

Driven by

Defined by

ENERGY & IMPACT



**REPORT FOR THE SIX MONTHS
ENDED DECEMBER 31, 2025**







Driven by
ENERGY & **IMPACT**
Defined by

As we present Pakistan State Oil's (PSO) 1HFY26 Report to Shareholders, we do so with pride in our continued progress and commitment to excellence. Our theme, "Driven by Energy, Defined by Impact," embodies our promise to fuel progress, ignite hope, and bring light to the lives of those we serve.

From ensuring the smooth flow of fuel to powering homes and businesses, to advancing green energy projects that will shape the future of our planet, every action we take is guided by responsibility and compassion.

This report offers a transparent overview of our financial performance, operational milestones, and sustainability initiatives, providing valuable insights into how we create long-term value for our stakeholders through responsible practices, digital innovation, and investments in our people and communities.

Our story is one of impact, measured by the positive difference we make in the lives we serve. Whether ensuring uninterrupted fuel supply, driving green energy projects, or engaging in community outreach, PSO's footprint continues to expand with purpose and faith.

We invite you to explore this report and discover how PSO, Driven by Energy, remains Defined by Impact.

Company Information

Board of Management

Chairman (Independent)

Mr. Asif Baigmohamed

Independent Members

Mr. Waheed Ahmed Shaikh

Dr. Ayesha Waqar

Mr. Mushtaq Malik

Mr. Ahmed Jamal Mir

Ex-Officio Members

Dr. Muhammad Fakhre Alam Irfan

Mirza Nasiruddin Mashhood Ahmad

Mr. Usman Ahmed Chaudhry

Mr. Sajjad Azhar

Registered Office

Pakistan State Oil Company Limited

PSO House

Khayaban-e-Iqbal, Clifton

Karachi – 75600, Pakistan

UAN: +92 21 111 111 PSO (776)

Website: www.pso.pk

Share Registrar

CDC Share Registrar Services Limited

CDC House, 99-B

Block B, S.M.C.H.S.

Main Shahrah-e-Faisal

Karachi-74400, Pakistan

Tel.: 0800-CDCPL (23275)

Email: info@cdcsrsl.com

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank Al Habib Limited

Citibank N.A.

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan)

Limited

The Bank of Punjab

United Bank Limited

Managing Director

& Chief Executive Officer

Syed Muhammad Taha

Chief Financial Officer

Ms. Gulzar Khoja

Company Secretary

Ms. Ambreen Ali

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Legal Advisor

Orr, Dignam & Co.

Advocates

Report to Shareholders

For the six months ended December 31, 2025



The Board of Management of Pakistan State Oil Company Limited (PSO) is pleased to present the condensed unconsolidated and consolidated interim financial statements of the company and the group for the six months ended December 31, 2025 (1HFY26).

During the period under review, PSO delivered a strong financial performance, supported by effective management of a challenging operating environment. The company recorded a profit after tax of PKR 12.1 billion for 1HFY26 (1HFY25: PKR 11.2 billion), translating into earnings per share of PKR 25.82. Gross sales during the period stood at PKR 1.6 trillion (1HFY25: PKR 1.7 trillion).

On a consolidated basis, the group posted a profit after tax of PKR 14.7 billion (1HFY25: PKR 9.1 billion), with earnings per share of PKR 31.34.

Looking ahead, the global economic environment presents a mix of opportunities and challenges. Global growth is expected to slow gradually, from 3.3% in CY2024 to 3.2% in 2025 and 3.1% in 2026, remaining below pre-pandemic levels, amid easing inflation, selective policy support, and ongoing trade adjustments (IMF World Economic Outlook).

Growth is set to diverge across regions. Emerging Market and Developing Economies (EMDEs) are projected to expand by 4.2% in 2025, moderating to 4.0% in 2026, while advanced economies are expected to grow at a subdued 1.6% in both years, constrained by weak investment and structural demographic challenges. Among major economies, China is projected to grow 4.8% in 2025, easing to 4.2% in 2026; the US at 2.0% in 2025 and 2.1% in 2026; and the Euro Area at 1.2% in 2025 and 1.1% in 2026.

Global inflation is gradually easing, with headline rates forecast at 4.2% in 2025 and 3.7% in 2026, driven by moderating energy prices and the lagged impact of monetary tightening, though some advanced economies are likely to face persistently elevated inflation.

In energy markets, average Dated Brent crude prices declined 14% year-on-year to \$66.4 per barrel in 1HFY26 (1HFY25: \$77.5), with the US Energy Information Administration (EIA) projecting average Brent prices around \$56 per barrel in 2026.

Domestically, Pakistan's automotive sector showed a strong recovery in 1HFY26, with car sales rising 42% year-on-year to 65,910 units, supported by lower interest rates, easing

inflation, and sustained consumer demand. The IMF projects Pakistan's economy to grow 3.6% in FY26 (FY25: 2.7%), alongside a modest improvement in labor market conditions, with unemployment expected to decline to 7.5%.

Pakistan's petroleum industry recorded mixed but broadly positive performance in 1HFY26. MoGas and diesel sales increased by 6.09% and 5.61%, respectively, driven by economic recovery, strong transport demand, and anti-smuggling measures, while black oil sales declined sharply by 61.2% due to reduced power sector offtake and weaker domestic demand.

Against this backdrop, PSO continued to outperform the market and reinforced its leadership position. The company maintained its dominance in the white oil segment, recording total sales of 3,418 KMT and a market share of 42.2%. Diesel sales reached 1,532 KMT, translating into a market share of 42%, while MoGas sales stand at 1,539 KMT. PSO continued to dominate the jet fuel segment, delivering sales of 327 KMT and capturing a 99.2% market share.

Amid constraints in local supplies, PSO exceeded its internal LPG sales benchmarks and delivered its highest-ever performance in the segment. LPG sales reached a record 28.5 KMT in 1HFY26, representing a 3.6% increase over 27.5 KMT in 1HFY25. Sales momentum strengthened in December 2025, with volumes rising 17% year-on-year to 6.8 KMT, underscoring the company's strong market positioning.

PSO also made significant progress in strengthening its storage infrastructure, rehabilitating approximately 39 KMT of operational storage capacity across key locations. The rehabilitation program covered facilities at Mehmoodkot (3 KMT), Keamari Terminal A (6 KMT), Keamari Terminal B (11.5 KMT), Zulfiqarabad Oil Terminal (17 KMT), and Habibabad (1.5 KMT). These initiatives are expected to enhance asset reliability, operational readiness, and long-term efficiency across PSO's nationwide logistics network.

A key milestone was achieved in the White Oil Pipeline Project with the approval of the project summary and provisional tariff by the Economic Coordination Committee (ECC), followed by ratification by the Federal Cabinet in November 2025. With the regulatory framework and tariff now in the finalization stage, the project is progressing toward implementation. This development reinforces PSO's focus on enhancing national energy security and driving long-term value creation.

In line with its customer-centric strategy, PSO expanded its retail network to 3,638 outlets nationwide, enhancing accessibility and convenience while offering improved services and amenities tailored to evolving consumer expectations.

The company further strengthened its retail and convenience ecosystem through the development of VIBE outlets. During 1HFY26, three new stores were completed, including two operational along the M1 Motorway. Key enhancements included the launch of the in-house VIBE Café, redesigned store layouts, expanded merchandising and QSR partnerships, and completion of Phase II sites under the Asaan Safar Program, collectively elevating the overall customer experience.

PSO has made noteworthy strides in its digital transformation, leveraging technology to enhance operational efficiency, governance, and decision-making. The successful transition to SAP S/4HANA has enabled real-time analytics and faster, data-driven decisions, while the Karachi Retail Ring-Fencing initiative has improved communication and fuel reconciliation accuracy, reflecting PSO's commitment to technology-led advancement.

During 1HFY26, Cerisma (Pvt.) Limited achieved key regulatory and operational milestones, including the approval of a Pilot Operations License from the State Bank of Pakistan. The Payway mobile application was successfully launched in October 2025, followed by Raast

P2P and P2M approvals in November 2025, enabling instant digital payments. QR-based Raast P2M payments were also rolled out at select company-operated retail outlets, enhancing digital payment accessibility and convenience.

As part of its commitment to sustainability and clean energy, PSO, through PSO Renewable Energy (PSORE), has solarized two operational terminals—Zulfiqarabad and Machike—each with an installed capacity of 500 kWp. Additional solar projects at Keamari Terminals A and C, Mehmoodkot, and Faisalabad, with a combined capacity of approximately 1.5 MWp, are underway and expected to be completed by April 2026. Projects at Sihala, Tarujabba, Habibabad, Chakpirana, and Faqirabad, totaling around 716 kWp, are planned for completion by June 2026.

PSO has also launched Pakistan's largest electric vehicle (EV) infrastructure initiative, establishing nine EV charging stations across major cities and highways. Collaborating with automotive manufacturers, equipment suppliers, and government agencies, PSO is driving EV adoption and reducing reliance on imported fuels. Ongoing partnerships with international technology providers aim to develop integrated fleet electrification ecosystems, reinforcing PSO's vision for a greener future.

Guided by its commitment to creating sustainable social impact, PSO invested PKR 196 million in initiatives that enhance healthcare, education, youth empowerment, community development, and environmental sustainability. These investments supported meaningful projects such as the PSO Model Village in Dadu for flood-affected families, a Vascular Surgery Department at Jinnah Postgraduate Medical Centre, and a healthcare dispensary with an RO plant in Shikarpur, while promoting education through a senior boys' school in Kaghan Valley. Recognized with two awards at the 11th International Environment, Health & Safety Awards, these efforts reflect PSO's purpose of enriching lives and building resilient communities.

PSO's commitment to excellence and sustainability was recognized across multiple platforms. The company won the Corporate Excellence Award in the Oil & Gas sector at the MAP 40th Awards, Gold at the SAFA Awards 2024 for corporate reporting and governance, and the Best Corporate Report Award 2024 in the Fuel & Energy Sector from ICAP and ICMAP. PSO also earned the ESG Excellence Award in Health & Safety, highlighting its dedication to sustainable energy practices and workplace safety.

Circular debt remains a key challenge for the industry. As at December 31, 2025, PSO's receivables amounted to PKR 412 billion, of which PKR 288 billion was attributable to SNGPL. The receivable from SNGPL declined by PKR 23 billion, representing 7% reduction over the preceding six months. The company continues to engage proactively with the Government to pursue effective and sustainable solutions to address this longstanding issue.

The Board extends its sincere appreciation to PSO's employees, stakeholders, and business partners for their continued commitment and support. We also express our gratitude to the Government of Pakistan, particularly the Ministry of Energy (Petroleum Division), for its guidance and cooperation, which have been instrumental in navigating challenges and advancing the company's objectives.



Syed Muhammad Taha
Managing Director & CEO



Asif Baigmohamed
Chairman – Board of Management

February 17, 2026
Karachi

Independent Auditor's Review Report

To the members of Pakistan State Oil Company Limited

Report on review of Condensed Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of **Pakistan State Oil Company Limited** ("the Company") as at 31 December 2025 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the condensed unconsolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "Condensed Unconsolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed unconsolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 11.3 to the accompanying condensed unconsolidated interim financial statements which describe in detail matter relating to overdue receivables on account of Inter-Corporate circular debt. Our conclusion is not modified in respect of this matter.

