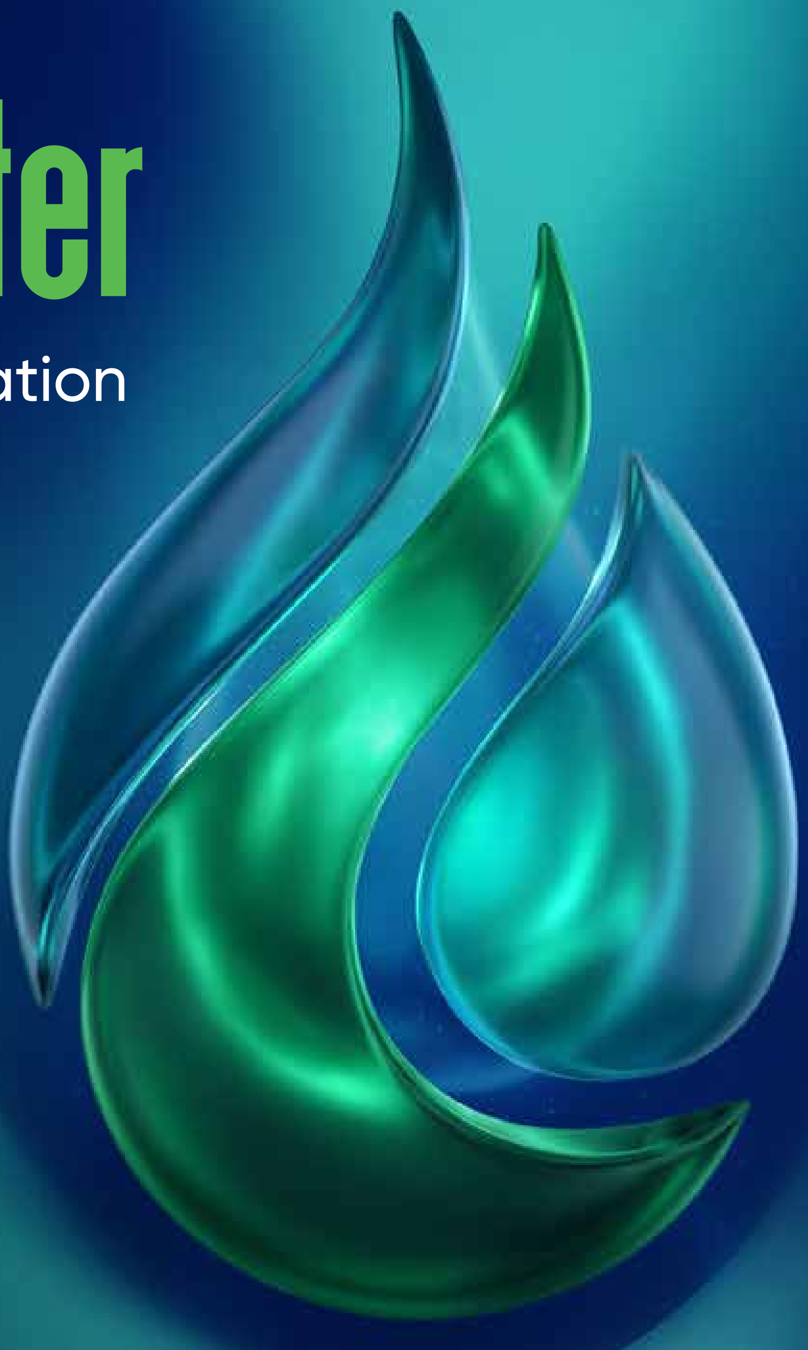
PRL
PAKISTAN REFINERY LIMITED

Leading The Next Chapter

Driven by Transformation



Annual Report
2026

Leading The Next Chapter

Driven by Transformation

Since its incorporation in 1960, PRL has continued to evolve with a focus on operational capability, innovation and responsible growth. Over the decades, the Company has played an important role in Pakistan's refining sector, adapting to changing market requirements while continuing to serve the country's energy needs.

With a clear long-term vision, PRL is advancing its Refinery Expansion and Upgrade Project (REUP), a major step in the Company's transformation. The project is intended to double crude oil processing capacity from 50,000 bpd to 100,000 bpd, significantly reduce HSFO production and enable the production of cleaner Euro V-compliant Motor Spirit and High-Speed Diesel.

As the energy landscape continues to evolve, PRL remains focused on strengthening operational efficiency, improving its product mix and building greater resilience for the future. Through this transformation, the Company aims to support Pakistan's growing energy requirements while embedding sustainability, responsible operations and continuous improvement across its business.

TABLE OF CONTENTS

About the Report

The Annual Report 2026 covers the period from July 1, 2025, to June 30, 2026, and significant subsequent events until its issuance. This report has been prepared in line with the International Integrated Reporting Framework, the Best Corporate Report (BCR) Evaluation Criteria 2025 of ICAP & ICMAP, and the SECP ESG Disclosure Guidelines. It reflects PRL's continued commitment to transparency, accountability, and alignment with global best practices in corporate reporting, while comprehensively highlighting its operations, values, sustainability priorities, and commitments.

Key Components of Integrated Reporting encompass:

- Organisational Overview and External Environment
- Governance Structure
- PRL's Business Model
- Risks and Opportunities
- Strategy and Resource Allocation
- Performance and Achievements
- Outlook and Challenges
- Basis of Presentation

The online version of this report is available on PRL's website, accessible through the following link:
http://www.prl.com.pk/financial-reports/

Company Information

Deputy Managing Director (Finance)/CFO
Imran Ahmad Mirza

Company Secretary
Shehrzad Aminullah

Auditors & Tax Advisors
KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor
Orr Dignam & Co.

Registrar & Share Registration Office
FAMCO Share Registration Services (Pvt.) Limited.
8 F, near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

Bankers
Askari Bank Limited
Bank Alfalah Limited
Bank AL-Habib Limited
Bank of China Limited-Pakistan Operations
Dubai Islamic Bank
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Industrial and Commercial Bank of China-Pakistan Operations
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab Limited
United Bank Limited

Registered Office
P.O. Box 4612, Korangi Creek Road,
Karachi-75190.
Tel: (92-21) 35122131-40
Fax: (92-21) 35060145, 35091780
info@prl.com.pk
www.prl.com.pk

Chairman's Review

It is my pleasure to present the 66th Annual Report of Pakistan Refinery Limited ("the Company") for the year ended June 30, 2026 to the shareholders.

The business environment during the latter half of the year under review remained challenging due to the Middle East conflict, which resulted in significant volatility in global oil markets. Sharp movements in crude oil and product prices affected Gross Refining Margins (GRMs), while the closure of the Strait of Hormuz resulted in higher freight and marine insurance costs. In these turbulent times, the Company diversified its crude procurement using alternate sources which not only helped the Refinery maintain uninterrupted operations and continued supply of petroleum products, but together with improved crack spreads and operational efficiencies helped register the highest-ever profit in the history of the Refinery. The Company registered a profit after taxation of Rs. 15.8 billion as compared to a loss after taxation of Rs. 4.7 billion in the previous year, resulting in a swing of Rs. 20.4 billion. This was achieved despite the further dwindling demand for High Sulphur Furnace Oil (HSFO) resulting in over 98% of HSFO being exported during the year. The Company also achieved a significant operational milestone during the year by producing more than 800,000 Metric Tons of High-Speed Diesel (HSD) for the first time in its history.

Following completion of Front-End Engineering Design (FEED), Engineering, Procurement, Construction and Financing (EPCF) bid evaluation, a conditional Engineering Procurement Construction (EPC) Letter of Intent (LoI) was issued in December 2025. Given the geopolitical situation, assessment of alternative phased project execution approach is also being considered to ensure timely project completion. At the same time, considerable efforts have been made to achieve financial close through engagement with multilaterals, Export Credit Agencies (ECAs), financial institutions, potential strategic investors and the principal shareholder with support of the Ministry of Energy (Petroleum Division).

During the year ended June 30, 2026, PRL successfully achieved 10 million safe man-hours without a Lost Time Injury (LTI), marking another significant milestone. This achievement depicts that Health, Safety, Environment and Quality (HSEQ) continue to remain one of the top priorities of the Company entailing continuous review and strengthening of processes and enhancement of safety across the workplace. Consequently, your refinery remained compliant with all applicable HSEQ standards.

Your Company continues to exhibit its commitment of being a responsible corporate citizen by contributing to the well-being of the communities it serves by way of donations in the education, healthcare, mental health, and community development sectors to various organisations, including Citizens Foundation, ChildLife Foundation, Karwan-e-Hayat, Layton Rahmatulla Benevolent Trust, Behbud Association and GoRead.pk.

Financial results are explained in detail in the enclosed Directors' Report and Financial Statements for the year ended June 30, 2026.

I would like to acknowledge the dedication, hard work and commitment of all the employees of the Company, to whom I am thankful. I would also like to express my gratitude to my fellow Directors, our valued customers, suppliers, contractors, the Government of Pakistan, particularly Ministry of Energy (Petroleum Division) and all other stakeholders for their continuous support.

Tariq Kirmani
Chairman
Karachi: August 13, 2026

MD & CEO'S Message

Dear Shareholders,

It is my privilege to present the Annual Report of Pakistan Refinery Limited for the year ended June 30, 2026. I assumed the responsibility of Managing Director & CEO towards the end of the financial year and am honoured to lead PRL at an important stage in its journey. The Company enters this next phase with improved financial performance, continued operational discipline and steady progress on its long-term transformation plans.

FY 2025-26 marked a significant improvement in PRL's financial performance. The Company recorded a profit after tax of approximately Rs. 15.8 billion, compared with a loss after tax of approximately Rs. 4.7 billion in the preceding year. The improvement was supported by better refining economics, prudent crude and product planning, effective inventory and working capital management, and continued focus on operational and cost discipline. The Company also generated positive cash flows from operating activities during the year, strengthening its financial position.

Operational reliability and safety remained key priorities throughout the year. PRL maintained Refinery operations while responding to volatility in regional crude supply and changing market conditions through proactive planning, alternate sourcing and close coordination across functions. The achievement of more than 10 million safe man-hours without a Lost Time Injury during the year also reflects the continued focus of our employees and contractors on maintaining a safe working environment.

The Refinery Expansion and Upgrade Project (REUP) remains central to PRL's long-term strategy. Following completion of the Front-End Engineering Design and detailed technical and commercial evaluation of bids, the project progressed further during the year with the selection of the EPCF contractor and issuance of a conditional Letter of Intent. Work also continued on arranging the equity and debt financing required for the project and progressing towards Financial Close. PRL further advanced the environmental and regulatory aspects of REUP through the relevant Technical Experts and Public Hearing.

On completion, REUP is intended to double PRL's crude processing capacity from 50,000 to 100,000 barrels per day, significantly reduce High Sulphur Furnace Oil (HSFO) production and enable the production of Euro V-compliant Motor Spirit and High-Speed Diesel. As the project moves forward, PRL will remain focused on sound project governance, cost optimisation, financing arrangements and careful execution.

During the year, the Company also continued to strengthen the capabilities required to support its future growth. Digital initiatives and greater use of enterprise systems supported improvements across a number of business functions, while learning and development programmes covered technical skills, leadership, governance, information security and operational discipline. PRL also continued its social investment activities, allocating approximately Rs. 50 million to initiatives in healthcare, education, mental health and community development.

Looking ahead, the business environment will continue to be influenced by developments in global energy markets, regulation, financing conditions and changing product requirements. Our priorities remain clear. We will continue to focus on safe and reliable operations, prudent financial management, progress on REUP, organisational capability and improvement in operational efficiency. These priorities will guide PRL as it works towards becoming a more efficient and competitive refinery capable of meeting evolving market requirements and contributing to Pakistan's energy security.

As I begin my tenure at PRL, I have had the opportunity to see first-hand the depth of experience and commitment within the organisation. I would like to thank the Chairman and the Board of Directors for their confidence and guidance, our employees for their dedication, and our shareholders, customers, business partners, government authorities and other stakeholders for their continued support.

I look forward to working with the PRL team and our stakeholders as we take the Company forward and build on the strong foundations established over the years.

Mohsin Ali Mangi
Managing Director &
Chief Executive Officer

Vision

The Refinery of the first choice for all stakeholders.

Mission

Producing top quality and environmentally sustainable products through safe operations, state-of-the-art technology and premium human resources.

PRL Values

PRL's foundation is built upon steadfast commitment to upholding the highest ethical standards in all facets of its operations. It recognises that ethical conduct is not just a choice, but a fundamental responsibility that shapes PRL's relationships, actions and decisions. Guided by this principle, PRL is dedicated to fostering a culture of integrity, transparency and accountability within the organisation.

INTEGRITY TEAMWORK EXCELLENCE

Code of Conduct

All employees of PRL are expected to adhere to the Code of Conduct, which lays down the principles, values, standards, or rules of behaviour that guide the decisions, procedures, and systems of the staff members in a way that:

- Contributes to the welfare of PRL's key stakeholders
- Respects the rights of all constituents affected by PRL's operations

PRL's Code of Conduct conveys the obligations and standards of behaviour expected from employees of PRL and helps the staff resolve any ethical issues that may arise during their duties.

It also ensures that all staff members are aware of the actions that could be considered an offence under the prescribed laws and policies, and the disciplinary action that may be taken by the Company.

Dealing with Customers

- Treat customers fairly and in accordance with mutual agreement
- Deliver the best of the organisation to customers
- Do not unfairly influence customers' decisions

Dealing with Business Partners

- Procurement of services and materials to be based on merits of opportunities available from competing offers
- All discussions with existing or potential business partners should be restricted solely to PRL's needs and the materials/services being offered by that entity
- PRL does not countenance reciprocity with its business partners in any part of the business
- Employees who make procurement decisions should not be involved in solicitation on behalf of charitable, civic, or other organisations for gifts, money or time from current or potential business partners

Information Security and Communications

- Telephone, electronic mail and all other telephonic equipment and computer systems to be used for PRL's business operations and not for personal, private or non-business communication
- Users must consider their actions before downloading, copying, creating or transmitting material
- Messages that are offensive, defamatory, obscene, or discriminatory based on race, colour, national origin, sex, sexual orientation, age, disability, religious or political beliefs, or any individual's status in any protected group or class shall not be created, stored, or copied
- These conditions apply to the use of PRL's systems from within office premises or outside locations including from home

Business Conduct

- There should be no payment of any kind on behalf of PRL to any person, except if required by law
- Political contributions of any kind (including services) are prohibited except if permitted by applicable law and made with specific written approval of senior management
- All transactions must be accurately recorded in the Company's books of account

Media Relations / Public Relations

- Employees are not allowed to participate officially in radio / TV / press seminar programmes or release any information relating to the affairs of PRL or its business areas to the print or electronic media except those specifically designated to do so
- All press releases are to be endorsed by the Managing Director & CEO before their release to the print media

Drug and Alcohol Usage

- Use or distribution of illicit drugs or non-prescribed controlled substances, the misuse of intoxicants or the use of alcohol and drugs by any person on PRL premises or worksite is prohibited

Political Affiliation

- PRL's facilities are not allowed to be used for political campaigning, fundraising or partisan political purposes
- Company's funds or assets shall not be used to make a political contribution to any political party or candidate
- PRL encourages its employees to participate in political processes as individuals in their own time, but these activities must not in any way suggest PRL's support

Conflict of Interest

These include:

- Personal relationships of employees where parties may receive or give an unfair advantage or preferential treatment because of the relationship
- Actions or relationships that might conflict or appear to conflict with an employee's job responsibilities or the interests of PRL
- Direct or indirect financial interest in or a financial relationship with PRL competitors, suppliers, or customers (except for insignificant shares in publicly held companies)
- Taking part in any business decision involving a Company that employs an employee's spouse or family member
- Any consulting relationship that affects an employee's ability to satisfactorily perform his/her Company's assignments
- Using non-public information for personal gain or advantage or the gain or advantage of any other person
- Investing in an outside business opportunity in which PRL has an interest, except for having an insignificant stock interest in publicly held companies
- Receiving personal discounts or other benefits from suppliers, service providers or customers that are not available to all employees

Harassment

- PRL prohibits harassment in any form, whether physical or verbal by Company employees (management, non-management, trainees, and contractual staff) against any person, as well as harassment directed towards PRL and its employees by customers, contractors, consultants, suppliers, vendors, visitors, and other non-employees whether such conduct occurs on PRL premises in connection with PRL activities or the performance of PRL's work
- All reported or suspected occurrences of forbidden harassment will be treated with sensitivity and discretion and shall be investigated confidentially and as promptly and thoroughly as practicable and necessary
- Employees should:
  - Reject any offer or promise of offer in anticipation of or in exchange for some decision
  - Avoid harassment, including the appearance of such harassment, by refraining from actions, language, and jokes, and by disposing of materials such as posters or magazines, which could be anticipated to offend others
  - Report any harassment that they observe, that is made known to them by others, or that they suspect has occurred
  - Assure PRL employees, as necessary, that all forms of forbidden harassment are expressly prohibited

Gender Equality

PRL is committed to fulfil its responsibility to respect and uphold human rights. PRL strives to protect the dignity of its employees, and everyone impacted by its operations. All employees are given equal opportunities for employment and professional development, regardless of their gender, ethnic and cultural background, religion, functional ability, and political view. PRL is committed to being a fair employer that promotes gender equality across its business and believes that gender equality is all about empowerment that provides the foundation for a prosperous future.

Company Profile

PRL was incorporated in Pakistan as a public limited company in May 1960 and is engaged in the production and sale of petroleum products. PRL's shares are publicly traded on the Pakistan Stock Exchange Limited. The refinery is strategically located in Karachi, with a designed throughput capacity of 50,000 bpd. The major units in the refinery complex are Crude Distillation Unit, Hydrotreating Unit, Platformer Unit, and Isomerisation Unit.

Business Model and Operational Networks

Product Profile and Market Share

PRL produces and sells:

- High-Speed Diesel (HSD)
- Motor Spirit (MS/Petrol)
- High Sulphur Furnace Oil (HSFO)
- Jet Fuels (JP-1 & JP-8)
- Kerosene
- Naphtha
- Liquefied Petroleum Gas (LPG)

All these products are sold to Oil Marketing Companies who then sell the same to their customers. PRL also supplies Jet Fuels and other petroleum products to the armed forces. Any surplus HSFO and Naphtha are exported. Company's market share based on actual sales during the year 2025-26 was 13% as compared to 8% last year. (Source: Oil Companies Advisory Council)

Group Structure

Pakistan Refinery Limited (PRL) is the subsidiary of Pakistan State Oil Company Limited (PSO) that holds 63.56% shares in PRL. PSO is a public company listed on the Pakistan Stock Exchange. Detailed shareholding structure of PSO can be obtained from the Pattern of Shareholding in the published financial statements of PSO. Major shareholders of PSO include Government of Pakistan that holds 25.51% shares of PSO. Other shareholders include banks, insurance companies, modarabas and mutual funds and the public. PRL also holds 27.26% shares in Pak Grease Manufacturing Company (Private) Limited (PGMC) which is treated as PRL's associated company in the annexed financial statements. Other shareholders of PGMC include PSO and other private investors.

Value Chain Position and Business Connections

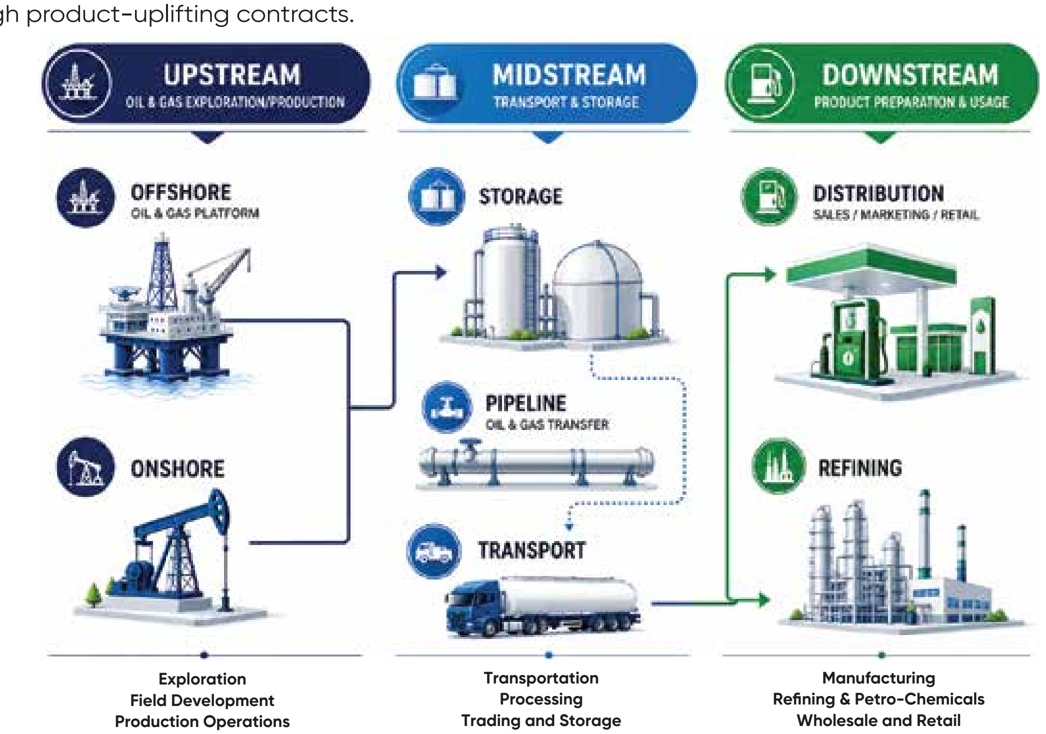
The oil industry is segregated in three broad categories i.e.,

1) Upstream that includes offshore and onshore oil and gas exploration and production companies
2) Midstream that includes pipelines, transportation, and storage
3) Downstream that includes refineries, petrochemical manufacturing, and oil marketing companies

PRL, being a refinery, represents the downstream sector of the oil industry. PRL procures crude oil from various Exploration and Production (E&P) companies and then refines it into various petroleum products. These products are then supplied to oil marketing companies (OMCs) for further distribution to end-users. PRL has established strong business connections through supply contracts with E&P companies, such as:

- ARAMCO
- Abu Dhabi National Oil Company (ADNOC)

These agreements provide PRL with a consistent supply of crude oil, which is essential for sustained refinery operations. PRL has strong business connections with OMCs, including PSO and Wafi Energy Limited (previously Shell Pakistan Limited), through product-uplifting contracts.



Company History Milestones

1959
The agreement was signed between the Government of Pakistan and four major oil companies to construct and operate the largest refinery in Pakistan.

1960
PRL was incorporated as a public limited company. Contract awarded for construction of Refinery to M/s Kellogg Group of Companies.

1961
Piling work started at the Refinery site.

1962
Earlier that year, the foundation stone was laid by the then Minister for Fuel, Power, and Natural Resources Mr. Zulfiqar Ali Bhutto. The plant came into operation 2 months ahead of the schedule. Later in the year, official opening was performed by the then President of Pakistan, Field Marshal Mohammad Ayub Khan.

1964
Expansion of crude oil processing capacity from 1.5 MT per year to 2.1 million MT per year.

1971
PRL purchased 27.26% shares in Pak Grease Manufacturing Company (Private) Limited.

1972
Commissioning of PRL Airport pipeline connecting the Refinery with Karachi Airport.

1981
Commissioning of LPG plant to produce 6,000 MT LPG per year.

1985
PRL started processing local crude oil.

1999
Installation of Crude Desalter Unit to improve the quality of crude oil stream and reduce fouling in heat exchangers.

2000
Commissioning of Fuel Oil loading gantry to load fuel oil into tank lorries on behalf of customers.

2001
Implementation of SAP ERP software.

2015
Commissioning of Isomerisation Unit that doubled the production of Petrol from 12,000 MT per day to 24,000 MT per day.

2015
Revamp of Crude Unit internal column to increase production of HSD by minimising overlapping.

2018
Installation of 4.5 MW captive power plant.

2019
Commissioning of white oil gantry enabling supply of HSD, MS, and Jet fuels.

2022
Recorded a significant profit milestone. REUP was approved, followed by award of the FEED contract and appointment of Financial Advisors.

2024
PRL signed agreements with OGRA under the Brownfield Refining Policy for REUP.

2025
Conditional EPC Letter of Intent issued for REUP following completion of FEED and EPCF bid evaluation.

2026
Achieved the highest-ever profit in PRL's history, with profit after tax of Rs. 15.8 billion, alongside record HSD production of over 800,000 MT.

SWOT Analysis

Strengths

Strategic location near port facilities enables efficient crude procurement and product exports.

Integrated infrastructure with pipeline connectivity to customers' terminals provides competitive advantage through smooth logistics and reliable delivery.

Experienced, qualified, and safety-focused employees with strong technical expertise.

Established HSEQ systems and a strong safety culture support safe, reliable and efficient operations.

Support from PSO strengthens PRL's market presence and commercial synergies.

Strong Board oversight and structured corporate controls support transparency, accountability and effective governance.

Weaknesses

Meeting Euro V specifications requires significant investment and complex technology upgrades; until completion of REUP, PRL remains exposed to product specification-related competitive pressures.

Dependence on imported crude exposes PRL to foreign exchange volatility, international pricing movements and supply-chain risks.

High HSFO yield with current configuration continues to pressure profitability, given limited domestic demand.

Ageing infrastructure in certain units creates operational constraints and high maintenance overheads until upgrades are implemented.

Opportunities

The revised Brownfield Refining Policy continues to incentivize upgrades and investment in the refining sector.

Positioned to double crude processing capacity, phase out HSFO and enable production of Euro V compliant HSD and MS with reduced carbon footprint.

Leveraging automation, analytics and digital monitoring can further improve operational efficiency, safety and decision-making.

Market preference for cleaner fuels provide opportunities for increased production of high-value, Euro V compliant products following the upgrade.

Threats

Regulatory shifts: New or revised pricing mechanisms, emission controls, and compliance requirements may impact margins and long-term strategies.

Energy transition trends: Rapid global move towards renewables and alternative fuels could gradually reduce demand for fossil-based products

Macroeconomic volatility: Persistent inflation, Rupee devaluation, and higher financing costs threaten operational stability.

Regional and global geopolitical developments and disruptions in crude supply chains may affect crude availability and procurement costs.

Competition from imports of refined products at lower prices can erode domestic market share until REUP enhances efficiency and compliance.

PESTEL Analysis

P — Political

Petroleum product pricing remains subject to government policy and regulatory frameworks, with changes potentially affecting refinery margins.

Regional geopolitical developments and volatility in global energy markets directly impact supply security and costs.

Reliance on imported crude exposes the refining industry to changes in international trade, foreign exchange availability and volatility.

Company's Response

PRL actively engages with government and regulatory stakeholders to align with pricing frameworks and policy measures. The Company also monitors international crude benchmarks, supply dynamics and regional trade flows to support timely operating and procurement decisions.

E — Economic

Movements in inflation, interest rates and the Rupee–USD exchange rate continue to influence operating costs and financial performance.

Fluctuations in global crude oil and petroleum product prices directly affect refining margins and working capital requirements.

Availability and cost of financing remain important considerations for refinery operations

Company's Response

PRL continues to apply disciplined financial management and risk mitigation measures to manage exposure to exchange rate, interest rate and market volatility. The Company also focuses on optimising crude procurement, managing working capital and identifying operational efficiencies.

S — Social

Refining is an essential industry supporting national energy requirements, with increasing stakeholder expectations regarding safety, environmental responsibility and reliable energy supply.

Evolving workforce requirements are increasing demand for specialised technical and digital capabilities.

Communities, employees, investors and other stakeholders increasingly expect transparency regarding sustainability and social impact.

Company's Response

PRL invests in training, skills development and employee engagement initiatives to strengthen workforce capabilities. The Company also undertakes social investment initiatives across areas including healthcare, education and community development, while continuing to engage with its stakeholders.

T — Technological

The refining sector requires continuous technological advancement to meet evolving fuel specifications, improve operational efficiency and enhance environmental performance.

Digitalisation, automation, advanced analytics and emerging technologies continue to create opportunities for improved monitoring, decision-making and operational excellence.

Company's Response

As part of REUP, PRL plans to acquire advanced conversion technologies that will enable production of Euro V compliant HSD and MS while significantly reducing HSFO production. The Company also continues to enhance the use of digital technologies across its operations to support efficiency, monitoring, safety and performance.

E — Environmental

Global and national developments relating to climate change, emissions reduction and environmental performance continue to influence the energy and refining sectors.

Adoption of Euro V standard for fuels combined with environmental requirements increase the need for refinery upgrades and cleaner fuel production.

Stakeholder expectations regarding ESG disclosures, resource efficiency and responsible environmental management continue to evolve.

Company's Response

PRL continues to focus on improving environmental performance through operational measures, process improvements and its planned refinery upgrade. Under REUP, the Company aims to improve product specifications, operational efficiency and environmental performance through production of cleaner fuels.

L — Legal

PRL operates within a framework of federal and provincial laws and regulations covering areas including corporate governance, taxation, occupational health and safety, environmental protection and the petroleum sector.

Corporate governance and sustainability-related disclosure requirements continue to evolve, resulting in enhanced reporting and governance responsibilities.

Changes in applicable laws and regulations may affect the Company's operations, costs and compliance requirements.

Company's Response

PRL maintains governance, internal control and compliance processes to support adherence to applicable legal and regulatory requirements. The Company continues to monitor changes in the regulatory environment and update relevant policies, processes and disclosures, where required.

Seasonality and Business Operations

The nature of the petroleum industry is such that demand for petroleum products remains subject to seasonality, alongside other external factors including the availability of alternative fuels, abrupt price changes and political developments. Due to the sustained reduction in local demand for High Sulphur Furnace Oil (HSFO), disposal options have become increasingly constrained, often requiring exports at lower margins. Diesel demand also fluctuates with harvesting and sowing seasons, generally increasing during periods of higher agricultural activity.

Adverse weather conditions, such as floods, heavy rains and extreme heat, may also contribute to temporary slowdowns in economic activity and consequently affect product demand. In addition, imbalances between domestic supply, imports and market demand can create temporary product surpluses and margin pressures. PRL continues to manage these exposures through operational and crude planning, while the Refinery Expansion and Upgrade Project (REUP) is expected to improve the product mix and significantly reduce reliance on HSFO.

Legislative and Regulatory Framework

PRL operates in a regulated environment and complies with applicable environmental, corporate, commercial and taxation laws at both federal and provincial levels. In addition, the Company is subject to directives from relevant regulatory bodies, including the Ministry of Energy (Petroleum Division), Oil & Gas Regulatory Authority (OGRA) and environmental authorities.

The regulatory environment continues to evolve and may have a significant influence on PRL's operations and strategic priorities. The Refining Policy for Brownfield Projects provides a framework for investment in refinery upgrades, including REUP.

PRL also continues to monitor and respond to applicable corporate governance, sustainability and other disclosure requirements to support transparency, accountability and regulatory compliance.

Influences on Business Environment

PRL's business environment is shaped by a range of external influences across the short, medium and long term. These include movements in inflation, foreign exchange rates and global crude oil and petroleum product prices, all of which can affect procurement costs, working capital requirements and refining margins.

Technological developments, including automation, digital monitoring and advanced analytics, continue to influence refining operations and create opportunities for improved efficiency and decision-making. Regulatory developments, evolving fuel specifications and increasing stakeholder expectations regarding sustainability and ESG disclosures also influence PRL's strategic priorities and long-term planning.

Changes in Business Model During the Year

There were no significant material changes in PRL's core business model during the year. The Company continued its principal activities of refining crude oil and producing and marketing petroleum products in line with its established business model. Reduced domestic demand for HSFO, however, continues to necessitate the export of surplus production.

Progress under the Refinery Expansion and Upgrade Project (REUP) represents an important strategic transition for PRL. While it does not change the fundamental nature of the Company's business, REUP is intended to significantly reduce HSFO production, increase the production of higher-value Euro V-compliant fuels and strengthen PRL's long-term operational and competitive position.

Competitive Landscape

PRL continues to supply petroleum products to Oil Marketing Companies (OMCs), which market them to end-consumers. The Company also supplies jet fuel and other petroleum products to the the armed forces and exports surplus products, including HSFO and Naphtha, where required.

Competition within the domestic refining sector is influenced by local demand, domestic refining capacity, imported petroleum products and prevailing market conditions. In addition, competition for crude procurement and the need to meet evolving product specifications continue to place pressure on local refiners to improve efficiency and upgrade their facilities. Through REUP and ongoing operational improvements, PRL aims to strengthen its competitiveness and support sustainable long-term value creation.

Corporate Governance

Mr. Tariq Kirmani has over 50 years of multifaceted experience in the corporate sector, both domestic and international.

After completing his Master's degree in Business Administration, he started his career with a multinational oil company (Caltex - later Chevron Pakistan) in 1969 and worked for 7 years in the United States (US), United Arab Emirates (UAE) and Australia in different senior management positions in Marketing, Operations and Finance. In 1991, he became the first Pakistani to be elected as a Director of the company.

In 1999, he joined Pakistan State Oil Company Limited (PSO) as Deputy Managing Director and in 2001 was appointed as the Managing Director & CEO. He turned around this public sector organisation and converted it into a customer-focused entity by giving it a new brand image and making it profitable while aggressively competing with multinational companies like Shell, Chevron and TOTAL.

In 2005, the Government of Pakistan (GoP) appointed Mr. Tariq Kirmani as the Chairman & CEO of Pakistan International Airlines (PIA). He served the airline for 2 years during which he introduced customer focus, identified, and initiated implementation of major programmes in Aircraft Fleet Renewal, Employee Rationalisation and Systems and Processes through implementation of IT and Enterprise Resource Planning (ERP).

Due to his personal efforts, PSO and PIA became members of the World Economic Forum, Davos, Switzerland and the World Business Council for Sustainable Development, Geneva, Switzerland.

Currently, he is serving as the Chairman of Pakistan Refinery Limited (PRL) and as a Director on the Boards of Gas & Oil Pakistan Limited (GO), Professional Education Foundation (PEF), and National Academy of Performing Arts (NAPA).

He has served as the Chairman of Gas & Oil Pakistan Limited (GO), Punjab Energy Holding Company (Private) Limited (PEHCL), Pakistan International Airlines (PIA), United Bank Limited Fund Managers, Greenstar Social Marketing (GSM), Oil Companies Advisory Council (OCAC), and served as the President of Pakistan Hockey Federation (PHF). He has previously also been on the Boards of multinational and public sector companies such as Chevron Pakistan, Pak-Arab Pipeline Company Limited (PAPCO), Pakistan State Cement Corporation (PSCC), Asia Petroleum Limited (APL), Board of Governors in LUMS, Lahore, IBA Selection Board, Pakistan Telecommunications Limited (PTCL), Pakistan Private Infrastructure Board (PPIB), National Bank of Pakistan (NBP), Pakistan International Airlines (PIA) and Family Educational Services Foundation (FESF).

Mr. Mohsin Ali Mangi is the Managing Director & Chief Executive Officer of Pakistan Refinery Limited (PRL). He is a seasoned professional with over 25 years of local and international experience across diversified sectors. Throughout his distinguished career, he has held several senior leadership positions, including Chief Executive Officer, Chief Strategy & Technology Officer, Chief Operating Officer, Chief Financial Officer, Head of Projects and Businesses, and as an Investment Banker, serving in renowned organisations such as Pakistan State Oil Company Limited, Hubco, Engro, Credit Suisse, NIB Bank, Global Securities (Formerly UBS Warburg), and Elixir Securities Limited (Formerly Indosuez Wikarr) in Pakistan and abroad.

Mr. Mangi has successfully led and implemented several new projects, businesses and products across the agriculture, energy, petrochemicals, infrastructure, trading and mining sectors. He has played a pivotal role in closing financial transactions exceeding US$5 billion, including capital markets, financial restructuring, mergers and acquisitions, and project finance transactions. He possesses extensive experience in establishing organisations from the ground up, leading business transformations, and formulating and executing long-term corporate and business development strategies.

Prior to his appointment as Managing Director & CEO, Mr. Mangi served as a member of the Board of Directors of Pakistan Refinery Limited and has also served on the Boards of Engro Powergen Qadirpur, PSO Renewable Energy (Private) Limited, PSO Venture Capital (Private) Limited and CERISMA (Private) Limited. Mr. Mangi holds an MBA degree from the Lahore University of Management Sciences (LUMS).

Mr. Aftab Husain worked for PRL as Managing Director & CEO from 2011 to 2019. He is currently a member of the Boards of PRL and the Petroleum Institute of Pakistan and has also served on the Boards of PARCO and Pak Grease Manufacturing Company Limited (PGMCL). Mr. Husain has also been a Trustee of Karachi Port Trust (KPT), twice the Chairman of Oil Companies Advisory Council (OCAC) and a Member of the Managing Committee of the Overseas Investors Chamber of Commerce and Industry (OICCI).

A Chemical Engineer and MPA from IBA, Karachi, he has a career in oil refining spanning over 45 years with diversified experience having led all Operations, Technical and Commercial functions in Pakistan Refinery. Mr. Husain has been associated with different committees and working groups on oil pricing mechanism, deregulation refinery issues and formulation of Refining Policy 2023 with the Ministry of Energy (Petroleum Division), Government of Pakistan.

He is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

Mr. Jawwad Ahmed Cheema is the Chief Executive Officer of Pakistan State Oil Company Limited (PSO), Pakistan's largest energy company and the country's leading oil marketing enterprise. He is one of Pakistan's most internationally seasoned energy executives bringing over two decades of corporate oil and gas experience spanning country, regional and global roles across Asia-Pacific, Europe, and South Asia.

He has developed extensive expertise across petroleum supply and trading, commercial strategy, logistics, refining, retail fuels, aviation, lubricants, storage infrastructure development, supply chain optimisation, corporate planning, business transformation, and regulatory engagement. Throughout his career, he has successfully led complex strategic initiatives involving energy security, infrastructure expansion, supply diversification, organisational transformation, and policy reform, while working closely with government institutions, regulators, international energy companies, financial institutions, and industry stakeholders.

As VP Strategy & Portfolio in his previous organisation, he directed the company's worldwide infrastructure strategy, governed substantial annual capital development programmes, and delivered significant enterprise value through network optimisation and portfolio rationalisation. He also built retail fuels business in Indonesia from scratch, and scaled the company's global Business Process Outsourcing platform across Singapore into one of the largest shared services operations in the downstream sector.

He leads the organisation's strategic direction with a focus on strengthening national energy security, delivering sustainable shareholder value, enhancing commercial competitiveness, and transforming the organisation into a future-ready integrated energy company. His leadership is centred on operational excellence, disciplined capital allocation, digital transformation, robust governance, and building a high-performance organisation capable of navigating an evolving global energy landscape.

As Chief Executive Officer, he is committed to positioning PSO as a commercially agile, operationally resilient, and innovation-driven enterprise that continues to play a pivotal role in Pakistan's economic development and energy future. His leadership philosophy emphasises accountability, integrity, meritocracy, fact-based decision-making, customer focus, and disciplined execution, with a strong belief that sustainable success is achieved through capable people, sound governance, continuous improvement, and long-term strategic thinking.

His leadership style is defined by enquiry before advocacy, he reaches for the data, stress tests the assumptions, and insists on named owners and hard deadlines before committing direction. He is a leader shaped by global standards and deeply rooted in Pakistan's energy reality.

He serves on the Boards of Directors of Pakistan State Oil Company Limited, Pakistan Refinery Limited, Pak-Arab Pipeline Company Limited, Asia Petroleum Limited, Cerisma (Private) Limited, PSO Renewable Energy (Private) Limited, and the Petroleum Institute of Pakistan, contributing to the strategic oversight and advancement of Pakistan's energy and petroleum sector.

Mr. Mohammad Abdul Aleem is a Fellow Chartered Accountant (Gold Medalist) and a Fellow Member of the Institute of Cost and Management Accountants. He has also attended extensive international management training programmes, including programmes at Stanford University.

Mr. Abdul Aleem is currently an Independent Director on the Board of Meezan Bank. He is the Chairman of the Audit Committee and a member of the Human Resources, Remuneration, and Compensation Committee of the Board. Previously, he served as a Director on the Board of Meezan Bank from October 2010 to November 2018.

He is also a Director on the Board and Chairman of the Audit Committee of Pakistan Refinery Limited.

Mr. Abdul Aleem is the Chief Executive and Secretary General of Overseas Investors Chamber of Commerce and Industry (OICCI). He has held senior leadership positions with Exxon Chemicals and Engro Corporation, serving in both Pakistan and Singapore. He subsequently worked at the British American Tobacco Group, where he held senior management positions in Pakistan and internationally, ultimately serving as CEO of BAT operations in Cambodia, Mauritius, and the Indian Ocean Territory.

Since 2004, he has held senior leadership roles in major government-owned organisations in Pakistan. His last assignment was as Managing Director of Pakistan State Oil Company Limited.

Mr. Abdul Aleem has in the past been a Director of Engro Corporation, Dawood Hercules Corporation, Pakistan Tobacco Company, Lahore University of Management Sciences (LUMS), and Pakistan Institute of Corporate Governance (PICG), and Chairman of Faysal Asset Management Company.

A strong supporter of non-profit organisations working in the field of education, Mr. Abdul Aleem is currently the Vice Chairman of the Professional Education Foundation and Chairman of the Intellect School Governing Board.

Mr. Mohammad Zubair is a distinguished leader in the corporate world with a remarkable track record that spans over four decades in the national and international Oil and Gas industry. With a notable career at Chevron (formerly Caltex), a global energy giant, from 1977 to 2015, he has held key positions such as Country Representative, Group CFO, and CIA overseeing country management, finance / internal audit, and support services. His extensive experience includes working across various overseas locations, including Caltex Headquarters in Dallas, Thailand, and Singapore, offering him a deep understanding of diverse manpower and professionals across the globe. A seasoned Board Member, Mr. Zubair represented Chevron on various Boards and Committees in Pakistan, Egypt, and Middle East countries.

After his extensive tenure of 38 years at Chevron, he joined Total-Parco as Group CFO & Corporate Head, further enriching his extensive knowledge and experience of the oil and gas industry. He holds academic and professional qualifications from esteemed institutions, including Columbia University NY and the Pakistan Institute of Corporate Governance, complemented by his status as a Fellow Member of the Institute of Chartered Management Accountants.

Mr. Shahbaz Tahir Nadeem is a highly experienced civil servant and a member of the Pakistan Administrative Service. He is currently serving as Joint Secretary (Investments/JVs/Development) in the Petroleum Division of the Ministry of Energy, Government of Pakistan. In this role, he oversees international cooperation efforts of the division.

He has a diverse educational background, including a Commonwealth Master's in Business Administration, LLB, and B.Sc. in Computer Sciences. He has also completed numerous professional training courses, both locally and internationally.

Mr. Shahbaz Tahir Nadeem has extensive experience in public sector management, having worked in all three tiers of Government in Pakistan. He has served as the Project Director of the KP Investment in Human Capital (World Bank), Director General of the KP Revenue Authority (Finance Department), and Deputy Commissioner in Gilgit, Diamer, and Hunza districts.

In addition to his above roles, he has served as a board member of several organisations, including Pakistan State Oil Company Limited, Pakistan Mineral Development Corporation, Pakistan LNG Limited, Saindak Metals, Inter State Gas Systems (Private) Limited (ISGS), Sui Northern Gas Pipelines Limited (SNGPL), Pakistan Petroleum Limited (PPL), and Pakistan Refinery Limited. He has also held board positions at educational institutions and regulatory authorities in Khyber Pakhtunkhwa. He currently serves as a Director of Pakistan Refinery Limited and Government Holdings (Private) Limited.

Mr. Shahbaz Tahir Nadeem is committed to public service and has made significant contributions in the fields of general administration, economic development, and multi-tier governance.

