levies and depreciation	33.2	**52,686,189**	40,747,772
Closing stock - fuel and petrochemical	12	**(6,922,095)**	(26,563,997)
		173,878,600	140,935,316

33.1 This includes fuel purchased from local refineries, imports and provision of inventory.

33.1.1 This also includes shipping cost charged by supplier amounting to Rs. 10.5 million (2024: Rs. 90 million).

		Note	2025	2024
			------------ Rupees in '000 -----------	
33.2	**Duties, levies and depreciation**			
	Petroleum development levy	33.2.1	46,799,334	36,293,237
	Climate Support Levy		718,149	-
	Inland freight equalization margin		3,798,592	3,324,318
	Storage and handling charges		600,778	439,991
	Depreciation on right-of-use asset (storage & handling)	6.2	5,452	5,452
	Freight		763,884	684,774
			52,686,189	40,747,772

33.2.1 This includes additional petroleum development levy on direct sales.

34. DISTRIBUTION AND MARKETING EXPENSES

	Note	2025	2024
Salaries, wages and other benefits	35.1	888,021	780,929
Depreciation on property, plant and equipment	5.6	1,988,720	1,643,431
Depreciation on right-of-use asset	6.2	158,367	159,595
Rent, rates and taxes		299,583	273,216
Fuel and power		223,214	152,764
Traveling and conveyance		93,113	85,923
Repairs and maintenance		262,911	242,851
Insurance		67,623	104,596
Commission		128,444	63,989
Advertising and publicity		11,935	3,411
Printing, communication and stationery		29,192	27,029
Fees and subscription		19,773	10,947
Owned tank lorries - net		4,457	-
Legal and professional charges		6,973	3,495
		4,182,326	3,552,176

35. ADMINISTRATIVE EXPENSES

	Note	2025	2024
Salaries, allowances and other benefits	35.1	423,452	513,923
Fee and subscription		12,450	12,450
Legal and professional charges		75,801	116,900
Traveling and conveyance		46,232	49,437
Insurance		40,902	8,234
Repairs and maintenance		111,061	39,500
Depreciation on right-of-use asset	6.2	260	76,578
Depreciation on property, plant and equipment	5.6	139,311	46,759
Rent, rates and taxes		52,166	3,938
Printing, communication and stationery		27,993	14,749
Advertising and publicity		3,160	1,815
Fuel and power		9,810	12,275
Donation		-	-
Auditor's remuneration	35.2	12,623	11,584
Amortization	7	2,477	2,477
		957,698	910,619

35.1 Salaries and other benefits relating to distribution and administrative expense include:

		Note	2025	2024
			------------ Rupees in '000	-----------
	- Gratuity	50.1.5	60,992	66,316
	- Contribution to provident fund		25,989	32,764
35.2	**Auditor's remuneration**			
	Statutory audit		8,182	6,520
	Certifications		1,109	990
	Shari'ah audit fee		1,047	935
	Half yearly review		1,232	1,100
	Out of pocket expenses		1,571	1,324
	Consolidation		801	715
			13,942	11,584
36.	**(REVERSAL) / ALLOWANCE FOR EXPECTED CREDIT LOSS ON TRADE DEBTS**	13.1	(239,634)	67,111
37.	**OTHER EXPENSES**			
	IFEM provisioning	16.3	-	1,818,245
	Impairment on property, plant and equipment	5.1	-	53,794
	Provisioning of advances	14.3 & 37.2	59,660	726,603
	Other Expenses		-	7,795
	Penalty	37.1	13,935	7,693
			73,595	2,614,130

37.1 This represents penalty paid to Oil and Gas Regulatory Authority, Federal Board of Revenue and Collector of Customs.

37.2 This includes Rs. 7.86 million (2024: 721.68 million provision against amount paid to custom collectorate in the year 2022 and the case is pending in the honorable Sindh High Court for the recoverability of regulatory duty).

		Note	2025	2024
38.	**OTHER INCOME**		------------ Rupees in '000	-----------
	Income from financial assets			
	Markup / profit on:			
	- deposit with conventional banks		30,098	44,501
	- TFCs		22,816	22,816
	- Fair value change of TFC		703	-
			53,617	67,317
	Income from non-financial assets			
	Gain on disposal of operating fixed assets			
	Gain on disposal of ROU assets		279,784	34,700
	Reversal of IFEM provisioning		10,363	28,801
	Reversal of liability	15.3	513,528	-
	Scrap sales	27.2	1,528,156	3,022,662
	Rental income and others		5,426	3,469
	Rental income and others		194,467	89,458
			2,531,724	3,179,090
			2,585,341	3,246,407

	Note	2025	2024
		------------ Rupees in '000 -----------	
39. FINANCE COST			
Conventional			
Short term borrowings		**3,257,386**	5,788,002
Letter of credit / import contract		**12,481**	3,982
Long term borrowings		**1,860,365**	2,438,294
Interest cost on lease liability on right-of-use asset	23.1.1	**386,160**	399,003
Unwinding of discount		**18,358**	30,373
Bank charges		**206,545**	154,982
		5,741,295	8,814,636
Islamic			
Short term borrowings		**563,964**	777,287
Long term borrowings		**476,223**	947,952
		1,040,187	1,725,239
		6,781,482	10,539,875

40. TAXATION

40.1 The income tax returns of the Group have been filed up to tax year 2025 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.

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

40.3 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.

40.4 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.

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

40.6 During the year ended December 31, 2025 and 2024, provision for tax is based on minimum tax regime. Accordingly, tax reconciliation has not been presented in these consolidated financial statements.

