

Annual Report 2025

Wafi Energy Pakistan Limited



Investing in the future

Wafi Energy Pakistan Limited
(formerly Shell Pakistan Limited)
6 Ch. Khatiquzzaman Road,
Karachi — 75530
www.wafi-energy.com



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Governance and
compliance

Company Information

Board of Directors

Ghassan Al Amoudi (Chairperson)
Zubair Shaikh
Javaid Akhtar
Hans-Christoph Bausch
Parvez Ghias
Imran R. Ibrahim
Dr. Ayesha Khan
Zaffar A. Khan
Amir R. Paracha
Badaruddin F. Vellani
Kai-Uwe Witterstein

Chief Executive

Zubair Shaikh

Audit Committee

Imran R. Ibrahim (Chairperson)
Javaid Akhtar
Badaruddin F. Vellani
Hans-Christoph Bausch

Human Resource and Remuneration Committee

Zaffar A. Khan (Chairperson)
Parvez Ghias
Zubair Shaikh
Kai-Uwe Witterstein
Dr. Ayesha Khan

Company Secretary

Lalarukh Hussain – Shaikh

Registered Office

6, Ch. Khaliqzaman Road
Karachi-75530
Pakistan

Auditors

EY Ford Rhodes

Legal Advisors

Vellani and Vellani
Advocates and Solicitors

Registrar and Share Registration Office

FAMCO Share Registration Services (Pvt.)
Limited.

8-F, next to Hotel Faran, Nursery
Block-6, P.E.C.H.S.
Shahra-e-Faisal
Karachi-75400

Our Vision

Be a trusted and
innovative partner,
collaboratively building
a sustainable energy
future for the people of
Pakistan.



About Wafi Energy

Wafi Energy Pakistan, formerly Shell Pakistan, is one of the oldest energy companies in Pakistan, shaping the nation's energy landscape since 1947. As the exclusive licensee of Shell fuel and lubricants in Pakistan, the company combines global expertise with regional strength and a growth strategic focus.

Wafi Energy Pakistan is an established energy company with a network of 680+ Shell retail sites, nationwide oil terminal facilities, a lubricants oil blending plant, and a diverse portfolio of global Shell Lubricant brands and solutions. The company is also the largest private investor in the strategic White Oil Pipeline operated by Pak-Arab Pipeline Company (PAPCO).

Wafi Energy Pakistan's story is inseparable from the story of Pakistan itself. The company's commercial presence in the country dates to 1947, making it one of the very first international energy companies to operate in the new nation. The company's roots in the subcontinent reach even further when Asiatic Petroleum first began importing kerosene oil into the region. A storage tank from 1898 stands as a physical testament to that era.

In November 2024, Wafi Energy Holding, based in the UAE, acquired an 87.78% stake in Shell Pakistan Limited, marking its entry into the Pakistani market. This investment in Pakistan brought in fresh capital, regional expertise, and a long-term strategic commitment to Pakistan's energy future. An associated company to Wafi Holding has an agreement with Shell Brands International AG to be the sole representative of the Shell brand for fuel stations in Saudi Arabia. The strategic acquisition in Pakistan allows Wafi Holding to expand its energy business and strengthen its presence in the country, where Shell has a 79-year history.

Wafi Energy Pakistan at a Glance

680+

Shell Retail Sites

199+

Cities Served

180+

Shell Select Stores

8

Strategic Terminals

60mn

Litres of Lubricants
blended Annually

400+

Employees Nationwide



A legacy built over a century

1899 - The beginning

Asiatic Petroleum - a joint venture between Shell Transport Company and Royal Dutch Petroleum Company - initiated kerosene oil imports from Azerbaijan into the subcontinent, establishing the foundation of what would become one of the region's most enduring energy enterprises.

1928 - Burmah Shell

Royal Dutch Shell merged its marketing interests with Burmah Oil Company Limited, creating the Burmah Shell Oil Storage and Distribution Company - a unified platform for petroleum storage and distribution across the continent.

1947 - Burmah Shell in Pakistan

When Pakistan was created, Burmah Shell became one of the first international energy companies to operate in the new nation, embedding itself in the critical infrastructure of fuel and lubricants distribution from the country's very first years.

1969 - Pakistan Burmah Shell

The ownership structure shifted when 51% of the shares were transferred to Pakistani investors, leading to the rebranding of the company as Pakistan Burmah Shell (PBS) Limited. The company was listed on the Karachi Stock Exchange, marking its formal entry into Pakistan's public capital markets and deepening its accountability to Pakistani shareholders.

1993 - Shell Pakistan Limited

Shell Petroleum increased its stake in the company, and the company was renamed Shell Pakistan Limited. This era accelerated investment in retail, lubricants, and national supply chain infrastructure.

2024-2025 - A new chapter: Wafi Energy Pakistan

In November 2024, Wafi Energy Pakistan Holding Limited - an Abu Dhabi-based company - acquired an 87.78% controlling stake in Shell Pakistan Limited. In January 2025, the company was formally renamed Wafi Energy Pakistan Limited.



1947



1969



1993



1999



2024

Pakistan's Shell fuel and lubricants licensee

Wafi Energy Pakistan is the exclusive licensee of Shell fuels and lubricants in Pakistan. Shell is one of the most recognized and trusted energy leader in the world - synonymous with quality, innovation, and performance.

In Pakistan, Shell retail fuel and services, Shell lubricants, and global standards continue through an exclusive licensing arrangement, ensuring complete continuity for customers, partners, and communities.

Investing in the future

Wafi Energy Pakistan Limited is focused on operational excellence, growth, and generating shareholder value. In 2025, the Board authorized management to explore potential investment and acquisition opportunities in the oil marketing sector. The company is also advancing its investment strategy by planning a Dubai-based subsidiary to expand commercial activities and strengthen its regional presence. These strategic moves underscore Wafi Energy's commitment to invest in Pakistan and build sustainable growth.



Statement of General Business Principles

The Standard General Business Principles ("SGBP") govern how the Company conducts its affairs. Our goal is to engage efficiently, responsibly and profitably in our selected businesses. Rooted in our shared core values of honesty, integrity, and respect for people, these principles are the cornerstone of our operations.

The SGBP apply to all transactions and set the standard for the behaviour expected of our Staff in all our business dealings. We also expect our business partners and related parties to adhere to these or equivalent principles.

It is the responsibility of the management to lead by example, to ensure that the Staff understand and behave in accordance with the spirit and letter of the SGBP. Additionally, the management must provide Staff with safe, confidential channels to raise concerns and report instances of non-compliance. In turn, Staff are responsible for reporting any suspected breaches of the SGBP.

As we move forward, the SGBP will remain fundamental to how we conduct our business and abiding by them is crucial to our continued success.

Our Values

Our Staff shares a set of core values – honesty, integrity and respect for people. We also firmly believe in the fundamental importance of trust, openness, teamwork, professionalism, and pride in what we do.

Sustainable Development

We commit to contributing to sustainable development. This requires balancing short-term and long-term interests, and integrating economic, environmental, and social considerations into business decision-making.

Responsibilities

The Company recognises five areas of responsibility. It is the duty of the management to assess the priorities and discharge these inseparable responsibilities on the basis of that assessment.

1. To shareholders

To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.

2. To customers

To win and retain customers by developing and providing products and services which offer value in terms of price, quality, safety and environmental impact, which are supported by the requisite technological, environmental, and commercial expertise.

3. To Staff

To respect the human rights of our Staff and to provide them with good and safe working conditions, and competitive terms and conditions of employment/engagement.

To promote the development and best use of the talents of our Staff; to create an inclusive work environment where every Staff member has an equal opportunity to develop their skills and talents; to encourage the involvement of our Staff in the planning and direction of their work; and to provide them with channels to report concerns.

We recognise that commercial success of the Company depends on the full commitment of all our Staff.

4. To those with whom we do business

To seek mutually beneficial relationships with contractors, suppliers, and in joint ventures, and to promote the application of the SGBP or equivalent principles in such relationships. The ability to promote these SGBP effectively will be an important factor in the decision to enter into or remain in such relationships.

5. To society

To conduct 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.

Living by our Principles

1. Economic

Long-term profitability is essential to achieving our business goals and to our continued growth. It is a measure both of efficiency and of the value that customers place on the products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future energy supplies to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities. Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment.

2. Competition

The Company supports free enterprise. We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent others from competing freely with us.

3. Business Integrity

The Company insists on honesty, integrity, and fairness in all aspects of our business and expect the same in our relationships with all those with whom we do business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Facilitation payments are also

bribes and must not be made. The Staff must avoid conflicts of interest between their private activities and their part in the conduct of Company's business. The Staff must also declare potential conflicts of interest. All business transactions on behalf of the Company must be reflected accurately and fairly in the accounts of the Company in accordance with established procedures and are subject to audit and disclosure.

4. Political Activities

- **of the Company**

The Company acts in a socially responsible manner under the laws of Pakistan in pursuit of our legitimate commercial objectives.

The Company does not make payments to political parties, organisations or their representatives. The Company does not take part in party politics. However, when dealing with governments, the Company has the right and the responsibility to make our position known on any matters, which affects us, our Staff, our customers, our shareholders or local communities in a manner, which is in accordance with our values and the SGBP.

- **of our Staff**

Where individuals wish to engage in activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate in the light of local circumstances, and does not interfere with the Staff's obligations to the Company.

5. Health, Safety, Security and the Environment

Health, safety, security and environmental management are critical in order to achieve continuous performance improvement.

To this end, the Company manages these matters as critical business activities, sets standards and targets for improvement, and measures, appraises and reports performance externally.

We continually look for ways to reduce the environmental impact of our operations, products and services.

6. Local Communities

The Company aims to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general wellbeing of the communities within which we work.

We manage the social impacts of our business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from our activities.

In addition, the Company takes a constructive interest in societal matters, directly or indirectly related to our business.

7. Communication and Engagement

The Company recognises that regular dialogue and engagement with our stakeholders is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.

In our interactions with our Staff, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

8. Compliance

We comply with all applicable laws and regulations.

Chairperson's Review

For the year ended December 31, 2025

Dear Shareholders,

I am pleased to present to you the Chairperson's review for the year ended December 31, 2025 for Wafi Energy Pakistan Limited (Company).

During the year, the Company strengthened operational stability, reinforced core business and governance foundations, and advanced the strategic direction set by the Board.

The Company showed disciplined growth, supported by focused execution, operational reliability and strategic direction. Shell fuels and lubricants brand continue in Pakistan through our brand licensing agreements, reinforcing customer trust and product quality. We pursued growth through network expansion, strategic partnerships, operational efficiencies, and customer-centric innovation, while evaluating selective investment opportunities, including strategic partnerships and potential acquisitions, to strengthen long-term value creation.

During the year, Pakistan's macroeconomic environment showed signs of gradual stabilization. Inflation moderated, the exchange rate remained relatively steady, and improvements in fiscal and monetary discipline enhanced overall predictability. While these developments supported better planning across the oil marketing sector, challenges remained, including volatility in global oil prices, regulatory pressures, margin constraints, and evolving consumer behavior. In this context, I believe resilience and disciplined execution were critical to sustaining performance.

Throughout 2025, we expanded our commercial footprint and strengthened our contributions to the communities we serve, while maintaining uninterrupted and safe operations. By leveraging strong supply chain management practices and building Shell fuels and lubricants, we reinforced customer confidence.

Through 2025, the Board has played an instrumental role in steering the Company forward. In full compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and other applicable laws, the Board discharged its responsibilities with focus and integrity. The Board provided strategic direction, exercised robust oversight of management, and ensured that governance standards remained aligned with best practices.

The Board Audit Committee and the Human Resource and Remuneration Committee continued to play a vital role in strengthening internal controls, performance oversight, and risk management frameworks. All related party transactions were carefully reviewed and approved by the Board upon the recommendation of the Board Audit Committee, reaffirming our steadfast commitment to sound governance and compliance.

Reflecting on the year, 2025 was an important year for the Company and a period defined by



confidence and progress. The dedication and professionalism of our directors, executives, and management teams have been instrumental in translating our strategic vision into tangible results. Their collective efforts give me great confidence in our future.

The Board undertook its annual strategic planning exercise to review the Company's priorities and key areas of focus. Directors actively engaged in discussions, offering insights into market developments, growth opportunities, significant business risks and reviewed evolving industry trends and key strategic initiatives for the upcoming year. The planning meeting facilitated constructive dialogue between the Board and management, enabling Directors to provide strategic guidance and ensuring alignment on the Company's long-term direction.

Looking ahead, I remain optimistic about the opportunities before us. With a strengthened foundation, a disciplined strategy, and the continued trust of our stakeholders, I am confident that we are well positioned to accelerate growth while upholding operational excellence. In the coming year, we will sharpen our focus on innovation, efficiency, and sustainable practices to ensure long-term value creation and meaningful contribution to Pakistan's energy landscape.

To our shareholders, customers, and stakeholders, I extend my sincere gratitude for your continued trust and support. Together, we will move forward with determination and optimism, building a stronger and more dynamic future.

A handwritten signature in black ink, appearing to be 'Ghassan Al Amoudi', written over a horizontal line.

Ghassan Al Amoudi

Chairperson

چیئر پرسن کا جائزہ

31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے

عزیز شیئر ہولڈرز،

میں 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے وانی انرجی پاکستان لمیٹڈ (کمپنی) کے لیے چیئر پرسن کا تجزیہ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

دوران سال، کمپنی نے آپریشنل استحکام کو مضبوط بنایا، بنیادی کاروبار اور نظم و نسق کی بنیادوں کو مستحکم کیا، اور بورڈ کی جانب سے متعین کردہ اسٹریٹجک سمت میں پیش رفت کی۔

کمپنی نے منظم نمو کا مظاہرہ کیا، جسے موثر عمل درآمد، قابل اعتماد آپریشنز اور واضح حکمت عملی کی معاونت حاصل تھی۔ شیل کے ایندھن اور لیبریکیشن کے برانڈ ہمارے برانڈ لائسنسنگ معاہدوں کے تحت

پاکستان میں جاری ہیں، جو صارفین کے اعتماد اور مصنوعات کے معیار کو مزید مضبوط بناتے ہیں۔ ہم نے نیٹ ورک کی توسیع، اسٹریٹجک شراکت داریوں، آپریشنل بہتری اور صارفین پر مرکوز جدت کاری کے ذریعے نمو حاصل کی، جبکہ اسٹریٹجک شراکت داریوں اور ممکنہ حصول (acquisitions) سمیت منتخب سرمایہ کاری کے مواقع کا بھی جائزہ لیا، تاکہ طویل مدتی قدر کی تخلیق کو تقویت دی جاسکے۔

دوران سال پاکستان کی کئی معاشی صورت حال میں بتدریج استحکام کے آثار نظر آئے۔ مہنگائی میں کمی آئی، شرح مبادلہ نسبتاً مستحکم رہی، اور مالیاتی وزیری نظم و ضبط میں بہتری سے مجموعی پیش بینی بڑھ گئی۔ ان عوامل نے آئل مارکیٹنگ کے شعبے میں بہتر منصوبہ بندی میں مدد دی، تاہم چیلنجز بدستور موجود رہے، جن میں عالمی تیل کی قیمتوں میں اتار چڑھاؤ، ریگولیٹری دباؤ، مارجن کی پابندیاں، اور صارفین کا بدلتا ہوا رویہ شامل ہیں۔ اس تناظر میں، میرا ماننا ہے کہ مضبوطی اور منظم عمل درآمد کارکردگی کو برقرار رکھنے کے لیے نہایت اہم تھے۔

2025ء کے دوران ہم نے اپنے کمرشل دائرہ کار کو بڑھایا اور جن کمیونٹیز کی ہم خدمت کرتے ہیں ان میں محفوظ اور بلا تعطل آپریشنز کو برقرار رکھتے ہوئے اپنے اشتراک کو مزید مضبوط بنایا۔ سپلائی چین مینجمنٹ کے ٹھوس طریقوں سے استفادہ کرتے ہوئے اور شیل کے ایندھن اور لیبریکیشن کے اعتماد کے ساتھ ہم نے صارفین کے اعتماد کو مزید مستحکم کیا۔

2025ء کے دوران بورڈ نے کمپنی کو آگے بڑھانے میں اہم کردار ادا کیا۔ کمپنیز ایکٹ 2017ء، فہرستی کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء، اور دیگر قابل اطلاق قوانین کی مکمل پاسداری کرتے ہوئے، بورڈ نے توجہ اور دیانتداری کے ساتھ اپنی ذمہ داریاں انجام دیں۔ بورڈ نے اسٹریٹجک سمت فراہم کی، انتظامیہ کی موثر نگرانی کی، اور اس بات کو یقینی بنایا کہ نظم و نسق کے معیارات بہترین طریقوں کے مطابق برقرار ہیں۔



غسان العودی
چیئر پرسن

بورڈ آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریوژنیشن کمیٹی نے داخلی کنٹرولز کو مضبوط بنانے، کارکردگی کی نگرانی، اور انتظام خطر کے فریم ورک کو بہتر بنانے میں اہم کردار جاری رکھا۔ بورڈ آڈٹ کمیٹی کی سفارش پر تمام متعلقہ فریقوں کے لین دین کا احتیاط سے جائزہ لیا گیا اور منظوری دی گئی، جس سے مضبوط نظم و نسق اور قوانین کی پاسداری کے لیے ہمارے پختہ عزم کی توثیق ہوئی۔

سال کا بغور جائزہ لیں تو 2025ء کمپنی کے لیے ایک اہم سال رہا، جو اعتماد اور پیش رفت سے عبارت تھا۔ ہمارے ڈائریکٹرز، ایگزیکٹوز اور مینجمنٹ ٹیموں کی لگن اور پیشہ ورانہ مہارت نے ہماری اسٹریٹجک حکمت عملی کو ٹھوس نتائج میں تبدیل کرنے میں اہم کردار ادا کیا۔ ان کی مشترکہ کاوشیں ہمارے مستقبل کے بارے میں مجھے بھرپور اعتماد دیتی ہیں۔

بورڈ نے اپنی سالانہ اسٹریٹجک منصوبہ بندی کی مشق کے تحت کمپنی کی ترجیحات اور اہم توجہ کے شعبوں کا جائزہ لیا۔ ڈائریکٹرز نے مباحثوں میں فعال طور پر حصہ لیا، مارکیٹ میں ہونے والی پیش رفت، ترقی کے مواقع اور اہم کاروباری خطرات پر اپنی آراء پیش کیں، اور آنے والے سال کے لیے بدلتے ہوئے صنعتی رجحانات اور اہم اسٹریٹجک اقدامات کا جائزہ لیا۔ اس منصوبہ بندی کے اجلاس نے بورڈ اور انتظامیہ کے درمیان تعمیری مکالمے کو فروغ دیا، جس سے ڈائریکٹرز کو اسٹریٹجک رہنمائی فراہم کرنے اور کمپنی کی طویل مدتی سمت میں ہم آہنگی کو یقینی بنانے میں مدد ملی۔

مستقبل کے لیے، میں ہمارے لیے دستیاب مواقع کے حوالے سے پُر امید ہوں۔ مضبوط بنیاد، منظم حکمت عملی اور ہمارے اسٹیک ہولڈرز کے مسلسل اعتماد کے ساتھ، مجھے یقین ہے کہ ہم آپریشنل برتری کو برقرار رکھتے ہوئے نمو کو تیز کرنے کے لیے تیار ہیں۔ آنے والے سال میں ہم جدت، کارکردگی اور پائیدار طریقوں پر اپنی توجہ مزید مرکوز کریں گے، تاکہ طویل مدتی قدر پیدا کی جاسکے اور پاکستان کے توانائی کے شعبے میں با معنی کردار ادا کیا جاسکے۔

اپنے شیئر ہولڈرز، صارفین، اور اسٹیک ہولڈرز کو میں آپ کے مسلسل اعتماد اور حمایت کے لیے مخلصانہ شکریہ ادا کرتا ہوں۔ ہم سب مل کر عزم اور امید کے ساتھ آگے بڑھیں گے، ایک مضبوط اور زیادہ متحرک مستقبل تعمیر کریں گے۔

Board of Directors

Ghassan Al-Amoudi

Ghassan Al-Amoudi is a highly accomplished executive with over 30 years of successful experience in leadership in the financial industry. With a strong focus on strategic planning, operational management, and building valuable relationships, he has consistently delivered exceptional results throughout his career.

Ghassan has been the CEO of ASYAD Holding Group since October 2022, leading a modern and sophisticated family group, driving significant revenue generation, and fostering investment relationships with a mission of building and managing an efficient organization capable of adapting to changing needs and operational scale.

Throughout his extensive professional career, Ghassan held prestigious positions at renowned companies globally and regionally.

Between 2020 and 2022, he served as the CEO of the Saudi-based Dar Al Tamleek, through this experience, he directed the largest mortgage finance provider in the Kingdom, overseeing a managed asset portfolio of SAR12+ billion. As a key part of his role, he was responsible for setting the organization's strategy and direction in alignment with board directives. Moreover, he managed day-to-day operations, fostered strong relationships with internal and external stakeholders, and initiated a roadmap for IPO listing.

Being a part of SABB's team represented another milestone in Ghassan's career journey. Through his role as the General Manager of Corporate Banking at SABB, Riyadh, KSA between 2017 and 2019, he played a leading role as a member of the merger committee in SABB and Awwal Bank, which is now known as SAB.

During this two-year journey, he oversaw the corporate banking domain, contributing to 30% of SABB's top-line revenues. He also developed and maintained key relationships with shareholders, executives, and clients, as well as formulating corporate banking strategies, with a center role of overseeing asset allocation strategies. In addition, he developed and revised policies, procedures, and reporting schemes, as well as evaluating offers from partners and vendors, assessing technology needs, and ensuring effective communication across channels.

Ghassan began his banking career in 1994, he progressed through various roles and became the Regional Head of Corporate Banking for the Western Region at SABB, Jeddah in 2007. He spent a prosperous decade driving effective business strategies and exceeding operating plans year over year.

Moreover, he led multiple corporate teams and achieved double-digit growth by challenging norms and capitalizing on emerging opportunities.

He also developed and motivated a high-performing team of relationship managers, contributing to regional growth, and defined business plans and strategies, optimizing profitability, and addressing strategic issues.



Ghassan equally implemented efficient resource allocation and low-cost income ratio practices, and successfully originated and executed syndication transactions, securing substantial volume.

During this period, he became a member of prestigious boards, namely Halwani Brothers PLC as an Independent Board Member and Member of the Remuneration and Audit Committees; Al Baraka Bank Turkey as an Independent Board Member and Member of the Governance, Sustainability, and Risk Committees; Dar Al Hekma University as a Member of the Board of Trustees and Chairman of the Finance Committee; Prince Muqrin Foundation as a Board Member and Member of the Executive Committee; Alrajhi Capital as an Independent Board Member of the Jeddah Real Estate South Fund; and Jordan Islamic Bank as an Independent Board Member and Member of the Nomination, Remuneration, Risk, and Credit Committees.

All these experiences were driven by a robust and solid education and skills background. He holds a Bachelor of Business Administration from the American University in Los Angeles, CA (1994), with fluent skills in English and Arabic.

He also honed his educational background through top-level training and securing high-profile professional certifications – Managing Strategically, Leading for Results from Harvard Business School, Strategic Implementation M2 from IMD, Advanced Corporate Banking Strategy from INSEAD and various In-house/Group Trainings at SABB/HSBC.

Zubair Shaikh



Zubair Shaikh is the CEO at Wafi Energy Pakistan Limited (formerly Shell Pakistan Limited). He is an accomplished business leader with a strong background in finance and commercial management. His expertise spans managing both the Lubricants and Mobility businesses, demonstrating his ability to lead diverse business units effectively.

Zubair's leadership is focused on building high-performing teams, fostering talent development, and driving continuous improvement. He will leverage his leadership experience to guide the company through a phase of strategic growth.

Zubair began his journey with Shell in 2006, initially in finance, before moving into key business roles. His broad experience includes sales, marketing finance, and strategy. Combining financial expertise with commercial insights, he has been instrumental in turning around business operations and ensuring long-term growth.

His career has spanned multiple sectors, including oil and gas, banking, ports and shipping, and audit and assurance. Before joining Shell, Zubair held various audit and finance roles. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan.

Outside of work, Zubair is passionate about sports, particularly squash and golf.

Javaid Akhtar

Javaid Akhtar is recognized amongst the forerunners in the field of strategic business development in a market driven financial environment. He has expertise in Financial Management, Capital Market Investment, Information Technology (IT) and Business Process Re-engineering (BPR) through a practical, proactive, and innovative approach to a wide variety of business situations. He has completed projects with Bain and Company, BCG, McKinsey, Accenture Consulting and all Big 4 firms. He has completed a project with McKinsey recently on post Covid strategic outlook of family businesses.



He holds CA, CPA, CMA, PGD and CIS. In addition, he has attended and conducted numerous workshops, seminars, and conferences with global perspective in the discipline of finance and general management.

He has more than thirty (30) years of senior management experience enriched with developing investment criteria, accounting system, control mechanism, financial and business policy and procedure, corporate and financial governance, restructuring and reengineering for a cross section of industries and trading corporations. Currently, his major focus encompasses project management and financial structuring of PPP projects, financial modelling and building the retail business, business feasibility, viability, and profitability in relativity scenarios. He has more than ten (10) years of entrepreneurial experience in investing and divesting in viable business in retail, real estate, PE and hospitality in North America.

He has extensively worked in carrying out workability of promising and profitable portfolios, resource deployment to earn a high return on investment, equity and asset for consistent growth and success.

He has experience and understanding of capital re-structuring, economic funding and working with banks and other financial institutions in partnering for mutual benefit. He has worked in situations involving mergers, acquisitions, joint ventures and leasing arrangements and situations emanating from resulting scenarios. His latest achievement is the financial close of Aramco project with \$1.2B which is 100% financed by financial institution.

His involvement in such complex phenomena as risk management and investments based on futuristic growth possibilities in multi-disciplinary sectors are overwhelming.

He has broad exposure and experience in implementing computer based modular financial integrated packages in different operating system environment.

He has competency and skills profile of analytical, interpretative, informative reporting, training and development of people, teamwork, team building and working with clearly defined objectives and

targets giving direction to efforts and discipline in producing high quality results.

Javaid has been currently associated with Asyad Holding Group (www.asyadgroup.com) since February 15, 2005 as Group CFO and board member, and is functionally responsible for financial, regulatory reporting, governance, risk and treasury management, financial planning, forecasting, restructuring, cash flow and project management. He also participated in developing SAMA approved regulated funds in KSA. He has huge experience in raising appropriate financing structures with international banks to support growth of the Group in the areas of retail, hospitals, hotels, and commercial real estate.

He has worked at senior financial management positions with Merck (USA), SPIMACO, Naft Services companies and Midroc Holding Group from 1980 to 2004.

Parvez Ghias



Parvez Ghias is a fellow of the Institute of Chartered Accountants from England and Wales and holds a Bachelor's degree in Economics and Statistics.

He was Chief Executive Officer at Habib University Foundation, a not-for-profit organization engaged in promotion of higher education through its flagship project the Habib University from 2017 to 2022. Prior to that Parvez Ghias was the Chief Executive Officer at Indus Motor Company from 2005 to 2016, a joint venture between the

House of Habib, Toyota Motor and Toyota Tsusho Corporations, engaged in the manufacturing and marketing of Toyota brand automobiles.

His earlier career spanning 25+ years was at Engro Corporation (formerly Exxon Chemical Pakistan, an Exxon Mobil affiliate), where he undertook various assignments in Pakistan, Hong Kong and Canada, including CFO and Vice President Corporate Affairs and served as a board member of the Company and its subsidiaries.

Parvez Ghias currently serves as an Independent Director on the boards of Wafi Energy Pakistan, Engro Corporation, and HRSG.

Imran Rashid Ibrahim

Imran Rashid Ibrahim is a graduate from Government College, Lahore, and pursued post graduate studies at the Institute of Business Administration in Karachi. He is an entrepreneur with 46 years of experience in diverse areas of business such as distribution of products for various multinationals as well as cotton ginning and edible oil extraction.

He has served on the Board of Directors of Shell Pakistan Ltd., from 2008 to 2017, during which period he was also a member of the Board Audit Committee. He has also served on the Board of Directors of PICIC Asset Management Company Ltd., from 2010 to 2014.



Dr. Ayesha Khan

Dr. Ayesha K. Khan is the Regional Managing Director of Acumen in Pakistan, part of a global investment platform that deploys patient capital to build scalable businesses addressing critical development challenges. She brings over two decades of experience across climate finance, corporate strategy, and financial institutions, with a career spanning North America, Asia, and the Middle East.



At Acumen, Dr. Khan leads the firm's investment strategy and portfolio in Pakistan and is developing Pakistan's first impact private equity platform focused on resilient agribusinesses and climate adaptation. In addition to Wafi Energy Pakistan, Dr. Khan serves on the boards of several leading companies and financial institutions, including Bank Alfalah, NRSP Microfinance Bank, and Bulleh Shah Packaging. She also advises the Government of Pakistan on climate finance and private capital mobilization and is a member of multiple national-level advisory committees.

Earlier in her career, Dr. Khan served as Head of Strategy at Habib Bank Limited (HBL), where she worked closely with senior leadership on long-term growth strategy and institutional transformation. She previously worked in New York as a management consultant at McKinsey and Company, advising financial institutions on strategy and growth. She also consulted with the United Nations Development Programme on the Millennium Development Project.

Dr. Khan holds a doctorate from Harvard Business School, where her research focused on financial institutions and emerging markets. She has authored Harvard case studies and published on emerging markets and finance, including in the Harvard Business Review. She also holds a Master's degree in International Development (MPA/ID) from Harvard University and a Bachelor's degree in Economics from Princeton University.

Zaffar A. Khan

Zaffar A. Khan graduated as a Mechanical Engineer and soon thereafter joined Exxon which following an employee led buyout became known as Engro. He served the Company for 35 years the last 6 years were as the CEO. His career with Exxon included a decade of assignments in Hong Kong, USA and Singapore in the petrochemical division. Upon retirement from Engro he served as Chairman of PTCL, Karachi Stock Exchange and PIA. Currently, he is an Adjunct Professor at IBA where he teaches Human Resource Management.



He completed an Advanced Management program from the University of Hawaii and has undertaken several short courses from the Harvard Business School and INSEAD.

Zaffar A. Khan has served on a number of diverse Boards in the private sector, public sector and Civil Society Organization. He has previously served on the Shell Pakistan Board for three terms which ended in 2017. Current Board appointments include Pakistan Security Printing Corporation, Pakistan Centre for Philanthropy, Datacheck Ltd, YB Holdings, HBL Zarai and Lucky Core Industries.

He is a recipient of Sitara-e-Imtiaz.

Hans-Christoph Bausch

Hans-Christoph Bausch has over 30 years of international experience in Finance, leading transformations, acquisitions, mergers and divestitures as well as capital restructurings in the energy sector. He serves as Director and Chairman of the Audit and Risk committee of Lamprell Limited and is an Operating Partner of Bluewater Energy Capital, with a specific focus on portfolio investments including due diligence, structuring, financing and integration.



Hans-Christoph Bausch is the Founder and Managing Director of Alethea Consulting Partners, a boutique Consulting firm providing strategic and financial solutions for energy companies.

Before he started his own company, he served as Executive Vice President and Chief Financial Officer of Weatherford International, a large global oilfield service firm. Before his tenure at Weatherford, he served as Executive Vice President and Chief Financial Officer of Archer Limited, an international oilfield services company publicly traded on the Oslo Stock Exchange. Prior to his role at Archer Limited, he served as a Global Finance Director of Transocean, after having a 20-year international career with Schlumberger, where he held senior financial positions in global and regional capacities in the US, the UAE, France, Mexico, Venezuela and Germany across several businesses.

He holds a Finance degree from the University of Mannheim, Germany.

Amir Paracha

Amir Paracha serves as the Chairman of the Board and Chief Executive Officer at Unilever Pakistan Limited. He began his journey with Unilever in 2000 as an Assistant Brand Manager, advancing through various Marketing and Sales leadership roles throughout his career in Pakistan and globally.

Currently, Amir spearheads the company's "Unilever for Pakistan" vision, a purpose-driven movement aimed at strengthening Unilever Pakistan's impact on the lives of Pakistani citizens by providing equitable opportunities, fostering meaningful livelihoods, and ensuring living wages. As part of this mission, he is also dedicated to promoting Unilever Pakistan's climate action by emphasizing a clean energy transition, minimizing plastic waste, and accelerating the shift toward a circular economy in Pakistan. Amir has been recognized by the Government as a "Corona War Hero" and was also conferred Shan-e-Pakistan Award by the President of Pakistan for Unilever Pakistan's COVID relief drive in the country.

Amir served as the President at the Overseas Investors Chamber of Commerce and Industry (OICCI) and member FPCCI committed to collaborating with the broader industry and ecosystem. He is on the boards of Shell Pakistan Limited, Karachi Vocational Training Centre, Habib University Foundation, SBS-IBA Advisory Board, and National Management Foundation (LUMS). He also leads the Centre of Excellence for Responsible Business (CERB) under the Pakistan Business Council and is a Male Champion of Change under Australia (MCC)'s Pakistan Coalition.

He obtained his Master's in Business Administration (MBA) from the Institute of Business Administration. His professional journey began at The Royal Dutch Shell Oil Company in 1996. Throughout his career, he has attended executive courses at prestigious institutions, including Harvard, INSEAD, and London Business School.

Amir enjoys reading, landscaping, and exploring conceptual architecture in his personal time.



legal practice, he is also member of the Board of Directors in a number of multinational companies and several philanthropic organizations and foundations.

Kai-Uwe Witterstein

Kai-Uwe has 31 years of working experience with Shell, a multinational energy company, in multiple operational and management roles. He led the retail business in Italy and Belgium/Luxembourg, and was also responsible for HSSE globally, marketing for Germany, Austria and Switzerland, and sponsorship management globally. In his last four years with the organization, he led the global licensed markets business for Shell.