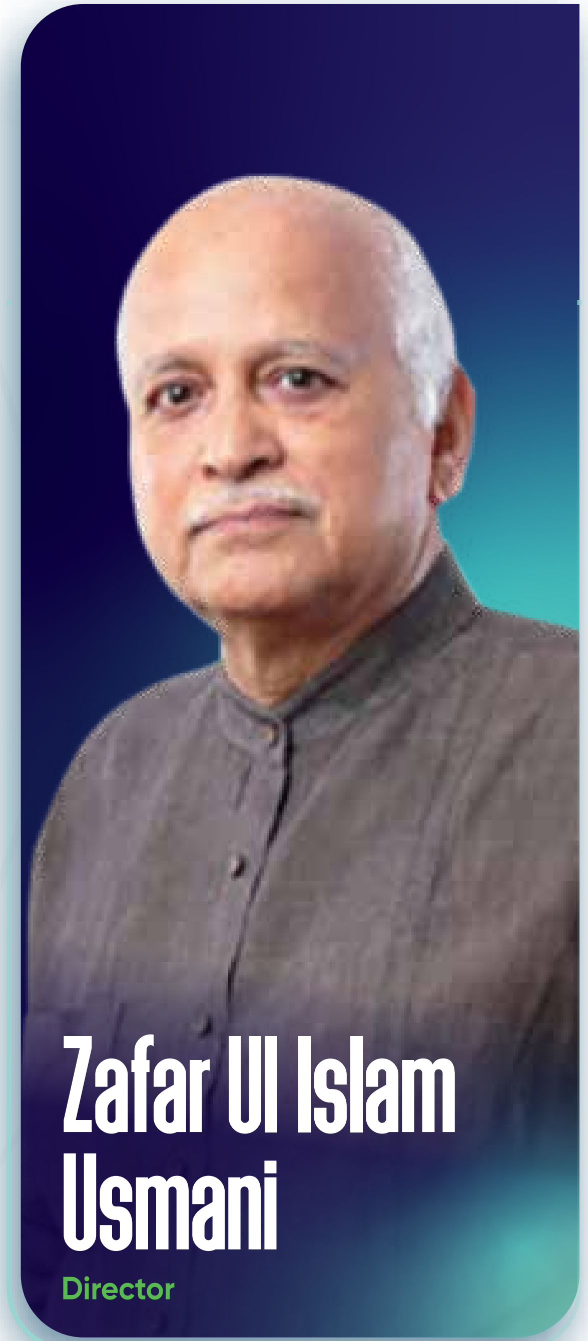
Syed Jehangir Ali Shah is a seasoned veteran of the oil industry. He has served as Acting Managing Director of PSO in 2018 and previously in 2011. He joined PSO in 1984 and worked in various management positions, however, his forte remained sales and marketing as he led all marketing related functions in PSO. He is currently on the Boards of Asia Petroleum Limited, Pakistan LNG Limited and Flow Petroleum (Private) Limited.

As President of Dawood Global Foundation – LADIESFUND – Educate a Girl, to date, **Tara Uzra Dawood** has spearheaded the training of 12,000 women entrepreneurs, vocational education of 10,000 deserving girls in Pakistan and Nigeria and the launch of Pakistan's first all-female incubation centre, The Buraq Center. She is the Chairperson of LADIESFUND Energy (Private) Limited, a renewables project in Gharo, Sindh, to be led and run by women for the purpose of promoting women in the sector. The Company also has certified female engineers solarising rooftops. She is the CEO of 786 Investments Limited, and besides Pakistan Refinery Limited, sits on the Boards of Dawood Family Takaful Limited and Paysys Labs (Private) Limited. She has previously served on the Boards of Pakistan State Oil, Mutual Fund Association of Pakistan and Lahore Electric Supply Company (LESCO), the first female CEO or Director in each of these sectors and one who initiated practices to hire and promote other women.

Mr. Zafar Abbas is a career civil servant who joined the Government of Pakistan in 1998. He has experience of working in Economic and Energy Ministries dealing with policy formulation and implementation, international cooperation for development, project management. Prior to assuming his responsibilities at the Ministry of Energy (Petroleum Division), he served as Additional Secretary (Power Finance) in the Power Division and as Additional Secretary in the Finance Ministry for a short period.

He has also served as Joint Secretary in Power Division and Interior Division from 2015 to 2022. During his stint in the Interior Ministry, he worked as one of the team leads on FATF which helped Pakistan to get out of the grey list in 2022. He has also served as Managing Director of National Transmission and Despatch Company and Power Planning and Monitoring Company and as Secretary to Government of Gilgit Baltistan. He holds a Bachelor's degree in Civil Engineering from University of Engineering and Technology, Lahore and MBA (Oil & Gas Management) degree from the University of Dundee, Scotland (UK).

In addition to Pakistan Refinery Limited, he currently serves on the Boards of Oil and Gas Development Company Limited (OGDCL) and Mari Energies Limited.



Mr. Zafar Ul Islam Usmani has held multiple C-level positions with multinational and national companies. He has worked as Chief Operating Officer in Cable & Wireless JV, Paktel, Chief Executive Officer in ExxonMobil JV in Pakistan, Senior Vice President Commercial in Pakistan International Airlines Corporation, Senior Executive Vice President in Pakistan Telecommunication Company Limited and Chief Operating Officer in CM Pak Ltd (Zong). He has overall 34 years of experience with 17 years in C-level positions, with exposure in the area of management, strategy, planning, marketing, sales, distribution, customer services and finance.

Mr. Usmani's key strength and experience has been in leading the turnaround of struggling and/or financially bleeding companies (ExxonMobil JV in Pakistan), and in accelerating the growth of new and smaller companies to critical mass using technology and out-of-the-box approach (Zong – China Mobile).

Mr. Usmani served as Chairman of Pakistan State Oil Company Limited for more than 4 years where under his dynamic leadership and the Board's direction and guidance, the company was able to regain its lost market share, enhance storage capacity and made significant strides in a number of areas, especially in the fields of digital transformation, organisation restructuring, policies and process improvements and diversification.

Mr. Usmani has also served on the Board of Directors of Lahore Electric Supply Company Limited, Genco Holding Company Limited, Pakistan Telecommunication Company Limited, China Mobile Pakistan, Mobil Askari Lubricants Limited, R&D Fund, and USF under Ministry of Information Technology & Telecommunication. He was the Chairman of PSO Venture Capital (Private) Limited. Additionally, he has also served as member on the Information Technology & Telecom Advisory Board under the Ministry of Information Technology & Telecommunication. He has served on numerous committees of the Board of Directors in different companies which included finance, risk management, information technology and innovation, strategy and diversification, audit, procurement, human resources, HSE, and customer services.

Mr. Usmani holds an MBA degree from Marquette University, Milwaukee, USA under USAID Scholarship and PGD from the Institute of Business Administration, University of Karachi, and Chief Operating Officers Programme from Cable & Wireless College, Coventry, UK. Other than being on the Board of PRL, he is currently the Chairman of Paysys Labs (Private) Limited.

Engagement of Board Members in Business Entities

S. No.	Names of Directors	Related Parties Based on Common Directorships
1	Mr. Tariq Kirmani	Gas & Oil Pakistan Limited Professional Education Foundation National Academy of Performing Arts
2	Mr. Aftab Husain	Petroleum Institute of Pakistan
3	Mr. Jawwad Ahmed Cheema	Pakistan State Oil Company Limited Pak-Arab Pipeline Company Limited Asia Petroleum Limited CERISMA (Private) Limited PSO Renewable Energy (Private) Limited Petroleum Institute of Pakistan
4	Mr. Mohammad Abdul Aleem	Overseas Investors Chamber of Commerce and Industry Meezan Bank Limited Professional Education Foundation Audit Oversight Board Sharmeen Khan Memorial Foundation
5	Mr. Mohammad Zubair	Taj Gasoline (Private) Limited
7	Mr. Shahbaz Tahir Nadeem	Government Holdings (Private) Limited
8	Syed Jehangir Ali Shah	Asia Petroleum Limited Pakistan LNG Limited Flow Petroleum (Private) Limited
9	Ms. Tara Uzra Dawood	786 Investments Limited Dawood Global Foundation LADIESFUND Energy (Private) Limited LADIESFUND Solar (Private) Limited Lean in Pakistan Foundation Dawood Family Takaful Limited Flow Petroleum (Private) Limited Paysys Labs (Private) Limited
9	Mr. Zafar Abbas	Oil & Gas Development Company Limited Mari Energies Limited
10	Mr. Zafar Ul Islam Usmani	Paysys Labs (Private) Limited
11	Mr. Mohsin Ali Mangi (MD & CEO)	Nil

Board Committees

Board Audit & Risk Committee (BARC)		
1	Mr. Mohammad Abdul Aleem	Chairman
2	Mr. Mohammad Zubair	Member
3	Mr. Shahbaz Tahir Nadeem	Member
4	Ms. Tara Uzra Dawood	Member

Terms of Reference

a. Determination of appropriate measures to safeguard PRL's assets

b. Review of annual and interim financial statements of PRL, prior to their approval by the Board of Directors, focusing on:
(i) major judgemental areas
(ii) significant adjustments resulting from the audit
(iii) going concern assumption
(iv) any changes in accounting policies and practices
(v) compliance with applicable accounting standards
(vi) compliance with these regulations and other statutory and regulatory requirements
(vii) all related party transactions

c. Review of preliminary announcements of results prior to external communication and publication

d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter the auditors may wish to highlight (in the absence of management, where necessary)

e. Review of management letter issued by external auditors and management's response thereto

f. Ensuring coordination between the internal and external auditors of PRL

g. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within PRL

h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto

i. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective

j. Review of PRL's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports

k. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body

l. Determination of compliance with relevant statutory requirements

m. Monitoring compliance with the regulations and identification of significant violations thereof

n. Review of arrangements for staff and management to report to BARC in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures

o. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to PRL by the external auditors in addition to auditing its financial statements. The Board of Directors will give due consideration to the recommendations of BARC and where it acts otherwise, it will record the reasons thereof

p. Consideration of any other issue or matter as may be assigned by the Board of Directors

Board Human Resources & Compensation Committee (BHR&CC)		
1	Mr. Tariq Kirmani	Chairman
2	Mr. Aftab Husain	Member
3	Mr. Jawwad Ahmed Cheema	Member
4	Syed Jehangir Ali Shah	Member
5.	Ms. Tara Uzra Dawood	Member
6.	Mr. Zafar Ul Islam Usmani	Member
7.	Mr. Mohsin Ali Mangi	Member (MD & CEO)

Terms of Reference

a. Recommendation to the Board for the selection, evaluation, appointment, compensation (including retirement benefits) and succession planning of the Managing Director & Chief Executive Officer.

b. Recommendation to the Board for the selection, evaluation, appointment, development, compensation (including retirement benefits), succession planning and separation of Chief Financial Officer, Company Secretary and Chief Internal Auditor as well as all General Managers and above.

c. Recommendation to the Board for Human Resource Management Policies.

d. Consideration and approval of recommendations of Managing Director & Chief Executive Officer on such matters relating to Refinery Leadership Team.

e. Annual appraisal and annual merit increase of employees.

f. Recommendation to the Board for consideration and approval of a policy framework for determining remuneration of directors (both executive and non-executive directors).

g. Undertaking, annually, a formal process of evaluation of the performance of the Board as a whole and its Committees either directly or by engaging external independent consultant.

Board Project Steering Committee (BPSC)		
1	Mr. Zafar Ul Islam Usmani	Chairman
2	Mr. Aftab Husain	Member
3	Mr. Jawwad Ahmed Cheema	Member
4	Mr. Shahbaz Tahir Nadeem	Member
5	Mr. Zafar Abbas	Member
6	Mr. Mohsin Ali Mangi	Member (MD & CEO)

Terms of Reference

a. BPSC will review in detail the assumptions, methodology and selected working related to major project metrics/decisions and make recommendations to the Board accordingly.

b. Monitor project progress against defined milestones and assurance gate reviews.

c. Provide guidance as needed to ensure that the Project is aligned to meet PRL objectives, financial goals and is in line with any change in Government policies and decisions, throughout the Project lifecycle.

d. Finalisation of the scope of technical and financial advisors and their selection including all technical and financial aspects of the project.

e. Support management on funding arrangements/securing funds for the project and ensure alignment with major stakeholder objectives and processes on such matters.

Role of the Chairman & CEO

The Chairman is appointed by the Board from amongst the Non-Executive Directors. The Chairman provides leadership to the Board of Directors and chairs General Meetings of the Shareholders. The Chairman also manages conflicts of interest arising, if any, and makes recommendations to improve the performance and effectiveness of the Board. The Chairman of the Board is responsible for ensuring that the Board functions effectively and that all matters relevant to the governance of PRL are appropriately considered in Board meetings. The Chairman is not involved in the day-to-day operations of PRL.

The Managing Director & CEO provides leadership to the Management and is overall responsible for the day-to-day affairs of PRL, in accordance with applicable regulations and directions of the Board. His responsibilities, inter alia, include the implementation of strategies and policies approved by the Board.

Significant Commitments of the Chairman of the Board

The Chairman is committed to promoting long-term shareholder value while safeguarding the interests of all stakeholders. The Chairman provides leadership and guidance to the Board in setting and overseeing PRL's medium to long term strategic direction in line with the Company's Vision and Mission.

Other Directorships of Executive Directors

As of June 30, 2026, the MD & CEO of PRL is the only Executive Director on the Board and does not hold any other Directorships.

Remuneration of Directors

The Board has a formal and transparent procedure for the remuneration of Directors in accordance with the Articles of Association of PRL and the Companies Act, 2017. As per the remuneration policy, the Executive Director is not entitled to any fee for attending meetings of the Board, Board Committees or General Meetings of Shareholders.

External Search Consultancy

No external search consultancy was engaged during the year for the appointment of any Board member.

Security Clearance of Foreign Directors

No foreign Directors were appointed during the year. In case of any such appointment, the Company ensures compliance with applicable requirements regarding security clearance.

Board Meetings Held Outside Pakistan

No Board meetings were held outside Pakistan during the year.

Decisions Taken by the Board and Delegated to the Management

The Board has delegated certain powers to the Managing Director & CEO through a Power of Attorney and has approved a comprehensive Limit of Authority Manual (LAM). The LAM takes into account the requirements of applicable laws and regulations and the Articles of Association of PRL, and defines matters requiring approval of shareholders in General Meetings through ordinary or special resolutions, decisions requiring Board approval, and the extent of authority delegated to Management. In addition to matters requiring specific Board approval under applicable laws and regulations, the Board has identified certain matters that require its specific approval.

Board's View on Diversity

PRL recognises the value of diversity of skills, experience and perspectives on the Board. The Board comprises professionals with leadership experience across relevant disciplines, supporting informed decision-making, effective oversight and long-term value creation.

The Board continues to follow the diversity requirements set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019. As of June 30, 2026, the Board comprises one Executive and ten Non-Executive Directors, including three Independent Directors and one female Director.

External Oversight of Various Functions

To ensure the effectiveness and continuous improvement of PRL's operations and controls, PRL routinely engages external consultants for independent reviews and evaluations. These include third-party surveillance audits under the Integrated Management System (IMS), covering ISO 9001, ISO 14001 and ISO 45001; engagement of external surveyors for crude and product inventory management; and external IT experts for reviews of ERP utilisation and cybersecurity controls. PRL also engages technical consultants, where required, for the review of various equipment, technical processes and investment-related matters in the Refinery.

Safety of Records of PRL

PRL places significant emphasis on the storage and safe custody of its financial and important corporate records. PRL's records include books of accounts, major agreements/contracts, documentation pertaining to taxation, legal and personnel matters, electronic data and other business-related information. The electronic database of the ERP system also forms part of PRL's records. The Company maintains data backup policies for electronic data and a Disaster Recovery Plan, including a Disaster Recovery Site, to support timely restoration of IT facilities.

Related Party Transactions

Related party relationships, including relationships where there is common directorship, and transactions, including outstanding balances as at the year ended June 30, 2026, have been appropriately accounted for and disclosed in accordance with the requirements of the approved accounting standards as applicable in Pakistan and the Companies Act, 2017. All related party transactions are in the normal course of business and do not involve undisclosed side agreements.

Pursuant to the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, complete details of transactions and balances with related parties were placed before the Board Audit and Risk Committee (BARC) for review at the end of each quarter. After review by the Committee, the transactions were considered and duly approved by the Board, keeping in view the recommendations made by the BARC.

Governance Practices Exceeding Legal Requirements

At PRL, we remain committed to upholding strong governance and internal control frameworks, going beyond minimum regulatory requirements in relevant areas to support transparency, accountability and ethical conduct across the organisation. The following practices adopted by PRL complement the minimum legal requirements:

- **Enhanced Financial Reporting:**
  In addition to statutory disclosures required under the Companies Act, 2017 and applicable financial reporting standards, PRL voluntarily aligns its Annual Report with the Best Corporate Report Criteria issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

- **Limits of Authority Manual (LAM):**
  PRL has developed a detailed in-house Limits of Authority Manual that requires Board-level approvals for key decisions, including certain matters where management discretion is permitted under prevailing laws and regulations. This practice reinforces Board oversight and strengthens internal governance.

- **HSEQ Standards:**
  PRL maintains comprehensive Health, Safety, Environment and Quality (HSEQ) policies and procedures incorporating safety protocols, environmental safeguards and quality controls aimed at supporting employee well-being, asset integrity and product quality.

These governance practices reflect PRL's commitment to ethical leadership, stakeholder trust and sustainable long-term performance.

Presence of the Chairman Board Audit and Risk Committee (BARC) at AGM

The Chairman of the BARC, Mr. Mohammad Abdul Aleem, was present at the Annual General Meeting held on September 29, 2025, to respond to shareholder queries related to the Committee's responsibilities, including audit processes, risk oversight and internal control matters.

Enterprise Resource Planning (ERP) System Disclosure

PRL recognises the strategic importance of its Enterprise Resource Planning (ERP) system in integrating operations, enhancing efficiency and enabling informed decision-making. The ERP framework continues to support core business processes and control systems.

- **Integrated Business Process Management:**
  PRL's ERP platform integrates key functions, including finance, human resources, procurement, inventory and maintenance, into a unified system that supports cross-functional coordination, data accuracy and responsiveness.

- **Executive Oversight and Continuous Enhancement:**
  ERP development and utilisation remain a management priority, with regular oversight to ensure alignment with evolving business requirements. System enhancements are informed by business needs, feedback, audit outcomes and performance reviews.

- **Training and User Enablement:**
  Training is provided to employees, as required, to support effective utilisation of ERP capabilities and digital tools across relevant business functions.

- **ERP Risk Management:**
  PRL maintains a structured approach to managing risks associated with ERP systems and projects. This includes testing, access control validation, data integrity safeguards and contingency planning within the Company's broader internal control environment.

- **System Security and Governance:**
  System access is governed through defined user rights and segregation-of-duties protocols. Internal audits and independent reviews, where applicable, support the security and integrity of the system and compliance with relevant requirements.

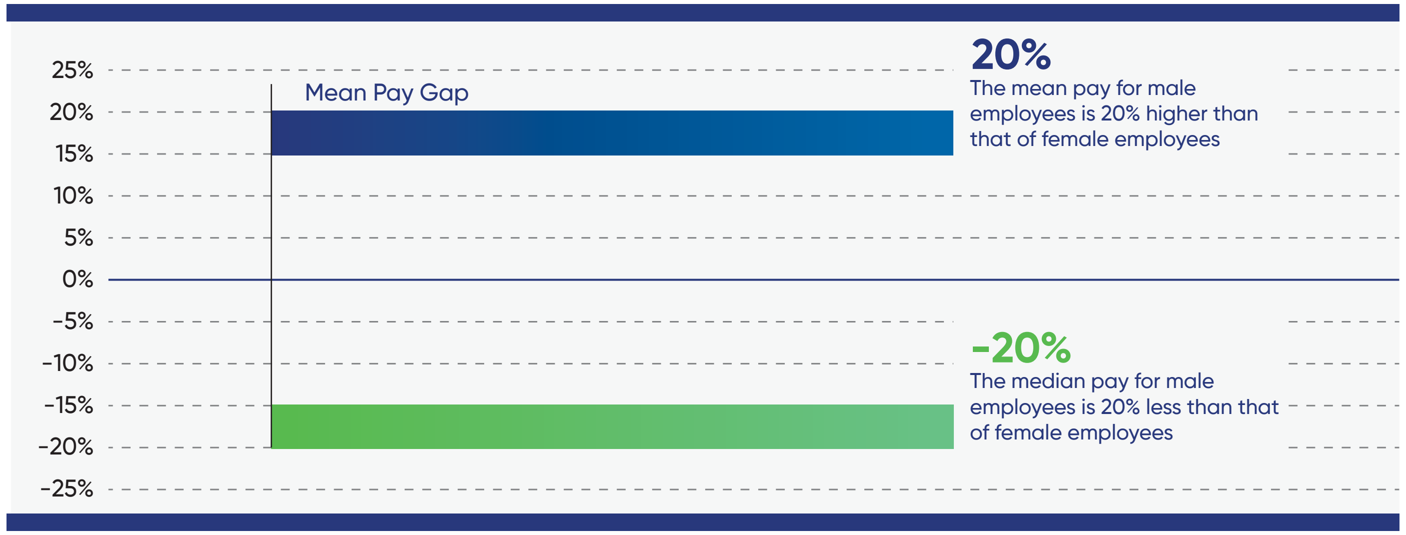
PRL's continued focus on ERP enhancement supports its broader digital transformation and operational efficiency objectives.

Date of Authorisation of Financial Statements

In line with its commitment to timely and transparent financial reporting, PRL's Annual Financial Statements for the year ended June 30, 2026, were approved by the Board of Directors in a meeting held on August 13, 2026. The Company made the necessary disclosure to the Pakistan Stock Exchange (PSX) following the conclusion of the meeting.

Disclosure of Gender Pay Gap

PRL is committed to transparency in employment and remuneration practices. The compensation framework is structured around defined pay bands and factors such as roles and responsibilities, years of experience and individual performance. This approach is designed to support equitable remuneration for comparable roles, irrespective of gender, and reflects PRL's commitment to fair employment practices.



Board Policy Disclosures

At PRL, transparency and effective governance are central to the Company's operations. The Board is committed to disclosing its policies on significant matters that support strategic direction, risk oversight and stakeholder trust. Key areas of the policy framework include:

- **Governance of Risk and Internal Controls:**
  The Board actively oversees PRL's risk management framework and internal control environment, with regular assessments undertaken to evaluate their adequacy and effectiveness.
- **Diversity and Gender Inclusivity:**
  PRL values diversity across all organisational levels and has set measurable objectives to enhance gender representation and inclusivity. Progress is monitored and reported periodically.
- **Directors' Interest in Contracts and Arrangements:**
  Any interest held by a Director in Company-related contracts is transparently disclosed and handled in accordance with applicable laws and governance principles.
- **Remuneration of Non-Executive Directors:**
  Non-Executive and Independent Directors receive remuneration for attending Board and General Meetings, aligned with market standards.
- **Executive Directors' Retention of Board Fees from Other Companies:**
  Any Board fees earned by Executive Directors for serving on other boards are retained by the individuals concerned.
- **Security Clearance of Foreign Directors:**
  Where applicable, foreign Directors appointed to PRL's Board are required to obtain the requisite security clearances from competent authorities.
- **Board Meetings Held Outside Pakistan:**
  Board meetings may be held outside Pakistan, where necessary, in compliance with applicable regulatory requirements.
- **Human Resource Management and Succession Planning:**
  PRL emphasises talent development and maintains succession planning processes to support business continuity and leadership preparedness.
- **Social and Environmental Responsibility:**
  The Company is committed to sustainability and social responsibility, supporting initiatives that contribute to long-term value for society and the environment.
- **Communication with Stakeholders:**
  Effective stakeholder communication is a priority. PRL maintains appropriate channels to support transparency, build trust and foster engagement.
- **Investor Relations and Grievance Redressal:**
  PRL values its investors and maintains mechanisms to address their queries and concerns in a timely manner.
- **Employee Health, Safety, and Protection:**
  Maintaining a safe and secure workplace remains a priority. PRL implements health and safety measures across its operations to support the well-being of employees and other personnel.
- **Whistleblowing Policy:**
  The Company maintains a whistleblowing framework that provides channels for reporting concerns, safeguards against retaliation in accordance with applicable policy, and promotes ethical conduct.
- **Safety of Records:**
  PRL takes appropriate measures to safeguard critical records and support their confidentiality, integrity and availability.
- **Management and Reporting Policies:**
  Operational areas such as procurement, emissions and waste management are governed by documented policies aligned with industry practices and the Company's sustainability objectives.

Pattern of Shareholding

AS AT JUNE 30, 2026

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
4,484	1	100	153,034
3,459	101	500	1,135,526
2,430	501	1,000	2,144,624
4,496	1,001	5,000	12,058,805
1,355	5,001	10,000	10,746,385
440	10,001	15,000	5,647,503
286	15,001	20,000	5,302,429
201	20,001	25,000	4,718,879
138	25,001	30,000	3,915,192
84	30,001	35,000	2,768,637
78	35,001	40,000	3,021,576
43	40,001	45,000	1,853,177
114	45,001	50,000	5,624,060
31	50,001	55,000	1,625,849
28	55,001	60,000	1,638,959
26	60,001	65,000	1,649,316
24	65,001	70,000	1,634,245
28	70,001	75,000	2,056,450
19	75,001	80,000	1,483,701
8	80,001	85,000	664,431
9	85,001	90,000	788,835
13	90,001	95,000	1,195,398
57	95,001	100,000	5,689,862
6	100,001	105,000	612,312
15	105,001	110,000	1,630,075
3	110,001	115,000	339,000
11	115,001	120,000	1,310,305
10	120,001	125,000	1,239,699
5	125,001	130,000	641,433
6	130,001	135,000	796,741
3	135,001	140,000	417,500
6	140,001	145,000	855,605
14	145,001	150,000	2,090,101
5	150,001	155,000	760,550
2	155,001	160,000	320,000
2	160,001	165,000	324,500
4	165,001	170,000	670,380
2	170,001	175,000	348,500
4	175,001	180,000	716,359
2	180,001	185,000	362,773
1	185,001	190,000	187,200

Pattern of Shareholding

AS AT JUNE 30, 2026

	No. of Shareholdings		
No. of Shareholders	From	To	Total Shares
3	190,001	195,000	581,255
11	195,001	200,000	2,199,000
1	205,001	210,000	210,000
1	210,001	215,000	215,000
2	215,001	220,000	435,858
1	235,001	240,000	237,593
6	245,001	250,000	1,500,000
3	250,001	255,000	763,653
1	260,001	265,000	261,000
1	265,001	270,000	270,000
1	270,001	275,000	274,802
2	275,001	280,000	558,000
1	280,001	285,000	285,000
4	295,001	300,000	1,200,000
1	300,001	305,000	301,870
1	305,001	310,000	308,000
2	310,001	315,000	625,798
1	315,001	320,000	317,372
1	330,001	335,000	331,670
2	335,001	340,000	672,878
2	345,001	350,000	700,000
1	365,001	370,000	365,328
2	370,001	375,000	749,238
1	390,001	395,000	395,000
4	395,001	400,000	1,600,000
1	400,001	405,000	401,400
1	405,001	410,000	409,500
2	410,001	415,000	824,500
1	415,001	420,000	417,067
1	420,001	425,000	425,000
2	425,001	430,000	855,971
1	430,001	435,000	431,000
2	445,001	450,000	899,000
2	450,001	455,000	910,000
1	460,001	465,000	464,000
1	470,001	475,000	475,000
2	475,001	480,000	960,000
1	485,001	490,000	490,000
8	495,001	500,000	3,995,854
1	500,001	505,000	501,505
4	510,001	515,000	2,048,684

Pattern of Shareholding

AS AT JUNE 30, 2026

	No. of Shareholdings		
No. of Shareholders	From	To	Total Shares
1	520,001	525,000	525,000
1	525,001	530,000	530,000
1	545,001	550,000	550,000
1	555,001	560,000	560,000
1	560,001	565,000	565,000
4	595,001	600,000	2,400,000
1	600,001	605,000	603,500
1	605,001	610,000	610,000
1	630,001	635,000	634,500
1	635,001	640,000	635,500
1	645,001	650,000	645,862
1	650,001	655,000	654,199
1	655,001	660,000	658,723
1	685,001	690,000	689,000
1	690,001	695,000	692,350
2	695,001	700,000	1,400,000
1	715,001	720,000	719,400
1	720,001	725,000	724,500
2	735,001	740,000	1,479,658
1	745,001	750,000	750,000
1	795,001	800,000	800,000
1	820,001	825,000	821,831
1	835,001	840,000	836,389
1	855,001	860,000	860,000
1	880,001	885,000	880,486
1	895,001	900,000	899,000
1	955,001	960,000	957,605
1	995,001	1,000,000	1,000,000
1	1,015,001	1,020,000	1,020,000
1	1,045,001	1,050,000	1,050,000
1	1,070,001	1,075,000	1,075,000
1	1,095,001	1,100,000	1,100,000
1	1,200,001	1,205,000	1,205,000
2	1,245,001	1,250,000	2,500,000
1	1,255,001	1,260,000	1,256,586
1	1,315,001	1,320,000	1,318,629
1	1,425,001	1,430,000	1,430,000
1	1,475,001	1,480,000	1,479,875
1	1,715,001	1,720,000	1,718,329
1	1,730,001	1,735,000	1,732,056
1	1,945,001	1,950,000	1,950,000

Pattern of Shareholding

AS AT JUNE 30, 2026

No. of Shareholdings			
No. of Shareholders	From	To	Total Shares
1	1,955,001	1,960,000	1,957,624
1	1,995,001	2,000,000	2,000,000
1	2,495,001	2,500,000	2,500,000
1	2,930,001	2,935,000	2,934,149
1	3,145,001	3,150,000	3,150,000
1	3,175,001	3,180,000	3,178,259
1	4,385,001	4,390,000	4,390,000
1	6,135,001	6,140,000	6,135,279
1	6,345,001	6,350,000	6,349,581
1	7,440,001	7,445,000	7,443,870
1	8,435,001	8,440,000	8,436,088
1	8,575,001	8,580,000	8,578,442
1	9,560,001	9,565,000	9,563,000
1	22,455,001	22,460,000	22,459,028
1	28,345,001	28,350,000	28,350,000
1	167,995,001	168,000,000	168,000,000
1	181,645,001	181,650,000	181,650,000
18,103			**630,000,000**

Categories of Shareholding

AS AT JUNE 30, 2026

S. No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse(s) and minor children	6	28,000	0.00
2	Associated Companies, Undertakings and Related Parties	4	400,459,028	63.56
3	NIT and ICP	2	9,081,950	1.44
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	6	3,825,814	0.61
5	Insurance Companies	2	1,000,120	0.16
6	Modarabas and Mutual Funds	28	37,843,889	6.01
7	Shareholders holding 10%	2	349,650,000	55.50
8	General Public:			
	a. Local	17,906	139,237,080	22.10
	b. Foreign			
9	Others	149	38,524,119	6.11
	Total (excluding shareholders holding 10%)	**18,103**	**630,000,000**	**100.00**

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED JUNE 30, 2026

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") in the following manner:

1. The total number of Directors including Executive Director are eleven (11) as per the following:

	Category	Number
a	Male	10
b	Female	1

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Tariq Kirmani Mr. Mohammad Abdul Aleem Mr. Mohammad Zubair
Non-Executive Directors	Mr. Aftab Husain Syed Jehangir Ali Shah
Non-Executive Directors (PSO Affiliated)	Mr. Jawwad Ahmed Cheema Mr. Shahbaz Tahir Nadeem Mr. Zafar Abbas Mr. Zafar Ul Islam Usmani
Executive Director - MD & CEO	Mr. Mohsin Ali Mangi
Female Director	Ms. Tara Uzra Dawood

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and the Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency of meetings, recording and circulating minutes of meetings of the Board;

8. The Board has a formal and transparent procedure for remuneration of Directors in accordance with the Act and the Regulations;

9. The Directors were apprised of their duties and responsibilities from time to time. The Directors either have already attended the Directors' training as required in previous years or meet the exemption criteria as contained in the Regulations;

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

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

12. The Board has formed the following committees comprising of members whose names are given below:

a. Audit & Risk Committee

1.	Mohammad Abdul Aleem	Chairman
2.	Mohammad Zubair	Member
3.	Shahbaz Tahir Nadeem	Member
4.	Tara Uzra Dawood	Member

b. Human Resources & Compensation Committee

1.	Tariq Kirmani	Chairman
2.	Aftab Husain	Member
3.	Jawwad Ahmed Cheema	Member
4.	Syed Jehangir Ali Shah	Member
5.	Tara Uzra Dawood	Member
6.	Zafar Ul Islam Usmani	Member
7.	Mohsin Ali Mangi	Member (MD & CEO)

c. Project Steering Committee

1.	Zafar Ul Islam Usmani	Chairman
2.	Aftab Husain	Member
3.	Jawwad Ahmed Cheema	Member
4.	Shahbaz Tahir Nadeem	Member
5.	Zafar Abbas	Member
6.	Mohsin Ali Mangi	Member (MD & CEO)

13. The terms of reference of the aforesaid committees are in place, documented and advised to members of the relevant committees for compliance;

14. The minimum frequency of meetings of the committee were as per following:

a) Audit & Risk Committee: Quarterly
b) HR & Compensation Committee: Quarterly / As and when required

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

16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the Firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company;

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

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations of Listed Companies (Code of Corporate Governance) regulations, 2019 have been complied with.

On behalf of the Board of Directors

Tariq Kirmani
Chairman

Mohsin Ali Mangi
Managing Director & CEO

August 13, 2026

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Pakistan Refinery Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Refinery Limited ("the Company") for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2026.

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 28 August 2026

Karachi

UDIN: CR202610201OdfvzrCMQ

Audit & Risk Committee Report

For the Year Ended June 30, 2026

On behalf of the Audit & Risk Committee (the Committee), I am pleased to present my report for the year ended June 30, 2026. The report outlines how the Committee discharged its responsibilities during the year in relation to financial and other reporting, risk management and internal control, the internal audit function and our relationship and interaction with the external auditors.

Roles and Responsibilities

The primary role of the Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as financial reporting, effectiveness of the risk management framework and system of internal controls as well as consideration of ethics and compliance matters.

The main roles and responsibilities of the Committee are set out in the Terms of Reference approved by the Board which principally focus on the following:

- reviewing the quarterly, half-yearly and annual financial statements and considering the appropriateness of accounting policies and practices;
- advising the Board on whether it believes there are any material uncertainties which may impact the Company's ability to continue as a going concern;
- advising the Board on whether the annual report and financial statements, when taken as a whole present a true and fair view;
- reviewing the operations and effectiveness of the internal audit function;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors as well as monitoring their effectiveness and independence; and
- reviewing the Company's whistleblowing arrangements for its employees and third parties to raise concerns in confidence about possible wrongdoings in financial reporting or other matters.

Composition of the Committee

S. No.	Name	Designation	Category
1.	Mr. Mohammad Abdul Aleem	Chairman	Independent Non-Executive Director
2.	Mr. Mohammad Zubair	Member	Independent Non-Executive Director
3.	Ms. Tara Uzra Dawood	Member	Non-Executive Director
4.	Mr. Shahbaz Tahir Nadeem	Member	Non-Executive Director

The Chairman of the Committee is a fellow chartered accountant, and all members of the Committee are independent and/or non-executive directors. The experience of the Committee members demonstrates that the Committee as a whole has competence relevant to the sector in which the Company operates, and possesses the necessary commercial, regulatory, financial and audit expertise required to fulfil its responsibilities.

Committee Meetings

The Committee met four times during the financial year. Chief Financial Officer of the Company attended the meetings by invitation. The Company's external auditors also attended two meetings when issues related to accounts and audit were discussed. The Chief Internal Auditor has direct access to the Chairman of the Committee at all times and meets with the Committee, without other executive management being present, on a formal basis at least annually in order to provide additional opportunity for open dialogue and feedback. After each Committee meeting, the Chairman of the Committee reports to the Board on the key issues which have been discussed.

Financial Reporting and Significant Financial Judgements

The Audit Committee reviewed the quarterly, half-yearly and annual statutory financial statements and all formal announcements relating to these statements before submitting them to the Board with a recommendation to approve. These reviews focused on, but were not limited to:

- the appropriateness and consistency of accounting policies and practices;
- the going concern assumption;
- compliance with applicable financial reporting standards and corporate governance requirements as well as the clarity and completeness of disclosures; and
- considering the significant areas of complexity, management judgement and estimation that had been applied in the preparation of the statutory financial statements in accordance with the accounting policies.
- the Committee believes that the Annual Report for the year ended June 30, 2026, as a whole provides the information necessary for shareholders to assess the Company's financial position and performance, business model and strategy.

Internal Control and Risk Management

The Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Company's risk management and internal control systems.

The Company has developed a sound mechanism for the identification of risks and assigning appropriate criticality levels and devising appropriate mitigation measures which are

regularly monitored and implemented by the management across all major functions of the Company. The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.

The Committee reviewed the quarterly reports from the Chief Internal Auditor along with the management's action plans to address the observations highlighted. In addition, reports from the external auditors in respect of significant financial accounting and reporting issues, together with observations on significant internal control weaknesses were also considered.

Internal Audit Function

The Committee is responsible for monitoring and reviewing the operations and effectiveness of the internal audit function including its focus, plans, activities and resources. To fulfill these duties the Committee:

- reviewed and approved the internal audit function's annual plan;
- received quarterly updates from the Chief Internal Auditor on the principal findings from the work of the internal audit and management's actions to resolve the identified issues;
- ensured that the Chairman of the Committee and the Committee met with the Chief Internal Auditor without the presence of management; and
- ensured that the Chief Internal Auditor has access to the Chairman of the Board if required.

External Auditor

The Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditors. This includes making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, assessing their independence and effectiveness and approving the audit fee.

As part of its oversight of the external auditor, the Committee annually assesses the performance and effectiveness of the external auditor, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee members. As part of its evaluation, the Committee considered and discussed views and recommendations from the management and the Chief Internal Auditor and the Committee's own experiences during interactions with the external auditors.

The external auditors i.e. KPMG Taseer Hadi & Co., Chartered Accountants also provide taxation and other services to the Company. The objectivity and independence of the external auditors is safeguarded through separate engagement partners for the audit and non-audit services. The firm has no financial or other relationship of any kind with the Company except that of external auditor, taxation consultant, and other services as disclosed in the financial statements.

In the end, I would like to thank all the Committee members for their valuable inputs throughout the year and trust that this report will be useful in understanding the activities of the Committee during the year.

On behalf of the Audit & Risk Committee

Mohammad Abdul Aleem
Chairman Audit & Risk Committee

Directors' Report

Directors' Report

The Directors of your Company are pleased to present their Annual Report together with Audited Financial Statements for the year ended June 30, 2026.

Financial Results

	2026	2025
	(Rupees in thousand)	
Profit / (loss) for the year	15,779,957	(4,659,666)
Other comprehensive income	385,811	2,953,226
Total comprehensive income / (loss)	16,165,768	(1,706,440)
Earnings / (loss) per share	Rs. 25.05	Rs. (7.40)
Appropriations:		
Dividend paid	-	(1,260,000)
	-	(1,260,000)

The Company delivered a strong financial performance during the year, recording a profit after taxation of Rs. 15.8 billion as compared to a loss after taxation of Rs. 4.7 billion in the previous year. The significant turnaround was supported by improved crack spreads, operational efficiencies and continued optimisation of crude oil procurement.

The operating environment, however, remained challenging particularly due to escalation of conflict in the Middle East which resulted in significant volatility in global oil markets. Sharp movements in crude oil and product prices affected refining margins, while concerns over regional shipping routes led to increased freight and marine insurance costs. Amid heightened uncertainty over regional crude oil supplies and shipping routes, the Company diversified its crude oil procurement sources and implemented necessary operational and commercial measures. These efforts enabled the refinery to maintain uninterrupted operations and continued supply of petroleum products to the domestic market during this turmoil, thereby contributing towards the Country's energy security and mitigating the risk of fuel shortages.

State of the Company's Affairs and its Review

A brief on Company's operations and state of affairs of its review is as follows:

- Stringent controls over inventory management continued to be exercised with focus on optimisation of crude slate and maximisation of production of higher-margin products, particularly Motor Spirit (MS) and High-Speed Diesel (HSD).
- The Company achieved a significant operational milestone during the year by producing more than 800,000 Metric Tons of HSD for the first time in its history. The achievement reflects continued focus on operational reliability, optimisation of refinery operations and maximisation of production of higher-value products.
- Pressure on local upliftment of High Sulphur Furnace Oil (HSFO) continued to increase during the year. The imposition of Petroleum and Climate Support Levies on HSFO further impacted its economic viability in the domestic market, resulting in negligible local demand and requiring the Company to export a substantial portion of its HSFO production. During the year, the Company exported 386,838 Metric Tons of HSFO, representing 98.3% of total HSFO sales, as compared to 311,570 Metric Tons, representing 71.2% of total HSFO sales, in the previous year.
- As part of measures supporting refineries' upgradation, the Government, through the Finance Act, 2026, exempted certain plant and machinery relating to refineries' upgrade projects from the levy of Sales Tax. The Company, along with the refining industry, Front-End Engineering Design with the Government for exemption of all eligible project-related items and facilities.

Principal Risks and Uncertainties

- Geopolitical developments, particularly in the Middle East, may result in disruption of crude oil supplies and shipping routes, volatility in crude oil and product prices and increased freight and insurance costs. The Company seeks to mitigate these risks through diversification of crude oil sources, alternate supply arrangements, inventory management and appropriate operational and commercial measures.
- The Refinery operates within the policy and regulatory framework of the Government of Pakistan. Pricing of certain petroleum products is regulated / monitored by the Ministry of Energy (Petroleum Division) and is primarily based on import parity pricing. Changes in international crude oil and petroleum product prices, refining margins, exchange rates and the domestic pricing mechanism may have a significant impact on the financial performance of the Company.
- Specifications of the Refinery's products are prescribed by the Government and the Refinery is required to comply with such specifications. Changes in product specifications may require modifications to operating parameters and/or additional capital investment, which may impact the operational and financial performance of the Company.
- The Company has entered into agreements with the Oil and Gas Regulatory Authority (OGRA) under the Pakistan Oil Refining Policy for Upgradation of Existing / Brownfield Refineries, 2023, which inter alia require completion of the Refinery Expansion and Upgrade Project (REUP) within the stipulated time period. Successful implementation of REUP is dependent upon achievement of financial close and timely execution of the project.

Future Prospects and Risk Mitigation Measures

- Following the completion of the Front End Engineering Design (FEED) study for the Refinery Expansion and Upgrade Project (REUP), the Engineering, Procurement and Construction (EPC) bids were received. After detailed evaluation, a conditional Letter of Intent ("LoI") was issued to a EPC Contractor on 30th December 2025 for REUP.

REUP has following objectives:

i. To produce Euro V compliant HSD and MS;
ii. Expansion of crude oil processing capacity from 50,000 to 100,000 barrels per day; and
iii. To achieve self-sustainability by upgrading from hydro-skimming refinery to deep conversion refinery thereby, significantly reducing production of HSFO.

Given the geopolitical situation, assessment of alternative project execution approach with a hybrid Owner's Engineers (OE) /Project Management Consultants (PMC) methodology has been carried out with ongoing parallel efforts to achieve financial close through engagement with multilateral financial institutions, Export Credit Agencies (ECAs), financial institutions, potential strategic investors and sponsor Pakistan State Oil Company Limited (PSO) and with active support of the Ministry of Energy (Petroleum Division).

Dividend

The Board of Directors, after considering the financial performance and position of the Company, its future cash flow requirements and funding requirements for the Refinery Expansion and Upgrade Project (REUP) has not proposed a dividend for the year ended June 30, 2026.