41. LOSS FROM DISCONTINUED OPERATIONS

41.1 During the period, the wholly owned subsidiary Company ceasing operations at its blending plant facility located in Port Qasim, Karachi. This decision forms part of the strategic plan to exit the blending segment and lease the facility to third parties under a long-term rental arrangement. Accordingly, the results of the blending segment have been presented as a discontinued operation.

41.1.1 Statement of profit or loss

	Note	2025	2024
		------------ Rupees in '000 -----------	
Sales - net	41.2	949,369	2,020,989
Sales tax		(144,926)	(305,399)
Net Revenue		804,443	1,715,590
Cost of products sold	41.3	(687,663)	(1,453,143)
Gross profit from discontinued operations		116,780	262,447
Distribution and marketing expenses	41.4	(60,680)	(219,835)
Administrative expenses	41.5	(117,989)	(164,536)
Impairment losses on financial asset	13.1	(27,661)	2,112
Loss before taxation from discontinued operations		(206,330)	(382,259)
Operating loss		(89,550)	(119,812)
Finance cost	41.7	-	(3,095)
Other income	41.8	70,109	17,007
Exchange loss		(376)	(3,105)
Loss before taxation from discontinued operations		(19,817)	(109,005)
Taxation		(10,049)	(3,897)
Loss before from discontinued operations		(29,866)	(112,902)

41.1.2 Cash flow from discontinued operations

		2025	2024
Cash flow from operating activities		(49,960)	(21,599)
Cash flow from investing activities		4,957	(2,833)
Cash flow from Financing activities		-	(2,237)
Net decrease in cash and cash equivalents		(45,003)	(26,669)
Cash and cash equivalents at beginning of the period		54,028	80,697
Cash and cash equivalents at end of the period		9,025	54,028

41.2 REVENUE

		2025	2024
Gross revenue			
Sale of petroleum products inclusive of sales tax		967,592	2,064,586
Sales discount		(18,223)	(43,597)
		949,369	2,020,989

41.3 COST OF REVENUE

		2025	2024
Opening stock of lubricants, raw and packing materials		579,338	500,051
Raw and packing materials purchased		275,809	1,370,163
Overheards		90,799	162,267
closing stock of lubricants, raw and packing materials	12	(258,283)	(579,338)
Lubricants, raw and packing materials consumed		687,663	1,453,143

		Note	2025	2024
			------------ Rupees in '000	-----------
41.4	**DISTRIBUTION AND MARKETING EXPENSES**			
	Salaries, wages and other benefits		9,892	108,923
	Royalty		10,996	33,101
	Transportation		38,114	58,677
	Sales promotion		1,678	19,134
			60,680	219,835
41.5	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		80,789	101,368
	Legal and professional charges		5,737	8,942
	Insurance		5,662	10,308
	Depreciation - operating fixed assets	5.6	5,490	6,397
	Depreciation - right of use assets	6	-	1,228
	Travelling and conveyance		1,550	2,955
	Rent and taxes offices		3,902	20,623
	Repairs and maintenance		10,205	3,436
	Fuel and power		1,190	4,890
	Printing, communication and stationery		3,308	4,389
	Donation		156	-
			117,989	164,536
41.7	**FINANCE COST**			
	Interest on lease liability	23.1	-	137
	Interest on defined benefit obligation		-	2,958
			-	3,095
41.8	**OTHER INCOME**			
	Scrap sales		6,389	9,234
	Reversal for impairment		58,414	7,360
	Other income		300	266
	loss on disposal of assets		5,006	147
			70,109	17,007

		2025	2024
41.	**LOSS PER SHARE - basic and diluted**	2025	2024
	Loss for the year (Rupees in thousand)	(6,770,267)	(12,660,551)
	Weighted average number of ordinary shares (in thousand)	999,121	999,121
	Loss per share from continued operations - basic and diluted (Rupees)	(6.78)	(12.67)

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	---------- Rupees in '000 ----------					
Director's fee	-	12,450	-	-	12,450	-
Managerial remuneration	48,077	-	354,442	48,600	-	357,037
Cost of living allowance	5,342	-	39,570	5,400	-	39,671
Reimbursement of medical expenses	135	-	2,138	475	-	10,397
Retirement benefits	2,724	-	18,751	2,780	-	19,107
	56,278	12,450	414,901	57,255	12,450	426,212
Number of person(s)	2*	7	106	1	7	105

* This pertains to vacation and new appointment during the year of the Chief Executive Officer.

42.1 The Chief Executive Officer and certain executives are also provided with free use of Company maintained cars and cellular connections. In addition, the Chief Executive Officer is provided with free security services in accordance with the terms of employment.

43. 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:

43.1 Transactions with related parties

Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	2025	2024
				---------- Rupees in '000 ----------	
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Rendering of services	9.07%	304,423	379,365
Magic River Services Limited	Shareholding	Share of profit	25%	10,285	9,599
Vitol Bahrain E.C	Associate of Parent Co.	Procurement	N/A	44,513,313	60,352,717

43.2 Balances with related parties

Name of related party	Nature of relationship	Nature of transaction	Percentage of shareholding	2025	2024
				----- Rupees in '000 -----	
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Advance against issue of shares	9.07%	2,500	-
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Investments	9.07%	412,500	-
Karachi Hydrocarbon Terminal Limited	Associate of Parent Co.	Rendering of services	9.07%	1,573,981	-
Magic River Services Limited	Shareholding	Investments	25%	110,687	110,000
Magic River Services Limited	Shareholding	Share of profit	25%	-	979
VAS LNG (Private) Limited	Shareholding	Advance against issue of shares	30%	-	1,023
VAS LNG (Private) Limited	Shareholding	Investments	30%	-	3,000
Vitol Bahrain E.C	Associate of Parent Co.	Procurement	N/A	16,134,156	32,664,686