Since January 2024 KU supports the Asyad Group, Saudi Arabia for mobility and retail. KU is a board member of Wafi Energy Saudi Arabia and Wafi Energy Pakistan and has recently been appointed as the CEO for Wafi Holding, Abu Dhabi.

KU is married, has two children and lives in Hamburg, Germany.

His personal interests are sports, nature and meeting people of different cultures.

He is passionate about operational excellence, differentiation and the power of positive mindset.



Badaruddin F. Vellani

Badaruddin F. Vellani is an Honours graduate in Chemical Engineering from the Loughborough University of Technology, Leicestershire, UK, and a Barrister-at-Law from the Middle Temple (London). He was called to the Bar in 1982 and commenced legal practice in Karachi immediately thereafter.

He is enrolled as an Advocate of the Supreme Court of Pakistan and is the Senior Partner at the law firm, Vellani and Vellani. In addition to his

Wafi Energy Pakistan
Leadership Team



Zubair Shaikh
Chief Executive Officer



Danish Ansari
Director Lubricants



Habib Haider
Director Retail and Corporate
& Government Relations



Muhammad Owais Sultan
Director Manufacturing & Distribution



Zarrar Mahmud
Chief Financial Officer



Palwasha Riar
Director Human Resources



Lalarukh Hussain Shaikh
Director Legal and Compliance
& Company Secretary



Ali Rizvi
Director HSSE



Razi Rahman
Head of Information Technology

Director's Report

For the year ended December 31, 2025

Dear Shareholders,

The Directors of the Wafi Energy Pakistan Limited present the Annual Report with the audited financial statements for the year ended December 31, 2025.

The profit for the year ended December 31, 2025, after providing for administrative, marketing and distribution expenses, financial and other charges amount to:

	Rupees in Million
Profit before income tax	8,143
Taxation	(4,598)
Profit after income tax	3,545
	Rupees
Profit per share – basic and diluted	16.56

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity on page 97 of these financial statements.

Business Performance

In 2025, Pakistan's macroeconomic environment stabilized, with lower inflation and a steady exchange rate, enabling the State Bank of Pakistan to ease its policy rate to 10.5% by year-end. This improved stability provided greater predictability for the Oil Marketing Company sector, despite ongoing challenges from global oil price volatility, regulatory pressures, and tight margins.

The Company maintained a strong emphasis on operational excellence, financial discipline, and capital efficiency, prioritizing supply chain resilience, inventory optimization, and enhanced retail performance to protect margins and sustain growth.

During the year, the Company advanced its growth agenda by evaluating strategic opportunities to expand its operations and business portfolio. This included exploring the establishment of a subsidiary in Dubai to strengthen its regional presence and assessing avenues for inorganic growth in the Retail businesses. These initiatives were supported by continuous efforts to optimize operational efficiency, enhance customer experience, and strengthen both fuel and non-fuel retail performance, positioning the Company for sustained growth in the coming years.

Against this backdrop, the Company reported a profit after tax of PKR 3,545 million for the year ended 2025, supported by steady performance across all segments, efficient supply management, and disciplined cost control.

Lubricants

2025 was a defining year for the Lubricants' business, marked by a decisive shift from transition to execution-led and locally owned growth. Despite market uncertainties, the business delivered a clear step-change in performance, expanded market share, and reinforced confidence in its long-term competitiveness.

Growth was broad-based across both Consumer and Industrial segments. The consumer business accelerated momentum through high-impact brand initiatives, including digital engagement for Shell Passenger Car Motor Oil, an industry-first AI-led activation in the Shell Diesel category, and large-scale consumer engagement programs that materially strengthened brand equity and further consolidated market position.

The industrial lubricants segment delivered a strong year, underpinned by strengthened Original Equipment Manufacturer partnerships, sustained leadership in the mining sector through strategic supplies to flagship projects, and strong traction across indirect and process oil segments. A key strategic milestone was securing future business in large-scale infrastructure and national projects.

Overall, the Lubricants business closed the financial year of 2025 from a position of strength, demonstrating resilience during a complex transition year, reinforcing market leadership, and establishing a more agile and execution-driven platform to sustain growth.

Retail

During the year, the Retail Business delivered strong growth, supported by network expansion, premium product performance, and continued enhancement of customer experience. The Company added 35 new Shell retail sites, upgraded existing Shell stations, deployed new Mobility Visual Identity standards, and expanded Shell Select stores, strengthening its nationwide footprint and brand consistency.

Fuel sales remained resilient in a competitive environment. Shell V-Power achieved strong quarterly and monthly volumes, further accelerated by the successful launch of the New and Improved Shell V-Power, supported by an integrated marketing campaign and nationwide promotional initiatives. Mainstream fuels also recorded solid double-digit growth, reflecting robust demand across customer segments.

Non-Fuel Retail demonstrated positive momentum, with Shell Select achieving driven by targeted campaigns and new strategic partnerships that enhanced the forecourt value proposition and increased footfall. Customer experience and operational excellence were reinforced through the expansion of the Voice of Customer program, digital engagement platforms for frontline teams, and structured retail quality initiatives such as the "Adopt-a-Site" program.

Overall, the Retail Business closed the year with strong momentum, underpinned by volume growth, premium fuel penetration, retail expansion, and a sustained focus on delivering a best-in-class consumer experience across Pakistan.

Environmental, Social and Governance

During the year 2025, Wafi Energy Pakistan Limited advanced its strategic priorities across sustainability, community development, entrepreneurship, and stakeholder engagement.

The Company released its 1st Sustainability Report 2025, reaffirming its alignment with national development priorities and the United Nations Sustainable Development Goals (UNSDGs), including clean energy, economic growth, gender equality, education, innovation, climate action, and environmental protection.

The Access to Clean Energy (A2E) Program has directly benefited over 5,000 individuals across fenceline communities through phased and strategically expanded renewable energy interventions. In 2025, the program distributed 40 solar-powered irrigation kits and provided agricultural and gardening advice to 40 farmers to enhance food security and promote climate-smart agriculture. Additionally, three pilot solar-powered poultry incubation units were installed to support livelihood diversification. Through these integrated efforts, the A2E Program continues to strengthen community resilience, improve livelihoods, and advance sustainable energy access. Access to Energy program has been deployed since 2018 and undergone various phases.

The Company inaugurated Pakistan's second retail station constructed using recycled plastic, marking another milestone in its commitment to drive sustainable solutions. The new retail site, situated in Police Lines Rawalpindi, has been built using 7,700 kilograms of plastic waste, equivalent to more than 5.8 million pieces of end-of-life plastics, infused into construction materials. The first retail station was launched in Karachi in collaboration with Tameer alumni startup, Concept Loop, using 6,500 kilograms of plastic waste, to create durable pavers and concrete blocks. A similar eco-friendly initiative by Wafi Energy Pakistan Limited includes a 730-foot recycled plastic road outside its Karachi head office, which is built with 2.5 tonnes of waste lubricant bottles and has proven resilient against heat and rain while benefiting the community.

Community outreach initiatives included road safety training for school children in Keamari and Machike, reinforcing the Company's commitment to fence-line communities. In addition, Wafi Energy Pakistan observed Global Maritime Day by conducting a beach clean-up activity at Clifton in collaboration with a local school. This initiative aimed at raising awareness among students about environmental protection and marine conservation.

During the year, the Company hosted the 12th Tameer Awards 2025, as part of its flagship entrepreneurship program, recognizing young Pakistani entrepreneurs driving innovation. The Awards attracted over 450+ applications from across Pakistan. 12 winners were selected across six categories namely Empowering Women, Circular Economy, Clean Energy Solutions, Technology Innovation, Transportation and Mobility and Bright Ideas. Young businesses were evaluated by industry experts on creativity, scalability, and social impact.

Since its inception, Tameer has engaged over 1 million youth across Pakistan, trained more than 17,000 entrepreneurs and supported creation of 1,200+ startups through workshops, seed funding, and global exposure opportunities.

The Company also sponsored and participated in Saudi National Day 2025 celebrations, reflecting its first year under new majority shareholders, strengthening connection with Saudi Arabia.

HSSE

In 2025, the Company delivered strong HSSE performance, a reflection of disciplined execution, visible leadership, and strong frontline ownership.

Throughout the year, we strengthened our safety culture and operational resilience through focused risk mitigation, enhanced security preparedness, leadership engagement, and robust assurance

activities. The launch of our Reward and Recognition program reinforced positive safety behaviors. Additionally, accelerated digitization improved transparency and enabled more proactive risk management.

Road safety remained a top priority. Initiatives such as the Ramadan Safety Campaign, seasonal risk advisories addressing fog-related driving and winter hazards, and static charge awareness campaign heightened frontline awareness and reinforced compliance with critical controls during higher-risk conditions. We also extended our commitment beyond our operations by delivering road safety and first aid training to local students and engaging industry peers to share best practices and elevate safety standards collectively.

Campaigns on safety and loss prevention, along with increased Country Leadership Team site visits across business lines, strengthened our focus on high-risk activities, asset integrity, and visible leadership commitment.

Emergency preparedness was further reinforced through security response bomb threat drill and training exercise at Lubricants oil blending plant (LOBP), as well as multiple emergency response drills across terminals and retail sites to test readiness and coordination. Together, these efforts strengthened critical controls, reinforced a robust HSSE culture, and supported business continuity amid operational and security challenges.

Diversity, Equity and Inclusion

The Company remains committed to fostering a diverse, equitable, and inclusive workplace by ensuring fair access to opportunities across hiring, learning, and engagement. In 2025, this commitment was reflected through the Powering Future Leaders Management Trainee Program, a structured graduate hiring initiative designed to attract high-potential fresh graduates through a merit-based and transparent process, strengthening the future talent pipeline.

Equitable access to learning and development was expanded through a centralized Learning Calendar and Udemy, enabling employees across functions to participate in capability-based learning aligned with business needs. Strong engagement outcomes, including high participation in learning initiatives and the Wafi People Survey, further reinforced an inclusive culture that values employee voice, development, and growth.

Wafi Energy Pakistan Limited hosted a special event at Shell Defence Filling station to celebrate International Women's Day 2025 under the theme "Accelerate Action." This initiative aimed to empower female entrepreneurs, bikers, and car drivers by enhancing their knowledge of vehicle maintenance and road safety. A group of over 20 female bikers and car drivers actively participated in hands-on oil change and tire change demonstrations, gaining practical skills essential for safe and independent commuting. Experts conducted sessions on basic car safety, indicator checks, and road safety awareness, ensuring that participants left with the confidence to handle minor vehicle issues on their own.

Corporate Governance

The Directors confirm that:

1. The Board comprises 11 members, including the Chief Executive, who is deemed director. The Board comprises of one female and ten male members as follows:

Female Member:

1. Dr. Ayesha Khan*

Male Members:

1. Ghassan Al Amoudi
2. Amir R. Paracha
3. Badaruddin F. Vellani
4. Imran R. Ibrahim
5. Javaid Akhtar
6. Kai-Uwe Witterstein
7. Parvez Ghias
8. Zubair Shaikh
9. Zaffar A. Khan
10. Hans-Christoph Bausch**

Independent Directors:

1. Amir Paracha
2. Imran R. Ibrahim
3. Parvez Ghias
4. Zaffar A. Khan
5. Dr. Ayesha Khan

Non-Executive Directors:

1. Ghassan Al Amoudi
2. Badaruddin F. Vellani
3. Javaid Akhtar
4. Kai-Uwe Witterstein
5. Hans-Christoph Bausch

Executive Directors:

1. Zubair Shaikh
2. Madiha Khalid*
3. Zarrar Mahmud**

*Ms. Madiha Khalid resigned as a Director, effective January 08, 2025, and the casual vacancy was filled by Dr. Ayesha Khan, effective March 13, 2025.

**Mr. Zarrar Mahmud resigned as a Director effective May 15, 2025, and the casual vacancy was filled by Mr. Hans-Christoph Bausch, effective May 18, 2025.

2. The Board has formed committees comprising of the following members:

Audit Committee	Human Resource and Nomination Committee
Imran R. Ibrahim (Chairperson)	Zaffar A. Khan (Chairperson)
Badaruddin F. Vellani	Kai-Uwe Witterstein
Javaid Akhtar	Parvez Ghias
Hans-Christoph Bausch	Dr. Ayesha Khan
	Zubair Shaikh

3. The financial statements, prepared by the management of the Company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
4. Proper books of account of the Company have been maintained.
5. Appropriate accounting policies have been consistently applied in preparation of the financial statements except for changes resulting on initial application of standards, amendments or interpretations to existing standards, as stated in note 2.4.1 to these financial statements. Accounting estimates are based on reasonable and prudent judgment.
6. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and departures, if any, have been adequately disclosed.

7. The system of internal control is sound in design and has been effectively implemented and monitored.
8. There are no significant doubts upon the Company's ability to continue as a going concern.
9. There has been no material departure from the best practices of Code of Corporate Governance, as detailed in the regulations.
10. Key operating and financial data for the last seven years in summarized form is disclosed on page 90. The reasons for profit during the year and significant deviation in operating results of the Company from last year have been discussed above.
11. A reasonable indication of the principle risks and uncertainties as well as the future prospects is discussed above.
12. A statement as to the value of investments of provident, gratuity and pension funds on the basis of un-audited financial statements for the year ended December 31, 2025, is included in note 35.4 to the financial statements.
13. The number of Board and Committees' meetings held during the year and attendance by each Director is disclosed on page 148.
14. The non-executive/independent directors, other than those occupying executive positions in the Wafi group, are paid a fee to attend meetings of the board and its committees. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the act and the regulations. Details of remuneration are disclosed on page 137.
15. A formal self-evaluation of the Board and its committees' performance for the year 2025 was in progress during the year and has subsequently been completed, facilitated by the Pakistan Institute of Corporate Governance.
16. Mr. Javaid Akhtar, Dr. Ayesha Khan, Mr. Hans - Christoph Bausch, Mr. Kai-Uwe Witterstein, Mr. Zubair Shaikh, Mr. Parvez Ghias, Mr. Badaruddin F. Vellani, Mr. Imran R. Ibrahim and Mr. Amir R. Paracha have already obtained directors' training certification from the Pakistan Institute of Corporate Governance.

Mr. Zaffar Khan is exempted from the training, whereas Mr. Ghassan Al Amoudi was unable to undertake the Directors' Training Program during the year due to personal exigencies; however, the training will be completed in due course
17. The pattern of shareholding and additional information regarding pattern of shareholding is disclosed on page 151. The Company is a subsidiary of Wafi Energy Pakistan Holding Limited (immediate holding Company) since October 31, 2024. Before that, Shell Petroleum Company Limited, London was the immediate holding Company of the Company as mentioned above.

The name and Origin of our holding Company is disclosed on page 138.
18. Subsequent to the adaptation by SECP of the revised auditing standards, the auditors are required to communicate key audit matters as part of the auditors' report. These key audit matters are mentioned on page 94 of the Annual Report.
19. The figures in the financial statements for the year ending December 31, 2025, have been audited by external auditors of the Company.

20. The Board, on the recommendation of the Board Audit Committee, has recommended M/S EY Ford Rhodes to be retained as external auditors of the Company for the year ended December 31, 2026.
21. Details of trades in shares of the Company by Directors, CEO, CFO, Company Secretary, Head of Internal Audit, other executives and their spouses and minor children are reported on page 151.
22. Details of the Company's Corporate Social Responsibility and other activities undertaken by the Company during the financial year are disclosed in the paragraphs above.

We deeply value the unwavering dedication, continued support, and trust of our shareholders, customers, employees, and all stakeholders. As our journey continues, we remain steadfast in our commitment to leading Pakistan's energy future.

On behalf of the Board of Directors

Ghassan Al Amoudi
Chairperson

Karachi: February 26, 2026

Zubair Shaikh
Chief Executive

Gender Pay Gap Statement under Circular 10 out of 2025

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

- (i) Mean gender pay gap: **10.1%**
- (ii) Median gender pay gap: **13.0%**

Zubair Shaikh
Chief Executive

ڈائریکٹران کی رپورٹ

31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے

عزیز شیئر ہولڈرز

وانی انرجی پاکستان لمیٹڈ (سابقہ شیل پاکستان لمیٹڈ) ("کمپنی") کے ڈائریکٹران 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے آڈٹ شدہ مالی گوشواروں کے ساتھ اپنی سالانہ رپورٹ پیش کرتے ہیں۔

آپ کی کمپنی کے انتظامی امور، مارکیٹنگ اور تقسیم کاری کے اخراجات، مالی اور دیگر واجبات کی ادائیگی کے بعد 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے نفع درج ذیل تھا:

روپے ملین میں	نفع قبل از ٹیکس
8,143	ٹیکس
(4,598)	خالص نفع بعد از ٹیکس
3,545	
روپے	نفع فی شیئر - بنیادی اور سیال (Diluted)
16.56	

ذخائر کی کارروائی (موومنٹ) اور تصرفات ان مالی گوشواروں کے صفحہ 97 پر ایکویٹی میں تبدیلیوں کے بیان میں ظاہر کیے گئے ہیں۔

کاروبار کا تجزیہ

2025ء میں، پاکستان کا کلی معاشی ماحول مستحکم رہا، جہاں مہنگائی میں کمی اور زر مبادلہ کی شرح میں استحکام دیکھا گیا، جس کے نتیجے میں اسٹیٹ بینک نے سال کے اختتام تک اپنے پالیسی ریٹ کو کم کر کے 10.5 فیصد کر دیا۔ اس بہتر استحکام نے آئل مارکیٹنگ کمپنی کے شعبے کو کے لیے مزید امکانات فراہم کیے، تاہم عالمی تیل کی قیمتوں میں اتار چڑھاؤ، ضوابطی دباؤ، اور منافع کے پست مارجن جیسے چیلنجز بدستور موجود رہے۔

کمپنی نے آپریشنل کارکردگی میں بہتری، مالی نظم و ضبط، اور سرمائے کے مؤثر استعمال پر توجہ برقرار رکھی، جبکہ سپلائی چین کی مضبوطی، انونٹری کی

دوران سال، ریٹیل بزنس نے مضبوط نمو حاصل کی، جسے نیٹ ورک کی توسیع، پرہیم مصنوعات کی کارکردگی، اور کسٹمر تجربے میں مسلسل بہتری کی بدولت تقویت ملی۔ کمپنی نے شیل کی 35 نئی ریٹیل سائٹس شامل کیں، موجودہ شیل اسٹیشنز کو اپ گریڈ کیا، موہلیٹی کی بصری شناخت کے نئے معیارات نافذ کیے، اور شیل سلیکٹ اسٹورز کو وسعت دی، جس کے نتیجے میں ملک بھر میں اس کی موجودگی اور برانڈ کی یکسانیت مزید مضبوط ہوئی۔ فیول کی فروخت مسابقتی ماحول میں بھی مستحکم رہی۔ شیل وی پاور کی فروخت کی مقدار سہ ماہی اور ماہانہ بنیادوں پر مضبوط رہی، جسے نئے اور بہتر شیل وی پاور کے کامیاب اجراء، مربوط مارکیٹنگ مہم، اور ملک بھر میں پروموشنل اقدامات نے مزید تیز کیا۔ مرکزی فیول نے بھی دو ہندسی مضبوط نموریکارڈ کی، جو مختلف صارفی زمروں میں مضبوط طلب کی عکاسی کرتی ہے۔

نان ری فیول ریٹیل نے مثبت رفتار کا مظاہرہ کیا، جس میں شیل سلیکٹ نے نمایاں کارکردگی دکھائی، جو ٹارگٹڈ (ہدفی) مہمات اور نئی اسٹریٹجک شراکت داریوں کے ذریعے حاصل ہوئی، جنہوں نے فورکورٹ کی قدر میں اضافہ کیا اور صارفین کی آمد بڑھائی۔ "وائس آف کسٹمر" پروگرام کی توسیع، فرنٹ لائن ٹیموں کے لیے ڈیجیٹل انجمنٹ پلیٹ فارمز، اور "ایڈاپٹ-اے-سائٹ" پروگرام جیسے منظم معیاری ریٹیل اقدامات کے ذریعے صارفی تجربے اور آپریشنل کارکردگی کو مضبوط بنایا گیا۔

مجموعی طور پر، ریٹیل بزنس نے سال کا اختتام مضبوط رفتار کے ساتھ کیا، جس کی بنیادی وجہ فروخت کے حجم میں اضافہ، پرہیم فیول کی رسائی، ریٹیل کی توسیع، اور پاکستان بھر میں بہترین صارفی تجربہ فراہم کرنے پر مسلسل توجہ تھی۔

ماحولیات، سماج اور نظم و نسق

2025ء کے دوران، وانی انرجی پاکستان لمیٹڈ نے پائیداری، کمیونٹی کی ترقی، کاروباری مواقع، اور اسٹیک ہولڈرز کے ساتھ تعلقات میں اپنی اسٹریٹجک ترجیحات کو آگے بڑھایا۔

کمپنی نے اپنی پہلی سسٹین ایبلٹی رپورٹ 2025ء جاری کی، جس میں قومی ترقی کی ترجیحات اور اقوام متحدہ کے پائیدار ترقی کے اہداف (UNSDGs) کے ساتھ ہم آہنگی کی دوبارہ توثیق کی گئی، جن میں صاف توانائی، اقتصادی ترقی، صنفی مساوات، تعلیم، جدت، موسمیاتی اقدامات، اور ماحولیاتی تحفظ شامل ہیں۔

کلین انرجی تک رسائی (A2E) پروگرام نے قریبی آبادیوں میں مرحلہ وار اور اسٹریٹجک طور پر توسیع شدہ قابل تجدید توانائی کے اقدامات کے ذریعے 000,5 سے زائد افراد کو براہ راست فائدہ پہنچایا ہے۔ 2025ء میں، پروگرام نے 40 سٹمسی توانائی سے چلنے والی آبپاشی کٹس تقسیم

افادیت، اور ریٹیل کارکردگی میں اضافے کو ترجیح دی تاکہ منافع کے مارجن اور پائیدار نمو کو برقرار رکھا جاسکے۔

دوران سال، کمپنی نے اپنی نمو کی حکمت عملی پر پیش رفت کرتے ہوئے آپریشنز اور کاروباری پورٹ فولیو کو وسعت دینے کے لیے اسٹریٹجک مواقع کا جائزہ لیا۔ اس میں دیہی میں ایک ذیلی کمپنی قائم کرنے کے امکانات کا جائزہ شامل تھا تاکہ خطے میں اپنی موجودگی کو مستحکم بنایا جاسکے، نیز ریٹیل کاروبار میں غیر نامیاتی (inorganic) نمو کے مواقع بھی تلاش کیے گئے۔ آپریشنل کارکردگی کو بہتر بنانے، صارفین کے تجربے کو بہتر بنانے، اور فیول و نان فیول ریٹیل کارکردگی کو مضبوط کرنے کی مسلسل کوششوں سے بھی ان اقدامات کو تقویت ملی، جس کے نتیجے میں کمپنی آئندہ برسوں میں پائیدار ترقی کے لیے موثر پوزیشن میں آگئی ہے۔

اس پس منظر میں، کمپنی نے 2025ء کے اختتام پر 3,545 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جسے تمام شعبوں میں مستحکم کارکردگی، موثر رسدی انتظام، اور نظم و ضبط کے ساتھ لاگت پر قابو پانے کی بدولت سہارا ملا۔

لبریکنٹس

2025ء لبریکنٹس کے کاروبار کے لیے ایک فیصلہ کن سال ثابت ہوا، جس میں منتقلی کے مرحلے سے نکل کر عملی اقدامات پر مبنی اور مقامی سطح پر قائم ترقی کی جانب واضح پیش رفت ہوئی۔ مارکیٹ میں غیر یقینی صورت حال کے باوجود، کاروبار نے کارکردگی میں نمایاں بہتری دکھائی، مارکیٹ شیئر میں اضافہ کیا اور اپنی طویل مدتی مسابقتی صلاحیت پر اعتماد کو مزید مضبوط بنایا۔

یہ نمو صارفی اور صنعتی دونوں شعبوں میں وسیع البیاد تھی۔ صارفی کاروبار نے تیز رفتار پیش رفت کی، جس میں اعلیٰ اثر رکھنے والی برانڈ سرگرمیاں شامل تھیں، مثلاً شیل پلینجر کارموٹر آئل کے لیے ڈیجیٹل انجمنٹ، شیل ڈیزل کیٹیگری میں صنعت کی پہلی اے آئی پر مبنی سرگرمی، اور بڑے پیمانے پر صارفین کی شمولیت کے پروگرام شامل تھے، جنہوں نے برانڈ کی قدر کو نمایاں طور پر مضبوط بنایا اور مارکیٹ میں پوزیشن کو مزید مستحکم کیا۔

انڈسٹریل لبریکنٹس کے شعبے نے ایک مضبوط سال گزارا، جس کی بنیاد اور یجنٹ ایکویپمنٹ مینوفیکچررز کے ساتھ مضبوط شراکت داری، مائننگ سیکٹر میں نمایاں منصوبوں کو اسٹریٹجک سپلائی کے ذریعے مسلسل قیادت، اور بالواسطہ و پراسیس آئل کے زمروں میں مضبوط پیش رفت پر رہی۔ بڑے پیمانے کے انفراسٹرکچر اور قومی منصوبوں میں مستقبل کے کاروبار کا حصول ایک اہم اسٹریٹجک سنگ میل ثابت ہوا۔

مجموعی طور پر، لبریکنٹس کے کاروبار نے مالی سال 2025ء ایک مضبوط پوزیشن کے ساتھ اختتام پذیر کیا، جہاں ایک پیچیدہ منتقلی کے سال میں لچک کا مظاہرہ کیا گیا، مارکیٹ میں قیادت کو مزید مستحکم بنایا گیا، اور پائیدار ترقی کے لیے ایک زیادہ مستعد اور عمل درآمد پر مبنی پلیٹ فارم قائم کیا گیا۔

کمپنی نے سعودی عرب کے ساتھ تعلق مضبوط بنانے کے لیے نئے اکثریتی شیئر ہولڈرز کے تحت اپنے پہلے سال کی عکاسی کرتے ہوئے، سعودی نیشنل ڈے 2025ء کی تقریبات میں بھی حصہ لیا اور ان کی سرپرستی کی۔

ایچ ایس ایس ای

2025ء میں، کمپنی نے مضبوط ایچ ایس ایس ای کارکردگی کا مظاہرہ کیا، جو منظم عمل درآمد، نمایاں قیادت، اور مضبوط فرنٹ لائن ملکیت کی عکاسی کرتی ہے۔

سال بھر، ہم نے خطرے میں کمی پر توجہ مرکوز کرتے ہوئے، سیکورٹی کی بہتر تیاری، قیادت کی شمولیت، اور مضبوط یقین دہانی کی سرگرمیوں کے ذریعے اپنی حفاظتی ثقافت اور آپریشنل چک کو مضبوط کیا۔ ہمارے ریوارڈ اینڈ ریلیکیشن پروگرام کے آغاز نے مثبت حفاظتی رویوں کو مزید تقویت دی۔ اس کے علاوہ، تیز رفتار ڈیجیٹلائزیشن نے شفافیت میں اضافہ کیا اور خطرہ کے زیادہ فعال انتظام کو ممکن بنایا۔

روڈ سیفٹی ہماری اہم ترین ترجیح بنی رہی۔ رمضان سیفٹی مہم، موسم سے متعلق خطرے کی ہدایات جیسے کہ دھند کے دوران ڈرائیونگ اور سردیوں کے خطرات، اور اسٹیک چارج آگاہی کی مہم جیسے اقدامات نے فرنٹ لائن کی آگاہی بڑھائی اور زیادہ خطرناک حالات میں اہم کنٹرولز کی پابندی کو تقویت دی۔ ہم نے اپنی سرگرمیوں کا دائرہ بڑھاتے ہوئے مقامی طلباء کو سڑک پر حفاظت اور فرسٹ ایڈ کی تربیت فراہم کی اور صنعت کے ہم منصبوں کے ساتھ بہترین طریقہ کار کا اشتراک کرتے ہوئے مشترکہ طور پر حفاظتی معیارات کو بلند کیا۔

حفاظت اور نقصان سے بچاؤ کی مہمات، ساتھ ہی کاروباری شعبوں میں کنٹری لیڈرشپ ٹیم کی سائٹ وزٹس میں اضافے نے ہماری توجہ کو ہائی رسک سرگرمیوں، اثاثوں کی سالمیت، اور واضح قیادت کے عزم پر مزید مضبوط کیا۔

ہنگامی صورت حال کے لیے تیاری کو مزید مضبوط بنایا گیا، جس میں لبریکنٹس آئل بلینڈنگ پلانٹ (LOBP) میں سیکورٹی رسپانس بم دھمکی کی ڈرل اور تربیتی مشق شامل تھی، نیز ٹریننگ اور ریٹیل سائٹس میں متعدد ایمرجنسی رسپانس ڈرلز کے ذریعے تیاری اور ہم آہنگی کا جائزہ لیا گیا۔ یہ تمام اقدامات مل کر اہم کنٹرولز کو مضبوط بنانے، مضبوط ایچ ایس ای ای کلچر کو فروغ دینے، اور آپریشنل اور سیکورٹی چیلنجز کے دوران کاروباری تسلسل کو برقرار رکھنے میں معاون ثابت ہوئے۔

تنوع، مساویت اور شمولیت

کمپنی متنوع، منصفانہ، اور شمولیتی جائے کار کو فروغ دینے کے لیے پرعزم ہے، جس میں بھرتی، تربیت، اور منسلک کرنے کے مواقع تک منصفانہ رسائی کو یقینی بنایا جاتا ہے۔ 2025ء میں، اس عزم کا مظاہرہ پاورنگ فیوچر لیڈرز مینجمنٹ ٹریننگ پروگرام کے ذریعے کیا گیا، جو ایک منظم

کیس اور 40 کسانوں کو زرعی اور باغبانی کے مشورے فراہم کیے تاکہ غذائی تحفظ کو بہتر بنایا جاسکے اور کلائمٹ اسمارٹ زراعت کو فروغ دیا جاسکے۔ مزید برآں، تین پائلٹ شمسی توانائی سے چلنے والے پولٹری انکیوبیشن یونٹس نصب کیے گئے تاکہ روزگار کے متنوع مواقع میں مدد ملے۔ ان مربوط اقدامات کے ذریعے، توانائی تک رسائی پروگرام کمیونٹی کی چک کو مضبوط بنا تا رہتا ہے، روزگار کے مواقع بہتر کرتا ہے، اور پائیدار توانائی تک رسائی کو فروغ دیتا ہے۔ توانائی تک رسائی پروگرام 2018ء سے سرگرم عمل ہے اور مختلف مراحل سے گزرا ہے۔

کمپنی نے پاکستان کے دوسرے ریٹیل اسٹیشن کا افتتاح کیا جو ری سائیکل شدہ پلاسٹک سے تعمیر کیا گیا ہے، یہ پائیدار حل فراہم کرنے کے عزم میں ایک اور سنگ میل ہے۔ نئی ریٹیل سائٹ پولیس لائسنز راولپنڈی میں واقع ہے اور اس کی تعمیر میں 7,700 کلوگرام پلاسٹک کے فضلے کا استعمال کیا گیا، جو 5.8 ملین سے زائد استعمال شدہ پلاسٹک کے برابر ہے، اور اسے تعمیراتی مواد میں شامل کیا گیا ہے۔ پہلا ریٹیل اسٹیشن کراچی میں تعمیر کیا گیا تھا، جو تعمیر الومنی اسٹارٹ اپ، کانسپٹ لُپ کے تعاون سے 6,500 کلوگرام پلاسٹک کے فضلے کو استعمال کرتے ہوئے پائیدار پیورز اور کنکریٹ بلاکس بنائے گئے۔ وانی انرجی پاکستان لمیٹڈ کی ایک اور ماحول دوست کوشش میں کراچی ہیڈ آفس کے باہر 730 فٹ طویل ری سائیکل شدہ پلاسٹک کی سڑک شامل ہے، جو 2.5 ٹن فضلہ لبریکنٹ بوتلوں سے بنی ہے اور یہ گرمی اور بارش کے خلاف مضبوط ثابت ہوئی ہے جبکہ کمیونٹی کے لیے فائدہ مند رہی ہے۔

کمیونٹی تک رسائی کے اقدامات میں کیمائٹی اور ماچھیکے کے اسکول کے بچوں کے لیے سڑک کی حفاظت کی تربیت شامل تھی، جس سے کمپنی کی قریبی آبادیوں کے حوالے سے عزم کو مضبوط بنایا گیا۔ اس کے علاوہ، وانی انرجی پاکستان لمیٹڈ نے گلوبل میری ٹائم ڈے کے موقع پر کلفٹن میں ایک مقامی اسکول کے تعاون سے ساحل کی صفائی کی سرگرمی منعقد کی۔ اس اقدام کا مقصد طلباء میں ماحولیاتی تحفظ اور بحری حیاتیات کے تحفظ کے حوالے سے آگاہی بڑھانا تھا۔

دوران سال، کمپنی نے اپنے فلیگ شپ انٹر پرائیور شپ پروگرام کے تحت 12 ویں تعمیر ایوارڈز 2025ء کا انعقاد کیا، جس میں نوجوان پاکستانی کاروباری افراد کی جدت کو سراہا گیا۔ ایوارڈز کے لیے پورے پاکستان سے 450 سے زائد درخواستیں موصول ہوئیں۔ چھ زمروں میں 12 فاتحین کا انتخاب کیا گیا، جن میں یہ زمرے شامل ہیں: خواتین کو بااختیار بنانا، گردش معیشت، صاف توانائی کے حل، ٹیکنالوجی کی جدت، ٹرانسپورٹیشن و موٹیلٹی، اور روشن خیالات۔ تخلیقی صلاحیت، توسیع پذیری، اور سماجی اثر کے معیار پر صنعت کے ماہرین نے نئے کاروباری اداروں کا جائزہ لیا۔