Other Matter

Pursuant to the requirement of section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed unconsolidated interim profit or loss and condensed unconsolidated interim statement of comprehensive income for the three-months period ended 31 December 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditors' review report is **Inam Ullah Kakra**.



KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Date: February 24, 2026

UDIN: RR202510202G73xHYWtg

PAKISTAN STATE OIL COMPANY LIMITED
Condensed Unconsolidated Interim Statement of Financial Position
As at December 31, 2025

		Un-audited December 31, 2025	Audited June 30, 2025
	Note	------(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	26,197,834	24,570,679
Right-of-use assets	8	13,957,059	11,991,799
Intangibles		800,823	843,194
Long-term investments	9	17,641,216	19,449,277
Long-term loans, advances and other receivables		4,507,565	4,469,965
Long-term deposits		575,463	555,203
Deferred tax asset - net		20,482,664	19,549,716
		<u>84,162,624</u>	<u>81,429,833</u>
Current assets			
Stores, spares and loose tools		610,996	423,040
Stock-in-trade	10	278,067,918	250,909,180
Trade debts	11	412,080,960	437,453,104
Loans and advances		1,180,795	896,810
Short-term deposits and prepayments		631,009	1,350,934
Other receivables	12	142,465,340	143,907,015
Taxation - net		1,311,585	1,711,323
Short-term investments	13	59,218,997	46,999,504
Cash and bank balances		19,091,570	53,997,293
		<u>914,659,170</u>	<u>937,648,203</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>998,821,794</u></u>	<u><u>1,019,078,036</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		252,428,548	245,596,457
		<u>257,123,282</u>	<u>250,291,191</u>
Non-current liabilities			
Retirement and other service benefits		11,322,288	10,775,583
Lease liabilities		14,902,107	12,464,605
Deferred income - Government grant		100,000	100,000
Other payable		399,453	399,453
		<u>26,723,848</u>	<u>23,739,641</u>
Current liabilities			
Trade and other payables	14	384,760,256	383,705,027
Short-term borrowings		325,467,329	356,064,240
Accrued interest / mark-up		1,778,351	2,388,282
Provisions		639,413	639,413
Current portion of lease liabilities		527,686	545,102
Unclaimed dividend		1,801,629	1,705,140
		<u>714,974,664</u>	<u>745,047,204</u>
TOTAL LIABILITIES		<u>741,698,512</u>	<u>768,786,845</u>
TOTAL EQUITY AND LIABILITIES		<u><u>998,821,794</u></u>	<u><u>1,019,078,036</u></u>
CONTINGENCIES AND COMMITMENTS			
	15		

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED

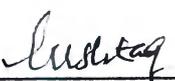
Condensed Unconsolidated Interim Statement of Profit or Loss (Un-Audited)

For the six months and quarter ended December 31, 2025

	Note	Six months ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in '000)					
Gross sales		1,607,346,952	1,743,258,824	814,034,655	889,751,963
Less:					
- Sales tax		(80,954,492)	(95,809,698)	(37,942,620)	(41,102,942)
- Inland freight equalization margin		(27,793,242)	(22,147,996)	(14,678,795)	(10,936,581)
		(108,747,734)	(117,957,694)	(52,621,415)	(52,039,523)
Net sales		1,498,599,218	1,625,301,130	761,413,240	837,712,440
Cost of products sold		(1,451,497,129)	(1,574,529,628)	(744,362,484)	(812,679,613)
Gross profit		47,102,089	50,771,502	17,050,756	25,032,827
Other income	16	8,632,725	10,323,778	4,076,629	7,077,577
Operating costs					
Distribution and marketing expenses		(10,731,822)	(9,404,992)	(5,836,950)	(4,965,006)
Administrative expenses		(3,715,040)	(3,100,749)	(2,182,405)	(1,440,815)
Other expenses		(2,107,849)	(3,115,629)	(530,433)	(2,109,608)
		(16,554,711)	(15,621,370)	(8,549,788)	(8,515,429)
Finance costs	17	(11,398,761)	(19,199,425)	(5,446,158)	(8,775,764)
Share of (loss) / profit of associates - net of tax		(63,278)	654,212	(14,397)	399,451
Profit before taxation, minimum tax differential and final taxes		27,718,064	26,928,697	7,117,042	15,218,662
Minimum tax differential		(4,569,406)	(5,923,507)	(2,049,475)	(2,643,999)
Final taxes		(89,470)	(240,000)	-	-
		(4,658,876)	(6,163,507)	(2,049,475)	(2,643,999)
Profit before taxation		23,059,188	20,765,190	5,067,567	12,574,663
Taxation					
- current		(11,341,023)	(9,012,515)	(2,298,760)	(6,207,314)
- prior		(134,846)	(30,514)	(134,846)	(30,514)
- deferred		540,313	(543,347)	99,747	870,981
		(10,935,556)	(9,586,376)	(2,333,859)	(5,366,847)
Profit for the period		12,123,632	11,178,814	2,733,708	7,207,816
(Rupees)					
Earnings per share - basic and diluted	18	25.82	23.81	5.82	15.35

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED

Condensed Unconsolidated Interim Statement of Comprehensive Income (Un-Audited)

For the six months and quarter ended December 31, 2025

	Six months ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>Note</i>	----- (Rupees in '000) -----			
Profit for the period	12,123,632	11,178,814	2,733,708	7,207,816
Other comprehensive income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	17,319	6,286	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (1,006,764)	7,756,960	(810,601)	5,139,580
Taxation thereon	392,638	(3,025,214)	316,134	(2,004,436)
Other comprehensive (loss) / income	(596,807)	4,738,032	(494,467)	3,135,144
Total comprehensive income for the period	11,526,825	15,916,846	2,239,241	10,342,960

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



 Managing Director & CEO



 Member - Board of Management



 Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
Condensed Unconsolidated Interim Statement of Changes in Equity (Un-Audited)
For the six months period ended December 31, 2025

	Reserves							Sub-total	Total
	Share capital	Capital Reserves		Revenue Reserves					
		Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	PSO venture capital fund	Un-appropriated profit			
(Rupees in '000)									
Balance as at July 01, 2024 (Audited)	4,694,734	3,373	2,253,541	25,282,373	414,718	198,660,177	226,614,182	231,308,916	
Total comprehensive income for six months period ended									
Profit for the period	-	-	-	-	-	11,178,814	11,178,814	11,178,814	
Reclassification of reserves	-	-	-	-	(414,718)	414,718	-	-	
Other comprehensive income									
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	6,286	6,286	6,286	
Unrealised gain on remeasurement of equity investment classified as FVOCI - net of tax	-	-	4,731,746	-	-	-	4,731,746	4,731,746	
	-	-	4,731,746	-	-	6,286	4,738,032	4,738,032	
Transactions with the owners:									
Final dividend for the year ended June 30, 2024 at Rs. 10/- per share	-	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)	
Balance as at December 31, 2024	<u>4,694,734</u>	<u>3,373</u>	<u>6,985,287</u>	<u>25,282,373</u>	<u>-</u>	<u>205,565,261</u>	<u>237,836,294</u>	<u>242,531,028</u>	
Balance as at July 01, 2025 (Audited)	4,694,734	3,373	4,410,887	25,282,373	527,927	215,371,897	245,596,457	250,291,191	
Total comprehensive income for six months period ended									
Profit for the period	-	-	-	-	-	12,123,632	12,123,632	12,123,632	
Reclassification of reserves	-	-	-	-	-	-	-	-	
Other comprehensive income									
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	17,319	17,319	17,319	
Unrealised loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(614,126)	-	-	-	(614,126)	(614,126)	
	-	-	(614,126)	-	-	17,319	(596,807)	(596,807)	
Transactions with the owners:									
Final dividend for the year ended June 30, 2025 at Rs. 10/- per share	-	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)	
Balance as at December 31, 2025	<u>4,694,734</u>	<u>3,373</u>	<u>3,796,761</u>	<u>25,282,373</u>	<u>527,927</u>	<u>222,818,114</u>	<u>252,428,548</u>	<u>257,123,282</u>	

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
Condensed Unconsolidated Interim Statement of Cash Flows (Un-Audited)
For the six months period ended December 31, 2025

	Six months ended	
	December 31, 2025	December 31, 2024
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	19 44,373,752	151,178,136
Long-term loans, advances and other receivables	(37,600)	(116,147)
Long-term deposits	(20,260)	(35,599)
Taxes paid	(15,735,007)	(13,443,768)
Finance costs paid	(11,090,252)	(19,694,883)
Retirement and other service benefits paid	(516,111)	(582,081)
Net cash from operating activities	16,974,522	117,305,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(3,498,873)	(2,226,370)
Proceeds from disposal of operating assets	43,020	26,690
Investment in subsidiaries	(365,000)	(1,084,718)
Dividends received	819,839	2,317,053
Net cash used in investing activities	(3,001,014)	(967,345)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	(32,640,044)	(31,376,292)
Lease payments	(1,464,587)	(1,000,302)
Dividend paid	(4,598,240)	(4,602,115)
Net cash used in financing activities	(38,702,871)	(36,978,709)
Net (decrease) / increase in cash and cash equivalents	(24,729,363)	79,359,604
Cash and cash equivalents at beginning of the period	100,016,361	(1,670,822)
Cash and cash equivalents at end of the period	75,286,998	77,688,782

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



Managing Director & CEO



Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2025

1. Legal status and nature of business

1.1 **Pakistan State Oil Company Limited** ("the Company") is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.2 The business units of the Company include the following:

Business Unit	Address	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.	Sindh
Lubes Manufacturing Plant	National Refinery Limited, Korangi, Karachi. Keamari Oil Terminal, Keamari, Karachi.	Sindh

1.3 The Board of Management (BoM) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Company.

2. Basis of preparation

2.1 Statement of compliance

These condensed unconsolidated interim financial statements of the Company for the six months period ended December 31, 2025 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 by the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023.

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

2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2025. These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 These condensed unconsolidated interim financial statements are the separate financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.

2.4 The Securities and Exchange Commission of Pakistan (SECP) through SRO 25(I)/2026 dated January 06, 2026 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Company has not recorded impact of aforesaid ECL on trade debts of SNGPL and GENCO in these condensed unconsolidated interim financial statements based on the exemption granted by SECP in this respect.

2.5 As mentioned in note 2.7 of the annual unconsolidated financial statements as at and for the year ended June 30, 2025, the Honourable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at December 31, 2025, the Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.

2.6 These condensed unconsolidated interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

3. Use of estimates and judgements

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2025.

4. Material accounting policy information

The accounting policies and method of computation adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2025.

5. New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these condensed unconsolidated interim financial statements.

6. Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Company and accordingly have not been stated in these condensed unconsolidated interim financial statements.