		Note	2025	2024
			------------ Rupees in '000	-----------
44.	**CASH GENERATED FROM OPERATIONS**			
	Loss before taxation		**(6,130,804)**	(11,025,599)
	Adjustment for:			
	Depreciation on property, plant and equipment	5.6	**2,193,650**	1,783,477
	Depreciation on right-of-use asset	6.2	**164,079**	242,853
	Amortization	7	**2,477**	2,477
	(Reversal) / Provision for IFEM, RD & PDC	16.3	**(513,528)**	1,818,245
	Written-off IFEM, RD & PDC	15.3	**(288,287)**	(1,113,832)
	Share of profit from associates		**(10,972)**	34,510
	Reversal / Impairment on property, plant and equipment	37	**(58,414)**	53,794
	Reversal against slow moving stock	12.1	**-**	(23,277)
	(Reversal) / Provision of allowance for ECL	13.1	**(211,973)**	64,999
	Exchange loss - unrealized		**178,312**	197,109
	Provision for gratuity	50.1.5	**60,991**	66,317
	Gain on disposal of operating fixed assets	38	**(284,790)**	(34,700)
	Gain on termination of lease	38	**(10,363)**	(28,948)
	Reversal of Markup	28.2	**(1,528,156)**	(2,231,056)
	Provision of advance to supplier	37	**59,660**	726,603
	Unrealised gain on TFC	38	**(703)**	-
	Markup / profit on bank deposits	38	**(52,914)**	(67,317)
	Markup charged on lease liability	39	**386,160**	399,003
	Finance cost	39	**6,395,322**	10,143,967
	Reclassification of short term loan as long term loan		**4,184,500**	932,644
	Changes in working capital	44.1	**2,470,576**	4,551,098
	Cash generated from operations		**7,004,823**	6,492,367
44.1	**Changes in working capital**			
	Current assets			
	Stock-in-trade	12	**19,962,957**	(14,550,958)
	Trade debts	13	**1,218,905**	(1,756,791)
	Advances	14	**74,868**	(105,158)
	Deposits and prepayments	15	**28,103**	(18,131)
	Other receivables	16	**1,161,783**	4,047,073
			22,446,616	(12,383,965)
	Current liabilities			
	Trade and other payables	25	**(19,976,040)**	16,935,063
	Changes in working capital		**2,470,576**	4,551,098
45.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	19	**582,902**	638,653
	Short-term borrowings	28	**(27,327,712)**	(31,080,738)
			(26,744,810)	(30,442,085)

46. OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of a single reportable segment.

- Sales from petroleum products represent 100% (2024: 100%) of total revenues of the Group.
- Out of total sales of the Group 100% (2024: 100%) related to customers in Pakistan.
- All non-current assets of the Group as at December 31, 2025 are located in Pakistan.

The Group sells its product to dealers, government agencies and autonomous bodies, independent power projects and other corporate customers.

Sales to ten major customers of the Group are around 10.83% during the year ended December 31, 2025 (2024: 11.38%).

46. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2025	2024
		------------ Rupees in '000 -----------	
Financial assets as per statement of financial position			
Fair value through profit or loss			
Short term investments	18	100,800	100,097
At cost			
Long term investments	8	468,968	469,260
At amortized cost - gross values			
Deposits	15 & 11	378,777	445,824
Trade debts	13	11,390,374	12,609,279
Other receivables	16	2,372,526	3,661,595
Accrued mark-up and profit	17	182	257
Cash and bank balances	19	582,902	638,653
		14,724,761	17,355,608
Total financial assets		15,294,529	17,924,965
Financial liabilities as per statement of financial position			
At amortized cost - gross values			
Long-term and short term financing	22	18,523,563	14,570,059
Unclaimed dividend	26	356,928	356,928
Trade and other payables	25	48,344,264	68,101,990
Accrued mark-up and profit	27	32,572,050	29,745,438
Short-term borrowings	28	27,327,712	31,080,738
Total financial liabilities		127,124,517	143,855,153

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

a) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

	2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	------------------------- **Rupees in '000** ---------------------------			
Financial assets				
Long term investments	**468,968**	**468,968**	469,260	469,260
Deposits	**378,777**	**378,777**	445,824	445,824
Trade debts	**11,390,374**	**11,390,374**	12,609,279	12,609,279
Other receivables	**2,372,526**	**2,372,526**	3,661,595	3,661,595
Short term investment	**100,800**	**100,800**	100,097	100,097
Accrued mark-up and profit	**182**	**182**	257	257
Cash and bank balances	**582,902**	**582,902**	638,653	638,653
	15,294,529	**15,294,529**	17,924,965	17,924,965

	2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	------------------------- **Rupees in '000** ---------------------------			
Financial liabilities				
Long-term and short term financing	**18,523,563**	**18,523,563**	14,570,059	14,570,059
Unclaimed dividend	**356,928**	**356,928**	356,928	356,928
Trade and other payables	**48,344,264**	**48,344,264**	68,101,990	68,101,990
Accrued mark-up and profit	**32,572,050**	**32,572,050**	29,745,438	29,745,438
Short-term borrowings	**27,327,712**	**27,327,712**	31,080,738	31,080,738
	127,124,517	**127,124,517**	143,855,153	143,855,153

b) Valuation of financial instruments

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Group determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Group include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates

c) Financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000				
Short term investments	**100,800**	**100,800**	**-**	**-**	**100,800**
Long term investments at cost	**468,968**	**-**	**-**	**468,968**	**468,968**
Total	**569,768**	**100,800**	**-**	**468,968**	**569,768**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
Short term investments	100,097	100,097	-	-	100,097
Long term investments at cost	469,260	-	-	469,260	469,260
Total	569,357	100,097	-	469,260	569,357