اپنے آغاز سے، تعمیر نے پاکستان بھر میں ایک ملین سے زائد نوجوانوں کو مواقع فراہم کیے، 17,000 سے زائد کاروباری افراد کو تربیت دی، اور ورکشاپس، ابتدائی فنڈنگ، اور عالمی مواقع کے ذریعے 1,200 سے زائد اسٹارٹ اپس کے قیام میں مدد فراہم کی۔

گریجویٹ ہائرنگ اقدام ہے، جس کا مقصد میرٹ پر مبنی اور شفاف عمل کے ذریعے اعلیٰ صلاحیت کے حامل نئے گریجویٹس کو متوجہ کرنا اور مستقبل کی ٹیلنٹ پائپ لائن کو مضبوط کرنا ہے۔

سیکھنے اور ترقی تک منصفانہ رسائی کو مرکزی لرننگ کیلنڈر اور Udemmy کے ذریعے بڑھایا گیا، جس سے مختلف شعبوں کے ملازمین کو کاروباری ضروریات کے مطابق صلاحیت پر مبنی لرننگ میں حصہ لینے کا موقع ملا۔ مضبوط انجمنٹ کے نتائج، جن میں لرننگ کے اقدامات میں زیادہ شرکت اور وائی پیپلز سروے شامل ہیں، نے شمولیتی ثقافت کو مزید مضبوط کیا جو ملازمین کی رائے، ترقی اور نمو کو اہمیت دیتی ہے۔

وانی انرجی پاکستان لمیٹڈ نے شیل ڈیفنس فلنگ اسٹیشن پر انٹرنیشنل ویمینز ڈے 2025ء کے موقع پر ”Accelerate Action“ کے موضوع کے تحت ایک خصوصی تقریب کا انعقاد کیا۔ اس اقدام کا مقصد کاروباری خواتین، بائیکرز، اور کارڈرائیورز کو گاڑی کی دیکھ بھال اور سڑک کی حفاظت کے بارے میں علم فراہم کر کے انہیں با اختیار بنانا تھا۔ 20 سے زائد خواتین بائیکرز اور کارڈرائیورز نے عملی طور پر آئل چینج اور ٹائر چینج کے مظاہروں میں حصہ لیا، اور محفوظ اور خود مختار سفر کے لیے ضروری عملی مہارتیں حاصل کیں۔ ماہرین نے بنیادی کار سیفٹی، انڈیکس چیکس، اور سڑک کی حفاظت پر سیشنز کروائے، تاکہ سڑک کو چھوٹی گاڑی کے مسائل خود سنبھالنے کا اعتماد حاصل ہو۔

کارپوریٹ نظم و نسق

ڈائریکٹران تصدیق کرتے ہیں کہ:

1. بورڈ 11 ارکان پر مشتمل ہے، جس میں چیف ایگزیکٹو شامل ہیں، جنہیں ڈائریکٹر سمجھا گیا ہے۔ بورڈ ایک خاتون رکن اور دس مرد ارکان پر مشتمل ہے، جس کی ہمیت ترکیبی یہ ہے:

خاتون رکن:	خود مختار ڈائریکٹران:
1- ڈاکٹر عائشہ خان	1- عامر پراچہ
مردارکان:	2- عمران ابراہیم
1- غسان العمودی	3- پرویز غیاث
2- عامر پراچہ	4- ظفر اے خان
3- بدرالدین ایف ویلانی	5- ڈاکٹر عائشہ خان
4- عمران ابراہیم	نان ایگزیکٹو ڈائریکٹران:
5- جاوید اختر	1- غسان العمودی
6- کائی او وٹرا سٹین	2- بدرالدین ایف ویلانی

7- پرویز غیاث

8- زبیر شیخ

9- ظفر اے خان

10- ہینسکر سٹوف بوش

3- جاوید اختر

4- کائی او وٹرا سٹین

5- ہینسکر سٹوف بوش

ایگزیکٹو ڈائریکٹران:

1- زبیر شیخ

2- مدیحہ خالد*

3- ضرار محمود**

*مدیحہ خالد نے بورڈ سے استعفیٰ دے دیا جو 8 جنوری 2025ء سے نافذ العمل ہوا اور اس خالی اسامی پر ڈاکٹر عائشہ خان کا تقرر کیا گیا جو 13 مارچ 2025ء سے نافذ العمل ہے۔
**جناب ضرار محمود نے بورڈ سے استعفیٰ دے دیا جو 15 مئی 2025ء سے نافذ العمل ہوا اور اس خالی اسامی پر جناب کرسٹوف بوش کا تقرر کیا گیا جو 18 مئی 2025ء سے نافذ العمل ہے۔

2. بورڈ نے درج ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں:

الف- آڈٹ کمیٹی

عمران ابراہیم (چیر پرسن)

بدرالدین ایف ویلانی

جاوید اختر

ہینسکر سٹوف بوش

ب- کمیٹی برائے افرادی وسائل و معاوضے

ظفر اے خان (چیر پرسن)

کائی او وٹرا سٹین

پرویز غیاث

ڈاکٹر عائشہ خان

زبیر شیخ

3. کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے مالی گوشوارے واضح طور پر اس کے معاملات، اس کے امور کے نتائج، رقوم کے بہاؤ اور

ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔

4. کمپنی کے تمام مالیاتی کھاتے برقرار رکھے گئے ہیں۔

5. مالیاتی گوشواروں کی تیاری میں مناسب حسابی طریقہ کار کا ہمیشہ اطلاق کیا گیا ہے ماسوا مالی گوشواروں کے نوٹ 2.4.1 میں بیان کی گئی

ان تبدیلیوں کے جو معیارات کے ابتدائی اطلاق اور پہلے سے موجود معیارات میں کی گئی ترامیم اور تشریحات کے نتیجے میں عمل میں

آئیں۔ حسابی تخمینے مناسب اور محتاط فیصلوں کی بنیاد پر کیے گئے ہیں۔

6. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ ان کا پاکستان میں اطلاق ہے، ان مالیاتی دستاویزات کی تیاری میں ان پر عمل کیا گیا

ہے اور اگر کچھ ترک بھی کیے گئے ہیں تو ان کو ظاہر کیا گیا ہے۔

7. داخلی کنٹرول کا نظام (سسٹم آف انٹرنل کنٹرول) اپنے طور پر بے نقص ہے اور اس پر مستعدی سے عمل درآمد کروایا گیا اور اس کی نگرانی کی گئی ہے۔

19. 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے مالی گوشواروں کے اعداد و شمار کا کمپنی کے بیرونی آڈیٹرز کی جانب سے آڈٹ کیا جا چکا ہے۔
20. بورڈ نے بورڈ آڈٹ کمیٹی کی ہدایت پر 31 دسمبر 2026ء کو اختتام پذیر ہونے والے مالی سال کے لیے میسرز ای وائے فور ڈیوڈز کو بطور ایکسٹرنل آڈیٹر برقرار رکھنے کی سفارش کی ہے۔
21. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی کے سیکریٹری، انٹرنل آڈٹ کے سربراہ، دیگر ملازمین اور ان کے زوجین، اور نابالغ بچوں کی کمپنی کے حصص (شیرز) میں تجارت کی تفصیل صفحہ 151 درج ہے۔
22. مالی سال کے دوران کمپنی کی اختیار کردہ کارپوریٹ سماجی ذمہ داری اور دیگر سرگرمیاں مذکورہ بالا اقتباسات میں ظاہر کی گئی ہیں۔

جذبے، مستقل معاونت اور کمپنی پر اعتماد کے لیے ہم اپنے شیئر ہولڈرز، کسٹمرز، عملے اور دیگر فریقوں کے شکر گزار ہیں، اور ہم پاکستان کی سب سے بڑی انرجی کمپنی بننے کا اپنا سفر جاری رکھیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے



غسان العمودی
چیر پرسن

کراچی: 26 فروری 2026ء

2025ء کے سرکلر 10 کے تحت چینڈرپے گیپ اسٹیٹمنٹ

31 دسمبر 2025ء کو اختتام پذیر سال کے لیے چینڈرپے گیپ کا حساب درج ذیل ہے:

(i) اوسط (Mean) چینڈرپے گیپ: 10.1% (ii) میڈین (Median) چینڈرپے گیپ: 13.0%



غسان العمودی
چیر پرسن

8. بلاشبہ کمپنی ایک منافع بخش کاروبار کی حیثیت سے جاری رہنے کی صلاحیت رکھتی ہے۔
9. کارپوریٹ گورننس (Corporate Governance) کے ضابطوں پر مکمل عمل کیا گیا ہے، جو اس کے ضابطوں کی فہرست میں تفصیل سے درج ہیں۔
10. گزشتہ سات سال کے اہم آپریشنز اور مالیاتی ڈیٹا کا خلاصہ صفحہ 90 پر ظاہر کیا گیا ہے۔ دوران سال منافع کی وجوہات اور کمپنی کے گزشتہ برس کے آپریٹنگ نتائج سے انحراف پر مذکورہ بالا میں بحث کی جا چکی ہے۔
11. اہم خطرات اور غیر یقینی صورت حال کے ساتھ ساتھ مستقبل کے امکانات کی مناسب نشاندہی (ریزن ایبل انڈیکیشن) پر مذکورہ بالا میں تبادلہ خیال کیا گیا ہے۔
12. 31 دسمبر 2025ء کو ختم ہونے والے سال کے لیے غیر آڈٹ شدہ مالی گوشواروں کی بنیاد پر پراویڈنٹ، گریجویٹ اور پنشن فنڈز کی مقدار پر سرمایہ کاری کا بیان مالی گوشواروں کے نوٹ 35.4 میں شامل کیا گیا ہے۔
13. سال بھر کے دوران منعقد ہونے والی بورڈ اور کمیٹیوں کے اجلاس اور ان میں ہر ڈائریکٹر کی شرکت کی تعداد صفحہ 148 پر ظاہر کی گئی ہے۔
14. نان ایگزیکٹو خود مختار ڈائریکٹران، ماسواہ جو وانی گروپ کی کمپنیوں میں ایگزیکٹو عہدے دار ہیں، ان کو بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت پر ادائیگی کی جاتی ہے۔ ڈائریکٹرز کی تنخواہوں کے لیے بورڈ آف ڈائریکٹرز ایکٹ اور ضوابط سے ہم آہنگ رہی پالیسی اور شفاف طریقہ کار کے حامل ہیں۔ مشاہروں کی تفصیلات کا انکشاف صفحہ 137 پر کیا گیا ہے۔
15. سال 2025ء کے لیے بورڈ اور اس کی کمیٹیوں کی کارکردگی کا رسمی ذاتی جائزہ (self-evaluatuon) سال بھر جاری رہا جسے بعد ازاں پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس کی معاونت سے مکمل کر لیا گیا۔
16. جاوید اختر، ڈاکٹر عائشہ خان، ہینس کرسٹوف بوش، کائی اوٹرا سٹین، زبیر شیخ، پرویز غیاث، بدرالدین ایف ویلانی، عمران آرا براہیم، عامر آرا پراچہ پہلے ہی پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) سے ڈائریکٹرز ٹریننگ سرٹیفیکیشن حاصل کر چکے ہیں جبکہ جناب ظفر خان مستثنیٰ ہیں اور مسٹر غسان العمودی ذاتی مجبوریوں کے باعث دوران سال ڈائریکٹرز ٹریننگ پروگرام مکمل نہ کر سکے؛ تاہم یہ تربیت مقررہ وقت میں مکمل کر لی جائے گی۔
17. حصص یافتگی (شیر ہولڈنگ) کے طریقہ کار (پیٹرن) اور حصص یافتگی کے طریقہ کار سے متعلق اضافی معلومات صفحہ 151 ظاہر کی گئی ہیں۔ یہ کمپنی 31 اکتوبر 2024ء سے وانی انرجی ہولڈنگ لمیٹڈ (امیڈیٹ ہولڈنگ کمپنی) کا ذیلی ادارہ ہے۔ قبل ازیں شیل پٹرولیم کمپنی لمیٹڈ، لندن اس کی امیڈیٹ ہولڈنگ کمپنی تھی۔ ہماری ہولڈنگ کمپنی اور اس کے ماخذ کی وضاحت صفحہ 138 پر کی گئی ہے۔
18. ایس ای سی پی کی جانب سے گزشتہ برس جاری کیے گئے نظر ثانی شدہ آڈیٹنگ کے معیارات کے نفاذ کے بعد آڈیٹرز کے لیے ضروری ہے کہ وہ آڈٹ کے اہم معاملات کا اپنی آڈیٹرز رپورٹ میں بیان کریں۔ یہ اہم آڈٹ معاملات ان مالیاتی گوشواروں کے صفحہ نمبر 94 پر ظاہر کیے گئے ہیں۔

Notice of Annual General Meeting

Notice is hereby given that the 57th Annual General Meeting ('AGM') of Wafi Energy Pakistan Limited (WEPL) ('Company') will be held at the Pearl-Continental Hotel, Ballroom A, Karachi and virtually through video-conference facility, on Wednesday, April 29, 2026, at 12:00 p.m. to transact the following business:

1. To receive, consider, adopt and approve the Audited Financial Statements for the year ended December 31, 2025, together with Report of Directors and Auditors thereon.

As required under section 223(7) of the Companies Act 2017, the Audited Financial Statements of the Company for the year ended December 31, 2025, together with Report of Directors and Auditors thereon and the Chairperson's Review Report have been uploaded on the website of the Company which can be downloaded from the following website link and QR Code.

<https://wafi-energy.com/annual-reports-publication/>



2. To declare and approve, as recommended by the Directors, the payment of a final cash dividend at the rate of PKR 4.00 (40%) for the year ended December 31, 2025.
3. To appoint Auditors for the financial year January 01 to December 31, 2026, and to fix their remuneration.

By Order of the Board

Lalarukh Hussain-Shaikh
Secretary

Karachi: February 26, 2026

6, Ch. Khaliqzaman Road
Karachi-75530

NOTES:

- (i) The register of members will remain closed from Tuesday, April 21, 2026, to Wednesday, April 29, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi-75400 by the close of business (5:00 p.m.) on Monday, April 20, 2026, will be treated as being in time to attend and vote at the meeting.
- (ii) Members may attend the meeting in person or through video-conference facility arranged by the Company. For attending the meeting through video-conference, members are required to e-mail their name, folio number, valid e-mail address and number of shares held in their name to CompanySec@wafi-energy.com with the subject "Registration for WEPL's AGM".
- (iii) A member entitled to attend and vote at the meeting shall be entitled to appoint another person, as his/her proxy to attend the meeting either in-person physically or through video-conference facility. Proxies may demand or join in demanding a poll, speak and vote at the meeting. For a proxy to attend the meeting either physically or through video-conference facility, the proxy form must be received at the registered office of the Company not later than 48 hours before the meeting.

Proxies may also be appointed by e-mailing a scanned copy of the proxy form signed by the shareholder authorising the proxy along with the e-mail address of proxy and the relevant details (as given below) to CompanySec@wafi-energy.com

A proxy need not be a member of the Company.

- (iv) A form of Proxy is enclosed with the Notice of Meeting being sent to the members.
- (v) Confirmation emails to attend the meeting via video-link (with login credentials) will be shared with only those member/proxies whose e-mails containing all the required particulars are received at the given e-mail address by or before the close of business (5:00 p.m.) on April 27, 2026. Shareholders can also provide their comments and questions for the agenda items of the AGM on CompanySec@wafi-energy.com.
- (vi) Members holding physical shares are requested to notify any change in their addresses immediately to our Share Registrar, FAMCO Share Registration Services (Pvt) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi-75400.
- (vii) Members or their proxies are required to present their original CNIC or Passport along with the Participant's I.D. and Account Number(s) or Folio Number at the time of attending the Annual General Meeting in-person at the venue in order to authenticate their identity.
- (viii) Audited Accounts and the Annual Report of the Company for the year ended December 31, 2025 is available on the Company's website.
- (ix) In compliance with section 223(6) of Companies Act 2017, the Company has electronically transmitted the Audited Financial Statements of the Company for the year ended December 31, 2025 together with Report of Directors and Auditors thereon and the Chairperson's Review Report through email to shareholders whose email addresses are available with the Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited. In those cases, where email

addresses are not available with the Company's Share Registrar, printed notices of the AGM which contain the weblink and QR Code for the Audited Financial Statements of the Company for the year ended December 31, 2025, together with Report of Directors and Auditors thereon and the Chairperson's Review Report have been dispatched. The Company will also provide hard copies of the Audited Financial Statements of the Company for the year ended December 31, 2025, together with Report of Directors and Auditors thereon and the Chairperson's Review Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

- (x) **Special Notice to the Shareholders for Conversion of Physical Shares into Book-Entry Form:** In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into the Book-Entry form. Given the above requirement, shareholders of the Company having physical folios/ share certificates are requested to convert their shares from the physical form into Book-Entry form as soon as possible. Conversion of physical shares into Book-Entry form would facilitate the shareholders in many ways, i.e., safe custody of shares, readily available market for instant sale and purchase of shares, eliminate the risk of loss & damage, easy & secure transfer with lesser formalities as compared to physical shares. The Company's shareholders may contact the Share Registrar of the Company i.e., FAMCO Share Registration Services (Pvt.) Limited, for assistance in converting physical shares into Book-Entry Form.
- (xi) In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for "filer" and "non-filer" Shareholders at 15% and 30% respectively. A "filer" is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a "non-filer" is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all Shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, FAMCO Share Registration Services (Pvt.) Limited, of the Company by the first day of book closure.
- (xii) According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the "Filer/ Non-Filer" status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).
- (xiii) In order to claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarised copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar, FAMCO Share Registration Services (Pvt.) Limited., of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services. Further, non-Muslim shareholders are also required to file Solemn Affirmation (available on <https://famco.com.pk/share-registration-service/>) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be

allowed unless the above documents are complete in all respects have been made available as above.

(xiv) Electronic dividend mandate

- a) CNIC number of the shareholders is mandatorily required for dividend distribution and in the absence of such information, payment of dividend shall be withheld in term of SECP's order dated June 3, 2016. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar. The shareholders while sending CNIC must quote their respective folio number and name of the Company.
- b) Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of a member's valid IBAN and CNIC updated, the Company will be constrained to withhold payment of dividend to such member.

(xv) Prohibition on grant of gifts to Shareholders

In compliance with the Securities and Exchange of Pakistan's Circular 2 of 2018, dated 9th February 2018 and S.R.O.452(1)/2025 dated 17th March 2025 NO GIFTS WILL BE DISTRIBUTED at the Annual General Meeting.

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations 2019 (the Regulations)

Wafi Energy Pakistan Limited (the Company) for the year ended December 31, 2025.

The Company has complied with the requirements of the Regulations in the following manner: -

- The total number of directors as of December 31, 2025 is (eleven) 11 as per the following:
 - a) Male: Ten (10)
 - b) Female: One (1)
- The composition of the Board of Directors (the Board) during the year ended December 31, 2025 is as follows:

Category	Name
Independent directors	Dr. Ayesha Khan** Mr. Parvez Ghias Mr. Imran R. Ibrahim Mr. Amir R. Paracha Mr. Zaffar A. Khan
Executive directors	Mr. Zubair Shaikh Mr. Zarrar Mahmud*** Mr. Madiha Khalid*
Non-executive directors	Mr. Ghassan Al Amoudi Mr. Javaid Akhtar Mr. Kai-Uwe Witterstein Mr. Badaruddin F. Vellani Mr. Hans-Christoph Bausch****
Female director	Dr. Ayesha Khan

*Ms. Madiha Khalid resigned from the Board with effect from January 08, 2025.

** Ms. Ayesha Khan was appointed as a Director on the Board with effect from March 13, 2025.

*** Mr. Zarrar Mahmud resigned from the Board with effect from May 15, 2025.

**** Mr. Hans-Christoph Bausch was appointed as a Director on the Board with effect from May 18, 2025.

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

- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations. Further, the annual evaluation of the Board is in progress and will be completed in due course;
- The meetings of the Board were presided over by the Chairperson and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
- Following directors are certified / exempted under the Directors' Training Program:
 - Mr. Amir R. Paracha
 - Dr. Ayesha Khan
 - Mr. Badaruddin F. Vellani
 - Mr. Hans - Christoph Bausch
 - Mr. Imran R. Ibrahim
 - Mr. Javaid Akhtar
 - Mr. Kai-Uwe Witterstein
 - Mr. Parvez Ghias
 - Mr. Zubair Shaikh

Mr. Zaffar Khan is exempted from the training, whereas Mr. Ghassan Al Amoudi was unable to undertake the Directors' Training Program during the year due to personal exigencies; however, the training will be completed in due course

- The Board had approved terms and conditions of employment of the Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and complied with the relevant requirements of the Regulations ;
- The financial statements of the Company were duly endorsed by the chief executive officer and the chief financial officer before approval of the Board;
- The Board has formed committees comprising of members (as of December 31, 2025) given below:

Board Audit Committee (BAC)

- 1) Mr. Imran R. Ibrahim (Chairperson)
- 2) Mr. Badaruddin F. Vellani
- 3) Mr. Javaid Akhtar
- 4) Mr. Hans - Christoph Bausch

Human Resource and Nomination Committee (HRNC)

- 1) Mr. Zaffar A. Khan (Chairperson)
- 2) Mr. Parvez Ghias
- 3) Mr. Kai – Uwe Witterstein
- 4) Mr. Zubair Shaikh
- 5) Dr. Ayesha Khan

The Board has not constituted a separate Risk Management Committee and Nomination Committee. The responsibilities are covered by the Board itself, the concerned departments and the HRNC, respectively.

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- The frequency of meetings of the committees were as follows:
 1. **Audit Committee:** Five meetings were held during the year.
 2. **Human Resource and Nomination Committee:** Five meetings were held during the year.
- The Board has outsourced the internal audit function to BDO Ebrahim & Co. who are considered to be suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
- 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 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;
- 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;
- We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Ghassan Al Amoudi
Chairperson



EY FORD RHODES
Chartered Accountants
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Independent Auditor's Review Report

To the members of Wafi Energy Pakistan Limited

Review Report on the Statement of Compliance contained in the 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 Wafi Energy Pakistan Limited (the Company) for the year ended 31 December 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 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. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 Regulation as applicable to the Company for the year ended 31 December 2025.



Chartered Accountants

Place: Karachi

Date: 8th April, 2026

UDIN: CR2025101200iqvU5ltg



Our
performance

Retail

2025 marked a year of strong growth and strategic progress for the Retail business, driven by our focus on delivering best-in-class customer experience through exceptional service, high-quality products, and a broad portfolio of offerings.

Our fuels portfolio, comprising Shell Super, Shell Diesel, and Shell V-Power, continued to meet diverse customer needs. The New and Improved Shell V-Power was engineered to enhance vehicle performance and efficiency.

Complementing our fuels, our lubricants range, including Shell Advance, Shell Helix, and Shell Ultra, provided superior engine protection and performance across vehicle categories.

Beyond fuels, we further strengthened our non-fuel retail proposition through Shell Select and strategic alliances, enhancing convenience and accessibility at our forecourts.

Through continuous innovation and a strong customer-centric approach, Wafi Energy Pakistan remains committed to operational excellence and to shaping the future of Retail in the country.

Expanding the network, strengthening the future

We expanded our footprint through the acquisition of prime locations, the development of distinctive site designs, and the maintenance of high operational standards across the network. Our efforts ensure that growth is not only rapid but also sustainable, consistent, and aligned with our brand promise.

2025 marked a year of accelerated expansion and improved accessibility for our customers.

We added 35 new sites to the network, introduced over 71 non-fuel retail units, and reduced time-to-market by 17 percent, enabling faster execution and quicker realization of value.

Value-saving initiatives delivered cost efficiencies, reinforcing financial discipline. In addition, operations resumed in Gilgit-Baltistan, with five sites becoming operational, further extending our reach and improving regional accessibility.

Together, these initiatives demonstrate how disciplined growth, innovation, and operational excellence are working in synergy to shape the future of our Retail network.



Launch of the new and improved Shell V-Power

The third quarter marked a milestone with the launch of the New and Improved Shell V-Power, representing the brand's first premium fuel innovation in nearly a decade. This introduction sets a new benchmark for performance and efficiency in the market, reinforcing the Company's commitment to innovation and product excellence.

Formulated with advanced additive technology, the new Shell V-Power is designed to clean critical engine components, optimise engine performance, and enhance the overall driving experience. By improving engine efficiency and maintaining engine health, the product delivers tangible value to customers while supporting a more responsive and reliable drive.



The launch was further amplified through the nationwide "Feel the Fuel" campaign, which delivered strong engagement across digital platforms. Our vision is to deliver global innovation to local consumers, while further strengthening the Company's premium fuel portfolio and reinforcing its position as a trusted partner for quality and performance.

Setting a new standard in customer experience

Enhancing customer experience remains a key priority across our retail network. During the year, we intensified our focus on elevating site standards and service delivery across strategically selected locations in major cities across Pakistan, ensuring a more consistent and differentiated experience for our customers.

This initiative centred on improving visual appeal, maintaining high-quality forecourt standards, and strengthening service delivery across all customer touchpoints. From cleaner, more organised site environments to improved staff engagement and responsiveness, each element was carefully aligned to create a welcoming, efficient, and reliable experience for customers at our stations.

In parallel, we placed greater emphasis on consistency across the network, ensuring that customers receive the same high standard of service and experience regardless of location. Enhanced supervision, targeted training, and continuous monitoring mechanisms were implemented to reinforce operational discipline and service excellence at the site level.



Operational excellence through company operated sites

Company-Operated Sites remained a cornerstone of performance and operational excellence in 2025, setting the standard for retail execution across the network. These sites consistently delivered best-in-class customer experiences, upheld a premium look and feel, and maintained the highest standards of service, safety, and compliance—reinforcing brand equity and strengthening customer trust in key markets.



From a commercial perspective, the portfolio made a strong contribution to overall performance. This was driven by disciplined execution, effective premium fuel penetration, and a focused approach to high-value non-fuel retail offerings.

The portfolio delivered across multiple dimensions. The network continued to expand with the addition of new sites nationwide, while a structured operator pipeline was developed to build capability and ensure long-term sustainability.



These achievements position Company-Operated Sites not only as key revenue driver, but also as center of retail innovation, capability building, and continuous improvement, playing a critical role in shaping the future of the network and delivering sustainable growth.



Strengthening safety through action

Safety remains at the core of everything we do at Wafi Energy Pakistan. During the year, we strengthened our safety practices through structured audits, regular emergency drills, and increased leadership presence across retail sites, reinforcing visible commitment from the top.

These initiatives were designed to ensure compliance with regulatory and company standards while also strengthening frontline confidence, improving hazard awareness, and enhancing preparedness in high-risk operating environments.

A key highlight was the emergency response drill conducted at Balapir Filling Station in Kashmir. The exercise brought together site staff and key partners in a real-time simulation of fire and spill scenarios, focusing on critical response techniques and established emergency protocols.

This initiative reinforced operational discipline, improved coordination under pressure, and demonstrated our continued commitment to protecting our people, customers, and assets.



Lubricants

The Lubricants business delivered a resilient performance in 2025, navigating a challenging macroeconomic environment characterised by cost pressures, evolving demand patterns, and continued market competition. Despite these headwinds, the segment maintained a stable market position through disciplined execution, sustained customer engagement, and a balanced portfolio across Consumer and Industrial segments.

Shell named #1 Global Lubricants Supplier for the 19th year in a row¹

- First to market premium lubricants **manufactured from natural gas** in 100+ countries²
- World-class lubricants supply chain investing to meet market demand³
 - 31 Blending/manufacturing plants
 - 10 Grease plants
 - 3 Base oil plants
 - 6 GTL base oil storage hubs
- World-leading lubricant brands⁴
 - #1 Consumer Automotive
 - #1 Commercial Automotive
 - #1 Industrial
- Deliver cutting-edge products to a wide range of industrial sectors
- Partner of choice of many global companies
 - WIPAC, GEGLY, VW, HYUNDAI
 - HONDA, ISUZU, MAN, DAF TRUCK
 - CNH, L3 Energy Solutions, etc.
- Network of technology centres with 300+ R&D scientists in USA, China, Germany, India and Japan
- Expert technical services solve customers' millions of dollars a year⁵
 - Shell LubriAnalyst
 - Shell LubriCoach
 - Shell LubriOptimizer
 - Shell LubriExpert
 - Shell LubriAdvise
- Strong network of 1500 distributors and 85 macro-distributors
- Digital and Field Services for B2B and B2C customers
 - Shell MyShell
 - Shell Service Store
 - Shell ADVANTAGE
 - Shell Workshop Academy
 - Shell LubriAnalyst
- Making our operations and products more sustainable for the future
 - Shell Eco-Performance
 - Shell Eco-Performance
 - Shell Eco-Performance
 - Shell Eco-Performance
- Pushing the boundaries of lubricant technology on race tracks around the world
 - Ferrari Shell Racing Partner
 - Shell Eco-Performance
 - Shell Eco-Performance
 - Shell Eco-Performance

Growth during the year remained broad-based, supported by continued brand investment, deeper distribution penetration, and focused commercial execution across priority channels. Integration with the Retail network further enhanced product visibility and consumer engagement, contributing to overall portfolio reach and performance.



Strategic partnership with SECMC

Wafi Energy Pakistan, through its B2B Lubricants business, entered into a long-term strategic partnership with Sindh Engro Coal Mining Company (SECMC) to supply a full range of lubricants and greases. This agreement reinforces our presence in the industrial segment and supports one of Pakistan's most critical energy infrastructure projects, reflecting our commitment to performance, reliability, and technical excellence at scale.

Participation at Pakistan minerals investment forum 2025

Wafi Energy Pakistan Limited – Shell Licensee participated as the energy partner at the Pakistan Minerals Investment Forum 2025 in Islamabad, strengthening engagement with government leadership, investors, and key stakeholders across the mining ecosystem.

Through Shell Lubricants Solutions, we continue to support the development of Pakistan's mineral sector by providing technical expertise and high-performance lubrication solutions that enhance equipment reliability, optimise maintenance cycles, and improve operational efficiency in remote and demanding environments.



Shell lubricant solutions events

Wafi Energy Pakistan hosted Shell Lubricant Solutions events across Pakistan, bringing together over 1,000 industry professionals from key industrial sectors.

The events focused on strengthening customer partnerships and showcasing Shell's latest advancements in lubricant technology. Through expert-led technical sessions, solution demonstrations, and interactive discussions, tailored value propositions were presented to support operational efficiency and performance optimisation.



Recognition at leading industry awards

In 2025, Wafi Energy Pakistan received multiple recognitions across leading national marketing platforms.

At the Dragons of Pakistan Awards 2025, the Shell Advance campaign #BikeChalegiAdvanceChalegi secured Silver in Integrated Marketing, while Tum Kamaal Karte Ho 2.0 was awarded Bronze in Brand Building and Awareness. The campaign also earned Bronze at the Effie Awards Pakistan.

Additionally, Shell Advance and Shell Lubricants were recognised at the Consumers Choice Awards Pakistan, reinforcing strong consumer trust and brand equity.



Shell advance brand campaign

In 2025, Shell Advance continued its brand partnership with Fahad Mustafa for a second consecutive year, reinforcing platform consistency and long-term brand alignment.

The #PickupDumdaarSmoothHarbaar campaign was developed around consumer insights on performance and smooth engine response and was executed across television, out-of-home, digital, and social media platforms as an integrated marketing initiative.



The campaign also introduced a limited-edition Shell Advance pack featuring the brand ambassador for a defined promotional period, supported by a coordinated digital toolkit to enhance brand visibility across channels.

Helix royal club

Helix Royal Club is a structured loyalty platform designed to strengthen engagement with retailers and key influencers under the theme "Let's Explore the World with Shell Helix."

The programme supports brand equity and long-term portfolio value, with members onboarded annually and evaluated based on performance and growth potential. It offers curated local and international experiences aligned with defined milestones, encouraging sustained partnership and engagement throughout the year.

In 2025, the programme was further enhanced through refreshed value propositions and nationwide roadshows, expanding participation across territories.



Digital innovation across consumer promotions

AI-enabled creative assets were introduced as part of promotional communications, strengthening digital engagement and modernising brand visibility across platforms. This approach reflects the Company's continued focus on integrating emerging technologies into its marketing ecosystem.



Health, Safety, Security and Environment (HSSE) Performance

At Wafi Energy Pakistan, safety and wellbeing remain fundamental to operational excellence and sustainable growth. In 2025, the Company delivered strong HSSE performance with no significant injuries recorded, reflecting disciplined execution, visible leadership commitment, and strong ownership at the frontline.

Throughout the year, we strengthened our HSSE culture through focused initiatives in risk management, leadership engagement, health and wellbeing, and continuous improvement, ensuring the protection of our people, assets, communities, and the environment.

Strengthening safety culture and operational discipline

We continued to reinforce a proactive safety culture through targeted campaigns and structured engagement across all business lines. The launch of a Reward and Recognition program encouraged positive safety behaviours and strengthened accountability at the frontline. Enhanced digitization efforts further improved transparency and enabled proactive risk management across operations.



Safety Day 2025, under the theme "How I Respond Matters," emphasized individual accountability and timely response to hazards. Through interactive sessions and frontline engagement, employees and contractors were encouraged to actively demonstrate Stop Work Authority, learn from near misses, and reinforce behavioural safety.

Enhancing road safety and community engagement

Road safety remained a key priority, given its critical risk exposure. The Company strengthened compliance through defensive driving programs, fatigue management awareness, and structured monitoring across transport operations.

The Ramadan Safety Campaign further addressed fatigue and road risks during the fasting period, reinforcing responsible driving practices and empowering staff to prioritize safety under challenging conditions.

Beyond operations, we extended our commitment to communities through road safety and first aid training initiatives for local students, promoting safer practices and awareness beyond our sites.



Advancing construction and operational safety

Recognizing the risks associated with construction and project activities, targeted safety workshops were conducted to strengthen controls around work at height, permit-to-work compliance, contractor supervision, and equipment safety. These initiatives enhanced risk recognition and reinforced shared accountability across project teams.

Operational safety was further strengthened through focused initiatives such as Construction Safety Week, No Leak Campaign, and expanded awareness programs addressing static energy risks during fuel handling. These efforts reinforced critical safety barriers, improved asset integrity, and safeguarded both employees and customers.



