

ANNUAL REPORT 2026



Sitara Petroleum Service Limited



Driving Tomorrow



www.sitarapetroleum.com

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COMPANY OVERVIEW



VISION

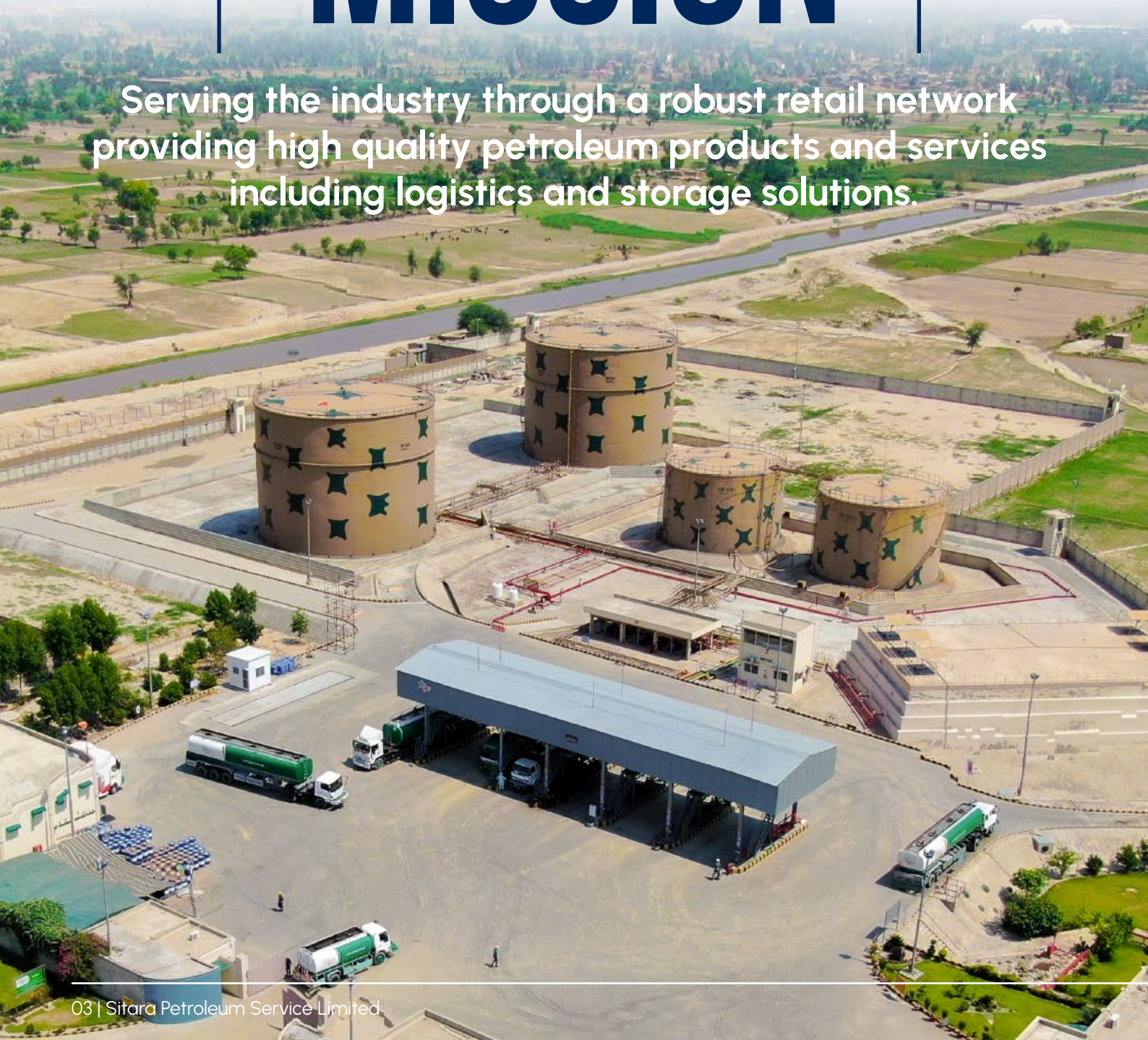
To be a leading integrated petroleum, retail, logistics & storage company known for reliability, efficiency, safety and service excellence.





MISSION

Serving the industry through a robust retail network providing high quality petroleum products and services including logistics and storage solutions.



CORE VALUES

01

INTEGRITY

We uphold the highest ethical standards in all our operations and relationships.

COURAGE

We have the courage to innovate, take calculated risks, and lead change in the industry.

02

03

SERVICE EXCELLENCE

We are committed to delivering exceptional service and exceeding customer expectations.

SAFETY

Safety is our top priority. We maintain the highest safety standards for our people, assets, and environment.

04



COMPANY INFORMATION

The business roots of the enterprise trace back to a multi-decade legacy originating in 1976 as a closely held family business. Sitara Petroleum Service Limited (the Company) was formally incorporated in Pakistan on July 3, 2012, as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Reflecting its sustained operational expansion, the Company established its dedicated carriage services division in 2015, entered into a strategic retail station setup agreement with Gas & Oil Pakistan Limited (GO), and achieved a major financial milestone by crossing PKR 40 Billion in revenue in 2021. The Company was subsequently converted into a public limited company on February 7, 2023. Continuing its aggressive growth trajectory, the entity surpassed PKR 100 Billion in revenue in 2025 and commenced the operations of strategic Aramco-branded retail sites. In a landmark milestone to fund its next phase of infrastructure expansion, the Company successfully completed its Initial Public Offering (IPO) and was formally listed on the Pakistan Stock Exchange (PSX) on May 21, 2026 (Ticker: SPSL), raising approximately Rs. 4.8 billion in equity capital.

The Company is principally engaged in the downstream energy sector, specializing in the trading, and distribution of refined petroleum products primarily premier motor gasoline and diesel alongside providing comprehensive fleet logistics and transportation services to the oil marketing sector. The Company's retail footprint comprises an expanding network of 67 fuel stations strategically operational across three provinces in Pakistan, consisting of 60 GO-branded and 7 Aramco-branded retail outlets, supported by a highly modern logistical fleet of over 359 fuel tankers.

COMPANY PROFILE

Board of Directors

Fareed Agha
Muhammad Afzal Chaudhary
Muhammad Ali
Rafat Sultana
Usman Javed
Zaheer Baig
Zain Liaquat

Non-Executive Directors

Muhammad Ali
Usman Javed

Executive Directors

Zaheer Baig
Zain Liaquat

Independent Directors

Fareed Agha
Muhammad Afzal Chaudhary
Rafat Sultana

Audit Committee Members

Fareed Agha
Muhammad Afzal Chaudhary
Usman Javed

Board HR & Remuneration Committee

Rafat Sultana
Usman Javed
Zaheer Baig

Website

www.sitarapetroleum.com

Chief Financial Officer

Abdur Rehman Farooq Butt, FCA

Company Secretary

Abdur Rehman Farooq Butt, FCA

Legal Advisor

Muhammad Ahmad Ali

Auditors

Ilyas Saeed & Co. Chartered Accountants

Share Registrar

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

Head Office

83 A, E/1, Main Boulevard, Gulberg III, Lahore, Pakistan

Registered Office

14-T, Gulberg-II, Lahore, Punjab

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank of Khyber
Bank of Punjab
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
United Bank Limited

OUR PRODUCTS

PMG 92

Clean burning gasoline is optimised for modern engines, delivering excellent fuel economy and reduced emissions.

- 1- 92 RON premium grade petrol
- 2- Improved combustion and mileage
- 3- Anti knock agents and additives for cleaner operation

Ideal for Sedans, hatchbacks, and daily use vehicles



PMG 95

95 RON petrol is designed for luxury and performance vehicles that demand precision and power.

- 1- 95 RON with built-in detergents
- 2- Prevents knocking and pre-ignition
- 3- Perfect for turbocharged and high compression engines

Ideal for High-end, turbocharged, and imported cars



HSD

Our premium diesel fuel designed for heavy duty use, offering sustained engine performance, clean emissions, and enhanced protection for the fuel system.