d) Non-financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000				
Building on lease hold land	**6,889,382**	**-**	**-**	**6,889,382**	**6,889,382**
Tanks and pipelines	**4,840,704**	**-**	**-**	**4,840,704**	**4,840,704**
Dispensing pumps	**1,715,780**	**-**	**-**	**1,715,780**	**1,715,780**
Plant and machinery	**1,076,988**	**-**	**-**	**1,076,988**	**1,076,988**
Electrical, mechanical and	**1,184,598**			**1,184,598**	**1,184,598**
fire fighting equipment		**-**	**-**		**-**
Furniture, office equipment	**102,617**	**-**	**-**	**102,617**	**102,617**
and other assets					**-**
Vehicles	**511,808**	**-**	**-**	**511,808**	**511,808**
Computer auxiliaries	**25,327**	**-**	**-**	**25,327**	**25,327**
	16,347,204	**-**	**-**	**16,347,204**	**16,347,204**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
Building on lease hold land	7,936,541	-	-	7,936,541	7,936,541
Tanks and pipelines	5,256,861	-	-	5,256,861	5,256,861
Dispensing pumps	1,901,864	-	-	1,901,864	1,901,864
Plant and machinery	1,191,119	-	-	1,191,119	1,191,119
Electrical, mechanical and fire					
fighting equipment	1,512,464	-	-	1,512,464	1,512,464
Furniture, office equipment		-	-		
and other assets	145,124			145,124	145,124
Vehicles	622,485	-	-	622,485	622,485
Computer auxiliaries	18,587	-	-	18,587	18,587
	18,585,045	-	-	18,585,045	18,585,045

49. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group is exposed to the following risks from its use of financial instruments:	Note
- Market risk	
- Credit risk and concentration of credit risk	49.1.1
- Liquidity risk	49.1.2
- Operational risk	49.1.3
	49.1.4

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring any increase in risk, and the Group's management of capital.

49.1 Financial risk management

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board oversee how management monitors compliance with the Group's risk management policies and procedures, and review the adequacy of risk management framework in relation to the risks faced by the Group.

49.1.1 Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The objective of market risk management is to manage and control market risk exposures within an acceptable range. The market risk includes:

(a) Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group imports petroleum product and is thus exposed to currency risk in respect to foreign creditors, which at the year end amount to USD 100.677 million (2024: USD 156.264 million) having PKR equivalent amount of Rs. 28,202 million (2024: Rs. 43,527 million). The average rates applied during the year is Rs. 281.65 per USD (2024: Rs. 278.52 per USD) and the spot rate as at December 31, 2025 is Rs. 280.12 per USD (2024: Rs. 278.55 per USD).

The Group manages its currency risk by close monitoring of currency markets. Under regulatory requirements, the Group cannot hedge its currency risk exposure. Consequently, the Group recorded net exchange loss amounting to Rs. 536 million (2024: Loss Rs. -211 million) during the year.

Sensitivity analysis
As at December 31, 2025, if the Pakistani Rupee had weakened / strengthened by 5% against USD with all other variables held constant, loss / profit for the year would have been lower / higher by Rs. 1,410 million (2024: Rs. 2,176 million).

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises due to long-term financing and short term borrowings. At the balance sheet date the interest rate profile of the Group's mark-up bearing financial instruments is summarized as follows:

Cash flow sensitivity for variable rate instruments

A change of 100 basis points (bps) in interest rates at the reporting date would effect on profit or loss before tax is shown below. This analysis assumes that all other variables, in particular foreign currency rates remain constant.

Cash flow sensitivity of variable rate instruments

	Profit or (loss)		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	Rupees in '000			
(Expense) / income				
As at December 31, 2025	**(65,337)**	**65,337**	**(46,389)**	**46,389**
As at December 31, 2024	(102,792)	102,792	(72,982)	72,982

b) Interest / profit rate risk (continued)

	2025							
		Exposed to yield/interest/profit risk			Non-interest/profit bearing			
	Effective yield/ interest/profit rate % (Per annum)	Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	Total
		Rupees. in '000						
Financial assets at gross values								
Long term investments	-	-	-	-	-	468,968	468,968	468,968
Deposits	-	-	-	-	254,978	123,799	378,777	378,777
Trade debts	-	-	-	-	11,390,374	-	11,390,374	11,390,374
Other receivables	-	-	-	-	2,372,526	-	2,372,526	2,372,526
Accrued mark-up and profit	-	-	-	-	182	-	182	182
Short term investments	11.98-13.44	100,800	-	100,800	-	-	-	100,800
Cash and bank balances	8.00-8.50	271,481	-	271,481	311,421	-	311,421	582,902
		372,281	-	372,281	14,329,481	592,766	14,922,247	15,294,528
Financial liabilities at gross values								
Long term and short term finances	11.48-15.10	10,170,621	8,352,942	18,523,563	-	-	-	18,523,563
Unclaimed dividend	-	-	-	-	356,928	-	356,928	356,928
Trade and other payables	-	-	-	-	48,344,264	-	48,344,264	48,344,264
Accrued mark-up and profit	-	-	-	-	32,572,050	-	32,572,050	32,572,050
Short-term borrowings	11.48-13.44	27,327,712	-	27,327,712	-	-	-	27,327,712
		37,498,333	8,352,942	45,851,275	81,273,242	-	81,273,242	127,124,517
On financial position gap		(37,126,052)	(8,352,942)	(45,478,994)	(66,943,761)	592,766	(66,350,995)	(111,829,989)