Leadership engagement and assurance

Leadership visibility remained a cornerstone of our HSSE strategy. The Country Leadership Team conducted regular site visits across retail locations, terminals, and project sites, engaging directly with frontline teams and contractors.

These engagements reinforced compliance with Life-Saving Rules (LSR) and Permit-to-Work (PTW) standards, encouraged open reporting of near misses, and strengthened communication across the organization.



Health and wellbeing

The Company remained committed to enhancing employee wellbeing through structured health initiatives and preventive care programs.

Health Risk Assessments (HRAs) were conducted across multiple operational sites, enabling systematic identification of workplace health risks and implementation of appropriate control measures.



A key highlight was the Breast Cancer Awareness initiative, which included awareness campaigns, one-on-one demonstrations on Breast Self-Examination (BSE), and facilitated mammogram screenings for female employees above 40 years of age. These initiatives reinforced our focus on early detection and preventive healthcare.

Employee wellbeing was further promoted through initiatives such as the Step-A-Thon challenge, encouraging physical activity and healthier lifestyles across the workforce.

Additionally, a review of Benzene Occupational Exposure Limits (OEL) was conducted to ensure alignment with international standards and industry benchmarks, strengthening occupational health compliance.

Security and emergency preparedness

The Company continued to strengthen its security preparedness and emergency response capabilities through structured drills and training exercises across terminals, retail sites, and operational facilities.

Emergency response readiness was reinforced through scenario-based drills, including security response exercises, ensuring effective coordination and preparedness to manage potential incidents while safeguarding business continuity.



Continuing our HSSE journey

The progress achieved during the year reflects our continued commitment to building a resilient and proactive HSSE culture. However, safety excellence requires constant vigilance.

By embedding accountability, enhancing competencies, and reinforcing critical safety practices, Wafi Energy Pakistan remains committed to safety, protecting our stakeholders, and delivering sustainable growth.



Our People

At Wafi Energy Pakistan, our people are the foundation of our success and the driving force behind our sustained growth. Our People Vision is to make Wafi Energy Pakistan the Employer of Choice in Pakistan by building a capable, engaged, and performance-driven organization that delivers growth with rigor, agility, and discipline.



This year marked an important phase in our journey, one focused on stabilization, capability building, and cultural strengthening. We continued to build on the momentum achieved by investing in our people, sharpening performance standards, and strengthening the systems that enable long-term success. Our ambition remains clear: to ensure our workforce is empowered, engaged, and ready for future growth.

Talent and future leaders

Strengthening organizational capability remained a strategic priority. Through sustained, year-round hiring across multiple functions, we attracted high-quality talent and deepened the expertise required to deliver our business priorities.



During the year, we successfully transitioned key support functions, including Finance Operations and IT, from global shared services to fully embedded in-house teams. This transition enhanced operational resilience, strengthened institutional capability, and increased agility in supporting business needs.

Our Powering Future Leaders Management Trainee Program continued to reinforce our reputation as an employer of choice, attracting approximately 3,500 applications nationwide. A rigorous, multi-stage selection process culminated in the return of our in-house Recruitment Day, a comprehensive assessment center and culture immersion experience. From a competitive pool, 25 candidates advanced to the final stage, with four selected for key roles. The program remains central to building a strong and sustainable leadership pipeline.



Enabling high performance

A disciplined performance culture underpins our ability to deliver consistent results. We continue to embed clarity of expectations, accountability for outcomes, and regular feedback across the organization.



During the year, we refreshed our Performance Excellence Framework to strengthen alignment between individual objectives and business priorities. The enhanced framework reinforces goal clarity, differentiated performance outcomes, and a transparent approach to recognizing contributions, ensuring excellence remains both expected and supported.



In parallel, we conducted a comprehensive review of our total rewards framework to ensure our compensation and benefits remain competitive, equitable, and aligned with the value our people create. Together, these initiatives reinforce motivation, fairness, and sustained performance.

Capability development

Our capability development strategy is anchored in deliberate investment in leadership, critical skills, and meaningful experiences that directly support the Wafi Energy Pakistan scorecard and enable sustainable growth.



Learning remains embedded in our culture. During the year, we refreshed and formalized our Competence Development Frameworks, clearly defining the functional and leadership capabilities required across each discipline. These frameworks now guide Individual Development Plan discussions, bringing greater structure, clarity, and defined progression pathways to career development.



Capability building was further advanced through a business-aligned Learning Calendar and the introduction of Udeemy Business, expanding access to targeted programs and on-demand digital learning. Collectively, these efforts delivered nearly 10,000 learning hours across the organization, reflecting strong engagement and a shared commitment to continuous improvement.

Through this integrated ecosystem, learning continues to serve as a driver of performance, leadership readiness, and organizational resilience.

People experience at Wafi Energy Pakistan

Creating a workplace where our people feel valued, connected, and motivated to perform at their best remains central to our philosophy.



In 2025, we partnered with Gallup and adopted the Gallup Q12® engagement framework, a globally recognized, evidence-based measure of workplace engagement. With a 96% participation rate, the survey demonstrated strong employee trust and reinforced our commitment to translating feedback into meaningful action.



Throughout the year, we further strengthened connection and belonging through shared experiences and celebrations, including Easter, Women's Day, Annual Iftar, Eid Milan, and our Mango Party, alongside initiatives designed to foster collaboration across teams. These moments reinforce our culture, deepen engagement, and ensure our values are reflected in everyday interactions.

Social Performance

Over the past year, Wafi Energy Pakistan continued to strengthen its position as a responsible corporate leader, delivering sustainable growth while creating meaningful social and environmental impact. Guided by a clear long-term vision and aligned with national priorities and the United Nations Sustainable Development Goals (SDGs), we remain committed to accelerating progress across our communities, industry, and broader ecosystem. Our initiatives reflect a disciplined strategy focused on innovation, inclusion, partnership, and measurable outcomes.

From waste to infrastructure: Pakistan's 2nd Recycled Plastic Shell station

Demonstrating leadership in environmental innovation, Wafi Energy Pakistan inaugurated its second eco-friendly retail fuel station in the Police Lines area of Rawalpindi. Constructed using 7,700 kilograms of recycled plastic, equivalent to more than 5.8 million end of life plastic pieces, the station embodies circular economy principles and industry leading sustainability practices. Developed in collaboration with Concept Loop, a Tameer alumni startup, the initiative reflects our commitment to enabling sustainable enterprise growth within our value chain. The launch generated an estimated media value of PKR 12.9 million and achieved a reach exceeding 20 million across print, digital, and electronic platforms.

These initiatives reflect our strategic focus on long-term value creation, delivering strong commercial performance while enabling innovation, empowering communities, and advancing environmental stewardship.



Empowering Women on the road: Advancing safety and skills

In celebration of International Women's Day 2025, under the global theme Accelerate Action, Wafi Energy Pakistan hosted a vehicle maintenance and road safety awareness session at Wafi Energy Pakistan Defence Filling Station, Karachi. The initiative equipped women with practical vehicle care skills, including oil checks, tyre pressure monitoring, dashboard diagnostics, and fuel quality awareness, alongside expert guidance on road safety and emergency handling. The session was attended by women who regularly commute on motorcycles and cars, reinforcing our commitment to gender inclusion, confidence building, and safer Retail.





Sustainability in practice: Our first sustainability report

During the year, Wafi Energy Pakistan published its first Sustainability Report, outlining key milestones achieved over the past two years. The report reflects our integrated approach to governance, regulatory compliance, and SDG aligned initiatives, with focused contributions toward SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 13 (Climate Action), and SDG 14 (Life Below Water). We recognize sustainability as a shared responsibility requiring coordinated action between businesses, government, and communities to deliver long-term value.

Strengthening community safety and awareness

Strengthening engagement with communities surrounding our operational sites remains a priority. During the year, we conducted a road safety awareness session for students from our fenceline community in Keamari, focusing on traffic rules, road hazards, and safe commuting practices through interactive learning and competitions. The initiative promoted safer road behavior while fostering community awareness among young learners.



Protecting our coastlines and marine ecosystems

As part of our Corporate Social Responsibility efforts, Wafi Energy Pakistan marked Global Maritime Day by organizing a beach clean up activity at Clifton Beach in collaboration with local school students. The initiative raised awareness about marine conservation and environmental protection while engaging students, teachers, and our Kemari team in collective action to protect coastal ecosystems. Participants actively cleaned the beach area, collected waste, and attended an awareness session highlighting the harmful impact of pollution on marine life. The event concluded with a pledge to safeguard oceans and preserve natural habitats for future generations.



Encouraging innovation through engineering and technology

Wafi Energy Pakistan also supported youth innovation by sponsoring the Design, Build and Fly competition organized by the Ghulam Ishaq Khan Institute of Engineering Sciences and Technology, American Institute of Aeronautics and Astronautics (AIAA) GIKI Chapter. The competition provided Pakistani youth and engineering students with hands-on experience in designing, fabricating, and assembling remote controlled aircraft, encouraging technical creativity, innovation, and engineering excellence.



Inspiring young minds through STEM education

Further promoting STEM learning, Wafi Energy Pakistan partnered with the TDF MagnifiScience Centre for the Junior Internship Programme. The initiative provided young participants with hands-on scientific learning experiences, making STEM education more inclusive and accessible for young minds across Karachi. The four week programme concluded with a science exhibition attended by more than 4000 visitors, where young participants confidently showcased their projects and innovations.



Expanding access to clean energy for communities

The Access to Clean Energy Program continued to play a transformative role in improving livelihoods and strengthening resilience within our fenceline communities. Through phased implementation and strategic expansion, the program has directly benefited more than 5,000 individuals by providing renewable energy solutions tailored to local needs.

A key component of the program has been the installation of six solar powered tube wells benefiting more than 300 farmers. These systems have significantly reduced irrigation time, lowered dependency on diesel fuel, and improved agricultural productivity and household incomes. Additionally, a solar powered flour mill now serves more than 400 households, reducing household expenses and improving access to affordable milling services. A solar milk chiller has also been installed to support over 40 dairy farming families by minimizing milk spoilage and enabling stable daily earnings.



To further strengthen food security and livelihood opportunities, 40 solar powered irrigation kits were distributed to households for vegetable and fruit cultivation. Farmers were also provided with gardening inputs including quality seeds, organic fertilizers, tools, and composting materials to promote climate smart farming practices. As part of a pilot initiative, three solar powered poultry incubation units were installed to support small scale poultry farming and introduce new avenues for livelihood diversification.

Since its launch in 2018, the Access to Clean Energy program has expanded through multiple phases, consistently delivering sustainable solutions to communities surrounding our operational footprint.



Strengthening cultural and international partnerships

Wafi Energy remains committed to supporting the nation in times of crisis. In collaboration with the Embassy of the Kingdom of Saudi Arabia (KSA), Wafi Energy supported the National Disaster Management Authority (NDMA) during the flood relief efforts by donating diesel and motor gasoline to aid rescue and relief operations for flood-affected communities across the country.

His Excellency Nawaf Bin Saeed Al Malkiy, Ambassador of the Kingdom of Saudi Arabia to Pakistan, and the CEO of Wafi Energy Pakistan, Mr. Zubair Shaikh, reaffirmed their commitment to supporting flood-affected communities and assisting NDMA during the crisis. NDMA officials acknowledged and appreciated Wafi Energy's timely support in enabling relief efforts.



Wafi Energy Pakistan also strengthened international and diplomatic ties by sponsoring and participating in Saudi National Day 2025 celebrations organized by the Embassy of the Kingdom of Saudi Arabia in Pakistan. Public exhibitions in Karachi and Islamabad, including a high visibility showcase at Dolmen Mall Karachi, enhanced brand visibility and reinforced cultural and economic partnerships.

Tameer: Advancing entrepreneurship in Pakistan - 12 years of impact

The Wafi Tameer Program continued to nurture youth entrepreneurship across Pakistan. In preparation for the 12th Tameer Awards 2025, the program engaged 40 universities and approximately 1550 young participants. Applications were invited across six categories: Circular Economy, Clean Energy Solutions, Transportation and Retail, Technology Innovation, Empowering Women, and Bright Ideas. The initiative received 487 applications nationwide and achieved an estimated media reach of over 60 million across print, digital, and broadcast platforms.



Since its inception in 2003, the Tameer program has supported more than 12,100 entrepreneurs, engaged over 1.5 million youth, and trained, mentored, and recognized more than 17,500 young innovators. Strategic engagements during the year included participation in the Pakistan UK and Ireland Business Council session with the Irish Embassy and FPCCI, as well as the Higher Education Commission's Investor Connect Event (ICE25). These collaborations strengthened connections with academia, policymakers, and industry leaders, expanding opportunities for innovation led growth.

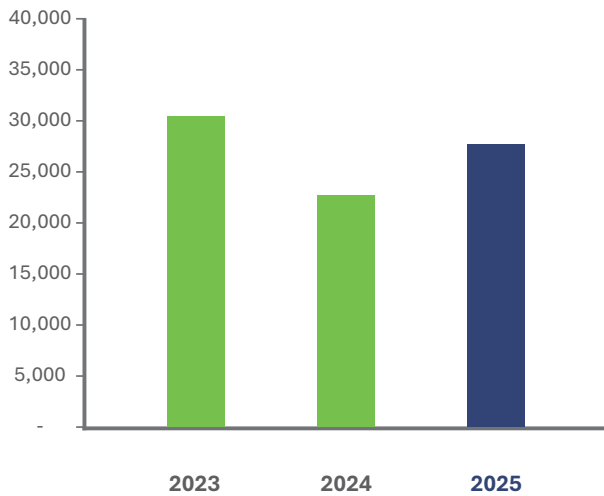


Financials

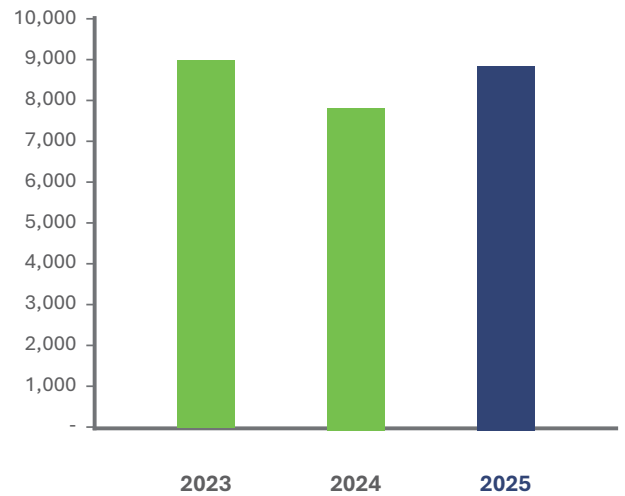
Performance at a Glance

For the year ended December 31, 2025

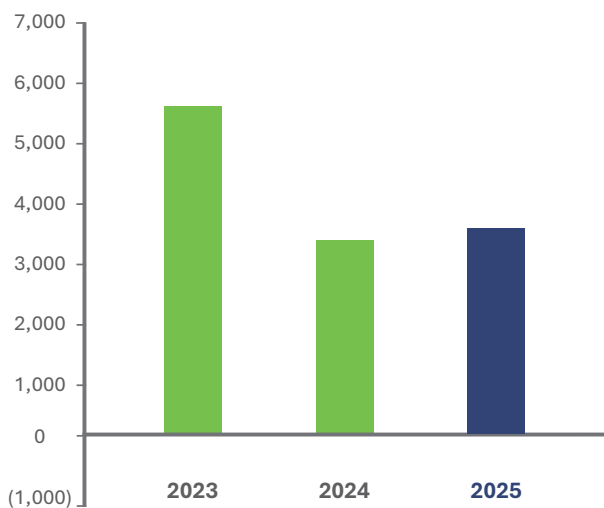
Gross Profit (Rs. Million)



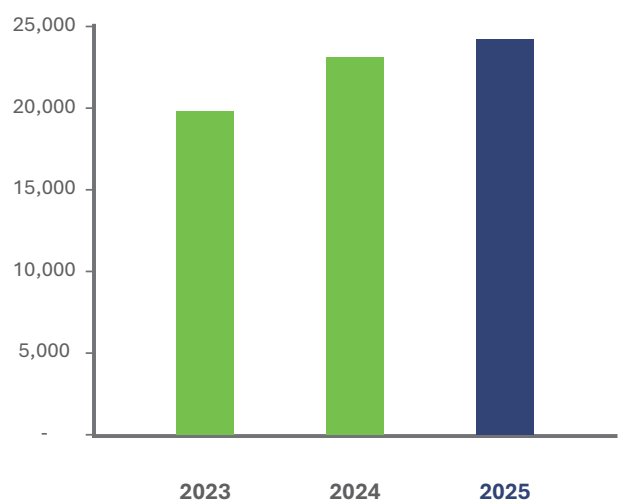
Operating Profit/(Loss) (Rs. Million)



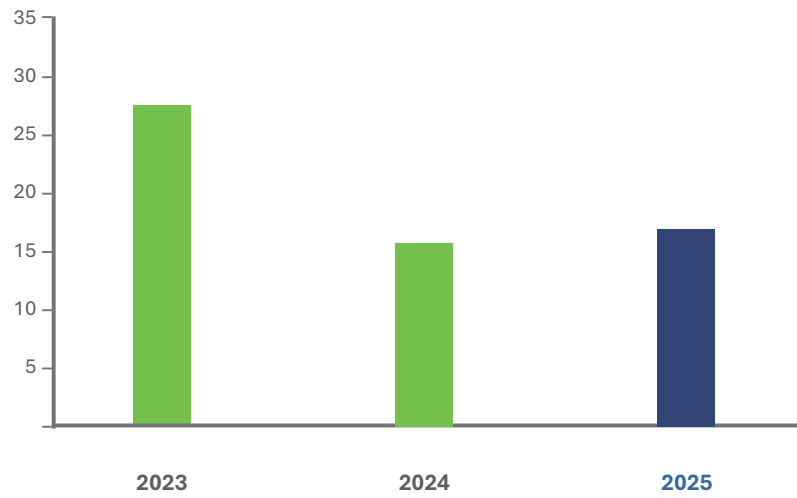
Profit/(Loss) After Tax (Rs. Million)



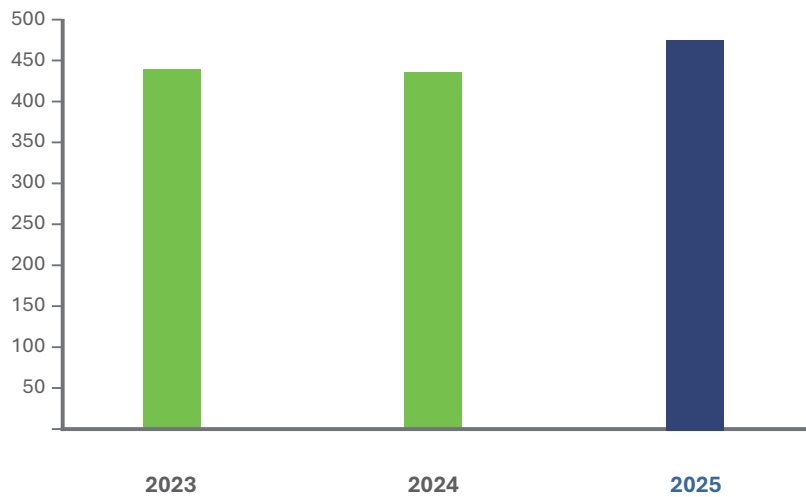
Shareholder's Equity (Rs. Million)



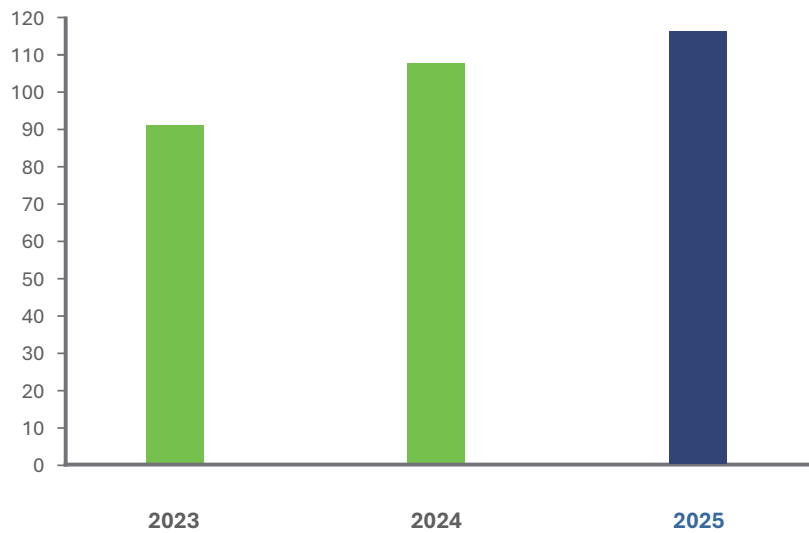
Profit/(Loss) Per Share (Rs.)



Gross Revenue (Rs. Billion)

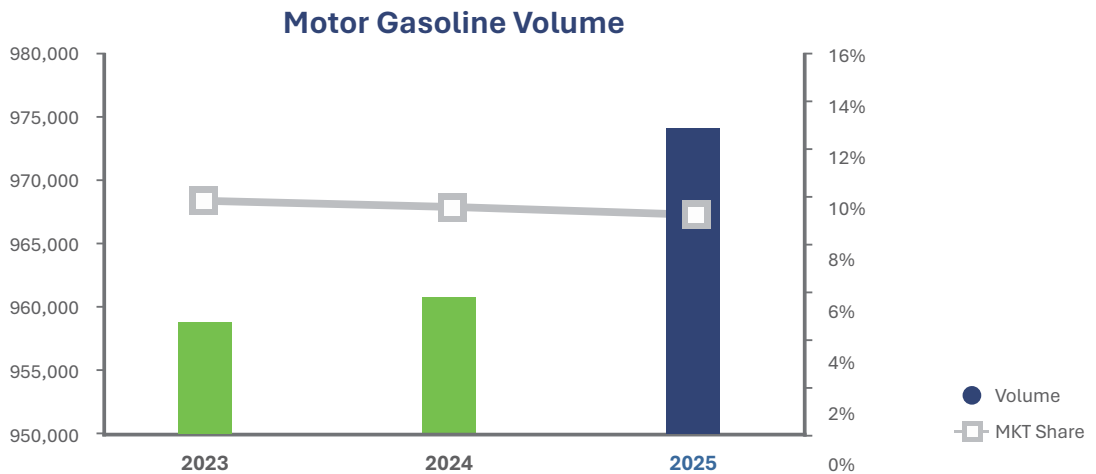
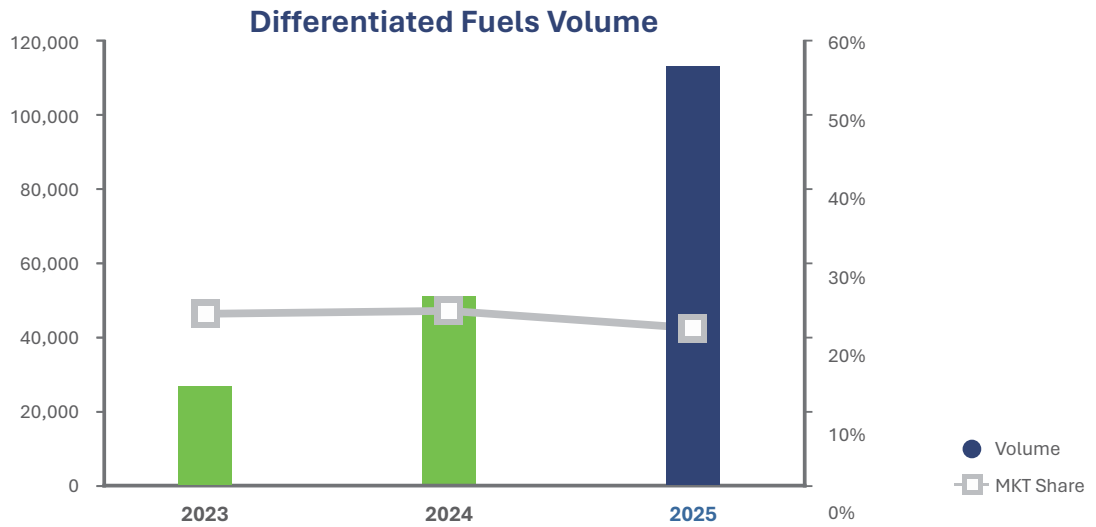
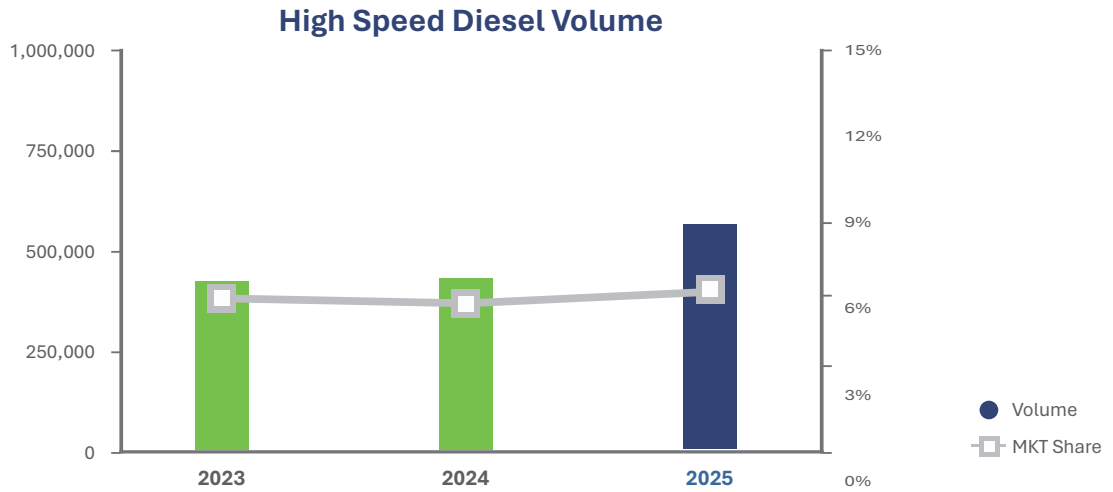


Break Up Value Per Share (Rs.)



Operating and Financial Highlights

Product Wise Volume (MTs) and Market Share (%)



Year Ended December 31, 2025

Key Highlights		2025	2024
Sales Volume	Tonnes	1,722,513	1,535,941
Sales Revenue	Rs. mn	468,921	427,946
Profit / (Loss) before final taxes and income tax	Rs. mn	8,170	7,152
Profit / (loss) after taxation	Rs. mn	3,545	3,297
Fixed Capital Expenditure	Rs. mn	5,013	2,271
Shareholders' equity	Rs. mn	24,813	23,058
Profit per share	Rs.	16.56	15.41

Financial Statistical Summary	Year ended December 31								
	2025	2024	2023	2022 (restated)	2021	2020	2019	2018	
Share capital	Rs. mn	2,140	2,140	2,140	2,140	2,140	1,070	1,070	1,070
Reserves	Rs. mn	22,673	20,918	17,597	12,457	13,181	(1,721)	3,221	5,283
Shareholders' equity	Rs. mn	24,813	23,058	19,737	14,597	15,321	(651)	4,291	6,353
Break up value	Rs.	116	108	92	68	72	(6)	40	59
Dividend per share	Rs.	7	5	5	3	-	-	-	7
Bonus	Ratio	-	-	-	-	-	-	-	-
Profit / (Loss) before final taxes and income tax	Rs. mn	8,170	7,152	7,247	2,915	6,609	(4,815)	(140)	(60)
Profit / (Loss) after Tax	Rs. mn	3,545	3,297	5,851	(72)	4,467	(4,821)	(1,486)	(1,102)
Earnings / (Loss) per share of Rs. 10	Rs.	16.56	15.41	27.34	(0.34)	21.88	(31.19)	(13.88)	(10.30)

Working Capital									
Current assets to current liabilities	Times	0.9	1	0.9	0.9	0.9	0.6	0.7	0.7
Number of Days stock (based on closing stock)	Days	37	41	44	41	59	31	34	32
Number of days trade debts (based on closing balance)	Days	8	7	5	5	7	9	8	6

Performance									
Profit / (Loss) after tax as % of average shareholders' equity %		14.81	15.41	34.1	(0.5)	60.9	(264.9)	(27.9)	(13.3)
Cost of Sales as a % of sales	%	93.91	94.50	92.9	91.9	90.5	95.4	92.4	91.7
Profit / (Loss) before tax as % of sales	%	1.74	1.67	1.68	0.71	2.65	(2.92)	(0.07)	(0.03)
Profit / (Loss) after tax as % of sales	%	0.76	0.77	1.36	(0.02)	1.79	(2.92)	(0.7)	(0.6)
Total debt ratio	Ratio	-	-	-	-	-	1.1	0.7	0.6



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Independent Auditors' Report

To the members of Wafi Energy Pakistan Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Wafi Energy Pakistan Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

Key audit matter	How our audit addressed the key audit matter
<p>1. Existence and valuation of stock-in-trade</p> <p>As disclosed in note 11 to the financial statements, stock-in-trade held by the Company as at 31 December 2025 amounted to Rs. 45,090 million which constitutes 39% of total assets of the Company. This comprise of raw and packing materials and finished products.</p> <p>Stock in trade is valued at the lower of cost and net realizable value. The net realizable value of stock-in-trade is determined keeping in view the selling price in the ordinary course of business less the costs necessary to make the sale which is based on management estimates. This, in combination with the significant share of stock-in-trade as part of total assets, made us identify the existence and valuation of inventories as a key audit matter.</p>	<p>Our key audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - obtained an understanding of management’s internal controls over the existence and valuation of stock-in-trade and tested effectiveness of controls relevant to such process; - observed physical counts performed by the management for raw and packing materials and finished products held at various locations; - checked that the stock-in-trade as at 31 December 2025 was recorded at the lower of cost and net realisable value by testing a sample of items to the subsequent prices; - performed procedures in respect of stock-in-trade held at third party locations including circularisation of third party confirmations; and - considered the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

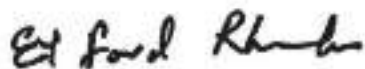
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.