Corporate and Financial Reporting Framework

- The financial statements of the Company have been prepared by the management and represent its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. Changes in accounting policies, wherever made, have been adequately disclosed in the financial statements. Accounting estimates are on the basis of prudent and reasonable judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and deviation, if any, has been adequately disclosed.
- The system of internal financial control is sound in design and has been effectively implemented and monitored regularly.
- There are no significant doubts about the Company's ability to continue as a going concern.

Credit Rating

During the year, The Pakistan Credit Rating Agency (PACRA) after reassessment assigned long-term entity rating of A (Single A) and a short-term entity rating of A1 (Single A one) to the Company. These ratings depict high credit quality and a low expectation of credit risk i.e. strong capacity for timely payments of financial commitments.

Value of Investment in Post - Employment Benefit Funds

The value of investments of provident, gratuity and pension funds on the basis of unaudited accounts as at June 30, 2026 was as follows:

	(Rupees in '000)
Provident Fund	778,414
Gratuity Fund – Management Staff	356,101
Gratuity Fund – Non-management Staff	156,483
Pension Fund – Management Staff	2,580,138
Pension Fund – Non-management Staff	390,179

Health, Safety Environment & Quality (HSEQ)

Safe Man-Hours

During the year 2025-26, the Company successfully achieved 10 million safe man-hours without a Lost Time Injury (LTI), marking another significant milestone in its safety journey. This achievement reflects the effectiveness of HSEQ management system, disciplined operational practices, and the collective commitment of employees and contractors. The Company continues to remain focused on strengthening safe work practices and continuously enhancing workplace safety across all operations.

Besides, a digital portal of the HSEQ Dashboard was successfully developed and implemented as part of its digital transformation initiative. The interactive dashboard provides real-time visibility of key performance indicators, enabling data-driven decision-making, trend analysis, and enhanced management oversight and has streamlined HSEQ reporting, improved information accessibility, and enhanced the timely tracking of actions.

HSEQ External Audit

In November 2025, a third-party surveillance audit based on IMS (ISO standards 9001, 14001, and 45001) was conducted and there was no non-compliance or major observation.

Compliance with Regulatory Requirements

The Company remained fully compliant with the Environmental Management Plan (EMP), maintaining all reportable parameters following Sindh Environment Quality Standards (SEQS).

Environment, Social and Governance (ESG)

The Company initiated the development of its Environmental, Social and Governance (ESG) reporting framework and undertook a structured exercise to identify relevant ESG areas, assess existing practices, and compile information related to environmental stewardship, social responsibility, and governance practices. The process involved reviewing applicable ESG reporting requirements, identifying material topics relevant to the Company's business, gathering relevant qualitative and quantitative data, and evaluating existing policies, procedures, and initiatives. The exercise also included coordination with relevant departments to ensure the accuracy, consistency, and completeness of the information considered for ESG disclosures.

Technical and Operations

The Company's strategic objectives continued to be advanced by delivering measurable improvements in operational excellence, digital transformation, and sustainable value creation through disciplined process optimisation and engineering excellence.

The Company maintained safe, reliable, and efficient Refinery operations through strong operational discipline, close cross-functional coordination, and an unwavering commitment to process safety, environmental compliance, and product quality. The Company achieved an excellent plant availability, reflecting sustained operational reliability and continuous focus on energy efficiency. Furthermore, it continued its strategic focus on maximising premium product output and achieved its highest-ever annual production of 800,000 Metric Tons of HSD and 290,000 Metric Tons of MS.

The Company continued to improve operational flexibility and value creation through optimized in-house tankage utilization, strategic blending initiatives, toll refining arrangements, and efficient storage management. As a start towards regulatory modernization, PRL initiated OGRA's Oil Supply Chain Digitalization initiative by digitizing inventory, receipt, and dispatch reporting and other documentation requirement. These initiatives, together with efficient handling of crude oil and petroleum products, strengthened operational resilience and reinforced the Company's commitment to sustainable value creation and operational excellence.

Engineering

During the year, refinery reliability, safety, environmental performance, and asset integrity was strengthened through focused maintenance execution, technology upgrades, and infrastructure modernization. The Regeneration Shutdown was completed in August 2025 within the planned schedule and without safety incidents. Key activities included heat exchanger cleaning, air cooler retubing, furnace maintenance, and crude pump condenser replacement, thereby improving operational reliability and safe plant performance.

Electrical infrastructure reliability was further enhanced through the major overhaul and upgrading of the Gantry Substation and Fire House Substation.

Refinery Expansion and Upgrade Project (REUP)

Following completion of Front End Engineering Design (FEED), Engineering, Procurement and Construction (EPC) bid evaluation and conditioning, a conditional Engineering Procurement Construction (EPC) Letter of Intent ("LoI") was issued on 30th December 2025.

Given the geopolitical situation, assessment of alternative project execution approach with a hybrid Owners Engineers (OE) /Project Management Consultant (PMC) methodology aimed at developing own resources, Build Own Operate (BOO) / Build Own Operate Transfer (BOOT) structures for selected utilities and infrastructure has been carried out to ensure project completion within 36 months of notice to proceed. Sindh Environmental Protection Agency (SEPA) has also allowed construction to progress for REUP and Right of Way (RoW) for water and product pipelines are being progressed.

In parallel, significant efforts have been made to achieve financial close through engagement with multilaterals, Export Credit Agencies (ECAs), financial institutions, potential strategic investors and sponsor Pakistan State Oil Company Limited (PSO) and with active support of the Ministry of Energy (Petroleum Division).

In view of the evolving financing environment and significant capital requirements for the REUP, PRL is evaluating a phased financeable implementation strategy. The strategy aims to retain the long-term objective of PRL's transformation into a competitive deep-conversion refinery while providing flexibility in financing and execution by prudently managing capital, execution and financing risks in compliance with the revised Brownfield Refining Policy.

Commercial

The latter part of the year under review brought a host of challenges in light of the geo-political situation. The closure of the Strait of Hormuz not only posed a serious threat to sustainable refinery operations but also opened a corridor of opportunity as Gross Refinery Margins touched historic highs during this period. Your refinery lived up to the challenge and worked tirelessly including looking at spot cargoes, strategic selection of port loading bearing in mind freight, insurance, additional war risk premium and voyage time and changing grades of crude to avoid the Strait of Hormuz to keep the refinery running resulting in unhindered supply of petroleum products in the Country and at the same time minimise anticipated inventory losses amid a trend of declining crude oil prices.

Contracts and Procurement

Through proactive planning, close stakeholder collaboration, and disciplined contract management timely and uninterrupted availability of critical materials and services required for refinery operations, HSEQ compliance, and project execution was ensured despite the complex geopolitical landscape and persistent regional supply chain challenges. Besides, there was value creation through strategic sourcing, commercial negotiations, supplier diversification, and cost optimisation initiatives, generating substantial savings while safeguarding quality, reliability, and continuity of supply.

Human Resources & Industrial Relations

The Company's Human Resource function continued to support strategic priorities by strengthening organisational capability through talent development, employee engagement, and workforce wellbeing by fostering a culture of safety, accountability, continuous improvement, and regulatory compliance. Training across HSEQ, Technical, and Management domains was delivered successfully with consistently high employee engagement, strengthening leadership capabilities, technical expertise, compliance awareness, and employee well-being. Continued progress in succession planning and career development further enhanced internal capability and strengthened the organisation's long-term talent pipeline. Significant progress was also made in academia-industry collaboration and public-sector engagement through industrial visits, study tours, and a successful internship programme, reinforcing PRL's commitment to developing future talent.

The performance management framework continued to reinforce a culture of continuous feedback, accountability, and high performance. Besides, Human Resources policies and practices continued to be reviewed and refined to align with evolving business needs, regulatory requirements, and industry best practices, ensuring an inclusive, efficient, and employee-centric workplace.

The Company continued to maintain cordial and harmonious industrial relations with the Collective Bargaining Agent (CBA). During the year, successful negotiations were concluded with the CBA, resulting in the execution of the current CBA Agreement, which remains valid until June 30, 2027.

Corporate Social Responsibility (CSR)

Pakistan Refinery Limited remains committed to contributing meaningfully to the well-being of communities through targeted Corporate Social Responsibility (CSR) initiatives. During the year 2025–26, the Company allocated funds towards education, healthcare, mental health and community development, including Rs. 19.5 million to Indus Hospital for critical medical equipment, Rs. 12.3 million to The Citizens Foundation (TCF) for educational support, Rs. 5 million each to ChildLife Foundation for healthcare support and to Karwan-e-Hayat for mental health services, Rs. 3.6 million to LRBT for a three-day eye camp, Rs. 3.5 million to Behbud Association for water dispensers and construction of toilets at a school, and Rs. 1 million to GoRead.pk for literacy initiatives. Through these contributions, PRL continues to support programmes that address priority community needs and create a meaningful social impact.

Adequacy of Internal Financial Controls

The Board of Directors is responsible for the establishment of sound internal financial controls. The Board has allowed the Managing Director & Chief Executive Officer to exercise certain financial and administrative powers other than those specifically assigned to the Board by the Companies Act, 2017. The Board periodically gets update on adequacy of internal financial controls through Internal Audit function. During the year, no material inadequacy in these controls was reported to the Board.

Contribution to the National Exchequer and Value Addition

The Company continued to be amongst the major contributors to the National Exchequer through timely discharge of its tax and other statutory obligations. During the year, the Company contributed Rs. 131.1 billion (2025: Rs. 103.2 billion) to the National Exchequer in the form of direct and indirect taxes.

In addition, the Company continued to contribute towards the Country's foreign exchange earnings through export of petroleum products. During the year, the Company's exports generated foreign exchange earnings of US$ 201 million (2025: US$ 182 million), while also facilitating continued refinery operations through management of surplus products in the export market.

Key Operation and Financial Data

A statement summarizing key operating and financial data for the last six years is annexed to the report.

Principal Activities of the Company

Pakistan Refinery Limited was incorporated in Pakistan as a public limited company in May 1960 and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of petroleum products.

Changes concerning Nature of Business of the Company and its Investee Company

There have been no change concerning nature of business of the Company and that of Pak Grease Manufacturing Company (Private) Limited where the Company holds 27.26% shares.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report.

External Auditors

The present External Auditors M/s KPMG Taseer Hadi & Co, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and have offered themselves for reappointment.

Acknowledgement

The Board would like to place its appreciation and acknowledgement of the valuable support of the Ministry of Energy (Petroleum Division) and other governmental authorities and also greatly values the support and trust of the shareholders, financial institutions, employees and other stakeholders shown throughout the year.

On behalf of the Board of Directors

Tariq Kirmani
Chairman

Mohsin Ali Mangi
Managing Director & CEO

August 13, 2026

Composition of Board and Sub-Committees

a	Male	10
b	Female	1

Category	Names
Non – Executive	• Tariq Kirmani • Aftab Husain • Mohammad Abdul Aleem • Mohammad Zubair • Syed Jehangir Ali Shah
Non – Executive Directors (PSO Affiliated)	• Jawwad Ahmed Cheema • Shahbaz Tahir Nadeem • Zafar Abbas • Zafar Ul Islam Usmani
Female Director	• Tara Uzra Dawood
Executive Director (MD / CEO)	• Mohsin Ali Mangi

Board Audit & Risk Committee (BARC)		
1	Mr. Mohammad Abdul Aleem	Chairman
2	Mr. Mohammad Zubair	Member
3	Mr. Shahbaz Tahir Nadeem	Member
4	Ms. Tara Uzra Dawood	Member

Board Human Resources & Compensation Committee (BHR&CC)		
1	Mr. Tariq Kirmani	Chairman
2	Mr. Aftab Husain	Member
3	Mr. Jawwad Ahmed Cheema	Member
4	Syed Jehangir Ali Shah	Member
5.	Ms. Tara Uzra Dawood	Member
6.	Mr. Zafar Ul Islam Usmani	Member
7.	Mr. Mohsin Ali Mangi	Member (MD & CEO)

Board Project Steering Committee (BPSC)		
1	Mr. Zafar Ul Islam Usmani	Chairman
2	Mr. Aftab Husain	Member
3	Mr. Jawwad Ahmed Cheema	Member
4	Mr. Shahbaz Tahir Nadeem	Member
5	Mr. Zafar Abbas	Member
6	Mr. Mohsin Ali Mangi	Member (MD & CEO)

Attendance of the Board & Sub – Committees

For Meetings held during the year 2025 – 2026

Board of Directors

Directors	Board of Directors		Board Audit & Risk Committee		Board Human Resources & Compensation Committee		Board Project Steering Committee	
	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended
Tariq Kirmani	13	13	-	-	3	3	-	-
Aftab Husain	13	13	-	-	3	3	5	5
Falak Sher	6	6	2	1	-	-	3	3
Jawwad Ahmed Cheema	2	2	-	-	-	-	1	1
Mohammad Abdul Aleem	13	12	4	4	-	-	-	-
Mohammad Zubair	13	13	4	4	-	-	-	-
Muhammad Zia Ul Haq	1	1	-	-	-	-	-	-
Shahbaz Tahir Nadeem	3	3	-	-	-	-	1	1
Syed Jehangir Ali Shah	13	13	-	-	3	3	-	-
Syed Muhammad Taha	10	10	-	-	3	2	4	4
Tara Uzra Dawood	13	13	4	4	3	2	-	-
Zafar Abbas	3	-	-	-	-	-	1	1
Zafar Ul Islam Usmani	13	13	-	-	3	3	5	5
Zahid Mir	6	6	-	-	2	2	3	3
Mohsin Ali Mangi	12	9	3	1	-	-	5	4

*Held during the year when concerned Director was on Board

Strategy, Resource Allocation & Risk Management

Strategy, Resource Allocation & Risk Management

Strategic Objectives And Planning

In pursuit of sustained growth and value creation, PRL has developed a business strategy aligned with its vision and objectives. The strategy focuses on optimising the core business, pursuing opportunities for growth, and strengthening its position across the energy value chain. PRL aims to achieve these strategic objectives through a combination of short-, medium- and long-term planning, supported by effective resource allocation, financial discipline and operational excellence.

S. No.	Objective	Nature	Strategy
01	Uninterrupted operations of the Refinery	Short / Medium / Long	PRL continues to focus on preventive maintenance and operational planning to support reliable and continuous Refinery operations. The Company also maintains arrangements with crude oil suppliers and Oil Marketing Companies to support continuity across its supply chain.
02	Operational excellence	Short / Medium / Long	PRL remains focused on operational excellence through safe and efficient plant operations, optimising distillate yields, reducing manufacturing losses and maintaining plant availability.
03	Health, Safety, Environment & ESG	Short / Medium / Long	PRL continues to strengthen its HSEQ and ESG practices across the organisation. Measures are implemented to manage health, safety, process safety and environmental risks and to support compliance with applicable requirements.
04	Production of Environment-Friendly Products and Sustainable Operations	Long	REUP remains central to PRL's long-term strategy. The project focuses on: i) production of Euro V-compliant HSD and MS; ii) significant reduction in HSFO production; and iii) doubling the Refinery's crude processing capacity from 50,000 bpd to 100,000 bpd.
05	Stakeholder satisfaction	Short / Medium / Long	PRL remains focused on effective stakeholder engagement and timely resolution of stakeholder queries and complaints.
06	Community & Social Responsibility	Short / Medium / Long	PRL remains committed to contributing positively to society through social investment initiatives aimed at supporting communities and addressing identified social needs.
07	Financial discipline	Short / Medium / Long	PRL focuses on improving profitability and creating sustainable value for shareholders through prudent financial management, effective working capital management and control over operating costs.

Resource Allocation and Capital Overview

To implement its strategic objectives, PRL allocates resources across various capital categories. In terms of financial capital, resources are directed towards REUP and other capital expenditures aimed at improving operational efficiency, reliability and capacity. Human capital remains a critical resource, with continued focus on attracting and retaining talent, training and development, and strengthening organisational capabilities.

Manufactured capital, including equipment, infrastructure and facilities, remains important to PRL's operations. The Company continues to maintain and upgrade its facilities and invest in equipment and infrastructure, where required, to support its strategic objectives.

Social and relationship capital, encompassing PRL's relationships with stakeholders, customers, suppliers and business partners, remains an important source of value. PRL continues to strengthen these relationships and develop partnerships that support its strategic priorities. Recognising the importance of natural capital, the Refinery also focuses on responsible resource use, environmental management and operational practices aimed at reducing environmental impacts.

Company's Most Significant Resources

Human Capital: PRL's trained and dedicated workforce is a critical organisational resource. The Company continues to focus on employee development, capability building, succession planning and training across relevant areas.

Financial Capital: The Refinery's business model requires effective working capital management. PRL maintains budgeting, planning and liquidity management processes to support the appropriate allocation and utilisation of financial resources.

Installed Capital: PRL maintains preventive maintenance programmes to support the reliability and availability of its plant and equipment. Equipment and infrastructure are maintained, upgraded or replaced, where required, to support safe and efficient Refinery operations.

Natural Capital: PRL recognises the importance of responsible management of natural resources and environmental protection. Waste management, effluent monitoring and other environmental management measures form part of the Company's approach to managing the environmental impacts associated with its operations.

Competitive Advantage and Value Creation

PRL's strategic location, integrated infrastructure, experienced workforce and established business relationships provide a strong foundation for its operations. Strategic investment through REUP is expected to further strengthen PRL's competitive position by increasing refining capacity, improving the product mix, enabling production of Euro V-compliant fuels and supporting import substitution.

Continued focus on operational efficiency, responsible business practices and stakeholder relationships supports PRL's ability to manage risks, respond to evolving market requirements and create sustainable long-term value.

Factors Impacting Strategy and Resource Allocation

PRL's strategy and resource allocation are influenced by a range of internal and external factors, including technological developments, market conditions, availability and cost of financial resources, regulatory requirements, crude supply dynamics and evolving stakeholder expectations.

The Company continues to respond through operational planning, prudent resource allocation, technology adoption, cost management and collaboration with relevant stakeholders and business partners. These factors are considered in developing PRL's short-, medium- and long-term priorities, including operational efficiency, financial discipline, REUP execution and sustainable value creation.

KPIs for Strategic Objectives

PRL monitors and measures progress against its strategic objectives through key performance indicators (KPIs). The Company uses a scorecard-based approach to track performance, identify areas for improvement and support informed decision-making. KPIs are reviewed periodically to maintain alignment with PRL's strategic priorities and prevailing business requirements.

The key areas against which PRL measures performance include Health, Safety & Environment; Operational Performance; Financial Performance; REUP Progress; and Human Resource Development.

Financial Performance and Debt Management

PRL continued to focus on disciplined financial management, efficient crude and product planning, inventory management, working capital optimisation and cost control during the year. These measures support liquidity management, operational requirements and the Company's ability to meet its financial obligations.

The Company recorded a profit after tax of approximately Rs. 15.8 billion for the year ended June 30, 2026, compared with a loss after tax of approximately Rs. 4.7 billion in the preceding year. PRL also generated positive cash flows from operating activities during the year, strengthening its financial position and supporting its operational and strategic requirements.

Risk Management And Governance

Analysis of Capital Availability, Quality, and Affordability

To ensure the availability, quality and affordability of capital, PRL considers both internal and external factors. By evaluating key risks and opportunities, PRL aims to manage its financial, human and technological resources effectively.

Internal Factors

1. Financial Capital

- **Opportunity:** Access to diverse financing options and capital markets can provide PRL with the funds required to invest in infrastructure upgrades, process improvements and expansion projects, supporting the availability and quality of financial capital.
- **Risk:** Economic uncertainty and constraints in access to financing may affect the availability and affordability of capital required for critical investments.

2. Human Capital

- **Opportunity:** Building a skilled and motivated workforce through recruitment, training and development programmes can strengthen the quality of human capital. A capable and knowledgeable workforce supports operational efficiency, innovation and overall organisational performance.
- **Risk:** Shortage of skilled labour, employee turnover and gaps in continuous professional development may affect the availability and quality of human capital and organisational capabilities.

External Factors

1. Market Conditions

- **Opportunity:** Favourable market conditions, including stable crude oil prices and demand for petroleum products, can support operational and financial performance and improve access to capital.
- **Risk:** Volatility in crude oil and petroleum product prices may affect refining margins, working capital requirements and overall financial performance.

2. Regulatory Environment

- **Opportunity:** Supportive regulatory frameworks, incentives and government policies promoting investment in the refining sector can facilitate access to capital for technology upgrades, infrastructure development and environmental improvements.
- **Risk:** Changes in regulations, compliance requirements and government policies may increase costs and affect the availability and affordability of capital. Non-compliance may also result in financial and reputational consequences.

3. Technological Advancements

- **Opportunity:** Adoption of technological advancements, including digitalisation, automation and process optimisation, can improve operational efficiency, resource utilisation and cost-effectiveness.
- **Risk:** Rapid technological change and the need for upgrades may require significant investment. Delayed or inadequate adoption of relevant technologies may affect operational efficiency and competitiveness.

Business Continuity & Disaster Recovery Plan

PRL recognises the critical importance of Business Continuity and Disaster Recovery planning in managing risks and strengthening operational resilience. The Company maintains plans, procedures and resources aimed at safeguarding its operations and minimising disruption in the event of unforeseen circumstances.

These arrangements are periodically reviewed and refined in response to evolving business requirements and risk scenarios, supporting PRL's preparedness and ability to respond to and recover from potential disruptions.

Risk Management And Governance

Business Risk Matrix

PRL maintains a business risk matrix to support the identification, assessment and management of key risks. The matrix evaluates risks based on their likelihood and potential impact and encompasses relevant operational, financial, legal, regulatory, HSEQ, security and other business risks.

The risk profile is reviewed periodically to identify changes and emerging risks and to determine appropriate mitigation measures. This process supports a structured and proactive approach to risk management and informs management and Board oversight.

IMPACT \ LIKELIHOOD	LOW	MEDIUM	HIGH
HIGH	• Major HSEQ Incidents (Spill, Fire, Asset/ Equipment Failure, Fall) • Security Risks (Sabotage & Terrorist Attacks)	• Appointment of EPCF contractor and Financial Close of REUP.	• Sustainable refinery operations amid GRM volatility and zero local demand for HSFO.
MEDIUM		• Continuity of sales tax exemption on MS & Diesel for 2025-26. • Delay in recovery of FX loss claims on FE loans. • Unavailability of KPT-Jetty for HSFO export. • Attrition of the Employees. • Cyber Security Risks.	• Decrease in revenue/ upliftment of refined products due to smuggling.
LOW			

Risk Mitigation Measures

In support of sustainable growth and effective risk management, PRL takes appropriate measures to manage key risks and respond to emerging exposures. Management periodically reviews significant corporate risks that may affect the Company's operations, financial performance, liquidity or strategic objectives and monitors the implementation of relevant mitigation measures.

	Business Risks	Rating	Impact	Mitigation
1	**Sustaining refinery operations amid GRM volatility**	**High**	**Low GRM** • Negative impact on profitability and equity • Inventory losses due to crude and product price volatility	• Procurement of selective opportunity crude cargoes. • Inventory management through periodic review. • Optimise crude and product inventory. • Avoid over-import of crude. • Avoid product build-up. • Selective optimisation projects to increase efficiency.
2	**Closure of Hormuz, Fujairah and the Red Sea**	**High**	• Supply disruption • Refinery shutdown • Financial losses • High cost of crude oil	• Explore crude through other non-traditional markets.
3	**Financial Close of REUP**	**High**	• Delay in project completion may adversely affect the Company's finances and LTO.	• Appointment of a financial advisor to provide support for project financing. • Upgrade refinery policy to support REUP incentives.
4	**Security Risks (Sabotage & Terrorist Attacks)**	**MEDIUM**	• Fatalities/injuries • Damage to plant and infrastructure • Operational disruptions • Financial loss	• Compliance with SOPs/controls. • Liaison with law enforcement agencies for improved security arrangements.
5	**Delay in recovery of FX losses on FE loans**	**MEDIUM**	• Financial stability • Cash flow constraints	• Continuous engagement with MOE and MOF, both separately and with PSO. • Follow-up with Ministry of Petroleum and OGRA for recovery through pricing as per MOF directive.
6	**Unavailability of KPT Jetty for HSFO export except OP-3**	**MEDIUM**	• Extra cost of transportation and storage at other terminals • Impact on production • Ullage problem • Refinery shutdown	• Working with KPT, PHI and Al-Raheem Terminal for alternate arrangements. • Prior arrangements for storage outside PRL.
7	**Decrease in demand and upliftment of diesel due to imports allowed to OMCs and high price volatility**	**MEDIUM**	• Impact on profitability • Cash flow implications • Ullage problem • Refinery shutdown • Reduced throughput	• Active engagement with Ministry of Petroleum and OGRA to highlight the issue of terms of agreement with KPC and imports by GO. • Engage customers proactively.
8	**Cybersecurity Risks**	**MEDIUM**	• Financial losses • Reputational damage • Disruption to critical business operations • Loss/theft of sensitive data	• ISO 27001 Information Security Framework initiative. • Periodic cyber risk assessments. • Enterprise and Data Centre firewall controls. • Endpoint protection and threat detection controls. • Multi-Factor Authentication (MFA). • Vulnerability management and system updates. • Cybersecurity awareness training. • Data backup and recovery procedures. • Periodic external security assessments.
9	**Attrition of Employees**	**MEDIUM**	• Adverse impact on Company operations due to higher attrition • Decreased employee morale	• Alignment of the Company's Compensation & Benefits structure with the market. • Participate in the Market Salary Survey with an approved comparator group to benchmark compensation levels against the industry. • Develop a competitive salary structure by establishing market-aligned salary grades and pay ranges. • Review and modernise employee benefits to align them with the market. • Implementation of the existing Succession Plan for top-level critical positions. • Execute Career Development Plans (CDPs) for identified successors through targeted leadership development, coaching, mentoring and job rotations. • Recruit external talent for critical positions where successors have not been identified. • Expansion of the existing Succession Plan to include all critical positions across Job Groups 1-5.

	Business Risks	Rating	Impact	Mitigation
				• Implementation of employee engagement initiatives to improve employee satisfaction, recognition, well-being and work-life balance. • Strengthen talent acquisition and workforce planning to ensure timely replacement of critical talent and maintain a talent pipeline. • Continue regular feedback, employee recognition and Board support.
10	**Liquidity Challenges Threatening Sustainability**	**MEDIUM**	• Potential disruption of operations • Default/delay in payments of local & foreign crude oil • Penalties on delayed statutory & LC payments • Reputational risk • Adverse impact on credit profile and ratings	• Securing additional short- and medium-term financing facilities. • Negotiate favourable credit terms with suppliers and customers. • Negotiate commercially viable deals with crude suppliers to increase margins, including procurement of opportunity crude cargoes. • Maximise profitability through efficient inventory management and maintaining optimum production levels. • Active engagement with Ministry of Energy and Ministry of Finance for recovery of outstanding receivables from the Government, including sales tax, customs duty and FX loss on FE loans. • Engagement with Ministry of Finance to include PRL in the Crude Oil Deferred Payment Facility.
11	**Major HSEQ Incident (Spill, Fire, Asset/Equipment Failure, Fall from Height)**	**MEDIUM**	• Fatalities/injuries • Damage to plant/assets • Reputational risk • Operational disruptions • Litigation/penalties • Environmental impact	• Compliance with SOPs/controls.

Sustainability & CSR

Sustainability Disclosures & Corporate Social Responsibility

PRL remains committed to creating long-term value by integrating sustainability considerations into its business activities. This commitment is reflected through Corporate Social Responsibility (CSR) initiatives that support communities, alongside sustainability disclosures covering environmental, social and governance matters. Together, these efforts reflect PRL's approach to responsible business conduct, community engagement and transparent reporting.

Corporate Social Responsibility (CSR) – Initiatives & Performance

CSR at PRL is guided by the principle of shared value creation, contributing to communities while supporting the Company's broader sustainability objectives. During FY 2025–26, PRL allocated approximately **Rs. 50 million** across education, healthcare, mental health and community development initiatives.

Healthcare

- **Indus Hospital – Rs. 19.46 million:** Supported the provision of critical medical equipment, including an ICU ventilator, ultrasound machine and ECG Holter Monitor System.
- **Layton Rahmatulla Benevolent Trust (LRBT) – Rs. 3.55 million:** Supported a three-day eye camp to facilitate access to essential eye care services.
- **ChildLife Foundation – Rs. 5 million:** Provided annual support towards the Foundation's healthcare initiatives.

Mental Health

- **Karwan-e-Hayat – Rs. 5 million:** Supported psychiatric treatment and rehabilitation services.

Education

- **The Citizens Foundation (TCF) – Rs. 12.30 million:** Continued PRL's support under its long-term MoU with TCF for providing quality education to underprivileged children.
- **GoRead.pk – Rs. 1 million:** Supported initiatives promoting literacy and a reading culture among children.

Community Development

- **Behbud Association – Rs. 3.5 million:** Supported the provision of water dispensers and construction of toilets at a school.

These initiatives reflect PRL's continued commitment to meaningful social investment and long-term partnerships that contribute positively to communities.

Sustainability Disclosures

While CSR reflects PRL's direct community engagement, the Company also recognises the importance of incorporating Environmental, Social and Governance (ESG) considerations into its broader strategy and operations. During the year, PRL continued to strengthen its sustainability practices and disclosures, supporting greater transparency and accountability across environmental, social and governance areas.

Environmental Performance

PRL remains focused on managing the environmental impacts associated with its operations and complying with applicable environmental requirements.

- **Emissions:** PRL monitors emissions through approved testing and monitoring arrangements as part of its environmental management practices. Monitoring supports assessment of relevant air-quality parameters and identification of corrective measures, where required.

- **Water & Wastewater Management:** Process wastewater is treated through the Refinery's Wastewater Treatment Plant (WWTP). Effluent quality is monitored through internal and approved external testing arrangements to support compliance with applicable discharge requirements. The Company also undertakes operational measures aimed at optimising water use and wastewater management.

- **Waste Management:** Hazardous and non-hazardous waste is managed in accordance with applicable environmental requirements and internal procedures. PRL applies appropriate waste-handling practices, including segregation, containment and disposal through authorised channels, where applicable.

Social Performance

PRL continues to promote employee well-being, professional development and responsible workplace practices across its operations.

- **Training & Development:** PRL provides technical, HSEQ, management and digital learning opportunities to support employee capability development and organisational requirements.

- **Health & Safety:** Maintaining a safe working environment remains a key priority. PRL continues to implement preventive measures, safety programmes, training and monitoring across its operations.

HSEQ Leading Indicators

Safe man-hours	Safe man-days	Emergency drills	Potential incidents reported	Near misses
11.5 million	1,334	102	48	14

HSEQ Lagging Indicators

Fatalities	Lost time injury	Restricted work case	Medical treatment case	First aid case	Lost time injury frequency
0	0	0	1	4	0.159

Governance Performance

PRL's sustainability approach is supported by its broader governance, risk management and internal control frameworks. The Company continues to monitor emerging ESG-related risks and opportunities across environmental, social and governance matters and integrates relevant considerations into its governance and decision-making processes.

- **Regulatory Alignment:** PRL monitors and responds to applicable corporate governance, environmental and sustainability-related requirements and disclosures.

- **Oversight Mechanisms**: Relevant sustainability and CSR matters are reviewed through the Company's established management and governance processes to support alignment with PRL's priorities and objectives.

- **Certifications & Standards:** PRL's management systems incorporate internationally recognised standards across occupational health and safety, environmental management and quality management, including:

  - ISO 45001 – Occupational Health and Safety Management Systems
  - ISO 14001 – Environmental Management Systems
  - ISO 9001 – Quality Management Systems

These management systems support PRL's continued focus on HSEQ performance, operational discipline and responsible business practices.

IT Governance & Cybersecurity

Board Oversight and Responsibility

The Board of Directors oversees PRL's IT and cybersecurity agenda and receives periodic updates from Management on IT risks, policies and key initiatives. This supports the timely escalation of significant matters and alignment of the Company's cyber risk management approach with business objectives and applicable regulatory requirements.

IT Governance

PRL operates under a structured IT governance framework that supports alignment of technology initiatives with the Company's strategic direction. Clear policies, defined roles and standardised procedures facilitate effective management of IT resources while supporting operational requirements, risk management and compliance.

Digital Transformation

PRL continues to pursue digital transformation initiatives across key business areas, including operations, laboratory testing, procurement and commercial functions. These initiatives focus on automation, improved utilisation of data and enhanced process efficiency, supporting technology-enabled business improvement and innovation.

Cybersecurity Framework

PRL maintains a cybersecurity framework aimed at safeguarding critical systems, data and networks. The framework incorporates preventive, detective and responsive measures, supported by risk assessments and compliance reviews. Monitoring and periodic assessments support the identification and management of cybersecurity risks in line with the Company's risk management approach.

Business Continuity and Resilience

PRL places strong emphasis on business continuity through established disaster recovery and resilience mechanisms. Periodic testing, review and updating of relevant arrangements support the Company's preparedness to respond to and recover from potential IT and operational disruptions.

Education and Awareness

Recognising the important role of employees in maintaining cybersecurity, PRL conducts awareness campaigns and training sessions to strengthen cyber awareness across the organisation. Periodic IT communications are also issued to keep employees informed about relevant risks, safe practices and emerging cybersecurity trends.

Future Outlook

PRL continues to strengthen its IT and cybersecurity capabilities in response to evolving business, regulatory and technological requirements. The Company remains focused on IT governance, digital transformation, cybersecurity and operational resilience to support efficiency, risk management and sustainable long-term operations.

Stakeholders' Relationship & Engagement

Stakeholders' Relationship & Engagement

Stakeholder Engagement Strategy and Framework

Stakeholder engagement is a fundamental aspect of PRL's operations, recognising the important role stakeholders play in shaping the Company's success and supporting sustainable growth. PRL's key stakeholders include employees, customers, suppliers, local communities, government authorities, industry associations, shareholders and regulatory bodies.

To effectively engage with its stakeholders, PRL utilises a range of communication channels and initiatives. The Company respects the rights, interests and expectations of its stakeholders and strives to understand their needs, priorities and concerns. By fostering collaborative relationships, PRL aims to build trust, enhance accountability and support mutually beneficial outcomes.

Stakeholder Engagement and Impact on Performance

PRL considers stakeholder engagement important to building strong relationships and understanding stakeholder needs. The Company engages with institutional investors, customers, suppliers, banks, media, regulators, local communities and analysts through regular communication and collaboration. These interactions provide valuable feedback and insights that support PRL's decision-making, performance and long-term value creation. Key stakeholder groups include:

- **Shareholders**
  PRL engages with shareholders through Annual General Meetings and other appropriate communication channels, providing updates on performance, financial results and strategic initiatives. The Company values shareholder feedback and considers it in its decision-making processes.
- **Customers & Suppliers**
  Ongoing engagement with customers and suppliers supports strong business relationships. Through regular dialogue, PRL seeks to understand their requirements, address issues and explore opportunities for collaboration and improvement.
- **Banks and Other Lenders**
  PRL maintains communication with banks and lenders regarding financial performance, capital requirements and other relevant matters. These engagements support strong relationships with financial institutions and the Company's financing requirements.
- **Media**
  PRL engages with the media to communicate relevant corporate activities, initiatives and developments. Communication through press releases, interviews and participation in relevant industry forums supports accurate and transparent dissemination of information.
- **Regulators**
  PRL maintains engagement with regulatory bodies to support compliance with applicable laws and regulations. The Company participates in regulatory consultations, provides required information and maintains constructive relationships with relevant authorities.
- **Local Communities**
  PRL engages with local communities to better understand their needs and concerns, foster goodwill and contribute positively to community development. The Company supports social investment and community initiatives across identified priority areas.
- **Analysts**
  PRL engages with analysts by providing relevant information, participating in analyst briefings and responding to queries to support informed assessment of the Company's performance and outlook.

Encouraging Minority Shareholder Participation

Management continues to facilitate and encourage the participation of minority shareholders in General Meetings. This includes providing appropriate information and guidance on meeting procedures and enabling shareholders to participate, express their views and raise questions. These measures support informed and inclusive shareholder participation.

Investor Relations' Section on the Website

PRL's Investor Relations section on the corporate website serves as a centralised source of financial and non-financial information for shareholders, investors and other stakeholders. Company updates, press releases, financial statements and other relevant information are made available to support transparency and effective communication. PRL also utilises appropriate communication channels, including social media and email, to maintain stakeholder engagement and respond to inquiries.

Issues Raised in the Last AGM, Decisions Taken and their Implementation Status

PRL values shareholder participation in the Annual General Meeting (AGM), which serves as an important platform for shareholders to raise queries, discuss matters relating to the Company and provide feedback. The Company considers shareholder queries and concerns raised during the AGM and addresses them through appropriate channels in accordance with applicable requirements.

PRL remains committed to open and transparent communication with shareholders and to maintaining effective mechanisms for addressing matters raised by investors.

Stakeholder Engagement and Analyst Briefing

PRL continues to engage with stakeholders through corporate and analyst briefing sessions, supporting transparency and open communication. These sessions provide stakeholders with insights into the Company's performance, operating environment, industry developments and strategic priorities, while also providing PRL with an opportunity to understand stakeholder perspectives.

Analyst briefings may cover areas such as industry and market trends, petroleum demand, refining sector developments, crude and product prices, operational performance, financial results and key strategic initiatives. PRL remains committed to transparent stakeholder communication as an important element of long-term value creation.

Investor Grievance Redressal

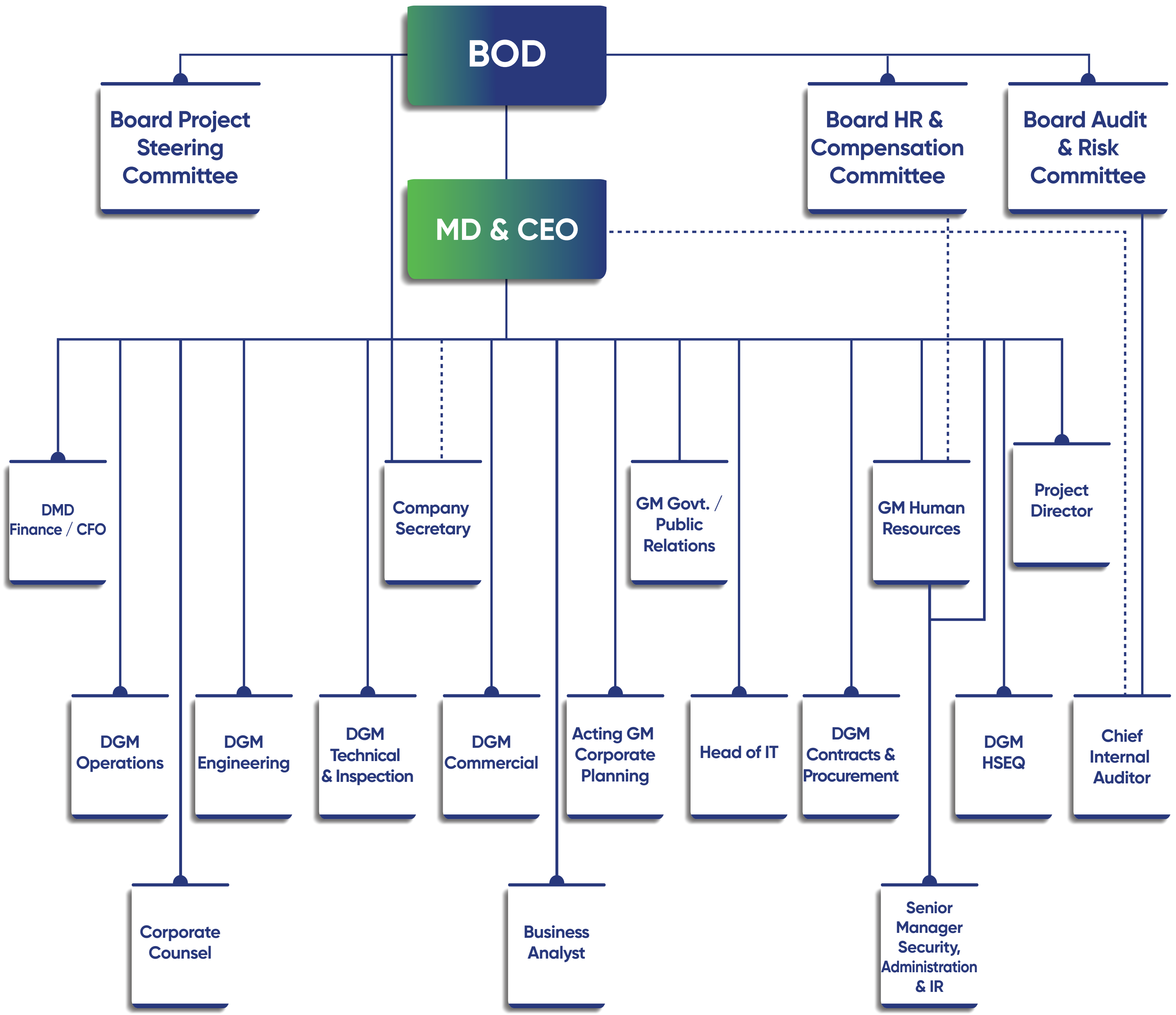
PRL's Company Secretariat facilitates ongoing engagement with shareholders and supports the timely handling of queries, requests for information and investor concerns. The Company maintains appropriate mechanisms for shareholder grievance redressal and provides necessary support and guidance to investors.

PRL remains committed to maintaining transparent and constructive relationships with its shareholders and fostering stakeholder trust and confidence.

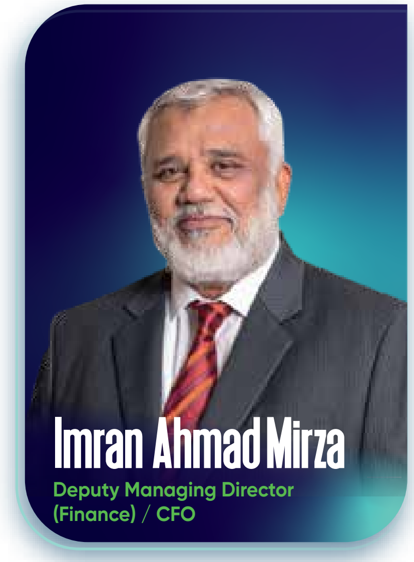
Refinery Management & Operations

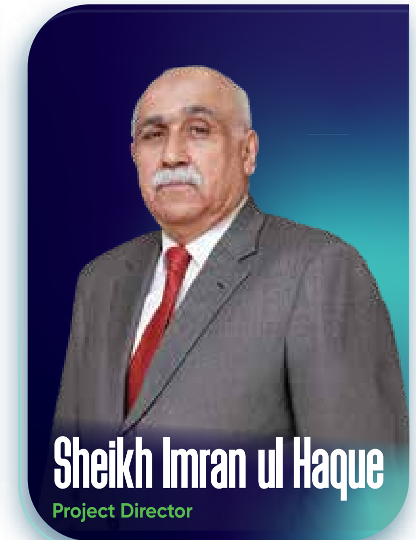
Refinery Management & Operations

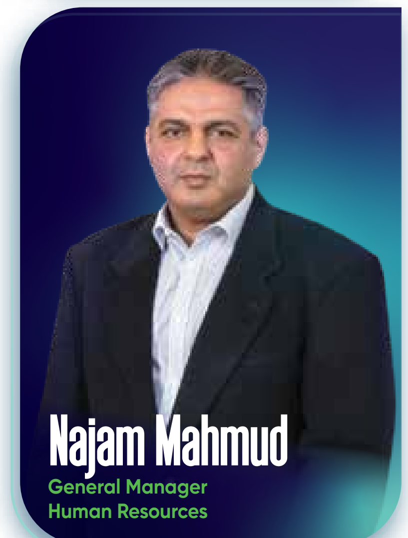
Organisational Structure & Reporting Relationships



Refinery Leadership Team







Calendar of Major Events

First Quarter

- Successfully completed the scheduled Regeneration Shutdown and resumed Refinery operations on September 2, 2025. The approximately 16-day maintenance activity was completed without any Lost Time Injury (LTI).
- Held the 65th Annual General Meeting on September 29, 2025, providing shareholders with updates on the Company's performance, key developments and governance matters.
- Initiated a leadership transition following the conclusion of Mr. Zahid Mir's tenure as Managing Director & CEO.

