

Driving



Together

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Company Information

Board of Directors

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

Chief Executive

Zubair Shaikh

Audit Committee

Imran R. Ibrahim (Chairperson)
Javaid Akhtar
Badaruddin F. Vellani

Human Resource and Nomination Committee

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

Company Secretary

Lalarukh Hussain – Shaikh

Registered Office

6, Ch. Khaliquzzaman Road
Karachi-75530 Pakistan

Auditors

EY Ford Rhodes

Legal Advisors

Vellani & Vellani Advocates

Registrar & Share Registration Office

FAMCO Share Registration Services (Pvt.) Limited
8-F, next to Hotel Faran, Nursery, Block-6,
P.E.C.H.S. Shahrah-e-Faisal, Karachi-75400

Report of the Directors

For the quarter ended March 31, 2025

Dear Shareholders,

The Directors of the Company present the Annual Report together with the unaudited financial statements for the quarter ended March 31, 2025.

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

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

	Rupees in Million
Profit before taxation	1,453
Taxation	(580)
Net Profit for the quarter ended March 31, 2025	873
	Rupees
Profit per share – basic and diluted	4.08

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity on page [08] of these financial statements.

Business Performance

Pakistan's economic indicators maintained their recovery trajectory in the first quarter of 2025, building on the positive momentum from 2024, supported by a stable currency and lower global commodity prices. While these trends signal encouraging economic progress, sustaining growth and macroeconomic stability remains challenging.

The oil industry saw modest growth in line with the broader economic recovery. However, persistent illicit trade in petroleum products continues to undermine the sector. Despite these hurdles, the Company retained its market share, showcasing resilience in a competitive market through robust network controls.

The recent shift in the sales tax regime has increased operational costs for the Company and the wider oil industry. In response, the Company is collaborating with industry stakeholders to highlight these concerns at regulatory forums and is engaging with government authorities to reassess industry margins, ensuring they reflect these financial pressures.

Against this backdrop, the Company reported a profit after tax of PKR 873 million for the quarter, driven by steady market share in motor fuels and growth in premium fuels and lubes segments.

Lubricants

Shell lubricant has gained market share by focusing on new product offerings, customer initiatives and market penetration strategies. The business delivered a strong performance for both consumer (B2C) and industrial (B2B) business with growth versus last year.

Consumer business (B2C) posted double digit growth vs same period last year. Key initiatives in the B2C ambit include a consumer promotion on Helix and Rimula. Apart from this, new brand campaigns were launched with Shan Shahid and Fahad Mustafa as brand ambassadors on Helix and Advance airing during the ICC Champions Trophy 2025.

The Industrial lubricants business (B2B) delivered a strong start to FY25, underpinned by strategic wins and disciplined execution. Strengthening partnerships with key OEMs enabled targeted portfolio enhancements, reinforcing market position. Operationally, B2B achieved solid volume growth, robust margin performance, and a strong cash recovery. The business-maintained leadership in the mining sector.

Lubricant Oil Blending Plant and Customer Operations also worked tirelessly with the front-line business in delivering business. The core focus has been on building competencies to enhance sourcing options for our components and working on customer satisfaction, which will help us to explore opportunities in future. This also ensures the business remains competitive in the marketplace.

Mobility

The Mobility Business continues to strengthen its presence nationwide, with a sharp focus on enhancing customer experience at every touchpoint. In ongoing efforts to expand access and convenience, 4 new sites were added to Shell branded national network, while 3 existing Shell stations underwent a comprehensive uplift to improve their overall look and feel.

Shell V-Power, the premium fuel, has demonstrated remarkable growth, reaffirming commitment to delivering best-in-class products. Shell V-Power achieved a historic milestone, recording its highest-ever volume with an industry-leading penetration rate in Q1 2025.

In the Non-Fuel Retail (NFR) space, the Company was able to strengthen customer value proposition through targeted campaigns and partnerships. The "Small Spends, Big Rewards" Ramadan campaign drove higher footfall at Shell Select stores, while collaborations with Wall's and GreenO added exclusive value for customers.

Environmental, Social and Governance

Through Tameer, a total of 52 entrepreneurs were trained through workshops at National Incubation Centre Lahore and Rawalpindi, covering entrepreneurship, innovation, idea generation, and business model canvas. These workshops were delivered in partnership with Tameer alumni, Aabshar.