Chartered Accountants

Place: Karachi

Date: 8th April, 2026

UDIN Number: AR202510120t3sugcz9U

Statement of Financial Position

For the year ended December 31, 2025

		2025	2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	25,824,299	23,066,532
Right-of-use assets	5	9,768,470	6,739,378
Intangible assets	6	3,067,332	3,615,035
Long-term investments	7	5,976,066	5,975,703
Long-term loans	8	24,981	25,920
Long-term deposits and prepayments	9	142,240	154,979
		<u>44,803,388</u>	<u>39,577,547</u>
Current assets			
Stock-in-trade	11	45,090,268	45,624,393
Trade debts	12	9,847,773	7,734,206
Loans and advances	13	271,854	163,118
Short-term deposits and prepayments	14	370,823	177,183
Other receivables	15	4,134,786	5,206,842
Short-term investments	16	2,675,828	10,695,284
Bank balances	17	9,336,963	4,695,380
		<u>71,728,295</u>	<u>74,296,406</u>
TOTAL ASSETS		<u>116,531,683</u>	<u>113,873,953</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	2,140,246	2,140,246
Share premium		11,991,012	11,991,012
General reserves		207,002	207,002
Unappropriated profit		11,187,284	9,365,478
Remeasurement of post-employment benefits – actuarial loss		(707,155)	(641,179)
Unrealized loss on remeasurement of equity investment classified as fair value through other comprehensive income		(5,000)	(5,000)
		<u>24,813,389</u>	<u>23,057,559</u>
Liabilities			
Non-current liabilities			
Asset retirement obligation	19	419,896	249,244
Long-term provisions	20	2,390,052	3,739,504
Long-term lease liabilities	21	10,605,608	6,837,201
Long-term payables	22	2,064,690	2,055,806
Deferred taxation - net	10	382,885	160,844
Provision for post-retirement medical benefits	35.2	207,417	225,350
		<u>16,070,548</u>	<u>13,267,949</u>
Current liabilities			
Trade and other payables	23	69,890,438	73,904,289
Advance received from customers (contract liabilities)		2,209,862	1,663,633
Unpaid dividend		25,500	19,053
Unclaimed dividend		233,628	269,746
Taxation - net		1,848,295	571,535
Current portion of asset retirement obligation	19	37,375	6,035
Current portion of long-term provisions	20	927,916	204,496
Current portion of long-term lease liabilities	21	474,732	573,231
Current portion of long-term payables	22	-	336,427
		<u>75,647,746</u>	<u>77,548,445</u>
Contingencies and commitments	25		
TOTAL EQUITY AND LIABILITIES		<u>116,531,683</u>	<u>113,873,953</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive Officer



Imran R. Ibrahim
Director

Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2025

		2025	2024
	Note	------(Rupees in '000)-----	
Sales	26	477,039,100	435,464,414
Other revenue		1,353,249	977,808
		<u>478,392,349</u>	<u>436,442,222</u>
Sales tax		(9,470,899)	(8,495,757)
Net sales		<u>468,921,450</u>	<u>427,946,465</u>
Cost of products sold	27	<u>(440,377,224)</u>	<u>(404,404,244)</u>
Gross profit		28,544,226	23,542,221
Distribution and marketing expenses	28	(15,162,464)	(13,209,853)
Administrative expenses	29	(7,902,390)	(6,620,820)
Other expenses	30	(1,511,289)	(727,920)
Other income	31	4,987,986	4,999,380
Operating profit		8,956,069	7,983,008
Finance costs	32	(2,746,004)	(2,910,885)
		<u>6,210,065</u>	<u>5,072,123</u>
Share of profit of associate - net of tax	7.1	1,959,944	2,080,248
Profit before final taxes and income tax		8,170,009	7,152,371
Final taxes		(27,450)	(6,748)
Profit before income tax		8,142,559	7,145,623
Income tax	33	(4,597,914)	(3,848,274)
Profit after income tax		3,544,645	3,297,349
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Actuarial loss on post-employment benefits - net of tax	35.6	(65,976)	(271,295)
Share of other comprehensive (loss) / income of associate - net of tax		(10,642)	301,013
Items that may be subsequently reclassified to profit or loss			
Share of other comprehensive loss of associate - net of tax		-	(6,498)
Total comprehensive income for the year		<u>3,468,027</u>	<u>3,320,569</u>
------(Rupees)-----			
Earnings per share – basic and diluted	34	<u>16.56</u>	<u>15.41</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive Officer



Imran R. Ibrahim
Director

Statement of Changes in Equity

For the year ended December 31, 2025

	Capital reserve		Revenue reserve			Total	
	Share capital	Share premium	General reserves	Unappropriated profit	Remeasurement of post-employment benefits – actuarial (loss)		Unrealized loss on remeasurement of equity investment
----- (Rupees in '000) -----							
Balance as at January 01, 2024	2,140,246	11,991,012	207,002	5,773,614	(369,884)	(5,000)	19,736,990
Profit after income tax	-	-	-	3,297,349	-	-	3,297,349
Other comprehensive income for the year - net of tax	-	-	-	294,515	(271,295)	-	23,220
Total comprehensive income for the year	-	-	-	3,591,864	(271,295)	-	3,320,569
Balance as at December 31 2024	2,140,246	11,991,012	207,002	9,365,478	(641,179)	(5,000)	23,057,559
Profit after income tax	-	-	-	3,544,645	-	-	3,544,645
Other comprehensive loss for the year - net of tax	-	-	-	(10,642)	(65,976)	-	(76,618)
Total comprehensive income for the year	-	-	-	3,534,003	(65,976)	-	3,468,027
Final cash dividend for the year ended December 31, 2024 @ Rs. 5/- per share	-	-	-	(1,070,123)	-	-	(1,070,123)
Interim cash dividend for the year ended December 31, 2025 @ Rs. 3/- per share	-	-	-	(642,074)	-	-	(642,074)
Balance as at December 31, 2025	2,140,246	11,991,012	207,002	11,187,284	(707,155)	(5,000)	24,813,389

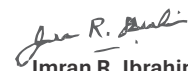
The annexed notes from 1 to 48 form an integral part of these financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive Officer



Imran R. Ibrahim
Director

Statement of Cash Flows

For the year ended December 31, 2025

		2025	2024
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	5,642,094	11,444,845
Finance costs paid		-	(1,552)
Interest portion of lease liabilities paid	21	(1,295,263)	(941,862)
Payment against pension and gratuity schemes	35.1.6	(19,652)	(49,067)
Income tax paid		(3,086,980)	(1,404,399)
Final taxes paid		(27,450)	(6,748)
Long-term loans		939	4,733
Long-term deposits and prepayments		12,739	100,892
Post-retirement medical benefits paid	35.2.2	(15,321)	(16,025)
Payments against long-term payables	22	(485,550)	-
Payments against long-term provisions	20	(557,710)	(448,012)
Net cash generated from operating activities		167,846	8,682,805
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,012,697)	(2,271,339)
Proceeds from disposal of operating assets	4.6	100,530	75,922
Proceeds from disposal of capital work-in-progress		11,000	-
Investment made in open ended shariah compliant mutual funds		-	(5,493,253)
Redemption of investment in open ended shariah compliant mutual funds		5,630,290	-
Dividend received from associate	7.1	1,945,407	2,080,000
Interest on saving accounts	31	1,286,252	1,299,615
Interest on treasury bills	31	215,562	86,527
Interest on term deposit receipts	31	235,595	734,849
Net cash generated from / (used in) investing activities		4,411,939	(3,487,679)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease liabilities paid		(695,549)	(586,739)
Dividends paid		(1,741,868)	(1,290,187)
Net cash used in financing activities		(2,437,417)	(1,876,926)
Net increase in cash and cash equivalents		2,142,368	3,318,200
Cash and cash equivalents at the beginning of the year		9,870,423	6,552,223
Cash and cash equivalents at the end of the year	38.2	12,012,791	9,870,423

The annexed notes from 1 to 48 form an integral part of these financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive Officer



Imran R. Ibrahim
Director

Notes to the Financial Statements

For the year ended December 31, 2025

1 THE COMPANY AND ITS OPERATIONS

1.1 Wafi Energy Pakistan Limited (the Company) is a limited liability Company incorporated in Pakistan on June 28, 1969 under the repealed Companies Act, VII of 1913 (now Companies Act, 2017 (the Act)) and is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Wafi Energy Holding Limited (the Parent Company).

1.2 The Company markets petroleum products. It also blends and markets various kinds of lubricating oils. The registered office of the Company is located at Wafi House, 6, Ch. Khaliqzaman Road, Karachi.

1.3 Geographical location and addresses of business units

Head Office Wafi House, 6, Ch. Khaliqzaman Road, Karachi

Lube Oil Blending Plant Plot No. 22, Oil Installation Area, Keamari, Karachi

Regional marketing, sales offices and invoicing points are located across the country. Further, the Company owns retail operation sites and sites operated through dealers across Pakistan, the details of these are impracticable to disclose in these financial statements as required under the Fourth Schedule to the Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Act, and
- Provisions of, directives and notifications issued under the Act.

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.3 Accounting convention

These financial statements have been prepared under the historical cost convention, except for the Company's investment in Arabian Sea Country Club Limited which is carried at fair value through other comprehensive income and investment in mutual funds which is carried at fair value through profit or loss.

2.4 New standards and amendments to approved accounting standards

2.4.1 Adoption of amendments to approved accounting standards 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 21 Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Company's financial statements.

2.4.2 Standards, annual improvements and amendments to 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:

Amendments		Effective date (annual periods beginning on or after)
IFRS 17	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
	Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
IFRS 7 / IFRS 9	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18	IFRS 18 - Presentation and Disclosure in Financial	January 01, 2027
IFRS 19	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 finalised

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	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 (other than IFRS 18) will not have any material impact on the Company's financial statements in the period of initial application. The Company is currently working to identify all impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

2.5 Significant accounting estimates and judgements

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

The judgements and estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are accounted for prospectively.

2.5.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the 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 described below.

i) Useful lives and residual values of items of property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge.

ii) Estimate of net realisable value of stock-in-trade

The Company reviews the net realisable value based on estimated selling price in the ordinary course of business less costs necessary to make the sale of stock-in-trade to assess any diminution in their carrying values.

iii) Provision for slow moving and obsolete stock-in-trade

The Company reviews the stock-in-trade for identification of obsolescence. Provision is made in the financial statements for obsolete and slow moving items based on their usability estimated through aging analysis in accordance with the Company's policy.

iv) Provision for soil and ground water remediation

Provision for soil and ground water remediation is based on assumptions and estimates made in relation to discount rates, inflation rates, the expected cost to remediate and the expected timing of those costs. These estimates are reviewed annually and adjusted as appropriate. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are incorporated on a prospective basis.

v) Provision of asset retirement obligation

Provision for asset retirement obligation is based on assumptions and estimates made in relation to discount rates, inflation rates, the expected cost to dismantle and the expected timing of those costs. These estimates are reviewed annually and adjusted as appropriate. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are incorporated on a prospective basis.

vi) Allowance for expected credit losses

The Company recognises an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

vii) Staff retirement benefits

The cost under the retirement benefit plans and the present value of the obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

viii) Taxation

The Company takes into account current income tax laws and decisions taken by the appellate authorities in determination of its tax expenses and assets and liabilities arising therefrom. The charge of income tax expense is based on estimates and therefore, the expense recognised in the financial statements may differ from expense subsequently filed to the tax authorities due to adjustments to the estimates.

The management considers tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is calculated at the tax rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date.

ix) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

ix) Impairment of non-financial assets

An estimate of the recoverable amount is based on fair value less cost of disposal. In determining the fair value less cost of disposal, recent market transactions are taken into account, if no such transaction can be identified, appropriate valuation model is used.

2.5.2 Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements.

i) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. Contingent liabilities may develop in a way not initially expected.

Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable.

ii) Leases - Determination of the lease term

The Company has lease contracts that include extension and termination option. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

These are carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is stated at cost less accumulated impairment losses, if any.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific categories of property, plant and equipment as and when these are available for use.

Subsequent costs are not recognised as assets unless it is probable that future economic benefits associated with these costs will flow to the Company and the cost can be measured reliably. Maintenance and normal repairs are charged to the statement of profit or loss and other comprehensive income as and when incurred.

Depreciation is charged to the statement of profit or loss and other comprehensive income using the straight-line method over the assets' estimated useful life at rates given in note 4.1 to these financial statements. The useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed off.

The gain or loss on disposal or retirement of an asset is recognised as an income or expense in the statement of profit or loss and other comprehensive income in the period of disposal.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

3.2 Intangible assets

These are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortization is charged to statement of profit or loss and other comprehensive income on a straight line basis over its economic useful life at the rate given in note 6 to these financial statements. Amortization on additions is charged from the month in which an intangible asset is available for use while no amortization is charged for the month in which an intangible asset is disposed off.

3.3 Right-of-use assets

The Company recognises a right-of-use asset at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

3.4 Impairment

3.4.1 Impairment of financial assets

The Company recognises an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors (i.e., gross domestic product and consumer price index) specific to the debtors and the economic environment. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For other financial assets, the Company recognises allowance for ECL to the extent it is unlikely to receive the contractual amounts in full, based on various factors including Company's past experience and economic environment.

The Company considers a financial asset to be at a risk of default when contractual payments are 180 days past due, unless there are factors that might indicate otherwise. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.4.2 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss and other comprehensive income. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

3.5 Investment in associates

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Company's share of its associate's post acquisition profits or losses is recognised in profit or loss and its share in associate's post acquisition other comprehensive income is recognised in other comprehensive income. Cumulative post acquisition movements are adjusted against the carrying value of the investments. Dividends received from associate reduce the carrying amount of the investment.

3.6 Financial instruments

3.6.1 Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL).

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in statement of profit or loss.

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

A financial asset is primarily derecognised when the right to receive cash flows from the asset has expired.

3.6.2 Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Gains or losses on financial liabilities are recognised in the statement of profit or loss and other comprehensive income when the liability is derecognised or modified.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.7 Taxation

3.7.1 Current

Provision for current taxation is based on taxable income at the applicable tax rates after taking into account tax credits available, if any, on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for income tax includes adjustments to charge for prior year and super tax imposed by the incumbent government.

3.7.2 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax income or expense is charged in the statement of profit or loss and other comprehensive income.

3.8 Stock-in-trade

These are valued at lower of cost, calculated on first-in first-out basis, and net realizable value except for stock-in-transit. Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon till the reporting date.

Provision is made for obsolete and slow moving stock-in-trade based on management's best estimate and is recognised in the statement of profit or loss and other comprehensive income.

3.9 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of accounts held with banks and short term investments having maturity of less than three months that are subject to an insignificant risk of changes in value.

3.10 Retirement and other service benefits

The below mentioned schemes are managed in conformity with the provisions of the Trust Deeds. The Company is responsible to make contributions to the funds as prescribed under the Trust Deeds and their rules, whereas, the trustees are responsible for the day to day management of the funds. Except for certain expatriates for whom benefits are provided by membership of their respective Shell retirement benefit funds, staff retirement benefits include:

3.10.1 Defined benefit plans

- Approved funded gratuity and pension schemes

The Company operates separate approved funded gratuity schemes and approved funded pension schemes for management and unionized staff. Contributions are made to these schemes on the basis of actuarial recommendations.

- Un-funded post-retirement medical benefits

The Company offers un-funded post-retirement medical benefits for all management staff. Annual provision is made for the scheme on the basis of actuarial recommendations.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity through the statement of other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company recognises service costs and net interest expense or income in the statement of profit or loss and other comprehensive income.

3.10.2 Defined contribution plans

- Approved defined contributory provident funds

The Company operates approved defined contributory provident funds for all employees. Equal monthly contributions are made both by the Company and the employee at the rate of 4.5% of basic salary for management employees and 10% of basic salary for non-management employees. The amount contributed is charged in the statement of profit or loss and other comprehensive income.

- Approved defined contributory pension fund

The Company introduced an approved defined contributory pension fund during 2013 for management employees who opted for transfer from defined benefit pension and gratuity fund to defined contributory pension fund and for all new employees joining thereafter. The Company contributes at the rate of 10.5% of basic salary of the employee which is charged to the statement of profit or loss and other comprehensive income.

Retirement benefits are payable to staff on completion of prescribed qualifying periods of service under these schemes.

3.11 Provisions

3.11.1 Provision for asset retirement obligation is recorded at the present value of expected costs, amounts discounted over the useful life of the assets. The provision is recognised (together with a corresponding amount as part of the related property, plant and equipment) once an obligation crystallizes in the period when a reasonable estimate can be made. Accretion of expense and reversal of liability is charged to statement of profit or loss and other comprehensive income.

3.11.2 Provision for soil and ground water remediation is recorded at the present value of expected costs, amounts discounted over the duration of the remediation activities. Accretion of expense and estimate adjustment is charged to statement of profit or loss and other comprehensive income.

3.12 Leases

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date the Company uses its Incremental Borrowing Rate (IBR). The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The gain or loss on termination of a lease is recognised as an income or expense in the statement of profit or loss and other comprehensive income at the time of termination.

3.13 Unclaimed dividend

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

3.14 Contingent liabilities

The Company discloses a contingent liability when:

- there 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
- there is a present obligation that arises from past events but 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.

3.15 Revenue recognition

The Company recognises revenue for supply of petroleum products at a point in time when the control of the products is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from terminal or when it is delivered by the Company at customer premises. The credit limits in contract with customers ranges from 2 to 90 days.

If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when payment is made or due whichever is earlier. Contract liabilities are recognised in revenue when Company transfers control of related goods to the customer.

Other revenue and other income are measured at the fair value of consideration received or receivable on the following basis:

- Other revenue (including franchise fee) is recognised on accrual basis.
- Profit from bank accounts and return on investments is recognised on a time proportionate basis.
- Interest from shell card income is recognised on accrual basis.
- Dividend income is recognised when the Company's right to receive the dividend is established.

3.16 Foreign currencies

Transactions in foreign currencies are accounted for in Pakistan Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates which approximate those prevailing at the reporting date. Exchange differences are recognised in the statement of profit or loss and other comprehensive income.

3.17 Interest in joint operations

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets and obligations for the liabilities of the arrangement in relation to the joint operations.

Currently, the Company has only one joint operation. In December 2004, the Company entered into an unincorporated joint arrangement with Pakistan State Oil Company Limited and Total Parco Marketing Limited, for establishment and installation of storage facilities relating to petroleum products at Mehmoodkot. The Company has a 24.6% share in the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in these financial statements under the appropriate line items.

		2025	2024
	Note	------(Rupees in '000)-----	
4	PROPERTY, PLANT AND EQUIPMENT		
Operating assets		21,679,622	20,119,133
Provision for impairment against operating assets	4.8	(176,474)	(176,474)
	4.1	<u>21,503,148</u>	19,942,659
Capital work-in-progress		4,321,151	3,163,790
Provision for impairment against capital work-in-progress	4.7.3	-	(39,917)
	4.7	<u>4,321,151</u>	3,123,873
		<u>25,824,299</u>	<u>23,066,532</u>

4.1

Operating assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Tanks and pipelines	Plant and machinery	Air conditioning plant	Lifts	Dispensing pumps	Rolling stock and vehicles	Electrical, mechanical and fire fighting equipments	Furniture, office equipment and other assets	Computer auxiliaries	Main frame	Total
(Rupees in '000)															
As at January 01, 2025															
Cost	94,691	618,751	205,346	6,697,257	7,763,882	4,021,768	377,482	120,099	2,762,943	923,658	5,592,026	5,791,234	1,180,690	7	36,149,834
Less: Accumulated depreciation and impairment	-	259,710	92,282	2,950,443	2,488,992	1,417,116	65,575	32,813	1,200,187	391,848	2,695,458	3,460,379	1,152,365	7	16,207,175
Net book value	94,691	359,041	113,064	3,746,814	5,274,890	2,604,652	311,907	87,286	1,562,756	531,810	2,896,568	2,330,855	28,325	-	19,942,659
Year ended December 31, 2025															
Opening net book value	94,691	359,041	113,064	3,746,814	5,274,890	2,604,652	311,907	87,286	1,562,756	531,810	2,896,568	2,330,855	28,325	-	19,942,659
Additions / estimate revision of asset retirement obligation	-	-	10,115	725,661	937,224	376,411	29,557	19,734	256,268	262,788	384,805	714,244	69,562	-	3,786,359
Less: Disposals / write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	209	17,926	27,196	12,214	-	-	16,676	111,303	19,067	3,432	2,016	-	210,039
Accumulated depreciation	-	-	(34)	(13,553)	(23,247)	(8,296)	-	-	(14,696)	(60,102)	(16,646)	(1,721)	(2,016)	-	(160,311)
4.6	-	-	175	4,373	3,949	3,918	-	-	1,980	31,201	2,421	1,711	-	-	49,728
4.2	-	30,937	3,432	312,782	355,612	274,547	25,601	9,004	176,672	148,859	304,129	483,055	51,512	-	2,176,142
Closing net book value	94,691	328,104	119,572	4,155,310	5,852,553	2,702,598	315,563	98,016	1,640,372	614,538	2,974,823	2,560,333	46,375	-	21,503,148
As at December 31, 2025															
Cost	94,691	618,751	215,252	7,404,982	8,673,910	4,385,965	407,039	139,833	3,002,535	1,075,143	5,957,764	6,502,046	1,248,236	7	39,726,154
Less: Accumulated depreciation and impairment	-	290,647	95,680	3,249,672	2,821,357	1,683,367	91,176	41,817	1,362,163	460,605	2,982,941	3,941,713	1,201,861	7	18,225,006
Net book value	94,691	328,104	119,572	4,155,310	5,852,553	2,702,598	315,863	98,016	1,640,372	614,538	2,974,823	2,560,333	46,375	-	21,503,148
As at January 01, 2024															
Cost	94,691	618,751	205,346	5,682,006	7,126,532	3,783,392	235,079	85,319	2,532,682	770,282	5,161,196	5,117,582	919,637	7	32,532,502
Less: Accumulated depreciation and impairment	-	235,711	88,954	2,748,412	2,191,806	1,162,135	44,927	26,690	1,063,030	316,566	2,492,570	2,991,715	866,683	7	14,229,206
Net book value	94,691	383,040	116,392	3,133,594	4,934,726	2,621,257	190,152	58,629	1,469,652	453,716	2,668,626	2,125,867	52,954	-	18,303,296
Year ended December 31, 2024															
Opening net book value	94,691	383,040	116,392	3,133,594	4,934,726	2,621,257	190,152	58,629	1,469,652	453,716	2,668,626	2,125,867	52,954	-	18,303,296
Additions / estimate revision of asset retirement obligation	-	-	-	871,259	658,014	247,634	142,403	34,780	269,646	204,602	519,114	699,275	263,503	-	3,910,230
Less: Disposals / write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	56,008	20,664	9,258	-	-	39,385	51,226	88,284	25,623	2,450	-	292,898
Accumulated depreciation	-	-	-	(44,292)	(12,113)	(4,557)	-	-	(25,703)	(48,107)	(76,047)	(19,923)	(1,295)	-	(232,037)
4.6	-	-	-	11,716	8,551	4,701	-	-	13,682	3,119	12,237	5,700	1,155	-	60,861
4.2	-	23,999	3,328	249,418	355,562	259,538	20,648	7,825	163,659	123,389	295,126	494,208	286,977	-	2,283,677
4.8	-	-	-	3,095	46,263	-	-	1,702	799	-	16,191	5,621	-	-	73,671
Closing net book value	94,691	359,041	113,064	3,746,814	5,274,890	2,604,652	311,907	87,286	1,562,756	531,810	2,896,568	2,330,855	28,325	-	19,942,659
As at December 31, 2024															
Cost	94,691	618,751	205,346	6,697,257	7,763,882	4,021,768	377,482	120,099	2,762,943	923,658	5,592,026	5,791,234	1,180,690	7	36,149,834
Less: Accumulated depreciation and impairment	-	259,710	92,282	2,950,443	2,488,992	1,417,116	65,575	32,813	1,200,187	391,848	2,695,458	3,460,379	1,152,365	7	16,207,175
Net book value	94,691	359,041	113,064	3,746,814	5,274,890	2,604,652	311,907	87,286	1,562,756	531,810	2,896,568	2,330,855	28,325	-	19,942,659
Depreciation rate per annum (%)	-	4 to 5	2.5	5	3 to 10	3 to 20	6.67	6.67	5 to 10	5 to 20	4 to 20	5 to 20	20 to 33.33	25	

Note

4.2 Depreciation charge for the year on operating assets has been allocated as follows:

	Note	2025 ------(Rupees in '000)-----	2024
Cost of products sold	27.1	234,972	205,208
Distribution and marketing expenses	28	1,810,355	1,933,202
Administrative expenses	29	130,815	145,267
		<u>2,176,142</u>	<u>2,283,677</u>

4.3 Included in operating assets are assets having a cost of Rs. 21,345,630 thousand (2024: Rs. 19,560,012 thousand) located at dealer operated sites. In view of the large number of retail sites, the Company considers it impracticable to disclose the particulars of the assets not in possession of the Company at these sites as required under the Fourth Schedule to the Act.

4.4 Included in operating assets are assets having net book value of Rs. 410,038 thousand (2024: Rs. 438,134 thousand) in respect of Company's share in the joint operation. These assets located at Joint Installation of Marketing Companies (JIMCO) are used in Company's operations, however, are not in the possession of the Company. The possession of these assets at JIMCO is with Pakistan State Oil Company Limited. In view of large number of assets, the Company considered it impracticable to disclose particulars of assets not in the possession or name of the Company as required under the Fourth Schedule to the Act.

4.5 Particulars of immovable fixed assets of the Company are as follows:

Location	Address	Unit of measurement	Total area
Oil depot / terminals / plant			
Keamari Oil Terminal	Oil Installation Area, Plot No. 1, 3, 4, 7, 8 and 9, Keamari, Karachi.	Sq. yards	143,979
Daulatpur Oil Depot	Wafi Pakistan Daulatpur Terminal, Shaheed Benazirabad.	Sq. yards	38,720
Shikarpur Oil Terminal	10km from Khanpur, Opposite PARCO PS-3, Kandhkot Road, District Shikarpur.	Sq. yards	58,080
Machike Oil Terminal	Machike Terminal, 7KM Sheikhpura Sargodha Road, Village Dhantpura, Sheikhpura.	Sq. yards	87,120
Shershah Oil Depot	Wafi Shershah Depot, Multan.	Sq. yards	17,424
Vehari Oil Depot	Wafi Bulk Oil Depot, Vehari.	Sq. yards	6,675
Sahiwal Oil Depot	Sahiwal Depot, Near railway station, Sahiwal.	Sq. yards	3,649
Bhakkar Oil Depot	Wafi Bhakkar Depot, Near WAPDA Complaint Office, Bhakkar.	Sq. yards	6,110
Chaklala Oil Terminal	Wafi Oil Terminal, Chaklala, Rawalpindi.	Sq. yards	58,080
Tarujabba Oil Depot	Wafi Oil Depot, GT Road, Peshawar.	Sq. yards	53,240
Lube Oil Blending Plant	Plot No. 22, Oil Installation area, Kemari.	Sq. yards	100,118
Service stations			
Marine Drive Service Station	Plot No. DC 5, Block 8, Clifton, Karachi.	Sq. meters	873
Amil Service Station	Plot No. 234, Opposite Mazar-e-Quaid, M.A. Jinnah Road, Karachi.	Sq. meters	1,045
Karachi Service Station	SC-18, Sector 11-H, North Karachi, Karachi.	Sq. meters	836
Central Service Station	ST-1-A, Block 2, Sub Block B, Nazimabad, Karachi.	Sq. meters	1,003
Safari Service Station	Abul Hassan Isphani Road, Plot No. L-1, KDA Scheme 24, Block 7, Gulshan-e-Iqbal, Karachi.	Sq. meters	773
Crescent Petroleum Service Station	Plot No. 6/1, Ghulam Hussain Qasim Quarters, Haris Road, Kharadar, Karachi.	Sq. meters	935
Popular Service Station	Plot No. PP-1, Near Sea Breeze Plaza, Shahrah-e-Faisal, Karachi.	Sq. meters	892
Nawaz Petroleum Service Station	Jhang Shorkot Road, Jhang.	Sq. meters	506
Satellite Town Filling Station	Satellite College Road, Rawalpindi.	Sq. meters	1,587
General			
Head Office	Wafi House, 6, Chaudhary Khaliqzaman Road, Karachi.	Sq. yards	4,907
Connaught House	Unit No. C-V-119, Plot No. 16/FT4 Frere Town Quarters, Mary Road, Karachi.	Sq. yards	5,066

4.5.1 In view of large number of other immovable assets, the Company considers it impracticable to disclose particulars of such assets of the Company as required under the Fourth Schedule to the Act.

4.6 The details of operating assets disposed during the year having net book value of more than Rs. 500 thousand are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Loss / (gain)	Mode of disposal	Particulars of buyer	Relationship
------(Rupees '000)-----								
For the year ended December 31, 2025								
Buildings on leasehold land	1,615	386	1,229	260	969	Negotiation	Amir Sanitary Engineering Works	Third party
	1,539	653	886	705	181	Negotiation	S A Brothers	Third party
	896	323	573	432	141	Negotiation	S A Brothers	Third party
	1,061	288	773	171	602	Negotiation	Amir Sanitary Engineering Works	Third party
	5,111	1,650	3,461	1,568	1,893			
Tanks and pipelines	2,311	297	2,014	372	1,642	Negotiation	Amir Sanitary Engineering Works	Third party
Plant and machinery	9,495	6,765	2,730	3,000	(270)	Negotiation	Amir Sanitary Engineering Works	Third party
	1,293	727	566	208	358	Negotiation	Amir Sanitary Engineering Works	Third party
	10,788	7,492	3,296	3,208	88			
Dispensing pumps	549	6	543	252	291	Negotiation	S A Brothers	Third party
Rolling stock and vehicles	58,502	27,301	31,201	30,840	361	Negotiation	Mr. Waqar Siddiqui	Ex Employee
Electrical, mechanical and fire fighting equipment	1,194	387	807	192	615	Negotiation	Amir Sanitary Engineering Works	Third party
	1,059	330	729	485	244	Negotiation	S A Brothers	Third party
	1,592	1,034	558	257	301	Negotiation	Amir Sanitary Engineering Works	Third party
	3,845	1,751	2,094	934	1,160			
Furniture, office equipment and other assets	1,534	585	949	740	209	Negotiation	Amir Sanitary Engineering Works	Third party
Items disposed off having book value of less than Rs. 500,000/-	127,399	121,229	6,170	62,616	(56,446)			
	210,039	160,311	49,728	100,530	(50,802)			
For the year ended December 31, 2024								
Buildings on leasehold land	1,776	259	1,517	3,180	(1,663)	Negotiation	Amir Sanitary Engineering Works	Third party
	3,100	2,406	694	2,310	(1,616)	Negotiation	Amir Sanitary Engineering Works	Third party
	4,876	2,665	2,211	5,490	(3,279)			
Rolling stock and vehicles	2,254	1,400	854	3,730	(2,876)	Negotiation	RK Traders	Third party
	2,254	1,400	854	3,800	(2,946)	Negotiation	RK Traders	Third party
	4,508	2,800	1,708	7,530	(5,822)			
Items written-off and disposals having book value of less than Rs. 500,000/-	283,514	226,572	56,942	62,902	(5,960)			
	292,898	232,037	60,861	75,922	(15,061)			

4.8 Provision for impairment against operating assets

During the year, the Company in accordance with its accounting policy, reassessed the adequacy of provision for impairment against operating assets and recorded a net reversal of nil (2024: Rs. 73,671 thousand).

	2025	2024
Note	----- (Rupees in '000) -----	
Balance at beginning of the year	176,474	250,145
Provision made during the year	-	21,800
Reversal made during the year	-	(95,471)
31	-	(73,671)
Balance at end of the year	<u>176,474</u>	<u>176,474</u>

5 RIGHT-OF-USE ASSETS

Opening net book value	6,739,378	6,696,781
Additions during the year	5,364,839	1,026,485
Terminations during the year	(847,458)	(124,969)
Depreciation charge for the year	(1,488,289)	(858,919)
5.1	<u>9,768,470</u>	<u>6,739,378</u>
Closing net book value		

5.1 Depreciation charge for the year on right-of-use assets has been allocated as follows:

	2025	2024
Note	----- (Rupees in '000) -----	
Cost of products sold	-	20,045
Distribution and marketing expenses	1,479,101	833,696
Administrative expenses	9,188	5,178
27.1	<u>1,488,289</u>	<u>858,919</u>
28		
29		

5.2 The right-of-use assets comprise of lands acquired on lease by the Company for its operations.

5.3 The right-of-use assets are depreciated over a life of 2 - 33 years.

6 INTANGIBLE ASSETS

	Computer Software	Trademarks	Total
Note	----- (Rupees '000) -----		
As at January 01, 2025			
Cost	3,307,154	2,360,869	5,668,023
Accumulated amortisation	(1,974,292)	(78,696)	(2,052,988)
Net book value	<u>1,332,862</u>	<u>2,282,173</u>	<u>3,615,035</u>
Year ended December 31, 2025			
Opening net book value	1,332,862	2,282,173	3,615,035
Additions	203,629	-	203,629
6.1	203,629	-	203,629
Amortisation charge for the year	(279,158)	(472,174)	(751,332)
6.2	(279,158)	(472,174)	(751,332)
Closing net book value	<u>1,257,333</u>	<u>1,809,999</u>	<u>3,067,332</u>
As at December 31, 2025			
Cost	3,510,783	2,360,869	5,871,652
Accumulated amortisation	(2,253,450)	(550,870)	(2,804,320)
Net book value	<u>1,257,333</u>	<u>1,809,999</u>	<u>3,067,332</u>

		Computer Software	Trademarks	Total
	Note	(Rupees '000)		
As at January 01, 2024				
Cost		1,928,331	-	1,928,331
Accumulated amortisation		(1,928,331)	-	(1,928,331)
Net book value		<u>-</u>	<u>-</u>	<u>-</u>
Year ended December 31, 2024				
Opening net book value		-	-	-
Additions		1,378,823	2,360,869	3,739,692
Amortisation charge for the year	6.2	(45,961)	(78,696)	(124,657)
Closing net book value		<u>1,332,862</u>	<u>2,282,173</u>	<u>3,615,035</u>
As at December 31, 2024				
Cost		3,307,154	2,360,869	5,668,023
Accumulated amortisation		(1,974,292)	(78,696)	(2,052,988)
Net book value		<u>1,332,862</u>	<u>2,282,173</u>	<u>3,615,035</u>
Amortisation rate per annum (%)		<u>10 to 20</u>	<u>20</u>	

6.1 Represents amount capitalised in respect of implementation and development of Enterprise Resource Planning (ERP).

6.2 Depreciation charge for the year on operating assets has been allocated as follows:

		2025	2024
	Note	(Rupees in '000)	
Distribution and marketing expenses	28	472,174	78,696
Administrative expenses	29	279,158	45,961
		<u>751,332</u>	<u>124,657</u>

		2025	2024	2025	2024
	Note	% Holding		(Rupees '000)	
7 LONG-TERM INVESTMENTS					
Investment in associate – unquoted					
- Pak-Arab Pipeline Company Limited (PAPCO) 18,720,000 (2024: 18,720,000) ordinary shares of Rs. 100/- each	7.1 / 7.3	26	26	5,976,066	5,975,703
At fair value through other comprehensive income – unquoted (not held for trading)					
- Arabian Sea Country Club Limited 500,000 (2024: 500,000) ordinary shares of Rs. 10/- each Unrealized loss on remeasurement of equity investment classified at fair value through other comprehensive income	5	5		5,000	5,000
				(5,000)	(5,000)
				-	-
				<u>5,976,066</u>	<u>5,975,703</u>
7.1 Movement of investment in associate					
Balance at beginning of the year				5,975,703	5,680,940
Share of profit before income tax				3,210,334	3,369,909
Share of income tax				(1,250,390)	(1,289,661)
				<u>1,959,944</u>	<u>2,080,248</u>
Share of other comprehensive (loss) / income before taxation				(23,236)	482,811
Share of income tax				9,062	(188,296)
				<u>(14,174)</u>	<u>294,515</u>
Dividend received during the year				(1,945,407)	(2,080,000)
Balance at end of the year				<u>5,976,066</u>	<u>5,975,703</u>

7.1.1 The principle activity of the associate is to transport petroleum products through its pipeline system.

	2025	2024
	------(Rupees in '000)-----	
7.2 Financial details / position of associate		
Non-current assets	<u>20,310,641</u>	<u>24,143,734</u>
Current assets	<u>20,106,795</u>	<u>18,469,834</u>
Non-current liabilities	<u>3,665,241</u>	<u>5,611,294</u>
Current liabilities	<u>13,767,326</u>	<u>14,018,802</u>
Revenue	<u>15,412,431</u>	<u>12,667,419</u>
Gross profit	<u>9,368,292</u>	<u>7,032,918</u>
Profit after income tax	<u>7,538,247</u>	<u>8,000,952</u>
Other comprehensive (loss) / income	<u>(54,515)</u>	<u>1,132,750</u>
Total comprehensive income	<u>7,483,732</u>	<u>9,133,702</u>

The financial year end for PAPCO is June 30. Assets and liabilities disclosed above are based on unaudited condensed interim financial statements for the half year ended December 31, 2025 and December 31, 2024, whereas revenue, profits and total comprehensive income disclosed above are based on audited financial statements for the years ended June 30, 2025 and June 30, 2024 and unaudited financial statements for the half years ended December 31, 2025, December 31, 2024 and December 31, 2023.

Share of contingent liabilities based on the latest unaudited condensed interim financial statements of PAPCO as at December 31, 2025 amounts to Rs. 77,795 thousand (2024: Rs. 67,724 thousand).