- 1- Meets Euro IV/V diesel emission standards
- 2- High lubricity reduces engine Wear and Tear
- 3- Stabilised formulation protects sensitive components

Ideal for Trucks, buses, generators, and fleet vehicles



BUSINESS MODEL

Key Elements of Our Business Model	Relevance with Our Business Processes
INPUT	• Bulk petroleum product allocations (Premium Motor Gasoline - PMG & High-Speed Diesel - HSD) • A massive operational fleet consisting of 359 owned oil tankers/bowsers. • Strong financial capital underpinned by internal cash generation and profitability.
SOURCING & PROCUREMENT	• Bulk petroleum procurement is centrally executed through a strategic supply and alignment framework with Gas & Oil Pakistan Limited (GO). • Secures long-term supply continuity and volume-driven purchase optimizations directly at the source.
LOGISTICS & FLEET MANAGEMENT	• Execution of high-efficiency, nationwide primary freight and cartage operations. • Direct servicing of internal network requirements while concurrently operating as a trusted primary cartage contractor for other leading Oil Marketing Companies (OMCs).
SALES & MARKET DISTRIBUTION	• Retail Network (B2C): Nationwide fuel distribution handled directly through our established footprint of operational retail stations. • Commercial Sales (B2B): Direct, high-volume bulk fuel supply management tailored for textile mills, power units, and manufacturing complexes. • Strategic Equity: Long-term investment diversification through an active equity stake in localized premium electric vehicle (EV) infrastructure.
OUTPUT	• Uninterrupted, high-quality regulated fuel distribution across retail and industrial segments. • Elite-level fleet management with optimized transit loss control and maximum turnaround efficiency. • Stable corporate growth and consistent financial returns for stakeholders.

FINANCIALS AT GLANCE

Key Operating and Financial Results for the year Ended 30 June 2026

Operating Data

Particulars	Amount
Sales	133,225,250,509
Cost of Sales	125,180,083,296
Gross Profit	8,045,167,213
Profit Before Taxation	5,206,724,523
Profit for the year	4,975,693,394

Financial Data

Particulars	Amount
Paid Up Capital	1,679,914,000
Equity Balance	18,001,133,824
Non-Current Assets	12,116,889,363
Non-Current Liabilities	2,374,111,991
Current Assets	15,129,293,259
Current Liabilities	6,870,936,807

Key Ratios

Particulars	Ratio
Gross Margin %	6.04%
EBITDA %	5.70%
Net Profit Margins %	3.73%
Return on Equity %	27.64%
Return on Asset	18.26%
Current Ratio	2.20 times
Earning Per Share (Rs)	3.46

SWOT ANALYSIS



STRENGTHS

- Solid expansion plan supported by funds raised through IPO
- Comprehensive network combining a modern fleet of 359 fuel tankers with 67 operational retail outlets across Pakistan.
- No need to maintain minimum fuel stock resulting in low volatility of profits in terms of moving stock prices.
- Over 14 years of energy sector experience backed by strategic procurement partnership with GO.



WEAKNESSES

- High operational reliance on Gas & Oil Pakistan Ltd. (GO) for continuous supplies.
- Intensive retail operations carrying high work-force and asset turnover risks.
- Exposure to seasonal demand fluctuations caused by winter smog, monsoons, and agricultural cycles.
- High exposure to a single province, concentrating regional operational risk.



OPPORTUNITIES

- Infrastructure expansion through large-scale terminal development to optimize storage and procurement.
- Aggressive footprint scaling along newly developed commercial highways and high-traffic corridors.
- Revenue expansion into convenience stores and premium retail site offerings.
- Early-stage integration of EV charging infrastructure and clean energy alternatives.
- Real-time fleet tracking, retail automation, and digital payment systems integration.



THREATS

- Exposure to international crude oil price fluctuations and broader economic instability.
- Vulnerability to sudden global crude dynamics and domestic regulated price adjustments for PMG and HSD.
- Risk of sudden and volatile inventory valuation losses driven by domestic currency depreciation.
- Structural industry shifts driven by evolving energy dynamics, hybrid technologies, and EV adoption.

A blue-tinted background image showing a person's hands working on a blueprint. One hand is holding a yellow pen, and the other is pointing at a section of the drawing. A black wristwatch is visible on the left wrist. The overall scene suggests a professional or engineering environment.

PROJECTS

Core Petroleum & Infrastructure

1- Oil Storage Terminal

SPSL is actively establishing a state of the art centralized oil storage terminal in Gatti, Faisalabad, with a total design capacity of 30,000 Metric Tons. The company has already successfully acquired 74-Kanals and 15-Marlas of land located at Chak 201 for this massive setup. This infrastructure asset fulfills OGRA's mandatory requirement for securing an independent OMC license, while simultaneously minimizing reliance on third party storage, optimizing bulk procurement.



2- Fuel Retail Expansion



Building upon its current operational footprint of 67 fuel stations which comprises a mixed network of 60 GO-branded and 7 Aramco branded sites the company is executing a structured retail expansion. SPSL plans to add 47 new fuel stations across Pakistan, with the immediate milestone of reaching 100 operational fuel stations by 2026. Physical construction is already well underway for 14 identified sites across major urban hubs like Lahore, Faisalabad, Multan, and Karachi. Looking further ahead, the long-term objective is to transition at least 50% of this entire network into exclusive, Sitara-branded outlets by 2030 to directly capture lucrative OMC margins.

3- Logistics Fleet Expansion

To support its rising volumetric demand and dedicated carriage services for GO, SPSL is rapidly scaling its midstream transport logistics fleet. The company's immediate roadmap involves adding 15 new oil tankers within FY26 and an additional 35 tankers during FY27, increasing its core tanker fleet from 320 to 370 tankers, with the ultimate target of expanding the broader delivery fleet to 450 active vehicles by 2027. To safely manage this massive logistics footprint, the company is deploying advanced digital tracking and real-time fuel telemetry monitoring to systematically eliminate transit losses and product pilferage.



Strategic Diversification Verticals

1- Cold Chain Warehousing & Logistics

Recognizing a substantial macroeconomic gap in the country's agricultural supply chain, SPSL is stepping into specialized temperature controlled logistics. This venture is designed to directly address Pakistan's estimated 10 million ton cold chain infrastructure deficit, providing high-efficiency cold storage and transport solutions for perishable goods. The initial operational phase focuses on building a dedicated distribution baseline, aiming to have a specialized fleet of 20 cold-chain transport vehicles active by 2026.



2-



EV Charging Infrastructure Network

In perfect alignment with the National Auto Policy's aggressive target of achieving 30% Electric Vehicle (EV) sales by 2030, the company is preparing for the green energy transition. SPSL plans to deploy a comprehensive EV charging network across key transit corridors and strategic retail locations. This early-mover positioning ensures the company remains highly relevant as consumer demand shifts away from conventional fossil fuels toward sustainable mobility solutions.

3- Grain Storage Silos

The company is broadening its asset base by investing in modern, high-capacity Grain Storage Silos. This project seeks to commercially optimize the preservation, bulk handling, and processing of Pakistan's major cash crops, specifically targeting paddy, wheat, and corn production. The storage facilities will focus on advanced climate control and preservation to serve the food security needs of a growing domestic population as well as high yield international export sectors.



4- Truck & Bus Radial (TBR) Tyre Manufacturing

Leveraging its long standing operational synergy with the heavy commercial transport sector, SPSL is expanding vertically into heavy industrial manufacturing. The company plans to establish a specialized manufacturing plant utilizing advanced technology to produce high durability Truck & Bus Radial (TBR) tires. This industrial asset will directly supply the country's expanding commercial transport fleets capturing significant domestic market share while simultaneously positioning the brand to capture premium international export markets.