Second Quarter

- Received a Merit Certificate at the Best Corporate & Sustainability Report Awards 2025, jointly recognised by ICAP and ICMAP, reflecting PRL's continued focus on transparency and corporate reporting.
- Issued a conditional Letter of Intent (LOI) to the EPC contractor for the Refinery Expansion and Upgrade Project (REUP), marking further progress towards project execution.
- Participated as an observer in Exercise Barracuda-XIII, conducted by the Pakistan Maritime Security Agency from December 9–11, 2025, strengthening exposure to national oil-spill response and maritime emergency preparedness.
- Finalised approximately Rs. 50 million in CSR support across education, healthcare, mental health and community development initiatives.

Third Quarter

- Mr. Zafar Ul Islam Usmani assumed charge as Interim Managing Director & CEO on January 1, 2026.
- Continued CSR support through partnerships with The Citizens Foundation, LRBT, Indus Hospital, ChildLife Foundation, GoRead.pk, Karwan-e-Hayat and Behbud.
- Crossed 10 million safe man-hours without a Lost Time Injury (LTI); by March 31, 2026, the Refinery had completed 10.6 million safe man-hours without an LTI.
- Maintained uninterrupted Refinery operations amid regional supply volatility through alternate crude sourcing and contingency measures.
- The Board appointed Mr. Mohsin Ali Mangi as Managing Director & CEO for a three-year term, effective April 30, 2026.

Fourth Quarter

- Mr. Mohsin Ali Mangi assumed office as Managing Director & CEO effective April 30, 2026.
- Continued progress on REUP through technical and commercial discussions, cost optimisation and project execution planning, alongside engagement with local contractors and strategic partners.
- Advanced REUP's environmental readiness through Technical Experts and Public Hearing required for obtaining the No Objection Certificate from the Sindh Environmental Protection Agency (SEPA).
- The Board approved PRL's Annual Business Plan on June 29, 2026.
- The Company achieved a significant operational milestone by producing more than 800,000 Metric Tons of High-Speed Diesel (HSD) for the first time in its history.

Integrated Capabilities That Power PRL

PRL's operating, technical, commercial and corporate functions work together to support safe and reliable refinery operations, disciplined resource management, effective governance and long-term transformation. Together, these capabilities enable the Company to respond to evolving operational requirements, manage risk, strengthen performance and pursue its strategic priorities.

Safe & Reliable Refinery Operations

Safe and reliable refinery operations are supported by close coordination across Operations, Engineering, Technical & Inspection and HSEQ. Together, these functions focus on plant reliability, process integrity, maintenance discipline, product quality, workplace safety and responsible environmental management.

Operations

Operations is responsible for the safe, reliable and efficient operation of the Refinery. The function manages refinery operations, start-ups and shutdowns, crude and product movements and related logistics while coordinating closely with technical, engineering and commercial teams to support production requirements, product quality and operational continuity.

Engineering

Engineering supports plant reliability and availability through maintenance planning, equipment reliability programmes and technical support across the Refinery. Its responsibilities include preventive and predictive maintenance, turnaround and regeneration shutdown activities, equipment upgrades and engineering support for projects aimed at improving operational performance.

Technical & Inspection

Technical & Inspection supports process monitoring, optimisation, troubleshooting and plant integrity across refinery operations. Its activities include process studies, technical evaluations, inspection and integrity management, process safety support and assessment of operational and project-related changes to support safe and efficient plant performance.

HSEQ

Health, Safety, Environment and Quality remain integral to PRL's operations. HSEQ supports the management of occupational and process safety risks, environmental responsibilities, emergency preparedness and quality requirements through established systems, monitoring, training and continuous improvement initiatives.

Commercial & Organisational Enablement

PRL's commercial and enabling functions support the full business cycle, from crude procurement and product offtake to financial management, sourcing and people development. These capabilities help maintain operational continuity, strengthen resource discipline and support the organisation's current and future requirements.

Human Resources

Human Resources focuses on attracting, developing, engaging and retaining the people required to support PRL's operations and strategic priorities. Its activities include talent acquisition, performance management, learning and development, succession planning and early-career programmes such as internships, apprenticeships and trainee development.

Commercial

Commercial manages crude procurement and the offtake of finished petroleum products while supporting efficient inventory management and product planning. The function coordinates with Operations and Oil Movement on crude and product requirements and facilitates import, export and commercial arrangements in line with market and operational needs.

Contracts & Procurement

Contracts & Procurement supports the timely and efficient sourcing of goods and services required across the organisation. The function manages procurement processes, vendor engagement and contractual requirements with a focus on quality, cost-effectiveness, transparency and compliance with applicable procedures.

Finance

Finance supports PRL through financial reporting, budgeting, planning, liquidity and working capital management and financial analysis. The function provides financial information for decision-making and supports the Company in managing its financial resources, obligations and funding requirements.

Transformation & Digitalisation

PRL's transformation agenda is supported by the Refinery Expansion and Upgrade Project and continued development of its digital capabilities. Together, these initiatives are aimed at strengthening future competitiveness, improving operational efficiency and enabling the organisation to operate with greater connectivity, information visibility and resilience.

Refinery Expansion & Upgrade Project

The REUP function is responsible for progressing PRL's strategic refinery expansion and upgrade programme through the relevant stages of project development and execution. The function coordinates technical, commercial, financial and project-management activities and works closely with internal teams, consultants, contractors and other stakeholders to support disciplined project delivery.

REUP is intended to double PRL's crude processing capacity from 50,000 bpd to 100,000 bpd, significantly reduce HSFO production and enable the production of Euro V-compliant Motor Spirit and High-Speed Diesel.

Information Technology

Information Technology supports PRL's business operations through technology infrastructure, enterprise applications, information security and user services. The function supports ERP and other business systems, cybersecurity, data availability, business continuity and digital initiatives aimed at improving connectivity, process efficiency and informed decision-making.

Governance, Assurance & Corporate Stewardship

Strong governance, independent assurance and responsible corporate stewardship support PRL's ability to operate with accountability and transparency. Legal, Internal Audit, Company Secretariat and related corporate communication activities provide important support to the Board, Management and wider organisation in managing regulatory, governance, assurance and stakeholder requirements.

Legal & Corporate Communications

Legal supports PRL on legal, regulatory and compliance matters, including agreements, contracts, litigation, regulatory liaison and legal documentation. Corporate communication activities support appropriate internal and external communication, stakeholder engagement and consistent representation of the Company through authorised communication channels.

Company Secretariat

Company Secretariat supports the effective functioning of PRL's corporate governance framework and facilitates the affairs of the Board and its Committees. Its responsibilities include statutory and regulatory compliance, Board and shareholder matters, corporate records and coordination with relevant regulatory bodies and stakeholders.

Internal Audit

Internal Audit is an independent assurance function that supports PRL in evaluating and strengthening its risk management, internal control and governance processes. The function undertakes audits and reviews across financial, operational and compliance areas and reports to the Board Audit and Risk Committee in accordance with its approved mandate.

Future
Outlook

Future Outlook

Refinery Expansion and Upgrade Project (REUP) Update

PRL continues to advance the Refinery Expansion and Upgrade Project (REUP), a key strategic initiative aimed at transforming the Refinery into a modern Deep Conversion Refinery. The project will increase crude processing capacity from 50,000 barrels per day to 100,000 barrels per day, significantly reduce High Sulphur Furnace Oil (HSFO) production, and enable production of Euro V-compliant Motor Spirit (MS) and High-Speed Diesel (HSD).

Following completion of the Front-End Engineering Design (FEED), PRL progressed the project through detailed technical and commercial evaluation of EPCF bids. During FY 2025–26, the EPCF contractor was selected and a conditional Letter of Intent (LOI) was issued and accepted. Parallel efforts continued towards securing the equity and debt financing required for the project, including engagement with financial institutions, advisors and potential strategic investors.

PRL continues to focus on disciplined project governance, cost optimisation and financing arrangements as it progresses towards Financial Close and execution of the EPC contract.

Delivering on Our Forward-Looking Disclosures

In line with the priorities outlined in the previous Annual Report, PRL continued to make progress on its strategic and operational objectives during FY 2025–26:

- Advanced REUP from EPCF bid evaluation to selection of the EPCF contractor and issuance of a conditional LOI.
- Progressed financing activities for REUP, including steps towards arranging equity and debt financing and continued engagement with prospective strategic investors.
- Maintained Refinery operations despite volatility in regional crude supply and international energy markets through alternate crude sourcing and contingency measures.
- Continued to manage operational and market challenges associated with limited domestic demand for HSFO and evolving regulatory requirements.
- Returned to profitability, recording profit after tax of approximately Rs. 15.8 billion for the year ended June 30, 2026, compared with a loss after tax of approximately Rs. 4.7 billion in the preceding year.

These developments demonstrate continued progress against PRL's strategic priorities while strengthening the foundation for the next phase of the Company's transformation.

Looking Ahead

PRL's near-term priorities include progressing REUP towards Financial Close and EPC execution, maintaining safe and reliable Refinery operations, strengthening financial discipline and continuing to respond to evolving market and regulatory conditions. The Company will continue its engagement with relevant government authorities and stakeholders on matters affecting the refining sector, including applicable fiscal and regulatory arrangements and outstanding receivables relating to customs duty and exchange loss claims. PRL will also continue to focus on prudent crude selection, product optimisation, cost management and working capital discipline to support sustainable operations.

With REUP remaining central to PRL's long-term strategy, the Company will continue to pursue its transformation towards a more efficient and competitive refinery capable of producing cleaner, Euro V-compliant fuels and contributing to Pakistan's energy security.

Assumptions and Sources of Information

The Company's forward-looking statements and assumptions are based on a combination of internal analysis and information obtained from relevant external sources, including:

- **Domestic sources:** Economic Survey of Pakistan, Pakistan Energy Book, Pakistan Oil Book, and publications issued by the State Bank of Pakistan, Ministry of Finance, Ministry of Energy and other relevant authorities.
- **International sources:** Oil and gas industry reports, regional refining benchmarks, market information and global economic forecasts.

These sources, together with PRL's internal financial and operational modelling, support the Company's strategic planning and assessment of future business conditions. Key considerations include developments in refining policy, crude and petroleum product markets, global and domestic demand trends, regulatory requirements, financing conditions and progress on major strategic initiatives such as REUP.

Forward-looking statements reflect the Company's current expectations and assumptions and are subject to risks, uncertainties and changes in market, regulatory and economic conditions. Actual outcomes may therefore differ from those anticipated.

Striving for Excellence in Corporate Reporting

Striving for Excellence in Corporate Reporting

Integrated Reporting

This report is prepared under the guidelines laid down in the International Integrated Reporting Framework, benchmarking its corporate reporting with best international practices. The report focuses on how the organisation's strategy, governance, performance and prospects contribute to value creation for stakeholders and support timely and informed decision-making. Integrated reporting is built around the following key components:

- Organisational Overview and the external environment under which it operates
- Governance structure and how it supports the Company's ability to create value
- Business model
- Risks and opportunities, how they are managed and how they affect the Company's ability to create value
- Strategy and resource allocation
- Performance and achievement of strategic objectives for the period and related outcomes
- Outlook and challenges facing the Company and their implications
- Basis of presentation, including the determination of matters to be included in the integrated report and how the elements are quantified or evaluated

Disclosures Beyond BCR Criteria

The corporate reporting structure has evolved over the years to provide increased analysis and enhance stakeholders' understanding of the Company. PRL's Annual Report includes the following disclosures in addition to the ICAP/ICMAP criteria for Best Corporate Report, aimed at augmenting stakeholders' overall understanding of the Company and its future prospects:

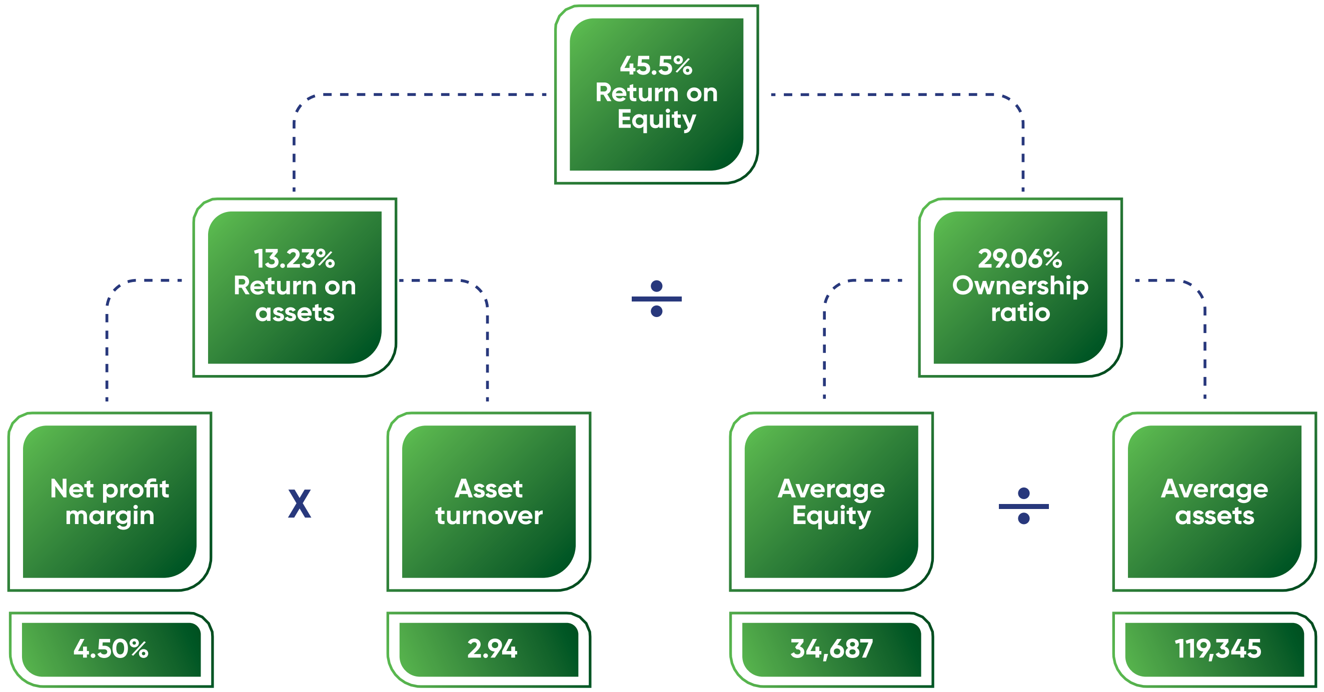
- About the Report
- MD & CEO's Message
- Highlights for the year ended June 30, 2026
- Detailed information on the Refinery Expansion and Upgrade Project (REUP), including its latest progress and milestones

Compliance with Financial Reporting Standards

- The financial statements of the Company have been prepared by Management and represent its state of affairs, results of operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements.
- Changes in accounting policies, wherever made, have been adequately disclosed in the financial statements.
- Accounting estimates are based on prudent and reasonable judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements, and any deviation, if applicable, has been adequately disclosed.
- The system of internal financial control is sound in design and has been effectively implemented and monitored regularly.
- There are no significant doubts about the Company's ability to continue as a going concern.

Financial Performance & Analysis

Dupont Analysis

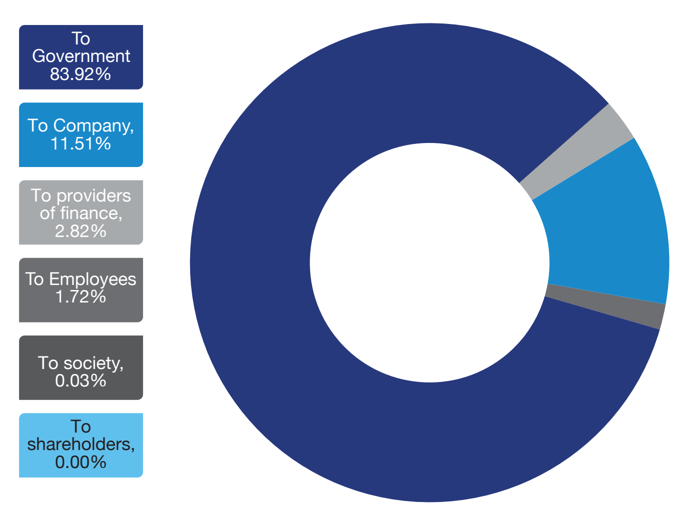


Description	2026	2025	Comments
a. Tax burden (net income / profit before tax)	65.4%	117.6%	The Company achieved the highest-ever profit after tax amounting to Rs. 15.8 billion. The Company was under the normal tax regime i.e., 29% of taxable income. However, the utilization of brought-forward tax losses against the current year's taxable income reduced the effective tax burden during the year.
b. Interest burden (profit before tax / earnings before interest and tax)	79.9%	-230.2%	Interest burden showed a significant turnaround due to exponential growth in earnings before interest and tax which enhanced the Company's interest coverage capacity.
c. Operating profit margin (earnings before interest and tax / revenue)	8.6%	0.6%	Operating profit margins increased significantly to 8.6% compared with last year due to unusual movement in crude and product prices resulting from regional conflict. This was reflected in earnings before interest and tax (EBIT), which rose substantially to Rs. 30.2 billion, compared with Rs. 1.7 billion in the previous year.
d. Asset turnover (sales / average assets)	2.94	2.87	Asset turnover ratio is impacted by the change in total assets against the increase in revenue. The average total assets increased by 10.4% compared with 1.2% in the prior year while the revenue increased by 13% as against 1.6% in the comparative year.
e. Financial leverage ratio (average assets / average net equity)	3.44	3.84	Financial leverage decreased due to increase in average equity by 23.5% during the year. The lower leverage ratio reflects a relatively stronger equity position and reduced financial risk, providing greater financial stability and resilience.
Return on equity (axbxcxdxe)	**45.5%**	**-16.6%**	Return on equity increased due to profit for the year as compared to loss in the comparative period.

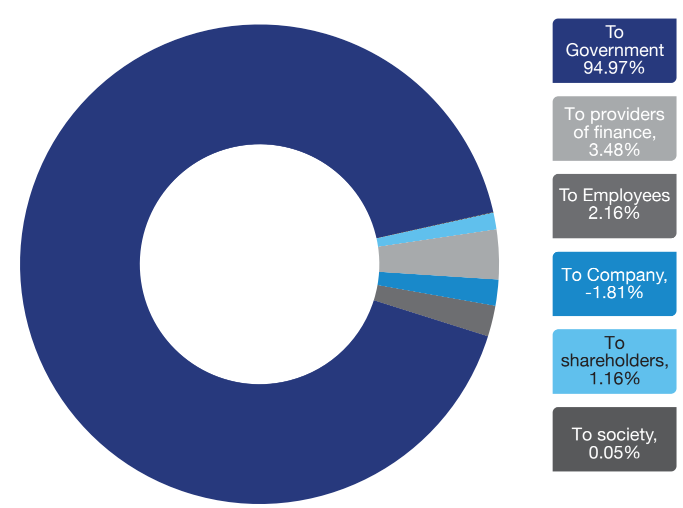
Statement of Value Addition and its Distribution

	2026		2025	
	Rs. in thousand	**%**	**Rs. in thousand**	**%**
Wealth Generated				
Total gross revenue and other income brought in materials and services	72,833,549 (316,563,556)		415,398,799 (306,713,838)	
	156,269,993	**100%**	**108,684,961**	**100%**
Wealth distribution to stakeholders				
To employees Salaries, wages and other costs including retirement benefits	2,692,056	1.72%	2,349,507	2.16%
To Government Income tax, sales tax, excise duty, development surcharge, WPPF, WWF	131,136,463	83.92%	103,218,296	94.97%
To society Donations to educational and healthcare institutes	49,803	0.03%	49,612	0.05%
To shareholders Dividends and bonus	-	0.00%	1,260,000	1.16%
To providers of finance Financial charges for borrowed funds	4,405,731	2.82%	3,779,093	3.48%
To Company Depreciation, amortisation and retained profit / (loss)	17,985,940	11.51%	(1,971,547)	-1.81%
	156,269,993	**100.00%**	**108,684,961**	**100.00%**

2026



2025



Analysis of Statement of Financial Position

		2026	2025	2024	2023	2022	2021
Share Capital	Rs /bn	6.3	6.3	6.3	6.3	6.3	6.3
Reserves	Rs./bn	36.5	20.3	23.3	19.1	17.3	(4.3)
Net equity	Rs./bn	(42.8)	26.6	29.6	25.4	23.6	2.0
Fixed assets and Intangible assets	Rs./bn	36.2	34.7	30.7	28.6	29.1	20.6
Net current assets / (liabilities)	Rs./ bn	16.4	4.1	2.9	(0.7)	(4.6)	(17.8)
Long term / deferred liabilities	Rs./bn	10.1	12.8	4.1	2.8	1.0	0.8

Net Equity

During the past six years, the Company's share capital primarily remained unchanged. The reserves of the company have gradually increased over the years due to profitable operations, however, current year balance shown significant growth due to highest-ever profit earned by the Company. Net equity has also increased due to surplus on revaluation of land.

Non-Current Assets

Fixed assets have increased over the years as the Company is regularly investing in upgrade / replacement of plant and equipment to latest technology.

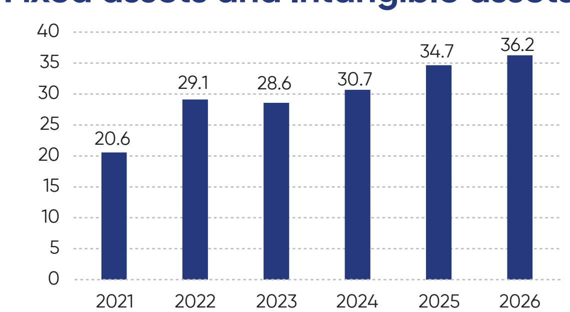
Current Assets

As at June 30, 2026, the Company maintained a positive current ratio, with current assets exceeding current liabilities, reflecting its strong short-term liquidity position. The improvement was primarily attributable to the Company's profitable operations and an increase in inventory balances, driven by higher crude oil and petroleum product prices during the year.

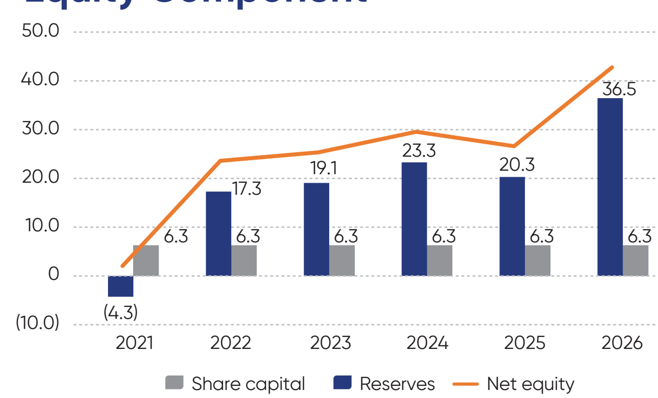
Non-Current Liabilities

Long term liabilities represent long term financing obtained for planning phase and other related studies for future upgradation and expansion of the Refinery.

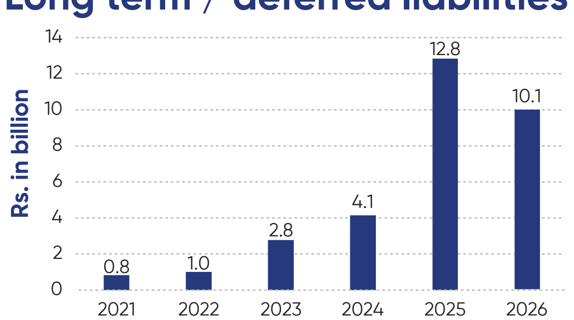
Fixed assets and Intangible assets



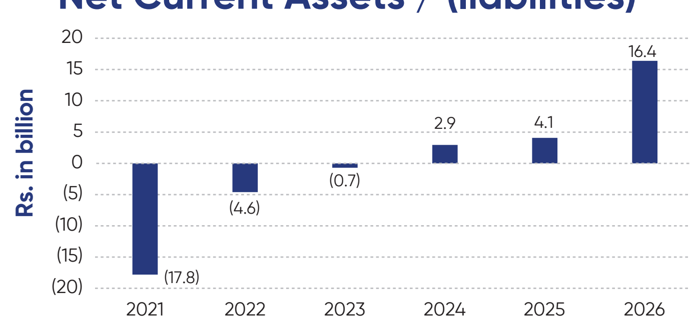
Equity Component



Long term / deferred liabilities



Net Current Assets / (liabilities)



Horizontal Analysis of Financial Position

	2026 Rs. in million	26 vs 25 %	2025 Rs. in million	25 vs 24 %	2024 Rs. in million	24 vs 23 %	2023 Rs. in million	23 vs 22 %	2022 Rs. in million	22 vs 21 %	2021 Rs. in million	21 vs 20 %
ASSETS												
Non-current assets												
Property, plant and equipment and intangibles	36,185	5	34,587	13	30,567	7	28,456	(2)	28,981	42	20,414	(4)
Right-of-use asset	62	(19)	77	(23)	99	(14)	115	(12)	131	(11)	147	(10)
Investment accounted for using the equity method	51	(12)	58	(6)	61	33	46	(17)	56	(6)	59	(10)
Long-term deposits and loans	32	(4)	33	6	31	11	28	(9)	31	13	27	5
Deferred tax asset	–	(100)	600	100	–	(100)	161	100	–	–	–	–
Employee benefit prepayments	97	1,006	9	(52)	18	(4)	19	(41)	33	27	26	(15)
Total non-current assets	**36,427**	**3**	**35,364**	**15**	**30,777**	**7**	**28,826**	**(1)**	**29,232**	**41**	**20,673**	**(4)**
Current assets												
Inventories	32,005	45	22,028	(28)	30,520	(14)	35,461	47	24,057	131	10,415	31
Trade receivables	19,402	0	19,390	73	11,229	(44)	19,912	76	11,306	72	6,589	80
Trade deposits, loans, advances and											75	53
short-term prepayments	605	45	417	(50)	830	376	174	(24)	229	204	3,073	46,769
Other receivables	31,359	22	25,778	10	23,500	149	9,428	265	2,585	(16)	96	16
Taxation - payments less provision	4,246	475	739	100	200	100	–	–	–	(100)		
Investments	5,381	289	1,385	(67)	4,201	100	–					
Cash and bank balances	1,323	(53)	2,840	(59)	6,927	(41)	11,671	(50)	23,539	32,287	73	(97)
Total current assets	**94,322**	**30**	**72,577**	**(6)**	**77,408**	**1**	**76,646**	**24**	**61,715**	**204**	**20,321**	**46**
Total assets	**130,749**	**21.1**	**107,941**	**(0.2)**	**108,185**	**3**	**105,472**	**16**	**90,947**	**122**	**40,994**	**16**
EQUITY AND LIABILITIES												
EQUITY												
Share capital	6,300	–	6,300	–	6,300	–	6,300	–	6,300	–	6,300	100
Unappropriated profits / (accumulated losses)	13,238	(552)	(2,928)	(199)	2,943	(116)	(18,250)	(0)	(18,286)	1	(18,185)	(1)
Special reserve	–	–	–		–	(100)	16,979	11	15,254	449	2,781	43
Revaluation surplus on property, plant and equipment	23,230	–	23,230	14	20,326	–	20,326	–	20,326	82	11,149	–
Other reserve	2	–	2	–	2	–	2	–	2	–	2	–
Total equity	**42,770**	**61**	**26,604**	**(10)**	**29,571**	**17**	**25,357**	**7**	**23,596**	**1,053**	**2,047**	**(1,271)**
LIABILITIES												
Non-current liabilities												
Long-term borrowings	9,150	(26)	12,350	312	3,000	50	2,000	100	–	(100)	294	(93)
Lease liability	106	(14)	124	(12)	140	5	133	(6)	142	(4)	148	(3)
Deferred tax liabilities	684	100	–	(100)	618	100	–	(100)	284	5,700	5	(51)
Employee benefit obligations	113	(69)	362	(6)	384	(40)	637	8	587	55	378	(16)
Total non-current liabilities	**10,054**	**(22)**	**12,836**	**210**	**4,142**	**50**	**2,770**	**173**	**1,013**	**23**	**825**	**(83)**
Current liabilities												
Trade and other payables	70,437	33	52,991	8	48,996	6	46,433	0	46,298	126	20,509	14
Short-term borrowings	7,447	(52)	15,473	(39)	25,444	(15)	29,834	58	18,901	8	17,574	39
Unearned revenue	–	–	–	–	–	–	–	(100)	6	(57)	15	(89)
Current portion of lease liability	17	41	12	8	11	30	9	35	6	41	5	36
Taxation - provision less payments	–	–	–	–	–	(100)	1,050	(5)	1,106	100	–	–
Unpaid dividend	4	(10)	4	100	–	–	–	–	–	–	–	–
Unclaimed dividend	20	–	20	–	20	–	20	–	20	–	20	(0)
Total current liabilities	**77,925**	**14**	**68,501**	**(8)**	**74,472**	**(4)**	**77,345**	**17**	**66,338**	**74**	**38,122**	**24**
Total liabilities	**87,979**	**8**	**81,337**	**3**	**78,614**	**(2)**	**80,115**	**19**	**67,351**	**73**	**38,947**	**9**
Total equity and liabilities	**130,749**	**21.1**	**107,941**	**(0.2)**	**108,185**	**3**	**105,472**	**16**	**90,947**	**122**	**40,994**	**16**

Vertical Analysis of Financial Position

(AS A PERCENTAGE OF REVENUE)

	2026	2025	2024	2023	2022	2020
ASSETS						
Non-current assets						
Property, plant and equipment and intangibles	27.7	32.0	28.3	27.0	31.9	49.8
Right-of-use asset	0.1	0.1	0.1	0.1	0.1	0.4
Investment accounted for using the equity method	-	0.1	0.1	-	0.1	0.1
Long-term deposits and loans	-	-	-	-	-	0.1
Deferred tax asset	-	0.6	-	0.2	-	-
Employee benefit prepayments	0.1	-	-	-	-	0.1
Total non-current assets	27.9	**32.8**	**28.5**	**27.3**	**32.1**	**50.4**
Current assets						
Inventories	24.5	20.4	28.2	33.6	26.5	25.4
Trade receivables	14.8	18.0	10.4	18.9	12.4	16.1
Trade deposits, loans, advances and short-term prepayments	0.5	0.4	0.8	0.2	0.3	0.2
Other receivables	24.0	23.9	21.6	8.9	2.8	7.5
Taxation - payments less provisions	3.2	0.7	0.2	-	-	0.2
Investments	4.1	1.3	3.9	-	-	-
Cash and bank balances	1.0	2.6	6.4	11.1	25.9	0.2
Total current assets	72.1	**67.2**	**71.5**	**72.7**	**67.9**	**49.6**
Total assets	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
EQUITY AND LIABILITIES						
Share capital	4.8	5.8	5.9	6.0	6.9	15.4
Subscription money against rights issue	-	-	-	-	-	-
Unappropriated profit / (accumulated loss)	10.1	(2.7)	2.7	(17.3)	(20.1)	(44.4)
Special reserve	-	-	-	16.1	16.8	6.8
Revaluation surplus on property, plant and equipment	17.8	21.5	18.8	19.3	22.3	27.2
	-					
Total equity	**32.7**	**24.6**	**27.3**	**24.0**	**25.9**	**5.0**
LIABILITIES						
Non-current liabilities						
Long-term borrowings	7.0	11.4	2.8	1.9	-	0.7
Lease liability	0.1	0.1	0.1	0.1	0.2	0.4
Deferred tax liabilities	0.5	(0.1)	0.5	-	0.3	-
Employee benefit obligations	0.1	0.3	0.4	0.6	0.6	0.9
Total non-current liabilities	**7.7**	**11.9**	**3.8**	**2.6**	**1.1**	**2.0**
Current liabilities						
Trade and other payables	53.9	49.1	45.3	44.0	50.9	50.0
Short-term borrowings	5.7	14.3	23.5	28.3	20.8	42.9
Unearned revenue	-	-	-	-	0.0	0.0
Current portion of lease liability	-	-	-	0.01	0.01	0.0
Unpaid dividend	-	0.0	-	-	-	-
Unclaimed dividend	0.02	0.0	0.0	0.0	0.0	0.1
Total current liabilities	**59.6**	**63.5**	**68.8**	**73.3**	**72.9**	**93.0**
Total liabilities	**67.3**	**75.4**	**72.7**	**76.0**	**74.1**	**95.0**
Total equity and liabilities	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

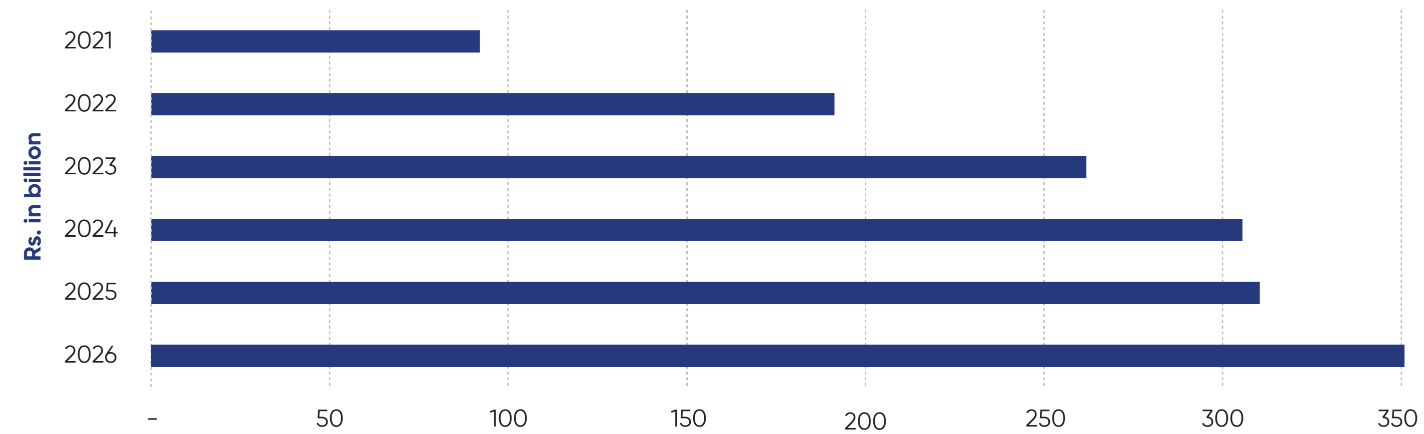
Analysis of Statement of Profit or Loss

SIX YEARS SUMMARY

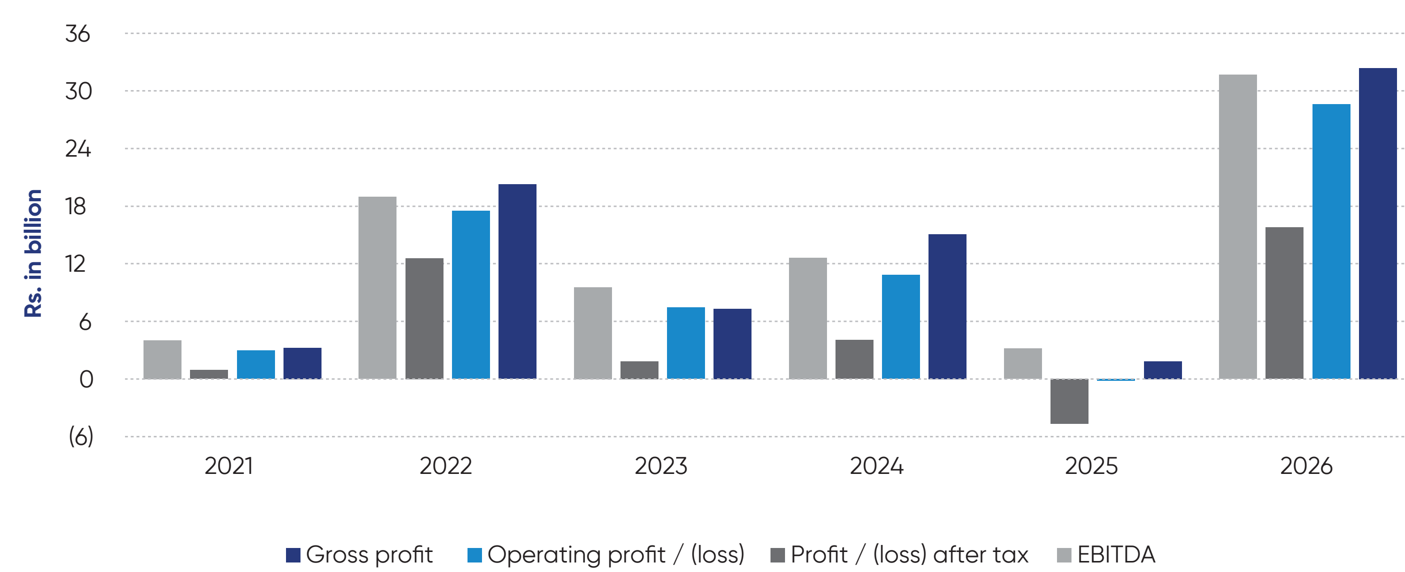
		2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	Rs. / bn	350.8	310.4	305.5	261.9	191.3	92.1
Gross profit	Rs. / bn	32.4	1.9	15.1	7.3	20.3	3.2
Operating profit / (loss)	Rs. / bn	28.6	(0.2)	10.8	7.4	17.5	3.0
Profit / (loss) before tax	Rs. / bn	24.1	(4.0)	7.1	3.4	15.9	1.6
Profit / (loss) after tax	Rs. / bn	15.8	(4.7)	4.1	1.8	12.6	0.9
EBITDA	Rs. / bn	31.7	3.17	12.63	9.6	19.0	4.0

The Company's profitability improved significantly during the year, primarily driven by stronger refining margins amid geopolitical tensions and the closure of shipping routes through the Strait of Hormuz. Consequently, the gross profit margin increased to 9.2% for the year. The Company achieved a record profit after tax of Rs. 15.8 billion, compared to a loss after tax of Rs. 4.7 billion in the previous year. For details, please refer to the Chairman's Review and Directors' Report.

Revenue from Contracts with Customers



Financial Performance



Vertical Analysis of Profit or Loss Account

(AS A PERCENTAGE OF REVENUE)

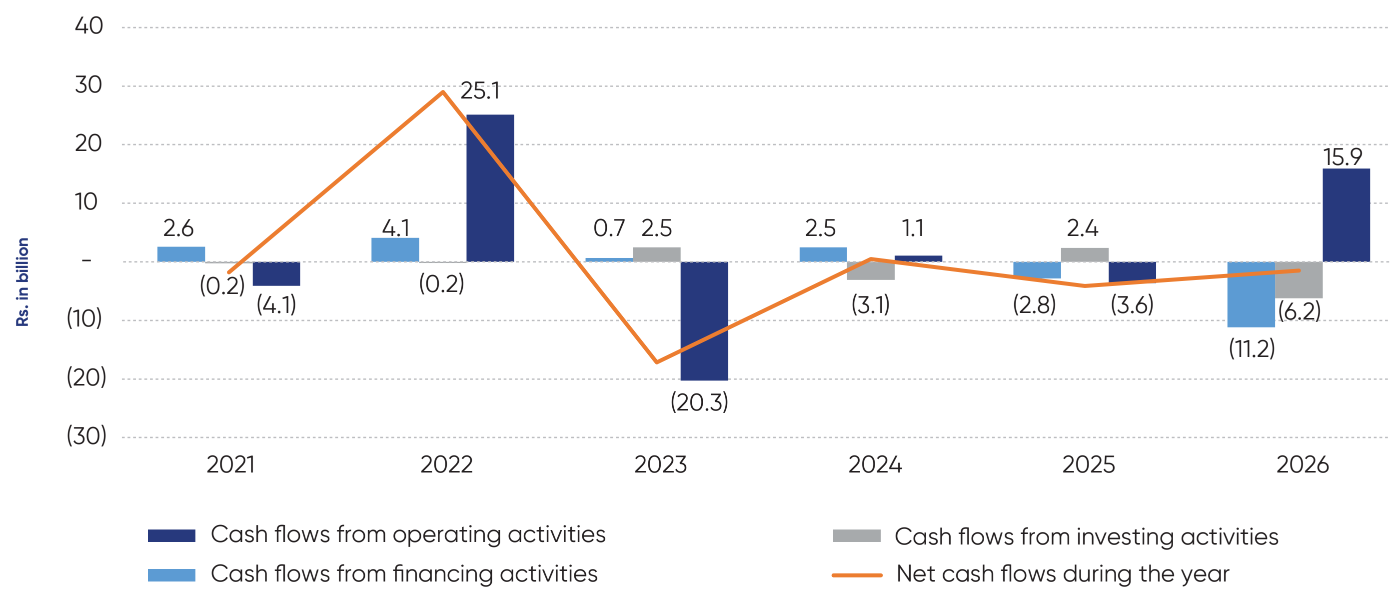
	2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(90.8)	(99.4)	(95.1)	(97.2)	(89.4)	(96.5)
Gross profit	**9.2**	**0.6**	**4.9**	**2.8**	**10.6**	**3.5**
Selling expenses	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)
Administrative expenses	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)	(0.5)
Other operating expenses	(0.7)	(0.8)	(2.2)	(0.9)	(1.3)	(0.2)
Other income	0.3	0.9	1.5	1.6	0.3	0.7
Operating profit / (loss)	**8.2**	**(0.1)**	**3.5**	**2.8**	**9.1**	**3.2**
Finance costs	(1.3)	(1.2)	(1.2)	(1.6)	(0.8)	(1.4)
Share of profit / (loss) of associate	(0.0)	-	0.0	(0.0)	(0.0)	(0.0)
Profit / (loss) before taxation	**6.9**	**(1.3)**	**2.3**	**1.3**	**8.3**	**1.8**
Taxation	(2.4)	(0.2)	(1.0)	(0.6)	(1.7)	(0.8)
Profit / (loss) after taxation	**4.5**	**(1.5)**	**1.3**	**0.7**	**6.6**	**1.0**

Horizontal Analysis of Profit or Loss Account

	2026 Rs. in million	26 vs 25 %	2025 Rs. in million	25 vs 24 %	2024 Rs. in million	24 vs 23 %	2023 Rs. in million	23 vs 22 %	2022 Rs. in million	22 vs 21 %	2021 Rs. in million	21 vs 20 %
Revenue from contracts with customers	350,839	13	310,351	2	305,540	17	261,860	37	191,316	108	92,084	2
Cost of sales	(318,454)	3	(308,494)	6	(290,446)	14	(254,560)	49	(171,044)	93	(88,843)	(6)
Gross profit	**32,385**	**1,644**	**1,857**	**(88)**	**15,093**	**107**	**7,301**	**(64)**	**20,272**	**525**	**3,241**	**(174)**
Selling expenses	(729)	(8)	(793)	19	(669)	34	(501)	56	(321)	21	(266)	29
Administrative expenses	(1,521)	9	(1,394)	10	(1,262)	29	(975)	77	(552)	15	(479)	4
Other operating expenses	(2,561)	1	(2,547)	(62)	(6,759)	177	(2,443)	0	(2,433)	1,282	(176)	309
Other income	1,029	(62)	2,700	(39)	4,431	9	4,066	660	535	(16)	637	289
Operating profit / (loss)	**28,602**	**16,300**	**(177)**	**(102)**	**10,835**	**45**	**7,448**	**(57)**	**17,501**	**492**	**2,957**	**(160)**
Finance costs	(4,451)	17.5	(3,788)	0.1	(3,786)	(7)	(4,066)	157	(1,579)	20	(1,311)	(34)
Share of income / (loss) of associate	(5.04)	(740)	0.79	(96)	20	(302)	(10)	183	(3)	(46)	(6)	(295)
Profit / (loss) before taxation	**24,147**	**709**	**(3,963)**	**(156)**	**7,069**	**110**	**3,373**	**(79)**	**15,918**	**871**	**1,639**	**(124)**
Taxation	(8,367)	1,102	(696)	(77)	(3,007)	94	(1,548)	(54)	(3,345)	377	(702)	2
Profit / (loss) after taxation	**15,780**	**439**	**(4,660)**	**(215)**	**4,062**	**123**	**1,825**	**(85)**	**12,573**	**1,242**	**937**	**(112)**

Analysis of Statement of Cash Flows

		2026	2025	2024	2023	2022	2021
Cash flows from operating activities	Rs. / bn	15.9	(3.6)	1.1	(20.3)	25.1	(4.1)
Cash flows from investing activities	Rs. / bn	(6.2)	2.4	(3.1)	2.5	(0.2)	(0.2)
Cash flows from financing activities	Rs. / bn	(11.2)	(2.8)	2.5	0.7	4.1	2.6
Net cash flows during the year	Rs. / bn	(1.5)	(4.1)	0.5	(17.1)	29.0	(1.8)



Operating cash flows remained strongly positive, primarily reflecting the improved profitability achieved during the year.