		2025	2024
		------(Rupees in '000)-----	
7.3 Reconciliation of carrying amount			
Net assets	7.2	<u>22,984,869</u>	<u>22,983,472</u>
Company's holding in %	7	<u>26%</u>	<u>26%</u>
Company's share of investment in associate		<u>5,976,066</u>	<u>5,975,703</u>
7.4	The principal place of business of all the investees is Karachi.		
8 LONG-TERM LOANS - considered good, secured			
Due from executives:			
Balance at beginning of the year		<u>90,672</u>	<u>95,087</u>
Disbursements		<u>91,102</u>	<u>102,392</u>
Repayments		<u>(92,873)</u>	<u>(106,807)</u>
Balance at end of the year	8.1 / 8.2	<u>88,901</u>	<u>90,672</u>
Current portion of long-term loans	13	<u>63,920</u>	<u>64,752</u>
Long-term loans		<u>24,981</u>	<u>25,920</u>

8.1 Represents interest free loans for purchase of motorcycle and emergency / general purpose loans in accordance with the Company's policy and are repayable over a period of two to five years. These are secured against the post-retirement staff benefits.

8.2 These are carried at cost as the impact of discounting is not material to these financial statements.

		2025	2024
	Note	----- (Rupees in '000) -----	
9	LONG-TERM DEPOSITS AND PREPAYMENTS		
	Deposits	102,720	99,579
	Prepayments	39,520	55,400
		<u>142,240</u>	<u>154,979</u>
10	DEFERRED TAXATION - NET		
	Taxable temporary difference arising in respect of:		
	- accelerated tax depreciation	2,689,990	2,487,978
	- investment in associate	1,023,350	1,025,926
	- intangibles	-	133
		<u>3,713,340</u>	<u>3,514,037</u>
	Deductible temporary difference arising in respect of:		
	- provisions	(2,737,743)	(3,003,596)
	- staff retirement benefits	(80,892)	(87,886)
	- intangibles	(190)	-
	- lease liabilities - net	(511,630)	(261,711)
		<u>(3,330,455)</u>	<u>(3,353,193)</u>
		<u>382,885</u>	<u>160,844</u>
	10.1		

10.1 Includes deferred tax income of Rs. 12,133 thousand (deferred tax expense 2024: Rs. 2,168 thousand) routed through other comprehensive income relating to remeasurement of staff retirement benefits and share of other comprehensive loss of associate. All other movements for deferred tax expense / income have been routed through profit or loss.

		2025	2024
	Note	----- (Rupees in '000) -----	
11	STOCK-IN-TRADE		
	Raw and packing materials		
	- in hand	6,050,623	5,722,023
	- in transit	2,072,413	730,505
		<u>8,123,036</u>	<u>6,452,528</u>
	Provision for obsolete and slow moving stock	(54,751)	(13,483)
		<u>8,068,285</u>	<u>6,439,045</u>
	Finished products		
	- in hand and in pipeline system	28,803,496	35,292,031
	- in White Oil Pipeline	8,524,893	4,186,631
		<u>37,328,389</u>	<u>39,478,662</u>
	Provision for obsolete and slow moving stock	(306,406)	(293,314)
		<u>37,021,983</u>	<u>39,185,348</u>
		<u>45,090,268</u>	<u>45,624,393</u>
	11.4		

11.1 Includes items costing Rs. 18,480,591 thousand (2024: Rs. 8,023 thousand) which have been valued at their net realizable value of Rs. 17,893,521 thousand (2024: Rs. 5,527 thousand).

11.2 Includes bonded stock amounting to Rs. 3,574,267 thousand (2024: Rs. 15,454,719 thousand).

11.3 Includes high speed diesel and motor gasoline which have been maintained as line fill necessary for the pipeline to operate.

		2025	2024
	Note	------(Rupees in '000)-----	
11.4	Details of stock held with third parties is as follows:		
-	PAPCO - an associate	8,524,893	4,186,631
-	Pak-Arab Refinery Company Limited	2,058,973	2,363,109
-	Karachi Hydrocarbon Terminal Limited	561,689	1,786,088
-	Fauji Trans Terminal Limited	4,270,760	17,722
-	Attock Petroleum Limited	187,267	-
-	Euro Oil (Private) Limited	350,425	-
-	Al-Noor Terminal (Private) Limited	1,046,453	2,792,534
-	TCS (Private) Limited	389,464	391,176
-	Raaziq International (Private) Limited	316,671	319,186
-	Union Chemical Industries (Private) Limited	264	254
-	Mehran Logistics Centre	65,039	-
-	Target Lubricants	-	9
		<u>17,771,898</u>	<u>11,856,709</u>
11.5	Provision for obsolete and slow moving stock is as follows:		
	Balance at beginning of the year	306,797	61,667
	Provision made during the year	361,157	306,797
	Reversals during the year	(306,797)	(61,667)
		54,360	245,130
	Balance at end of the year	<u>361,157</u>	<u>306,797</u>
12	TRADE DEBTS		
	Considered good		
-	Secured	12.1 975,186	754,769
-	Unsecured	12.2 8,872,587	6,979,437
		9,847,773	7,734,206
	Considered doubtful	467,732	478,724
		10,315,505	8,212,930
	Allowance for expected credit losses	12.4 / 12.5 (467,732)	(478,724)
		9,847,773	7,734,206
12.1	These debts are secured by way of bank guarantees and security deposits.		
12.2	Includes due from the following associated companies:		
		2025	2024
		------(Rupees in '000)-----	
	Vellani & Vellani	1,546	1,658
	Novartis Pharma (Pakistan) Limited	344	327
	Unilever Pakistan Limited	13,632	3,742
		12.3 <u>15,522</u>	<u>5,727</u>

12.3 These are neither past due nor impaired. The maximum aggregate amount outstanding with reference to month end balances is as follows:

		2025	2024
	Note	------(Rupees in '000)-----	
Vellani & Vellani		1,660	2,040
Novartis Pharma (Pakistan) Limited		508	611
Unilever Pakistan Limited		22,198	3,742

12.4 Allowance for expected credit losses

		2025	2024
	Note	------(Rupees in '000)-----	
Balance at beginning of the year		478,724	531,095
Allowance for the year		-	18,786
Reversals during the year		(10,992)	(55,865)
	31	(10,992)	(37,079)
Write-offs during the year		-	(15,292)
Balance at end of the year		467,732	478,724

12.5 As at December 31, 2025, trade debts aggregating to Rs. 467,732 thousand (2024: Rs. 478,724 thousand) were impaired and provided for. The ageing of these trade debts is as follows:

		2025	2024
		------(Rupees in '000)-----	
Not yet due		34,176	10,455
Up to 90 days		26,235	15,427
91 to 180 days		12,326	16,413
More than 180 days		394,995	436,429
		467,732	478,724

12.6 As at December 31, 2025, trade debts aggregating to Rs. 619,241 thousand (2024: Rs. 728,995 thousand) were past due but not impaired. The ageing analysis of such trade debts is as follows:

		2025	2024
	Note	------(Rupees in '000)-----	
Up to 90 days		594,681	645,213
91 to 180 days		21,892	57,290
More than 180 days		2,668	26,492
		619,241	728,995

13 LOANS AND ADVANCES - considered good, secured

		2025	2024
	Note	------(Rupees in '000)-----	
Current portion of long-term loans	8	63,920	64,752
Advances to:			
- Employees	13.1	11,438	11,765
- Suppliers		196,496	86,601
		207,934	98,366
		271,854	163,118

13.1 Represents advances given to employees against business expenses.

		2025	2024
	Note	----- (Rupees in '000) -----	
14	SHORT-TERM DEPOSITS AND PREPAYMENTS		
		49,408	108,632
		<u>321,415</u>	<u>68,551</u>
		<u><u>370,823</u></u>	<u><u>177,183</u></u>

14.1 As at December 31, 2025, the amount mainly pertains to prepayments in respect of software license.

		2025	2024
	Note	----- (Rupees in '000) -----	
15	OTHER RECEIVABLES		
		1,380,029	1,380,029
		295,733	295,733
		343,584	343,584
		195,925	195,925
		44,413	44,413
		-	725,099
		-	1,118,053
		29,770	8,948
		92,596	-
		13,910	13,910
		2,344,404	2,289,345
		469,163	578
		945,303	922,732
		97,497	75,655
		245,462	155,841
		<u>6,497,789</u>	<u>7,569,845</u>
		(2,363,003)	(2,363,003)
		<u><u>4,134,786</u></u>	<u><u>5,206,842</u></u>

15.1 Includes petroleum development levy amounting to Rs. 1,369,560 thousand (2024: Rs. 1,369,560 thousand) recoverable from the Government of Pakistan (GoP) on account of export sales from June 2007. In 2011, the Company approached the GoP and Federal Board of Revenue (FBR) for settlement thereof. The GoP sought certain information which was duly provided by the Company. The FBR through the Large Taxpayers Unit (LTU) completed the verification exercise for claims amounting to Rs. 938,866 thousand, which was then paid in the year 2014. During 2015, verification exercise of claims amounting to Rs. 182,004 thousand was completed by the authorities. Further, during 2016, FBR through Customs station Torkham completed verification exercise of claims amounting to Rs. 851,330 thousand. Furthermore, the remaining claims are under verification and will be recovered on completion of the verification exercise by the FBR.

15.2 Represents amount receivable from GoP on account of price differential on imports and the ex-refinery price on direct and retail sales during the period 1990-2001.

15.3 Represents price differential claim from GoP on local / imported purchases of high speed diesel which was based on rates notified by GoP to subsidize petroleum prices by restricting the increase in prices in order to reduce the burden of rising oil prices on the end consumers.

15.4 Represents the Company's share of price differential claims on account of import of motor gasoline by the Company, being the difference between the landed cost and ex-refinery prices announced by Oil and Gas Regulatory Authority (OGRA). In 2007, the Company as well as other Oil Marketing Companies (OMCs) were asked in a meeting chaired by the Director General Oil to import motor gasoline to meet the increasing local demand. Accordingly, OMCs approached the Ministry of Petroleum and Natural Resources (MoPNR) with a proposal for pricing mechanism whereby end consumer price of motor gasoline was proposed to be fixed at weighted average of ex-refinery (import parity) price and landed cost of imported product. Despite no response from the MoPNR, the Company along with another OMC continued to import motor gasoline on behalf of the industry being confident that price differential on motor gasoline will be settled as per previous practice i.e. based on the differential between ex-refinery and import cost at the time of filing of cargo with Customs, as imports were being made on MoPNR instructions. The Company submitted audit reports for claims till May 31, 2011 amounting to Rs. 2,411,661 thousand.

In 2012, to meet the increasing local demand, OMCs again resorted to import motor gasoline on the instruction of MoPNR. The Company again along with OMCs approached the GoP with a proposal to include the high premium on the gallop cargo in the pricing mechanism. MoPNR accepted the OMCs' proposal and directed OGRA through its directive PL-3 (457) / 2012 - 43 dated June 30, 2012 to adjust the actual premium differential of the imported motor gasoline through the Inland Freight Equalization Margin (IFEM). In 2013, the Company approached MoPNR through letter dated May 20, 2013 requesting to expedite settlement of the claim amounting to Rs. 109,896 thousand in respect of the above import. On June 06, 2013, MoPNR requested that an audited claim be submitted to allow further consideration and resolution of the matter. Accordingly, the Company submitted audit report thereafter in respect of this claim. In 2017 and 2018, claims aggregating to Rs. 71,844 thousand and Rs. 38,052 thousand were adjusted through the IFEM respectively, as per the directive of MoPNR stated above. During the year ended December 31, 2024, the Company had recovered an amount of Rs. 1,765,286 thousand.

15.5 The Company along with other OMCs and Oil Companies Advisory Council (OCAC) is following up the aforementioned matters (note 15.1 to 15.4) with MoPNR and is confident for recovery of the remaining balances.

15.6 Includes receivable in respect of increase in rate of customs duty effective June 25, 2016, imposed by the Ministry of Finance (MoF) through Finance Act, 2016 dated June 24, 2016, on import of crude oil, high speed diesel and motor gasoline. Under the product pricing formula, the OMCs are required to recover similar cost elements and duties from customers on sale of petroleum products through prices notified on monthly basis. However, impact of increase in rate of customs duty was not incorporated in the price notification issued by OGRA for July 2016 which resulted in a receivable balance on customs duty to be recovered from the GoP. The Company has taken up this matter with OCAC to demand recovery of the aforesaid balance from the GoP and is confident for recovery of the balance.

15.7 Includes amounts in respect of the following tax matters:

15.7.1 In 2013, the Deputy Commissioner Inland Revenue (DCIR) in compliance with the directions of Appellate Tribunal Inland Revenue (ATIR), completed denovo proceedings in respect of tax year 2006 and raised a demand of Rs. 425,514 thousand. The demand was primarily related to disallowance of a pricing component paid to Shell International Trading Middle East (SITME) on imports of high speed diesel while treating the same as payment to non-resident on which the Company failed to deduct tax under section 152 of the Income Tax Ordinance, 2001. The Company in response to the aforementioned order deposited an amount of Rs. 301,167 thousand while an amount of Rs. 111,785 thousand was adjusted against sales tax refund. In addition, a rectification application was also filed for correction of certain mistakes apparent in the order which has been accepted and given effect. The Company also filed an appeal against the aforementioned order before Commissioner Inland Revenue (Appeals) [CIR (A)] which in its order dated February 02, 2015 has upheld the order passed by the DCIR. The Company has filed an appeal there against before the ATIR which is pending for hearing.

15.7.2 The Company paid an amount of Rs. 161,672 thousand under section 137(2) along with an appeal filed before CIR (A) against a demand order received from tax authorities in respect of tax year 2018 amounting to Rs. 859,524 thousand wherein the Additional Commissioner Inland Revenue (ACIR) disallowed fee for technical services, ageing for creditors and accruals, tax loss on disposals and write-offs of various assets and exchange loss, collectively amounting to Rs. 3,541,496 thousand.

CIR (A) vide order dated January 23, 2023, maintained the disallowance of unrealized exchange gain / loss against which the Company has filed an appeal before ATIR. The issue of ageing for creditors and accruals was remanded back while rest of the matters were decided in favour of the Company. The DCIR issued appeal effect dated October 5, 2023 which did not allow relief on realized exchange loss. Upon filing rectification application by the Company, a revised order dated December 28, 2023, had been received thereby reducing the demand to nil.

The Company had filed the application for rectification against the rectified order for the adjustment of the minimum tax brought forward from tax year 2014 along with main appeal filed before ATIR. The ATIR vide order dated September 18, 2024, directed the concerned officer to make necessary correction as per law.

15.7.3 The Company paid an amount of Rs. 484,469 thousand in relation to a demand order received from the ACIR in respect of tax year 2021. The demand principally arose from disallowance of fee for technical services, ageing for creditors and accruals, tax loss on disposals and write-offs of various assets and exchange loss, collectively amounting to Rs. 3,899,822 thousand. Further, the refund of tax year 2017 which had been used while filing the return was also disallowed. The Company filed an appeal before CIR (A).

CIR (A) vide appellate order dated June 29, 2022, decided the issues of fee for technical services and tax loss on disposals and write-offs of various assets in favour of the Company while confirming the issue of ACIR on exchange loss and remanding back the issue of reconciliation of net losses. The Company filed an appeal with ATIR against the issues maintained by CIR (A).

ACIR issued order dated June 19, 2023, giving appeal effect to the aforementioned appellate order of CIR (A).

15.7.4 The Company paid an amount of Rs. 365,667 thousand in relation to a demand order received from the ACIR dated August 16, 2023, for tax year 2022 through which disallowances were made in respect of depreciation on assets at dealer operated sites, tax loss on write-offs of assets, ageing for creditors and accrued liabilities, unrealized exchange loss and fee for technical service among other disallowances collectively amounting to Rs. 4,942,780 thousand and super tax was levied at 10%. The order raised a cumulative demand of Rs. 1,077,099 thousand. The Company filed an appeal before CIR (A).

The CIR (A) through its order dated September 15, 2023, decided the matters of depreciation on assets at dealer operated sites, tax loss on write-offs of assets and fee for technical services in favour of the Company while maintaining or remanding back other issues to the tax department. Appeal effect order dated September 26, 2023, reduced the outstanding demand to Rs. 555,392 thousand out of which Rs. 505,479 thousand has been stayed on account of super tax as per the judgement of the Supreme Court of Pakistan whereas, the remaining has been paid.

In respect of matters maintained or remanded back by CIR (A), the Company has filed an appeal before ATIR.

15.8 Includes amount receivable from Standard Chartered Bank Limited - a related party amounting to Rs. nil (2024: Rs. 4,473 thousand).

		2025	2024
	Note	------(Rupees in '000)-----	
15.9	Provision for impairment		
	Balance at beginning of the year	2,363,003	4,266,969
	Reversal made during the year	-	(1,765,286)
	Write-offs during the year	-	(138,680)
	Balance at end of the year	<u>2,363,003</u>	<u>2,363,003</u>
16	SHORT-TERM INVESTMENTS		
	Amortised cost:		
	- Treasury bills	-	5,112,524
	- Term deposit receipts	2,675,828	62,519
		<u>2,675,828</u>	<u>5,175,043</u>
	Fair value through profit or loss:		
	- Open ended shariah compliant mutual funds	-	5,520,241
		<u>2,675,828</u>	<u>10,695,284</u>

16.1 Represents investment made in treasury bills carrying an effective interest rate of nil (2024: 13.00%) per annum which was redeemed during the year.

16.2 This carries interest at the rate of 10.50% (2024: 9.90%) per annum and having a maturity by February 02, 2026.

16.3 Represents investment of nil units (2024: 110,405 thousand units) in open ended shariah compliant mutual funds.

		2025	2024
	Note	------(Rupees in '000)-----	
17	BANK BALANCES		
	Current accounts	998,544	1,009,000
	Saving accounts	8,338,419	3,686,380
		<u>9,336,963</u>	<u>4,695,380</u>

17.1 These carry interest at the rate ranging from 8.00% to 10.90% (2024: 13.50%) per annum.

17.2 Includes balances held in current and saving accounts with the following associated companies:

	2025	2024
	----- (Rupees in '000) -----	
Standard Chartered Bank (Pakistan) Limited:		
- Current accounts	689,663	950,085
- Saving account	492,470	393,703
	<u>1,182,133</u>	<u>1,343,788</u>
Bank Alfalah Limited:		
- Current account	8,610	243,092

18 **SHARE CAPITAL**

Authorized share capital

	2025	2024		2025	2024
	----- (Number of shares) -----			----- (Rupees in '000) -----	
	300,000,000	300,000,000	Ordinary shares of Rs. 10/- each	3,000,000	3,000,000

Issued, subscribed and paid-up share capital

	2025	2024		2025	2024
	----- (Number of shares) -----			----- (Rupees in '000) -----	
	130,493,331	130,493,331	Ordinary shares of Rs. 10/- each	1,304,933	1,304,933
	83,531,331	83,531,331	fully paid in cash	835,313	835,313
	<u>214,024,662</u>	<u>214,024,662</u>	Issued as bonus shares	<u>2,140,246</u>	<u>2,140,246</u>

18.1 The Parent Company held 187,866,141 (2024: 187,866,141) ordinary shares of Rs. 10/- each constituting 87.78% (2024: 87.78%) of issued share capital of the Company, as at the reporting date.

18.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

		2025	2024
	Note	----- (Rupees in '000) -----	
19 ASSET RETIREMENT OBLIGATION			
Balance at beginning of the year		255,279	407,187
Reversal of liability	31	(8,492)	(45,609)
Estimates adjustment	19.2 / 19.3	181,026	(140,278)
Accretion expense	19.4 / 32	29,458	33,979
		<u>210,484</u>	<u>(106,299)</u>
Balance at end of the year		<u>457,271</u>	<u>255,279</u>
Current portion of asset retirement obligation		<u>37,375</u>	<u>6,035</u>
Long-term asset retirement obligation		<u>419,896</u>	<u>249,244</u>

- 19.1** Asset retirement obligation relates to the restoration of retail sites to their original condition at the time of disposal of retail sites.
- 19.2** Includes an expense of Rs. 6,457 thousand (2024: income of Rs. 102,809 thousand) recognised in profit or loss.
- 19.3** Represents the effect of adjustments in discount rate, inflation rates and the future outflow of resources required to settle the asset retirement obligation.
- 19.4** Represents unwinding of the discount which is recognised in profit or loss.

		2025	2024
	Note	----- (Rupees in '000) -----	
20	LONG-TERM PROVISIONS		
Balance at beginning of the year		3,944,000	3,523,742
Accretion of interest	20.3 / 32	467,970	703,947
Estimates adjustment	20.2 / 30 / 31	(536,292)	164,323
Payments made during the year		(557,710)	(448,012)
Balance at end of the year		<u>3,317,968</u>	<u>3,944,000</u>
Current portion of long-term provisions		<u>927,916</u>	<u>204,496</u>
Long-term provisions		<u>2,390,052</u>	<u>3,739,504</u>

- 20.1** In 2022, the Company initiated the process of Soil and Ground Water (SGW) remediation in accordance with its Health, Safety, Security, Environment and Social Performance Policy at certain terminals and retail sites. In view of the above, the Company in accordance with the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', recorded the present value of SGW provision, on the basis of the assessment performed by internal and external experts.
- 20.2** Assumptions used to calculate the provision are based on future outflows of resources required for the voluntary remediation which are discounted using a discount rate that reflects current market assessments of the time value of money and the risks specific to the provision. It is expected that the costs will be incurred over the duration of the remediation activities.
- 20.3** Represents unwinding of the discount which is recognised in profit or loss.

		2025	2024
	Note	----- (Rupees in '000) -----	
21	LONG-TERM LEASE LIABILITIES		
Balance at beginning of the year		7,410,432	7,131,049
Additions during the year		5,364,839	698,813
Accretion of interest	32	1,295,263	941,862
Lease rentals paid		(1,990,812)	(1,200,929)
Terminations during the year		(999,382)	(160,363)
Balance at end of the year	21.1	<u>11,080,340</u>	<u>7,410,432</u>
Current portion of long-term lease liabilities		<u>474,732</u>	<u>573,231</u>
Long-term lease liabilities		<u>10,605,608</u>	<u>6,837,201</u>
21.1	Maturity analysis		
Gross lease liabilities - minimum lease payments is as follows:			
Not later than one year		1,848,211	1,258,813
Later than one year but not later than five years		9,620,287	4,802,598
Later than five years		<u>12,368,350</u>	<u>9,062,877</u>
		23,836,848	15,124,288
Future finance charge		<u>(12,756,508)</u>	<u>(7,713,856)</u>
Present value of lease liabilities		<u>11,080,340</u>	<u>7,410,432</u>

		2025	2024
	Note	----- (Rupees in '000) -----	
22	LONG-TERM PAYABLES		
		2,392,233	-
		-	2,360,869
	32	148,523	27,069
		(485,550)	-
		9,484	4,295
		<u>2,064,690</u>	<u>2,392,233</u>
	22.1	<u>-</u>	<u>336,427</u>
		<u>2,064,690</u>	<u>2,055,806</u>

22.1 Represents an interest free amount payable in respect of Trademarks purchased from Shell Brands International AG. The remaining amount will be paid in seven equal quarterly installments commencing from the March 2028.

		2025	2024
	Note	----- (Rupees in '000) -----	
23	TRADE AND OTHER PAYABLES		
		57,001,927	62,362,807
		8,218,302	6,332,420
	23.1	549,918	570,869
		2,282,242	3,729,831
		875,708	-
	35.1.13	216,498	78,671
		745,032	587,540
		-	126,466
	23.2	-	109,993
		811	5,692
		<u>69,890,438</u>	<u>73,904,289</u>

23.1 The security deposits are non-interest bearing and are refundable on termination of contracts and include deposits received by the Company under the terms of related agreements and are as follows:

		2025	2024
	Note	----- (Rupees in '000) -----	
		117,099	151,079
		432,819	419,790
	23.1.1 / 23.1.2	<u>549,918</u>	<u>570,869</u>

23.1.1 As per the terms of the agreement and section 217 of the Act, the Company can utilise the deposits in the normal course of business.

23.1.2 The amount is kept in separate bank accounts as per the terms of the agreement.

23.2 Represents provision in respect of management's assessment of staff redundancy. The movement of which is as follows:

		2025	2024
		----- (Rupees in '000) -----	
		109,993	511,228
		-	265,375
		(97,937)	-
		(12,056)	(666,610)
		<u>-</u>	<u>109,993</u>

24 SHORT-TERM BORROWINGS – secured

The Company has obtained facilities from various commercial banks aggregating to Rs. 22,680,000 thousand (2024: Rs. 23,680,000 thousand) including facility obtained from Standard Chartered Bank (Pakistan) Limited - a related party amounting to nil (2024: Rs. 1,000,000 thousand). These carry mark-up ranging from 1 month KIBOR plus 0.10% to 0.25% (2024: 1 month KIBOR plus 0.10% to 0.35%). These arrangements are secured by hypothecation of the Company's present and future stock-in-trade, trade debts and other receivables.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Infrastructure fee

The Sindh Finance Act, 1994, prescribed the imposition of an infrastructure fee at the rate of 0.5% of the Cost and Freight (C&F) value of all goods entering or leaving the province of Sindh via sea or air. Subsequently, Sindh Assembly had amended the Sindh Finance Act, 1994 through legislation of Sindh Finance Act, 2013 according to which infrastructure fee will range from 0.90% to 0.95% of total value of goods against various slabs of net weight of goods as assessed by the Customs Authorities plus one paisa per kilometre.

The Company and several others challenged the levy in constitutional petitions before the High Court of Sindh. These petitions were dismissed as, during their pendency, the nature of the levy was changed by the Government of Sindh through an Ordinance. The Company and others therefore filed civil suits in the High Court of Sindh challenging the amended Ordinance. However, these suits were also dismissed in October 2003. All the plaintiffs preferred intra-court appeals against the dismissal. The intra-court appeals were decided by the High Court of Sindh in September 2008 wherein it was held that the levy is valid and collectable only from December 12, 2006, onwards and not prior to this date. Being aggrieved by the said judgment, both the Company and the Government of Sindh filed separate appeals before the Honourable Supreme Court of Pakistan.

In 2011, the Government of Sindh unconditionally withdrew its appeals on the plea that the Sindh Assembly had legislated the Sindh Finance (Amendment) Act, 2009, levying infrastructure fee with retrospective effect from 1994. However, the Honourable Supreme Court, in view of the new legislation, directed the Company and others to file fresh petitions to challenge the same before the High Court of the Sindh and set aside the earlier order of the High Court of Sindh.

The High Court of Sindh on fresh petitions filed, passed an interim order directing that any bank guarantee / security furnished for consignments cleared up to December 27, 2006, are to be returned and for period thereafter, guarantees or securities furnished for consignments cleared are to be encashed to the extent of 50% and the remaining balance is to be retained till the disposal of petitions. For future clearances, the Company is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount.

In 2017, Sindh Assembly passed the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the SDMI Act) with retrospective effect from July 01, 1994. Through this SDMI Act, the range of infrastructure fee was increased from 1.10% to 1.15% on the value of goods against various slabs of net weight as assessed by the Custom Authorities plus one paisa per kilometre.

The SDMI Act replaced the infrastructure cess levied under the Sindh Finance Act, 1994 and subsequent amendments thereof. To comply with the earlier interim order of the High Court of Sindh granted against the cess as levied through the Sindh Finance Act 1994 and its amendments, the Company continues to pay 50% of the cess amount involved and furnishes bank guarantee for the balance amount.

In 2018, the Company filed a writ petition before the High Court of Sindh to challenge the levy of cess under the SDMI Act, against which a stay order has been granted.

In 2020, the Company received demand notices issued by the relevant authority for levy or collection of cess on imported petroleum products under the SDMI Act. The Company along with others challenged the levy of cess in Constitutional Petitions before the High Court of Sindh on the basis, inter alia, that the SDMI Act is inapplicable to petroleum products whose prices are fixed under the Federal laws and, alternatively, no cess can lawfully be levied or collected under the SDMI Act on the import or export of petroleum products regulated by the Federal laws. The High Court of Sindh has passed an interim order directing that the respondents may not take adverse action against the Company pursuant to impugned demand/penalty notice and may not create hindrance in the lawful import/export of petroleum products of the Company.

In 2021, the High Court of Sindh dismissed all connected petitions, vacating the stay orders granted earlier. The High Court of Sindh in its judgement on June 04, 2021, held that the imposition and collection of the impugned levy with effect from July 01, 1994, is valid and provided an exemption to Companies who were a party to the earlier case wherein the first four versions of the law were struck down by the High Court of Sindh. The High Court of Sindh directed that all bank guarantees furnished by the petitioners up to December 27, 2006, who were appellants in the earlier case shall stand discharged; whereas those furnished on or after December 28, 2006, shall be encashed and paid.

The High Court of Sindh also decided that the judgment would remain suspended for a period of ninety days (September 2021) and the interim arrangement of paying 50% of the cess and furnishing bank guarantee for the balance amount would continue. The Company filed an appeal before the Honourable Supreme Court of Pakistan and in a judgement passed, stay was granted against the order of High Court of Sindh with the direction that bank guarantees already submitted shall be kept operative and fresh bank guarantees to be furnished equivalent to the amount of levy claimed by the Company against release of all future consignments of imported goods.

The Company has reviewed its position and without acknowledging it as a debt, estimates the accumulated levy up to December 31, 2025, at Rs. 1,084,286 thousand (2024: Rs. 716,792 thousand). However, the eventual obligation on account of the aggregate fee, if any, cannot be ascertained presently because of uncertainty in relation to the extent of its application to the Company.

Management, based on the opinion of its legal advisor, is confident of a favourable outcome and accordingly no provision has been made in these financial statements against the levy.

25.1.2 Taxation

25.1.2.1 In 2011, the Company received a demand order from the tax authorities in respect of tax year 2008 amounting to Rs. 735,109 thousand. The demand principally arose due to addition made by the assessing officer in respect of allocation of common expenses and taxing the reversal of provision for impairment in trade and other receivables. Further, assessing officer had also disallowed the credit for minimum tax amounting to Rs. 482,685 thousand paid in earlier years and setting off against tax liability for the tax year 2008. The Company thereafter filed an application against the order for rectification of certain mistakes apparent from the record. The tax officer rectified the order accepting the Company's contention and reduced the demand to Rs. 527,150 thousand.

The Company in response to the demand, deposited an amount of Rs. 120,000 thousand under protest and filed an appeal with the CIR (A) and thereafter with ATIR. The remaining demand had been adjusted by the taxation authorities from sales tax refundable. In 2012, both CIR (A) and ATIR decided the case against the Company. The Company in response to this order of ATIR filed an appeal before the High Court of Sindh which is pending for hearing.

25.1.2.2 In 2016, the tax authorities after finalizing the income tax audit for the tax year 2010 raised a demand of Rs. 2,212,170 thousand. The demand principally arose due to the disallowance of premium paid to SITME on imports, disallowance on account of allocation of expenses and disallowance of fee for technical services due to non-withholding of tax. Additionally, unutilised tax losses of previous years have not been adjusted in computing the tax liability.

The Company has filed a rectification application and an appeal with the CIR (A). The CIR (A) vide appellate order dated August 31, 2016, has given a favourable decision on most of the issues except for bad debts written off and legal issues against which appeal before the ATIR has been filed by the Company.

25.1.2.3 In 2020, the tax authorities whilst finalizing the assessment proceedings for tax year 2014 vide order dated April 30, 2020, disallowed adjustment of brought forward business losses, fee for technical services, salary expense and Global Infrastructure Desktop Charges resulting in an aggregate demand of Rs. 499,879 thousand. The Company filed an appeal against the same with the CIR (A) and simultaneously filed a rectification application with the department for adjustment of brought forward business losses.

In 2021, CIR (A) vide order dated November 30, 2021, decided the matters of brought forward business losses, fee for technical services and Global Infrastructure Desktop Charges in favour of the Company while remanded back the issue of salary expense to ACIR. In 2024, the Company has received an appeal effect order from ACIR after which the demand has been reduced to Rs. 3,916 thousand.

Further, the Company has filed appeal with CIR(A) on matters of disallowed depreciation and initial allowance on additions, repair and maintenance and salary expense. The CIR(A) has decided appeal in favour of Company in matters of depreciation and initial allowance on additions and remanding back salary expense while maintaining demand for repair and maintenance.

25.1.2.4 In 2022, the Company received a demand order from tax authorities in respect of tax year 2016 amounting to Rs. 106,493 thousand. The demand principally arose due to disallowance of fee for technical services and liabilities outstanding for more than three years, cumulatively amounting to Rs. 1,284,140 thousand. Additionally, foreign tax credit and refund adjustment for tax years 2012 and 2013 were also disallowed.

Subsequently, ACIR issued a further amended assessment thereby disallowing the depreciation and initial allowance mainly on assets installed at dealer operated retail sites amounting to Rs. 207,827 thousand and Workers' Welfare Fund levied under federal law amounting to Rs. 10,692 thousand. These disallowances resulted in an additional demand of Rs. 66,904 thousand. The Company filed an appeal with CIR (A).

CIR(A) through order dated March 2, 2023, deleted the demand arising on disallowance of the fee for technical services and depreciation on dealer operated retail sites. The department issued appeal effect order dated October 27, 2023, which did not allow foreign tax credit. Upon filing of rectification application by the Company, a revised order dated November 14, 2023, had been received thereby reducing the demand to Rs. 17,759 thousand.

25.1.2.5 In 2022, the DCIR passed an order for monitoring of taxes for tax year 2019 in which the Company was assessed to be in default for not deducting and paying withholding taxes on on-invoice and off-invoice discounts, third party cost of salaries, wages and benefits and other related party expenses, including default surcharge collectively amounting to Rs. 805,970 thousand. The Company filed an appeal before CIR (A) against the order of the DCIR and paid the demand for off-invoice discounts amounting to Rs. 73,745 thousand thereby reducing the outstanding demand to Rs. 732,224 thousand.

CIR (A) vide appellate order dated March 18, 2022, decided the issue of on-invoice discounts in favour of the Company. However, the issue of off-invoice discounts was maintained while the matters of salaries, wages, benefits and other related party expenses were remanded back to DCIR. The Company filed an appeal with ATIR which is still pending for hearing.