7. Property, plant and equipment

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2025 (Un-audited)	December 31, 2024	December 31, 2025 (Un-audited)	December 31, 2024
Freehold land	-	162,284	-	-
Buildings on freehold land	112,951	87,745	-	-
Buildings on leasehold land	47,146	29,458	-	-
Tanks and pipelines	220,460	850,760	-	-
Service and filling stations	1,304,876	366,067	585	1
Plant and machinery	397,855	551,570	-	17
Furniture and fittings	27,090	21,601	148	93
Vehicles and other rolling stock	483,444	12,916	9,076	11,303
Office equipments	123,997	141,989	442	-
Gas cylinders / regulators	78,402	82,212	-	-
	<u>2,796,221</u>	<u>2,306,602</u>	<u>10,251</u>	<u>11,414</u>

- 7.2 The above disposals represented assets costing Rs. 191,097 thousand (December 31, 2024: Rs. 89,318 thousand) and were disposed off for Rs. 43,020 thousand (December 31, 2024: Rs. 26,690 thousand).
- 7.3 As at December 31, 2025, operating assets includes net book value of Rs. 1,108,056 thousand (June 30, 2025: Rs. 1,194,298 thousand) in respect of Company's share in joint operations.
- 7.4 As at December 31, 2025, capital work-in-progress includes amount of Rs. 18,697 (June 30, 2025: Rs. 12,841 thousand) in respect of Company's share in joint operations.

8. Right-of-use assets

During the period, the Company recognised right-of-use assets comprising mainly land amounting to Rs. 1,092,170 thousand (December 31, 2024: Rs. 851,030 thousand) and modification amounting to Rs. 1,915,169 thousand (December 31, 2024: Rs. 537,338 thousand).

9. Long-term investments	Note	Un-audited December 31, 2025	Audited June 30, 2025
------(Rupees in '000)-----			
Investment held at fair value through other comprehensive income (FVOCI)			
Unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO) Equity held: 12% (June 30, 2025: 12%) No. of shares: 8,640,000 (June 30, 2025: 8,640,000) of Rs. 100/- each	9.1	7,088,190	8,094,954
Investment in subsidiaries - at cost			
Quoted company			
- Pakistan Refinery Limited (PRL) Equity held 63.56% (June 30, 2025: 63.56%) No. of shares: 400,459,028 (June 30, 2025: 400,459,028) of Rs. 10/- each		4,890,680	4,890,680
Unquoted companies			
- Cerisma (Private) Limited (CPL) Equity held 100% (June 30, 2025: 100%) No. of shares: 61,499,999 (June 30, 2025: 499,999) of Rs. 10/- each	9.2	980,000	615,000
- PSO Renewable Energy (Private) Limited (PSORE) Equity held 100% (June 30, 2025: 100%) No. of shares: 999,999 (June 30, 2025: 999,999) of Rs. 10/- each	9.3	905,000	905,000
- PSO Venture Capital (Private) Limited (PSOVC) Equity held 100% (June 30, 2025: 100%) No. of shares: 147,799,999 (June 30, 2025: 147,799,999) of Rs. 10/- each	9.4	1,478,000	2,136,379
		3,363,000	3,656,379
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited (APL) Equity held: 49% (June 30, 2025: 49%) No. of shares: 46,058,570 (June 30, 2025: 46,058,570) of Rs. 10/- each		2,257,649	2,760,718
- Pak Grease Manufacturing Company (Private) Limited (PGMCL) Equity held: 22% (June 30, 2025: 22%) No. of shares: 686,192 (June 30, 2025: 686,192) of Rs. 10/- each		41,697	46,546
		2,299,346	2,807,264
		17,641,216	19,449,277

- 9.1 The Company has carried out an exercise to ascertain the fair value of investment as at December 31, 2025 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited December 31, 2025	Audited June 30, 2025
- Discount rate	19.10% - 19.19%	16.48% - 16.55%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Company has recorded an unrealised loss - net of tax of Rs. 614,126 thousand (December 31, 2024: unrealised gain of Rs. 4,731,746 thousand) in other comprehensive income for the period.

9.1.1 Movement of investment classified as FVOCI	Un-audited December 31, 2025	Audited June 30, 2025
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	8,094,954	4,558,321
Remeasurement (loss) / gain recognised in other comprehensive income	(1,006,764)	3,536,633
Balance at the end of the period / year	7,088,190	8,094,954

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(403,834)	(607,911)
- Discount rate (1% decrease)	473,830	741,815
- Growth rate of terminal value (1% increase)	265,216	442,769
- Growth rate of terminal value (1% decrease)	(227,592)	(365,640)

9.2 Includes Rs 365,000 thousand (June 30, 2025: Rs. 610,000 thousand) paid to CPL as advance against issue of shares.

9.3 Includes Rs. 895,000 thousand (June 30, 2025: Rs. 895,000 thousand) paid to PSORE as advance against issue of shares.

9.4 Includes Rs. Nil (June 30, 2025: Rs. 658,379 thousand) paid to PSOVC as advance against issue of shares.

9.5 The Board of Management of the Company, in its meeting held on September 24, 2025, approved the winding up of PSO Venture Capital (Private) Limited, a wholly-owned subsidiary of the Company. The winding-up process is being carried out in accordance with the provisions of the Companies Act, 2017. Accordingly, the advance against issuance of shares has been transferred to other receivables.

10. Stock-in-trade

As at December 31, 2025, stock has been written down by Rs. 5,222,435 thousand (June 30, 2025: Rs. Nil) to arrive at its net realisable values.

11. Trade debts	Note	Un-audited December 31, 2025	Audited June 30, 2025
		----- (Rupees in '000) -----	
Considered good			
<i>Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	980,411	844,976
- Unsecured	11.2 & 11.3	382,283,644	400,959,319
		383,264,055	401,804,295
<i>Due from other customers</i>			
- Secured	11.1	4,462,948	4,405,990
- Unsecured	11.2 & 11.3	24,353,957	31,242,819
		28,816,905	35,648,809
		412,080,960	437,453,104
Considered doubtful			
Trade debts - gross		2,572,496	2,599,913
Less: Provision for impairment	11.5	(2,572,496)	(2,599,913)
Trade debts - net		412,080,960	437,453,104

- 11.1 These debts are secured by way of bank guarantees and security deposits.
- 11.2 Includes Rs. 374,229,258 thousand (June 30, 2025: Rs. 397,999,309 thousand) due from related parties, against which provision for impairment of Rs. 850,290 thousand (June 30, 2025: Rs. 842,259 thousand) has been recognised.
- 11.3 These debts include an aggregate amount of Rs. 355,356,486 thousand (June 30, 2025: Rs. 378,394,700 thousand) due from GENCO Holding Company Limited (GENCO) and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 67,616,993 thousand (June 30, 2025: Rs. 67,997,879 thousand), and Rs. 242,485,780 thousand (June 30, 2025: Rs. 262,129,951 thousand) from GENCO and SNGPL respectively, based on the agreed credit terms. The Company carries a specific provision of Rs. 346,975 thousand (June 30, 2025: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 309,755,798 thousand (June 30, 2025: Rs. 329,780,855 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Company is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.
- 11.4 As at December 31, 2025 trade debts aggregating Rs. 87,750,220 thousand (June 30, 2025: Rs. 91,188,178 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 324,330,740 thousand (June 30, 2025: Rs. 346,264,926 thousand) are past due but not impaired.

Based on the past experience, past track record, recoveries and future economic forecasts, the Company believes that the above past due trade debts do not require any additional provision for impairment except as provided in these condensed unconsolidated interim financial statements.

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	2,599,913	3,259,798
Reversal during the year - net	(27,417)	(659,885)
Balance at the end of the period / year	<u>2,572,496</u>	<u>2,599,913</u>

12. Other receivables

- 12.1 Includes receivable of Rs. 138,363,302 thousand (June 30, 2025: Rs. 139,944,697 thousand) due from related parties mainly on account of net unfavourable exchange difference on foreign currency borrowings (FE-25) and sales tax refundable.

- 12.2 As at December 31, 2025, receivables aggregating to Rs. 3,728,527 thousand (June 30, 2025: Rs. 3,738,214 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
Balance at beginning of the period / year	3,738,214	9,204,477
Provision recognised during the period / year	-	254,489
Reversal of provision during the period / year	(9,687)	(5,720,752)
	(9,687)	(5,466,263)
Balance at the end of the period / year	<u>3,728,527</u>	<u>3,738,214</u>

- 12.3 As at December 31, 2025, net unfavorable amount of foreign exchange difference of Rs. 62,006,103 thousand (June 30, 2025: Rs. 64,649,766 thousand) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Company in respect of these long / extended term borrowing arrangements i.e. the Company would not bear any exchange differences on such borrowings.

13. Short-term Investments

Includes investments in Pakistan Investment Bond (PIBs) under agreement to resale with various banks. These repurchase agreements carry return ranging from 11.15% to 11.66% per annum (December 31, 2024: 12.90% to 13.60%) and holding period ranging from 1 to 14 days. These resale arrangements are secured against the Pakistan Investment Bonds (PIBs) amounting to Rs. 59,218,997 thousand (June 30, 2025: Rs. 46,999,504 thousand).

14. Trade and other payables

Includes Rs. 142,675,157 thousand (June 30, 2025: Rs. 178,101,819 thousand) due to various related parties.

15. Contingencies and commitments

15.1 Contingencies

There is no significant change in the status of contingencies as disclosed in notes 30.1.1 to 30.1.4 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2025 other than as mentioned in the below notes.

15.1.1 Income tax

15.1.1.1 As disclosed and in furtherance to note 30.1.1.5 to the annual unconsolidated financial statements for the year ended June 30, 2025, for Tax Year 2016, the Appellate Tribunal Inland Revenue (ATIR) disposed of the Company's appeal with directions to file an application for constitution of the Alternate Dispute Resolution Committee (ADRC). Against the said order, the Company has filed a petition before the Islamabad High Court and challenged the constitution of ADRC under section 134A of the Income Tax Ordinance, 2001 which is pending. Based on the views of the Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.1.2 As disclosed and in furtherance to Note 30.1.1.8 to the annual unconsolidated financial statements for the year ended June 30, 2025, for the Tax Year 2021, the Honourable Sindh High Court (SHC) disposed of the Company's reference with directions to the Federal Board of Revenue (FBR) to constitute the ADRC in accordance with the amendments to section 134A of the Income Tax Ordinance, 2001 introduced through the Finance Act, 2025. The ADRC has not yet been constituted by the FBR. Based on the views of the Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2 Sales Tax

15.1.2.1 The Collector (Adjudication), Customs House, Karachi, issued show cause notices dated February 4, 2019, February 6, 2019, and August 6, 2019, to the Company for the recovery of minimum value-added sales tax amounting to Rs. 17,250,015 thousand on the import of Furnace oil into Pakistan. The Company challenged the impugned show cause notices before the SHC, which granted a stay against any coercive action by the adjudicating authority and subsequently allowed PSO's appeal vide order dated November 29, 2022, on the grounds that the Customs Adjudication Authority lacks jurisdiction to recover any short-levied sales tax once the imported consignment has been assessed. The Customs Department thereafter filed Civil Petitions for Leave to Appeal (CPLAs) before the Supreme Court of Pakistan against the SHC's judgment dated November 29, 2022. The Supreme Court, vide its order dated September 5, 2025, allowed the Customs Department's appeal and set aside the SHC's order. Being aggrieved by the Supreme Court's judgment, the Company has filed review petitions before the Supreme Court of Pakistan. Based on the views of the Company's legal counsel and tax advisors, no provision is required in these condensed unconsolidated interim financial statements.