Tameer also hosted regional mentoring circles, engaging startups from Islamabad, Lahore and Faisalabad for collaboration opportunities.

Various strategic engagements were conducted including participation in the Pakistan-UK & Ireland Business Council session with the Irish Embassy and FPCCI (The Federation of Pakistan Chambe

of Commerce & Industry), and Investor Connect Event (ICE25) by HEC (Higher Education Commission), deepening Tameer's relationships with academia and industry to broaden its outreach. These initiatives reflect Tameer's commitment to fostering an inclusive, innovative entrepreneurial ecosystem across Pakistan, while strengthening key partnerships for scalable impact.

In celebration of International Women's Day 2025, Wafi Energy Pakistan hosted a vehicle maintenance and safety awareness session at Defence Filling Station, Karachi in alignment with the theme Accelerate Action. The event aimed to equip women with essential vehicle maintenance skills, promoting confidence and safety on the road. During the session, female participants received hands-on training in essential car care practices such as oil change, tyre pressure check, understanding dashboard indicators, and recognizing fuel quality. The event also featured expert guidance on road safety and emergency handling, empowering women to feel more self-reliant and secure while driving.

HSSE

The company is deeply committed to maintaining HSSE standards. By consistently applying best practices, the company fosters a culture where safety, security, and environmental care are core values.

In Q1 2025, the focus remained on key HSSE risks and implementation of targeted campaigns to mitigate them. One such initiative was the Ramzan Safety Campaign, which addressed critical areas such as road transport, contractor safety, terminal operations, and frontline engagement. The campaign actively involved engagement with frontline teams to reinforce safe practices. The Company conducted a Mutual Aid Emergency Response Plan (MAERP) Drill in collaboration with local refineries and other Oil Marketing Companies. This was aimed at evaluating emergency preparedness, enhancing coordination among stakeholders, and to test the effectiveness of the response plan.

Composition of Board

Total number of Directors	Male: 10	Female: 01
Independent Directors	05	
Non-Executive Directors	04	
Executive Directors	02	

We appreciate the unwavering dedication, ongoing support, and trust of the Company's shareholders, customers, staff, and all other stakeholders as we continue our journey towards becoming the leading energy company in Pakistan.

On behalf of the Board of Directors



Ghassan Al Amoudi
Chairperson



Zubair Shaikh
Chief Executive

Karachi : April 29, 2025

Condensed Interim Statement of Financial Position

As at March 31, 2025

Unaudited
March 31,
2025

Audited
December 31,
2024

ASSETS**Non-Current Assets**

Property, plant and equipment	5	22,876,537	23,066,532
Right-of-use assets		8,310,636	6,739,378
Intangible assets		3,428,050	3,615,035
Long-term investments	6	6,542,153	5,975,703
Long-term loans		21,059	25,920
Long-term deposits and prepayments		143,004	154,979
Deferred taxation - net		-	-

41,321,439

39,577,547

Current Assets

Stock-in-trade	7	39,959,902	45,624,393
Trade debts		8,030,694	7,734,206
Loans and advances		85,316	76,517
Short-term deposits and prepayments		200,594	177,183
Other receivables	8	3,657,342	5,293,443
Short-term investments		1,162,124	10,695,284
Bank balances		13,916,214	4,695,380

67,012,186

74,296,406

108,333,624

113,873,953

TOTAL ASSETS**EQUITY AND LIABILITIES****Equity**

Share capital	9	2,140,246	2,140,246
Share premium		11,991,012	11,991,012
General reserves		207,002	207,002
Unappropriated profit		9,168,065	9,365,478
Remeasurement of post-employment benefits - actuarial loss		(641,179)	(641,179)
Unrealized loss on remeasurement of equity investment classified as fair value through other comprehensive income	6.2	(5,000)	(5,000)

22,860,146

23,057,559

Total equity**Liabilities****Non-Current Liabilities**

Asset retirement obligation		257,892	249,244
Long-term provisions		3,739,504	3,739,504
Long-term lease liabilities		8,392,188	6,837,201
Long-term payables		2,115,394	2,055,806
Deferred taxation - net		338,053	160,844
Provision for post-retirement medical benefits		225,350	225,350