25.1.2.6 In 2023, the Company received a demand order dated June 19, 2023, from ACIR in respect of tax year 2020 amounting to Rs. 129,797 thousand. The demand pertained to disallowance of depreciation and initial allowance on assets at dealer operated sites, tax loss on write-offs of assets, ageing for creditors and accrued liabilities, and fee for technical services, among other disallowances collectively amounting to Rs. 3,084,536 thousand. The Company filed an appeal before CIR (A).

CIR (A) vide appellate order dated October 25, 2023, decided the matters of disallowance of depreciation and initial allowance on assets at dealer operated sites, fee for technical services and tax loss on write-offs of assets in favour of the Company while maintaining or remanding back other issues against which an appeal has been filed before ATIR.

An appeal effect order dated May 20, 2024, was issued by the officer against the CIR(A) order dated October 25, 2023 to give effect on the issues of the disallowance of depreciation and initial allowance on assets at dealer operated sites, fee for technical services and tax loss on write-offs of assets. The ACIR has given effect to the above order of CIR(A), reducing the demand to Rs. 813 thousand.

25.1.2.7 In 2024, the Company received a demand order from ACIR dated April 26, 2024, for tax year 2023 through which disallowances were made in respect of ageing for creditors and accrued liabilities and unrealized exchange loss amounting to Rs. 6,217,748 thousand. In addition, super tax was levied at 4% as per the Islamabad High Court Order. The order raised a cumulative demand of Rs. 832,485 thousand. The Company filed an appeal before CIR (A). The Company has filed stay with High Court of Sindh through which the demand of Rs. 532,485 thousand has been secured meanwhile the Company has paid Rs. 300,000 thousand as demand under protest.

The Company had also filed rectification application for adjustment of minimum tax carried forward from tax year 2022 Rs. 834,438 thousand which has been rejected by the concerned officer through order dated May 15, 2024. The Company has filed an appeal with the ATIR for the disallowance of the adjustment of the minimum tax carried forward. However, the appeal was later withdrawn vide order ITA 1022 /KB/2024 dated November 12, 2025 for the reason that the benefit of minimum tax carried forward of tax year 2022 has been allowed in tax year 2024.

Subsequent to the year end, on January 28, 2026, the DCIR, issued recovery notice to the Company in respect of outstanding demand related to super tax amounting to Rs. 421,187 thousand which was paid by the Company under protest following the decision of Federal Constitutional Court on January 27, 2026 related to super tax.

25.1.2.8 During the year, the DCIR passed an order dated November 27, 2025 for monitoring of taxes for tax year 2021 in which the Company was assessed to be in default for not deducting and paying withholding taxes on on-invoice discounts and third party cost of salaries, wages and benefits, including default surcharge collectively amounting to Rs. 1,001,008 thousand. The Company filed an appeal before CIR (A) against the order of the DCIR and paid the demand of 10% to obtain stay under section 140 of the Income tax Ordinance, 2001 against any recovery measures.

25.1.2.9 The Company based on the merits of the aforementioned matters (note 25.1.2.1 to note 25.1.2.8) and as per the advice of its tax consultant and legal advisors, expects a favourable outcome on these matters and accordingly, no provision has been made in this respect in these financial statements.

25.1.3 Sales tax, Federal Excise Duty (FED) and Custom duty

25.1.3.1 In 2011, the tax authorities after conducting post refund audit for the period September and October 2008 raised sales tax and FED demands respectively amounting to Rs. 150,657 thousand and Rs. 173,799 thousand including penalty. These demands primarily arose on account of non-charging of sales tax on supply of jet fuel to various airlines.

In 2012, the tax authorities adjusted sales tax demand of Rs. 173,799 thousand pertaining to September 2008 against sales tax refundable. The Company in response to the aforementioned orders filed appeals and sought stay against the demands with the CIR (A), ATIR and High Court of Sindh. The appeals for September and October 2008 relating to non-charging of sales tax on supply of jet fuel were decided in favour of the Company by the ATIR. However, the tax department filed a reference application before the High Court of Sindh which is still pending.

Additionally, in 2012, the tax authorities conducted sales tax and FED audit for period July 2009 to December 2009 and raised additional sales tax and FED demands amounting to Rs. 89,324 thousand. The demand primarily arose on account of levying FED on license fee, technical service fee and trademarks and manifestation fee. The Company filed appeals before CIR (A) against the demand.

In 2013, CIR (A) decided the matter in favour of the Company for all major claims. The department filed an appeal before ATIR against the order of CIR (A). In 2015, ATIR while setting aside CIR (A)'s order remanded back all the matters to the tax

department which initiated the hearing soon after. The Company has furnished the required documents and is yet to receive any further notice.

Further, in 2013, the tax authorities also conducted sales tax and FED audit for period January to December 2011 and raised additional sales tax and FED demands amounting to Rs. 2,793,564 thousand including penalty. The demands principally pertained to sales tax on lubricants paid on the value of supply instead of retail price as mentioned on packs, unlawful adjustment of input sales tax, non-charging of sales on supply of jet fuel, and levy of FED technical service fee. The Company filed an appeal before CIR (A) which set aside the proceeding with certain directions. The Company has obtained a stay from the High Court of Sindh as well.

In 2014, the tax authorities issued a notice proposing to levy sales tax on the value of supply of jet fuel to various airlines during the period July 2012 to June 2013 thereby proposing to raise tax demand of Rs. 2,558,997 thousand. The Company filed an application with the High Court of Sindh, which passed an ad-interim order restraining the tax authorities from passing an order.

In 2015, the tax authorities whilst finalizing sales tax audit for the period January 2012 to December 2012 issued a show cause notice inter alia proposing to levy sales tax on the value of supply of jet fuel during the period January 2012 to June 2012, thereby proposing to raise a demand of Rs. 1,460,072 thousand. The Company filed an application with the High Court of Sindh, which passed an order restraining the tax authorities from passing an order. Further, the CIR(A) vide his order dated January 17, 2023 has remanded back the issue to the assessing officer with certain guidelines to re-examination of the facts of the case. A show cause notice dated March 24, 2023 was issued by DCIR, which was duly responded by the Company.

In 2019, ACIR whilst finalizing the sales tax audit for the financial year ended 2014 passed an order dated February 20, 2019, raising a demand of Rs. 5,656,135 thousand primarily disallowing input tax adjustment on zero rated supplies of Jet Fuel to international flights and levy of FED on trademarks and manifestation fee and group fee. The Company filed a rectification application before the ACIR for correction of some apparent errors in the aforesaid order. The ACIR passed a rectification order reducing the aforesaid demand to Rs. 3,118,389 thousand. The Company being aggrieved, filed an appeal with the CIR (A), where the hearing is pending adjudication. However, CIR (A) has granted stay against the recovery of the rectified order. Further, the Company simultaneously obtained stay order from the High Court of Sindh.

Further, the Commissioner finalised the audit for financial year ended 2012 and raised a demand of Rs. 4,531,352 thousand primarily disallowing input tax adjustment on zero-rated supplies of jet fuel to international flights and levied FED on group fee. The Company being aggrieved, filed an appeal with the CIR (A). The CIR (A) passed an order dated September 18, 2019, deciding the matter of zero-rating of jet fuels amounting to Rs. 4,345,152 thousand in favour of the Company, whilst maintaining the Commissioner's position on FED amounting to Rs. 186,201 thousand on group fee. The Company has filed an appeal with the ATIR on the latter.

Furthermore, the Commissioner issued a show cause notice dated November 11, 2019, raising demand of Rs. 8,800.143 million and Rs 388.905 million pertaining to non-payment of sales tax on price differential claims and Rs 165.76 million pertaining to inadmissible input tax from tax periods starting from 2004 to 2010 and 2011 to 2012 respectively, which was taken up in petition by the Company with the High Court of Sindh. The matter is now sub-judice before the Honourable Court, therefore, no final order may be passed until the decision of the Honourable Court.

25.1.3.2 In 2012, the Company received an order from Model Customs Collectorate, Hyderabad raising sales tax demand of Rs. 46,838 thousand, on imported goods, without specifying the basis of computation by levying value addition sales tax at 2% representing minimum value addition under sub-section 5 of section 3 read with section 7A of the Sales Tax Act, 1990 and Chapter X of the Sales Tax Special Procedure Rules, 2007. Further, the Company received show cause notices from Model Customs Collectories Faisalabad, Lahore and Multan with a potential demand of Rs. 4,822,652 thousand, the basis of computation of which has not been specified. The Company is of the view that the sales tax on minimum value addition is not applicable as the OMCs are manufacturers of lubricants and other products and the prices of Petroleum, Oil and Lubricants (POL) products imported by them for sale in the country are administered under a special pricing arrangement agreed with the Government of Pakistan.

FBR has issued directives restricting Collectories from any recovery actions and has also issued a notification dated February 10, 2012, confirming that value addition sales tax was not to be charged on POL products whose prices are regulated under special pricing arrangement by the government or regulatory authority working under the government. Further, Model Customs Adjudication quashed the show cause notices of Faisalabad, Lahore and Multan Collectories based on the notification. The Company is also of the view that OMCs will not be required to pay the tax on deregulated products / exports retrospectively since directive of FBR was available at that time and is confident that revised notification in this respect will be issued by FBR if considered necessary. Furthermore, in the event the Company is required to make a payment in this respect, it is Company's contention that it will be able to claim the amount paid as input tax except for default surcharge, which cannot be computed at this stage.

25.1.3.3 In 2018, the Company received a show cause notice vide letter no. PRA/18/0251 from Additional Commissioner Punjab Revenue Authority (PRA) against taxable services received by the Company for the period from July 2015 to June 2016 attracting provincial sales tax as per Punjab Sales Tax on Services Act, 2012 (the Services Act) based on the audited financial statements of the Company for the year ended December 31, 2015, and 2016. The Company in response to the above referred notice, contended that the provisions of the Services Act relating to withholding tax on services relating to telecommunication,

banking, courier and insurance services became effective from July 01, 2016, and that the notice was issued without requiring information and ascertaining the facts. However, the Additional Commissioner, PRA raised a demand order dated July 23, 2018, amounting to Rs. 813,520 thousand. On September 24, 2018, the Company filed an appeal before the CIR (A), PRA against the aforesaid order. In August 2020, recovery notice was received against which a stay order from Lahore High Court was obtained. Furthermore, after conducting the hearing, CIR (A) without sufficiently considering the evidence submitted during the course of the appeal, adversely decided the matter through order dated October 28, 2020. The Company filed an appeal against the same with the ATIR. During 2023, the ATIR, while acknowledging that the expenses were incurred throughout Pakistan instead of only in Punjab, set aside the matter for denovo proceedings. However, the order of the ATIR did not address the issue of inapplicability of the various sections for the period of the original demand. Therefore, the Company has filed a reference application before the Lahore High Court.

25.1.3.4 In 2018, the Company received a show cause notice from DCIR, against discrepancy in Annexure-J of the sales tax returns for the period from November 2016 to February 2018 and proceeded to suspend the sales tax registration. The Company in response to the above notice, contended that the DCIR is neither empowered nor has the jurisdiction to issue show cause notice. Further, a reconciliation was provided to reconcile the discrepancies in the sales tax returns filed by the Company during the aforesaid period. The Company further contended that the discrepancies did not result in loss of revenue of the tax department as the sales tax was discharged on correct sales reported in Annexure-C of the sales tax return for the aforesaid period. However, the DCIR issued an order dated October 15, 2018, raising a demand amounting to Rs. 2,077,912 thousand. On October 25, 2018, the Company filed an appeal before the CIR (A), who passed an order setting aside the matter with specific directions to the tax department for verification of the facts of the case. In 2020, the tax officer issued show cause notice to the Company for verification of data in line with the directions of CIR (A), after which it proceeded to pass an order on the same on December 24, 2020, without considering the details already submitted by the Company. The Company has preferred an appeal with the CIR (A) and has also obtained a stay against recovery of the same. In 2021, the High Court of Sindh had favourably disposed-off the case that was filed in 2018 against ultra vires suspension of Company's sales tax registration.

25.1.3.5 In 2019, the Company received a show cause notice from PRA requiring explanation of non-payment of sales tax of Rs. 1,857,097 thousand imposed by the authority on the IFEM, OMC's and dealer's margin for the period from July 2017 to June 2018. The Company challenged the notice in the Lahore High Court against which a stay has been granted by the Court. The High Court disposed off the case on May 29, 2025.

25.1.3.6 In 2021, the Company received a show cause notice from DCIR for conducting audit of the period January to December 2018. Post verification of documents and submission of the Company's replies, a demand order was issued wherein the major disallowances pertained to zero-rating of jet fuel supplied to airlines for their international flight consumption, reconciliation of purchases with the sales tax return and sales tax discharge against discount offered to customers amounting to Rs. 2,646,915 thousand. The matter was taken up in appeal with CIR (A).

In 2022, the CIR (A) decided the appeal in favour of the Company except for default surcharge imposed for delayed payment of sales tax on advance from customers amounting to Rs. 19,817 thousand. The Company, in response to the order, filed an appeal with the ATIR where the matter is pending adjudication.

25.1.3.7 In 2022, the Company received a letter from Collectorate of Customs demanding to pay regulatory duty at 10% on certain consignments of motor gasoline imported during the period from April to June 2022. The demand had been raised in accordance with SRO 806(I)/2022 dated June 20, 2022. The Company filed a petition in Lahore High Court contending that the consignments were exempt under the aforesaid SRO since the Letters of Credit for these consignments were opened before the date of the SRO. The Court ordered the release of the consignments subject to submission of bank guarantees equal to the demanded regulatory duty. The High Court decided the case in favour of the Company. However, the department has filed an appeal against the judgement of the High Court, which is pending adjudication.

The Company has reviewed its position and without acknowledging it as a debt has furnished bank guarantees in respect of the claim raised by the custom authorities. The matter is still pending adjudication.

25.1.3.8 The Company received a show cause notice during 2024 from DCIR for conducting audit of the period January to December 2019. Post verification of documents and submission of Company's replies, an assessment order dated November 08, 2024 was issued wherein the major disallowances pertained to input tax on ad-hoc basis on account of various suppliers violations disallowance of input tax on services and provision from slow moving stock amounting to Rs. 749,280 thousand. The Company filed an appeal before ATIR along with stay application. The stay against demand has been granted by ATIR.

25.1.3.9 During the year, the Company received an show cause notice from DCIR for conducting audit of the period January to December 2020. Post verification of documents and submission of the Company's replies, an assessment order was issued dated March 17, 2025 wherein the major disallowances pertained to input tax on ad-hoc basis on account of various suppliers violations disallowance of input tax on services and provision from slow moving stock amounting to Rs. 246,353 thousand. The Company filed appeal before CIR (A) on August 13, 2025, hearing of which is still pending.

25.1.3.10 The Company based on the merits of the aforementioned matters (notes 25.1.3.1 to 25.1.3.9) and as per the advice of its tax consultant and legal advisor, expects a favourable outcome on these matters and accordingly, no provision has been made in this respect in these financial statements.

		2025	2024
	Note	------(Rupees in '000)-----	
25.1.4	Claims not acknowledged as debt	<u>3,856,600</u>	<u>4,458,476</u>
25.2	Commitments		
	Commitments for capital expenditure	<u>3,075,441</u>	<u>2,389,684</u>
	Outstanding letters of credit	<u>29,960,888</u>	<u>21,545,519</u>
	Outstanding bank guarantees	<u>3,136,902</u>	<u>3,176,304</u>
	Outstanding bank contracts	<u>588,186</u>	<u>334,585</u>
	Post-dated cheques	<u>62,894,899</u>	<u>44,960,267</u>
25.2.1	Total facilities for letters of credit amount to Rs.63,024,491 thousand (2024: Rs.63,249,250 thousand) and for bank guarantees amount to Rs. 30,211,889 thousand (2024: Rs. 5,600,000 thousand).		
25.2.2	These have been deposited with the Collector of Customs Port Qasim and Karachi Port Trust in accordance with the Customs' Act, 1969 as an indemnity to adequately discharge the liability for the duties and taxes leviable on imports, as required under the Finance Act, 2005. The maturity dates of these cheques extend to June 13, 2026.		
25.2.3	Commitments include the following from associated companies:		
		2025	2024
		------(Rupees in '000)-----	
	Standard Chartered Bank (Pakistan) Limited		
	Outstanding letters of credit	<u>635,848</u>	<u>2,065,194</u>
	Total facilities for letter of credits	<u>9,524,491</u>	<u>9,749,250</u>
	Outstanding bank guarantees	<u>2,355,506</u>	<u>2,446,775</u>
	Total facilities for bank guarantees	<u>3,000,000</u>	<u>3,000,000</u>
	Outstanding bank contracts	<u>4,185</u>	<u>334,585</u>
	Bank Alfalah Limited		
	Outstanding letters of credit	<u>7,217,188</u>	<u>5,039,708</u>
	Total facilities for letter of credits	<u>15,000,000</u>	<u>15,000,000</u>
	Outstanding bank contracts	<u>421,507</u>	<u>-</u>
26	SALES		
	Gross sales, inclusive of sales tax	<u>486,364,616</u>	<u>442,814,819</u>
	Trade discounts	<u>(9,325,516)</u>	<u>(7,350,405)</u>
		<u>477,039,100</u>	<u>435,464,414</u>
26.1	Sales (inclusive of sales tax) from external customers for products of the Company are as follows:		
		2025	2024
		------(Rupees in '000)-----	
	- Petroleum products	<u>477,039,100</u>	<u>435,444,425</u>
	- Others	<u>-</u>	<u>19,989</u>
		<u>477,039,100</u>	<u>435,464,414</u>
26.2	Includes all contract liabilities as at December 31, 2024, which were realized during the year.		

		2025	2024
	Note	------(Rupees in '000)-----	
27	COST OF PRODUCTS SOLD		
Opening stock of raw and packing materials		6,439,045	6,285,233
Raw and packing materials purchased		24,115,709	19,572,743
Manufacturing expenses	27.1	1,257,175	1,011,850
Closing stock of raw and packing materials	11	<u>(8,068,285)</u>	<u>(6,439,045)</u>
Cost of products manufactured		23,743,644	20,430,781
Opening stock of finished products		<u>39,185,348</u>	<u>41,766,253</u>
Finished products purchased		269,398,519	270,307,938
Duties, levies and freight	27.2	145,071,696	111,084,620
Closing stock of finished products	11	<u>(37,021,983)</u>	<u>(39,185,348)</u>
Cost of finished products sold		416,633,580	383,973,463
		<u>440,377,224</u>	<u>404,404,244</u>

27.1 Includes depreciation charge on operating assets of Rs. 234,972 thousand (2024: Rs. 205,208 thousand), depreciation charge on right-of-use assets of nil (2024: Rs. 20,045 thousand) and charge in respect of staff retirement benefits amounting to Rs. 9,998 thousand (2024: Rs. 8,068 thousand).

		2025	2024
	Note	------(Rupees in '000)-----	
27.2	Duties, levies and freight		
Petroleum development levy		121,367,292	90,071,261
Customs and excise duty		12,424,713	13,066,176
Inland freight equalization margin		9,978,675	7,364,233
Freight on non-equalized products		<u>1,301,016</u>	<u>582,950</u>
		<u>145,071,696</u>	<u>111,084,620</u>

28 DISTRIBUTION AND MARKETING EXPENSES

Salaries, wages and benefits	28.1	3,431,888	2,816,608
Stores and materials		43,552	98,637
Fuel and power		128,437	147,930
Rent, taxes and utilities		299,980	327,479
Repairs and maintenance		1,675,124	1,284,560
Depreciation on operating assets	4.2	1,810,355	1,933,202
Depreciation on right-of-use assets	5.1	1,479,101	833,696
Insurance		65,056	55,585
Legal and professional charges		171,652	110,354
Training and travelling		386,911	308,900
Advertising and publicity		1,505,354	1,573,513
Information technology and related services		339,923	641,696
Storage and other charges		572,309	493,350
Amortisation	6	472,174	78,696
Others		<u>537,136</u>	<u>543,907</u>
		12,918,952	11,248,113
Secondary transportation expenses		<u>2,243,512</u>	<u>1,961,740</u>
		<u>15,162,464</u>	<u>13,209,853</u>

28.1 Includes charge of Rs. 179,467 thousand (2024: Rs. 144,827 thousand) in respect of staff retirement benefits.

30.3 Donations to parties exceeding higher of Rs. 1 million or 10% of total donations are as follows:

		2025	2024
	Note	------(Rupees in '000)-----	
National Rural Support Programme		10,877	18,913
Shell LiveWIRE Trust		19,656	18,000
		<u>30,533</u>	<u>36,913</u>
31	OTHER INCOME		
	Income from financial instruments		
Interest on term deposit receipts		235,595	734,849
Interest on treasury bills		215,562	86,527
Interest on saving accounts		1,286,252	1,299,615
Exchange gain - net		-	6,155
Reversal of provision for impairment on other receivables	15.9	-	1,765,286
Liabilities no longer payable written back	31.1	2,133,420	465,891
Dividend income on open ended shariah compliant mutual funds		110,049	26,988
Reversal of allowance for expected credit losses on trade debts - net	12.4	10,992	37,079
		<u>3,991,870</u>	<u>4,422,390</u>
	Income from non-financial instruments		
Gain on disposal of operating assets		50,802	69,369
Gain on termination of leases		151,924	35,394
Scrap sales		10,823	40,934
Reversal of provision for impairment against operating assets - net	4.8	-	73,671
Reversal for impairment against capital work-in-progress	4.7.3	11,000	-
Reversal of asset retirement obligation	19	8,492	45,609
Estimate adjustment for asset retirement obligation		-	102,809
Estimate adjustment for long-term provision		536,292	-
Shell card income		194,305	148,345
Others		32,478	60,859
		<u>996,116</u>	<u>576,990</u>
		<u>4,987,986</u>	<u>4,999,380</u>

31.1 Represents amount in respect of credit notes issued by Shell Petroleum Company Limited, for waiver of amounts payables in respect of various costs.

		2025	2024
	Note	------(Rupees in '000)-----	
32	FINANCE COSTS		
Bank charges	32.1	804,790	1,204,028
Accretion expense on asset retirement obligation	19	29,458	33,979
Accretion of interest on lease liabilities	21	1,295,263	941,862
Accretion expense on long-term payables	22	148,523	27,069
Accretion expense on long-term provisions	20	467,970	703,947
		<u>2,746,004</u>	<u>2,910,885</u>

32.1 Includes a fee against bank guarantee provided by Asyad holding group - an associated company amounting to Rs. 28,573 thousand (2024: nil).

		2025	2024
	Note	----- (Rupees in '000) -----	
33	INCOME TAX		
	Current		
	- for the year	3,349,350	3,120,417
	- for prior year	1,014,390	10,516
		<u>4,363,740</u>	<u>3,130,933</u>
	Deferred	234,174	717,341
		<u>4,597,914</u>	<u>3,848,274</u>
33.1	Relationship between accounting profit and taxation		
	Profit before income tax	8,142,559	7,145,623
	Tax at the applicable tax rate of 29%	2,361,342	2,072,231
	Tax effect of:		
	- Adjustments relating to prior years	1,014,390	10,516
	- Adjustment of minimum taxes brought forward	-	(1,931,637)
	- Provision against adjustment of minimum taxes brought forward	-	1,931,637
	- Super tax	946,375	876,780
	- Tax benefit on income covered under final tax regime	(246,015)	(292,351)
	- Permanent differences	549,256	867,263
	- Others	(27,434)	313,835
		<u>4,597,914</u>	<u>3,848,274</u>
	Effective tax rate %	<u>56.47</u>	<u>53.85</u>
33.2	Includes expense pertaining to tax credits adjusted against tax liabilities in prior years amounting to Rs. 1,012,000 thousand (2024: Rs. nil).		
		2025	2024
	Note	----- (Rupees in '000) -----	
34	EARNINGS PER SHARE - basic and diluted		
	Profit after income tax	<u>3,544,645</u>	<u>3,297,349</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	<u>214,024,662</u>	<u>214,024,662</u>
		2025	2024
	Note	----- (Rupees) -----	
	Earnings per share	<u>16.56</u>	<u>15.41</u>
34.1	There is no dilutive effect on the basic earnings per share of the Company.		
35	EMPLOYEE BENEFITS		
35.1	Pension and gratuity		
	As mentioned in note 3.10.1 to the financial statements, the Company operates funded gratuity and pension schemes for its employees. Contributions are made to these schemes on the basis of actuarial recommendations. The latest actuarial valuation was carried out as at December 31, 2025. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.		

35.1.1	Statement of financial position reconciliation	2025				Total	2024				Total
		Management		Non-Management			Management		Non-Management		
		Pension	Gratuity	Pension	Gratuity		Pension	Gratuity	Pension	Gratuity	
		(Rupees in '000)									
	Fair value of plan assets - note 35.1.2	2,035,780	-	24,803	14,301	2,074,884	2,009,614	-	44,744	13,190	2,067,548
	Present value of defined benefit obligations - note 35.1.3	(2,046,064)	(73,198)	-	(87,507)	(2,206,769)	(1,904,917)	(82,177)	-	(97,678)	(2,084,772)
	(Liability) / asset in respect of staff retirement benefit schemes	(10,284)	(73,198)	24,803	(73,206)	(131,885)	104,697	(82,177)	44,744	(84,488)	(17,224)
35.1.2	Movement in the fair value of plan assets										
	Fair value of plan assets at the beginning of the year	2,009,614	-	44,744	13,190	2,067,548	1,918,987	-	34,763	32,198	1,985,948
	Expected return on plan assets	228,713	-	3,973	1,649	234,335	284,268	-	5,513	3,469	293,250
	Contribution by the Company	14,065	3,227	1,258	1,102	19,652	16,767	3,776	1,612	26,912	49,067
	Contribution by the employees	1,773	-	-	-	1,773	2,113	-	-	-	2,113
	Benefits paid during the year	(223,172)	(23,529)	-	(24,524)	(271,225)	(188,877)	(164,668)	-	(46,547)	(400,092)
	Inter-fund transfer	(20,302)	20,302	(24,524)	24,524	-	(160,892)	160,892	-	-	-
	Remeasurement of plan assets	25,089	-	(648)	(1,640)	22,801	137,248	-	2,856	(2,842)	137,262
	Fair value of plan assets at the end of the year	2,035,780	-	24,803	14,301	2,074,884	2,009,614	-	44,744	13,190	2,067,548
35.1.3	Movement in the present value of defined benefit obligations										
	Present value of obligation at the beginning of the year	1,904,917	82,177	-	97,678	2,084,772	1,574,267	99,563	-	125,935	1,799,765
	Current service cost	18,330	4,010	-	2,936	25,276	16,487	4,729	-	3,980	25,196
	Past service cost	-	6,202	-	-	6,202	-	-	-	-	-
	Interest cost	215,199	8,450	-	10,250	233,899	219,636	12,408	-	15,912	247,956
	Benefits paid during the year	(223,172)	(23,529)	-	(24,524)	(271,225)	(188,877)	(164,668)	-	(46,547)	(400,092)
	Inter-fund transfer	-	-	-	-	-	(125,645)	125,645	-	-	-
	Remeasurement on obligation	130,790	(4,112)	-	1,167	127,845	409,049	4,500	-	(1,602)	411,947
	Present value of obligation at the end of the year	2,046,064	73,198	-	87,507	2,206,769	1,904,917	82,177	-	97,678	2,084,772
35.1.4	Amount recognised in profit or loss										
	Current service cost	18,330	4,010	-	2,936	25,276	16,487	4,729	-	3,980	25,196
	Past service cost	-	6,202	-	-	6,202	-	-	-	-	-
	Interest cost	215,199	8,450	-	10,250	233,899	219,636	12,408	-	15,912	247,956
	Expected return on plan assets	(228,713)	-	(3,973)	(1,649)	(234,335)	(284,268)	-	(5,513)	(3,469)	(293,250)
	Contribution by the employees	(1,773)	-	-	-	(1,773)	(2,113)	-	-	-	(2,113)
	Expense / (reversal) for the year	3,043	18,662	(3,973)	11,537	29,269	(50,258)	17,137	(5,513)	16,423	(22,211)
35.1.5	Remeasurement recognised in other comprehensive income										
	Loss / (gain) from changes in financial assumptions	140,409	(197)	-	(19)	140,193	386,236	1,882	-	(95)	388,023
	Gain from changes in demographic assumptions	(74,413)	-	-	-	(74,413)	-	-	-	-	-
	Experience loss / (gain)	64,794	(3,915)	-	1,186	62,065	22,813	2,618	-	(1,507)	23,924
	Remeasurement on obligation	130,790	(4,112)	-	1,167	127,845	409,049	4,500	-	(1,602)	411,947
	(Gain) / loss due to remeasurement of plan assets	(25,089)	-	648	1,640	(22,801)	(137,248)	-	(2,856)	2,842	(137,262)
		105,701	(4,112)	648	2,807	105,044	271,801	4,500	(2,856)	1,240	274,685
35.1.6	Movement in the (liability) / asset recognised in the statement of financial position										
	Balance at the beginning of the year	104,697	(82,177)	44,744	(84,488)	(17,224)	344,720	(99,563)	34,763	(93,737)	186,183
	Net (charge) / reversal for the year	(108,744)	(14,550)	3,325	(14,344)	(134,313)	(221,543)	(21,637)	8,369	(17,663)	(252,474)
	Contributions by the Company	14,065	3,227	1,258	1,102	19,652	16,767	3,776	1,612	26,912	49,067
	Inter-fund transfers	(20,302)	20,302	(24,524)	24,524	-	(35,247)	35,247	-	-	-
	(Liability) / asset in respect of staff retirement benefit schemes	(10,284)	(73,198)	24,803	(73,206)	(131,885)	104,697	(82,177)	44,744	(84,488)	(17,224)
35.1.7	Composition of plan assets										
	Equity instruments	264,275	24,117	-	-	288,392	248,551	18,101	-	-	266,652
	Debt instruments	1,340,614	213,495	18,927	2,023	1,575,059	1,251,701	166,763	17,746	1,954	1,438,164
	Bank deposits	148,491	39,648	5,876	12,278	206,293	170,811	109,173	26,306	10,176	316,466
	Other receivable	4,122	1,018	-	-	5,140	33,233	11,281	692	1,060	46,266
	Inter-fund dues	278,278	(278,278)	-	-	-	305,318	(305,318)	-	-	-
		2,035,780	-	24,803	14,301	2,074,884	2,009,614	-	44,744	13,190	2,067,548

35.1.8 Actuarial assumptions

	2025				2024			
	Management		Non-Management		Management		Non-Management	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
	----- % per annum -----							
Short-term expected rate of increase in future salaries	9.0	9.0	-	11.0	10.0	10.0	-	12.0
Long-term expected rate of increase in future salaries	9.0	9.0	-	11.0	10.0	10.0	-	12.0
Discount rate	11.0	11.0	-	11.0	12.0	12.0	-	12.0
Expected rate of increase in pensions	5.0	-	-	-	5.0	-	-	-
Expected rate of return on plan assets	11.0	-	12.0	11.0	12.0	-	12.0	12.0

The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rates, rated down by one year.

35.1.9 Sensitivity analysis

	2025				2024			
	Management		Non-Management		Management		Non-Management	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
	----- (Rupees in '000) -----							
Present value of obligation at the end of the year	<u>2,046,064</u>	<u>73,198</u>	<u>-</u>	<u>87,507</u>	<u>1,904,917</u>	<u>82,177</u>	<u>-</u>	<u>97,678</u>
Following shall be the present values under various sensitivities:								
Discount rate + 1%	1,891,338	70,002	-	86,444	1,760,197	77,945	-	96,142
Discount Rate - 1%	2,226,743	76,702	-	88,591	2,073,987	86,847	-	99,259
Salary increase rate + 1%	2,063,253	76,877	-	88,600	1,928,702	87,010	-	99,273
Salary increase rate - 1%	2,030,219	69,785	-	86,416	1,883,016	77,725	-	96,102
Pension increase rate + 1%	2,226,398	-	-	-	2,065,999	-	-	-
Pension increase rate - 1%	1,887,693	-	-	-	1,762,759	-	-	-

If mortality increases by 1 year, the resultant increase in the defined benefit obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when determining the defined benefit obligation in the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

35.1.10 Expected maturity analysis of undiscounted cashflows

	2025				2024			
	Management		Non-Management		Management		Non-Management	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
	----- (Rupees in '000) -----							
Less than a year	172,497	9,195	-	19,294	172,497	4,300	-	24,484
Between 1-2 years	361,998	12,543	-	82,147	361,998	18,442	-	60,864
Between 2-5 years	596,788	64,599	-	-	596,788	55,774	-	41,459
Over 5 years	12,157,256	122,543	-	-	12,157,256	237,293	-	-
	<u>13,288,539</u>	<u>208,880</u>	<u>-</u>	<u>101,441</u>	<u>13,288,539</u>	<u>315,809</u>	<u>-</u>	<u>126,807</u>
Weighted average duration of the defined benefit obligation (years)	<u>8</u>	<u>5</u>	<u>-</u>	<u>1</u>	<u>8</u>	<u>5</u>	<u>-</u>	<u>2</u>

35.1.11 The Company contributes to the pension and gratuity funds on the advice of the funds' actuary. There is no impact of asset ceiling in these financial statements. As per the recommendations of the actuary, expected charge and expected return for the year ending December 31, 2026 is as follows:

	Management		Non-Management	
	Pension	Gratuity	Pension	Gratuity
	----- (Rupees in '000) -----			
Current service cost	14,140	3,597	-	2,583
Interest cost	215,579	7,738	-	9,447
Expected return on plan assets	(215,342)	-	(2,795)	(1,459)
	<u>14,377</u>	<u>11,335</u>	<u>(2,795)</u>	<u>10,571</u>

35.1.12 The balances due to the Company from the funds are interest free and repayable on demand.

35.1.13 The break-up of balance payable in respect of staff retirement benefit schemes are:

		2025	2024
	Note	------(Rupees in '000)-----	
Total balance payable in respect of defined benefit schemes	35.1.1	(131,885)	(17,224)
Total balance payable in respect of defined contribution schemes		(84,613)	(61,447)
	23	<u>(216,498)</u>	<u>(78,671)</u>

35.2 Post-retirement medical benefits

The Company also provides post-retirement medical benefits to its management staff. Actuarial valuation of the scheme is carried out annually. The most recent valuation was carried out on December 31, 2025. The amount recognised in the statement of financial position is based on a valuation carried out as at the reporting date and is as follows:

		2025	2024
	Note	------(Rupees in '000)-----	
Amount recognised in the statement of financial position			
Present value of defined benefit obligation	35.2.1	207,417	225,350
Fair value of plan assets		-	-
Liability recognised at end of the year		<u>207,417</u>	<u>225,350</u>

35.2.1 Movement in the present value of defined benefit obligation

Present value of obligation at beginning of the year		225,350	213,190
Current service cost	35.2.3	1,732	1,940
Interest cost	35.2.3	26,123	31,803
Benefits paid during the year		(15,321)	(16,025)
Remeasurement on obligation	35.2.4	(30,467)	(5,558)
Present value of obligation at end of the year		<u>207,417</u>	<u>225,350</u>

35.2.2 Movement in the liability recognised in the statement of financial position

Balance at beginning of the year		225,350	213,190
Charge for the year		(2,612)	28,185
Benefits paid during the year		(15,321)	(16,025)
Balance at end of the year		<u>207,417</u>	<u>225,350</u>

35.2.3 Amount recognised in profit or loss

Current service cost		1,732	1,940
Interest cost		26,123	31,803
		<u>27,855</u>	<u>33,743</u>

35.2.4 Remeasurement recognised in other comprehensive income

Gain from changes in financial assumptions		(1,860)	(7,017)
Experience (gain) / loss		(28,607)	1,459
		<u>(30,467)</u>	<u>(5,558)</u>

35.2.5 Actuarial assumptions

The following significant assumptions were used in the valuation of this scheme:

	2025	2024
	----- % per annum -----	
- Pre-retirement medical inflation	7	8
- Post-retirement medical inflation	7	8
- Discount rate	11	12

The mortality rates are based on State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rates, rated down by one year.