15.1.2.2 In the case specified in Note 30.1.2.4 to the annual unconsolidated financial statements for the year ended June 30, 2025 the case relating to imposition of penalty and default surcharge of Rs. 437,305 thousand has been disposed off by the Honourable SHC with the directions to FBR to constitute the ADRC following amendments to Section 134A of the Income Tax Ordinance, 2001 under the Finance Act, 2025. The ADRC has not yet been constituted by the FBR. Based on the views of the Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2.3 In the case specified in Note 30.1.2.7 to the annual unconsolidated financial statements for the year ended June 30, 2025, the case relating to tax period 2015-16 was heard by Lahore High Court, which set aside the order with instructions to Appellate Tribunal to decide case on merits within 2 months. Based on the views of tax and legal advisor of the Company, the management believes that it is more likely than not that the matter will ultimately be decided in favor of the Company. Accordingly, no provision has been made in these unconsolidated interim financial statements.

15.1.3 Provincial Sales Tax

15.1.3.1 The Government of Balochistan, through amendments under the Balochistan Finance Act, 2025, has withdrawn the zero-rating of Balochistan Development & Maintenance Infrastructure Cess (BDMIS) on goods exported outside the province. Consequently, PSO's export Goods Declarations for supplies of HSD and lubricants to export-oriented entities were withheld in the PSW system due to non-payment of BDMIS. PSO filed Writ Petition No. 2261/2025 before the Balochistan High Court challenging the levy. On December 29, 2025, the Court granted a stay against the collection of BDMIS on PSO's export Goods Declarations, subject to an undertaking. Based on the views of tax and legal advisor of the Company, the management believes that it is more likely than not that the matter will ultimately be decided in favor of the Company. Accordingly, no provision has been made in these unconsolidated interim financial statements.

15.1.4 Other legal claims

15.1.4.1 As at December 31, 2025 certain legal cases amounting to Rs. 10,583,493 thousand (June 30, 2025: Rs. 7,343,384 thousand) have been filed against the Company. However, based on advice of legal advisors of the Company, the management believes that the outcome of these cases would be decided in Company's favor. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.4.2 Claims against the Company not acknowledged as debts amounting to Rs. 18,147,752 thousand (June 30, 2025: Rs. 16,909,893 thousand).

15.1.4.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at December 31, 2025 is Rs. 1,521,844 thousand (June 30, 2025: Rs. 1,523,232 thousand).

15.2 Commitments	Un-audited December 31, 2025 ------(Rupees in '000)-----	Audited June 30, 2025
15.2.1 Capital expenditure contracted for but not yet incurred	<u>14,666,806</u>	<u>7,521,653</u>
15.2.2 Letters of credit	<u>3,623,996</u>	<u>11,433,314</u>
15.2.3 Bank guarantees	<u>3,982,981</u>	<u>4,356,229</u>
15.2.4 Standby Letters of credit	<u>85,105,032</u>	<u>86,224,324</u>
15.2.5 Post - dated cheques	<u>-</u>	<u>26,739,525</u>

16. Other income

Includes delayed payment surcharge from customers, profit on bank deposits and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

17. Finance costs

Includes mark-up on short-term borrowings amounting to Rs. 10,254,025 thousand (December 31, 2024: Rs. 18,271,483 thousand).

18. Earnings per share - Basic and diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible ordinary shares in issue as at December 31, 2025 and December 31, 2024.

	Un-audited			
	Six months ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----			
Profit for the period attributable to ordinary shareholders	<u>12,123,632</u>	<u>11,178,814</u>	<u>2,733,708</u>	<u>7,207,816</u>
Weighted average number of ordinary shares outstanding during the period	----- (Number of Shares) -----			
	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>25.82</u>	<u>23.81</u>	<u>5.82</u>	<u>15.35</u>

19. Cash generated from operations

		Un-audited	
		Six months ended	
		December 31, 2025	December 31, 2024
		------(Rupees in '000)-----	
	Note		
Profit before taxation, minimum tax differential and final taxes		27,718,064	26,928,697
Depreciation and amortisation		2,945,917	2,228,555
(Reversal) / Provision for impairment on trade debts - net	11.5	(27,417)	324,974
Reversal of impairment on other receivables - net	12.2	(9,687)	(30,681)
(Reversal of) / Provision for impairment against stores, spares and loose tools		(100,573)	41,812
Provision for retirement and other services benefits		1,062,816	1,121,020
Provision for write down of inventory to net realisable value	10	5,222,435	5,629
Gain on disposal of operating assets & intangibles		(32,769)	(15,276)
Share of loss / (profit) from associates - net of tax		63,278	(654,212)
Dividend income		(357,880)	(1,760,918)
Interest on lease payments		877,333	610,843
Finance costs		10,521,428	18,588,582
		20,164,881	20,460,328
Changes in:			
Stores, spares and loose tools		(87,383)	(36,456)
Stock-in-trade		(32,381,173)	24,377,405
Trade debts		25,399,561	20,439,915
Loans and advances		(283,985)	(401,554)
Deposits and short-term prepayments		719,925	121,076
Other receivables		2,109,741	(9,049,169)
Trade and other payables		1,014,121	68,337,894
		(3,509,193)	103,789,111
		44,373,752	151,178,136

20. Cash and cash equivalents

Cash and cash equivalents comprise of the following items in the condensed unconsolidated interim statement of financial position:

		Un-audited	
		December 31, 2025	December 31, 2024
		------(Rupees in '000)-----	
Cash and bank balances		19,091,570	20,659,037
Short-term investments		59,218,997	59,999,000
Short-term borrowings (finances under mark-up arrangements)		(3,023,569)	(2,969,255)
		75,286,998	77,688,782

21. Fair value of financial assets and liabilities

The Company's financial risk management policies and objectives are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2025.

These condensed unconsolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2025.

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 dates. The carrying values of all financial assets and liabilities reflected in these condensed unconsolidated interim financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at December 31, 2025, except for the Company's investment in PAPCO, none of the financial instruments is carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed unconsolidated interim financial statements.

22. Transactions with related parties

22.1 Related parties comprise of subsidiary companies, associate companies, retirement benefit funds, state-owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed unconsolidated interim financial statements, are as follows:

Name of the related party and relationship with the Company	Nature of Transactions	Un-audited Six months ended	
		December 31, 2025	December 31, 2024
------(Rupees in '000)-----			
Subsidiary			
- Pakistan Refinery Limited	Purchases	101,873,203	103,829,336
	Dividend received	-	800,918
	Interest income	185,961	-
- PSO Renewable Energy (Private) Limited	Expenses incurred	20,689	11,135
- PSO Venture Capital (Private) Limited	Expenses incurred	6,266	21,690
- Cerisma (Private) Limited	Expenses incurred	48,937	34,985
Associates			
- Asia Petroleum Limited	Income facility charges	-	938
	Pipeline charges	-	10,787
	Dividend received	460,586	552,703
- Pak Grease Manufacturing Company (Private) Limited	Purchases	37,966	88,597
	Dividend received	1,372	3,431
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	167,720	198,402
	Contributions made	168,782	248,350
- Gratuity Fund	Charge for the period	248,569	273,970
	Contributions made	287,430	268,602
- Provident Funds	Charge / contribution for the period	123,702	115,616
- Pension Funds (Defined Contribution)	Charge / contribution for the period	115,184	115,485
Key management personnel*	Managerial remuneration including benefits and perquisites	486,165	437,304
Non-executive directors	Remuneration and fees	16,000	21,250

* There are no transactions with the key management personnel other than those covered under their terms of employments / entitlements.

22.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% of the Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Company. The Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

The Company has availed the exemption available to it under IAS 24, and therefore has not provided detailed disclosures of its transactions with GoP related entities except for transactions stated below, which the Company considers to be significant:

		Un-audited Six months ended	
		December 31, 2025	December 31, 2024
		------(Rupees in '000)-----	
- Government of Pakistan	Dividend paid	1,055,041	1,055,041
- PSOCL Employees Empowerment Trust	Dividend paid to the Trust	142,636	142,636
- Board of Management	Contribution towards expenses of BoM	14,093	21,811
- Pak-Arab Pipeline Company Limited	Pipeline charges	3,909,029	4,330,813
	Dividend received	357,880	960,000
- Sui Northern Gas Pipelines Limited	Gross sales	490,742,301	578,180,148
- Distribution Companies (DISCOs)	Utility Charges	105,348	253,899
- GENCO	Gross sales	189,007	187,552
- Oil and Gas Development Company	Gross sales	4,331,445	3,321,775
	Purchases	797,945	1,181,361
- Pakistan Railways	Gross sales	18,786,392	6,893,718
- Pakistan International Airlines Corporation Limited	Gross sales	17,281,591	18,983,659
	Purchases	5,938	2,713
- Pakistan Petroleum Limited	Gross sales	278,785	274,676
	Purchases	22,510	25,328
- Pak-Arab Refinery Limited	Purchases	274,511,045	197,033,005
	Pipeline charges	947,230	759,509
- Petroleum Institute of Pakistan	Services received	20,293	17,783
- K-Electric Limited	Gross sales	65,170	11,088,928
	Income facility charges	-	6,394
	Services received	146,113	-
- National Bank of Pakistan	Finance cost and bank charges	3,496,730	5,896,033

The transactions described below are collectively but not individually significant to these condensed unconsolidated interim financial statements and therefore have been described below:

- (i) The Company sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Company, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Company.
- (ii) The Company collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Company also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- (iii) The Company incurs rental charges in respect of storage facilities at Kemari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Company has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Company utilises carriage services of Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak-Arab Refinery Limited (PARCO) and Pak-Arab Pipeline Company Limited (PAPCO) for delivery / movement of its products.
- (vi) The Company obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited, Water and Power Development Authority and K-Electric Limited.

(vii) The Company sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.

(viii) The Company has obtained various financing facilities from National Bank of Pakistan.

(ix) The Company also pays dividend to various GoP related entities who are shareholders of the Company.

- 22.3 Inventory of the Company held by related parties as at December 31, 2025 amounting to Rs. 97,796,291 thousand (June 30, 2025: Rs. 86,290,288 thousand).
- 22.4 Short term borrowings includes Rs. 71,486,317 thousand (June 30, 2025: Rs. 121,212,275 thousand) under finances obtained from National Bank of Pakistan.
- 22.5 The status of outstanding receivables and payables from / to related parties as at December 31, 2025 are included in respective notes to these condensed unconsolidated interim financial statements.
- 22.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

23. Operating segments	Un-audited Six months ended	
	December 31, 2025	December 31, 2024
23.1 Segment-wise revenue and profits are as under:	------(Rupees in '000)-----	
Revenue - net sales		
Petroleum Products	1,080,563,000	1,104,604,000
Liquefied Natural Gas (LNG)	412,236,000	515,384,493
Others	5,800,218	5,312,637
	<u>1,498,599,218</u>	<u>1,625,301,130</u>
Profit / (loss) for the period		
Petroleum Products	14,235,544	8,999,222
Liquefied Natural Gas (LNG)	(4,087,785)	(906,368)
Others	1,975,873	3,085,960
	<u>12,123,632</u>	<u>11,178,814</u>

- 23.2 Timing of revenue recognition is at a point in time.
- 23.3 Out of total sales of the Company, 99.9% (December 31, 2024: 99.8%) relates to customers in Pakistan.
- 23.4 All non-current assets of the Company as at December 31, 2025 and December 31, 2024 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 35% during the six month period ended December 31, 2025 (December 31, 2024: 37%).
- 23.5 Out of total gross sales of the Company, sales for the six month period ended December 31, 2025, amounting to Rs. 490,931,308 thousand (December 31, 2024: Rs 579,090,138 thousand), relates to circular debt customers.