	2024							
		Exposed to yield/interest/profit risk			Non-interest/profit bearing			
	Effective yield/ interest/profit rate % (Per annum)	Maturity up to one year	Maturity after one year	Sub-Total	Maturity up to one year	Maturity after one year	Sub-Total	Total
		---------- Rupees. in '000 ----------						
Financial assets at gross values								
Long term investments	-	-	-	-	-	469,260	469,260	469,260
Deposits	-	-	-	-	327,244	118,580	445,824	445,824
Trade debts	-	-	-	-	12,609,279	-	12,609,279	12,609,279
Other receivables	-	-	-	-	3,661,595	-	3,661,595	3,661,595
Accrued mark-up and profit	-	-	-	-	257	-	257	257
Short term investments	22.73-22.84	100,097	-	100,097	-	-	-	100,097
Cash and bank balances	13.52-16.88	407,116	-	407,116	199,090	-	199,090	606,206
		507,213	-	507,213	16,797,465	587,840	17,385,305	17,892,518
Financial liabilities at gross values								
Long term and short term finances	9.85-24.56	7,647,750	6,922,309	14,570,059	-	-	-	14,570,059
Unclaimed dividend	-	-	-	-	356,928	-	356,928	356,928
Trade and other payables	-	-	-	-	68,101,990	-	68,101,990	68,101,990
Accrued mark-up and profit	-	-	-	-	29,745,438	-	29,745,438	29,745,438
Short-term borrowings	9.00-25.38	31,080,738	-	31,080,738	-	-	-	31,080,738
		38,728,488	6,922,309	45,650,797	98,204,356	-	98,204,356	143,855,153
On financial position gap		(38,221,275)	(6,922,309)	(45,143,584)	(81,406,891)	587,840	(80,819,051)	(125,962,635)

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark-up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuers, or factors affecting all or similar financial instruments traded in the market. The Group is not exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. Nil (2024: Rs. Nil) at the consolidated statement of financial position date. The Group manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

49.1.2 Credit risk and concentration of credit risk:

The value of investment subject to equity price risk are, in almost all instance, based on quoted market price as of the reporting date except for unquoted investments which are carried at cost. Market prices are subject to fluctuation and consequently the amount realized as a result of subsequent sale of an investment may differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investment and general market condition. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The credit quality of receivables can be assessed with reference to the historical performance with no or some defaults in recent history. The Group manages credit risk of receivables through the monitoring of credit exposures, limiting transactions with specific customers and continuous assessment of credit worthiness of its customers. The gross carrying values of financial assets which are neither past due nor impaired are as under:

	2025	2024
	------------ Rupees in '000 -----------	
Long term investments	**468,968**	469,260
Deposits	**378,777**	445,824
Trade debts - unsecured	**11,390,374**	12,609,279
Other receivables	**2,372,526**	3,661,595
Accrued mark-up and profit	**182**	257
Short term investments	**100,800**	100,097
Cash and bank balances	**582,902**	606,206
	15,294,528	17,892,518

	2025		2024	
	Gross	**Impaired**	Gross	Impaired
	---------------------------- Rupees in '000 ------------------------------			
Aging analysis of trade debts:				
Past due 1-30 days	**1,761,150**	**2,692**	2,306,605	487
Past due 31-90 days	**52,082**	**347**	315,323	71
Past due 91-180 days	**45,593**	**40,137**	82,439	82,439
Past due 181-365 days	**33,222**	**36,149**	147,084	147,084
Over 1 year	**9,498,327**	**9,493,617**	9,449,572	9,449,572
	11,390,374	**9,572,942**	12,301,023	9,679,653

The credit risk for bank balances is considered to be negligible, since the counterparties are reputable banks and institutions with high quality external credit ratings. The credit quality of bank balances that are neither past due nor impaired can be assessed with reference to external credit ratings as follows:

	Rating agency	Short term	Long term
Islamic Banks			
Al Baraka Bank Pakistan Limited	JCR- VIS	A-1	AA-
Bank Islami Pakistan Limited	PACRA	A1	AA-
Meezan Bank Limited	JCR- VIS	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
Dubai Islamic Bank Pakistan	JCR- VIS	A-1+	AA
Conventional banks			
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Bank Al Falah Limited	PACRA	A-1+	AAA
Bank of Khyber	PACRA-VIS	A-1/A-1	A+/AA-
Bank of Punjab	PACRA	A-1+	AA+
Faysal Bank Limited	PACRA-VIS	A-1+/A-1+	AA/AA+
First Women Bank Limited	PACRA	A-2	A-
MCB Bank Limited	PACRA	A-1+	AAA
National Bank of Pakistan	PACRA-VIS	A-1+/A-1+	AAA/AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Habib Bank Limited	JCR- VIS	A-1+	AAA
SAMBA Bank Limited	PACRA	A-1	AA
Sindh Bank Limited	JCR- VIS	A-1+	AA-
Bank Makramah Limited Formerly Summit Bank Limited	JCR- VIS	A-3	BBB-
United Bank Limited	JCR- VIS	A-1+	AAA
Pak Oman Investment Company Limited	JCR- VIS	A-1+	AA+
Soneri Bank Limited	PACRA	A-1+	AA-

49.1.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customers. The Group's financial liabilities have contractual maturities as summarized below:

	2025		
	Within one year	**Over one year**	**Total**
	------------------ Rupees in '000 ------------------		
Long term and short term finances	**10,170,621**	**8,352,942**	**18,523,563**
Trade and other payable	**48,344,264**	**-**	**48,344,264**
Unclaimed dividend	**356,928**	**-**	**356,928**
Mark-up accrued	**32,572,050**	**-**	**32,572,050**
Short-term borrowings	**27,327,712**	**-**	**27,327,712**
	118,771,575	**8,352,942**	**127,124,517**