35.2.6 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	2025	2024
	------(Rupees in '000)-----	
Present value of obligation at the end of the year	207,417	225,350
Pre-retirement medical inflation + 1%	209,062	227,204
Pre-retirement medical inflation - 1%	205,901	223,647
Post-retirement medical inflation + 1%	228,964	248,810
Post-retirement medical inflation - 1%	188,886	205,169
Discount rate + 1%	189,347	205,608
Discount Rate - 1%	228,933	248,859

If mortality increases by 1 year, the resultant increase in the defined benefit obligation is insignificant.

35.2.7 Weighted average duration of the post-retirement medical benefit scheme is 9.5 years.

35.3 Five-year data on deficit of the plans

The following table shows the total pension, gratuity and post-retirement medical benefit obligation and the total pension and gratuity plan assets at the end of each year.

	2025	2024	2023	2022	2021
	------(Rupees in '000)-----				
Fair value of plan assets	2,074,884	2,067,548	1,985,948	1,793,547	1,971,104
Present value of defined benefit obligation	(2,414,186)	(2,310,122)	(2,012,955)	(1,987,534)	(2,238,194)
Deficit	<u>(339,302)</u>	<u>(242,574)</u>	<u>(27,007)</u>	<u>(193,987)</u>	<u>(267,090)</u>

35.4 The value of investments made by the staff retirement funds operated by the Company as per their financial statements are as follows:

	2025	2024
	------(Rupees in '000)-----	
Shell Pakistan Management Staff Provident Fund	1,095,882	1,011,310
Shell Pakistan Labour Provident Fund	88,226	93,965
Shell Pakistan Management Staff Gratuity Fund	237,612	184,864
Shell Pakistan Labour and Clerical Staff Gratuity Fund	2,023	1,954
Shell Pakistan Management Staff Pension Fund	1,604,889	1,500,252
Shell Pakistan Staff Pension Fund	18,927	17,746
Shell Pakistan Defined Contribution Pension Fund	2,251,457	1,923,059
	<u>5,299,016</u>	<u>4,733,150</u>

35.5 Aggregate amount recognized in profit or loss in respect of the staff retirement benefit schemes is as follows:

		2025	2024
		------(Rupees in '000)-----	
in respect of:			
- pension and gratuity scheme	35.1.4	29,269	(22,211)
- defined contribution funds		239,743	228,035
- post-retirement medical benefit scheme	35.2.4	27,855	33,743
		<u>296,867</u>	<u>239,567</u>

35.6 Aggregate amount recognized in other comprehensive income in respect of the staff retirement benefit schemes is as follows:

	2025	2024
	----- (Rupees in '000) -----	
in respect of:		
- pension and gratuity scheme	(105,044)	(274,685)
- post-retirement medical benefit scheme	30,467	5,558
	<u>(74,577)</u>	<u>(269,127)</u>
Related deferred tax impact	8,601	(2,168)
	<u>(65,976)</u>	<u>(271,295)</u>

35.7 Risks on account of defined benefit plans

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases proportionately with the increase in salary.

Asset volatility

A significant portion of the plan assets is invested in Government bonds which are not subject to volatility. However, investment in equity instruments is subject to adverse fluctuations as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate determined by reference to market yields (at the reporting date) on government bonds. A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Withdrawal risk

The risk that the actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and entitled benefits of the beneficiary.

Inflation risk

The salary inflation is the major risk that the funds carry. In a general economic sense and in the long-term view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted benefit obligations. However, viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increase the net liability of the Company.

Investment risk

The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets

The risk that the assets will not be sufficient to meet the liabilities. This is managed by making regular contribution to the schemes as advised by the actuary.

REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive*	Directors	Executives	Chief Executive	Directors	Executives
	------(Rupees in '000)-----					
Short-term benefits						
Directors' fee (note 36.2)	-	12,897	-	-	19,557	-
Managerial remuneration (including bonus)	49,127	16,881	2,659,909	87,812	86,621	2,865,649
- House rent	6,200	-	-	20,046	-	-
- Fuel	1,092	507	192,542	1,620	1,800	194,838
Medical expenses	64	20	99,965	1,442	353	67,320
	<u>56,483</u>	<u>30,305</u>	<u>2,952,416</u>	<u>110,920</u>	<u>108,331</u>	<u>3,127,807</u>
Post-employment benefits						
Company's contribution to pension, gratuity and provident funds	4,447	8,377	266,871	5,875	6,903	229,096
	<u>60,930</u>	<u>38,682</u>	<u>3,219,287</u>	<u>116,795</u>	<u>115,234</u>	<u>3,356,903</u>
Number of persons	<u>2</u>	<u>10</u>	<u>398</u>	<u>1</u>	<u>10</u>	<u>376</u>

* includes salary of Mr. Waqar I. Siddiqui who was the Chief Executive of the Company until January 31, 2025.

- 36.1** As at December 31, 2025, the total number of Directors were 11 (2024: 10), excluding Chief Executive.
- 36.2** Aggregate amount charged in these financial statements in respect of fee to Non-Executive Directors amounts to Rs. 12,897 thousand (2024: Rs. 19,557 thousand).
- 36.3** In addition, the Chief Executive and some of the Executives were also provided with free use of Company maintained work related cars.

37 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of the Parent Company, companies with common directorship, associate, employees' retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Transactions with related parties are as follows:

Nature of relationship	Nature of transactions	2025	2024
		------(Rupees in '000)-----	
Parent Company	Dividend paid	<u>1,352,636</u>	<u>-</u>
Associate	Pipeline charges	<u>927,659</u>	<u>627,790</u>
	Dividend received	<u>1,653,596</u>	<u>1,768,000</u>
	Others	<u>40,928</u>	<u>34,527</u>

				2025	2024
				----- (Rupees in '000) -----	
Nature of relationship	Nature of transactions	Note			
Employees' retirement funds					
Defined benefit pension funds	Contribution		15,323	18,379	
Defined contribution pension fund	Contribution		165,666	156,407	
Defined benefit gratuity funds	Contribution		4,329	30,688	
Provident funds	Contribution		74,077	71,628	
Key management personnel					
	Salaries and other short term employee benefits		92,574	208,207	
	Post-employment benefits		7,318	15,092	
	Medical		4,322	4,588	
	Loan to Director		-	7,627	
Non-executive Directors					
	Fee for attending meetings	36.2	12,897	19,557	
Others					
	Purchases		445,369	101,413,290	
	Sales		180,931	106,144	
	Bank charges		201,558	148,240	
	Interest on saving accounts		41,904	110,834	
	Donations	30.2	21,656	21,700	
	Legal charges		1,644	2,688	
	Subscription paid		9,231	6,784	
	Fee for guarantee	32.1	28,573	-	

37.2 During the year, Asyad Holding - a related party, issued corporate guarantees to Shell group companies amounting to USD 15,300 thousand in favour of the Company to facilitate the supply of lubricant products to the Company. The guarantee is unsecured and has been provided against a fee of 1.3% per annum of guarantee amount.

37.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers its Chief Executive, Company Secretary and Chief Financial Officer to be key management personnel. Particulars of transactions entered into with key management personnel are as per their terms of employment as are disclosed in notes 8, 13 and 36 to these financial statements.

37.4 Amounts receivable from / payable to related parties have been disclosed in relevant notes to these financial statements.

37.5 Following are the associated companies incorporated outside Pakistan with whom the Company has entered into transactions or has an arrangement / agreement in place:

S. No.	Company Name	2025 ----- % Holding -----	2024	Basis of association	Country of Incorporation
1	Wafi Energy Holding Limited	87.87	87.87	Parent Company	United Arab Emirates
2	Asyad Holding Group	-	-	Common Directorship	Kingdom of Saudi Arabia

37.6 Following are the associated companies incorporated in Pakistan with whom the Company has entered into transactions or has an arrangement / agreement in place:

S. No.	Company Name	Basis of association
1	Pakistan Energy Gateway Limited	Common Directorship
2	Shell LiveWIRE Trust	Common Directorship
3	Standard Chartered Bank (Pakistan) Limited	Common Directorship
4	Bank Alfalah	Common Directorship
5	Jubilee General Insurance Company Limited	Common Directorship
6	Pak-Arab Pipeline Company Limited	Associate (Refer note 7)
7	Bulleh Shah	Common Directorship
8	The Aga Khan Hospital and Medical College Foundation	Common Directorship
9	Vellani & Vellani	Common Directorship
10	The Aga Khan University Foundation	Common Directorship
11	Petroleum Institute of Pakistan	Common Directorship
12	Pakistan Centre For Philanthropy	Common Directorship
13	The Kidney Centre Post Graduate Training Institute	Common Directorship
14	Oil Companies Advisory Council	Common Directorship
15	Pakistan Board of The Acumen Fund	Common Directorship
16	Wyeth Pakistan Limited	Common Directorship
17	Roche Pakistan Limited	Common Directorship
18	Novartis Pharma (Pakistan) Limited	Common Directorship
19	Esso Pakistan (Private) Limited	Common Directorship
20	Hisaar Foundation	Common Directorship
21	Unilever Pakistan Foods Limited	Common Directorship
22	Gizri Corporation (Private) Limited	Common Directorship
23	Pakistan Security Printing Corporation	Common Directorship
24	Pakistan Institute of Corporate Governance	Common Directorship
25	Unilever Pakistan Limited	Common Directorship
26	Petroleum Packages (Private) Limited	Common Directorship
27	Data Check (Private) Limited	Common Directorship
28	Gizri Cotton (Private) Limited	Common Directorship
29	Habib University Foundation	Common Directorship
30	Overseas Investors Chamber of Commerce & Industry	Common Directorship

38	CASH GENERATED FROM OPERATIONS	Note	2025	2024
			(Rupees in '000)	
	Profit before final taxes and income tax		8,170,009	7,152,371
	Adjustment for non-cash charges and other items:			
	Depreciation on operating assets	4.2	2,176,142	2,283,677
	Write-off of operating assets	30	-	54,308
	Reversal of provision for impairment on operating assets - net	31	-	(73,671)
	(Reversal) / provision for impairment against capital work-in-progress	4.7.3	(11,000)	39,917
	Gain on disposal of operating assets		(50,802)	(69,369)
	Depreciation on right-of-use assets	5.1	1,488,289	858,919
	Gain on termination of leases	31	(151,924)	(35,394)
	Amortisation of intangible assets	6	751,332	124,657
	Provision for obsolete and slow moving stock - net	11.5	54,360	245,130
	Reversal of allowance for expected credit losses on trade debts - net	12.4	(10,992)	(37,079)
	Reversal of provision for impairment on other receivables - net	15.9	-	(1,765,286)
	Accretion expense on asset retirement obligation	19	29,458	33,979
	Accretion of interest on lease liabilities	21	1,295,263	941,862
	Accretion of long-term payables	22	148,523	27,069
	Accretion expense on long-term provisions	32	467,970	703,947
	Impact of change in exchange rate	22	9,484	4,295
	Provision for post-retirement medical benefits (Return on) / charge for staff retirement benefits - gratuity and pension	35.2.3	27,855	33,743
		35.1.4	29,269	(22,211)
	Reversal of asset retirement obligation	19	(8,492)	(45,609)
	Estimate adjustment for asset retirement obligation	30 / 31	6,457	(102,809)
	Estimate adjustment for long-term provisions	20	(536,292)	164,323
	Liabilities no longer payable written back	31	(2,133,420)	(465,891)
	Share of profit of associate - net of tax	7.1	(1,959,944)	(2,080,248)
	Interest on term deposit receipts	31	(235,595)	(734,849)
	Interest on treasury bills	31	(215,562)	(86,527)
	Interest on saving accounts	31	(1,286,252)	(1,299,615)
	Dividend income on open ended shariah compliant mutual funds	31	(110,049)	(26,988)
	Working capital changes	38.1	(2,301,993)	5,622,194
			<u>5,642,094</u>	<u>11,444,845</u>
38.1	Working capital changes			
	(Increase) / decrease in current assets			
	Stock-in-trade		479,765	2,181,963
	Trade debts		(2,102,575)	(1,205,448)
	Loans and advances		(108,736)	319
	Short-term deposits and prepayments		(193,640)	396,716
	Other receivables		1,072,056	3,366,848
			<u>(853,130)</u>	<u>4,740,398</u>
	(Decrease) / increase in current liabilities			
	Trade and other payables		(1,995,092)	1,075,400
	Advance received from customers (contract liabilities)		546,229	(193,604)
			<u>(2,301,993)</u>	<u>5,622,194</u>
38.2	Cash and cash equivalents			
	Bank balances	17	9,336,963	4,695,380
	Treasury bills	16	-	5,112,524
	Term deposit receipts	16	2,675,828	62,519
			<u>12,012,791</u>	<u>9,870,423</u>

39 PROVIDENT FUND RELATED DISCLOSURES

The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

40 FINANCIAL ASSETS AND LIABILITIES

40.1 The Company's exposure to financial risk along with categorization as financial assets and financial liabilities in accordance with IFRS 9 is summarized as follows:

	2025						Total
	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			
	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
------(Rupees in '000)-----							
Financial assets							
Amortized cost							
Loans	-	-	-	63,920	24,981	88,901	88,901
Trade debts	-	-	-	10,315,505	-	10,315,505	10,315,505
Other receivables	-	-	-	2,680,760	-	2,680,760	2,680,760
Short-term investments	2,675,828	-	2,675,828	-	-	-	2,675,828
Bank balances	8,338,419	-	8,338,419	998,544	-	998,544	9,336,963
	11,014,247	-	11,014,247	14,058,729	24,981	14,083,710	25,097,957
Financial liabilities							
Amortized cost							
Trade and other payables	-	-	-	68,053,200	-	68,053,200	68,053,200
Unclaimed dividend	-	-	-	233,628	-	233,628	233,628
Unpaid dividend	-	-	-	25,500	-	25,500	25,500
Lease liabilities	474,732	10,605,608	11,080,340	-	-	-	11,080,340
Long-term payables	-	2,064,690	2,064,690	-	-	-	2,064,690
	474,732	12,670,298	13,145,030	68,312,328	-	68,312,328	81,457,358

2024							
	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
	------(Rupees in '000)-----						
Financial assets							
Amortized cost							
Loans	-	-	-	64,752	25,920	90,672	90,672
Trade debts	-	-	-	8,212,930	-	8,212,930	8,212,930
Other receivables	-	-	-	3,175,372	-	3,175,372	3,175,372
Short-term investments	5,175,043	-	5,175,043	-	-	-	5,175,043
Bank balances	3,686,380	-	3,686,380	1,009,000	-	1,009,000	4,695,380
	8,861,423	-	8,861,423	12,462,054	25,920	12,487,974	21,349,397
Fair value through profit or loss							
Short-term investments	5,520,241	-	5,520,241	-	-	-	5,520,241
	14,381,664	-	14,381,664	12,462,054	25,920	12,487,974	26,869,638
Financial liabilities							
Amortized cost							
Trade and other payables	-	-	-	73,001,619	-	73,001,619	73,001,619
Unclaimed dividend	-	-	-	269,746	-	269,746	269,746
Unpaid dividend	-	-	-	19,053	-	19,053	19,053
Lease liabilities	573,231	6,837,201	7,410,432	-	-	-	7,410,432
Long-term payables	336,427	2,055,806	2,392,233	-	-	-	2,392,233
	909,658	8,893,007	9,802,665	73,290,418	-	73,290,418	83,093,083

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in the respective notes to these financial statements.

40.1.1 Changes in liabilities from financing activities is as follows:

	January 1, 2025	Cash flows	Non-cash flow	December 31, 2025
	------(Rupees in '000)-----			
Lease liabilities	7,410,432	(695,549)	4,365,457	11,080,340
Unpaid and unclaimed dividend	288,799	(1,741,868)	1,712,197	259,128
	<u>7,699,231</u>	<u>(2,437,417)</u>	<u>6,077,654</u>	<u>11,339,468</u>
	January 1, 2024	Cash flows	Non-cash flow	December 31, 2024
	------(Rupees in '000)-----			
Lease liabilities	7,131,049	(586,739)	866,122	7,410,432
Unpaid and unclaimed dividend	1,578,986	(1,290,187)	-	288,799
	<u>8,710,035</u>	<u>(1,876,926)</u>	<u>866,122</u>	<u>7,699,231</u>

40.2 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks namely credit risk, market risk and liquidity risk. The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk and provide maximum return to shareholders.

40.2.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if the counterparties do not meet their obligations under a financial instrument or a customer contract.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. The maximum credit risk is equal to the carrying amount of financial assets. Out of the financial assets aggregating Rs. 25,203,235 thousand (2024: Rs. 26,956,239 thousand) the financial assets subject to credit risk amount to Rs. 24,228,049 thousand (2024: Rs. 26,201,470 thousand). For banks and financial institutions, only independently rated parties with reasonably high credit rating are accepted. For trade receivables, internal risk assessment process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The most significant financial assets exposed to credit risk are trade debts and other receivables of the Company. The utilization of credit limits is regularly monitored.

The carrying values of financial assets which are neither past due nor impaired are as follows:

	Note	2025	2024
		------(Rupees in '000)-----	
Loans	8	88,901	90,672
Trade debts		8,794,976	7,005,211
Other receivables	15	2,680,760	3,175,372
Short-term investments	16	2,675,828	10,695,284
Bank balances	17	9,336,963	4,695,380
		<u>23,577,428</u>	<u>25,661,919</u>

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Rating	
		Short-term	Long-term
Allied Bank Limited	PACRA	A1+	AAA
Askari Commercial Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank of China Limited (Pakistan Operations)	Fitch	F1+	A
Citibank N.A.	Moody's	P1	Aa3
Deutsche Bank AG	Fitch	F1	A-
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Albaraka Bank (Pakistan) Limited	VIS	A1	AA-

40.2.2 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in market currency rates, interest rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where payables exist due to imports of goods and transactions with foreign related parties as well as receivables from foreign related parties. The Company primarily has foreign currency exposures in US Dollar (USD), Great Britain Pounds (GBP) and Euro (EUR).

As at reporting date, had the exchange rates of USD, GBP and EUR appreciated or depreciated against the currency with all other variables held constant, the change in post-tax profit / loss would have been as follows:

Currency	Profit / Loss	2025		2024	
		%	Rs. '000	%	Rs. '000
USD	lower / higher	5%	1,235,013	5%	1,227,468
GBP	lower / higher	5%	15,493	5%	17,241
EUR	lower / higher	5%	13,091	5%	19,034

The Company manages its currency risk by close monitoring of currency markets. As per State Bank of Pakistan regulations, the Company cannot hedge its currency risk exposure.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from savings accounts held with banks, term deposit receipts, short-term borrowings and running finance facilities. Loans and running finance obtained at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

As at reporting date, had interest rates on Company's borrowings been 1% higher / lower with all other variables held constant, pre-tax profit for the year would have been lower / higher by Rs. 129,272 thousand (2024: Rs. 76,448 thousand).

iii) Equity price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as currently the Company has no investments in listed securities.

As at reporting date, the Company's investment in Arabian Sea Country Club Limited and investment in mutual funds is measured at fair value. Sensitivity related to this risk is not material to these financial statements.

40.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with financial instruments.

Through its treasury function, the Company continually monitors its liquidity position and ensures availability of funds by maintaining flexibility in funding by keeping committed credit lines available.

The maturity profile of the Company's liabilities based on contractual payments is as follows:

	2025						Total
	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			
	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
	----- (Ru pees '000) -----						
Financial liabilities							
Amortized cost							
Trade and other payables	-	-	-	68,053,200	-	68,053,200	68,053,200
Unclaimed dividend	-	-	-	233,628	-	233,628	233,628
Unpaid dividend	-	-	-	25,500	-	25,500	25,500
Lease liabilities	1,848,211	21,988,637	23,836,848	-	-	-	23,836,848
Long-term payables	-	2,064,690	2,064,690	-	-	-	2,064,690
	1,848,211	24,053,327	25,901,538	68,312,328	-	68,312,328	94,213,866

	2024						
	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
	----- (Ru pees '000) -----						
Financial liabilities							
Amortized cost							
Trade and other payables	-	-	-	73,001,619	-	73,001,619	73,001,619
Unclaimed dividend	-	-	-	269,746	-	269,746	269,746
Unpaid dividend	-	-	-	19,053	-	19,053	19,053
Lease liabilities	1,258,813	13,865,475	15,124,288	-	-	-	15,124,288
Long-term payables	480,499	2,522,618	3,003,117	-	-	-	3,003,117
	1,739,312	16,388,093	18,127,405	73,290,418	-	73,290,418	91,417,823

40.3 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as proportion of borrowings to equity at year end.

The proportion of borrowings to equity as at reporting date was:

	2025	2024
	------(Rupees in '000)-----	
Total borrowings	-	-
Total equity	<u>24,813,389</u>	<u>23,057,559</u>
	<u>24,813,389</u>	<u>23,057,559</u>
Gearing ratio	<u>0%</u>	<u>0%</u>

The Company finances its operations through equity, borrowings and management of its working capital with a view of maintaining an appropriate mix between various sources of finance to minimise risk.

41 FAIR VALUE MEASUREMENT

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.

Below table shows fair value of the assets analysed based on the following:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying value of all other financial assets and liabilities reflected in these financial statements approximate their fair values.

42 OPERATING SEGMENTS

For management purposes, the activities of the Company are organized into one reportable operating segment i.e. marketing of petroleum products including lubricating oils since Chief Operating Decision Maker monitors the operating results of the entity. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

All the sales of the Company relate to petroleum products including lubricating oils.

Total sales of the Company relating to customers in Pakistan were 100% during the year ended December 31, 2025 (2024: 100%).

All non-current assets of the Company as at December 31, 2025 and 2024 are located in Pakistan.

Sales to twenty major customers of the Company are approximately 17.2% during the year ended December 31, 2025 (2024: 17%).

43 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

As at the reporting date, the Company is listed on the PSX-KMI All Share Index. As per the requirements of the Fourth Schedule to the Act, Shariah compliant companies and companies listed on the Islamic Index shall disclose the following shariah compliant items:

		2025	2024
	Note	------(Rupees in '000)-----	
STATEMENT OF FINANCIAL POSITION			
Assets			
Long-term investments	7	5,976,066	5,975,703
Short-term investments			
- Term deposit receipts	16	2,675,828	62,519
- Open ended shariah compliant mutual funds	16	-	5,520,241
Bank balances		6,700,705	1,174
Liabilities			
Advance received from customers		2,209,862	1,663,633
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Net sales		468,921,450	427,946,465
Other income			
- Dividend received from open ended shariah compliant mutual funds	31	110,049	26,988
- Interest on term deposit receipts	31	117,127	734,849
- Interest on saving accounts	31	228,497	1,299,615
- Share of profit and other comprehensive income from associate - net of tax	7.1	1,945,770	2,374,763
- Exchange gain - net	31	-	6,155
- Scrap sales	31	10,823	40,934
- Shell card income	31	194,305	148,345

Relationship with Shariah-compliant financial institutions

The Company has relationships with banks, having Islamic window of operations, in respect of bank balances / instruments amounting to Rs. 6,700,705 thousand (2024: Rs 1,174 thousand). The Company also has relationships with Shariah compliant financial institutions, Asset Management Companies (AMCs), in respect of investment in mutual funds amounting to Rs. nil thousand (2024: Rs. 5,520,241 thousand).

		2025	2024
		------(Rupees in '000)-----	
44	CAPACITY AND ACTUAL PERFORMANCE		
	Available capacity	94,870	94,870
	Actual production	56,343	51,947

The above pertains to lubricant manufacturing plant of the Company and the production is carried out as per sales demand.

		2025	2024
		------(Rupees in '000)-----	
45	NUMBER OF EMPLOYEES		
	Total employees as at year end	409	373
	Average number of employees during the year	398	374

46 NON - ADJUSTING EVENT AFTER THE YEAR END

46.1 The Board of Directors, in their meeting held on February 10, 2026, approved the establishment of a wholly owned subsidiary with an investment of up to USD 500,000 in the Dubai Multi Commodities Centre Free Zone, Dubai, United Arab Emirates. The purpose of establishing the subsidiary is to expand the Company's business and commercial activities outside Pakistan. Completion of this transaction is subject to obtaining approval from the State Bank of Pakistan, as well as fulfilling other applicable statutory and regulatory requirements.

46.2 The Board of Directors in its meeting held on February 26, 2026 has proposed a final dividend of Rs. 4 per share (2024: Rs. 05/- per share) for the approval of the members at the Annual General Meeting to be held on April 29, 2026. The financial statements for the year ended December 31, 2025 do not include the effect of the proposed final dividend which will be accounted for in the financial statements for the year ending December 31, 2026.

47 GENERAL

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

47.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However there has been no material reclassification to report.

48 DATE OF AUTHORIZATION

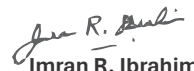
These financial statements were authorized for issue on February 26, 2026 by the Board of Directors of the Company.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive Officer



Imran R. Ibrahim
Director

Attendance of the Board and Committee Meetings

For the year ended December 31, 2025

Board of Directors

During the year, seven meetings of the Board of Directors were held, and the attendance of each Director is given below:

Name of Director	Number of Meetings Held	Number of meetings attended
Mr. Ghassan Al Amoudi	4	4
Mr. Zubair Shaikh	4	4
Mr. Zaffar Khan	4	4
Mr. Javaid Akhtar	4	4
Mr. Imran Ibrahim	4	4
Mr. Parvez Ghias	4	4
Mr. Amir Paracha	4	4
Mr. Badaruddini Vellani	4	4
Mr. Kai – Uwe Witterstein	4	4
Dr. Ayesha Khan	4	3
Mr. Christoph Bausch	4	2

Board Audit Committee

During the year, four meetings of the Board Audit Committee were held, and the attendance of each Director is given below:

Name of Director	Number of Meetings Held	Number of meetings attended
Mr. Imran Ibrahim	5	5
Mr. Badaruddin Vellani	5	5
Mr. Javaid Akhtar	5	5
Mr. Christoph Bausch	5	5

Human Resource and Remuneration Committee

During the year, two meetings of the Human Resource and Remuneration Committee were held, and the attendance of each director is given below:

Name of Director	Number of Meetings Held	Number of meetings attended
Mr. Zaffar Khan (Chairperson)	5	5
Mr. Parvez Ghias	5	5
Mr. Kai-Uwe Witterstein	5	5
Dr. Ayesha Khan	5	5
Mr. Zubair Shaikh	5	5

Pattern of Shareholding

For the year ended December 31, 2025

Number of Shareholders	Shareholding		Total Number of Shares Held
	From	To	
2,238	1	100	72,819
1,536	101	500	430,151
1,168	501	1,000	839,385
1,284	1,001	5,000	2,979,814
269	5,001	10,000	1,917,578
91	10,001	15,000	1,117,903
49	15,001	20,000	858,120
34	20,001	25,000	761,121
13	25,001	30,000	360,694
10	30,001	35,000	334,018
5	35,001	40,000	190,627
14	40,001	45,000	596,977
5	45,001	50,000	242,390
6	50,001	55,000	312,895
3	55,001	60,000	173,714
2	60,001	65,000	129,300
4	70,001	75,000	291,612
3	75,001	80,000	238,574
3	80,001	85,000	246,606
2	85,001	90,000	175,190
4	90,001	95,000	367,849
2	95,001	100,000	193,156
1	100,001	105,000	103,972
1	105,001	110,000	109,692
2	115,001	120,000	237,426
1	120,001	125,000	122,202
2	140,001	145,000	281,260
1	155,001	160,000	157,500
1	185,001	190,000	186,803
1	195,001	200,000	200,000
1	240,001	245,000	243,878
1	275,001	280,000	278,500
1	295,001	300,000	296,445
1	360,001	365,000	364,327
1	385,001	390,000	387,854
1	415,001	420,000	416,678
1	425,001	430,000	428,459
2	565,001	570,000	1,137,514
1	825,001	830,000	827,385
1	1,280,001	1,285,000	1,280,432
1	1,330,001	1,335,000	1,334,900
1	5,035,001	5,040,000	5,036,773
1	187,760,001	187,765,000	187,762,169
6,769			214,024,662

Pattern of Shareholding

For the year ended December 31, 2025

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (name wise details)			
WAFI ENERGY HOLDING LIMITED	2	187,866,141	87.78
NIT AND ICP			
National Bank of Pakistan	1	102	0.00
Mutual Funds (name wise details)			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	570,000	0.27
TRI-STAR MUTUAL FUND LIMITED	1	316	0.00
CDC - TRUSTEE NBP ISLAMIC ENERGY FUND	1	428,459	0.20
CDC - TRUSTEE MEEZAN ENERGY FUND	1	827,385	0.39
Directors			
Zaffar A. Khan	1	200	0.00
Badaruddin F. Vellani	1	390	0.00
Imran R. Ibrahim	1	140,886	0.07
Parvez Ghias	1	100	0.00
Amir R. Paracha	1	162	0.00
Directors' spouses			
Mrs. Ayesha Zeba Gias w/o Mr. Parvez Ghias	1	100	0.00
Mrs. Samina Ibrahim w/o Mr. Imran R Ibrahim	1	387,854	0.18
Mrs. Fatima Vellani w/o Mr. Badaruddin F. Vellani	1	26,694	
Executives	4	1,952	0.00
Public Sector Companies and Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	17	1,762,325	0.82
General Public			
a. Local	6,639	14,769,296	6.90
b. Foreign	2	1,288	0.00
Others	92	7,241,012	3.38
	6,769	214,024,662	100.00
Shareholders Holding five percent or more Voting Rights in the Listed Company (name wise details)			
WAFI ENERGY HOLDING LIMITED	1	187,866,141	87.78

Pattern of Shareholding

For the year ended December 31, 2025

Trade in Shares by Executives through CDC

Name of holders	Category	Date of Transaction	Number of shares	Nature	Rate
Khurram Baghpatee (Spouse)	Executive	December 11, 2024	250	bought	231.00
Khurram Baghpatee (Spouse)	Executive	January 10, 2025	250	bought	231.00
Syed Sajjad Ahmed	Executive	July15, 2025	200	bought	178
Khurram Baghpatee (Spouse)	Executive	July 24, 2025	1000	bought	181.56
Khurram Baghpatee (Spouse)	Executive	July 24, 2025	2000	bought	182.28
Saddam Hussain	Executive	November 13, 2025	150	bought	187
Saif Salman	Executive	January 26, 2026	200	bought	247.63

Form of Proxy

The Secretary
Wafi Energy Pakistan Limited
6, Ch. Khaliqzaman Road
P. O. Box No.3901
Karachi - 75530

I/We _____
of _____ in the district of _____
being a member of Wafi Energy Pakistan Limited and holder of _____

_____ Ordinary Shares as per Share Register Folio
(No. of Shares)

No. _____ and/or CDC Participant I.D.No. _____
and Sub Account No. _____ hereby appoint _____
of _____ in the district of _____
or failing him/her _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of Wafi Energy Pakistan Limited to be held at the Pearl Continental Hotel Karachi, and virtually through video-conference facility on April 29, 2026, at 12:00 .pm.

Signed this _____ day of _____ 2026.

WITNESSES:

1. Signature

Name _____

Address _____

CNIC or _____

Passport No. _____

2. Signature

Name _____

Address _____

CNIC or _____

Passport No. _____

Signature
(Signature should agree with the specimen
signature registered with the Company)

Notes:

1. A member entitled to attend and vote at the meeting may appoint another person, as his/her proxy to attend, demand or join in demanding a poll, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. Proxies may also be appointed by e-mailing a scanned copy of signed letter by shareholder authorising proxy along with e-mail address of proxy and the relevant details (as mentioned in the Notice) to CompanySec@wafi-energy.com.
2. Proxies in order to be effective must be received at the registered office of the Company not later than 48 hours before the meeting.
3. A Proxy need not be a member of the Company.
4. Shareholders and their proxies must attach an attested photocopy of their CNIC or Passport with this Proxy Form.