24. Disclosure Requirement for Companies Not Engaged In Shariah Non-Permissible Business Activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)/2024 dated 15 August 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities. Following information is disclosed pursuant to the amendment:

Description	Explanation	Un-audited	Audited
		December 31, 2025	June 30, 2025
------(Rupees in '000)-----			
Statement of financial Position			
Cash and bank balances	Bank accounts under Islamic finance	<u>422,791</u>	<u>2,122,989</u>
Short term financing - secured	Financing obtained as per Islamic mode	<u>99,111,993</u>	<u>53,216,314</u>
Short term financing - secured	Mark-up accrued on conventional loan	1,333,229	1,855,934
Short term financing - secured	Profit accrued on Islamic loan	<u>495,656</u>	<u>498,687</u>
Long term investments	Shariah Compliant	<u>4,932,377</u>	<u>4,937,226</u>

Description	Explanation	Un-audited	
		December 31, 2025	December 31, 2024
Statement of profit or loss and other comprehensive income			
Mark up/Profit (Expense):			
Short term financing - secured	Mark up on conventional mode of financing	8,389,834	14,417,957
Short term financing - secured	Profit on Islamic mode of financing	<u>1,864,191</u>	<u>3,853,526</u>
Mark up/Profit (Payment):			
Short term financing - secured	Mark up on conventional mode of financing	8,912,539	15,414,476
Short term financing - secured	Profit on Islamic mode of financing	<u>1,867,221</u>	<u>3,993,500</u>
Other Income			
Other income earned from Shariah Compliant avenues			
Handling, storage and other services		<u>2,056,909</u>	<u>2,142,274</u>
Income from Compressed Natural Gas (CNG) operators		<u>43,690</u>	<u>48,251</u>
Income from non-fuel retail business		<u>212,285</u>	<u>200,258</u>
Income from retail outlets - net		<u>151,642</u>	<u>136,591</u>
Gain on disposal of property, plant and equipment		<u>32,769</u>	<u>15,276</u>
Dividend from PRL		<u>-</u>	<u>800,918</u>
Reversal of provision against stores, spares and loose tools		<u>100,573</u>	<u>-</u>
Reversal of impairment on financial assets		<u>37,105</u>	<u>-</u>
Scrap sales		<u>45,169</u>	<u>27,898</u>
Profit on saving accounts		<u>54,284</u>	<u>92,722</u>
Others		<u>168,659</u>	<u>149,599</u>
Other income earned from non Shariah Compliant avenues			
Dividend income long term investments at fair value through other comprehensive income		<u>357,880</u>	<u>960,000</u>
Penalties and other recoveries		<u>367,863</u>	<u>240,988</u>
Reimbursement of financial charges on line fill cost		<u>1,947,761</u>	<u>2,741,153</u>
Interest on delayed payments		<u>444,878</u>	<u>425,789</u>
Markup on loan to subsidiary		<u>185,961</u>	<u>-</u>
Interest / markup on saving accounts		<u>215,468</u>	<u>1,443,762</u>
Interest income on short term placements		<u>2,081,679</u>	<u>441,805</u>
Others		<u>128,150</u>	<u>456,494</u>

24.1 During the year and as at reporting date, the Company has no relationship with Shariah compliant financial institutions other than in capacity of borrower or lender.

24.2 Management considers that revenue from its ordinary activities are shariah compliant.

25. **Events after the reporting date**

The Board of Management in its meeting held on February 17, 2026 has proposed an interim cash dividend of Rs. Nil (December 31, 2024: Nil) amounting to Rs. Nil (December 31, 2024: Nil) for the year ending June 30, 2026.

26. **General**

The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

27. **Date of authorisation for issue**

These condensed unconsolidated interim financial statements were approved and authorised for issue on February 17, 2026 by the Board of Management.



Managing Director & CEO

Member - Board of Management

Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	Note	Un-audited December 31, 2025	Audited June 30, 2025
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	52,571,240	49,795,119
Right-of-use assets	8	14,026,693	12,068,765
Intangibles		864,435	893,547
Long-term investments	9	9,433,960	10,954,653
Long-term loans, advances and other receivables		1,365,929	1,330,524
Long-term deposits		598,841	577,885
Deferred tax asset - net		20,900,954	20,485,888
Retirement and other service benefits		6,669	8,728
		99,768,721	96,115,109
Current assets			
Stores, spares, chemicals and loose tools		2,712,521	2,591,505
Stock-in-trade	10	301,677,404	269,026,520
Trade debts	11	420,700,986	444,113,690
Loans and advances		1,190,111	1,134,758
Short-term deposits and prepayments		1,018,802	1,524,334
Other receivables	12	169,986,687	169,347,739
Taxation - net		2,343,920	2,476,971
Short-term investments	13	60,632,956	48,384,628
Cash and bank balances		38,652,516	60,896,001
		998,915,903	999,496,146
Net assets in Bangladesh		-	-
TOTAL ASSETS		1,098,684,624	1,095,611,255
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		261,591,413	252,169,469
Equity attributable to the owners of the Holding Company		266,286,147	256,864,203
Non-controlling interest		7,553,880	6,070,659
		273,840,027	262,934,862
Non-current liabilities			
Retirement and other service benefits		11,684,771	11,138,066
Long-term borrowings		8,666,667	9,200,000
Lease liabilities		14,987,085	12,588,181
Deferred income - Government grant		100,000	100,000
Other payable		399,453	399,453
		35,837,976	33,425,700
Current liabilities			
Trade and other payables	14	431,329,892	421,742,515
Short-term borrowings		352,131,177	371,537,732
Accrued interest / mark-up		2,526,046	3,044,627
Provisions		639,413	639,413
Current portion of lease liabilities		554,761	557,290
Unclaimed dividend		1,825,332	1,729,116
		789,006,621	799,250,693
TOTAL LIABILITIES		824,844,597	832,676,393
TOTAL EQUITY AND LIABILITIES		1,098,684,624	1,095,611,255

CONTINGENCIES AND COMMITMENTS

15

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.


Managing Director & CEO

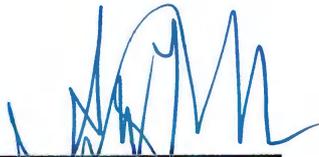

Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the six months and quarter ended December 31, 2025

	Note	Six months ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in '000)					
Net sales	16	1,569,877,034	1,718,869,380	797,975,183	891,649,511
Cost of products sold		(1,514,245,887)	(1,666,782,076)	(776,076,709)	(865,387,568)
Gross profit		55,631,147	52,087,304	21,898,474	26,261,943
Other income	17	9,417,971	11,438,196	4,468,103	7,455,409
Operating costs					
Distribution and marketing expenses		(11,101,439)	(9,483,102)	(6,001,332)	(4,910,325)
Administrative expenses		(4,583,879)	(3,904,466)	(2,762,676)	(1,838,512)
Other expenses		(2,416,749)	(5,351,607)	(694,666)	(2,563,277)
		(18,101,067)	(18,739,175)	(9,448,673)	(9,312,114)
Finance costs	18	(13,413,786)	(21,088,631)	(6,469,981)	(9,838,076)
Share of (loss) / profit of associates - net of tax		(67,586)	656,142	(16,373)	400,454
Profit before taxation, minimum tax differential and final taxes		33,466,679	24,353,836	10,421,550	14,967,616
Minimum tax differential		(5,254,679)	(6,875,749)	(2,734,748)	(3,035,269)
Final taxes		(89,470)	(246,895)	-	(6,568)
		(5,344,149)	(7,122,644)	(2,734,748)	(3,041,837)
Profit before taxation		28,122,530	17,231,192	7,686,802	11,925,779
Taxation					
- current		(11,813,405)	(9,154,423)	(2,161,436)	(6,321,446)
- prior		(134,846)	(30,514)	(134,846)	(30,514)
- deferred		22,427	4,214	(379,474)	621,306
		(11,925,824)	(9,180,723)	(2,665,755)	(5,730,654)
Profit for the period		16,196,706	8,050,469	5,021,047	6,195,125
Profit / (loss) attributable to:					
Owners of the Holding Company		14,713,486	9,147,466	4,182,038	6,298,581
Non-controlling interest		1,483,221	(1,096,997)	839,009	(103,456)
		16,196,706	8,050,469	5,021,047	6,195,125
(Rupees)					
Earnings per share - basic and diluted	19	31.34	19.48	8.91	13.42

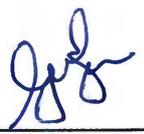
The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.



Managing Director & CEO



Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the six months and quarter ended December 31, 2025

	Six months ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Note	----- (Rupees in '000) -----			
Profit for the period	16,196,706	8,050,469	5,021,047	6,195,125
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss:				
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	17,319	6,286	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (1,006,764)	7,756,960	(810,601)	5,139,580
Taxation thereon	392,638	(3,025,214)	316,134	(2,004,436)
	(614,126)	4,731,746	(494,467)	3,135,144
Other comprehensive (loss) / Income	(596,807)	4,738,032	(494,467)	3,135,144
Total comprehensive income for the period	15,599,899	12,788,501	4,526,580	9,330,269
Profit / (loss) attributable to:				
Owners of the Holding Company	14,116,678	13,885,498	3,687,571	9,433,725
Non-controlling interest	1,483,221	(1,096,997)	839,009	(103,456)
	15,599,899	12,788,501	4,526,580	9,330,269

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the six months period ended December 31, 2025

	Share capital	Capital Reserves		Reserves			Sub-total	Non-controlling interest (NCI)	Total
		Surplus on vesting of net assets	Unrealised (loss) / gain on remeasurement of FVOCI investments	General reserve	PSO venture capital fund	Un-appropriated profit			
	(Rupees in '000)								
Balance as at July 01, 2024 (Audited)	4,694,734	3,373	2,253,541	25,282,373	414,718	209,669,351	237,623,356	8,714,439	251,032,529
Total comprehensive income for six months period ended									
Profit / (loss) for the period	-	-	-	-	-	9,147,466	9,147,466	(1,096,997)	8,050,469
Reclassification of reserves	-	-	-	-	(414,718)	414,718	-	-	-
Other comprehensive income									
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	6,286	6,286	-	6,286
Unrealised gain on remeasurement of equity investment classified as FVOCI - net of tax	-	-	4,731,746	-	-	-	4,731,746	-	4,731,746
	-	-	4,731,746	-	-	6,286	4,738,032	-	4,738,032
Transactions with the owners:									
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(459,144)	(459,144)
Final dividend for the year ended June 30, 2024 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	-	(4,694,734)
Balance as at December 31, 2024	4,694,734	3,373	6,985,287	25,282,373	-	214,543,087	246,814,120	7,158,298	258,667,152
Balance as at July 01, 2025 (Audited)	4,694,734	3,373	4,410,887	25,282,373	527,927	221,944,909	252,169,469	8,070,659	262,934,862
Total comprehensive income for six months period ended									
Profit for the period	-	-	-	-	-	14,713,485	14,713,485	1,483,221	16,196,706
Other comprehensive income									
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	17,319	17,319	-	17,319
Unrealised loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(614,126)	-	-	-	(614,126)	-	(614,126)
	-	-	(614,126)	-	-	17,319	(596,807)	-	(596,807)
Transactions with the owners:									
Final dividend for the year ended June 30, 2025 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	-	(4,694,734)
Balance as at December 31, 2025	4,694,734	3,373	3,796,761	25,282,373	527,927	231,980,978	261,591,413	7,553,880	273,840,027

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the six months period ended December 31, 2025

	Note	Six months ended	
		December 31, 2025	December 31, 2024
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	20	50,890,580	154,971,275
Long-term loans, advances and other receivables		(35,405)	(114,976)
Long-term deposits and prepayments		(20,956)	(35,649)
Taxes paid		(17,159,349)	(15,045,194)
Finance costs paid		(13,002,401)	(21,116,310)
Retirement and other service benefits paid		(580,479)	(664,743)
Net cash from operating activities		20,091,990	117,994,403
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(5,443,908)	(3,208,417)
Proceeds from disposal of operating assets		54,198	33,458
Investment in T-bills		(28,835)	(16,025,121)
Interest received		519,250	444,622
Dividends received		821,542	1,520,385
Net cash used in investing activities		(4,077,753)	(17,235,073)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - net		(533,333)	6,000,000
Short-term borrowings - net		(21,449,688)	(13,502,816)
Lease payments		(1,499,823)	(1,041,154)
Dividend paid		(4,598,518)	(5,055,798)
Net cash used in financing activities		(28,081,362)	(13,599,768)
Net (decrease) / increase in cash and cash equivalents		(12,067,125)	87,159,562
Cash and cash equivalents at beginning of the period		106,915,069	7,993,705
Cash and cash equivalents at end of the period	21	94,847,944	95,153,267

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.