During the year, the Company invested in Pakistan Investment Bonds to generate investment income and capital gains. These investments, together with interest income received on bank balances and the net cash outflow relating to the acquisition of property, plant and equipment, resulted in negative cash flows from investing activities.

Financing activities generated negative cash flows during the year, primarily due to the repayment of foreign exchange (FE-25) loans and partial repayment of the Company's long-term borrowings from a commercial bank. These outflows were partially offset by short-term borrowings obtained during the year to meet the Company's working capital requirements.

Analysis of Performance Against Target

a. Revenue increased by 19.6% compared to the target, primarily driven by favourable movements in international oil prices and product cracks. For further details, please refer to the Chairman's Review and Directors' Report.

b. Other income exceeded the target by 150%, mainly due to the availability of surplus funds arising from the Company's improved profitability, which were deployed to generate additional investment income.

c. The Company's tax regime was in accordance with the target as it was anticipated that the Company would be subject to the normal tax regime at 29% on taxable profit, together with a 10% super tax.

d. The Company achieved a record profit after taxation, significantly exceeding the planned profit for the year. This outperformance was primarily attributable to the factors discussed in the Chairman's Review and Directors' Report.

Statement of Cash Flows – Direct Method

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	**359,000,229**	302,190,042
Cash paid to suppliers / service providers and employees	**(327,562,499)**	(299,639,973)
Interest paid	**(4,815,775)**	(3,572,028)
Taxes paid	**(10,589,477)**	(2,453,434)
Contribution made to retirement benefit plans	**(126,390)**	(164,682)
Net cash generated from / (used in) operating activities	**15,906,088**	(3,640,075)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(3,033,843)**	(2,536,997)
Acquisition of intangibles	**(14,057)**	(25,443)
Proceeds from disposal of property, plant and equipment	**13,122**	9,651
Purchase of treasury bills net off disposals	**401,897**	3,855,423
Purchase of Pakistan investment bonds	**(4,246,552)**	-
Dividend received from associate	**1,702**	4,252
Interest received	**650,768**	1,050,289
Net cash (used in) / generated from investing activities	**(6,226,963)**	2,357,175
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	**-**	9,350,000
Repayment of long-term borrowings	**(2,500,000)**	-
Proceeds from FE-25 loans	**21,061,431**	49,323,362
Repayment of FE-25 loans	**(33,939,853)**	(61,209,802)
Proceeds from short term borrowings	**4,246,553**	1,000,000
Lease rentals paid	**(35,239)**	(33,565)
Dividend paid	**(403)**	(1,255,876)
Net cash (used in) financing activities	**(11,167,511)**	(2,825,881)
Net (decrease) in cash and cash equivalents	**(1,488,386)**	(4,108,781)
Cash and cash equivalents at the beginning of the year	**2,839,718**	6,927,227
Exchange (loss) / gain on cash and cash equivalents	**(28,576)**	21,272
Cash and cash equivalents at the end of the year	**1,322,756**	2,839,718

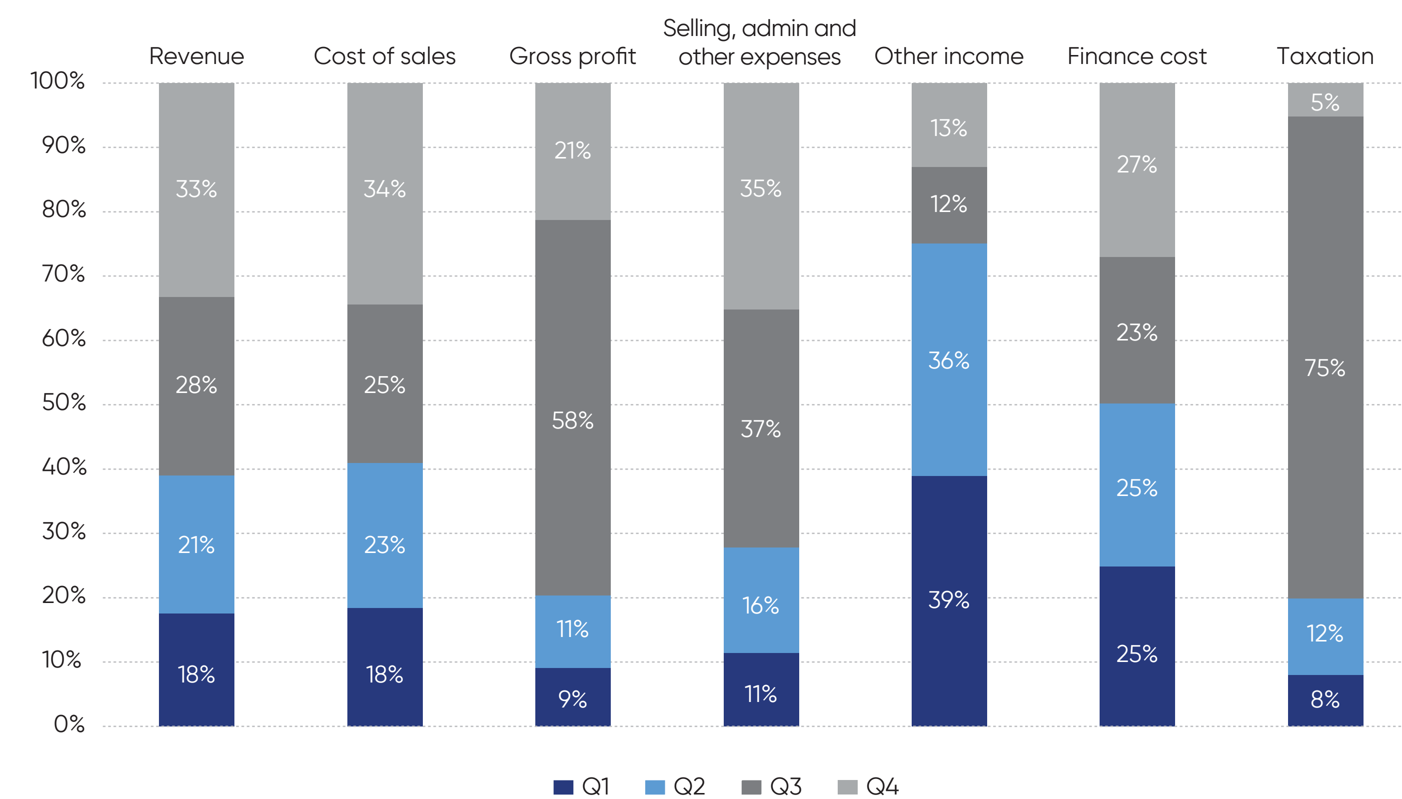
Analysis of Quarterly Results

	Q1 Jul - Sep 25	Q2 Oct - Dec 25	Q3 Jan - Mar 26	Q4 Apr - Jun 26	2025-26
	---------- Rs. in thousand ----------				
Revenue from contracts with customers	61,664,640	75,340,198	97,391,394	116,442,684	350,838,916
Cost of sales	(58,720,938)	(71,674,902)	(78,507,128)	(109,550,622)	(318,453,590)
Gross profit	**2,943,702**	**3,665,296**	**18,884,266**	**6,892,062**	**32,385,326**
Selling expenses	(160,670)	(204,152)	(179,606)	(184,772)	(729,200)
Administrative expenses	(267,825)	(431,420)	(396,737)	(425,327)	(1,521,309)
Other operating expenses	(121,458)	(153,999)	(1,202,449)	(1,083,579)	(2,561,485)
Other income	400,878	371,565	122,216	134,332	1,028,991
Operating profit	**2,794,627**	**3,247,290**	**17,227,690**	**5,332,716**	**28,602,323**
Finance cost	(1,106,440)	(1,126,971)	(1,016,377)	(1,200,848)	(4,450,636)
Share of (loss) / income of associate - accounted for using the equity method	(2,332)	(1,976)	(1,385)	655	(5,038)
Profit before taxation	**1,685,855**	**2,118,343**	**16,209,928**	**4,132,523**	**24,146,649**
Taxation	(669,562)	(997,285)	(6,267,425)	(432,420)	(8,366,692)
Profit for the year	**1,016,293**	**1,121,058**	**9,942,503**	**3,700,103**	**15,779,957**
Earnings per share - basic and diluted	**Rs. 1.61**	**Rs. 1.78**	**Rs. 15.78**	**Rs. 5.87**	**Rs. 25.05**

The quarterly performance reflected a significant strengthening in profitability during the year, primarily supported by an improvement in refining margins amid volatility in international oil prices and product cracks. While revenue remained relatively well distributed across the quarters, Q3 emerged as the strongest quarter, contributing 58% of annual gross profit and 63% of the profit after tax. However, easing geopolitical tensions and temporary reopening of shipping routes through the Strait of Hormuz towards the end of the year, which resulted in a significant decline in crude oil prices and normalisation of refining margins in Q4.

The refinery was shut down for 16 days in the first quarter for maintenance activities.

Quarterly Analysis

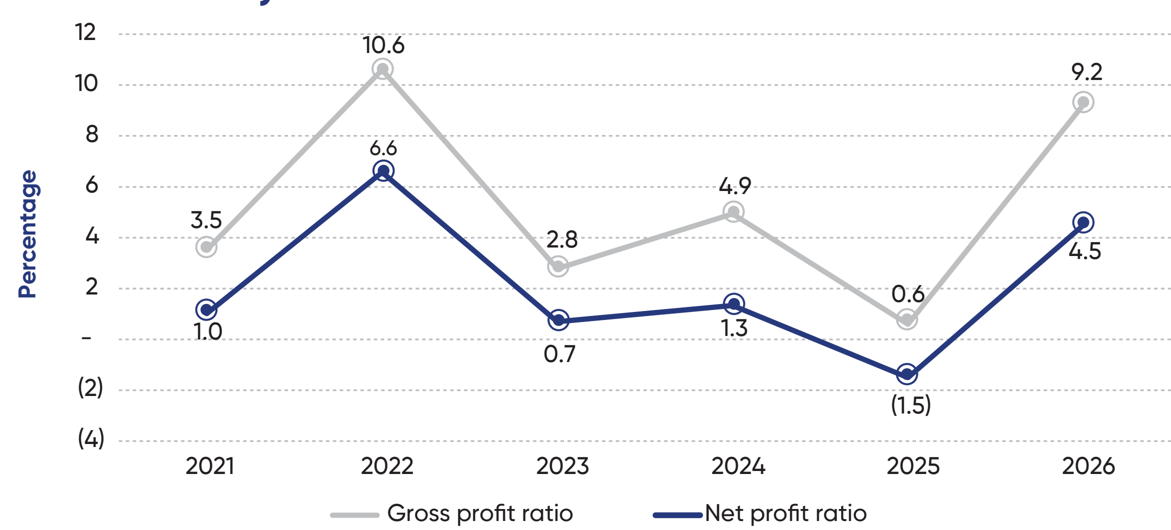


Profitability Ratios

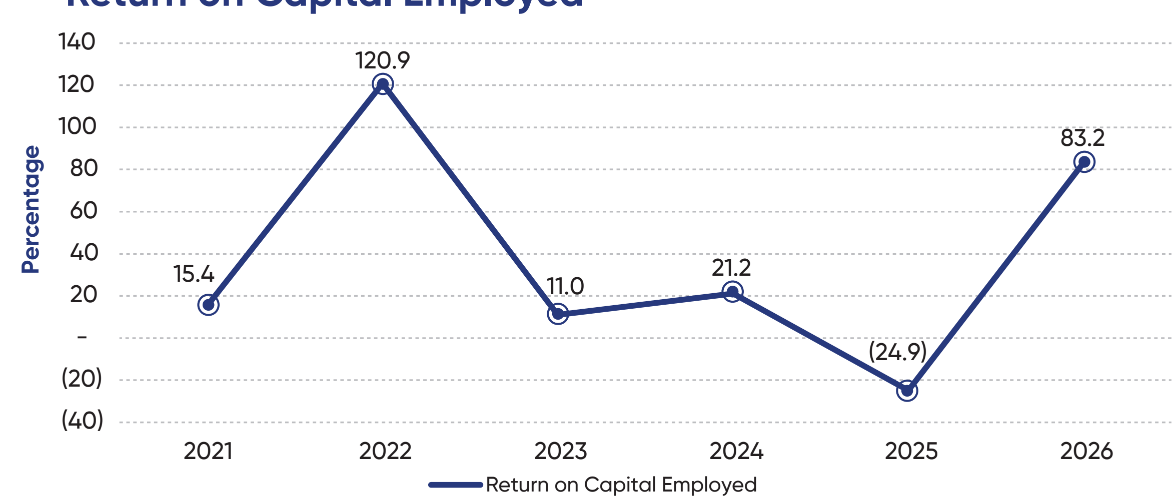
		2026	2025	2024	2023	2022	2021
Gross profit ratio	%	9.2	0.6	4.9	2.8	10.6	3.5
Net profit ratio	%	4.5	(1.5)	1.3	0.7	6.6	1.0
EBITDA margin	%	9.0	1.0	4.1	3.7	9.9	4.4
Operating leverage ratio	Times	68.9	(47.6)	(0.9)	(1.3)	3.4	(117.6)
Return on equity	%	45.5	(16.6)	13.7	7.2	53.3	45.8
Return on capital employed	%	83.2	(24.9)	21.2	11.0	120.9	15.4
Shareholders' funds	Rs. /mn	42,770	26,604	29,571	25,357	23,596	2,047
Return on shareholders' funds	%	5.1%	46.3%	85.8%	-24.2%	-27.5%	116.3%

Stronger refining margins during the year led to a significant turnaround in profitability, with profit after tax increasing to Rs. 15.8 billion, compared to a loss after tax of Rs. 4.7 billion in the preceding year. This substantial improvement in earnings also resulted in a notable strengthening of key profitability ratios, including gross profit ratio, EBITDA margin and net profit ratio.

Profitability Ratios



Return on Capital Employed



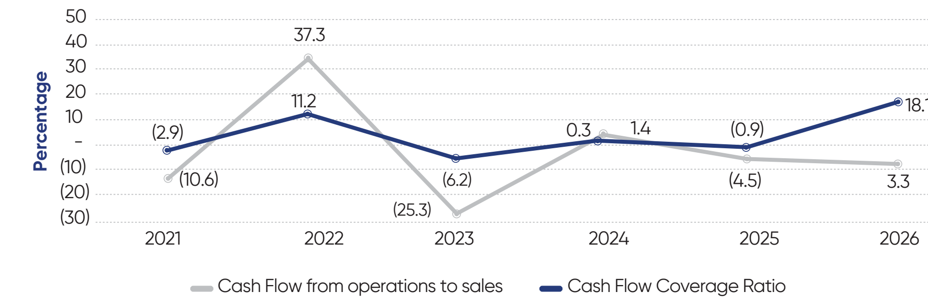
Liquidity Ratios

		2026	2025	2024	2023	2022	2021
Current ratio	Ratios	1.21:1	1.06:1	1.04:1	0.99:1	0.93:1	0.53:1
Quick/Acid-Test ratio	Ratios	0.8:1	0.74:1	0.63:1	0.53:1	0.57:1	0.26:1
Cash flow to capital expenditures	Times	5.2	(1.2)	0.4	(32.8)	49.3	(13.7)
Cash flow from operations to sales	%	3.3	(0.9)	0.3	(6.2)	11.2	(2.9)
Cash flow coverage ratio	%	18.1	(4.5)	1.4	(25.3)	37.3	(10.6)
Cash to current liabilities	Ratio	0.02	0.04	0.09	0.15	0.35	0.002

Current assets increased primarily due to higher inventory balances, reflecting the increase in crude oil and product prices. Furthermore, the repayment of the Company's foreign exchange (FE-25) short-term loans during the year strengthened its liquidity position, resulting in an improvement in both the current and quick ratios.

Positive cash flows from operating activities led to a positive cash flow coverage ratio.

Cash Flow Ratios

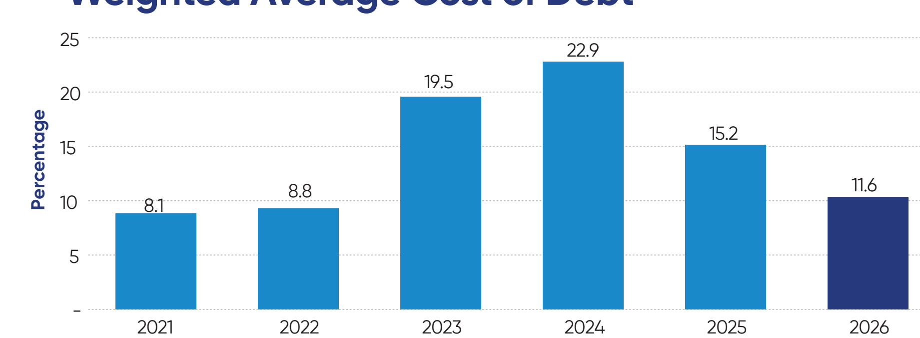


Capital Structure

		2026	2025	2024	2023	2022	2021
Financial leverage ratio	Times	0.4	1.0	1.0	1.3	0.8	8.7
Weighted average cost of debt	%	11.6	15.2	22.9	19.5	8.8	8.1
Debt-to-Equity ratio							
- as per book value	%	18 : 82	32 : 68	9 : 91	7 : 93	0 : 100	13 : 87
- as per market value	%	29 : 71	37 : 63	17 : 83	19 : 81	0 : 100	2 : 98
Net assets per share	Times	6.8	4.2	4.7	4.0	3.7	0.3
Interest cover	Times	6.9	0.5	3.7	2.8	15.3	2.4

The Company achieved a record profit after tax of Rs. 15.8 billion which strengthened its net equity and contributed to an improvement in the Financial leverage ratio. In addition, the Company repaid its foreign currency (FE-25) loans and partial repayment of the Company's long-term borrowings from a commercial bank. The combined impact of increased equity and debt repayments resulted in a significant improvement in the Company's debt-to-equity ratio.

Weighted Average Cost of Debt



Investment / Market Ratios

		2026	2025	2024	2023	2022	2021
Earnings / (loss) per share	Rs.	25.0	(7.4)	6.4	2.9	20.0	1.5
Price earnings ratio	Times	1.4	*	3.6	4.7	0.9	16.2
Price-to-book ratio	%	52.5	80.3	49.4	33.7	47.8	759.6
Dividend yield ratio	%	0.0	0.0	8.6	-	-	-
Dividend payout ratio	%	0.0	0.0	31.0	-	-	-
Cash dividend per share	Rs.	0.0	0.0	2.0	-	-	-
Dividend cover ratio	Times	0.0	0.0	3.2	-	-	-
Market value per share							
- at the end of the year	Rs.	35.7	33.9	23.2	13.6	17.9	24.7
- high during the year	Rs.	40.9	45.9	36.2	19.9	24.8	29.0
- low during the year	Rs.	23.2	21.5	13.4	12.1	10.7	11.6
Breakup value per share:							
- without surplus on revaluation	Rs.	31.0	5.4	14.7	8.0	5.2	**
- with surplus on revaluation	Rs.	67.9	42.2	46.9	40.2	37.5	3.2
DuPont analysis	%	45.5	(16.6)	14.6	7.5	98.1	100.1
Free cash flow	Rs. /mn	28,389	(482)	5,175	(14,984)	28,199	(2,183)
Economic value added (EVA)	Rs. /mn	9,631	(10,651)	(3,728)	(3,655)	10,405	706

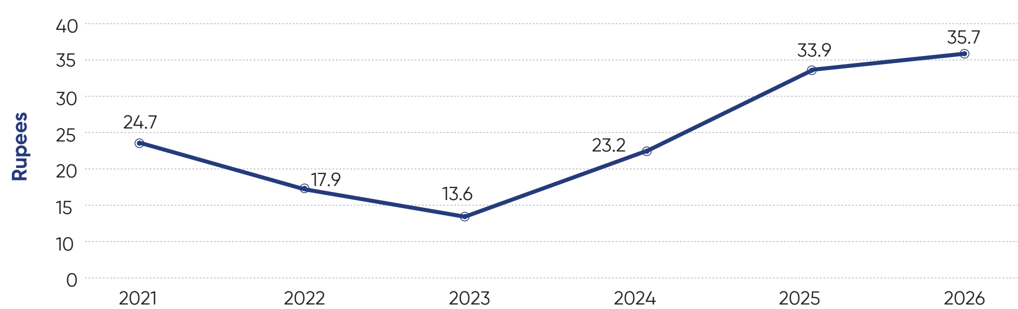
* Not applicable due to loss.

** Not applicable due to negative equity.

The Company's investment and market indicators improved significantly during the year, reflecting the strong recovery in profitability. Earnings per share increased to Rs. 25.05 from a loss per share of Rs. 7.4 in the previous year. The price-to-earnings ratio stood at 1.4 times, with the share price increasing by 5.1% during the year.

The Company also generated positive free cash flow of Rs. 28.4 billion and positive Economic Value Added of Rs. 9.6 billion, reflecting improved value creation for shareholders.

Share Price



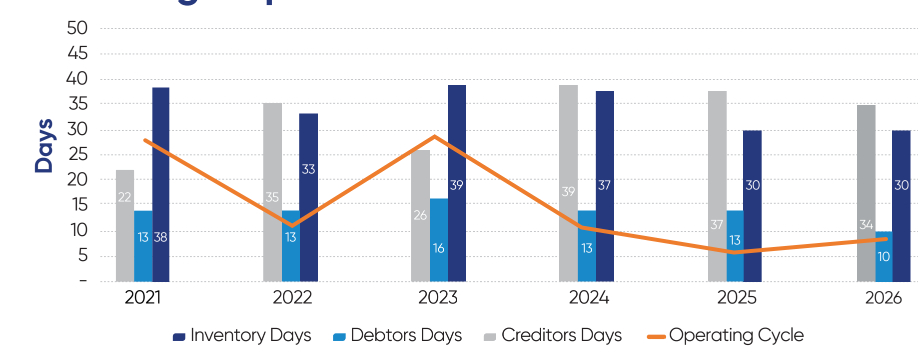
PRL'S Share Price vs PSX100 Index

Activity / Turnover Ratio

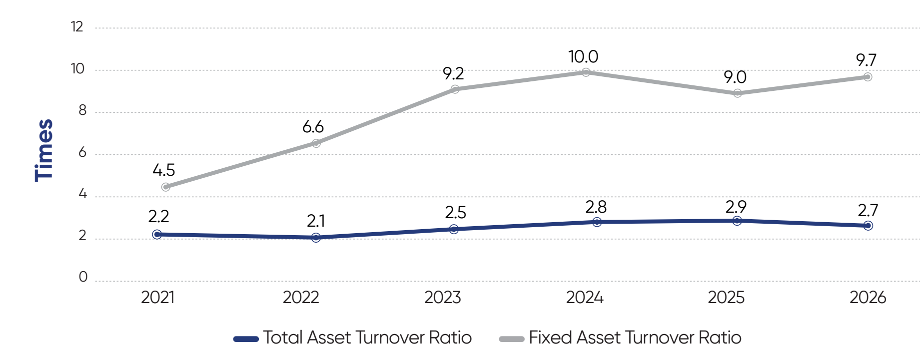
		2026	2025	2024	2023	2022	2021
Total assets turnover ratio	Times	2.7	2.9	2.8	2.5	2.1	2.2
Fixed assets turnover ratio	Times	9.7	9.0	10.0	9.2	6.6	4.5
Inventory days	Days	30	30	37	39	33	38
Debtors days	Days	14	13	13	16	13	13
Creditors days	Days	34	37	39	26	35	22
Operating cycle	Days	10	6	11	29	11	29

Total asset turnover declined slightly, as the increase in total assets outpaced the growth in sales. In contrast, fixed asset turnover improved, supported by strong revenue growth. The operating cash cycle increased primarily due to a reduction in the creditors' payment period.

Working Capital Ratios



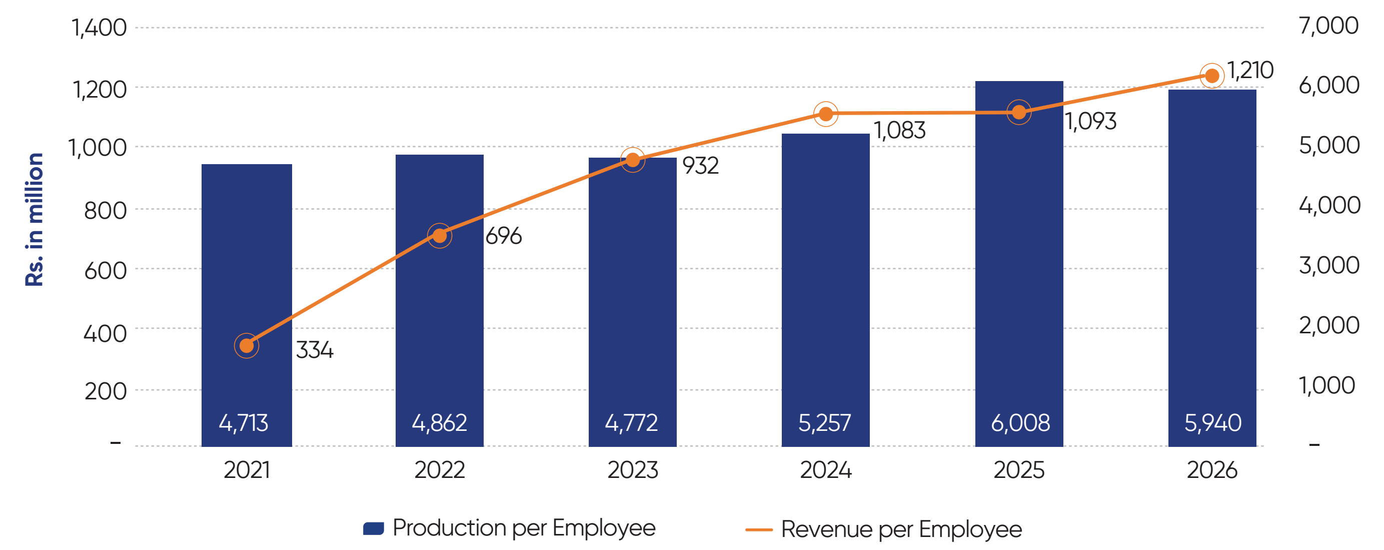
Asset Turnover Ratios



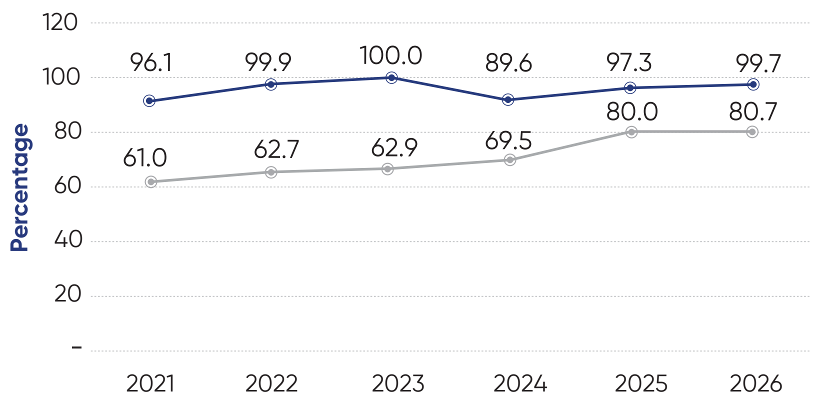
Non-Financial Ratios

		2026	2025	2024	2023	2022	2021
Employee productivity ratios							
- Production per employee	(M. Tons)	5,940	6,008	5,257	4,772	4,862	4,713
- Revenue per employee	Rs. / mn	1,210	1,093	1,083	932	696	334
Staff turnover ratio	%	6.9	9.9	10.6	8.2	3.3	3.3
Operational performance ratios							
- % of plant availability	%	99.7	97.3	89.6	100.0	99.9	96.1
- Capacity utilisation	%	80.7	80.0	69.5	62.9	62.7	61.0
Spares inventory as % of assets cost	%	1.6	2.0	2.1	1.7	0.6	1.3
Maintenance cost as % of operating expenses	%	7.2	7.2	5.8	7.6	11.0	11.6

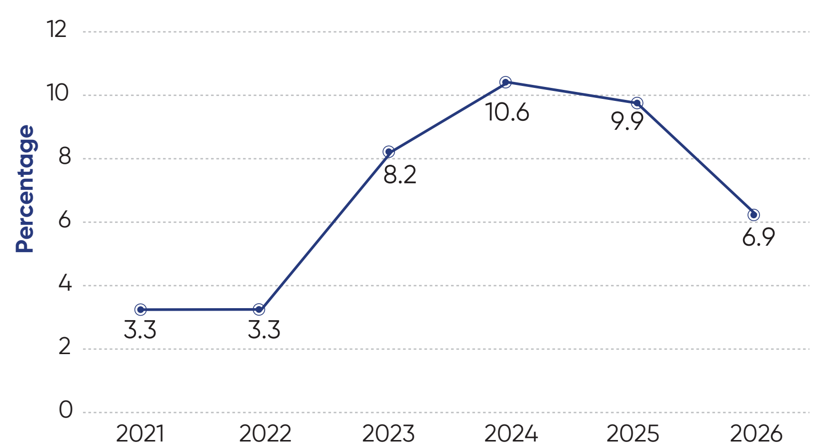
Employee Productivity Ratio



Operational Performance



Staff Turnover



Financial Statements

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITORS' REPORT

To the Members of Pakistan Refinery Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Refinery Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cashflows for the year then ended, and notes tothe financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026, and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

KPMG

KPMG Taseer Hadi & Co.

Following are the key audit matter:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Recognition of Revenue**	
	Refer notes 4.16.1 and 25 to the Company's financial statements for the accounting policy and detail of revenue. The company recognises revenue when control of goods has been transferred to the customers at the transaction price which the Company expects to be entitled to, after deducting sales tax, excise duties and applicable levies. The Company conducts the sale of regulated products at prices set by the Oil and Gas Regulatory Authority (OGRA). Sale of certain deregulated products is carried out at margin-based price mechanism and the company recognises revenue at a point in time when control of the products is transferred to customers. We consider this as a key audit matter due to the regulatory nature of pricing, the significance of amounts requiring significant time and resources to audit due to magnitude, inherent risk of material misstatement associated with the existence and accuracy of revenue, as well as revenue being a key economic indicator of the company.	Our audit procedures in respect of recognition of revenue, amongst others, include the following: • Obtained an understanding of the revenue recognition process, assessed the design and implementation of key internal controls over revenue recognition from sale of products; • Assessed the appropriateness of the Company's accounting policy for recognition of revenue and compliance of the policy with International Financial Reporting Standard (IFRS 15: "Revenue from Contracts with Customers"); • Compared on sample basis, the revenue transactions recorded during the reporting period with the underlying supports including sales invoices, delivery challans, relevant sales contract, joint dip certificates and customer acknowledgement to assess if the related revenue is appropriately supported; • Performed on sample basis the cutoff testing over the revenue transactions recorded before and after the reporting period with the underlying supports including sales invoices, delivery challans, relevant sales contract, joint dip certificates and customer acknowledgement to assess if the related revenue was recorded in the appropriate accounting period; • For regulated products agreed the ex-refinery rates per litre from the notifications of OGRA and for deregulated products agreed the price with the company's internal price notifications;

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Following are the key audit matter:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
		• Assessed the appropriateness of the disclosure made in the financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2026 but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact, We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

KPMG Taseer Hadi & Co.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017),

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

The engagement partner on the audit resulting in this independent auditors' report is Amyn Pirani.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 24 August 2026

Karachi

UDIN: AR2026102010WkJPaBZd

Statement of Financial Position

As at June 30, 2026

ASSETS	Note	2026	2025
		(Rupees in thousand)	
Non-Current assets			
Property, plant and equipment	5	**36,155,614**	34,552,918
Right-of-use asset	6	**62,305**	76,965
Intangibles	7	**29,325**	34,307
Investment accounted for using the equity method	8	**50,936**	57,676
Long-term deposits and loans	9	**31,944**	33,240
Deferred tax asset	20	**-**	599,890
Employee benefit prepayments	21	**96,504**	8,728
		36,426,628	35,363,724
Current assets			
Inventories	10	**32,005,003**	22,028,162
Trade receivables	11	**19,402,415**	19,390,402
Trade deposits, loans, advances and short-term prepayments	12	**605,363**	417,253
Other receivables	13	**31,359,340**	25,777,593
Taxation - payments less provision		**4,245,734**	738,950
Investments	14	**5,381,310**	1,385,124
Cash and bank balances	15	**1,322,756**	2,839,718
		94,321,921	72,577,202
		130,748,549	107,940,926
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**6,300,000**	6,300,000
Unappropriated profit / (accumulated loss)		**13,238,117**	(2,927,651)
Revaluation surplus on property, plant and equipment		**23,229,928**	23,229,928
Other reserves	17	**1,947**	1,947
		42,769,992	26,604,224
LIABILITIES			
Non-current liabilities			
Long-term borrowings	18	**9,150,000**	12,350,000
Long-term lease liability	19	**106,430**	123,578
Deferred tax liability	20	**684,109**	-
Employee benefit obligations	21	**113,370**	362,483
		10,053,909	12,836,061
Current liabilities			
Trade and other payables	22	**70,437,374**	52,990,985
Short-term borrowings	23	**7,446,553**	15,473,492
Current portion of long-term lease liability	19	**17,148**	12,188
Unpaid dividend		**3,721**	4,124
Unclaimed dividend		**19,852**	19,852
		77,924,648	68,500,641
		87,978,557	81,336,702
CONTINGENCIES AND COMMITMENTS	24		
		130,748,549	107,940,926

The annexed notes 1 to 44 form an integral part of these financial statements.

Mohsin Ali Mangi
Managing Director & CEO

Mohammad Abdul Aleem
Director

Imran Ahmad Mirza
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
Revenue from contracts with customers	25	**350,838,916**	310,351,355
Cost of sales	26	**(318,453,590)**	(308,494,059)
Gross profit		**32,385,326**	1,857,296
Selling expenses	27	**(729,200)**	(792,737)
Administrative expenses	28	**(1,521,309)**	(1,394,092)
Other operating expenses	29	**(2,561,484)**	(2,547,099)
Other income	30	**1,028,991**	2,700,072
Operating profit / (loss)		**28,602,324**	(176,560)
Finance cost	31	**(4,450,636)**	(3,787,556)
Share of (loss) / income of associate - accounted for using the equity method	8.1	**(5,038)**	787
Profit / (loss) before taxation		**24,146,650**	(3,963,329)
Final and minimum tax	32	**(255)**	(1,825,957)
Taxation	33	**(8,366,438)**	1,129,620
Profit / (loss) for the period		**15,779,957**	(4,659,666)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of employee retirement benefits	21	**385,811**	49,226
Revaluation surplus on property, plant and equipment	5.1.3	**-**	2,904,000
		385,811	2,953,226
Total comprehensive income / (loss)		**16,165,768**	(1,706,440)
Earnings / (loss) per share - basic and diluted	34	**Rs. 25.05**	(Rs. 7.40)

The annexed notes 1 to 44 form an integral part of these financial statements.

Mohsin Ali Mangi
Managing Director & CEO

Mohammad Abdul Aleem
Director

Imran Ahmad Mirza
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended June 30, 2026

	SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVE		TOTAL
		Revaluation surplus on property, plant and equipment	Exchange equalisation reserve	Unappropriated profit / (accumulated loss)	General reserve	
	(Rupees in thousand)					
Balance as at July 1, 2024 - (audited)	**6,300,000**	**20,325,928**	**897**	**2,942,789**	**1,050**	**29,570,664**
Loss for the year ended June 30, 2025	-	-	-	(4,659,666)	-	(4,659,666)
Other comprehensive income for the year ended June 30, 2025	-	2,904,000	-	49,226	-	2,953,226
Final dividend for the year ended June 30, 2024 @ Rs. 2 per share	-	-	-	(1,260,000)	-	(1,260,000)
	-	2,904,000	-	(5,870,440)	-	(2,966,440)
Balance as at June 30, 2025 - (audited)	**6,300,000**	**23,229,928**	**897**	**(2,927,651)**	**1,050**	**26,604,224**
Balance as at July 1, 2025 - (audited)	**6,300,000**	**23,229,928**	**897**	**(2,927,651)**	**1,050**	**26,604,224**
Profit for the year ended June 30, 2026	-	-	-	15,779,957	-	15,779,957
Other comprehensive income for the year ended June 30, 2026	-	-	-	385,811	-	385,811
	-	-	-	16,165,768	-	16,165,768
Balance as at June 30, 2026 - (audited)	**6,300,000**	**23,229,928**	**897**	**13,238,117**	**1,050**	**42,769,992**

The annexed notes 1 to 44 form an integral part of these financial statements.

Mohsin Ali Mangi
Managing Director & CEO

Mohammad Abdul Aleem
Director

Imran Ahmad Mirza
Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	**31,436,434**	2,552,087
Interest paid		**(4,815,775)**	(3,572,028)
Taxes paid		**(10,589,477)**	(2,453,434)
Contribution made to retirement benefit plans		**(126,390)**	(164,682)
Decrease / (increase) in long-term deposits and loans		**1,296**	(2,018)
Net cash generated from / (used in) operating activities		**15,906,088**	(3,640,075)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(3,033,843)**	(2,536,997)
Acquisition of intangibles		**(14,057)**	(25,443)
Proceeds from disposal of property, plant and equipment		**13,122**	9,651
Purchase of treasury bills net off disposals		**401,897**	3,855,423
Purchase of Pakistan investment bonds		**(4,246,552)**	-
Dividend received		**1,702**	4,252
Interest received		**650,768**	1,050,289
Net cash (used in) / generated from investing activities		**(6,226,963)**	2,357,175
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings		**-**	9,350,000
Repayment of long term borrowings		**(2,500,000)**	-
Proceeds from FE-25 loans		**21,061,431**	49,323,362
Repayment of FE-25 loans		**(33,939,853)**	(61,209,802)
Proceeds from short term borrowings		**4,246,553**	1,000,000
Lease rentals paid		**(35,239)**	(33,565)
Dividend paid		**(403)**	(1,255,876)
Net cash (used in) financing activities		**(11,167,511)**	(2,825,881)
Net (decrease) in cash and cash equivalents		**(1,488,386)**	(4,108,781)
Cash and cash equivalents at the beginning of the period		**2,839,718**	6,927,227
(Exchange loss) / gain on cash and cash equivalents		**(28,576)**	21,272
Cash and cash equivalents at the end of the period	42	**1,322,756**	2,839,718

The annexed notes 1 to 44 form an integral part of these financial statements.

Mohsin Ali Mangi
Managing Director & CEO

Mohammad Abdul Aleem
Director

Imran Ahmad Mirza
Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended June 30, 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Pakistan Refinery Limited (the Company) was incorporated in Pakistan as a public limited company in May 1960 and is listed on the Pakistan Stock Exchange. The Company is engaged in the production and sale of petroleum products.

The Company is a subsidiary of Pakistan State Oil Company Limited (PSO) which holds 63.56% shares of the Company (2025: 63.56%).

1.2 The geographical locations and addresses of the Company's business units, including plant are as under:

- Refinery complex and registered office of the Company is at Korangi Creek Road, Karachi; and

- Storage tanks are at Keamari, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated below in the respective accounting policy notes.

2.3 Functional Currency and foreign currency translation

These financial statements are presented in Pak Rupees (Rupees) which is also the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees.

2.4 Key accounting estimates and judgements

The preparation of financial statements is in conformity with accounting and reporting standards as applicable in Pakistan which 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.

Information about judgements, assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Note	
4.1	Property, plant and equipment (useful life and fair value)
4.2	Intangibles (useful life)
4.5.1	Provision for current income tax charge
4.5.2	Provision for deferred tax
4.10	Provisions
4.11	Lease liability and right of use assets
4.12	Measurement of defined benefit obligation

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

(a) Standards, interpretations and amendments to published approved accounting standards that become effective during the current year

There are certain new standards, interpretations and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after July 1, 2025. However these do not have any significant impact on the company's financial statements and therefore have not been detailed in these financial statements.

(b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

  - Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

    The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

    - no practical ability to withdraw, stop or cancel the payment instruction;

    - no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

    - the settlement risk associated with the electronic payment system is insignificant.

    The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

  - Financial Assets with ESG-Linked features:

    Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

    Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

    The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and

- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The above are not likely to have a material impact on the financial statements of the Company based on the current balance.

- Adoption of IFRS 18

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements"

The amendments apply for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027:

IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. It has introduced three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies have been applied consistently to all periods presented in the financial statements. Details of these policies are as follows:

4.1 Property, plant and equipment

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for freehold land which is carried at revalued amount , capital work-in-progress, major spare parts and stand-by equipment which are stated at cost less accumulated impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate items (Major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Major spare parts and stand-by equipment qualify for recognition as property, plant and equipment when an entity expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant operating assets category as and when assets are available for use.

Depreciation is charged to income by applying the straight-line method whereby the carrying amount less residual value, if not insignificant, of an asset is depreciated over its estimated remaining useful life to the Company. Full month's depreciation is charged in the month of acquisition and no depreciation is charged in the month of disposal.

Assets' residual values and useful lives are reviewed and adjusted, if expectations significantly differ from previous estimates, at each statement of financial position date.

Revaluations are carried out with sufficient regularity to ensure that the carrying value does not differ materially from its fair value. Increase in the carrying amount arising on revaluation of land is recognised in equity through other comprehensive income. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decrease that reverses previous increase of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Renewals and improvements are capitalised and assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and equipment are included in statement of profit or loss currently.

4.2 Intangible

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and cost of such asset can be measured reliably. Intangibles acquired by the Company are initially recognised at cost and are carried at cost less accumulated amortisation and impairment. Costs associated with developing or maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Company and that have probable economic benefits exceeding their cost and beyond one year, are recognised as intangible assets.

Amortisation is charged to statement of profit or loss by applying the straight-line method whereby the carrying amount less residual value, if not insignificant, of an asset is amortised over its estimated remaining useful life to the Company. Full month's amortisation is charged in the month of acquisition and no amortisation is charged in the month of disposal.

4.3 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset and when the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in statement of profit or loss.

At the end of each reporting period, the Company also assesses whether there is an indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in statement of profit or loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs and accordingly recognizes impairment loss or reverses the impairment loss recognized in prior periods.

Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

Value in use is estimated as the present value of estimated future cash flows from the continuing use of an asset / cash generating unit and from its disposal at the end of its useful life. A pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4.4 Investment in associate

Investment in associate is accounted for using equity method of accounting. It is initially recognised at cost. The Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and other comprehensive income. When the Company's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

4.5 Income tax

4.5.1 Current

The charge for current taxation is based on taxable income at the relevant rates of taxation after taking into account tax credits and rebates available, if any in accordance with the Income Tax Ordinance, 2001.

The Company recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

4.5.2 Deferred

Deferred tax is accounted for on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax asset is recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are measured at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.6 Inventories

Crude oil and finished products are valued at lower of cost and net realisable value. Cost is determined using "first-in, first-out" method except crude oil in transit where cost comprises invoice value plus other charges incurred thereon. Cost in relation to finished products represents cost of crude oil and appropriate manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business less costs of completion and costs necessarily to be incurred to make the sale.

Stores, spares and chemicals are valued at cost less provision for obsolescence. Cost is determined using weighted average method except items in transit where cost comprises invoice value plus other charges incurred thereon.

4.7 Cash and cash equivalents

Cash and Cash equivalents comprise of cash in hand and balances with banks on current, savings and deposit accounts. Running finance under mark-up arrangements that are repayable on demand and form an integral part of the Company's cash management are included as component of cash and cash equivalents for the purpose of statement of cash flows.

4.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently these are measured at amortised cost using the effective interest rate method.

4.9 Borrowing costs

Borrowing costs are recognised as expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

4.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made.

4.11 Lease liability and Right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease i.e. it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable payment that are based on an index or a rate or amounts expected to be payable by the lessee under residual value guarantees, exercise price of a purchase option, payments of penalties for terminating the lease, less any lease incentives receivable. The purchase, extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future payments arising from a change in fixed payments or an index or rate, the Company's estimate of the amount expected to be payable under a residual value guarantee or its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset is reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any payments made at or before the commencement date and any incentive received, plus any initial direct costs and estimate of costs to dismantle, remove or restore the underlying asset (if any) or to restore the site on which it is located. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company does not recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less, leases of low-value assets and recognises associated payments in the period in which these are incurred.

4.12 Employee retirement benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

4.12.1 Defined benefit plans

Defined benefit plans define an amount of pension or gratuity that an eligible employee will receive on or after retirement, or upon leaving the service of Company or in the event of death or permanent disability, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation.

The Company operates recognised gratuity and pension funds for all its eligible employees. The latest actuarial valuations were carried out as at June 30, 2026 using the Projected Unit Credit Method.

The amount arising as a result of remeasurements is recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past and current service costs and interest cost / income are recognised immediately in the statement of profit or loss.

4.12.2 Defined contribution plan

The Company operates a recognised provident fund for all its eligible employees. Equal contributions are made, both by the Company and the employees, to the fund at the rate of 10% of the basic salary. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

4.13 Foreign currency transactions

Transactions in foreign currencies are converted into Rupees at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Rupees at rates prevailing at the statement of financial position date. Foreign currency gains and losses are recognised in the statement of profit or loss. Foreign exchange differences arising from import of raw material are included in cost of sales whereas exchange differences on financing activities are included in finance cost.

4.14 Financial instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.14.1 Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of profit or loss. Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss). Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss.

Interest income on financial assets are recognised on time proportion basis using the effective interest rate method.

Impairment of financial asset

The Company recognises lifetime expected credit losses for trade receivables that do not constitute a financing transaction. Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default event that are possible within 12 months after the reporting date.

4.14.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

4.14.3 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.14.4 Transaction costs

When a financial asset or financial liability is not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the initial fair value. For financial assets, such costs are added to the amount originally recognised. For financial liabilities, such costs are deducted from the amount originally recognised. This applies to all financial instruments not carried at FVTPL, including instruments carried at FVTOCI. For debt instruments, the transaction costs are recognised as part of interest income using the effective interest method.

For financial instruments that are measured at FVTPL, transaction costs are not added to or deducted from the initial fair value, but they are immediately recognised in profit or loss on initial recognition.

Transaction costs expected to be incurred on a financial instrument's transfer or disposal are not included in the financial instrument's measurement.

4.15 Fair value measurement

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

- In the principal market for the asset or liability; or

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

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

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

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

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

4.16 Revenue Recognition

4.16.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised at the transaction price which the Company expects to be entitled to, after deducting sales taxes, excise duties and similar levies. Revenue from sale of goods is recognised when control of goods has been transferred to the customers. Accordingly:

- local sales are recognised on the basis of products pumped in oil marketing companies' tanks except when held for a buyer based on a contract. Sale of products loaded through gantry is recognised when the products are loaded into tank lorries;
- export sales are recognised, on Free-on-Board (FOB) basis, at the time when the products are shipped to customers.

4.16.2 Other Income

- profit on bank deposit and interest are recognised as income with effective yield basis.
- rental income is recognised on a time proportionate basis when right to the same is established.

4.17 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividend is approved.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

5. PROPERTY, PLANT AND EQUIPMENT

	2026	2025
	(Rupees in thousand)	
Operating assets - note 5.1	**31,471,037**	31,447,278
Major spare parts and stand-by equipment - note 5.2	**803,110**	682,722
Capital work-in-progress - notes 5.3 and 5.4	**3,881,467**	2,422,918
	36,155,614	34,552,918

5.1 Operating assets

	Freehold land (notes 5.1.1, 5.1.2 and 5.1.3)	Buildings	Processing plant	Korangi tank farm	Keamari terminal	Pipelines	Steam generation plant	Power generation, transmission and distribution	Water treatment and cooling system	Equipment including furniture	Fire fighting and telecom-munication systems	Vehicles and other automotive equipment	Total
	(Rupees in thousand)												
Net carrying value basis													
Year ended June 30, 2026													
Opening net book value (NBV)	23,232,000	51,909	5,540,171	492,653	369,273	157,948	476,324	437,689	21,871	334,370	155,670	177,400	31,447,278
Additions (at cost)	-	37,075	701,783	302,976	4,413	29,297	6,278	95,275	33,996	166,219	7,003	63,965	1,448,280
Write-off / Disposals (at NBV) - note 5.1.4	-	-	-	-	-	-	-	-	-	(166)	-	(11,151)	(11,317)
Depreciation charge	-	(13,318)	(797,409)	(109,169)	(94,391)	(34,941)	(42,817)	(93,491)	(4,841)	(126,570)	(33,787)	(62,470)	(1,413,204)
Closing net book value	23,232,000	75,666	5,444,545	686,460	279,295	152,304	439,785	439,473	51,026	373,853	128,886	167,744	31,471,037
Gross carrying value basis													
At June 30, 2026													
Cost or revaluation	23,232,000	231,952	12,946,992	2,501,055	1,503,631	596,089	756,991	1,165,924	163,168	1,132,993	447,198	356,571	45,034,564
Accumulated depreciation	-	(156,286)	(7,502,447)	(1,814,595)	(1,224,336)	(443,785)	(317,206)	(726,451)	(112,142)	(759,140)	(318,312)	(188,827)	(13,563,527)
Net book value	23,232,000	75,666	5,444,545	686,460	279,295	152,304	439,785	439,473	51,026	373,853	128,886	167,744	31,471,037
Depreciation rate % per annum	-	5 to 20	5 to 33	5 to 20	5 to 20	10	10 to 33	5 to 33	10 to 20	10 to 33	5 to 33	25	
Net carrying value basis													
Year ended June 30, 2025													
Opening net book value (NBV)	20,328,000	29,706	5,573,165	514,214	463,623	178,728	340,632	413,539	12,441	175,181	156,490	147,955	28,333,674
Revaluation - note 5.1.3	2,904,000	-	-	-	-	-	-	-	-	-	-	-	2,904,000
Additions (at cost)	-	29,610	874,371	104,604	1,405	14,191	173,053	111,350	12,386	248,828	32,180	88,536	1,690,514
Write-off / Disposals (at NBV) - note 5.1.4	-	-	(48,001)	-	-	-	-	-	-	(120)	-	(6,800)	(54,921
Depreciation charge	-	(7,407)	(859,364)	(126,165)	(95,755)	(34,971)	(37,361)	(87,200)	(2,956)	(89,519)	(33,000)	(52,291)	(1,425,989)
Closing net book value	23,232,000	51,909	5,540,171	492,653	369,273	157,948	476,324	437,689	21,871	334,370	155,670	177,400	31,447,278
Gross carrying value basis													
At June 30, 2025													
Cost or revaluation	23,232,000	194,877	12,249,823	2,198,078	1,499,217	566,792	761,148	1,070,649	129,245	976,080	440,195	332,882	43,650,986
Accumulated depreciation	-	(142,968)	(6,709,652)	(1,705,425)	(1,129,944)	(408,844)	(284,824)	(632,960)	(107,374)	(641,710)	(284,525)	(155,482)	(12,203,708)
Net book value	23,232,000	51,909	5,540,171	492,653	369,273	157,948	476,324	437,689	21,871	334,370	155,670	177,400	31,447,278
Depreciation rate % per annum	-	5 to 20	5 to 33	5 to 20	5 to 20	10	10 to 33	5 to 33	10 to 20	10 to 33	5 to 33	25	

5.1.1 The land is freehold and used for oil refinery by the Company.

5.1.2 Particulars of immovable property (i.e. land) in the name of Company are as follows:

Location	Usage of immoveable Property	Total area (in acres)
Naclass No.24, Deh Dih, Tappo Landhi, Taluka Karachi, District Karachi	Refining complex	200

5.1.3 As at June 30, 2025, land measuring 200 acres located at Naclass No. 24, Deh Dih, Tappo Landhi, Taluka Karachi, District Karachi, where the Refinery is situated, was revalued at Rs. 23.23 billion, resulting in an additional surplus of Rs. 2.9 billion over last revaluation carried out as at June 30, 2022. The value was determined by an independent valuer M/s. Iqbal A. Nanjee and Co. (Private) Limited ("the valuer") on June 30, 2025 on the basis of present market value keeping in view that the land is freehold and used for oil refinery by the Company (level 2). The forced sales value has been determined by the independent valuer at Rs. 17.42 billion.

The fair value was determined by an independent valuer based on estimated current market value, considering that the land is freehold. This valuation falls under Level 2 of the fair value hierarchy, as it relies on inputs other than quoted prices for identical assets.

Had there been no revaluation, the net book value of land would have been Rs. 2.07 million (2025: Rs. 2.07 million). The surplus on revaluation is not available for distribution to the shareholders.

5.1.4 The details of operating asset disposed off during the year, having net book value above Rs. 500,000 is as follows:

Asset category	Cost	Accumulated depreciation	Net book Vake	Sale Proceeds	Gain / (loss) on disposal	Particulars of buyer
	-----------------(Rupees in thousand)				----------------	
Vehicle and other automotive equipment	15,463	10,309	5,154	5,154	-	Zahid Mir (Ex-CEO) Company Policy
Vehicle and other automotive equipment	3,067	2,556	511	511	-	Omar Siddiqui (Ex-Employee) Company Policy
Vehicle and other automotive equipment	4,005	-	4,005	4,005	-	Shakeel Akber Rizvi (Ex-Employee) Company Policy
Vehicle and other automotive equipment	3,021	2,498	523	523	-	Imran Ahmed Sheikh (Ex-Employee) Company Policy
Vehicle and other automotive equipment	14,952	13,995	957	1,496	539	(Various employees) Company policy
Items having book value of less than Rs. 500,000 each	24,426	24,259	167	1,433	1,266	(Various employees) Tender
	64,934	**53,617**	**11,317**	**13,122**	**1,805**	

	2026	2025
	(Rupees in thousand)	
5.2 Major spare parts and stand-by equipment		
Gross carrying value		
Balance at beginning of the year	**706,933**	504,932
Additions during the year	**212,289**	583,217
Transferred during the year	**(85,275)**	(381,216)
Balance at end of the year	**833,947**	706,933
Provision for impairment - note 5.2.1	**(30,837)**	(24,211)
Net carrying value	**803,110**	682,722

5.2.1 During the year, net charge of Rs. 6.63 million (2025: net charge of Rs. 3.09 million) was recorded.

	2026	2025
	(Rupees in thousand)	
5.3 Movement in capital work-in-progress		
Balance at beginning of the year	**2,422,918**	1,730,435
Additions during the year	**2,920,886**	2,382,997
Transfers made during the year	**(1,462,337)**	(1,690,514)
Balance at end of the year	**3,881,467**	2,422,918
5.4 Capital work-in-progress		
Processing plant	**909,661**	350,007
Korangi tank farm	**1,554,901**	820,347
Keamari terminal	**1,034,457**	733,981
Pipelines	**96,904**	47,048
Power generation, transmission and distribution	**12,987**	41,577
Water treatment and cooling system	**31,400**	199,700
Steam generation plant	**31,695**	12,315
Equipment including furniture	**23,091**	29,753
Fire fighting and telecommunication systems	**40,776**	39,313
Buildings	**11,111**	22,568
Intangible assets	**13,100**	12,284
Refinery Expansion & Upgrade Project	**-**	77,723
Advances to contractors / suppliers	**121,384**	36,302
	3,881,467	2,422,918

5.4.1 During the period, the Company has capitalised borrowing costs amounting to Rs. 131.35 million (June 30, 2025: Rs. 87.73 million) on its qualifying assets at the current period's weighted average rate of its general borrowings of 11.42% per annum (June 30, 2025: 15.54% per annum).

	2026	2025
	(Rupees in thousand)	
6. RIGHT-OF-USE ASSET		
Opening net book value	**76,965**	99,435
Depreciation for the year	**(14,660)**	(15,181)
Lease modification	**-**	(7,289)
Closing net book value	**62,305**	76,965
Depreciation rate	**9%**	9%

6.1 Lease payments are increased every year by 5% to reflect the market rentals.

	2026	2025
7. INTANGIBLES - SOFTWARE		
Net carrying value basis		
Opening net book value	**34,307**	18,325
Additions at cost	**14,057**	25,443
Amortisation	**(19,039)**	(9,461)
Closing net book value	**29,325**	34,307
Gross carrying value basis		
Cost	**82,523**	68,466
Accumulated amortisation	**(53,198)**	(34,159)
Net book value	**29,325**	34,307
Amortisation rate	**20%-33%**	20%-33%

	2026	2025
	(Rupees in thousand)	

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2026	2025
Pak Grease Manufacturing Company (Private) Limited - 850,401 (2025: 850,401) fully paid ordinary shares - note 8.1	**50,936**	57,676

8.1 The Company holds 27.26% (2025: 27.26%) share in the associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 8.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

The address of its business unit and registered office is 6, Oil Installation Area, Keamari, Karachi. The Company's principal activity is to manufacture and sell petroleum grease products.

	2026	2025
	(Rupees in thousand)	
Opening balance	**57,676**	61,141
Share of (loss) / profit for the year	**(5,038)**	787
Dividend received	**(1,702)**	(4,252)
	50,936	57,676

8.2 Summarised financial information of Company's associate:

Set out below is the summarised unaudited financial information for Pak Grease Manufacturing Company (Private) Limited which is accounted for using the equity method.

	2026	2025
	(Rupees in thousand)	
Revenue from contracts with customers	**258,543**	298,083
(Loss) / profit from continuing operations	**(14,850)**	5,024
Other comprehensive income / (loss)	**-**	-
Total comprehensive (loss) / income	**(14,850)**	5,024
Non-current assets	**76,296**	78,704
Current assets	**163,230**	171,443
Non-current liabilities	**(17,328)**	(10,314)
Current liabilities	**(35,344)**	(28,256)
Net assets	**186,854**	211,577
Carrying value (Company's share of 27.26%)	**50,936**	57,676

9. LONG-TERM DEPOSITS AND LOANS

	2026	2025
Secured and considered good		
Deposits	**23,378**	22,682
Loans to employees	**19,543**	21,554
Recoverable within one year – note 12	**(10,977)**	(10,996)
	8,566	10,558
	31,944	33,240

	2026	2025
	(Rupees in thousand)	

10. INVENTORIES

	2026	2025
Raw material		
Crude oil [including in transit Rs. 0.01 billion (2025: 0.01 billion)]	**13,686,997**	14,748,874
Finished products - notes 10.1 & 10.2	**16,260,301**	5,126,192
Stores, spares and chemicals - note 10.3	**2,057,705**	2,153,096
	32,005,003	22,028,162

10.1 As at June 30, 2026, stocks of crude oil and finished products have been written down by Rs. 1,779.86 million (2025: Nil) and Rs. 2,586.62 million (2025: 27.40 million) respectively to arrive at its net realisable value.

10.2 Includes finished products held with the following third parties for onward sales to customers:

	2026	2025
	(Rupees in thousand)	
- Al-Hamd Bulk Storage (Private) Limited	**1,649,705**	203,815
- Karachi Bulk Storage and Terminals (Private) Limited	**1,629,303**	-
- ZY & Co. Bulk Storage (Private) Limited	**1,373,171**	-
- Cynergico PK Limited	**149,107**	163,880
- PSO - related party	**1,635**	1,436
	4,802,921	369,131

10.3 Stores, spares and chemicals

	2026	2025
Stores	**848,671**	511,919
Spares	**691,515**	552,668
Chemicals	**575,872**	1,136,666
	2,116,058	2,201,253
Provision for slow moving stores, spares and chemicals	**(58,353)**	(48,157)
	2,057,705	2,153,096

11. TRADE RECEIVABLES

	2026	2025
Considered good		
Due from Related Party		
Pakistan State Oil Company Limited - Parent	**13,738,371**	12,729,817
Flow Petroleum Private Limited - Associate	**-**	649,833
Gas & Oil Pakistan Limited - Associate	**-**	403,530
Taj Gasoline Private Limited - Associate	**-**	798,186
Others – note 11.1	**5,664,044**	4,809,036
	19,402,415	19,390,402
Considered doubtful - others	**134,892**	134,892
	19,537,307	19,525,294
Less: Loss allowance on doubtful receivables	**(134,892)**	(134,892)
	19,402,415	19,390,402

11.1 This also include trade receivables on account of export sales Nil (2025: Rs. 1.31 billion) secured by way of export letter of credit.

11.2 The age analysis of trade receivables past due but not impaired is as follows:

	2026	2025
Up to 3 months	**338,358**	263,035
3 to 6 months	**-**	-
More than 6 months	**38,841**	2,417

11.3 The age analysis of trade receivables past due but not impaired from related parties are as follows:

	2026	2025
Up to 3 months	**182**	103
3 to 6 months	**42**	-
More than 6 months	**25,291**	25,291

11.4 The maximum aggregate amount due from following related parties at the end of any month during the year was:

Related Party Name	Relationship	2026	2025
		(Rupees in thousand)	
Pakistan State Oil Company Limited	Parent	**36,845,903**	12,729,817
Flow Petroleum Private Limited	Associate	**647,755**	775,305
Gas & Oil Pakistan Limited	Associate	**1,183,231**	1,994,139
Taj Gasoline Private Limited	Associate	**1,477,037**	1,366,774

11.5 Due to the short-term nature of the trade debts, their carrying amount is considered to be the same as their fair value.

12. TRADE DEPOSITS, LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS

	2026	2025
	(Rupees in thousand)	
Trade deposits	**200,400**	132,176
Loans to employees recoverable within one year – note 9	**10,977**	10,996
Advances for supplies and services	**339,938**	232,870
Short-term prepayments	**54,048**	41,211
	605,363	417,253

12.1 Trade deposits, loans and advances do not carry any interest.

13. OTHER RECEIVABLES

	2026	2025
Receivable from government - note 13.1 and 13.2	**9,459,121**	9,554,190
Profit on cash and cash equivalents	**874**	579
Sales Tax claimable from Government - note 13.3	**1,710,719**	2,171,935
Receivable from refineries - note 13.4	**511,155**	3,201,850
Custom Duty Receivable - note 13.5 and 22.4	**19,569,899**	10,823,317
Workers Profit Participation Fund - note 13.6	**366,702**	-
Workers Welfare Fund	**-**	25,722
	31,618,470	25,777,593
Less: Loss allowance on doubtful other receivables - note 13.2	**(259,130)**	-
	31,359,340	25,777,593

13.1 This includes a net amount of Rs. 9.2 billion (exchange losses of Rs. 9.82 billion net of exchange gains of Rs. 0.62 billion) (June 30, 2025: Rs. 9.30 billion) in respect of foreign currency loans (FE-25 loans) obtained by the Company for settlement of LCs of crude oil based on the directions of Ministry of Finance (MoF) dated November 27, 2013 and October 21, 2021. On July 18, 2024, MoF interalia informed the Directorate General of Oil office that exchange losses incurred by the Company on the two FE-25 loans taken by it, may be included in the summary for the Economic Coordination Committee (ECC) for recovery through pricing mechanism.

13.2 This includes receivable of Rs. 259.13 million (2025: Rs. 259.13 million) from the Government in respect of price differential claims as a result of restricting the ex-refinery prices charged by the Company to the oil marketing companies on instructions from Ministry of Energy (MoE). During the year ended June 30, 2018, the Company received a report from MoE through Oil Companies Advisory Council (OCAC) highlighting certain aspects of the above claims. In view of the prolonged outstanding status of the receivable, the Company has provided against the outstanding balance.

13.3 This represents Rs. 1.71 billion (June 30, 2025: Rs. 2.2 billion) on account of unadjustable input tax related to exempt supplies. The Government allowed recovery of disallowed input tax during 2024-25 due to exemption of Petroleum products through pricing mechanism of MS and HSD. The Company believes that the mechanism will also be extended for recovery of disallowed input tax for the year 2025-26.

13.4 This represents Rs. 436.1 million (2025: Rs. 3,184 million) due from Pak-Arab Refinery Limited (PARCO) in respect of sharing of crude oil, freight and other charges. It further includes Rs. 75.13 million (2025: Rs 17.8 million) due from National Refinery Limited in respect of sharing of crude oil, freight and other charges. Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

13.5 This represents Rs. 19.6 billion (June 30, 2025: Rs. 10.82 billion) on account of custom duty paid on import of crude oil which is reimbursable through Inland Freight Equalization Margin (IFEM) under Pakistan Oil Refining Policy for Existing / Brownfield Refineries, 2023.

13.6 Workers Profit Participation Fund

	2026	2025
	(Rupees in thousand)	
Opening balance	**-**	-
Expense during the year	**1,233,298**	-
Payments made during the year	**(1,600,000)**	-
Closing balance	**366,702**	-

This represents the excess payment to the fund. Arrangements are being made for its recovery.

14. INVESTMENTS

	2026	2025
Investment in Pakistan investment bonds - note 14.1	**4,246,503**	-
Investment in treasury bills - note 14.2	**1,134,807**	1,385,124
	5,381,310	1,385,124

14.1 This represents short term investments in Pakistan investment bonds measured at fair value through profit or loss. These carry coupon rate of 12% p.a. and was subsequently sold on July 02, 2026. Fair values of these investments are determined using repurchase price.

The investment in Pakistan investment bonds are valued on observable inputs, including quoted prices for similar instruments or other market data (Level 2 in fair value hierarchy).

14.2 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 yield at 11.62%. These treasury bills will mature latest by November 12, 2026.

The investment in Government treasury bills are valued on observable inputs, including quoted prices for similar instruments or other market data (Level 2 in fair value hierarchy).

These treasury bills are lien marked against the Bank Guarantee of Rs. 1 billion issued by Habib Bank Limited in favor of Oil and Gas Regulatory Authority (OGRA).

15. CASH AND BANK BALANCES

	2026	2025
	(Rupees in thousand)	
With banks in		
Conventional		
Savings accounts - note 15.1	**272,888**	1,723,406
Current accounts - note 15.3	**966,537**	1,098,563
	1,239,425	2,821,969
Islamic		
Savings accounts - note 15.2	**6,772**	220
Current accounts - note 15.3	**75,656**	17,233
	82,428	17,453
Cash in hand	**903**	296
	1,322,756	2,839,718

15.1 The rates of mark-up on savings accounts as at June 30, 2026 were in the range of 3.5% to 10% per annum (June 30, 2025: 8.50% to 9.50% per annum).

15.2 The rates of profits on savings accounts as at June 30, 2026 were in the range of 5% to 7% per annum (June 30, 2025: 4% per annum).

15.3 These bank balances are maintained under current accounts and do not carry any interest.

16. SHARE CAPITAL

2026	2025		2026	2025
(Numbers)			(Rupees in thousand)	
Authorised share capital				
Ordinary shares of Rs. 10 each				
1,000,000,000	1,000,000,000		**10,000,000**	10,000,000
Issued, subscribed and paid-up				
Ordinary shares of Rs. 10 each				
601,000,000	601,000,000	Ordinary shares fully paid in cash	**6,010,000**	6,010,000
29,000,000	29,000,000	Ordinary shares issued as fully paid bonus shares	**290,000**	290,000
630,000,000	630,000,000		**6,300,000**	6,300,000

16.1 These fully paid ordinary shares carry one vote per share and right to dividend.

17. OTHER RESERVES

	2026	2025
	(Rupees in thousand)	
Capital reserve - Exchange equalisation reserve	**897**	897
Revenue reserves - General reserve	**1,050**	1,050
	1,947	1,947

18. LONG-TERM BORROWINGS

	2026	2025
Long term loans - note 18.1	**12,350,000**	14,850,000
	12,350,000	14,850,000
Less: Current portion of long term borrowings	**(3,200,000)**	(2,500,000)
	9,150,000	12,350,000

18.1 Following are the changes in the long-term borrowings (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):

	2026	2025
	(Rupees in thousand)	
Opening balance - note 18.2	**14,850,000**	4,500,000
Add: Loans obtained		
Loan from PSO - Related Party	**-**	3,150,000
Long term loan	**-**	6,000,000
Diminishing Musharika	**-**	2,700,000
	-	11,850,000
Less: Loans repaid		
Long term loan repaid - note 18.2.3	**(2,500,000)**	-
Diminishing Musharika repaid	**-**	(1,500,000)
Closing balance - note 18.3	**12,350,000**	14,850,000

18.2 This includes the following long term loans obtained from banks and parent Company in previous years:

18.2.1 The Company obtained a loan facility of PKR 3.15 billion from Pakistan State Oil Company Limited (PSO) for a tenor of 3.5 years (including 3 years grace period) to finance the Front-End Engineering Design (FEED) study for the Refinery Expansion & Upgrade Project ("REUP"). The loan includes an option for PSO to convert it into equity, subject to the necessary corporate and regulatory approvals. The loan carries mark-up at a rate equal to the higher of PSO's borrowing cost or KIBOR plus premium of 0.35% per annum payable on quarterly basis. The loan is repayable in six equal monthly installments commencing in the final six months of the loan term. The loan is secured by way of First Pari Passu hypothecation charge over fixed assets and current assets, and mortgage properties of the Company.

18.2.2 The Company obtained a Syndicated Term Finance loan of Rs. 6 billion at a mark-up of 3 month KIBOR + 0.75% per annum from The Bank of Punjab for a tenor of 3.5 years (including 3 years grace period). The loan is repayable in six equal monthly installments commencing from 37th month from drawdown date, whereas markup is to be paid on a quarterly basis. The loan is secured by way of First Pari Passu hypothecation charge over present and future fixed assets (excluding land and buildings).

18.2.3 The Company obtained a long term project finance facility of Rs. 3 billion received from Askari Bank Limited (AKBL) at 1 month KIBOR + 1% per annum for a tenor of 3 years (including 2.5 year grace period). The loan was repayable in equal monthly installments commencing from 31st month from drawdown date, whereas markup is to be paid on a quarterly basis. The loan is secured by way of hypothecation of property, plant and equipment (excluding land and buildings). During the year, the Company repaid Rs. 2.5 billion of the outstanding loan.

18.2.4 The Company obtained a Rs. 2.7 billion diminishing musharika under mark-up arrangement through Faysal Bank Limited. The loan carries a mark-up of 3 months KIBOR + 0.1% per annum for a tenor of 1.5 years and is repayable under bullet mode at maturity. The loan is secured by way of hypothecation of property, plant and equipment (excluding land and buildings).

18.3 This includes Rs. 2.7 billion financing obtained under Islamic financing arrangement and Rs. 9.65 billion obtained under conventional long term financing.

19. LEASE LIABILITY

	2026	2025
	(Rupees in thousand)	
Lease liabilities under IFRS 16	**123,578**	135,766
Current portion	**(17,148)**	(12,188)
Non Current Portion	**106,430**	123,578

19.1 **Liabilities are payables as follows:**

	2026			2025		
	Present Value of Minimum Lease Payments	Future Finance Cost	Minimum Lease Payments	Present Value of Minimum Lease Payments	Future Finance Cost	Minimum Lease Payments
	----- (Rupees in thousand -----			----- (Rupees in thousand -----		
Not later than one year	**17,148**	**19,853**	**37,001**	12,188	23,051	35,239
Later than one year but not later than five years	**106,430**	**27,291**	**133,721**	112,334	47,144	159,478
Later than five year	**-**	**-**	**-**	11,244	-	11,244
	123,578	**47,144**	**170,722**	135,766	70,195	205,961

19.2 The lease liability is discounted using incremental borrowing rate of 22.93% (2025: 22.93%).

20. DEFERRED TAX LIABILITIES

	Deferred tax liability arising in respect of taxable temporary differences			Deferred tax asset arising in respect of deductible temporary differences								
	Property, plant and equipment	Investment in associate accounted for under equity method	Total	Right of use asset net of lease liability	Provision for slow moving stores and spares	Excess of Alternate Corporate Tax / Minimum Tax over Normal Tax Liability	Unabsorbed depreciation	Brought forward loss	Liabilities no longer payable written back	Provision for loss allowance on doubtful other receivables	Total	Net deferred tax liability
	(Rupees in '000)											
July 01, 2024	(1,308,156)	(15,070)	(1,323,226)	19,921	15,975	669,088	-	-	-	-	704,984	(618,242)
Credit / (charge) to profit or loss for the year	52,834	865	53,699	(2,708)	2,807	-	370,371	793,963	-	-	1,164,433	1,218,132
June 30, 2025	(1,255,322)	(14,205)	(1,269,527)	17,213	18,782	669,088	370,371	793,963	-	-	1,869,417	599,890
Credit / (charge) to profit or loss for the period	(21,079)	2,687	(18,392)	5,459	14,219	(669,088)	(370,371)	(793,963)	452,259	95,878	(1,265,607)	(1,283,999)
June 30, 2026	**(1,276,401)**	**(11,518)**	**(1,287,919)**	**22,672**	**33,001**	**-**	**-**	**-**	**452,259**	**95,878**	**603,810**	**(684,109)**

21. EMPLOYEE BENEFIT OBLIGATIONS / (PREPAYMENTS)

The Company operates recognised funded gratuity and pension schemes (the Schemes) for its eligible management and non-management employees. Actuarial valuation of these Schemes is carried out every year and the latest actuarial valuation was carried out as at June 30, 2026 using the Projected Unit Credit Method, details of which as per the actuarial valuation are stated in note 21.1.1.

Assets of these schemes are held in separate trusts (the Funds), which are governed by local regulations which mainly include Sindh Trust Act, 2020, the Companies Act, 2017, the Income Tax Rules, 2002, and the Rules under the trust deeds. Responsibility for governance of the Funds, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

		Pension Schemes				Gratuity Schemes			
		Management		Non-Management		Management		Non-Management	
		2026	2025	2026	2025	2026	2025	2026	2025
		(Rupees in thousands)							
21.1.1	**Statement of financial position reconciliation**								
	Present value of defined benefit obligation at June 30 - note 21.1.2	**2,504,425**	2,509,357	**495,165**	467,437	**364,485**	407,217	**135,692**	127,878
	Fair value of plan assets at June 30 - note 21.1.3	**(2,580,138)**	(2,336,243)	**(390,179)**	(332,814)	**(356,101)**	(352,471)	**(156,483)**	(136,606)
	(Surplus) / Deficit	**(75,713)**	173,114	**104,986**	134,623	**8,384**	54,746	**(20,791)**	(8,728)
21.1.2	**Movement in the present value of defined benefit obligation**								
	Opening balance	**2,509,357**	2,090,365	**467,437**	356,325	**407,217**	346,042	**127,878**	112,533
	Benefits paid by the plan	**(203,654)**	(177,370)	**(8,395)**	(23,347)	**(101,243)**	(66,743)	**-**	(14,571)
	Benefits payable to outgoing member(s)	**-**	-	**-**	-	**-**	(3,975)	**-**	-
	Current service cost	**71,941**	63,444	**14,750**	11,264	**42,045**	29,923	**4,684**	3,802
	Past service cost	**-**	-	**-**	36,341	**-**	-	**-**	-
	Interest cost	**285,872**	300,495	**55,283**	51,282	**47,266**	50,280	**15,228**	15,762
	Remeasurement on obligation	**(159,091)**	232,423	**(33,910)**	35,572	**(30,800)**	51,690	**(12,098)**	10,352
	Closing balance	**2,504,425**	2,509,357	**495,165**	467,437	**364,485**	407,217	**135,692**	127,878
21.1.3	**Movement in the fair value of plan assets**								
	Opening balance	**2,336,243**	1,852,856	**332,814**	260,702	**352,471**	294,905	**136,606**	130,805
	Contributions paid into the plan	**69,128**	101,134	**14,361**	25,941	**42,901**	36,964	**-**	643
	Benefits paid by the plan	**(203,654)**	(177,370)	**(8,395)**	(23,347)	**(101,243)**	(66,743)	**-**	(14,571)
	Benefits payable from the fund	**-**	-	**-**	-	**-**	(3,975)	**-**	-
	Interest income	**265,240**	262,805	**39,138**	36,605	**41,181**	43,239	**16,198**	18,278
	Remeasurement of plan assets	**113,181**	296,818	**12,261**	32,913	**20,791**	48,081	**3,679**	1,451
	Closing balance	**2,580,138**	2,336,243	**390,179**	332,814	**356,101**	352,471	**156,483**	136,606
21.1.4	**Expense recognised in statement of profit or loss and other comprehensive income**								
	Current service cost	**71,941**	63,444	**14,750**	11,264	**42,045**	29,923	**4,684**	3,802
	Past service cost	**-**	-	**-**	36,341	**-**	-	**-**	-
	Net interest cost / (income)	**20,632**	37,690	**16,145**	14,677	**6,085**	7,041	**(970)**	(2,516)
	Expense recognised in statement of profit or loss and other comprehensive income	**92,573**	101,134	**30,895**	62,282	**48,130**	36,964	**3,714**	1,286
21.1.5	**Remeasurement recognised in Other Comprehensive Income**								
	Remeasurement of present value of defined benefit obligation	**(159,091)**	232,423	**(33,910)**	35,572	**(30,800)**	51,690	**(12,098)**	10,352
	Remeasurement of fair value of plan assets	**(113,181)**	(296,818)	**(12,261)**	(32,913)	**(20,791)**	(48,081)	**(3,679)**	(1,451)
	Remeasurements	**(272,272)**	(64,395)	**(46,171)**	2,659	**(51,591)**	3,609	**(15,777)**	8,901
21.1.6	**Net recognised liability / (asset)**								
	Net liability at the beginning of the year	**173,114**	237,509	**134,623**	95,623	**54,746**	51,137	**(8,728)**	(18,272)
	Expense recognised in statement of profit or loss and other comprehensive income	**92,573**	101,134	**30,895**	62,282	**48,130**	36,964	**3,714**	1,286
	Contribution made to the fund during the year	**(69,128)**	(101,134)	**(14,361)**	(25,941)	**(42,901)**	(36,964)	**-**	(643)
	Remeasurements recognised in other comprehensive income	**(272,272)**	(64,395)	**(46,171)**	2,659	**(51,591)**	3,609	**(15,777)**	8,901
	Recognised liability / (asset) as at June 30	**(75,713)**	173,114	**104,986**	134,623	**8,384**	54,746	**(20,791)**	(8,728)
21.1.7	**Major categories / composition of plan assets are as follows:**								
	Equity securities	**21.85%**	27.58%	**17.45%**	23.14%	**20.87%**	25.97%	**0.00%**	0.00%
	Debt securities	**76.35%**	65.99%	**81.02%**	71.80%	**76.60%**	62.27%	**99.62%**	98.77%
	Others	**1.80%**	6.43%	**1.53%**	5.06%	**2.53%**	11.76%	**0.38%**	1.23%
21.1.8	**Actuarial assumptions**								
	Discount rate at June 30	**11.75%**	11.75%	**11.75%**	11.75%	**11.75%**	11.75%	**11.75%**	11.75%
	Future salary increases								
	- One time salary increase	**N/A**	N/A	**N/A**	15.00%	**N/A**	N/A	**N/A**	15.00%
	- First year following the valuation	**12.00%**	15.00%	**7.00%**	7.00%	**12.00%**	15.00%	**7.00%**	7.00%
	- Second year following the valuation	**12.25%**	12.25%	**11.25%**	11.75%	**12.25%**	12.25%	**11.25%**	11.75%
	Expected retirement age	**60 years**	60 years	**60 years**	60 years	**60 years**	60 years	**60 years**	60 years
	Pension increase rate								
	- First year following the valuation	**5.00%**	5.00%	**5.00%**	5.00%				
	- Long term pension increase rate	**5.00%**	5.00%	**5.00%**	5.00%				

21.1.9 Mortality was assumed to be SLIC (2001-05) table

The Company ensures that the investment positions are managed under 'Liability Driven Investment Approach' that has been developed to achieve long term investments that are in line with the obligations under the retirement benefit scheme. Within this framework, the objective is to match assets to the retirement benefit obligations by investing in long-term securities with maturities that match the benefit payments as they fall due. The retirement benefit funds have appointed a third party advisor who monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the process used to manage its risk from previous periods. The Company does not use derivatives to manage its risk. Investments are diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets for the year ended June 30, 2026 consists of government securities.

The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at statement of financial position date.

The Company's contributions to gratuity and pension funds for the year ending June 30, 2027 is expected to amount to Rs. 46.86 million and Rs. 84.01 million respectively.

21.2 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

a) Final salary risk - The risk that the final salary at the time of cessation of service is greater than assumed salary. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

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

c) Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

21.3 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation — Increase in assumption	Impact on defined benefit obligation — Decrease in assumption
		---------(Rupees in thousand)	---------
Discount rate at June 30	0.50%	(154,658)	167,981
Future salary increases	0.50%	68,043	(65,140)
Future pension increases	0.50%	(405,707)	(588,210)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity and pension benefit liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

21.4 Historical information

	2026	2025	2024	2023	2022
	--------------------- (Rupees in thousand) ---------------------				
Management Pension Fund					
Present value of defined benefit obligation	**2,504,425**	2,509,357	2,090,365	1,846,774	1,764,747
Fair value of plan assets	**(2,580,138)**	(2,336,243)	(1,852,856)	(1,379,471)	(1,298,844)
(Surplus) / deficit in the plan	**(75,713)**	173,114	237,509	467,303	465,903
Experience adjustments					
(Gain) / loss on obligation	**(159,091)**	232,423	117,524	(116,966)	49,879
Gain / (loss) on plan assets	**113,181**	296,818	224,087	(118,366)	(148,477)
Non-Management Pension Fund					
Present value of defined benefit obligation	**495,165**	467,437	356,325	308,814	257,305
Fair value of plan assets	**(390,179)**	(332,814)	(260,702)	(185,279)	(173,952)
Deficit in the plan	**104,986**	134,623	95,623	123,535	83,353
Experience adjustments					
(Gain) / loss on obligation	**(33,910)**	35,572	(2,147)	24,121	(22,933)
Gain / (loss) on plan assets	**12,261**	32,913	25,765	(16,061)	(8,718)
Management Gratuity Fund					
Present value of defined benefit obligation	**364,485**	407,217	346,042	282,607	249,485
Fair value of plan assets	**(356,101)**	(352,471)	(294,905)	(236,927)	(211,992)
Deficit in the plan	**8,384**	54,746	51,137	45,680	37,493
Experience Adjustments					
(Gain) / loss on obligation	(30,800)	51,690	(3,535)	(4,763)	15,596
Gain / (loss) on plan assets	20,791	48,081	13,819	(12,950)	(8,854)
Non-Management Gratuity Fund					
Present value of defined benefit obligation	**135,692**	127,878	112,533	99,312	82,568
Fair value of plan assets	**(156,483)**	(136,606)	(130,805)	(118,417)	(115,152)
Surplus in the plan	**(20,791)**	(8,728)	(18,272)	(19,105)	(32,584)
Experience adjustments					
(Gain) / loss on obligation	**(12,098)**	10,352	(2,719)	9,638	(9,512)
Gain / (loss) on plan assets	**3,679**	1,451	(2,787)	(4,690)	(1,611)

21.5 The weighted average duration of the plans are as follows:

	No. of years
Management Pension fund	9.75
Non-management Pension fund	9.20
Management Gratuity fund	6.95
Non-management Gratuity fund	4.97

21.6 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

21.7 The Company's contributions toward the provident fund for the year ended June 30, 2026 amounted to Rs. 53 million (2025: Rs. 51.17 million).

	2026	2025
	(Rupees in thousand)	

22. TRADE AND OTHER PAYABLES

	2026	2025
Creditors – note 22.1	**30,087,311**	31,453,168
Payable to the Government – note 22.2	**8,873,752**	9,774,253
Accrued liabilities	**7,939,876**	2,359,469
Payable to escrow account - note 22.3 and 22.4	**17,430,693**	5,557,178
Surplus price differential payable - note 25.3	**4,456,582**	2,978,696
Sales tax payable	**157,572**	-
Accrued mark-up on bank borrowings	**268,155**	656,345
Payable to customer	**450,531**	-
Advances from customers – note 22.5	**244,615**	198,102
Workers' Welfare Fund	**493,581**	-
Retention money	**25,652**	8,359
Tax deducted at source	**9,054**	5,415
	70,437,374	52,990,985

22.1 This includes the following balances due to related parties:

Related Party Name	**Relationship**	2026	2025
		(Rupees in thousand)	
Oil & Gas Development Company Limited	Associate	**3,473,026**	-
Government Holdings (Private) Limited	Associate	**574,872**	-
Mari Energies Limited	Associate	**346,600**	-

22.2 This represents GoP's share in the value of local crude purchased, petroleum levy and climate support levy on sale of petroleum products.

	2026	2025
	(Rupees in thousand)	

22.3 Movement of incremental incentives during the year is as follows:

	2026	2025
Opening balance	**5,557,178**	1,276,630
Incremental incentives earned during the period	**11,873,515**	9,472,724
Incremental incentives transferred to joint Escrow Account	**-**	(5,192,176)
Closing balance payable to joint Escrow Account	**17,430,693**	5,557,178

22.4 The GoP notified the Pakistan Oil Refining Policy for Existing / Brownfield Refineries, 2023 (the Policy) during the year ended June 30, 2024. The Policy interalia allowed incremental incentives at the rate of 2.5% on HSD and 10% on MS for a period of seven years from the date of signing of Upgrade Agreement and opening of Joint Escrow Account.

The incremental incentives under the Policy will be recognised after the Final Investment Decision (FID) on the project. Balance in joint Escrow Account as at June 30, 2026 was Rs. 11.66 billion (2025: Rs. 10.87 billion).

The GoP is finalizing a revised Policy which is expected to be notified subsequent to the date of these financial statements.

22.5 These represent advances received from customers against supply of petroleum products which are recognised as revenue when the performance obligation is satisfied. During the year, the amount recognised as revenue from advance balance at the beginning of the year amounts to Rs. 0.20 billion (2025: Rs. 0.46 billion).

	2026	2025
	(Rupees in thousand)	

23. SHORT-TERM BORROWINGS

	2026	2025
Foreign currency loan	**-**	12,973,492
Short-term borrowings - note 23.1	**4,246,553**	-
Current portion of long-term borrowings - note 18	**3,200,000**	2,500,000
	7,446,553	15,473,492

23.1 This represents a short term loan obtained under mark-up arrangement from Bank Alfalah Limited. The loan carries a markup of 11.87 % per annum for a tenor of 2 days. The loan is secured by way of hypothecation over stock of crude oil and finished products and trade receivables of the Company.