15,068,381

13,267,949

Current Liabilities

Trade and other payables	10	66,039,641	73,904,289
Advances received from customers (contract liabilities)		1,306,868	1,663,633
Unpaid dividend		1,089,176	19,053
Unclaimed dividend		268,723	269,746
Accrued mark-up		550,122	571,535
Current portion of asset retirement obligation		6,035	6,035
Current portion of long term provisions		204,496	204,496
Current portion of long-term lease liabilities		603,609	573,231
Current portion of long-term payables		336,427	336,427

70,405,097

77,548,445

Contingencies and commitments

11

TOTAL EQUITY AND LIABILITIES

108,333,624

113,873,953

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive



Imran R. Ibrahim
Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the quarter ended March 31, 2025

		Quarter ended	
		March 31, 2025	March 31, 2024
Note		------(Rupees in '000)-----	
	Sales	101,298,292	109,034,165
	Other revenue	293,766	240,443
		101,592,057	109,274,608
	Sales tax	(2,166,723)	(1,884,057)
	Net revenue	99,425,335	107,390,551
	Cost of products sold	(93,139,082)	(100,908,462)
	Gross profit	6,286,253	6,482,089
	Distribution and marketing expenses	(2,344,829)	(2,969,979)
	Administrative expenses	(2,708,681)	(3,167,650)
	Other expenses	(481,485)	(93,445)
	Other income	860,066	693,479
	Operating profit / (loss)	1,611,324	944,494
	Finance costs	(601,327)	(531,038)
		1,009,997	413,456
	Share of profit of associate - net of tax	566,450	527,372
	Profit / (loss) before income tax and minimum tax differential	1,576,447	940,828
	Final Taxes	(26,455)	-
	Minimum tax differential	(97,331)	(318,392)
		(123,786)	(318,392)
	Profit / (loss) before income tax	1,452,662	622,436
	Income Tax:		
	Current	(402,742)	(165,539)
	Deferred	(177,209)	(142,959)
		(579,951)	(308,498)
	Net profit / (loss) for the period	872,710	313,938
	Other comprehensive income	-	-
	Total comprehensive income / (loss) for the period	872,710	313,938

------(Rupees)-----

Earnings / (Loss) per share - basic and diluted

4.08

1.47

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive



Imran R. Ibrahim
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2025

	Capital reserve		Revenue reserve				
	Share capital	Share premium	General reserve	Accumulated (loss) / Unappropriated profit	Actuarial (loss) on post-employment benefits	Unrealised (loss) on revaluation of investments	Total
----- (Rupees in '000) -----							
Balance as at December 31, 2023 (Audited)	2,140,246	11,991,012	207,002	5,773,614	(369,884)	(5,000)	19,736,990
Net profit for the period	-	-	-	313,938	-	-	313,938
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	313,938	-	-	313,938
Balance as at March 31, 2024 (Unaudited)	2,140,246	11,991,012	207,002	6,087,552	(369,884)	(5,000)	20,050,928
Balance as at December 31, 2024 (Audited)	2,140,246	11,991,012	207,002	9,365,478	(641,179)	(5,000)	23,057,559
Net profit for the period	-	-	-	872,710	-	-	872,710
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	872,710	-	-	872,710
Final cash dividend for the year ended				(1,070,123)			(1,070,123)
December 31, 2024 @ Rs. 5/- per share							
Balance as at March 31, 2025 (Unaudited)	2,140,246	11,991,012	207,002	9,168,065	(641,179)	(5,000)	22,860,146

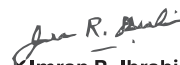
The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive



Imran R. Ibrahim
Director

Condensed Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2025

	Note	----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	623,589	11,208,442
Finance costs paid		(744)	(1,552)
Interest portion of lease liabilities paid		(278,553)	(141,724)
Income tax paid		(547,941)	(226,088)
Long-term loans		4,861	(42,304)
Long-term deposits and prepayments		11,974	(57,366)
Net cash generated from operating activities		(186,813)	10,739,408
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(363,219)	(675,185)
Proceeds from disposal of property, plant and equipment		16,394	2,736
Divestment from open ended shariah complied mutual funds		5,526,669	
Interest received on short-term deposits and saving accounts		293,408	238,368
Net cash used in investing activities		5,473,251	(434,081)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease liabilities paid		(177,106)	(330,717)
Dividends paid		(1,023)	(8,124)
Net cash used in financing activities		(178,130)	(338,841)
Net increase / (decrease) in cash and cash equivalents		5,108,309	9,966,486
Cash and cash equivalents at the beginning of the period		9,870,424	6,552,223
Cash and cash equivalents at the end of the period		14,978,733	16,518,709