Managing Director & CEO



Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period ended December 31, 2025

1. Group legal status and nature of business

The Group consist of Pakistan State Oil Company Limited ("the Holding Company") and its subsidiaries namely Pakistan Refinery Limited, Cerisma (Private) Limited, PSO Renewable Energy (Private) Limited and PSO Venture Capital (Private) Limited ("the Subsidiary Companies"). Brief profile of the Holding Company and the Subsidiary Companies are given below:

1.1 Pakistan State Oil Company Limited

1.1.1 The Holding Company is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Holding Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Holding Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.1.2 The business units of the Holding Company include the following:

Business Unit	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.
Lubes Manufacturing Plants	National Refinery Limited, Korangi, Karachi. Keamari Oil Terminal, Keamari, Karachi.

1.1.3 The Board of Management (the Board) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Holding Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Holding Company.

1.2 Pakistan Refinery Limited

1.2.1 Pakistan Refinery Limited (PRL) was incorporated in Pakistan as a public limited company in May 1960 and is listed on the Pakistan Stock Exchange Limited. PRL is engaged in the production and sale of petroleum products. As on December 31, 2025, the Holding Company controls 63.56% (June 30, 2025: 63.56%) shares of PRL.

1.2.2 The business units of PRL include the following:

Business Unit	Geographical Location
Head Office & Refinery Complex	Korangi Creek Road, Karachi.
Storage tanks	Keamari, Karachi.

1.3 Cerisma (Private) Limited

Cerisma (Private) Limited (CPL), a wholly owned subsidiary, was incorporated on September 29, 2022 as a private limited company. The principal activity of CPL is to set-up, manage, own, administer and run Electronic Money Institution (EMI) under EMI Regulations. As on December 31, 2025, the Holding Company has subscribed to 61,499,999 shares of CPL. The principal place of business for CPL is Sindh, Pakistan.

1.4 PSO Renewable Energy (Private) Limited

PSO Renewable Energy (Private) Limited (PSORE), a wholly owned subsidiary, was incorporated on December 02, 2022 as a private limited company. The principal activity of PSORE is to carry on businesses of renewable energy, its manufacturing, processing and installation thereof. As at December 31, 2025, the Holding Company has subscribed to 999,999 shares of PSORE. The principal place of business for PSORE is Sindh, Pakistan.

1.5 PSO Venture Capital (Private) Limited

Pakistan Venture Capital (Private) Limited (PSOVC), a wholly owned subsidiary, was incorporated on April 05, 2023 as private limited company. The principal activity of PSOVC is to carry on business of private equity and venture capital fund management services. As at December 31, 2025, the Company has subscribed to 147,799,999 shares of PSOVC. The principal place of business for PSOVC is Sindh, Pakistan.

The Board of Management of the Group, in its meeting held on September 24, 2025, approved the winding up of PSO Venture Capital (Private) Limited, a wholly-owned subsidiary of the Holding Company. The winding-up process is being carried out in accordance with the provisions of the Companies Act, 2017.

2. Basis of preparation

2.1. Statement of compliance

These condensed consolidated interim financial statements of the Group for the six months period ended December 31, 2025 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 by the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023.

Where provisions of and directives issued under the local laws differ with the requirements of IFRS or IFAS, the provisions of and directives issued under the local laws have been followed.

- 2.2 These condensed consolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2025. These condensed consolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 The Securities and Exchange Commission of Pakistan (SECP) through SRO 25(I)/2026 dated January 06, 2026 has granted exemption from application of Expected Credit Losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Group shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Group has not recorded impact of aforesaid ECL on trade debts of SNGPL and GENCO in these condensed consolidated interim financial statements based on the exemption granted by SECP in this respect.
- 2.4 As mentioned in note 2.8 of the annual consolidated financial statements as at and for the year ended June 30, 2025, the Honourable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Holding Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at December 31, 2025, the Holding Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.
- 2.5 These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency.

3. Use of estimates and judgements

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

The significant judgements made by management in applying the Groups' accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2025.

4. Material accounting policy information

The accounting policies and method of computation adopted for the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2025.

5. New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or do not have any significant effect on the Group's financial position and are therefore not stated in these condensed consolidated interim financial statements.

6. Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Group and accordingly have not been stated in these condensed consolidated interim financial statements.

7. Property, plant and equipment

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2025 (Un-audited)	December 31, 2024	December 31, 2025 (Un-audited)	December 31, 2024
	------(Rupees in '000)-----			
Freehold land	-	162,284	-	-
Buildings on freehold land	112,951	87,745	-	-
Buildings on leasehold land	69,134	29,458	-	-
Tanks and pipelines	220,460	870,006	-	-
Service and filling stations	1,304,876	366,067	585	1
Plant and machinery	741,258	939,354	-	17
Furniture and fittings	58,719	21,601	148	5,539
Vehicles and other rolling stock	519,163	65,183	19,715	11,303
Office equipments	128,782	271,527	442	-
Gas cylinders / regulators	78,402	82,212	-	-
	3,233,745	2,895,437	20,890	16,860

7.2 The above disposals represented assets costing Rs. 228,538 thousand (December 31, 2024: Rs. 116,082 thousand) and were disposed off for Rs. 54,198 thousand (December 31, 2024: Rs. 33,474 thousand).

7.3 As at December 31, 2025, operating assets include net book value of Rs. 1,108,056 thousand (June 30, 2025: Rs. 1,194,298 thousand) in respect of the Holding Company's share in joint operations.

7.4 As at December 31, 2025, capital work-in-progress includes amount of Rs. 18,697 (June 30, 2025: Rs. 12,841 thousand) in respect of the Holding Company's share in joint operations.

8. Right-of-use assets

During the period, the Group recognised right-of-use asset comprising mainly land amounting to Rs. 1,092,170 thousand (December 31, 2024: Rs. 851,030 thousand) and modification amounting to Rs. 1,915,169 thousand (December 31, 2024: Rs. 537,338 thousand).

	Note	Un-audited December 31, 2025	Audited June 30, 2025
		------(Rupees in '000)-----	

9. Long-term investments

Investment held at fair value through other comprehensive income

Unquoted company

- Pak-Arab Pipeline Company Limited (PAPCO)
Equity held: 12% (June 30, 2025: 12%)
No. of shares: 8,640,000
(June 30, 2025: 8,640,000) of Rs. 100/- each

9.1 **7,088,190** **8,094,954**

Investment in associates

Unquoted companies

- Asia Petroleum Limited (APL)
Equity held: 49% (June 30, 2025: 49%)
No. of shares: 46,058,570
(June 30, 2025: 46,058,570) of Rs. 10/- each

2,257,649 **2,760,718**

- Pak Grease Manufacturing Company (Private) Limited (PGMCL)
Equity held: 49.26% (June 30, 2025: 49.26%)
No. of shares: 1,536,593
(June 30, 2025: 1,536,593) of Rs. 10/- each

88,121 **98,981**
2,345,770 **2,859,699**

9,433,960 **10,954,653**

9.1 The Holding Company has carried out an exercise to ascertain the fair value of investment as at December 31, 2025 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited December 31, 2025	Audited June 30, 2025
- Discount rate	19.10% - 19.19%	16.48% - 16.55%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Holding Company has recorded an unrealised loss - net of tax of Rs. 614,126 thousand (December 31, 2024: unrealised gain - net of tax of Rs. 4,731,746 thousand) in other comprehensive income for the period.

9.1.1 Movement of investment classified as FVOCI

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
Balance at beginning of the period / year	8,094,954	4,558,321
Remeasurement (loss) / gain recognised in other comprehensive income	(1,006,764)	3,536,633
Balance at the end of the period / year	<u>7,088,190</u>	<u>8,094,954</u>

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(403,834)	(607,911)
- Discount rate (1% decrease)	473,830	741,815
- Growth rate of terminal value (1% increase)	265,216	442,769
- Growth rate of terminal value (1% decrease)	(227,592)	(365,640)

10. Stock-in-trade

As at December 31, 2025, stock has been written down by Rs. 5,287,701 thousand (June 30, 2025: Rs. 27,400) to arrive at its net realisable value.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
		------(Rupees in '000)-----	
11. Trade debts			
 Considered good			
<i> Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	980,411	844,976
- Unsecured	11.2 & 11.3	382,802,167	400,959,320
		<u>383,782,578</u>	401,804,296
<i> Due from other customers</i>			
- Secured	11.1	4,462,948	4,405,990
- Unsecured	11.2 & 11.3	32,455,460	37,903,404
		<u>36,918,408</u>	42,309,394
		<u>420,700,986</u>	444,113,690
 Considered doubtful		2,707,388	2,734,805
Trade debts - gross		<u>423,408,374</u>	446,848,495
Less: Provision for impairment	11.5	(2,707,388)	(2,734,805)
Trade debts - net		<u>420,700,986</u>	<u>444,113,690</u>

11.1 These debts are secured by way of bank guarantees and security deposits.

11.2 Includes Rs. 375,358,165 thousand (June 30, 2025: Rs. 397,999,309 thousand) due from related parties, against which provision for impairment of Rs. 850,290 thousand (June 30, 2025: Rs. 842,259 thousand) has been recognised.

11.3 These debts include an aggregate amount of Rs. 355,356,486 thousand (June 30, 2025: Rs. 378,394,700 thousand) due from GENCO Holding Company Limited (GENCO) and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 67,616,993 thousand (June 30, 2025: Rs. 67,997,879 thousand), and Rs. 242,485,780 thousand (June 30, 2025: Rs. 262,129,951 thousand) from GENCO and SNGPL respectively, based on the agreed credit terms. The Group carries a specific provision of Rs. 346,975 thousand (June 30, 2025: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 309,755,798 thousand (June 30, 2025: Rs. 329,780,855 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Group is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. The Group considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.