5-

Mobile Cranes



As a key component of our strategic vision, SPSL is planning to launch a premier crane management and services division designed to support Pakistan's expanding infrastructure. This future initiative aims to deliver specialized heavy-lift expertise across the nation, equipping the construction, energy, and industrial sectors with a modern fleet and certified operators. By focusing on reliable and precise equipment handling, our goal is to significantly enhance overall project efficiency, helping ambitious national developments stay on schedule and within budget. Ultimately, developing this critical lifting capacity reflects our long-term commitment to laying a robust operational foundation for the country's economic and industrial growth

STRATEGIC INVESTMENT

IN ASSOCIATE: CAPITAL SMART MOTORS (CSM)



CAPITAL SMART
MOTORS

In line with our long term strategy to diversify into future mobility solutions, Sitara Petroleum Service Limited (SPSL) has acquired a 29.99% equity stake in Capital Smart Motors (Private) Limited (CSM). This investment allows SPSL to actively participate in the early growth phase of Pakistan's electric vehicle (EV) market, develop new revenue streams linked to electric mobility, and strengthen its long-term relevance in the future transportation and energy ecosystem. This strategic move complements our existing operations, supporting SPSL's corporate vision of becoming a forward-looking mobility and energy platform.

Capital Smart Motors is leading the clean energy transition by introducing a diverse, multi-brand strategy that spans from entry-level urban cars to premium luxury vehicles. CSM manages the import, distribution, and future local assembly of several globally recognized EV brands within the Pakistani market:

ZEEKR

Premium electric vehicles featuring top-tier global models such as the Zeekr X, Zeekr 009, and Zeekr 7X.



JMEV

(Jiangling Motors EV)

Affordable and highly efficient EV options, including the JMEV Elight sedan and the JMEV EV3 hatchback.



FORTHING

Specialized electric and range extended SUVs, notably pioneering the Forthing Friday Pakistan's very first Range Extended Electric Vehicle (REEV) that utilizes an onboard generator to eliminate consumer range anxiety.



RIDDARA

Cutting-edge electric pickup trucks designed for versatile utility, headlined by the Riddara RD6.



This alliance establishes a highly integrated corporate synergy between both entities. As CSM accelerates the market adoption, distribution, and local assembly of these diverse electric vehicle segments across domestic roads, SPSL is concurrently preparing its retail petroleum network to deploy a widespread EV Charging Infrastructure grid.

This collaborative approach creates an exclusive ecosystem, ensuring our company is perfectly positioned to power the next generation vehicles distributed by its associate partner.



CODE OF CONDUCT

CODE OF CONDUCT

CULTURAL VALUES & ETHICAL PRINCIPLES

01 | BASIC PRINCIPLE

Sitara Petroleum Service Limited (SPSL) conducts its business with absolute honesty, integrity, and in strict accordance with the highest ethical and legal standards. This Code of Conduct serves as a mandatory statement of required behaviors and actions expected from all stakeholders, including board members, senior management, and employees. Compliance is a binding obligation to ensure transparent, equitable, and professional interactions across all operational channels.

02 | WORK ENVIRONMENT

- » **Equal Employment Opportunity** : We provide equal employment opportunities to all qualified individuals regardless of race, color, ethnicity, caste, gender, religion, age, or disability, fostering a productive and harmonious workplace where everyone can excel.
- » **Anti-Harassment & Protection of Women**: In compliance with the Protection against Harassment of Women at the Workplace Act, 2010, SPSL maintains a zero tolerance approach toward workplace, psychological, or cyber harassment. Any unwelcome or offensive conduct that creates a hostile environment will face immediate, strict disciplinary action.
- » **Anti-Drugs & Alcohol Policy**: To protect employee well being and maintain operational safety, the unlawful manufacturing, distribution, possession, or influence of controlled substances or alcohol on the job is strictly prohibited.
- » **Professional Dress-Code**: All employees are required to maintain a neat, clean, and corporate appearance (formal or business casual) that reflects our core values of discipline and respect. Field and operational staff must strictly adhere to prescribed safety uniforms and HSE-compliant Personal Protective Equipment.

03 | PROFESSIONAL CONDUCT

- » **Safeguarding Assets & Property**: Employees are legally bound to protect the company's corporate assets whether physical, financial, or intangible (such as IT systems, malicious software restrictions, and trade secrets) ensuring they are utilized strictly for legitimate business purposes.
- » **Apolitical & Non-Sectarian Policy**: SPSL is a profit oriented commercial entity that operates without political or sectarian bias. Employees must abstain from any individual or collective activity that may align the company with a partisan cause, political campaign, or sectarian faction.
- » **Confidentiality of Information**: Important or non-public business data belonging to SPSL, its customers, or suppliers must be rigorously protected.

04 | INTEGRITY & COMPLIANCE

- » **Conflicts of Interest**: Employees must avoid situations where personal gains, relationships (friends and family), or external business activities interfere with their objective decision making. Any actual or potential conflict must be disclosed promptly via the proper Management Authority for formal review.
- » **Anti-Bribery & Corruption Standards**: No employee or representative shall offer, give, solicit, or accept bribes, kickbacks, or improper benefits. All commercial decisions are based strictly on objective criteria.

» **Business Partner Due Diligence:** To protect corporate reputation, SPSL only engages with ethical third parties. All prospective vendors, suppliers, and contractors must undergo risk based evaluation and legitimacy checks through official databases like the FBR and SECP.

05 | CORPORATE CULTURE

» **Our Culture:** Our corporate culture is the active manifestation of shared ethical beliefs practiced every day. It builds a collaborative, law abiding team environment driven to outperform compliance benchmarks while respecting national regulatory laws such as the Anti-Money Laundering Act.

» **Whistleblower Reporting Mechanism:** We encourage a fearless transparent atmosphere where employees can report financial wrongdoing, fraud, or violations of company policy safely. Complaints can be registered through normal channels or directly submitted via the confidential Whistleblower Form to HR.

» **Protection Against Retaliation:** SPSL guarantees absolute confidentiality and strict protection to any whistleblower raising a concern in good faith. Any retaliatory action taken against a reporter will be treated as a grave violation and is subject to immediate termination.



SPSL IPO HIGHLIGHTS

SITARA PETROLEUM SERVICE LIMITED IPO HIGHLIGHTS

Key Benchmarks & Market Response

Historic Scale:

Ranked as the 3rd Largest Private Sector IPO in Pakistan's capital market history, raising a Total Equity of

PKR 4.8 Billion



Unprecedented Demand:

The issue was heavily oversubscribed by 7x, achieving the 40% maximum price cap.



Book Building Portion (75%)

Comprised 126 Million shares offered to institutional and high net worth investors, successfully closing at the maximum strike price of PKR 18.9 per share to generate **PKR 2.38 Billion**.



Record Execution:

The institutional book building segment was completely filled in a record time of 8 minutes.



General Public Retail Issue (25%)

Comprised 42 Million shares offered directly to retail investors on 11th and 12th May 2026 at the uniform strike price of PKR 18.9 per share, successfully raising **PKR 0.79 Billion**.



Listing Milestone:

The formal listing culminated with the official Gong Ceremony at the Pakistan Stock Exchange on 21st May 2026.



Pre-IPO

PKR 1.66 Bn was already raised at pre-IPO stage where institutional investors like Bank Alfalah, Lucky Investments and Hilton Pharma contributed (111.914 Mn shares representing 6.66% were issued @14.85 i.e. 10% premium to Floor of 13.5)





ESG

ENVIRONMENTAL STEWARDSHIP (E)

SPSL actively deploys structural solutions to minimize the carbon footprint and environmental hazards associated with fossil fuel distribution and primary logistics operations.



Renewable Infrastructure & Energy Integration:

The Company is executing a phased transition toward renewable integration by installing solar power systems across active facilities and fuel stations. These systems are optimized to reduce grid reliance and utility overheads. Furthermore, to capture early mover advantages in cleaner energy, our strategic 29.99% equity stake in Capital Smart Motors is aimed at positioning the enterprise to support evolving domestic electric vehicle (EV) charging infrastructures.