23.2 As at June 30, 2026 available running finance facilities under mark-up arrangements from various banks amounted to Rs. 25.20 billion (2025: Rs. 14.30 billion) out of which Rs. 4.25 billion from Bank Alfalah Limited was earmarked owing to money market utilisation and remaining running finance facilities of Rs. 20.95 billion as at June 30, 2026 (2025: Rs. 14.30 billion) was unutilised.

These arrangements are secured by way of hypothecation over stock of crude oil and finished products and trade receivables of the Company.

The rates of mark-up range between one month KIBOR+0.40% to one month KIBOR+1.5% per annum as at June 30, 2026 (2025: one month KIBOR+0.65% to one month KIBOR+1.5% per annum). Purchase prices are payable on demand.

23.3 Facilities for letters of credit / guarantees and invoice discounting as at June 30, 2026 accumulated to Rs. 151.3 billion (2025: Rs. 99.60 billion) and Rs. 4 billion (2025: Rs. 4 billion) respectively of which the unutilised amount as at June 30, 2026 was Rs. 112.1 billion (2025: Rs. 61.71 billion) and Rs. 4 billion (2025: Rs. 4 billion) respectively.

24. CONTINGENCIES AND COMMITMENTS

Contingencies

a) Claims against the Company not acknowledged as debt amount to Rs. 8.07 billion (2025: Rs. 7.38 billion), which includes Rs. 7.88 billion (2025: Rs. 7.20 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 7.87 billion (2025: Rs. 7.88 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies which has also not been recorded. The Company is of the view that ultimately these claims will be waived off.

Contingent liabilities other than late payment surcharge involving legal proceedings are disclosed in note 24.1.

b) Proportionate share of contingencies related to tax matters of Pak Grease Manufacturing Company (Private) Limited - an associate company, based on its unaudited accounts as of June 30, 2026 amounts to Rs. 3.94 million (2025: 5.66 million).

c) Bank guarantees of Rs. 1.15 billion (June 30, 2025: Rs. 1.15 billion), including a guarantee of Rs. 1 billion issued in favor of OGRA as per the requirements of Pakistan Oil Refining Policy for Existing / Brownfield Refineries, 2023, were issued to third parties.

Commitments

a) As at June 30, 2026 commitments outstanding for capital expenditure amounted to Rs. 3.34 billion (2025: Rs. 3.55 billion).

24.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
High Court of Sindh	Barret Hodgson, the plaintiffs, filed a suit no. 694/ 2008 to restrain the Company from interfering or disrupting the plaintiffs construction of a university and also demanded damages amounting to Rs. 166.69 million through suit no. 1308/2009. The Company, as plaintiff filed another case, suit no. 1063/2008 and prayed to the Honourable High Court of Sindh (HCS) to restrain Barret Hodgson from constructing a school in close proximity of the refinery - a Key Point 1-A installation. Suit 694/2008 and 1063/2008 have been disposed off in the year 2015 in favor of Barrett Hodgson. Both orders were then challenged through Appeals HCA 07/2015 and HCA 08/2015. Both appeals are pending after being remanded back by Supreme Court to HCS in January 2018.	Company and Barret Hodgson	2015
High Court of Sindh	Cantonment Board Korangi Creek filed this civil suit for the recovery of composition fee amounting to Rs. 24.28 million on the construction made by M/s Burshane on the Company's land measuring 4.93 acres. The Company's stance is that the liability to pay any composition fee is of the occupier i.e. M/s Burshane, as the construction was made by M/s Burshane and not the Company. The Suit is pending at initial stage.	M/s Burshane, Cantonment Board Korangi Creek and Company	2016
FBR	The deemed assessment of the return of the Company for tax years 2017 and 2018 were amended by the Additional Commissioner Inland Revenue (ACIR) vide order dated March 30, 2019 under section 122(5A) of the Income Tax Ordinance, 2001 ('the Ordinance'). The main issue involved was the tax demand raised by the ACIR on undistributed profits u/s 5A of the Ordinance, 2001 amounting to Rs. 108.07 million and 62.16 million for tax year 2017 and 2018 respectively. Constitutional Petition No. D-5897 of 2017 was filed on this issue before the Honourable High Court of Sindh and the Honourable High Court of Sindh vide order dated September 05, 2017 has directed tax authorities to restrain from taking any coercive actions against the taxpayer. The Company had also filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A) against the order of ACIR. The CIR(A) vide its order dated April 03, 2020 decided the issue of section 5A in favour of the department. Furthermore it remanded back the issue of tax credit under section 65 of the ordinance, apportionment of expenses and allowed the claim of remeasurement of staff provision in favour of the Company. Subsequently both the Company and the Department have filed appeals before the ATIR against respective unfavourable decisions of CIR(A).	The Company, ACIR and CIR(A)	2019

The management, based on the view of its legal and tax advisors is of the view that the decisions are expected in its favor. Accordingly, no provision of the above claims / demands have been made in the financial statements.

25. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2026	2025
	(Rupees in thousand)	
Local sales - notes 25.1 & 25.2	**428,148,171**	372,025,898
Exports	**56,231,340**	50,736,443
Gross sales	**484,379,511**	422,762,341
Less:		
- Excise duty and petroleum levy	**(100,806,462)**	(90,049,071)
- Incremental incentives - note 22.3	**(11,873,515)**	(9,472,724)
- Surplus price differential - note 25.3	**(12,104,722)**	(6,590,859)
- Sales tax	**(4,562,258)**	(5,754,575)
- Climate support levy	**(3,497,239)**	-
- Discount allowed - note 25.4	**(696,399)**	(543,757)
	350,838,916	310,351,355

25.1 The Company sells its products to Oil Marketing Companies (OMCs). Out of these, 2 (2025: 2) of the Company's customers contributed towards 64.7% (2025: 58.58%) of the revenues during the year amounting to Rs. 229.5 billion (2025: Rs. 191.55 billion) and each customer individually exceeds 10% of the revenues.

25.2 Sales of regulated products are based on prices notified by OGRA which are subject to policy clarification from the Federal Government. Sales of certain de-regulated products (Motor Spirit and Aviation Fuels) are based on prices set under notifications of the Ministry of Energy (MoE).

25.3 This includes price differential amounting to Rs. 10.59 billion (2025: Rs. 6.14 billion) on sale of High Speed Diesel (HSD) as per the import parity pricing formula determined in the Economic Coordination Committee's decision dated February 26, 2013, November 17, 2020 and March 25, 2022. This also include price differential amounting to Rs. 0.23 billion (2025: Rs. 0.45 billion) on sale of 90 RON Motor Gasoline, calculated as per the mechanism notified by MoE dated September 5, 2016.

25.4 During the year, the company offered discounts to all the customers on ex-refinery prices of Motor Gasoline, High Sulphur Fuel Oil and High Speed Diesel.

26. COST OF SALES

	2026	2025
	(Rupees in thousand)	
Crude oil and condensate consumed - note 26.1 and 26.2	**316,422,083**	287,349,225
Stores, spares and chemicals	**4,246,512**	6,186,600
Toll processing cost	**159,096**	-
Depreciation and amortisation	**1,138,904**	1,188,768
Fuel, power and water	**2,898,404**	1,395,563
Salaries and wages	**1,666,924**	1,208,531
Repairs and maintenance	**672,364**	551,740
Insurance	**189,734**	209,766
Retirement benefits	**187,946**	208,155
Staff transport	**71,540**	69,706
Security expenses	**99,010**	82,483
Rent, rates and taxes	**15,411**	9,330
Subscriptions	**23,190**	35,689
Consultancy	**87,869**	42,263
Travelling and entertainment	**42,513**	33,531
Other expenses	**31,988**	12,129
Exchange loss - note 26.3	**1,634,211**	1,898,048
	13,165,616	13,132,302
	329,587,699	300,481,527
Opening inventory of finished products	**5,126,192**	13,138,724
Closing inventory of finished products	**(16,260,301)**	(5,126,192)
	318,453,590	308,494,059

		2026	2025
		(Rupees in thousand)	
26.1	Crude oil and condensate consumed		
	Opening inventory	**14,748,874**	15,140,306
	Purchases	**315,360,206**	286,957,793
	Closing inventory	**(13,686,997)**	(14,748,874)
		316,422,083	287,349,225

26.2 Cost of crude oil and condensate consumed in respect of non-finalised Crude Oil Sale Agreements and Condensate Sale Agreements have been recorded in line with notifications of MoE.

26.3 This represents exchange loss incurred due to fluctuation in the value of foreign currency in terms of local currency on purchase of crude oil and condensate.

27. SELLING EXPENSES

	2026	2025
	(Rupees in thousand)	
Transportation and handling charges	**223,477**	216,702
Depreciation and amortisation	**103,781**	106,847
Salaries and wages	**127,141**	113,333
Rent, rates and taxes	**82,557**	165,456
Repairs and maintenance	**65,022**	65,054
Insurance	**48,328**	49,791
Retirement benefits	**14,360**	12,130
Fuel, power and water	**22,533**	24,415
Security expenses	**28,604**	27,224
Staff transport	**4,437**	3,691
Subscriptions	**7,400**	6,400
Other expenses	**1,560**	1,694
	729,200	792,737

28. ADMINISTRATIVE EXPENSES

	2026	2025
Salaries and wages	**567,423**	686,156
Depreciation and amortisation	**204,218**	155,016
Repairs and maintenance	**5,896**	5,729
Computer related and software maintenance expenses	**86,260**	84,807
Insurance	**64,780**	58,545
Travelling and entertainment	**6,896**	13,342
Legal and professional charges	**237,783**	71,528
Retirement benefits	**28,356**	32,547
Cleaning and janitorial services	**61,510**	55,739
Consultancy	**807**	685
Directors' remuneration - note 35	**66,086**	58,664
Subscriptions	**32,295**	21,771
Stamp duty charges	**13,439**	16,550
Security expenses	**26,957**	22,484
Communication	**18,313**	13,578
Staff transport	**23,929**	15,258
Training expenses	**20,952**	29,246
Printing and stationery	**13,510**	10,964
Auditors' remuneration - note 28.1	**13,892**	13,356
Advertising and publicity	**2,077**	2,223
Other expenses	**25,930**	25,904
	1,521,309	1,394,092

		2026	2025
		(Rupees in thousand)	
28.1	**Auditors' remuneration**		
	Audit fee	**3,240**	3,240
	Fee for:		
	- limited review of half yearly financial information	**960**	960
	- other certifications	**2,070**	2,238
	- taxation services	**6,000**	5,295
	Out of pocket expenses	**1,622**	1,623
		13,892	13,356

29. OTHER OPERATING EXPENSES

	2026	2025
Refinery expansion and upgradation expenses - note 29.1	**496,978**	2,497,303
Workers' Profit Participation Fund	**1,233,298**	-
Workers' Welfare Fund	**519,303**	-
Donations - note 29.2	**49,803**	49,611
Penalties	**2,972**	185
Loss allowance on doubtful other receivables - note 13.2	**259,130**	-
	2,561,484	2,547,099

29.1 This represents costs incurred in respect of planning phase and other related studies for future upgradation and expansion of refinery.

29.2 This represents donations made to the Indus Hospital and Child life Foundation for the provision of free medical services to deserving patients, and to The Citizens Foundation to support quality education. It also includes contributions to Karwan-e-Hayat, Behbud Association, Goread.pk, and The Layton Rahmatulla Benevolent Trust. None of the directors or their spouses have any interest in the aforementioned organisations.

30. OTHER INCOME

	2026	2025
	(Rupees in thousand)	
Income from financial assets		
Profit on deposits - note 30.1	**651,063**	1,026,193
Income on treasury bills	**151,532**	1,039,652
Interest on late payments	**21,466**	5,984
Others		
Rental income	**14,172**	74,506
Pipeline charges - note 30.2	**14,072**	24,178
Insurance claim - note 30.3	**112,321**	213,778
Crude oil testing services	**-**	1,369
Gain (net) on disposal of operating assets	**1,805**	155,629
Sale of scrap	**39,539**	97,661
Exchange gain	**-**	47,920
Others	**23,021**	13,202
	1,028,991	2,700,072

30.1 This includes profit earned from Shariah Compliant bank deposits amounting to Rs. 8.76 million (2025: Rs. 20.37 million).

30.2 This includes Rs. 0.51 million (2025: Rs. 0.37 million) from a related party.

30.3 This represents settlement of insurance claim from insurance companies in relation to ocean loss on crude oil imports as per the contract.

31. FINANCE COST

	2026	2025
	(Rupees in thousand)	
Mark-up on running finance under mark-up arrangements - note 23.2	**259,381**	125,050
Mark-up on short-term borrowings	**2,542,774**	2,176,155
Markup on diminishing musharika - note 18.2.4	**236,861**	195,332
Markup on long term loans - note 18 and 31.1	**1,343,664**	1,257,231
Exchange loss - net	**32,864**	-
Amortisation of lease liability	**23,051**	25,325
Bank charges	**12,041**	8,463
	4,450,636	3,787,556

31.1 This includes markup on long term loan received from PSO - related party amounting to Rs. 360.5 million (2025: Rs. 95.1 million).

32. FINAL TAX AND MINIMUM TAX

	2026	2025
	(Rupees in thousand)	
Final tax	**255**	638
Minimum tax	**-**	1,825,319
	255	1,825,957

It represents charge for final tax and minimum tax under Income Tax Ordinance, 2001.

33. TAXATION

	2026	2025
Current for the year	**6,991,714**	88,512
Prior year	**90,725**	-
Deferred - note 20	**1,283,999**	(1,218,132)
	8,366,438	(1,129,620)

33.1 Relationship between tax expense and accounting profit

	2026	2025
Profit / (loss) before taxation	**24,146,650**	(3,963,329)
Final tax and Minimum tax	**(255)**	(1,825,957)
Profit / (loss) before income tax	**24,146,395**	(5,789,286)
Tax at the applicable tax rate of 39% (2025 : 29%)	**9,417,094**	(1,678,893)
Effect of:		
- prior year tax	**90,725**	-
- impact of brought forward minimum tax	**(1,301,447)**	-
- effect on deferred tax due to rate change	**(37,358)**	-
- expenses not deductible for tax purposes	**41,065**	35,403
- others	**156,359**	513,870
	8,366,438	(1,129,620)

34. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	2026	2025
	(Rupees in thousand)	
Profit / (loss) for the year attributable to ordinary shareholders (Rupees in thousand)	**15,779,957**	(4,659,666)
Weighted average number of ordinary shares outstanding during the year (in thousand)	**630,000**	630,000
Basic and diluted earnings / (loss) per share	**Rs. 25.05**	(Rs. 7.40)

There were no dilutive potential ordinary shares in issue as at June 30, 2026 and 2025.

35. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts of remuneration including benefits to Non-executive Directors, Chief Executive and Executives of the Company are as follows:

	2026			2025		
	Non - Executive Directors	**Chief Executive**	**Executives**	Non - Executive Directors	Chief Executive	Executives
	(Rupees in thousand)					
Fees	**49,200**	**-**	**-**	42,000	-	-
Managerial remuneration	**-**	**70,428**	**539,649**	-	73,613	438,441
Honorarium - note 35.2	**7,200**	**-**	**-**	7,200	-	-
Ex-gratia / Bonus	**-**	**26,604**	**121,663**	-	26,671	157,425
Retirement benefits	**-**	**5,154**	**128,801**	-	6,706	117,126
Housing	**-**	**-**	**197,758**	-	-	174,395
Utilities	**-**	**-**	**42,623**	-	-	38,405
Leave passage	**-**	**1,050**	**74,776**	-	-	57,610
Club expenses	**-**	**309**	**1,214**	-	527	880
Others	**9,686**	**177**	**178,986**	9,464	1,241	138,876
	9,686	**1,536**	**495,357**	9,464	1,768	410,166
	66,086	**103,722**	**1,285,470**	58,664	108,758	1,123,158
Number of persons	**10**	**3***	**126**	10	1	127

*During the year, Mr. Zahid Mir served as the CEO of the Company till December 31, 2025. Subsequently, Mr. Zafar ul Islam Usmani was appointed as the interim CEO and served the office for the period January 01, 2026 to April 29, 2026. Later, Mr. Mohsin Ali Mangi was appointed as CEO of the Company with effect from April 30, 2026.

35.1 As at June 30, 2026, Chairman, Chief Executive and certain executives are provided with free use of company maintained cars. The monetary value of the Company provided cars to the executives amounted to Rs. 194.78 million (2025: Rs. 171.09 million). In addition, certain executives are provided furnished accommodation within refinery premises according to their respective terms of employment.

35.2 These include benefits provided to the Chairman of the Board of Directors, as approved by the Board of Directors of the Company during the year.

36. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with parent company, associated undertakings, directors, key management personnel and retirement benefit funds.

Sale of certain products is transacted at prices regulated by the OGRA. Transactions with employee benefit funds are carried out based on the terms of employment of the employees and according to the actuarial advice. All other related party transactions are carried out at agreed rates / terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their Refinery Leadership Team including the Chief Executive Officer and Directors to be its key management personnel.

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

Details of the transactions with related parties, other than those including the balances which have been disclosed elsewhere in the financial statements are as follows:

Relationship	Nature of transaction	2026	2025
		(Rupees in thousand)	
(a) Parent company	Sale of goods	**188,056,762**	140,956,954
	Purchase of goods	**86,005**	73,208
	Services received	**25,543**	35,000
	Services rendered	**514**	370
	Discount allowed	**560,643**	256,867
	Dividend paid	**-**	800,918
	Long term loan received	**-**	3,150,000
	Markup on long term loan	**360,542**	95,083
(b) Associated companies	Sale of goods - net	**22,867,332**	38,032,197
	Purchase of goods - net	**20,243,172**	16,670,839
	Services received	**20,070**	12,529
	Discount allowed	**-**	25,968
	Dividend received	**1,702**	4,252
	Late payment charges received	**11,675**	5,984
(c) Key management personnel compensation (excluding non-executive directors)	Salaries and other short-term employee benefits	**334,584**	314,997
	Post-employment benefits	**28,978**	29,652
	Disposal of fixed assets	**5,320**	774
(d) Staff retirement benefit funds	Payments to staff retirement benefit funds	**248,758**	285,857
(e) Non-executive Directors	Remuneration and fees	**66,086**	58,665
	Disposal of fixed assets	**409**	-

36.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

	Company Name	Basis of relationship	Aggregate % of shareholding
1	Pakistan State Oil Company Limited	Parent Company	63.56%
2	Pak Grease Manufacturing Company (Private) Limited note - 8.1	By virtue of shareholding by the Company	27.26%
3	Gas & Oil Pakistan Limited	By virtue of common directorship	N/A
4	Meezan Bank Limited	By virtue of common directorship	N/A
5	Overseas Investors Chamber of Commerce and Industry	By virtue of common directorship	N/A
6	Pak-Arab Pipeline Company Limited	By virtue of common directorship	N/A
7	Pak-Arab Refinery Limited	By virtue of common directorship	N/A
8	Parco Pearl Gas (Private) Limited	By virtue of common directorship	N/A
9	Petroleum Institute of Pakistan	By virtue of common directorship	N/A
10	Flow Petroleum (Private) Limited	By virtue of common directorship	N/A
11	Taj Gasoline Private Limited	By virtue of common directorship	N/A
12	Oil & Gas Development Company Limited	By virtue of common directorship	N/A
13	Mari Energies Limited	By virtue of common directorship	N/A
14	Government Holdings (Private) Limited	By virtue of common directorship	N/A

	2026	2025
	(Rupees in thousand)	

37. NUMBER OF EMPLOYEES

	2026	2025
Number of employees including contractual employees at the end of year	**295**	285
Average number of employees including contractual employees during the year	**290**	284

38. CAPACITY AND ACTUAL PERFORMANCE

Against the designed nominal annual capacity of 2,133,705 metric tons, the actual throughput during the year was 1,722,686 metric tons (2025: 1,706,356 metric tons). The Company operated the plant considering the level which gives optimal yield of products.

39. FINANCIAL INSTRUMENTS

39.1 Financial assets and liabilities

	Interest / Mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity up to one year	Total	Maturity up to one year	Maturity up to one year	Total	
	------------------- (Rupees in thousand) -------------------						
FINANCIAL ASSETS							
Trade deposits and loans	-	-	-	211,377	31,944	243,321	243,321
Trade receivables	-	-	-	19,402,415	-	19,402,415	19,402,415
Other receivables	-	-	-	11,681,869	-	11,681,869	11,681,869
Investments	5,381,310	-	5,381,310	-	-	-	5,381,310
Cash and bank balances	279,660	-	279,660	1,043,096	-	1,043,096	1,322,756
2026	**5,660,970**	**-**	**5,660,970**	**32,338,757**	**31,944**	**32,370,701**	**38,031,671**
2025	**3,108,750**	**-**	**3,108,750**	**33,406,285**	**33,240**	**33,439,525**	**36,548,275**
FINANCIAL LIABILITIES							
Borrowings	7,446,553	9,150,000	16,596,553	-	-	-	16,596,553
Trade and other payables	268,155	-	268,155	38,503,370	-	38,503,370	38,771,525
Unpaid dividend	-	-	-	3,721	-	3,721	3,721
Unclaimed dividend	-	-	-	19,852	-	19,852	19,852
Lease Liability	17,148	106,430	123,578	-	-	-	123,578
2026	**7,731,856**	**9,256,430**	**16,988,286**	**38,526,943**	**-**	**38,526,943**	**55,515,229**
2025	**15,485,680**	**12,473,578**	**27,959,258**	**34,501,317**	**-**	**34,501,317**	**62,460,575**

Above information is based on contractual maturity.

39.2 Financial risk management objectives and policies

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company has long-term borrowings, short-term borrowings and running finance arrangements obtained to meet its working capital and capital expenditure requirements.

The Company is not exposed to externally imposed capital requirement.

(i) Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 32.65 billion (2025: Rs. 35.16 billion).

	2026	2025
	(Rupees in thousand)	
Trade deposits and loans	**243,321**	176,412
Trade receivables	**19,402,415**	19,390,402
Other receivables	**11,681,869**	12,756,619
Cash and bank balances	**1,322,756**	2,839,718
	32,650,361	35,163,151

The Company monitors its exposure to credit risk on an ongoing basis at various levels. The Company believes that it is not exposed to any major credit risk as it operates in an essential products industry and its customers are organisations with good credit history. The credit quality of the bank balances can be assessed with reference to recent external credit ratings as follows:

	Rating agency	Rating	
		Long term	Short term
Askari Bank Limited	PACRA	AA+	A1+
Bank Al Falah Limited	PACRA	AAA	A1+
Bank Al-Habib Limited	JCR - VIS	AAA	A1+
Bank of Punjab	PACRA	AAA	A1+
Bank of China - Pakistan Operations	S&P Global	A	A-1
Dubai Islamic Bank Limited	JCR - VIS	AA	A1+
Faysal Bank Limited	PACRA	AA+	A1+
Habib Bank Limited	JCR - VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AAA	A1+
Industrial and Commercial Bank of China - Pakistan Operations	Moody's	A1	P1
JS Bank Limited	PACRA	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
MCB Islamic Bank Limited	PACRA	A+	A1
Meezan Bank Limited	JCR - VIS	AAA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
Soneri Bank Limited	PACRA	AA	A1+
Standard Chartered Bank (Pakistan) Limited	JCR - VIS	AAA	A1+
United Bank Limited	JCR - VIS	AAA	A1+

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies availability of funding through an adequate amount of committed credit facilities and maintaining adequate cash. Management believes that it will be able to fulfil its financial obligations.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual payments and exclude the impact of netting agreements.

2026	Carrying amount	Contractual Cashflows			
		Total	0-1 year	1-5 years	More than 5 years
	(Rupees in thousand)				
Long term loans	**9,150,000**	**14,421,756**	**4,517,740**	**9,904,016**	**-**
Lease Liabilities	**123,578**	**170,722**	**37,001**	**133,721**	**-**
Short term borrowings	**7,446,553**	**7,446,553**	**7,446,553**	**-**	**-**
Trade and other payables	**38,771,525**	**38,771,524**	**38,771,524**	**-**	**-**

2025	Carrying amount	Contractual Cashflows			
		Total	0-1 year	1-5 years	More than 5 years
	(Rupees in thousand)				
Long term loans	12,350,000	18,539,236	4,173,527	14,365,709	-
Lease Liabilities	135,766	205,961	35,239	159,478	11,244
Short term borrowings	15,473,492	15,473,492	15,473,492	-	-
Trade and other payables	34,477,341	34,477,340	34,477,340	-	-

(iii) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2026, financial assets include trade receivables Nil (2025: Rs. 1.31 billion) and financial liabilities include trade payable of Rs. 19.73 billion (2025: Rs. 23.33 billion) which is subject to foreign currency risk. The Company manages its currency risk by close monitoring of currency markets. As per State Bank's regulations, the Company can not hedge its currency risk exposure against procurement of crude oil.

At June 30, 2026, if value of Pakistan Rupee had fluctuated by 5% against the foreign currencies with all other variables held constant, profit for the year would have been lower / higher by approximately Rs. 0.99 billion (2025: Rs. 1.17 billion) respectively, mainly as a result of foreign exchange losses / gains on translation of foreign currency creditors and receivables.

(iv) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its running finance arrangements, short-term finance and long-term borrowing which is repriced at a maximum period of 180 days (2025: 180 days). Additionally, the Company is also exposed to interest rate risk on its saving bank accounts and investments. Financial assets and liabilities include balances of Rs. 5.66 billion (2025: Rs. 3.11 billion) and Rs. 16.60 billion (2025: Rs. 27.82 billion) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

As at June 30, 2026, if average KIBOR interest rate on long-term borrowing, short-term borrowings, running finance arrangements and cash at bank in savings accounts, had been 100 basis points higher / lower with all other variables held constant, profit for the year would have been higher / lower by approximately Rs. 109.36 million (2025: Rs. 247.15 million) respectively, mainly as a result of higher / lower interest exposure / income on floating rate borrowings / placements.

(v) Fair values of financial assets and liabilities

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

40. SHARIAH RELATED DISCLOSURES

Description	Audited June 30, 2026 Conventional	Shariah compliant	Total	Audited June 30, 2025 Conventional	Shariah compliant	Total
	------------------------	(Rupees in thousand)				------------------------
Statement of financial position						
Assets						
Investment accounted for using the equity method - note 8	-	50,936	50,936	-	57,676	57,676
Investments - note 14	5,381,310	-	5,381,310	1,385,124	-	1,385,124
Accrued mark-up on savings accounts - note 13	874	-	874	579	-	579
Cash and bank balances - note 15	1,239,425	83,331	1,322,756	2,821,969	17,749	2,839,718
Liabilities						
Long-term borrowings - note 18	9,150,000	-	9,150,000	9,650,000	2,700,000	12,350,000
Short-term borrowings - note 23	4,746,553	2,700,000	7,446,553	15,473,492	-	15,473,492
Lease liability - note 19	123,578	-	123,578	135,766	-	135,766
Accrued mark-up / profit on bank borrowings - note 22	139,510	128,645	268,155	653,022	3,323	656,345
Statement of profit or loss						
Revenue from contracts with customers - note 25	-	350,838,916	350,838,916	-	310,351,355	310,351,355
Sources and breakup of other income - note 30						
Income from financial assets						
Profit on deposits	642,303	8,760	651,063	973,283	20,372	1,026,193
Income on treasury bills	151,532	-	151,532	944,296	-	1,039,652
Interest on late payments	21,466	-	21,466	5,984	-	5,984
Others						
Rental income	-	14,172	14,172	-	74,506	74,506
Pipeline charges	-	14,072	14,072	-	24,178	24,178
Insurance claim	112,321	-	112,321	213,778	-	213,778
Crude oil testing services	-	-	-	-	1,369	1,369
Gain (net) on disposal of operating assets	-	1,805	1,805	-	155,629	155,629
Sale of scrap	-	39,539	39,539	-	97,661	97,661
Exchange gain earned from actual currency	-	-	-	47,920	-	47,920
Exchange gain earned using conventional derivatives	-	-	-	-	-	-
Others	23,021	-	23,021	11,767	-	13,202
	950,643	78,348	1,028,991	2,197,028	373,715	2,700,072
Finance cost - note 31						
Mark-up / profit on running finance	140,667	118,714	259,381	125,050	-	125,050
Mark-up on short term borrowings	2,542,774	-	2,542,774	1,629,485	-	2,176,155
Mark-up / profit on long term borrowings	1,343,664	236,861	1,580,525	898,700	195,332	1,452,563
Finance charge on lease liability	23,051	-	23,051	18,994	-	25,325
Exchange loss	32,864	-	32,864	-	-	-
Others	12,041	-	12,041	27,428	-	8,463
	4,095,061	355,575	4,450,636	2,699,657	195,332	3,787,556
Share of (loss) / income of associate - note 8.1	-	(5,038)	(5,038)	-	787	787
Dividend received from associate - note 8.1	-	1,702	1,702	-	4,252	4,252
Mark-up / profit paid	4,520,593	295,182	4,815,775	3,299,149	272,879	3,572,028

Relationship with Shariah Compliant financial institutions

The Company has banking relationship with Shariah compliant banks namely, Dubai Islamic Bank Limited, Faysal Bank Limited, MCB Islamic Bank Limited and Meezan Bank Limited.

	2026	2025
	(Rupees in thousand)	
41. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before income tax	24,146,650	(3,963,329)
Adjustments for non-cash charges and other items:		
Mark-up expense	4,450,636	3,787,556
Depreciation and amortisation	1,446,903	1,450,631
Provision for employee benefit obligations	175,312	201,666
Provision for slow moving stores and spares - net	16,821	10,916
Share of loss / (profit) of associate	5,038	(787)
Profit on deposits	(651,063)	(1,026,193)
Gain on investments	(151,532)	(1,039,652)
Exchange loss / (gain) on cash and cash equivalents	28,576	(21,272)
Gain on disposal of operating assets - net	(1,805)	(2,731)
	5,318,886	3,360,134
Working capital changes - note 41.1	1,970,898	3,155,282
Cash generated from operations	31,436,434	2,552,087

41.1 Working capital changes

	2026	2025
(Increase) / decrease in current assets		
Inventories	(9,987,036)	8,484,827
Trade receivables	(12,013)	(8,161,313)
Trade deposits, loans, advances and short-term prepayments	(188,110)	412,749
Other receivables	(5,676,522)	(1,385,425)
	(15,863,681)	(649,162)
Increase in current liabilities		
Trade and other payables	17,834,579	3,804,444
	1,970,898	3,155,282

42. CASH AND CASH EQUIVALENTS

	2026	2025
Cash and bank balances	1,322,756	2,839,718
	1,322,756	2,839,718

43. DATE OF AUTHORISATION

These financial statements were authorised for issue on August 13, 2026 by the Board of Directors of the Company.

44. GENERAL

Comparative figures have been re-arranged and reclassified for comparison purposes. However, no material reclassfications have been made.

Mohsin Ali Mangi	Mohammad Abdul Aleem	Imran Ahmad Mirza
Managing Director & CEO	Director	Chief Financial Officer

اس کے ساتھ ساتھ کثیر فریقی اداروں، ایکسپورٹ کریڈٹ ایجنسیوں (ECAs)، مالیاتی اداروں، ممکنہ تزویراتی سرمایہ کاروں اور اسپانسر پاکستان اسٹیٹ آئل سے رابطوں اور وزارت توانائی (پیٹرولیم ڈویژن) کی فعال معاونت کے ذریعے منصوبے کے مالی انتظامات کو حتمی شکل دینے کی بھرپور کوششیں جاری ہیں۔

مالی وسائل کے بدلتے ہوئے ماحول اور REUP کے لیے درکار بھاری سرمائے کے پیش نظر PRL مرحلہ وار عمل درآمد کی ایسی حکمت عملی کا جائزہ لے رہی ہے جس کے لیے مالی وسائل کا انتظام ممکن ہو۔ اس حکمت عملی کا مقصد PRL کو ایک مسابقتی ڈیپ کنورژن ریفائنری میں تبدیل کرنے کا طویل مدتی ہدف برقرار رکھنا ہے، جبکہ نظرثانی شدہ براؤن فیلڈ ریفائننگ پالیسی کی پابندی کرتے ہوئے سرمائے، عمل درآمد اور مالی وسائل سے متعلق خطرات کا محتاط انتظام کر کے فنانسنگ اور عمل درآمد میں لچک پیدا کرنا بھی پیش نظر ہے۔

تجارتی امور

زیر جائزہ سال کے آخری حصے میں جغرافیائی وسیاسی صورت حال کے باعث کئی مشکلات کا سامنا رہا۔ آبنائے ہرمز کی بندش نے ریفائنری آپریشنز کے پائیدار تسلسل کے لیے سنگین خطرہ پیدا کیا، مگر اسی دوران مجموعی ریفائننگ مارجنز تاریخی بلند سطح پر پہنچنے سے ایک موقع بھی پیدا ہوا۔ آپ کی ریفائنری نے اس صورت حال کا بھرپور مقابلہ کیا اور آپریشنز جاری رکھنے کے لیے انتھک محنت کی۔ اس میں اسپاٹ کارگوز کا جائزہ، مال برداری، بیمہ، اضافی جنگی خطرے کے پریمیئم اور بحری سفر کی مدت کو مدنظر رکھتے ہوئے لوڈنگ کے لیے بندرگاہوں کا تزویراتی انتخاب، اور آبنائے ہرمز سے گریز کے لیے خام تیل کے گریڈز میں تبدیلی شامل تھی۔ ان اقدامات سے ملک میں پیٹرولیم مصنوعات کی بلاتعطل فراہمی برقرار رہی اور خام تیل کی گرتی قیمتوں کے رجحان کے دوران انوینٹری پر متوقع نقصانات کو کم سے کم رکھنے میں مدد ملی۔

معاہدے اور خریداری

پیچیدہ جغرافیائی وسیاسی صورت حال اور علاقائی سپلائی چین کو درپیش مسلسل مشکلات کے باوجود، پیشگی منصوبہ بندی، متعلقہ فریقوں کے ساتھ قریبی تعاون اور معاہدوں کے منظّم انتظام کے ذریعے ریفائنری آپریشنز، HSE تقاضوں کی تعمیل اور منصوبے پر عمل درآمد کے لیے درکار اہم مواد اور خدمات کی بروقت اور بلاتعطل دستیابی یقینی بنائی گئی۔ اس کے علاوہ، تزویراتی سورسنگ، تجارتی مذاکرات، سپلائرز کو متنوع بنانے اور لاگت بہتر کرنے کے اقدامات سے نمایاں بچت ہوئی اور ساتھ ہی معیار، قابل اعتماد فراہمی اور رسد کا تسلسل برقرار رکھتے ہوئے قدر میں اضافہ کیا گیا۔

انسانی وسائل اور صنعتی تعلقات

کمپنی کے انسانی وسائل کے شعبے نے صلاحیتوں کی نشوونما، ملازمین کی شرکت اور افرادی قوت کی فلاح کے ذریعے ادارہ جاتی صلاحیت مضبوط کر کے ریفائنری کی تزویراتی ترجیحات میں معاونت جاری رکھی۔ اس مقصد کے لیے حفاظت، جوابدہی، مسلسل بہتری اور ریگولیٹری تقاضوں کی تعمیل پر مبنی کلچر کو فروغ دیا گیا۔ HSEQ، تکنیکی اور انتظامی شعبوں میں تربیت کامیابی سے فراہم کی گئی اور ملازمین کی شرکت مسلسل بلند رہی۔ اس سے قائدانہ صلاحیتیں، تکنیکی مہارت، تعمیل سے آگاہی اور ملازمین کی فلاح مزید مضبوط ہوئی۔ جانشینی کی منصوبہ بندی اور پیشہ ورانہ ترقی میں مسلسل پیش رفت سے اندرونی صلاحیت میں مزید اضافہ ہوا اور ادارے کے لیے مستقبل کی باصلاحیت افرادی قوت کی بنیاد مضبوط ہوئی۔ صنعتی دوروں، مطالعاتی دوروں اور کامیاب انٹرن شپ پروگرام کے ذریعے تعلیمی اداروں اور صنعت کے درمیان تعاون اور سرکاری شعبے سے روابط میں بھی نمایاں پیش رفت ہوئی، جو مستقبل کی صلاحیتوں کو پروان چڑھانے کے PRL کے عزم کی عکاس ہے۔

کارکردگی کے انتظام کا فریم ورک مسلسل رائے، جوابدہی اور اعلیٰ کارکردگی کے کلچر کو مزید مضبوط بناتا رہا۔ مزید برآں، انسانی وسائل کی پالیسیوں اور طریقوں کا مسلسل جائزہ لے کر انہیں بدلتی ہوئی کاروباری ضروریات، ریگولیٹری تقاضوں اور انڈسٹری کے بہترین طریقوں کے مطابق بہتر بنایا گیا، تاکہ ایک جامع، مؤثر اور ملازم دوست کام کی جگہ یقینی بنائی جا سکے۔

کمپنی نے کلیکٹو بارگیننگ ایجنٹ (CBA) کے ساتھ خوشگوار اور ہم آہنگ صنعتی تعلقات برقرار رکھے۔ سال کے دوران CBA کے ساتھ مذاکرات کامیابی سے مکمل ہوئے اور موجودہ CBA معاہدہ طے پایا، جو 30 جون 2027 تک مؤثر رہے گا۔

کارپوریٹ سماجی ذمہ داری (CSR)

پاکستان ریفائنری لمیٹڈ کارپوریٹ سماجی ذمہ داری (CSR) کے ہدفی اقدامات کے ذریعے کمیونٹیز کی فلاح میں بامعنی حصہ ڈالنے کے لیے پرعزم ہے۔ سال 2025-26 کے دوران کمپنی نے تعلیم، صحت، ذہنی صحت اور کمیونٹی کی ترقی کے لیے فنڈز مختص کیے۔ ان میں اہم طبی آلات کے لیے انڈس ہسپتال کو 19.5 ملین روپے، تعلیمی معاونت کے لیے دی سٹیزنز فاؤنڈیشن (TCF) کو 12.3 ملین روپے، طبی معاونت کے لیے چائلڈ لائف فاؤنڈیشن اور ذہنی صحت کی خدمات کے لیے کاروان حیات کو فی ادارہ 5 ملین روپے، تین روزہ آنکھوں کے کیمپ کے لیے LRBT کو 3.6 ملین روپے، پانی کے ڈسپینسرز اور ایک اسکول میں بیت الخلا کی تعمیر کے لیے بہبود ایسوسی ایشن کو 3.5 ملین روپے، اور خواندگی کے اقدامات کے لیے GoRead.pk کو 1 ملین روپے شامل ہیں۔ ان معاونتوں کے ذریعے PRL ایسے پروگراموں کی حمایت جاری رکھے ہوئے ہے جو کمیونٹی کی ترجیحی ضروریات پوری کرتے اور بامعنی سماجی اثر پیدا کرتے ہیں۔

اندرونی مالیاتی کنٹرولز کی کفایت

مؤثر اندرونی مالیاتی کنٹرولز قائم کرنے کی ذمہ داری بورڈ آف ڈائریکٹرز پر عائد ہوتی ہے۔ بورڈ نے مینیجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کو بعض مالیاتی اور انتظامی اختیارات استعمال کرنے کی اجازت دی ہے، سوائے ان اختیارات کے جو کمپنیز ایکٹ 2017 کے تحت خاص طور پر بورڈ کو تفویض کیے گئے ہیں۔ بورڈ، اندرونی آڈٹ کے ذریعے، اندرونی مالیاتی کنٹرولز کی کفایت کے بارے میں وقتاً فوقتاً تازہ صورت حال سے آگاہ رہتا ہے۔ سال کے دوران ان کنٹرولز میں کسی اہم کمی کی اطلاع بورڈ کو نہیں دی گئی۔

قومی خزانے میں شراکت اور قدر میں اضافہ

کمپنی ٹیکس اور دیگر قانونی ذمہ داریاں بروقت ادا کر کے قومی خزانے میں بڑے پیمانے پر حصہ ڈالنے والے اداروں میں شامل رہی۔ سال کے دوران کمپنی نے براہ راست اور بالواسطہ ٹیکسوں کی مد میں قومی خزانے میں 131.1 ارب روپے جمع کرائے، جبکہ 2025 میں یہ رقم 103.2 ارب روپے تھی۔

اس کے علاوہ، کمپنی پیٹرولیم مصنوعات کی برآمد کے ذریعے ملک کے لیے زرمبادلہ کمانے میں بھی اپنا حصہ ڈالتی رہی۔ سال کے دوران کمپنی کی برآمدات سے 201 ملین امریکی ڈالر کا زرمبادلہ حاصل ہوا، جبکہ 2025 میں یہ رقم 182 ملین امریکی ڈالر تھی۔ برآمدی منڈی میں اضافی مصنوعات کے انتظام سے ریفائنری آپریشنز کا تسلسل برقرار رکھنے میں بھی مدد ملی۔

اہم آپریشنل اور مالیاتی اعداد و شمار

گزشتہ چھ سال کے اہم آپریشنل اور مالیاتی اعداد و شمار کا خلاصہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی کی بنیادی سرگرمیاں

پاکستان ریفائنری لمیٹڈ مئی 1960 میں پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر قائم ہوئی اور پاکستان اسٹاک ایکسچینج میں فہرست شدہ ہے۔ کمپنی پیٹرولیم مصنوعات کی پیداوار اور فروخت کا کاروبار کرتی ہے۔

کمپنی اور اس کی زیر سرمایہ کاری کمپنی کے کاروبار کی نوعیت میں تبدیلی

کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی، نہ ہی پاک کریس مینوفیکچرنگ کمپنی (پرائیویٹ) لمیٹڈ کے کاروبار کی نوعیت میں کوئی تبدیلی ہوئی ہے، جس میں کمپنی 27.26 فیصد حصص رکھتی ہے۔

بعد از اختتام سال واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا مالی وابستگی سامنے نہیں آئی۔

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ عمومی اجلاس کے اختتام پر سبکدوش ہو رہے ہیں اور انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔

اظہار تشکر

بورڈ وزارت توانائی (پیٹرولیم ڈویژن) اور دیگر سرکاری اداروں کی قابل قدر معاونت کا اعتراف کرتے ہوئے ان کا شکریہ ادا کرتا ہے۔ بورڈ پورے سال شیئر ہولڈرز، مالیاتی اداروں، ملازمین اور دیگر متعلقہ فریقوں کی جانب سے ملنے والی حمایت اور اعتماد کو بھی قدر کی نگاہ سے دیکھتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

طارق کرمانی
چیئرمین
13 اگست 2026

محسن علی منگی
مینیجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

ماحولیات، سماجی ذمہ داری اور گورننس (ESG)

کمپنی نے اپنے ماحولیات، سماجی ذمہ داری اور گورننس (ESG) رپورٹنگ فریم ورک کی تیاری شروع کی اور متعلقہ ESG شعبوں کی نشاندہی، موجودہ طریقوں کے جائزے اور ماحولیاتی ذمہ داری، سماجی ذمہ داری اور گورننس سے متعلق معلومات مرتب کرنے کے لیے ایک منظّم مشق کی۔ اس عمل میں قابل اطلاق ESG رپورٹنگ تقاضوں کا جائزہ، کمپنی کے کاروبار سے متعلق اہم موضوعات کی نشاندہی، متعلقہ معیاری اور مقداری ڈیٹا کا حصول، اور موجودہ پالیسیوں، طریقہ کار اور اقدامات کا جائزہ شامل تھا۔ ESG انکشافات کے لیے زیرِ غور معلومات کی درستی، یکسانیت اور تکمیل یقینی بنانے کے لیے متعلقہ شعبوں سے رابطہ بھی اس مشق کا حصہ تھا۔