- 11.4 As at December 31, 2025 trade debts aggregating Rs. 96,277,021 thousand (June 30, 2025: Rs. 97,839,253 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 324,423,965 thousand (June 30, 2025: Rs. 346,274,437 thousand) are past due but not impaired.

Based on the past experience, past track record and recoveries, the Group believes that the above past due trade debts do not require any additional provision for impairment except as provided in these consolidated condensed interim financial statements.

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	2,734,805	3,394,690
Reversal of provision made during the period / year	(27,417)	(659,885)
Balance at the end of the period / year	<u>2,707,388</u>	<u>2,734,805</u>

12. Other receivables

- 12.1 Includes receivable of Rs. 163,973,700 thousand (June 30, 2025: Rs. 154,595,692 thousand) due from related parties mainly on account of net unfavourable exchange difference on foreign currency borrowings (FE-25) and sales tax refundable.

- 12.2 As at December 31, 2025, receivables aggregating to Rs. 3,728,527 thousand (June 30, 2025: Rs. 3,738,214 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
Balance at beginning of the period / year	3,738,214	9,204,477
Provision recognised during the period / year	-	254,489
Reversal of provision during the period / year	(9,687)	(5,720,752)
Balance at the end of the period / year	<u>3,728,527</u>	<u>3,738,214</u>

- 12.3 As at December 31, 2025 net unfavourable amount of foreign exchange difference of Rs. 71,034,995 (June 30, 2025: Rs. 73,944,826) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Group recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP.

	<i>Note</i>	Un-audited December 31, 2025	Audited June 30, 2025
		------(Rupees in '000)-----	
13. Short-term Investments			
Investment by Holding Company	13.1	59,218,997	46,999,504
Investment by subsidiary - PRL	13.2	1,413,959	1,385,124
		<u>60,632,956</u>	<u>48,384,628</u>

- 13.1 This represents investments in Pakistan Investment Bond (PIBs) under agreement to resale with various banks. These repurchase agreements carry return ranging from 11.15% to 11.66% per annum (December 31, 2024: 12.90% to 13.60%) and holding period ranging from 1 to 14 days. These resale arrangements are secured against the PIBs amounting to Rs. 59,218,997 thousand (June 30, 2025: Rs. 46,999,504 thousand).

- 13.2 This represents short term investment in treasury bills measured at fair value through profit or loss. Fair values of these investments are determined using repurchase price and carry interest yields ranging from 10.48% to 10.76%. These treasury bills will be matured latest by May 14, 2026.

14. Trade and other payables

Includes Rs. 150,259,713 thousand (June 30, 2025: Rs. 178,966,218 thousand) due to various related parties.

15. Contingencies and commitments

15.1 Contingencies

The Group has contingent liabilities in respect of unrecognised late payment surcharge, pending tax matters and other legal claims in the ordinary course of business. There is no significant change in the status of contingencies as disclosed in notes 32.1.1 to 32.1.5 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2025 other than as mentioned in the below notes.

15.1.1 Late Payment Surcharge

Claims against PRL, a Subsidiary Company, amounting to Rs. 3,230,593 thousand (June 30, 2025: Rs. 3,668,498 thousand) in respect of delayed payment charges have not been recognized on the understanding that these will be payable only when the Subsidiary Company will fully realise delayed payment charges due from its customers. Charges claimed by the Subsidiary Company against delayed payments by the customers, due to circular debt situation, are recognised on receipt basis as the ultimate outcome of the matter and amount of settlement cannot be presently determined.

15.1.2 Income tax

15.1.2.1 As disclosed and in furtherance to note 32.1.2.5 to the annual consolidated financial statements for the year ended June 30, 2025, for Tax Year 2016, the Appellate Tribunal Inland Revenue (ATIR) disposed of the Holding Company's appeal with directions to file an application for constitution of the Alternate Dispute Resolution Committee (ADRC). Against the said order, the Holding Company has filed a petition before the Islamabad High Court and challenged the constitution of ADRC under section 134A of the Income Tax Ordinance, 2001 which is pending. Based on the views of the Holding Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.2.2 As disclosed and in furtherance to note 32.1.2.8 to the annual consolidated financial statements for the year ended June 30, 2025, for the Tax Year 2021, the Honourable Sindh High Court (SHC) disposed of the Holding Company's reference with directions to the Federal Board of Revenue (FBR) to constitute the ADRC in accordance with the amendments to section 134A of the Income Tax Ordinance, 2001 introduced through the Finance Act, 2025. The ADRC has not yet been constituted by the FBR. Based on the views of the Holding Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3 Sales Tax

15.1.3.1 The Collector (Adjudication), Customs House, Karachi, issued show cause notices dated February 04, 2019, February 06, 2019, and August 06, 2019, to the Holding Company for the recovery of minimum value-added sales tax amounting to Rs. 17,250,015 thousand on the import of Furnace oil into Pakistan. The Holding Company challenged the impugned show cause notices before the SHC, which granted a stay against any coercive action by the adjudicating authority and subsequently allowed PSO's appeal vide order dated November 29, 2022, on the grounds that the Customs Adjudication Authority lacks jurisdiction to recover any short-levied sales tax once the imported consignment has been assessed. The Customs Department thereafter filed Civil Petitions for Leave to Appeal (CPLAs) before the Supreme Court of Pakistan against the SHC's judgment dated November 29, 2022. The Supreme Court, vide its order dated September 05, 2025, allowed the Customs Department's appeal and set aside the SHC's order. Being aggrieved by the Supreme Court's judgment, the Company has filed review petitions before the Supreme Court of Pakistan. Based on the views of the Holding Company's legal counsel and tax advisors, no provision is required in these condensed consolidated interim financial statements.

15.1.3.2 In the case specified in Note 32.1.3.4 to the annual consolidated financial statements for the year ended June 30, 2025 the case relating to imposition of penalty and default surcharge of Rs. 437,305 thousand has been disposed off by the Honourable SHC with the directions to FBR to constitute the ADRC following amendments to Section 134A of the Income Tax Ordinance, 2001 under the Finance Act, 2025. The ADRC has not yet been constituted by the FBR. Based on the views of the Holding Company's legal counsel and tax advisors, management believes that it is more likely than not that the matter will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3.3 In the case specified in Note 32.1.3.7 to the annual consolidated financial statements for the year ended June 30, 2025, the case relating to tax periods 2015-16 was heard by Lahore High Court, which set aside the order with instructions to Appellate Tribunal to decide case on merits within 2 months. Based on the views of tax and legal advisor of the Holding Company, the management believes that it is more likely than not that the matter will ultimately be decided in favor of the Holding Company. Accordingly, no provision has been made in these consolidated interim financial statements.

15.1.4 Provincial Sales Tax

15.1.4.1 The Government of Balochistan, through amendments under the Balochistan Finance Act, 2025, has withdrawn the zero-rating of Balochistan Development & Maintenance Infrastructure Cess (BDMIS) on goods exported outside the province. Consequently, Holding Company's export Goods Declarations for supplies of HSD and lubricants to export-oriented entities were withheld in the PSW system due to non-payment of BDMIS. The Holding Company filed Writ Petition No. 2261/2025 before the Balochistan High Court challenging the levy. On December 29, 2025, the Court granted a stay against the collection of BDMIS on Holding Company's export Goods Declarations, subject to an undertaking. Based on the views of tax and legal advisor of the Holding Company, the management believes that it is more likely than not that the matter will ultimately be decided in favor of the Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.5 Other Legal Claims

15.1.5.1 As at December 31, 2025 certain legal cases amounting to Rs. 10,583,493 thousand (June 30, 2025: Rs. 7,343,384 thousand) have been filed against the Group. However, based on advice of legal advisors of the Group, the management believes that the outcome of these cases would be decided in Group's favour. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.5.2 Claims against the Group not acknowledged as debts amount to Rs. 18,147,752 thousand (June 30, 2025: Rs. 16,909,893 thousand) other than as mentioned in note 15.1.1 above.

15.1.5.3 The Group's share in associates' contingencies in respect of various tax and legal matters as at December 31, 2025 is Rs. 1,525,782 thousand (June 30, 2025: Rs. 1,528,892 thousand).

15.2 Commitments

	Un-audited December 31, 2025	Audited June 30, 2025
	------(Rupees in '000)-----	
15.2.1 Capital expenditure contracted for but not yet incurred	<u>18,368,188</u>	<u>11,068,946</u>
15.2.2 Letters of credit	<u>38,540,996</u>	<u>49,655,314</u>
15.2.3 Bank guarantees	<u>5,134,981</u>	<u>5,520,909</u>
15.2.4 Standby Letters of credit	<u>85,105,032</u>	<u>86,224,324</u>
15.2.5 Post - dated cheque	<u>-</u>	<u>26,739,525</u>

16. Net sales

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	------(Rupees in '000)-----			
Gross Sales	<u>1,682,942,080</u>	1,839,999,896	<u>853,141,414</u>	<u>944,598,465</u>
- Sales tax	<u>(84,022,338)</u>	(98,982,520)	<u>(39,649,931)</u>	(42,012,373)
- Discounts / allowances	<u>(1,249,466)</u>	-	<u>(837,505)</u>	-
- Inland freight Equalization Margin (IFEM)	<u>(27,793,242)</u>	(22,147,996)	<u>(14,678,795)</u>	(10,936,581)
	<u>(113,065,046)</u>	(121,130,516)	<u>(55,166,231)</u>	(52,948,954)
Net Sales	<u>1,569,877,034</u>	1,718,869,380	<u>797,975,183</u>	<u>891,649,511</u>

17. Other income

Includes delayed payment surcharge from customers, profit on bank deposits and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

18. Finance costs

Includes mark-up on short-term borrowings amounting to Rs. 11,922,451 thousand (December 31, 2024: 18,362,902 thousand).

19. Earnings per share - Basic and diluted

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	------(Rupees in '000)-----			
19.1 Basic				
Profit for the period attributable to the owners of the Holding Company	<u>14,713,485</u>	9,147,466	<u>4,182,038</u>	<u>6,298,581</u>
	------(Number of Shares)-----			
Weighted average number of ordinary shares in issue during the period	<u>469,473,302</u>	469,473,302	<u>469,473,302</u>	<u>469,473,302</u>
	------(Rupees)-----			
Earnings per share - basic and diluted	<u>31.34</u>	19.48	<u>8.91</u>	<u>13.42</u>

19.2 Diluted

There is no dilutive effect on the basic earnings per share of the Holding Company as there are no convertible potential ordinary shares in issue as at December 31, 2025 and December 31, 2024.