Resource & Water Conservation:

Our active fuel stations and logistics service yards utilize advanced water recycling and filtration systems for vehicle detailing and maintenance. By monitoring and optimizing water usage, we systematically reduce waste and promote conservation across all physical touchpoints.



Waste & Hazardous Material Management:

The handling of hazardous oil residues, used lubricants, and specialized packaging waste is managed under strict compliance protocols. SPSL enforces secure containment and partners exclusively with certified third-party recycling firms to ensure zero environmental spillage or toxic dumping.



Fleet Emission Minimization:

Operating an expanded midstream network of over 359 specialized trucks and bowsters, the management utilizes advanced enterprise resource planning tracking to optimize routing. This digital tracking maximizes fleet turnaround efficiency, reduces idle times, and effectively minimizes transit fuel emissions across major economic corridors.

SOCIAL RESPONSIBILITY (S)

The scaling of our commercial enterprise is balanced by a profound focus on occupational safety, workforce welfare, and impactful community engagement.

» Community Welfare & Food Security

Governed by a deep commitment to sustainable social development and public health, the Company's civic interventions are executed under the umbrella of the Sitara Welfare Trust. These localized initiatives directly address regional food security, medical access, and clean water challenges through three primary projects. Firstly, the Sitara Water Filtration Plant operational in Qaboola City (District Pakpattan) provides a free daily supply of purified mineral water packaged in half-liter, 1.5-liter, and 19-liter bottles, directly benefiting thousands of local residents. Secondly, the Sitara Dispensary, established in 2016 in Qaboola City (District Pakpattan), is devoted to providing completely free clinical treatments and essential medicines to underprivileged individuals, while extending vital financial assistance to patients' families to help them manage difficult periods with dignity. Lastly, the Sitara Community Welfare Kitchen, operating since 2020 on Main Ferozpur Road, Lahore, prepares and distributes 2,800 to 3,000 fresh, nutritious meals daily to local hospitals, labor points, and food relief centers.



» Occupational Health & Logistics Safety

Operating a high-volume logistics fleet requires rigid adherence to modern safety protocols. Our logistics staff and fleet drivers undergo continuous professional training in defensive driving and hazardous cargo management. All fleet assets are equipped with modern fire suppressors and specialized spill containment systems to target a zero-accident execution profile.



» Community Engagement & Responsibility:

We actively partner with local communities to drive impact-driven sustainability initiatives, promote vital safety education, and ensure our downstream operations continuously contribute positively to society. As part of this shared commitment to responsible environmental stewardship, the Company executes targeted tree planting campaigns across its operational locations and spearheads green education programs in collaboration with nearby schools. Furthermore, we



routinely conduct public awareness drives focusing on clean and efficient fueling practices, reinforcing our institutional dedication to leading a socially protective and ecologically conscious footprint.

CORPORATE GOVERNANCE (G)

Accountability, boardroom diversity, and absolute transparency form the foundational baseline of our post-listing corporate architecture.

Balanced Board Architecture

The stewardship of the enterprise is driven by a highly balanced 7-member Board of Directors, comprising three independent members, two non-executive members, and two executive directors. This composition ensures rigorous, multifaceted, and independent oversight of risk management and capital allocation.

Regulatory & Ethical Compliance:

The Company operates in absolute compliance with mandatory requirement the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. To ensure governance remains aligned with international public market practices, a majority of our directors have formally completed the Directors' Training Program conducted by the Institute of Chartered Accountants of Pakistan (ICAP).

Risk Oversight & Committee Functionality:

The Board operates with structured vigilance through its dedicated statutory sub committees the Audit Committee and the Human Resource & Remuneration (HR&R) Committee. These committees function under explicit, independent terms of reference to strictly oversee strategic risk mitigation protocols, supervise systemic internal control environments, and evaluate corporate leadership matrices, ensuring that boardroom deliberations remain fully aligned with long-term investor and stakeholder interests.



BOARD PROFILES

BOARD PROFILES



Fareed Ahmad Agha

Independent Director and
Chairman of the Board

Fareed Ahmad Agha is a Certified Chartered Accountant with over twenty years of experience in the corporate and development sectors across the UK, Middle East, and South Asia. He began his professional career with Deutsche Bank (London), Ernst & Young (Bahrain), and Grant Thornton (Pakistan), and later held senior leadership roles including Head of Advisory and Consulting Services at RSM Pakistan and Ferguson Associates (formerly PwC). He currently serves as Managing Partner at F.Strat and Head of Consulting at Baker Tilly.

Throughout his career, he has led transformation initiatives and provided strategic advisory services to key public sector institutions including the Auditor General of Pakistan, Water and Power Development Authority (WAPDA), various power generation and distribution companies, the Punjab Education Department, and the Ministry of Industries & Production. He has also worked as a consultant on projects with prominent international development agencies such as USAID, the World Bank, FCDO, and ADB.

He has served clients and collaborated with organizations across the United States, Australia, Europe, the Middle East, and South Asia, gaining extensive exposure to diverse operating environments. In addition to his professional engagements, he contributes to the non-profit sector and has served on the boards of state-owned entities and non-profit organizations.



Zaheer Baig
CEO

Zaheer Baig has over 45 years of experience across HR, compliance, Sales and business development in industries spanning oil & gas, pharmaceuticals, logistics, and telecom. Currently serving as Chief Executive Officer at Sitara Petroleum Service Limited, his past roles include transformative leadership at PSO, Eli Lilly, and NLC. He played a key role in launching PSO's modern retail vision and corporate loyalty programs and pioneered several HR initiatives that earned global recognition. He has served on the boards of major public enterprises and is a certified director from ICAP. With strong expertise in leadership development and organizational change, Zaheer is also committed to bring self sustainability and happiness in under prevailed.



Muhammad Afzal Chaudhary

Independent Director

Muhammad Afzal Chaudhary in Economics from Punjab University, Lahore. He has also earned Diploma in Banking with "Role of Honour" from Institute of Bankers, Pakistan. He started professional career with United Bank Limited. His banking career spanning over 43 years.

He worked in different domestic and foreign Banks. He handled following assignment at Banks as: Chief, Special Assets Management Group (Central/North) and Senior Credit Officer (Central/North), Credit Risk Management Group at United Bank limited, Lahore. He has also worked as Deputy General Manager at commercial Bank of Oman, Muscat. He worked as regional head Credit at First Woman Bank Limited, Lahore and Regional Head Special Assets & Management at Saudi Pak Commercial Bank Limited/Silk Bank Limited. He has diversified experience handling issues relating to commercial and corporate. Industrial and Banking Sectors.



Rafat Sultana
Independent Director

Rafat Sultana is an LLM graduate and Certified Director with over 23 years of experience in banking and litigation. She began her career as an Associate Lawyer at Jamil & Jamil and currently serves as Managing Partner at Cepal & Co. Law Firm.

She has held several senior leadership roles, including Senior Vice President and Wing Head at National Bank of Pakistan, and Manager-level positions at NIB Bank and United Bank Limited. She also serves as an Independent Director for Sindh Transmission & Dispatch Company and Alpha Insurance Company. Her diversified expertise includes corporate governance, HR legal affairs, constitutional law, and handling matters with agencies such as NAB and FIA.



Usman Javed
Non-Executive Director

Mr. Usman is an accomplished professional with a strong academic foundation and over a decade of diversified experience in the supply chain, logistics, and oil & petroleum sectors. He currently serves as the Director of Sitara Petroleum Service Limited, where he plays a pivotal role in strategic planning, operations management, and business development.

Mr. Usman holds a Master of Science in Entrepreneurship & Innovation from the United Kingdom, a qualification that has strengthened his ability to innovate, lead teams, and develop sustainable business solutions. Prior to this, he completed his bachelor's degree in accounting and finance from Forman Christian (FC) College, Pakistan, equipping him with strong analytical and financial management skills.