	2024		
	Within one year	Over one year	Total
	------------------ Rupees in '000 ------------------		
Long term finances	7,647,750	6,922,309	14,570,059
Trade and other payables	68,101,990	-	68,101,990
Unclaimed dividend	356,928	-	356,928
Mark-up accrued	29,745,438	-	29,745,438
Short-term borrowings	31,080,738	-	31,080,738
	136,932,844	6,922,309	143,855,153

	Long term financing	Short term borrowing	Letter of credit	Total principal	Accrued mark-up	Total exposure including mark-up
	Rupees in '000					
December 31, 2025						
Financial Institutions exposure						
National Bank of Pakistan	8,251,682	10,433,121	-	18,684,803	16,367,256	35,052,059
Habib Metropolitan Bank Ltd	-	2,906,504	605,021	3,511,525	27,190	3,538,715
Habib Bank Ltd	-	3,727,115	1,410,620	5,137,735	1,033,152	6,170,887
Meezan Bank Ltd	1,775,138	1,603,076	-	3,378,214	2,597,718	5,975,932
Askari Bank Ltd	2,720,851	-	-	2,720,851	902,682	3,623,533
Bank of Punjab	-	1,933,599	802,313	2,735,912	1,234,442	3,970,354
Sindh Bank Ltd	1,617,968	-	402,245	2,020,213	1,282,382	3,302,595
Faysal Bank Ltd	-	1,506,631	-	1,506,631	1,872,730	3,379,361
Bank of Khyber	1,434,899	180,000	-	1,614,899	923,564	2,538,463
Bank Alfalah Ltd	798,813	668,641	-	1,467,454	1,115,956	2,583,410
Al Baraka Bank Ltd	-	1,478,645	-	1,478,645	1,225,198	2,703,843
Bank Islami Pakistan Ltd	710,056	840,026	-	1,550,082	1,110,759	2,660,841
Dubai Islamic Bank Pakistan Ltd	621,299	655,901	-	1,277,200	1,134,949	2,412,149
Samba Bank Ltd	-	729,306	-	729,306	750,858	1,480,164
First Women Bank Ltd	-	665,147	-	665,147	530,687	1,195,834
Bank Makramah Ltd	-	-	363,000	363,000	-	363,000
Pak Oman Investment Co. Ltd	92,857	-	-	92,857	46,475	139,332
Sukuk	500,000	-	-	500,000	416,053	916,053
	18,523,563	**27,327,712**	**3,583,199**	**49,434,474**	**32,572,050**	**82,006,524**

	Long term financing	Short term borrowing	Letter of credit	Total principal	Accrued mark-up	Total exposure including mark-up
	Rupees in '000					
December 31, 2024						
Financial Institutions exposure						
National Bank of Pakistan	8,251,682	10,433,121	-	18,684,803	13,877,955	32,562,758
Habib Metropolitan Bank Ltd	-	3,393,276	200,580	3,593,856	409,752	4,003,608
Habib Bank Ltd	-	3,024,933	1,948,230	4,973,163	1,478,994	6,452,157
Meezan Bank Ltd	1,775,139	2,091,493	-	3,866,632	2,179,523	6,046,155
Askari Bank Ltd	-	3,044,001	-	3,044,001	1,379,820	4,423,821
Bank of Punjab	-	-	2,883,570	2,883,570	1,208,909	4,092,479
Sindh Bank Ltd	1,820,214	-	202,245	2,022,459	1,009,396	3,031,855
Faysal Bank Ltd	-	1,716,859	-	1,716,859	1,550,740	3,267,599
Bank of Khyber	-	1,806,124	-	1,806,124	1,326,614	3,132,738
Bank Alfalah Ltd	798,813	881,163	-	1,679,976	939,623	2,619,599
Al Baraka Bank Ltd	-	1,692,425	-	1,692,425	1,028,865	2,721,290
Bank Islami Pakistan Ltd	710,056	840,025	-	1,550,081	925,422	2,475,503
Dubai Islamic Bank Pakistan Ltd	621,298	655,900	-	1,277,198	960,220	2,237,418
Samba Bank Ltd	-	836,271	-	836,271	645,036	1,481,307
First Women Bank Ltd	-	665,147	-	665,147	436,778	1,101,925
Bank Makramah Ltd	-	-	363,000	363,000	-	363,000
Pak Oman Investment Co. Ltd	92,857	-	-	92,857	37,329	130,186
Sukuk	500,000	-	-	500,000	350,462	850,462
	14,570,059	31,080,738	5,597,625	51,248,422	29,745,438	80,993,860

49.1.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group's activities, either internally within the Group or externally at the Group's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Group's activities.

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Group. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- operational and qualitative track record of the plant and equipment supplier and related service providers.

50. STAFF RETIREMENT BENEFITS

	Note	2025	2024
		------------ Rupees in '000 -----------	
HPL gratuity fund	50.1	**235,167**	195,100
HPL provident fund	50.2	**-**	-

50.1 The Group operates an approved gratuity fund for its employees who have completed the employment period of 5 years. Provision is created for the benefit of the scheme on the basis of actuarial valuations. Number of eligible employees covered in fund are 196 (2024: 218).