The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Zubair Shaikh
Chief Executive



Imran R. Ibrahim
Director

Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 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 the Pakistan Stock Exchange Limited. The Company is a subsidiary of Wafi Energy Holding Limited (incorporated in Abu Dhabi, United Arab Emirates) . The registered office of the Company is located at 6, Ch. Khaliqzaman Road, Karachi.

Subsequent to the acquisition of 87.78% of issued share capital of Shell Pakistan Limited by Wafi Energy Holding Limited and all necessary regulatory approvals, the Company's name change request was approved by the Securities and Exchange Commission of Pakistan. Effective January 13, 2025, the name of the Company changed from Shell Pakistan Limited to Wafi Energy Pakistan Limited.

- 1.2 The Company markets petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating oils.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

These condensed interim financial statements of the Company for the quarter ended March 31, 2025 are unaudited.

- 2.2 These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024.
- 2.3 These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Act and Pakistan Stock Exchange Regulations.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2024.
- 3.2 The Company follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

	Note	Unaudited March 31, 2025	Audited December 31, 2024
		----- (Rupees '000) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - at net book value	5.1 & 5.2	20,293,380	20,119,133
Provision for impairment		(176,474)	(176,474)
		<u>20,116,906</u>	<u>19,942,659</u>
Capital work-in-progress	5.3	2,759,631	3,123,873
		<u>22,876,537</u>	<u>23,066,532</u>

- 5.1 Additions to operating assets including transfers from capital work-in-progress, during the period were as follows:

	Unaudited Quarter ended	
	March 31, 2025	March 31, 2024
	----- (Rupees '000) -----	
Buildings on leasehold land	137,162	429,511
Tanks and pipelines	74,374	186,417
Plant and machinery	203,176	39,646
Air conditioning plant	1,985	27,206
Lifts	2,061	7,766
Dispensing pumps	39,225	94,516
Computer auxiliaries	22,954	194,853
Rolling stock and vehicles	96,131	15,911
Electrical, mechanical and firefighting equipment	68,808	369,892
Furniture, office equipment and other assets	81,373	397,439
	<u>727,249</u>	<u>1,763,157</u>

- 5.2 The following assets were written off/ disposed of during the period.

	Cost	Accumulated depreciation	Net book value
	----- (Rupees '000) -----		
March 31, 2025 (Unaudited)			
Rolling stocks and vehicles	20,434	20,434	-
Tanks and pipelines	158	158	-
Plant and Machinery	9,813	6,801	3,012
Dispensing pumps	10,098	10,098	-
Electrical, mechanical and fire fighting equipment	71	71	-
Furniture, office equipment and other assets	422	329	93
	<u>40,996</u>	<u>37,891</u>	<u>3,105</u>
March 31, 2024 (Unaudited)			
Rolling stock and vehicles	8,014	7,121	893