With 10 years of professional experience, Mr. Usman has developed expertise across supply chain operations, logistics management, and the oil sector. His comprehensive industry knowledge and leadership capabilities have contributed significantly to the growth and operational efficiency of Sitara Petroleum Service Limited. Driven, disciplined, and forward-thinking, Mr. Usman continues to bring value to the organization through innovative approaches, strategic insight, and a commitment to excellence.



Muhammad Ali
Non-Executive Director

Mr. Muhammad Ali is a forward-thinking business graduate specializing in the critical intersection of Marketing and Supply Chain Management. With a strong foundation in both brand strategy and operational execution, he excels at transforming consumer demand into efficient, end-to-end supply chain solutions. Driven by analytical insights and process optimization, Mr. Ali brings a well-rounded approach to helping organizations strengthen operational efficiency while consistently delivering on their brand promise.



Zain Liaquat
Executive Director

Mr. Zain Liaquat is a business graduate with a proven track record in supply chain management and lubricant sales. By seamlessly connecting operational logistics with market-facing execution, he focuses on improving process efficiencies and driving sustainable business growth across the industrial and energy sectors. His practical experience in demand planning, technical sales, and market operations enables him to deliver strategic value while supporting long-term organizational success.



CHAIRMAN'S REVIEW REPORT

CHAIRMAN'S REVIEW REPORT



I am pleased to present the Chairman's Review Report of Sitara Petroleum Service Limited (SPSL) for the financial year ended June 30, 2026. The year under review was marked by significant progress for the Company, including the successful completion of its Initial Public Offering (IPO) and subsequent listing on the Pakistan Stock Exchange, strong operational and financial performance, and continued strengthening of our governance framework.

A major milestone in the Company's journey during the financial year 2026 was the successful completion of its Initial Public Offering (IPO) and subsequent listing on the Pakistan Stock Exchange. The listing was met with a strong and positive response from the market, with the Company's shares receiving significant interest from investors following their debut on the Exchange. The successful IPO marks an important new chapter for the Company, broadening its shareholder base and strengthening its position to pursue its strategic priorities and future growth ambitions.

On behalf of the Board, I would like to express our sincere gratitude to our shareholders and the investing public for the trust and confidence they have placed in the Company. We recognise that this confidence carries with it a significant responsibility. The Board remains firmly committed to upholding the highest standards of governance, transparency and financial discipline, while pursuing sustainable growth and creating long-term value for all shareholders. This commitment is underpinned by the Company's strong operational and financial performance during the year, which provides a solid foundation for the next phase of its growth.

As Chairman, my focus continues to be directed towards strengthening the Company's governance framework, mitigating operational risks, and driving greater efficiency across our downstream retail and commercial operations. The Board remains firmly committed to providing strategic direction and maintaining robust oversight across the Company's expanding operations.

During the year, the Board's deliberations focused extensively on strengthening post-listing financial governance, ensuring disciplined capital allocation, and maintaining effective oversight of the Company's growing asset base, with property, plant and equipment exceeding Rs. 10,000 million during the period. Working closely with management, the Board has continued to strengthen risk management policies and internal controls to safeguard the Company's financial position and liquidity, while supporting sustainable growth.

Following the Company's transition to a publicly listed entity, these priorities have assumed even greater importance. The Board has placed heightened emphasis on transparency, ethical conduct and regulatory accountability. The Company remained in compliance with all applicable provisions of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The statutory committees of the Board discharged their respective responsibilities in accordance with their approved terms of reference, providing appropriate oversight and contributing to the maintenance of a robust internal control environment across all business units.

The Company maintained strict adherence to its Code of Conduct throughout the period, reinforcing the principles of integrity, accountability and ethical conduct across the organisation. Furthermore, the Company continued to review and strengthen its governance practices to ensure alignment with evolving corporate governance standards and best practices.

During the year, the Company achieved significant operational and financial milestones, demonstrating the strength and scalability of its commercial network. Annual revenues reached a record Rs. 133,225 million, reflecting the Company's continued ability to expand its market presence while maintaining a disciplined approach to risk management and operational efficiency. This performance was further supported by strategic procurement and supply arrangements with Gas & Oil Pakistan Limited (GO), which enabled consistent product lifting across key distribution nodes and supported greater efficiency in volumetric purchasing.

Building on this strong performance, the Company remains committed to delivering sustainable returns to shareholders. The Board has recommended a dividend of PKR 1.00 per share, subject to the requisite approvals, while continuing to pursue its long-term growth objectives and create enduring value for all stakeholders.

In conclusion, I wish to extend my sincere gratitude to my fellow Board members for their valuable guidance, support and cooperation throughout this important year of transition. I would also like to express my deepest appreciation to our entire workforce, including the executive management, head office professionals, finance and assurance teams, field operations staff, logistics personnel and drivers, whose dedication and commitment have been instrumental in delivering the Company's operational and financial performance during the year. In particular, the safe and efficient operation of our 359 tanker fleet across the country reflects the discipline and professionalism of our people.

I also acknowledge with gratitude the continued support and cooperation of our banking partners, legal and professional advisors, strategic procurement partners at Gas & Oil Pakistan Limited (GO), and all other stakeholders. Above all, I thank our shareholders and the investing public for the trust and confidence they have placed in SPSL. As we enter the next phase of our journey as a listed company, we remain committed to building on this year's achievements, strengthening our foundations, and creating sustainable long-term value for all our stakeholders.


Chairman

چیئرمین کی جائزہ رپورٹ

ستارہ پیٹرولیم سروس لمیٹڈ (SPSL)

مالی سال اختتام پذیر 30 جون 2026

مجھے خوشی ہے کہ میں Sitara Petroleum Service Limited (SPSL) کی 30 جون 2026 کو ختم ہونے والی سالانہ رپورٹ پیش کر رہا ہوں۔ زیر جائزہ سال کمپنی کے لیے نمایاں ترقی کا سال رہا۔ اس دوران کمپنی نے کامیابی کے ساتھ اپنا Initial Public Offering (IPO) مکمل کیا اور بعد ازاں Pakistan Stock Exchange میں لسٹ ہوئی۔ اس کے ساتھ ساتھ کمپنی کی آپریشنل اور مالی کارکردگی بھی مضبوط رہی اور گورننس کے نظام کو مزید بہتر بنایا گیا۔

سال 2026 کے دوران کمپنی کی سب سے بڑی کامیابیوں میں سے ایک اس کا کامیاب IPO اور پاکستان اسٹاک ایکسچینج میں لسٹنگ تھی۔ کمپنی کے شیئرز کو مارکیٹ اور سرمایہ کاروں کی جانب سے بہت اچھا رد عمل ملا۔ IPO کی کامیابی کمپنی کے سفر میں ایک نئے مرحلے کی شروعات ہے۔ اس سے کمپنی کے شیئرز ہولڈرز کی تعداد میں اضافہ ہوا اور کمپنی کو اپنے مستقبل کے منصوبوں اور ترقی کے اہداف حاصل کرنے کے لیے مزید مضبوط بنیاد ملی۔

بورڈ کی جانب سے میں اپنے تمام شیئر ہولڈرز اور سرمایہ کاروں کا شکریہ ادا کرنا چاہتا ہوں جنہوں نے کمپنی پر اعتماد کیا۔ ہم سمجھتے ہیں کہ یہ اعتماد ہمارے لیے ایک بڑی ذمہ داری بھی ہے۔ بورڈ اس بات کے لیے پُر عزم ہے کہ کمپنی میں بہترین گورننس، شفافیت اور مالی نظم و ضبط برقرار رکھا جائے۔ ہمارا مقصد کمپنی کی مستقل ترقی کے ساتھ ساتھ تمام شیئر ہولڈرز کے لیے طویل مدت میں فائدہ پیدا کرنا ہے۔ سال کے دوران کمپنی کی مضبوط مالی اور آپریشنل کارکردگی مستقبل کی ترقی کے لیے ایک مضبوط بنیاد فراہم کرتی ہے۔