	Note	2025	2024
		------------ Rupees in '000 -----------	
50.1.1 Movement in liability recognized in consolidated statement of financial position			
Present value of defined benefit obligations	50.1.3	**264,116**	303,505
Fair value of plan assets	50.1.4	**(28,949)**	(108,405)
Statement of financial position liability		**235,167**	195,100
50.1.2 Movement in liability recognized in consolidated statement of financial position			
Net defined benefit liability as at January 01,		**162,923**	115,612
Net benefit cost / (income) for the year ended	50.1.5	**60,991**	66,316
Actual contribution by the employer		**-**	(10,000)
Remeasurement recognized in OCI during the year		**8,058**	23,379
Net defined benefit liability as at December 31,		**231,972**	195,307

		2025	2024
		------------ Rupees in '000	-----------
50.1.3	**Movement in present value of the defined benefit obligation**		
	Present value of defined obligation as at January 01,	303,505	247,887
	Current service cost	41,208	48,636
	Interest cost	32,455	41,401
	Benefits payable to outgoing members by the fund	(70,884)	(49,128)
		306,284	288,796
	Remeasurement loss	(42,168)	14,709
	Present value of defined obligation as at December 31,	264,116	303,505
50.1.4	**Movement in fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	108,405	132,273
	Expected return on plan assets	12,671	23,721
	Contributions made by the Group	28,983	10,208
	Benefits paid during the year	(70,884)	(49,128)
	Remeasurements: Actuarial loss	(50,226)	(8,669)
	Fair value of plan assets at the end of the year	28,949	108,405
50.1.5	**Expense recognized in the consolidated statement of profit or loss**		
	Current service cost	41,208	48,636
	Interest cost	32,455	41,401
	Expected return on plan assets	(12,671)	(23,721)
		60,992	66,316
50.1.6	**Remeasurement recognized in consolidated statement of comprehensive income**		
	Remeasurement of defined benefit obligation - loss	42,168	(14,709)
	Remeasurement on Plan Assets - loss	(50,226)	(8,669)
		(8,058)	(23,378)
	Less: Deferred tax effect	2,337	6,445
		(5,721)	(16,933)

50.1.7 Analysis of present value of defined benefit obligation

	2025	2024
	------------ Rupees in '000 -----------	
Split by vested / non - vested		
(i) Vested benefits	**225,898**	234,490
(ii) Non-vested benefits	**40,154**	69,014
Split by benefits earned to date		
(i) Present value of guaranteed benefits	**139,025**	138,911
(ii) Present value of benefits attributable to future salary increase	**127,027**	164,594
Expected distribution of timing of benefit payments time in years		
Within first year from the end of financial year	**16,658**	19,024
Within second years from the end of financial year	**66,462**	39,317
Within third years from the end of financial year	**30,044**	72,003
Within fourth years from the end of financial year	**38,360**	8,474
Within five years from the end of financial year	**48,589**	64,281
Within six to ten years from the end of financial year	**276,425**	388,008
Sensitivity analysis on significant actuarial assumptions on present value of defined benefit obligation		
Discount rate +1%	**245,355**	282,722
Discount rate -1%	**282,859**	327,129
Expected rate of salary increase +1%	**279,024**	328,359
Expected rate of salary increase -1%	**248,421**	281,290

	2025	2024
Maturity profile of present value of defined benefit obligation	----------- Percentage -----------	
Weighted average duration of the present value of defined benefit obligation (years)	**7.10**	8.28

	2025	2024
Key statistics	**41.80**	40.78
Average age (time in years)	**6.22**	5.21
Average service (time in years)	**35.58**	35.57
Average entry age (time in years)	**60**	60
Retirement assumption age (time in years)		
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1

The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).

50.1.8 Historical information of staff retirement benefits

	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of gratuity	235,167	195,307	115,612	193,932	143,645

50.1.9 The recognized gratuity expense for the year ending December 31, 2025 works out to be Rs. 60.99 million.

50.1.10 Actuarial assumptions

The following significant assumptions were used in the valuation carried out at the balance sheet date using the projected unit credit method:

	2025	2024
	% per annum	
- Expected long-term rate of increase in salary level	11.00	12.25
- Discount rate	11.00	12.25

The Group operates approved provident fund for its eligible employees as of December 31, 2025. Details of assets and investments of the fund is as follows:

	Note	2025	2024
		Rupees in '000	
Size of fund - total net assets (Rupees in '000)		326,922	354,405
Number of members		179	250
Cost of investments made (Rupees in '000)		331,450	364,531
Percentage of investments made		100%	100%
Fair value of investments (Rupees in '000)	50.2.1	327,650	360,096

50.2.1 The break-up of fair value of investments is as follows:

	2025 Unaudited		2024 Unaudited	
	Investments (Rs. in '000)	% of investment	Investments (Rs. in '000)	% of investment
Saving bank accounts	236,450	72	269,532	75
Term finance certificate	91,200	28	90,564	25
	327,650	100	360,096	100

50.2.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

51. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to “All Shares Islamic Index.

S.No.	Description	Explanation
(i)	Loans and advances	Non-interest bearing as disclosed in note 13.
(ii)	Deposits	Non-interest bearing as disclosed in note 10 and 14.
(iii)	Segment revenue	Disclosed in note 46.
(iv)	Bank balances	Placed under interest arrangement and Shariah permissible arrangement as disclosed in note 19.
(v)	Income on bank deposits	Placed under interest arrangement and Shariah permissible arrangement as disclosed in note 38.
(vi)	All sources of income	Disclosed in note 31, 32 and 38.
(vii)	Exchange gain	Not applicable during the year.
(viii)	Mark up paid on Islamic mode of financing	Disclosed in note 39.
(ix)	Relationship with banks having Islamic windows	Following is the list of banks with which the Group has a relationship with Islamic window of operations:

S.No.	Names of Islamic bank
1	Al Baraka Bank Pakistan Limited
2	Bank Islami Pakistan Limited
3	Meezan Bank Limited
4	MCB Islamic Bank Limited
5	Dubai Islamic Bank Pakistan

52. COMPARATIVE FIGURES

Items presented in these consolidated statement of financial position as at December 31, 2025 have been reclassified to confirm to current year’s presentation.