		Unaudited March 31, 2025	Audited December 31, 2024
	Note	----- (Rupees '000) -----	
5.3 Capital work-in-progress			
Buildings on leasehold land		1,630,659	1,664,635
Tanks and pipelines		866,590	947,123
Plant and machinery		216,548	351,626
Electrical, mechanical and fire-fighting equipments		29,153	144,602
Furniture, office equipment and other assets		16,681	15,887
	5.3.1	<u>2,759,631</u>	<u>3,123,873</u>
5.3.1	Additions to capital work-in-progress during the period amounted to Rs.363,007 thousand (March 31, 2024: Rs. 675,185 thousand).		
		Unaudited March 31, 2025	Audited December 31, 2024
		----- (Rupees '000) -----	
6 LONG-TERM INVESTMENTS	Note		
Investment in associate - unquoted	6.1	6,542,153	5,975,703
At fair value through other comprehensive income	6.2	-	-
		<u>6,542,153</u>	<u>5,975,703</u>
6.1	Represents investment of 26% in an unquoted associate "Pak-Arab Pipeline Company Limited (PAPCO)", which is carried under equity method of accounting as summarized below:		
		Unaudited March 31, 2025	Audited December 31, 2024
		----- (Rupees '000) -----	
Balance at the beginning of the period / year		5,975,703	5,680,940
Share of profit before taxation		927,286	3,369,909
Share of taxation		(360,836)	(1,289,661)
		566,450	2,080,248
Share of other comprehensive loss before taxation		-	482,811
Share of taxation		-	(188,296)
		-	294,515
Dividend received		-	(2,080,000)
Balance at the end of the period / year		<u>6,542,153</u>	<u>5,975,703</u>
6.2	Represents investment in an unquoted company "Arabian Sea Country Club Limited (ASSCL)", which is carried at fair value through other comprehensive income.		
		Unaudited March 31, 2025	Audited December 31, 2024
		----- (Rupees '000) -----	
7 STOCK-IN-TRADE	Note		
Raw and packing materials		5,706,732	6,452,528
Provision for obsolete and slow moving stock	7.1	(82,830)	(13,483)
		<u>5,623,901</u>	<u>6,439,045</u>
Finished products		34,492,988	39,478,662
Provision for obsolete and slow moving stock	7.1	(156,987)	(293,314)
		<u>34,336,001</u>	<u>39,185,348</u>
		<u>39,959,902</u>	<u>45,624,393</u>

7.1 Provision for obsolete and slow moving stock is as follows:

	Unaudited March 31, 2025	Audited December 31, 2024
	------(Rupees '000) -----	
Balance at the beginning of the period / year	306,797	61,667
Provision made during the period / year	65,450	306,797
Reversals during the period / year	(132,429)	(61,667)
	(66,979)	245,130
Balance at end of the period / year	239,818	306,797

	Unaudited March 31, 2025	Audited December 31, 2024
	------(Rupees '000) -----	

8 OTHER RECEIVABLES

	Note	Unaudited March 31, 2025	Audited December 31, 2024
Petroleum development levy and other duties	8.1	1,380,029	1,380,029
Price differential claims			
- on imported purchases	8.2	295,733	295,733
- on high speed diesel (HSD)	8.3 / 8.5	343,584	343,584
- on imported motor gasoline	8.4 / 8.5	195,925	195,925
Customs duty receivable	8.6	44,413	44,413
Sales tax refundable		-	725,099
Receivable from Shell Group companies		-	1,118,053
Service cost receivable from associate company - PAPCO		5,634	8,948
Workers' profits participation fund		120,310	-
Receivable from Oil Marketing Companies		13,910	13,910
Taxes recoverable	8.7	2,289,345	2,289,345
Margin held against letter of credit		578	578
Receivable from dealers		1,062,657	922,732
Others		268,228	318,097
		6,020,345	7,656,446
Provision for impairment		(2,363,003)	(2,363,003)
		3,657,342	5,293,443

8.1 Includes petroleum development levy amounting to Rs.1,369,560 thousand (December 31, 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 the Company is confident of recovery of the amount in full on completion of the verification exercise by the FBR.

8.2 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.

8.3 Represents price differential claim from GoP on local / imported purchases of HSD 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.

8.4 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 oil marketing companies' 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 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.

8.5 The Company along with other OMCs and Oil Companies Advisory Council (OCAC) continues to follow up the aforementioned matters (note 8.1 to 8.4) with MoPNR and is confident of recovering these balances.

8.6 This includes receivable in respect of increase in rate of customs duty effective June 25, 2016, imposed by the 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 expects to receive the amount in due course.

8.7 Includes amounts in respect of the following tax matters:

8.7.1 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 primarily relates 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 CIR (Appeals) 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.

8.7.2 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.

In 2023, 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 there by reducing the demand to nil.

During the year, 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 alongwith main appeal filed before ATIR. The ATIR vide order dated September 18, 2024, directed the concerned officer to make necessary correction as per law.

8.7.3 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).

8.7.4 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. In addition, super tax was levied at 10% which is already contested in the Supreme Court. 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.