بطور چیئرمین میری توجہ کمپنی کے گورننس سسٹم کو مزید مضبوط کرنے، کاروباری خطرات کو کم کرنے اور کمپنی کے ریٹیل اور کمرشل آپریشنز کو زیادہ مؤثر بنانے پر ہے۔ بورڈ کمپنی کو درست اسٹریٹجک سمت فراہم کرنے اور بڑھتے ہوئے کاروبار کی مؤثر نگرانی کے لیے پُر عزم ہے۔

سال کے دوران بورڈ نے خاص طور پر اس بات پر توجہ دی کہ اسٹاک ایکسچینج میں لسٹنگ کے بعد کمپنی کے مالیاتی نظام اور نگرانی کو مزید مضبوط کیا جائے۔ سرمایہ کاری کے فیصلے احتیاط اور نظم و ضبط کے ساتھ کیے جائیں اور کمپنی کے بڑھتے ہوئے اثاثوں کی مناسب نگرانی کی جائے۔ اس دوران کمپنی کی Property, Plant and Equipment کی مالیت 10,000 ملین روپے سے زیادہ ہو گئی۔ بورڈ نے مینجمنٹ کے ساتھ مل کر رسک مینجمنٹ پالیسیوں اور اندرونی کنٹرولز کو مزید مضبوط کیا تاکہ کمپنی کی مالی حالت اور نقد رقم کی دستیابی محفوظ رہے اور کمپنی کی مستقل ترقی کو سپورٹ کیا جاسکے۔

کمپنی کے ایک پبلک لسٹڈ ادارہ بننے کے بعد شفافیت، اخلاقی کاروباری رویے اور قانونی ذمہ داریوں کی اہمیت مزید بڑھ گئی ہے۔ بورڈ نے ان معاملات پر خاص توجہ دی۔ کمپنی نے 2017 Companies Act اور 2019 Regulations (Code of Corporate Governance) Listed Companies کی تمام متعلقہ شرائط کی پابندی کی۔ بورڈ کی مختلف کمیٹیوں نے بھی اپنی ذمہ داریاں مقررہ اصولوں کے مطابق انجام دیں اور کمپنی کے تمام کاروباری شعبوں میں مؤثر اندرونی کنٹرول برقرار رکھنے میں کردار ادا کیا۔

کمپنی نے پورے سال اپنے Code of Conduct کی سختی سے پابندی کی اور ادارے میں دیانت داری، جوابدہی اور اخلاقی رویے کے اصولوں کو مزید مضبوط کیا۔ اس کے ساتھ کمپنی نے اپنے گورننس سسٹم کا مسلسل جائزہ لیا اور اسے بہتر بنایا تاکہ نئی کارپوریٹ گورننس ضروریات اور بہترین کاروباری طریقوں کے مطابق رہا جاسکے۔

سال کے دوران کمپنی نے آپریشنل اور مالی دونوں شعبوں میں اہم کامیابیاں حاصل کیں۔ کمپنی کی سالانہ آمدنی ریکارڈ 133,225 ملین روپے تک پہنچ گئی۔ اس کارکردگی سے ظاہر ہوتا ہے کہ کمپنی اپنے کاروباری نیٹ ورک اور مارکیٹ میں موجودگی کو مسلسل بڑھا رہی ہے، جبکہ رسک مینجمنٹ اور آپریشنل کارکردگی پر بھی مکمل توجہ دی جا رہی ہے۔ اس کامیابی میں Gas & Oil Pakistan Limited (GO) کے ساتھ کیے گئے خریداری اور سپلائی کے انتظامات نے بھی اہم کردار ادا کیا۔ ان انتظامات کی وجہ سے اہم ڈسٹری بیوشن مقامات پر مصنوعات کی مسلسل فراہمی ممکن ہوئی اور بڑی مقدار میں خریداری کو زیادہ مؤثر بنایا گیا۔

اس مضبوط کارکردگی کو آگے بڑھاتے ہوئے کمپنی اپنے شیئر ہولڈرز کو مستقل اور بہتر منافع فراہم کرنے کے لیے پُر عزم ہے۔ بورڈ نے ضروری منظوریوں سے مشروط 1.00 روپے فی شیئر ڈویڈنڈ دینے کی سفارش کی ہے۔ اس کے ساتھ کمپنی اپنے طویل مدتی ترقیاتی اہداف پر بھی کام جاری رکھے گی تاکہ تمام متعلقہ فریقوں کے لیے مستقل فائدہ پیدا کیا جاسکے۔

آخر میں، میں اپنے تمام بورڈ ممبران کا ان کی رہنمائی، تعاون اور سپورٹ کے لیے دلی شکریہ ادا کرتا ہوں۔ یہ سال کمپنی کے لیے تبدیلی اور ترقی کا اہم سال تھا۔ میں کمپنی کے تمام ملازمین کا بھی شکریہ ادا کرنا چاہتا ہوں، جن میں ایگزیکٹو مینجمنٹ، ہیڈ آفس کے ملازمین، فنانس اور اشورنس ٹیمیں، فیلڈ آپریشنز کے ملازمین، لاجسٹکس ٹیم اور ڈرائیورز شامل ہیں۔ ان سب کی محنت اور لگن نے کمپنی کی مضبوط آپریشنل اور مالی کارکردگی میں اہم کردار ادا کیا۔ خاص طور پر ملک بھر میں ہمارے 359 ٹینکرز پر مشتمل فلیٹ کا محفوظ اور مؤثر طریقے سے چلنا ہمارے ملازمین کی پیشہ ورانہ صلاحیت اور نظم و ضبط کو ظاہر کرتا ہے۔

میں اپنے بینکنگ پارٹنرز، قانونی اور پیشہ ورانہ مشیروں، Gas & Oil Pakistan Limited (GO) میں ہمارے اسٹریٹجک پروکیورمنٹ پارٹنرز اور دیگر تمام متعلقہ افراد اور اداروں کے مسلسل تعاون کا بھی شکریہ ادا کرتا ہوں۔ سب سے بڑھ کر میں اپنے شیئر ہولڈرز اور سرمایہ کاروں کا شکریہ ادا کرتا ہوں جنہوں نے SPSL پر اعتماد کیا۔ اب جبکہ کمپنی ایک لسٹڈ کمپنی کے طور پر اپنے سفر کے اگلے مرحلے میں داخل ہو رہی ہے، ہم اس سال کی کامیابیوں کو مزید آگے بڑھانے، اپنی بنیادوں کو مضبوط بنانے اور تمام اسٹیک ہولڈرز کے لیے طویل مدت تک فائدہ پیدا کرنے کے لیے پُر عزم ہیں۔



چیرمین



MESSAGE OF CEO

MESSAGE OF CHIEF EXECUTIVE OFFICER



Dear Shareholders,

The financial year ended June 30, 2026, represents a significant period of capital growth and operational expansion for Sitara Petroleum Service Limited (SPSL). Following the successful completion of our Initial Public Offering (IPO) and subsequent listing on the Pakistan Stock Exchange, the management has remained focused on executing our long-term commercial strategy. On behalf of the executive team, I extend my sincere gratitude to our newly welcomed shareholders and institutional investors for demonstrating their confidence in the Company's strategic vision, structural integrity, and business model.

Revenue Segmentation and Financial Scale

During the period, the Company achieved a landmark revenue threshold of Rs 133,225 million, demonstrating substantial growth compared to the Rs 121,947 million recorded in the preceding fiscal year. An analysis of our revenue streams indicates that approximately 95% of total turnover was driven by our core downstream fuel distribution operations, while the remaining 5% was generated through our high-efficiency midstream logistics and freight services. This optimized revenue mix underscores the stability of our high-volume distribution model and our ability to extract consistent commercial returns from our core market segments.

Infrastructure Development

To sustain this growth trajectory, the Company actively expanded its downstream network during the year. We successfully integrated 7 new operational fuel stations, bringing our total retail footprint to over 67 operational fuel stations well-positioned along major nationwide commercial routes. Concurrently, capital construction and engineering works are actively progressing on our oil storage terminals. These terminal developments are designed to structurally elevate our primary storage capacities, improve stock management efficiencies, and insulate our supply chain from localized procurement disruptions.