53. NUMBER OF EMPLOYEES

	2025	2024
	------- Number -------	
Total number of employees as at year end	**229**	311
Average number of employees during the year	**247**	331

54. DISCOUNTINUED OPERATIONS

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 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.

55. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorized for issue on **March 31, 2026** by the Board of Directors of the Group.

Chief Executive Officer | Chief Financial Officer | Director

Form of Proxy

24th Annual General Meeting

The Company Secretary
Hascol Petroleum Limited
The Forum, Suite No. 324, 3rd Floor,
Khayaban-e-Jami, Block 9, Clifton, Karachi.

I/We____of___________ _______________________being member(s) of **Hascol Petroleum Limited** and holder of _________________________________ordinary shares as per Share Register Folio No. _________________ and/or CDC Participant I.D. No. and Sub Account No./ IAS Account No._______________, hereby appoint _________________________ of __________________ or failing him / her _______________________________of ______________ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Monday, 27th April 2026**, and at any adjournment thereof.

As witness my / our hands / seal this ______ day of ______________________ 2026.

Affix
Rs. 5/-
Revenue
Stamp

Witness No.1

Name ________________________
Address ________________________
____
CNIC or Passport No. ________________________

____
Signature
(Signature should agree with the specimen signature registered with the Company)

Witness No.2

Name ________________________
Address ________________________
____
CNIC or Passport No. ________________________

1. This proxy form, duly completed and signed, must be received at the registered office of the Company at The Forum, Suite No. 324, 3rd Floor, Khayaban-e-Jami, Block 9, Clifton, Karachi, not less than 48 hours before the time of holding the Meeting.

2. Members are requested:

   (a) To affix Revenue Stamp of Rs. 5/- at the place indicated above; and
   (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.

For CDC account holder(s) / corporate entities
In addition to the above the following requirements have to be met:

i) the proxy form shall be witnessed by two persons whose names, addresses and CNIC / passport numbers shall be stated on the form;

ii) attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form;

iii) the proxy shall produce his / her original CNIC or original passport at the time of the meeting; and

پراکسی فارم

چوبیسویں سالانہ جنرل میٹنگ

کمپنی سیکریٹری
ہیسکول پیٹرولیم لمیٹڈ
دی فورم، سویٹ نمبر 324،
تیسری منزل، خیابانِ جامی، بلاک 9،
کلفٹن، کراچی۔

میں رہم ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔، ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ کا/کی/کے رہائیشی ہیسکول پیٹرولیم لمیٹڈ کا/کی/کے
ممبراور ۔۔ عام شیئرز کا/کی/کے ہولڈ، رجسٹر فولیو نمبر ۔۔۔۔۔۔۔۔۔۔ اور/یا سی ڈی سی پارٹیسپنٹ
ای ڈی نمبر اور سب اکاؤنٹ نمبر ر ای آئی ایس ۔۔۔۔۔۔۔۔۔۔۔۔۔، ۔۔۔۔۔۔۔۔۔۔۔۔۔، ۔۔۔۔۔۔۔۔۔۔۔ کے/کی رہائشی یا اس کی عدم موجودگی میں
۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ کے/کی رہائشی یا اس کی عدم موجودگی میں ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
کے/کی رہائشی کو پیر 27 اپریل 2026 کو ہونے والے کمپنی کے سالانہ اجلاس میں میری/ ہماری غیر موجودگی پر بطور میری/ ہماری پراکسی کے اجلاس میں شرکت اور ووٹ دینے کے لیے تعینات کرتا/کرتی ہوں۔

گواہ نمبر (۱)
نام: ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ: ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ یا پاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
دستخط
دستخط کمپنی کے ساتھ رجسٹرڈ
نمونہ دستخط سے متفق ہونا چاہیے

چسپاں کریں 5 روپے ریونیو اسٹامپ

گواہ نمبر (۲)
نام: ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ: ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ یا پاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔

ضروری احکامات

۱۔ یہ پراکسی فارم صحیح طریقے سے مکمل ہو کر دستخط کے ساتھ کمپنی کے رجسٹر آفس دی فورم، سویٹ نمبر 324، تیسری منزل، خیابانِ جامی، بلاک 9، کلفٹن، کراچی۔ میں کم از کم میٹنگ سے 48 گھنٹے قبل موجود ہونا چاہیے۔

۲۔ ممبران سے درخواست ہے۔

(ا) مندرجہ بالا دیئے گئے خانے میں 5 روپے والا ریونیو اسٹامپ چسپاں کریں۔

(ب) ریونیو اسٹامپ کے ساتھ دی گئی جگہ پر اپنے دستخط کریں، دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ دستخط سے متفق ہونا چاہیے۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے

مذکورہ بالا احکامات کے علاوہ درج ذیل تقاضوں کو بھی پورا کرنا لازمی ہوگا

۱۔ پراکسی فارم پر دو گواہان کا ہونا لازمی ہوگا جن کے دستخط، نام، پتہ، شناختی کارڈ یا پاسپورٹ نمبر فارم پر درج کیے جائیں گے۔

۲۔ مالک انتقامی کی تصدیق شدہ شناختی کارڈ/ پاسپورٹ کی کاپی فارم کے ساتھ منسلک ہونا لازمی ہیں۔

۳۔ میٹنگ کے وقت پراکسی اپنا اصل شناختی کارڈ/ پاسپورٹ پیش کرنے کا پابند ہوگا/ ہوگی۔

۴۔ کارپوریٹ اداروں کو اپنے بورڈ آف ڈائریکٹرز کی میٹنگ کے متعلقہ قرارداد کی تصدیق شدہ کاپی یا پاور آف اٹارنی جس میں امیدوار کے دستخط میٹنگ کے وقت کے ساتھ موجود ہوں پیش کرنا لازمی ہوگی۔

HASCOL

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

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