تکنیکی امور اور آپریشنز

عمل کو منظّم انداز میں بہتر بنانے اور انجینئرنگ میں عمدگی کے ذریعے آپریشنل کارکردگی، ڈیجیٹل تبدیلی اور پائیدار قدر کی تخلیق میں قابل پیمائش بہتری لاتے ہوئے کمپنی کے تزویراتی مقاصد پر پیش رفت جاری رہی۔

کمپنی نے مضبوط آپریشنل نظم وضبط، مختلف شعبوں کے درمیان قریبی ہم آہنگی، اور پراسیس سیفٹی، ماحولیاتی تقاضوں کی تعمیل اور مصنوعات کے معیار سے غیر متزلزل وابستگی کے ذریعے ریفائنری آپریشنز کو محفوظ، قابل اعتماد اور مؤثر رکھا۔ کمپنی نے پلانٹ کی بہترین دستیابی حاصل کی، جو آپریشنز کے قابل اعتماد تسلسل اور توانائی کی استعداد پر مسلسل توجہ کی عکاس ہے۔ مزید برآں، زیادہ قدر کی حامل مصنوعات کی پیداوار بڑھانے پر تزویراتی توجہ جاری رکھتے ہوئے کمپنی نے HSD کی 800,000 میٹرک ٹن اور موٹر اسپرٹ کی 290,000 میٹرک ٹن کی اپنی تاریخ کی بلند ترین سالانہ پیداوار حاصل کی۔

کمپنی نے اپنی ٹینک گنجائش کے بہتر استعمال، تزویراتی بلینڈنگ، ٹول ریفائننگ کے انتظامات اور ذخیرے کے مؤثر انتظام کے ذریعے آپریشنل لچک اور قدر کی تخلیق میں مسلسل اضافہ کیا۔ ریگولیٹری نظام کو جدید بنانے کی جانب ابتدائی قدم کے طور پر PRL نے انوینٹری، وصولی اور ترسیل کی رپورٹنگ اور دیگر دستاویزی تقاضوں کو ڈیجیٹل بنا کر OGRA کے آئل سپلائی چین ڈیجیٹلائزیشن اقدام پر کام شروع کیا۔ خام تیل اور پیٹرولیم مصنوعات کی مؤثر ہینڈلنگ کے ساتھ ان اقدامات نے آپریشنل استحکام کو مضبوط کیا اور پائیدار قدر کی تخلیق اور آپریشنل کارکردگی میں عمدگی کے لیے کمپنی کے عزم کو مزید تقویت دی۔

انجینئرنگ

سال کے دوران مرمت و دیکھ بھال کے منظّم نفاذ، ٹیکنالوجی اپ گریڈز اور بنیادی ڈھانچے کو جدید بنانے کے ذریعے ریفائنری کی قابل اعتماد کارکردگی، حفاظت، ماحولیاتی کارکردگی اور اثاثوں کی سالمیت کو مزید مضبوط کیا گیا۔ ری جنریشن شٹ ڈاؤن اگست 2025 میں طے شدہ مدت کے اندر اور کسی حفاظتی حادثے کے بغیر مکمل ہوا۔ اہم کاموں میں ہیٹ ایکسچینجرز کی صفائی، ایئر کولرز کی ری ٹیوبنگ، فرنس کی مرمت و دیکھ بھال اور کروڈ پمپ کنڈینسر کی تبدیلی شامل تھی، جس سے آپریشنز کا قابل اعتماد تسلسل اور پلانٹ کی محفوظ کارکردگی بہتر ہوئی۔

گینٹری سب اسٹیشن اور فائر ہاؤس سب اسٹیشن کی بڑی اوور ہالنگ اور اپ گریڈیشن سے برقی بنیادی ڈھانچے کی قابل اعتماد کارکردگی مزید بہتر ہوئی۔

ریفائنری ایکسپینشن اینڈ اپ گریڈ پراجیکٹ (REUP)

فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) مکمل ہونے اور انجینئرنگ، پروکیورمنٹ اینڈ کنسٹرکشن (EPC) بولیوں کی جانچ اور شرائط کو حتمی شکل دینے کے بعد 30 دسمبر 2025 کو انجینئرنگ، پروکیورمنٹ اینڈ کنسٹرکشن (EPC) کا مشروط لیٹر آف انٹینٹ (LoI) جاری کیا گیا۔

جغرافیائی وسیاسی صورت حال کے پیش نظر، اندرونی وسائل کو ترقی دینے کے مقصد سے اونرز انجینئرز (OE) اور پراجیکٹ مینجمنٹ کنسلٹنٹ (PMC) کے امتزاج پر مبنی طریقہ کار، اور منتخب یوٹیلیٹیز و بنیادی ڈھانچے کے لیے تعمیر، ملکیت اور آپریشن (BOO) نیز تعمیر، ملکیت، آپریشن اور منتقلی (BOOT) کے ڈھانچوں کے تحت منصوبے پر عمل درآمد کے متبادل انداز کا جائزہ لیا گیا ہے۔ اس کا مقصد نوٹس ٹو پروسیڈ جاری ہونے کے 36 ماہ کے اندر منصوبہ مکمل کرنا ہے۔ سندھ انوائرنمنٹل پروٹیکشن ایجنسی (SEPA) نے REUP کے تعمیراتی کام میں پیش رفت کی اجازت بھی دے دی ہے، جبکہ پانی اور مصنوعات کی پائپ لائنوں کے لیے رائٹ آف وے (RoW) کے حصول پر کام جاری ہے۔

- کمپنی نے مالیاتی گوشواروں کی تیاری میں مستقل اور موزوں اکاؤنٹنگ پالیسیاں اختیار کی ہیں۔ اکاؤنٹنگ پالیسیوں میں جہاں کہیں تبدیلی کی گئی، اسے مالیاتی گوشواروں میں مناسب طور پر ظاہر کیا گیا ہے۔ اکاؤنٹنگ تخمینے محتاط اور معقول اندازوں کی بنیاد پر کیے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عمل کیا گیا ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔
- اندرونی مالیاتی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے، اسے مؤثر طور پر نافذ کیا گیا ہے اور اس کی باقاعدگی سے نگرانی کی جاتی ہے۔
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت کے بارے میں کوئی اہم شبہ موجود نہیں۔

کریڈٹ ریٹنگ

سال کے دوران پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے دوبارہ جائزے کے بعد کمپنی کو طویل مدتی ادارہ جاتی ریٹنگ A (سنگل A) اور مختصر مدتی ادارہ جاتی ریٹنگ A1 (سنگل A ون) دی۔ یہ ریٹنگز بلند کریڈٹ معیار اور کریڈٹ رسک کے کم امکان کی عکاسی کرتی ہیں، یعنی کمپنی مالی ذمہ داریاں بروقت ادا کرنے کی مضبوط صلاحیت رکھتی ہے۔

ملازمت کے بعد مراعات کے فنڈز کی سرمایہ کاری کی مالیت

30 جون 2026 کو غیر آڈٹ شدہ حسابات کی بنیاد پر پراویڈنٹ، گریچوئٹی اور پنشن فنڈز کی سرمایہ کاری کی مالیت درج ذیل تھی:

	مالیت (روپے ہزاروں میں)
پراویڈنٹ فنڈ	778,414
گریچوئٹی فنڈ - انتظامی عملہ	356,101
گریچوئٹی فنڈ - غیر انتظامی عملہ	156,483
پنشن فنڈ - انتظامی عملہ	2,580,138
پنشن فنڈ - غیر انتظامی عملہ	390,179

صحت، حفاظت، ماحول اور معیار (HSEQ)

محفوظ مین آورز

سال 2025-26 کے دوران کمپنی نے وقت ضائع ہونے کا باعث بننے والے کسی حادثے (LTI) کے بغیر ایک کروڑ محفوظ مین آورز مکمل کیے، جو کمپنی کے حفاظتی سفر کا ایک اور اہم سنگ میل ہے۔ یہ کامیابی HSEQ مینجمنٹ سسٹم کی مؤثریت، منظّم آپریشنل طریقوں اور ملازمین و کنٹریکٹرز کے اجتماعی عزم کی عکاس ہے۔ ہم کام کے محفوظ طریقوں کو مزید مضبوط بنانے اور اپنے تمام آپریشنز میں کام کی جگہ کو مسلسل زیادہ محفوظ بنانے پر توجہ مرکوز رکھے ہوئے ہیں۔

مزید برآں، ڈیجیٹل تبدیلی کے اقدام کے تحت HSEQ ڈیش بورڈ کا ڈیجیٹل پورٹل کامیابی سے تیار اور نافذ کیا گیا۔ یہ انٹرایکٹو ڈیش بورڈ اہم کارکردگی اشاریوں کی حقیقی وقت میں صورت حال دکھاتا ہے، جس سے ڈیٹا پر مبنی فیصلہ سازی، رجحانات کا تجزیہ اور انتظامیہ کی نگرانی بہتر ہوئی ہے۔ اس نے HSEQ رپورٹنگ کو سہل بنایا، معلومات تک رسائی بہتر کی اور اقدامات پر بروقت پیش رفت کی نگرانی مؤثر بنائی۔

HSEQ کا بیرونی آڈٹ

نومبر 2025 میں IMS (ISO معیارات 9001، 14001 اور 45001) کی بنیاد پر تیسرے فریق نے نگرانی کا آڈٹ کیا، جس میں عدم تعمیل یا کوئی اہم مشاہدہ سامنے نہیں آیا۔

ریگولیٹری تقاضوں کی تعمیل

کمپنی نے ماحولیاتی انتظامی منصوبے (EMP) کی مکمل پابندی جاری رکھی اور رپورٹ کیے جانے والے تمام پیرامیٹرز کو سندھ انوائرنمنٹ کوالٹی اسٹینڈرڈز (SEQS) کے مطابق برقرار رکھا۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے سال کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گوشواروں کے ساتھ، پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج

	2026	2025
	روپے ہزاروں میں	
سال کا منافع/(نقصان)	**15,779,957**	(4,659,666)
دیگر جامع آمدنی	**385,811**	2,953,226
کل جامع آمدنی/(نقصان)	**16,165,768**	(1,706,440)
فی حصص آمدنی/(نقصان)	**Rs. 25.05**	Rs. (7.40)
تخصیصات		
ادا کردہ ڈیویڈنڈ	-	(1,260,000)
	-	(1 260 000)

کمپنی کی مالیاتی کارکردگی سال کے دوران مضبوط رہی اور کمپنی نے 15.8 ارب روپے بعد از ٹیکس منافع حاصل کیا، جبکہ گزشتہ سال 4.7 ارب روپے بعد از ٹیکس نقصان ہوا تھا۔ یہ نمایاں بہتری بہتر کریک اسپریڈز، آپریشنل استعداد اور خام تیل کی خریداری کو مسلسل بہتر بنانے کا نتیجہ تھی۔

تاہم آپریشنل ماحول بدستور دشوار رہا، خصوصاً مشرقِ وسطیٰ میں تنازع شدت اختیار کرنے کے باعث عالمی تیل منڈیوں میں نمایاں اتار چڑھاؤ آیا۔ خام تیل اور پیٹرولیم مصنوعات کی قیمتوں میں تیز تبدیلیوں سے ریفائننگ مارجنز متاثر ہوئے، جبکہ خطے کے بحری راستوں سے متعلق خدشات کے نتیجے میں مال برداری اور بحری بیمے کے اخراجات بڑھ گئے۔ خام تیل کی علاقائی رسد اور بحری راستوں کے بارے میں بڑھتی ہوئی غیر یقینی صورت حال کے دوران کمپنی نے خام تیل کی خریداری کے ذرائع کو متنوع بنایا اور ضروری آپریشنل اور تجارتی اقدامات کیے۔ ان کوششوں کے باعث ریفائنری اس ہنگامہ خیز صورت حال میں بھی بلا تعطل چلتی رہی اور ملکی منڈی کو پیٹرولیم مصنوعات کی فراہمی جاری رہی۔ یوں کمپنی نے ملک کی توانائی کی سلامتی میں اپنا کردار ادا کیا اور ایندھن کی قلت کے خطرے کو کم کیا۔

کمپنی کے امور کی صورت حال اور جائزہ

کمپنی کے آپریشنز اور امور کی صورت حال کا مختصر جائزہ درج ذیل ہے:

- خام تیل کے امتزاج کو موزوں بنانے اور زیادہ مارجن کی حامل مصنوعات، خصوصاً موٹر اسپرٹ (MS) اور ہائی اسپیڈ ڈیزل (HSD)، کی پیداوار زیادہ سے زیادہ رکھنے پر توجہ دیتے ہوئے انوینٹری مینجمنٹ پر سخت کنٹرول جاری رکھا گیا۔

- کمپنی نے سال کے دوران ایک اہم آپریشنل سنگ میل عبور کیا اور اپنی تاریخ میں پہلی مرتبہ 800,000 میٹرک ٹن سے زیادہ HSD پیدا کیا۔ یہ کامیابی آپریشنز کے قابلِ اعتماد تسلسل، ریفائنری آپریشنز کو بہتر بنانے اور زیادہ قدر کی حامل مصنوعات کی پیداوار بڑھانے پر مسلسل توجہ کی عکاس ہے۔

- ہائی سلفر فرنس آئل (HSFO) کی مقامی فروخت پر دباؤ سال کے دوران مزید بڑھ گیا۔ HSFO پر پیٹرولیم لیوی اور کلائمیٹ سپورٹ لیوی کے نفاذ سے مقامی منڈی میں اس کی معاشی افادیت مزید متاثر ہوئی، طلب نہ ہونے کے برابر رہ گئی اور کمپنی کو اپنی HSFO پیداوار کا بڑا حصہ برآمد کرنا پڑا۔ سال کے دوران کمپنی نے 386,838 میٹرک ٹن HSFO برآمد کیا، جو HSFO کی مجموعی فروخت کا 98.3 فیصد تھا۔ گزشتہ سال یہ مقدار 311,570 میٹرک ٹن، یعنی مجموعی HSFO فروخت کا 71.2 فیصد تھی۔

- ریفائنریوں کی اپ گریڈیشن میں معاون اقدامات کے تحت حکومت نے فنانس ایکٹ 2026 کے ذریعے ریفائنری اپ گریڈ منصوبوں سے متعلق بعض پلانٹ اور مشینری کو سیلز ٹیکس سے مستثنیٰ قرار دیا۔ کمپنی، ریفائننگ انڈسٹری کے ساتھ مل کر، منصوبے سے متعلق تمام اہل اشیا اور سہولتوں کو اس استثنا میں شامل کرانے کے لیے حکومت سے رابطہ جاری رکھے ہوئے ہے۔

اہم خطرات اور غیر یقینی صورت حال

- جغرافیائی و سیاسی پیش رفت، خصوصاً مشرقِ وسطیٰ میں ہونے والی تبدیلیاں، خام تیل کی رسد اور بحری راستوں میں تعطل، خام تیل اور مصنوعات کی قیمتوں میں اتار چڑھاؤ، نیز مال برداری اور بیمے کے اخراجات میں اضافے کا سبب بن سکتی ہیں۔ کمپنی خام تیل کے ذرائع کو متنوع بنا کر، متبادل رسد کے انتظامات، انوینٹری مینجمنٹ اور موزوں آپریشنل و تجارتی اقدامات کے ذریعے ان خطرات کو کم کرنے کی کوشش کرتی ہے۔

- ریفائنری حکومت پاکستان کے پالیسی اور ریگولیٹری فریم ورک کے تحت کام کرتی ہے۔ بعض پیٹرولیم مصنوعات کی قیمتیں وزارت توانائی مقرر یا مانیٹر کرتی ہے اور ان کا بنیادی تعین درآمدی مساوی قیمتوں کے اصول پر ہوتا ہے۔ خام تیل اور پیٹرولیم مصنوعات کی بین الاقوامی قیمتوں، ریفائننگ مارجنز، شرح مبادلہ اور ملک میں قیمتوں کے تعین کے طریقہ کار میں تبدیلیاں کمپنی کی مالیاتی کارکردگی پر نمایاں اثر ڈال سکتی ہیں۔

- ریفائنری کی مصنوعات کے معیارات حکومت مقرر کرتی ہے اور ریفائنری ان معیارات کی پابند ہے۔ مصنوعات کے معیارات میں تبدیلی کے لیے آپریٹنگ پیرامیٹرز میں ردوبدل اور/یا اضافی سرمایہ کاری درکار ہوسکتی ہے، جس سے کمپنی کی آپریشنل اور مالیاتی کارکردگی متاثر ہوسکتی ہے۔

- کمپنی نے موجودہ/براؤن فیلڈ ریفائنریوں کی اپ گریڈیشن کے لیے پاکستان آئل ریفائننگ پالیسی 2023 کے تحت آئل اینڈ گیس ریگولیٹری اتھارٹی (OGRA) کے ساتھ معاہدے کیے ہیں۔

ان معاہدوں کے تحت، دیگر تقاضوں کے ساتھ، ریفائنری ایکسپینشن اینڈ اپ گریڈ پراجیکٹ (REUP) مقررہ مدت میں مکمل کرنا لازم ہے۔ REUP کا کامیاب نفاذ منصوبے کے مالی انتظامات کو حتمی شکل دینے (فنانشل کلوز) اور اسے بروقت پایہ تکمیل تک پہنچانے پر منحصر ہے۔

مستقبل کے امکانات اور خطرات سے نمٹنے کے اقدامات

• ریفائنری ایکسپینشن اینڈ اپ گریڈ پراجیکٹ کا فرنٹ اینڈ انجینیئرنگ ڈیزائن (FEED) مکمل ہونے اور انجینیئرنگ، پروکیورمنٹ، کنسٹرکشن اینڈ فنانسنگ (EPCF) بولیوں کی جانچ اور شرائط کو حتمی شکل دینے کے بعد، منصوبے کے لیے 30 دسمبر 2025 کو انجینیئرنگ، پروکیورمنٹ اینڈ کنسٹرکشن (EPC) کا مشروط لیٹر آف انٹینٹ (LoI) جاری کیا گیا۔ منصوبے کے مقاصد درج ذیل ہیں:

1۔ یورو V معیار کے مطابق HSD اور MS تیار کرنے کی شرط پوری کرنا؛

2۔ خام تیل کی پروسیسنگ صلاحیت 50,000 سے بڑھا کر 100,000 بیرل یومیہ کرنا؛ اور

3۔ ہائیڈرو اسکمنگ ریفائنری کو ڈیپ کنورژن ریفائنری میں اپ گریڈ کر کے خود کفالت حاصل کرنا اور اس طرح HSFO کی پیداوار میں نمایاں کمی لانا۔

جغرافیائی و سیاسی صورت حال کے پیش نظر، اونرز انجینیئرز (OE) اور پراجیکٹ مینجمنٹ کنسلٹنٹ (PMC) کے امتزاج پر مبنی طریقہ کار کے تحت منصوبے پر عمل درآمد کے متبادل انداز کا جائزہ لیا گیا ہے۔ اس کے ساتھ ساتھ کثیر فریقی اداروں، ایکسپورٹ کریڈٹ ایجنسیوں (ECAs)، مالیاتی اداروں، ممکنہ تزویراتی سرمایہ کاروں اور اسپانسر پاکستان اسٹیٹ آئل سے رابطوں اور وزارت توانائی (پیٹرولیم ڈویژن) کی فعال معاونت کے ذریعے منصوبے کے مالی انتظامات کو حتمی شکل دینے کی کوششیں بھی جاری ہیں۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے کمپنی کی مالیاتی کارکردگی اور مالی حیثیت، مستقبل میں نقدی کی ضروریات اور ریفائنری ایکسپینشن اینڈ اپ گریڈ پراجیکٹ (REUP) کے لیے درکار فنڈنگ کو مدنظر رکھتے ہوئے 30 جون 2026 کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ تجویز نہیں کیا۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- کمپنی کے مالیاتی گوشوارے انتظامیہ نے تیار کیے ہیں اور یہ کمپنی کی مالی صورت حال، آپریشنز کے نتائج، نقد بہاؤ اور حقوق ملکیت میں تبدیلیوں کی درست عکاسی کرتے ہیں۔
- کمپنی نے کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق حسابات کی باقاعدہ کتابیں برقرار رکھی ہیں۔

چیئرمین کا جائزہ

مجھے پاکستان ریفائنری لمیٹڈ ("کمپنی") کی 30 جون 2026 کو ختم ہونے والے سال کی چھیاسٹھویں سالانہ رپورٹ حصص یافتگان کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

زیرِ جائزہ سال کے دوسرے نصف میں مشرقِ وسطیٰ کے تنازع کے باعث کاروباری ماحول دشوار رہا اور عالمی تیل منڈیوں میں نمایاں اتار چڑھاؤ آیا۔ خام تیل اور پیٹرولیم مصنوعات کی قیمتوں میں تیز تبدیلیوں سے مجموعی ریفائننگ مارجنز (GRMs) متاثر ہوئے، جبکہ آبنائے ہرمز کی بندش کے باعث مال برداری اور بحری بیمے کے اخراجات بڑھ گئے۔ ان ہنگامہ خیز حالات میں کمپنی نے متبادل ذرائع سے خام تیل کی خریداری کر کے اپنے ذرائع کو متنوع بنایا۔ اس اقدام سے نہ صرف ریفائنری آپریشنز بلاتعطل جاری رکھنے اور پیٹرولیم مصنوعات کی مسلسل فراہمی میں مدد ملی بلکہ بہتر کریک اسپریڈز اور آپریشنل استعداد کے ساتھ مل کر اس نے ریفائنری کی تاریخ کا بلند ترین منافع حاصل کرنے میں بھی اہم کردار ادا کیا۔ کمپنی نے 15.8 ارب روپے بعد از ٹیکس منافع حاصل کیا، جبکہ گزشتہ سال 4.7 ارب روپے بعد از ٹیکس نقصان ہوا تھا۔ یوں 20.4 ارب روپے کی مثبت تبدیلی سامنے آئی۔ یہ کامیابی ہائی سلفر فرنس آئل (HSFO) کی مزید کم ہوتی طلب کے باوجود حاصل ہوئی، جس کے نتیجے میں سال کے دوران 98 فیصد سے زیادہ HSFO برآمد کیا گیا۔ کمپنی نے سال کے دوران ایک اہم آپریشنل سنگِ میل بھی عبور کیا اور اپنی تاریخ میں پہلی مرتبہ 800,000 میٹرک ٹن سے زیادہ ہائی اسپیڈ ڈیزل (HSD) پیدا کیا۔

فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) اور انجینئرنگ، پروکیورمنٹ، کنسٹرکشن اینڈ فنانسنگ (EPCF) بولیوں کی جانچ مکمل ہونے کے بعد دسمبر 2025 میں انجینئرنگ، پروکیورمنٹ اینڈ کنسٹرکشن (EPC) کا مشروط لیٹر آف انٹینٹ (LoI) جاری کیا گیا۔ جغرافیائی و سیاسی صورتِ حال کے پیشِ نظر منصوبے کو بروقت مکمل کرنے کے لیے مرحلہ وار عمل درآمد کے متبادل طریقے پر بھی غور کیا جا رہا ہے۔ اسی دوران کثیر فریقی اداروں، ایکسپورٹ کریڈٹ ایجنسیوں (ECAs)، مالیاتی اداروں، ممکنہ تزویراتی سرمایہ کاروں اور اکثریتی حصص یافتہ سے رابطوں اور وزارتِ توانائی (پیٹرولیم ڈویژن) کی معاونت کے ذریعے منصوبے کے مالی انتظامات کو حتمی شکل دینے (فنانشل کلوز) کے لیے بھی بھرپور کوششیں کی گئی ہیں۔

30 جون 2026 کو ختم ہونے والے سال کے دوران PRL نے وقت ضائع ہونے کا باعث بننے والے کسی حادثے (LTI) کے بغیر ایک کروڑ محفوظ مین آورز مکمل کر کے ایک اور اہم سنگِ میل عبور کیا۔ یہ کامیابی ظاہر کرتی ہے کہ صحت، حفاظت، ماحول اور معیار (HSEQ) بدستور کمپنی کی اولین ترجیحات میں شامل ہیں۔ اس مقصد کے لیے طریقہ کار کا مسلسل جائزہ لیا اور اسے مضبوط بنایا جاتا ہے، جبکہ کام کی جگہ پر حفاظت کو بھی بہتر کیا جاتا ہے۔ نتیجتاً آپ کی ریفائنری تمام قابلِ اطلاق HSEQ معیارات کی پابند رہی۔

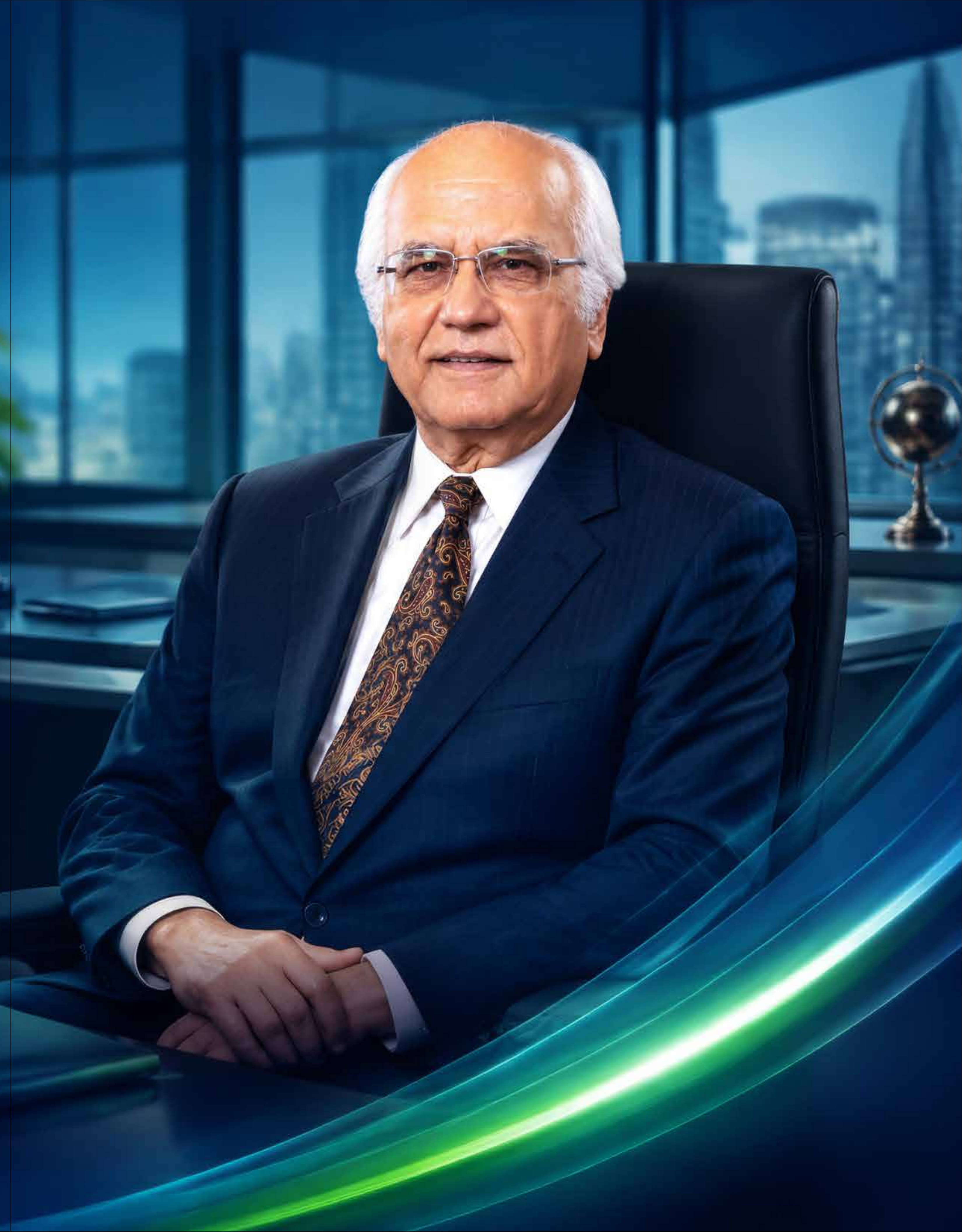
آپ کی کمپنی ایک ذمہ دار کارپوریٹ ادارے کی حیثیت سے اپنی ذمہ داری نبھاتی رہی ہے اور تعلیم، صحت، ذہنی صحت اور کمیونٹی کی ترقی کے شعبوں میں عطیات کے ذریعے ان کمیونٹیز کی فلاح میں حصہ ڈالتی ہے جن کے درمیان وہ کام کرتی ہے۔ ان عطیات سے مستفید ہونے والے اداروں میں دی سٹیزنز فاؤنڈیشن، چائلڈ لائف فاؤنڈیشن، کاروانِ حیات، لیٹن رحمت اللہ بینیولنٹ ٹرسٹ، بہبود ایسوسی ایشن اور GoRead.pk شامل ہیں۔

مالیاتی نتائج کی تفصیل 30 جون 2026 کو ختم ہونے والے سال کی منسلک ڈائریکٹرز کی رپورٹ اور مالیاتی گوشواروں میں بیان کی گئی ہے۔

میں کمپنی کے تمام ملازمین کی لگن، محنت اور عزم کو سراہتا اور ان کا شکر گزار ہوں۔ میں اپنے ساتھی ڈائریکٹرز، قابلِ قدر صارفین، سپلائرز، کنٹریکٹرز، حکومتِ پاکستان، بالخصوص وزارتِ توانائی (پیٹرولیم ڈویژن)، اور تمام دیگر متعلقہ فریقوں کا بھی ان کی مسلسل معاونت پر شکریہ ادا کرتا ہوں۔

طارق کرمانی

چیئرمین



Notice of Annual General Meeting 2026

Notice is hereby given that the **Sixty-sixth (66th) Annual General Meeting of Pakistan Refinery Limited** will be held on **Wednesday, October 7, 2026 at 11:00 hours** at the premises of the Company situated at Korangi Creek Road, Karachi as well as **through video-link facility** to transact the following business:

Ordinary business

1. To receive, consider and approve the Audited Financial Statements of the Company for the year ended June 30, 2026 together with the Reports of the Board and the Auditors thereon.

   In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:

   http://www.prl.com.pk/downloads/PRLannualreport2026.pdf

2. To appoint Company's Auditors for the year ending June 30, 2027 and to fix their remuneration.

3. To elect Ten (10) Directors of the Company as fixed by the Board of Directors in their Meeting held on August 13, 2026 in accordance with the provisions of section 159(1) of the Companies Act 2017 for a period of three years commencing from October 8, 2026.

   The retiring Directors are:

   1) Mr. Tariq Kirmani
   2) Mr. Aftab Husain
   3) Mr. Jawwad Ahmed Cheema
   4) Mr. Mohammad Abdul Aleem
   5) Mr. Mohammad Zubair
   6) Mr. Shahbaz Tahir Nadeem
   7) Syed Jehangir Ali Shah
   8) Ms. Tara Uzra Dawood
   9) Mr. Zafar Abbas
   10) Mr. Zafar Ul Islam Usmani

Any Other Business

4. To transact any other business with the permission of the Chair.

By Order of the Board

Shehrzad Aminullah
Company Secretary

Karachi:
Date: September 15, 2026

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Thursday, October 1, 2026 to Wednesday October 7, 2026 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi up to the close of business on Wednesday, September 30, 2026 will be treated in time for attending the AGM.

2. Circulation of Notice through Email

Pursuant to S.R.O 452(I)/2025, a copy of this Notice has been sent to the members' registered e-mail addresses provided to the Company.

3. Electronic transmission of Annual Report:

In compliance with Section 223(6) of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2026 through weblink, QR enabled code and through email to Members whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along with the QR enabled code/weblink to download the Annual Report 2026 (containing the financial statements), have been dispatched.

Annual Report 2026 shall also be available electronically on PUCARS of Pakistan Stock Exchange and the Company's website.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2026, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

4. Participation in the AGM proceedings via physical presence or through video link facility:

A Member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her Participant's ID Number and CDC Account/Sub-account Number along with Original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the Meeting.

In order to attend the Meeting through video-link facility, the Members are requested to get themselves registered not later than 72 hours before the Meeting by providing the following information to the contact details stated at the bottom of this Note. In case of the information sent through courier, the same should be received at the Company's Office by October 6, 2026:

Full Name	CNIC No.	Folio/CDS No.	Email Address	Cell No.

A copy of CNIC will be required with the abovementioned information. The video-link for the Meeting will be sent to the Members on their provided email addresses enabling them to attend the Meeting on the given date and time. The login facility will remain open from 10:30 am till the end of the Meeting. In case of any suggestions or comments for the agenda items, the Members may send the same at the email address mentioned below:

Pakistan Refinery Limited
P.O. Box 4612, Korangi Creek Road, Karachi - 75190.
Telephone: +92 21 35092631 (Direct) / +92 21 35122131-40 (Ext: 216)
WhatsApp: +92 3080930461
Email: companysecretarial@prl.com.pk

5. Submission of valid CNIC (Mandatory):

Individual Members who have not yet submitted a copy of their valid Computerized National Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of the Share Registrar of the Company, FAMCO Share Registration Services (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi ("Share Registrar Office"). Corporate Members are requested to provide their National Tax Number (NTN) and Folio Number. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder.

6. Requirements for appointing Proxies

A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf through video-link. The instrument appointing the Proxy, as per the format available at the Company's website, must be received at the Registered Office of the Company i.e. (PAKISTAN REFINERY LIMITED, Korangi Creek Road, P.O. Box 4612, Karachi - 75190) not less than 48 hours (excluding holidays) before the time of holding the Meeting.

For appointing Proxies:

i) In case of Individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded shall submit the Proxy Form as per the above requirement.

ii) The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or Passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.

iv) In case of a Corporate Entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the Nominee shall be submitted along with the Proxy Form (unless it has been provided earlier) to the Company.

v) The Proxy shall produce his/her original CNIC or original valid passport at the time of the Meeting.

7. Updation of Shareholder Addresses/Email and Cell Numbers:

The Members are requested to notify the Company if there is any change in their addresses or other particulars immediately; in case of physical shares, to the Company/Share Registrar and for CDC shares, to the respective Central Depository System (CDS) Participants.

Further, to comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC Account.

8. Conversion of Physical Shares into CDC Account

The Securities and Exchange Commission of Pakistan (SECP) has issued Letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires them to replace shares issued by them in physical form with shares in the Book-Entry form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the Shareholders who still hold shares in Physical form are requested to convert their shares into the Book-Entry form.

9. Election of Directors

For Election of Directors, any person who seeks to contest the Election shall, whether he/she is a retiring director or otherwise, send his/her the nomination for Election, duly signed by the Member or Members making the nomination or by their duly authorized representative, to the Company at its Registered Office, Pakistan Refinery Limited, P.O. Box 4612, Korangi Creek Road, Karachi - 75190, Pakistan, which should be received not less than fourteen (14) clear days before the date of the Meeting in terms of Section 159(3) of the Companies Act, 2017.

10. Candidates for Directorship

Every nomination of a candidate for Election must be accompanied with the following documents:

Consent of the Candidate to act as Director in Form 9 (earlier Form 28 and 29), duly completed and signed by the Candidate, as required by the Companies Act 2017;

Declaration of the Candidate for being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act 2017 to act as Director of a Listed Company;

Confirmation of the Candidate that he/she will, if elected, not be serving as Director in more than seven listed companies simultaneously, provided that his/her limit shall not include the directorship in listed subsidiary; and

A detailed Profile of the Candidate along with a copy of valid CNIC, Folio or CDC Account Number, Contact details and Address.

In case of an Independent Director, a declaration of the candidate as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Potential candidates may contact the Company Secretary at companysecretarial@prl.com.pk for any queries or assistance on the above.

The final list of contesting directors will be circulated not later than seven days before the date of the said Meeting.

11. Right to cast vote and appointment of scrutinizer

Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Act, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. The Board of the Company has appointed KPMG Taseer Hadi and Company, a QCR-rated audit firm, to serve as the Scrutinizer for the election of Directors, in accordance with Regulation 11 of the Companies (Postal Ballot) Regulations, 2018. Details regarding the Scrutinizer's qualifications and experience are available on their website (https://www.kpmg.com.pk).

12. Procedure For E-Voting and Voting through Postal Ballot

In accordance with the Companies (Postal Ballot) Regulation, 2018, the right to vote through electronic voting facility will be provided if the number of persons who offer themselves to be elected is more than the number of Directors fixed under Section 159(1) of the Companies Act, 2017 and Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company within due course.

E-Voting lines will start from October 1, 2026 at 5:00 PM and shall close on October 6, 2026 at 5:00 PM. Members can cast their votes any time in this period. Once the vote is cast by a member, he / she shall not be allowed to change it subsequently.

The member may alternatively opt for voting through postal ballot which will be circulated to them. The postal ballot paper will also be available for download from the website of the Company at www.prl.com.pk

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the Meeting through post on the Company's registered address at P.O. Box 4612, Korangi Creek Road, Karachi - 75190 or email at companysecretarial@prl.com.pk one day before the AGM i.e., on October 6, 2026 by 5:00 PM.

A postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match the signature on CNIC.

Once the vote is cast by a member/proxy holder, he/she shall not be allowed to change it subsequently.

Members who have not exercised their right to vote earlier may cast their vote in person at the venue on the day of the Meeting through a ballot provided at the venue.

Please note that in case of any dispute in voting including the casting of more than one vote, the decision of the Chairman of the Meeting shall be final.

13. Proxy Form

Proxy Form is available on the Company's Website.

14. Prohibition of Gifts

The SECP, vide Circular No. 2 of 2018, dated February 9, 2018, and S.R.O.452(I)/2025 dated March 17, 2025 has strictly prohibited companies from offering or distributing gifts, incentives or any similar benefits (including but not limited to tokens, coupons, meals, or takeaway packages) to Members at or in connection with general meetings. In accordance with Section 185 of the Companies Act, 2017, any non-compliance with these directives constitutes a punishable offence, and companies found in violation may be subject to enforcement actions and penalties. In accordance with S.R.O 452(I)/2025, the members are informed that gifts will not be distributed at the meeting.

Statement of Material Facts under Section 166(3) of the Companies Act, 2017

The Term of Office of the Retiring Directors will expire on October 7, 2026 and the Board of Directors of Pakistan Refinery Limited ("the Company") will be re-constituted for the next term of three years by electing ten (10) directors in Annual General Meeting to be held on October 7, 2026.

Section 166(3) of the Companies Act 2017 provides that a statement of material facts is annexed to the Notice of the General Meeting called for the purpose of Election of Directors which shall indicate the justification for choosing the appointee for appointment as Independent Director.

Pursuant to the above mentioned provision, Independent Directors will be elected through the process of election of directors as laid down under Section 159 of the Companies Act, 2017.

The Company will ensure that the Independent Directors to be elected meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and regulations issued thereunder and their names are listed on the data bank of Independent Directors maintained by Pakistan Institute of Corporate Governance. The Company while selecting Independent Directors shall assess respective competencies, diversity, skill, knowledge and experience of the Candidate.

The Candidates are requested to read the relevant provisions/requirements relating to the Appointment/Election of Directors, as mentioned in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and ensure compliance with the same in letter and spirit.

Proxy Form

Sixty sixth (66th) Annual General Meeting 2026

I/We____ S/o D/o W/o ______________________________ ,

CNIC No. ____ being a Member of Pakistan Refinery Limited and holder of

_________________________ Ordinary Shares as per Registered Folio No. ____________________ and/or CDC

Participant I.D No. __________________ and Sub Account No. ___________________________ hereby appoint

_________________________________ S/o D/o W/o ____ CNIC

_______________________ or failing him/her ____ as my/our Proxy to

vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, October 7, 2026

and at any adjournment thereof.

Signed under my / our hands on this ___________________ day of _____________ , 2026.

____
Signature of Member

(Signature should agree with the specimen signature registered with the Company and in case of shares held in electronic form signature should agree with the specimen as per CNIC)

Signed in the presence of:

Witnesses:

1. Signature: ________________________
   Name: ___________________________
   Address: _________________________
   CNIC: ____________________________

2. Signature: ________________________
   Name: ___________________________
   Address: _________________________
   CNIC: ____________________________

Notes:

1. This Proxy Form duly completed and signed, together with the Power of Attorney or other Authority pursuant to which this proxy is signed must be received at the Registered Office of the Company i.e. (PAKISTAN REFINERY LIMITED, Korangi Creek Road, P.O. Box 4612, Karachi - 75190) not less than 48 hours (excluding holidays) before the time of holding the Meeting.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or passport of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The Proxyholder shall produce his/her original CNIC at the time of the Meeting.
5. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy.
6. In case of a Corporate Entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with the Proxy Form to the Company (unless it has been provided earlier).

FAMCO SHARE REGISTRATION SERVICES (PRIVATE) LIMITED
8-F, Near Hotel Faran, Nursery, Block-6,
P.E.C.H.S.,Shahrah-e-Faisal, Karachi.
Tel: (+92-21) 34380101-5
Fax: (+92-21) 34380106
Web: www.famcosrs.com

پراکسی فارم

چھیاسٹھواں (66واں) سالانہ اجلاسِ عام 2026

میں/ہم ____________ ولد/ دختر/ زوجہ ____________

CNIC ____________ پاکستان ریفائنری لمیٹڈ کا رکن اور ____________

پارٹیسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر ____________ CDC حصص کا حامل، رجسٹرڈ فولیو نمبر اور/ یا ____________

کے مطابق، اس خط کے ذریعے ____________ ولد/ دختر/ زوجہ ____________

شناختی کارڈ نمبر ____________ یا بصورت ناکامی ____________

کو اپنا/ ہمارا پراکسی مقرر کرتا ہوں/ کرتے ہیں جو میری/ ہماری جانب سے کمپنی کے سالانہ اجلاسِ عام جو بروز بدھ، 7 اکتوبر 2026 کو منعقد ہوگا، میں میری/ ہماری جانب سے ووٹ دے گا/ دیں گے اور کسی بھی ملتوی شدہ اجلاس میں بھی میری/ ہماری نمائندگی کریگا/ کریں گے۔

میں/ہم نے اس ____________ دن ____________ 2026 کو اس پر دستخط کیا ہے/ کیے ہیں۔

____
رکن کے دستخط

(دستخط کمپنی میں رجسٹرڈ نمونہ دستخط کے مطابق ہونے چاہئیں اور اگر حصص الیکٹرانک صورت میں ہوں تو دستخط CNIC کے مطابق ہونے چاہئیں)

گواہان کی موجودگی میں دستخط کئے گئے:

گواہ:

1۔ دستخط: ____________
نام: ____________
پتہ: ____________
CNIC: ____________

2۔ دستخط: ____________
نام: ____________
پتہ: ____________
CNIC: ____________

نوٹس:

1۔ یہ پراکسی فارم مکمل طور پر پُر اور دستخط شدہ حالت میں پاور آف اٹارنی یا دیگر اتھارٹی کے ساتھ، جس کے تحت یہ پراکسی دستخط شدہ ہے، کمپنی کے رجسٹرڈ دفتر (پاکستان ریفائنری لمیٹڈ، کورنگی کریک روڈ، پی۔او۔ باکس 4612، کراچی- 75190) میں اجلاس کے وقت سے کم از کم 48 گھنٹے (تعطیلات کے علاوہ) قبل موصول ہونا چاہیے۔

2۔ پراکسی فارم پر دو افراد کے دستخط بطور گواہ لازمی ہیں اور ان کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں۔

3۔ مقرر کنندہ اور پراکسی ہولڈر کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں۔

4۔ پراکسی ہولڈر کو اجلاس کے وقت اپنا اصل CNIC پیش کرنا ہوگا۔

5۔ وہ رکن جو اجلاس میں شرکت اور ووٹ دینے کا اہل ہے، کسی دوسرے رکن کو اپنا پراکسی مقرر کرسکتا ہے۔

6۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط اس پراکسی فارم کے ساتھ کمپنی میں جمع کرانا ہوگا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

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