Logistics Network Expansion

Our midstream cartage operations experienced robust fleet expansion to meet scaling nationwide demand. Through the strategic procurement and addition of new heavy commercial vehicles, our active logistics network has now scaled to 359 trucks. This increased capacity reinforces our position as an independent logistics provider, allowing us to seamlessly service our own expanding retail footprint, manage high-volume commercial network and industrial client accounts, and maintain our standing as a primary cartage contractor for leading Oil Marketing Companies (OMCs) across the country.

Return to Shareholders

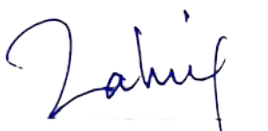
While resources have been retained to fund strategic infrastructure expansion, the Company remains committed to shareholder returns and will declare a dividend of PKR 1.00 per share, while pursuing initiatives aimed at enhancing long-term profitability and sustainable shareholder value.

Corporate Social Responsibility (CSR)

SPSL remains deeply committed to sustainable social corporate responsibility and community development. The Company continues to fund and manage impactful social welfare initiatives aimed at supporting underprivileged segments of society. During the year, we maintained the continuous operations of free welfare kitchens to provide food security, alongside operating free medical dispensaries and pharmacies to deliver essential healthcare access to communities surrounding our key operational hubs.

Acknowledgments

In conclusion, I extend my profound appreciation to our entire workforce for their absolute discipline and hard work. The exceptional operational scale achieved this year is a direct result of the collective efforts of our executive management, head office professionals, the finance and assurance divisions, our field staff, and our dedicated logistics teams and drivers who manage our 359 fleet safely every day. I also record my gratitude to the Board of Directors for their strategic guidance, and to our strategic procurement partners at GO, banking partners, and valued stakeholders for their continued cooperation and trust.

A handwritten signature in blue ink, appearing to read 'Zahid', is positioned above a horizontal line.

Chief Executive Officer



DIRECTORS REPORT

DIRECTORS REPORT

The Directors of Sitara Petroleum Service Limited (SPSL) are pleased to present the Annual Report along with the Audited Financial Statements of the Company for the financial year ended June 30, 2026.

Overview of the Economy

During the financial year ended June 30, 2026, Pakistan's economy transitioned toward macroeconomic stabilization, achieving a four-year high GDP growth rate of 3.7% and narrowing the fiscal deficit to 0.7% of GDP. External sector stability was reinforced by the completion of successive IMF reviews, bringing cumulative disbursements to USD 4.8 billion and lifting total foreign exchange reserves to USD 20+ billion. This structural improvement significantly bolstered investor confidence, enabling the Pakistan Stock Exchange to lead regional markets with a 44% gain in the KSE-100 index.

However, core structural vulnerabilities persist under a broader economic reality of "stabilization without transformation". Driven by regional geopolitical tensions and rising global energy costs, average inflation stood at 6.2%. This prompted the State Bank of Pakistan to reverse its monetary easing cycle and raise the policy rate to 11.5% in April 2026 to anchor market expectations. Consequently, while the immediate economic crisis has dissipated for the time being, the prevailing external cost pressures necessitate continuous financial discipline and strategic risk management across downstream energy supply channels.

Industry Overview

During the fiscal year 2026, the downstream petroleum marketing and oil distribution industry operated within a highly volatile global environment. The international energy supply chain faced severe operational disruptions and supply blockages due to the outbreak of war involving the United States and Iran. This geopolitical conflict led to significant volatility in crude oil procurement channels, maritime freight rates, and international fuel supply structures. Concurrently, both global crude benchmarks and domestic petroleum product prices witnessed an unprecedented escalation, driving up raw material procurement costs and significantly altering consumer level retail pricing dynamics.

On the domestic front, the industry continued to face rising compliance requirements, including strict product quality standards enforced by regulatory bodies, health and safety integration across storage terminals, and transport loss controls. Despite these severe pricing and supply chain challenges, domestic energy consumption showed strong resilience, with fuel products continuing to serve as the primary catalyst for economic activity across national corridors. Looking ahead, the downstream oil marketing sector is expected to expand further, driven by infrastructure investments along major trade highways and the continuous expansion of corporate fleet networks.

Overview Of The Financial performance

During FY 2026, Sitara Petroleum Service Limited delivered a strong financial performance despite the broader macro-economic challenges faced by the country. The Company recorded net sales of Rs 133,225 million, reflecting an increase of 9.25% over last year's sales of Rs 121,947 million. The exceptional growth was primarily driven by higher product lifting capacities and a structural expansion of the Company's retail distribution networks.

Gross profit improved significantly to Rs 8,045 million compared to Rs 5,515 million in the previous year, with gross margin rising to 6.04% from 4.52%. Profit before Interest, levy and taxation also increased substantially to Rs 7,129 million, up from Rs 5,120 million, reflecting enhanced operational throughput, optimized supply sourcing configurations, and rigid cost management initiatives across the transport infrastructure.

Profit before tax reached Rs 5,207 million versus Rs 3,217 million last year, while Profit after tax for the year surged to Rs 4,976 million against Rs 2,951 million in FY 2025. Net profit margin accordingly improved to 3.73% from 2.42%, showing a powerful recovery in the bottom-line efficiency.

The Company's balance sheet position also strengthened considerably during the year. Total equity surged to Rs 18,001 million from Rs 8,364 million recorded at the end of the previous year. Total assets expanded to Rs 27,246 million against Rs 19,756 million in FY 2025, providing sufficient working capital depth to satisfy scaling operational and distribution requirements. The current ratio improved to 2.20 (2025: 2.11), indicating a highly robust liquidity profile and a healthy working capital cycle.

Asset turnover normalized to 4.89 in FY 2026, compared to 6.17 in FY 2025, reflecting the strategic expansion of our fixed asset base alongside the continued efficient utilization of our distribution nodes and vehicle configurations. Overall, FY 2026 marked a year of solid financial progress, with robust profitability metrics, a stronger balance sheet foundation, and strategic asset optimization positioning the Company for sustainable growth in the years ahead.

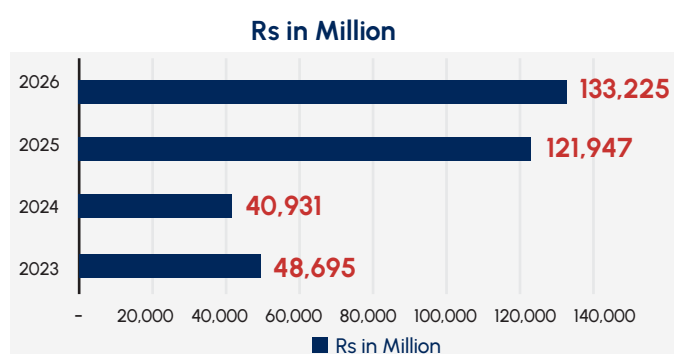
Key Operating and Financial Highlights

Particulars	FY26
Net Sales	133,225
Gross Profits	8,045
Profit Before Levy and Taxation	6,117
Profit Before Interest, Levy and Taxation	7,129
Profit After Tax	4,976
Earnings Per Share (PKR)	3.46
Total Assets	27,246
Total Equity	18,001

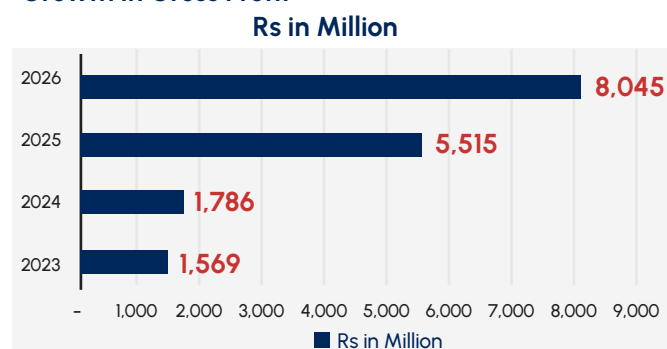
Key Ratio Analysis

Particulars	FY26
Gross Margin %	6.04%
EBITDA %	5.70%
Net Profit Margins %	3.73%
Return on Equity %	27.64%
Return on Asset	18.26%
Current Ratio	2.2
Earning Per Share (Rs)	3.46

Growth in Sales



Growth In Gross Profit



Contribution to The National Revenue

During the year, our fuel distribution facilities, and transportation networks operated at high efficiency, contributing billions of rupees to the national exchequer in the form of corporate taxes, import duties, and petroleum levies, thereby supporting the economic development of the state.