	Note	Un-audited Six months ended	
		December 31, 2025	December 31, 2024
------(Rupees in '000)-----			
20. Cash generated from operations			
Profit before taxation, minimum tax differential and final taxes		33,466,679	24,353,836
Depreciation and amortisation		3,725,419	3,039,845
(Reversal of) / provision for impairment of trade debts - net		(27,417)	190,082
Reversal of provision for other receivables - net		(9,687)	(30,681)
(Reversal of) / provision for stores, spares and loose tools		(100,573)	41,812
Provision for retirement and other services benefits		1,129,243	1,186,454
Provision for write down of inventory to net realisable value		5,287,701	64,929
Gain on disposal of operating assets		(33,308)	(16,597)
Profit on deposits		(523,354)	(647,203)
Share of loss / (profit) from associates - net of tax		67,586	(656,142)
Dividend income from FVOCI investment		(357,880)	(960,000)
Interest on lease payments		888,859	623,505
Finance costs		12,524,927	20,465,126
		22,571,516	23,301,130
Changes in:			
Stores, spares and loose tools		(20,443)	(489,133)
Stock-in-trade		(37,938,585)	31,719,084
Trade debts		23,440,121	17,865,917
Loans and advances		(55,353)	(42,188)
Deposits and short-term prepayments		505,532	(40,701)
Other receivables		(625,157)	(19,702,873)
Trade and other payables		9,546,270	78,006,203
		(5,147,615)	107,316,309
		50,890,580	154,971,275

21. Cash and cash equivalents

Cash and cash equivalents comprises of the following items in these condensed consolidated interim statement of financial position:

	Un-audited Six months ended	
	December 31, 2025	December 31, 2024
------(Rupees in '000)-----		
Cash and bank balances	38,652,516	38,122,078
Short-term investments	59,218,997	59,999,000
Short-term borrowings (finances under mark-up arrangements)	(3,023,569)	(2,967,811)
	94,847,944	95,153,267

22. Financial risk management and fair value of financial assets and liabilities

The Group's financial risk management policies and objectives are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2025.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2025. There have been no change in any risk management policies since the year end.

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 dates. The carrying values of all financial assets and liabilities reflected in these condensed consolidated interim financial statements approximate their fair values. The Group analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at December 31, 2025, except for the Holding Company's investment in PAPCO and subsidiary's (PRL) investment in Treasury Bills, none of the financial instruments are carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 and 13 of these condensed consolidated interim financial statements.

23. Transactions with related parties

- 23.1 Related parties comprise of associates, retirement benefit funds, state owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed consolidated interim financial statements, are as follows:

Name of the related party and relationship with the Group	Nature of Transactions	Un-audited Six months ended	
		December 31, 2025	December 31, 2024
------(Rupees in '000)-----			
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	37,966	88,597
	Dividend received	3,073	7,683
- Asia Petroleum Limited	Income facility charges	-	938
	Pipeline charges	-	10,787
	Dividend received	460,586	552,703
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	211,065	261,939
	Contribution made	212,127	311,887
- Gratuity Fund	Charge for the period	271,650	293,095
	Contribution made	308,453	287,727
- Provident Funds	Charge / Contribution for the period	182,265	174,570
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	115,184	115,485
Key management personnel*	Managerial remuneration including benefits and perquisites	715,226	437,304
Non-executive Directors	Remuneration and fees	22,300	25,750

* There are no transactions with the key management personnel other than those covered under their terms of employments / entitlements.

23.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% of the Holding Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Holding Company. The Holding Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

The Group has availed the exemption available to it under its reporting framework, and therefore has not provided detailed disclosures of its transactions with government related entities except for transactions stated below, which the Group considers to be significant:

Name of the related party and relationship with the Group	Nature of Transactions	Un-audited Six months ended	
		December 31, 2025	December 31, 2024
		------(Rupees in '000)-----	
- Government of Pakistan	Dividend paid	1,055,041	1,055,041
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	142,636	142,636
- Board of Management	Contribution towards expenses of BoM	14,093	21,811
- Pak-Arab Pipeline Company Limited	Pipeline charges Dividend received	3,909,029 357,880	4,330,813 960,000
- Sui Northern Gas Pipelines Limited	Gross sales	490,742,301	578,180,148
- Distribution Companies (DISCOs)	Utility Charges	105,348	253,899
- Gas & Oil Pakistan Limited	Gross sales Late payment charges received	3,738,831 2,485	4,012,239 -
- Flow Petroleum (Pvt) Limited	Gross sales	1,205,219	1,598,624
- Pakistan Railways	Gross sales	18,786,392	6,893,718
- GENCO	Gross sales	189,007	187,552
- Pakistan International Airlines Corporation Limited	Gross sales Purchases	17,281,591 5,938	18,983,659 2,713
- Government Holdings (Pvt) Limited	Purchases	1,374,749	1,595,068
- Pak-Arab Refinery Limited	Sales - crude sharing Purchases Pipeline charges Other expenses	8,242,026 285,943,758 947,230 -	12,155,823 209,460,873 759,509 -
- Oil and Gas Development Company Limited	Gross sales Purchases	4,331,445 7,604,106	3,321,775 9,285,405
- Petroleum Institute of Pakistan	Services received	24,982	29,130
- Taj Gasoline (Pvt) Limited	Gross Sales	6,787,971	-
- Mari Energies Limited	Purchases	551,879	72,636
- Pakistan Petroleum Limited	Gross sales Purchases	278,785 31,140	274,676 145,468
- Parco Pearl Gas (Private) Limited	Gross sales Purchases	128,572 255,114	- 412,941
- K-Electric Limited	Gross sales Income facility charges Services received	65,170 - 146,113	11,088,928 6,394 -
- Meezan Bank Limited	Finance cost and bank charges / services received	1,587,375	3,189,771
- National Bank of Pakistan	Finance cost and bank charges	3,496,750	6,060,047

The transactions described below are collectively but not individually significant to these condensed consolidated interim financial statements and therefore have been described below:

- (i) The Group sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Group, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Group.
- (ii) The Group collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Group also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- (iii) The Group incurs rental charges in respect of storage facilities at Kemari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Group also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Group has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The group uses pipeline of Pak-Arab Refinery Limited (PARCO) and Pak-Arab Pipeline Company Limited (PAPCO) for delivery / movement of its products.
- (vi) The Group obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited, Water and Power Development Authority and K-Electric Limited.
- (vii) The Group sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Group has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Group also pays dividend to various government related entities who are shareholders of the Group.
- 23.3 Inventory of the Holding Company held by related parties as at December 31, 2025 amounting to Rs. 97,796,291 thousand (June 30, 2025: Rs. 86,290,288 thousand).
- 23.4 Short-term borrowings includes Rs. 84,291,398 thousand (June 30, 2025: Rs. 121,212,275 thousand) under finances obtained from National Bank of Pakistan.
- 23.5 The status of outstanding receivables and payables from / to related parties as at December 31, 2025 are included in respective notes to these condensed consolidated interim financial statements.
- 23.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

24. Operating segments	Un-audited Six months ended	
	December 31, 2025	December 31, 2024
24.1 Segment-wise revenue and profits are as under:	------(Rupees in '000)-----	
Revenue - net sales		
Petroleum Products	1,080,563,000	1,104,604,000
Liquefied Natural Gas (LNG)	412,236,000	515,384,493
Refining operations	71,277,814	93,568,250
Others	5,800,220	5,312,637
	<u>1,569,877,034</u>	<u>1,718,869,380</u>
Profit / (loss) for the period		
Petroleum Products	14,235,544	8,999,222
Liquefied Natural Gas (LNG)	(4,087,785)	(906,368)
Refining operations	4,070,306	(3,128,345)
Others	1,978,641	3,085,960
	<u>16,196,706</u>	<u>8,050,469</u>

- 24.2 Timing of revenue recognition is at a point in time.
- 24.3 Out of total sales of the Group, 98.6% (December 31, 2024: 98.5%) relates to customers in Pakistan.
- 24.4 All non-current assets of the Group as at December 31, 2025 and December 31, 2024 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 35% during the six months period ended December 31, 2025 (December 31, 2024: 35%).
- 24.5 Out of total gross sales of the Group, sales for the six month period ended December 31, 2025, amounting to Rs. 490,931,308 thousand (December 31, 2024: Rs 579,090,138 thousand), relates to circular debt customers.

25. Disclosure Requirement for Companies Not Engaged In Shariah Non-Permissible Business Activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)/2024 dated 15 August 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities. Following information is disclosed pursuant to the amendment:

Description	Explanation	Un-audited	Audited
		December 31, 2025	June 30, 2025
		------(Rupees in '000)-----	
Statement of financial Position			
Cash and bank balances	Bank accounts under Islamic finance	<u>1,320,007</u>	<u>2,140,442</u>
Short term financing - secured	Financing obtained as per Islamic mode	<u>99,111,993</u>	<u>53,216,314</u>
Long term financing - secured	Financing obtained as per Islamic mode	<u>2,700,000</u>	<u>2,700,000</u>
Short term financing - secured	Mark-up accrued on conventional loan	<u>1,909,700</u>	<u>2,302,801</u>
Short term financing - secured	Profit accrued on Islamic loan	<u>574,883</u>	<u>498,687</u>
Long term investments	Shariah Compliant	<u>93,363</u>	<u>57,676</u>
Long term investments	Non Shariah compliant	<u>9,387,536</u>	<u>10,902,218</u>
		Un-audited	
		Six months ended	
		December 31, 2025	December 31, 2024
		------(Rupees in '000)-----	
Description			
Statement of profit or loss and other comprehensive income			
Mark up / Profit (Expense):			
Short term financing - secured	Mark up on conventional mode of financing	<u>10,058,260</u>	<u>16,208,918</u>
Short term financing - secured	Profit on Islamic mode of financing	<u>1,864,191</u>	<u>3,853,526</u>
Mark up / Profit (Payment):			
Short term financing - secured	Mark up on conventional mode of financing	<u>10,451,361</u>	<u>16,728,241</u>
Short term financing - secured	Profit on Islamic mode of financing	<u>1,867,221</u>	<u>3,993,500</u>
Other Income			
Other income earned from Shariah Compliant avenues			
Handling, storage and other services		<u>2,066,798</u>	<u>2,151,133</u>
Income from Compressed Natural Gas (CNG) operators		<u>43,690</u>	<u>48,251</u>
Income from non-fuel retail business		<u>212,285</u>	<u>200,258</u>
Income from retail outlets - net		<u>151,642</u>	<u>136,591</u>
Gain on disposal of property, plant and equipment		<u>33,308</u>	<u>16,597</u>
Reversal of provision against stores, spares and loose tools		<u>100,573</u>	<u>-</u>
Reversal of impairment on financial assets		<u>37,105</u>	<u>-</u>
Scrap sales		<u>70,939</u>	<u>125,559</u>
Profit on saving accounts		<u>56,634</u>	<u>113,072</u>
Others		<u>175,408</u>	<u>217,356</u>
Other income earned from non Shariah Compliant avenues			
Dividend income long term investments at fair value through other comprehensive income		<u>357,880</u>	<u>960,000</u>
Penalties and other recoveries		<u>367,863</u>	<u>240,988</u>
Reimbursement of financial charges on line fill cost		<u>1,947,761</u>	<u>2,741,153</u>
Interest on delayed payments		<u>447,835</u>	<u>427,093</u>
Interest / markup on saving accounts		<u>737,034</u>	<u>2,070,616</u>
Interest income on short term placements		<u>2,161,024</u>	<u>1,122,508</u>
Others		<u>251,428</u>	<u>602,997</u>

26. Events after the reporting date

The Board of Management of the Holding Company in its meeting held on February 17, 2026 has proposed an interim cash dividend of Rs. Nil (December 31, 2024: Nil) amounting to Rs. Nil (December 31, 2024: Nil) for the year ending June 30, 2026.

27. General

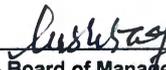
The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

28. Date of authorisation for issue

These condensed consolidated interim financial statements were approved and authorised for issue on February 17, 2026 by the Board of Management of the Holding Company.



Managing Director & CEO



Member - Board of Management



Chief Financial Officer



PSO House, Khayaban-e-Iqbal, Clifton, Karachi-75600, Pakistan.

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