9 SHARE CAPITAL

Authorized share capital

Unaudited March 31, 2025	Audited December 31, 2024		Note	Unaudited March 31, 2025	Audited December 31, 2024
----- (Number of shares) -----				----- (Rupees ‘000) -----	
<u>300,000,000</u>	<u>300,000,000</u>	Ordinary shares of Rs. 10/- each		<u>3,000,000</u>	<u>3,000,000</u>
Issued, subscribed and paid-up share capital					
Unaudited March 31, 2025	Audited December 31, 2024			Unaudited March 31, 2025	Audited December 31, 2024
----- (Number of shares) -----				----- (Rupees ‘000) -----	
Ordinary shares of Rs. 10/- each					
<u>130,493,331</u>	<u>130,493,331</u>	Fully paid in cash	9.1	<u>1,304,933</u>	<u>1,304,933</u>
<u>83,531,331</u>	<u>83,531,331</u>	Issued as fully paid bonus shares		<u>835,313</u>	<u>835,313</u>
<u>214,024,662</u>	<u>214,024,662</u>			<u>2,140,246</u>	<u>2,140,246</u>

- 9.1 The Parent Company held 187,866,141 ordinary shares of Rs. 10/- each constituting 87.78% (December 31, 2024: 187,866,141 ordinary shares of Rs. 10/- each constituting 87.78%) of issued share capital of the Company, as at the reporting date.

10 TRADE AND OTHER PAYABLES

	Unaudited March 31, 2025	Audited December 31, 2024
	----- (Rupees '000) -----	
Creditors	56,270,389	62,362,807
Accrued liabilities	6,179,367	6,332,420
Inland freight equalisation margin	2,318,347	3,729,831
Security deposits	572,888	570,869
Staff retirement benefit schemes	78,671	78,671
Workers' Welfare Fund	608,146	587,540
Sales tax payable	9,253	-
Workers' profits participation fund	-	126,466
Provision for staff redundancy plan	-	109,993
Other liabilities	2,580	5,692
	<u>66,039,641</u>	<u>73,904,289</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no material change in the status of contingencies from what is disclosed in note 25.1 to the annual audited financial statements for the year ended December 31, 2024 except as follows:

11.1.1 Infrastructure fee

Reference to note 25.1.1 of the annual audited financial statements for the year ended December 31, 2024, subsequent to the stay granted by the Honorable Supreme Court of Pakistan against the order of High Court, the Company has reviewed its position and without acknowledging it as a debt, estimates the accumulated levy up to March 31, 2025: Rs. 749,300 thousand (December 31, 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 favorable outcome and accordingly no provision has been made

in these financial statements against the levy.

11.2 Commitments	Note	Unaudited March 31, 2025	Audited December 31, 2024
		----- (Rupees '000) -----	
Commitments for capital expenditure		1,541,132	2,389,684
Outstanding letters of credit	11.2.1	23,302,326	21,545,519
Outstanding bank guarantees	11.2.1	3,432,961	3,176,304
Outstanding bank contracts		4,855,464	334,585
Post-dated cheques	11.2.3	43,313,047	44,960,267

11.2.1 Total facilities for letters of credit amount to Rs. 63,249,250 thousand (December 31, 2024: Rs. 63,249,250 thousand) and for bank guarantees amount to Rs. 5,600,000 thousand (December 31, 2024: Rs. 5,600,000 thousand).

11.2.2 Includes bank guarantees in respect of super tax for prior year and claims raised by custom authorities.

11.2.3 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 September 22, 2025.

12 TAXATION

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

12.2 The aggregate of final tax, minimum tax differential and income tax, amounting to Rs. 526,528 thousand (March 31, 2024: Rs. 483,931 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001

	Note	Unaudited Quarter ended March 31, 2025	March 31, 2024
		----- (Rupees '000) -----	

13 CASH GENERATED FROM / (USED IN) OPERATIONS

Profit / (loss) before taxation

Adjustment for non-cash charges and other items:

Depreciation charge for the period on operating assets		1,576,447	940,828
Depreciation charge for the period on right-of-use assets		549,897	603,688
Amortization charge for the period		191,213	223,545
Accretion expense in respect of asset retirement obligation		186,985	-
Reversal of impairment of trade debts- net		8,648	7,403
Accretion of interest on long term payables		3,520	(2,121)
Impact of change in exchange rate on long term payables		41,407	-
Provision for impairment of other receivables		18,180	-
Reversal of provision for obsolete and slow moving stock- net	8	-	50,963
Reversal of impairment of operating assets	7.1	(66,979)	47,960
Gain on disposal of operating assets	5	-	(4,618)
Share of profit of associate - net of tax		(13,289)	(1,843)
Income from term deposits, saving accounts and mutual funds	6.1	(566,450)	(527,372)
Mark-up on borrowings and running finance		(399,226)	(238,368)
Accretion of interest on lease liabilities		744	-
Working capital changes	13.1	278,553	215,451
		(1,186,061)	9,892,926
		623,589	11,208,442

		Unaudited Quarter ended	
		March 31, 2025	March 31, 2024
		----- (Rupees '000) -----	
13.1	Working capital changes		
	(Increase) / decrease in current assets		
	Stock-in-trade	5,731,470	(170,142)
	Trade debts	(300,008)	(1,165,711)
	Loans and advances	(8,799)	(4,428)
	Short-term deposits and prepayments	(23,411)	264,837
	Other receivables	1,636,101	1,146,236
	(Decrease) / Increase in current liabilities	7,035,353	70,792
	Trade and other payables	(8,221,413)	9,822,134
		(1,186,061)	9,892,926

14 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of ultimate and immediate parent and its subsidiaries, companies with common directorship, associates, employees' retirement funds, directors and key management personnel. Transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements are as follows:

14.1	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of		Unaudited Quarter ended	
			March 31, 2025	March 31, 2024
			----- (Rupees '000) -----	
Nature of relationship	Nature of transactions	Note		
Associate				
Pak-Arab Pipeline Company Limited	Pipeline charges		142,421	161,674
	Others		7,387	3,441
Employees' retirement funds				
Defined benefit pension funds	Contribution		2,987	3,326
Defined contribution pension fund	Contribution		40,367	37,102
Defined benefit gratuity funds	Contribution		905	1,032
Provident funds	Contribution		18,069	17,291
Key management personnel	Salaries and other short term employee benefits	14.1	24,061	89,227
	Post-employment benefits		2,947	3,659
	Medical		737	881
	Loan to Director		-	3,000
Directors	Fee for attending meetings		3,525	1,989
Others	Purchases and services received		130,928	44,287,999
	Sales		43,206	53,945
	Technical service fee charged	14.2	-	1,385,735
	Trademarks and manifestations license fee charged		-	167,339
	Bank charges		73,914	58,097
	Interest on saving accounts		10,787	20,084
	Expenses recovered from related parties - net		-	41,797
	Other expenses charged by related parties		-	497,248
	Donations		-	10,700
	Legal charges		1,298	315
	Subscription		1,696	-

the Company directly or indirectly. The Company considers its Chief Executive, Company Secretary, Executive Directors and Chief Financial Officer to be key management personnel.

- 14.2** Technical services included advice and assistance to the Company in its operations. The fee for these services had been determined on the basis of an agreement between the Company and a Shell Group company based on an agreed methodology.

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at December 31, 2024. There has been no change in any risk management policies since the year end.

16 FAIR VALUES OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

17 OPERATING SEGMENTS

- 17.1** These condensed interim financial statements have been prepared on the basis of a single reportable segment.
- 17.2** As described in note 1.2 to these condensed interim financial statements, the Company markets petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating oils. All the sales of the Company from external customers relate to petroleum products including lubricating oils
- 17.3** Total sales of the Company relating to customers in Pakistan were 100% during the period ended March 31, 2025 (March 31, 2024: 100%).
- 17.4** All non-current assets of the Company as at March 31, 2025 and 2024 are located in Pakistan.
- 17.5** Sales to twenty major customers of the Company are around 17% during the quarter ended March 31, 2025 (March 31, 2024: 15%).

18 GENERAL

- 18.1** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.
- 18.2** Figures have been rounded off to the nearest thousand, unless otherwise stated.

19 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 29, 2025 by the Board of Directors of the Company.

Trade in Shares by Executive through CDC

During January 01 to March 31, 2025

Name	Category	Transaction's date	No. of Shares	Nature	Rate (Rs.)
Khurram Baghpatee (Spouse)	Executive	January 10, 2025	3000	Bought	201.00



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