Return to Shareholders

While the Company has retained resources during the year to support its strategic infrastructure expansion and business growth initiatives, it remains committed to delivering value to its shareholders. Accordingly, the Company will declare and pay a dividend of PKR 1 per share for the year 2026, while continuing to invest in initiatives expected to strengthen the business model, enhance long-term profitability and generate sustainable returns for shareholders.

Statement of Compliance With The Code of Corporate Governance

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended 30 June 2026 were duly complied with.

Health & Safety

The Company is deeply committed to Good Health and Well-being. Fire safety systems, protective equipment, and specialized spill control protocols are strictly implemented across all storage terminals and transportation fleet assets. Employees and logistics operators receive regular professional health and safety training to ensure zero-accident execution.

Internal Controls

Sitara Petroleum Service Limited maintains a comprehensive internal control system designed to safeguard corporate assets, ensure accurate financial reporting, and promote complete compliance with applicable laws and regulations. During the fiscal year, the internal audit function continued to independently review key business processes particularly fleet utilization, trade receivable cycles, and procurement configurations reporting directly to the Board Audit Committee.

Corporate Governance

The Company remained fully compliant with mandatory requirements of the provisions of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board of Directors provided effective strategic oversight, corporate guidance, and financial performance evaluation. The distinct roles of the Chairman and the Chief Executive Officer remained independent and transparent. Standing committees of the Board (Audit and HR&R) met regularly to discharge their regulatory responsibilities effectively.

Sustainability and CSR Initiatives

SPSL treats social responsibility and operational sustainability as a core corporate priority.

The following comprehensive initiatives were actively pursued and funded during the year:



Eco Friendly Energy:

We are investing in cleaner energy solutions to reduce the carbon footprint of our operations. This includes installing electric vehicle (EV) charging stations at key retail locations, using solar assisted power at fuel stations, and implementing advanced emission control systems to enhance our environmental performance.



Water Conservation:

Our fuel stations and logistics facilities use water recycling systems for vehicle cleaning and maintenance. By optimising water use and reducing waste, we promote resource conservation throughout all operational touchpoints.



Renewable Integration:

We are dedicated to incorporating renewable energy technologies into our infrastructure. Our strategy includes developing solar powered fuel stations, installing sustainable lighting systems, and adopting energy efficient operations to lessen dependence on the grid.



Waste Management:

We adhere to strict protocols for managing oil residues, used lubricants, and packaging waste. Hazardous materials are processed safely.



Sustainable Operations:

We are enhancing our systems to improve energy efficiency and reduce emissions across the entire supply chain, from fuel storage to fleet logistics. Our upgraded tanker fleet, automated fueling systems, and digital monitoring tools ensure safer, cleaner, and more reliable energy delivery across Pakistan.



Community Engagement:

We actively engage local communities in sustainability programs that align with our operations. This includes tree planting campaigns at our locations, green education initiatives in partnership with nearby schools, and awareness drives on clean fueling practices. Environmental stewardship is a shared journey, and we are committed to leading it responsibly.



Welfare Kitchens & Medical Care:

The Company continued the full funding and operations of free welfare kitchens to provide daily food security to underprivileged segments. Concurrently, the Company operated free medical dispensaries and pharmacies, delivering essential healthcare, clinical testing, and life-saving medications to local communities surrounding our key operational hubs.

Future Outlook

Looking ahead, the downstream oil marketing and heavy logistics industry is well-positioned to benefit from continuous economic stabilization, industrial expansion, and expanding transport volumes. Sitara Petroleum Service Limited, backed by its expanded equity structure post-IPO, its strategic supply alliance with GO, and an optimized 359 bowser fleet, is fully equipped to capture emerging market opportunities and deliver compounding value to its shareholders.

Dividends and Appropriations

The Board of Directors has recommended a final cash dividend of Rs. 1 per share for the year ended June 30, 2026. This decision reflects a careful assessment of the Company's financial performance, business requirements, growth opportunities, and long-term strategic direction.

Board and the Committees of the Board

As at June 30, 2026, the Board of Directors comprised seven (7) members as follows:

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

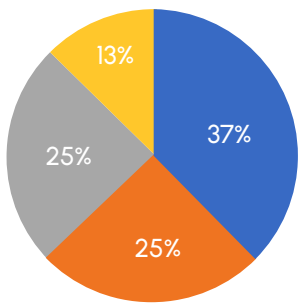
Independent Directors: Three (3)

Non-Executive Directors: Two (2)

Executive Directors: Two (2)

Female: One (1)

Composition of the Board



Composition of the Board

- Independent Directors
- Non-Executive Directors

Composition

The composition of the board is as follows:

Composition	Names
Independent Director	Fareed Agha (Chairman) Rafat Sultana (Female) Muhammad Afzal Chaudhary
Non-Executive Director	Usman Javed Muhammad Ali
Executive Director	Zaheer Baig Zain Liaquat

The Board has formed committees comprising of members given below:

a) Audit Committee

Muhammad Afzal Chaudhary

(Independent Director) - Chairperson

Usman Javed

(Non-Executive Director) - Member

Fareed Agha

(Independent Director) - Member

b) HR and Remuneration Committee

Zaheer Baig

(Executive Director) - Chairman

Rafat Sultana

(Independent Director) - Member

Usman Javed

(Non-Executive Director) - Member

Remuneration Package of the Directors (Including the Chief Executive Officer)

As per the Directors' Remuneration Policy approved by the Board, the members of the Board are entitled to fees for attending meetings as follows:

- 1 For attending a Board of Directors' meeting as a member:

PKR 300,000 per meeting.

- 2 For attending a meeting as a member of any Committee of the Board of Directors:

PKR 150,000 per meeting.

The Chief Executive Officer is not entitled to any meeting attendance fee.

The details of remuneration paid to the Chief Executive Officer, Directors, and Executives are disclosed in Note 37 to the financial statements.

Pattern of Shareholding

A statement of the pattern of shareholding in the Company as at June 30, 2026, is in subsequent pages.

Commitments and Contingencies

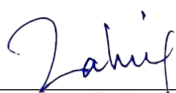
As at the date of this report, there are no major commitments or contingencies affecting the financial position of the Company.

Appointment of Auditors

The Audit Committee and the Board have recommended to the shareholders the appointment of M/s Ilyas Saeed & Co. Chartered Accountants, as auditors of the Company for the FY 2027 in the ensuing Annual General Meeting.

Acknowledgements

We are deeply grateful to our valued shareholders, bankers, Customers and partners for their continued trust and support, which has enabled the Company's growth and diversification. We also thank the Pakistan Stock Exchange, the Securities & Exchange Commission of Pakistan, and the Central Depository Company for their cooperation. Above all, we appreciate the dedication of our employees, whose efforts remain the foundation of our success. Together, we are building not only a company but a lasting legacy of growth and achievement.



Chief Executive Officer



Chairman

ڈائریکٹر رپورٹ

ستارہ پیٹرولیم سروس لمیٹڈ (SPSL) کے ڈائریکٹر کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

معیشت کا جائزہ

30 جون 2026 کو اختتام پذیر ہونے والے کے دوران، پاکستان کی معیشت میکرو اکنامک استحکام کی طرف گامزن رہی، جس میں جی ڈی پی کی ترقی کی شرح چار سالہ 30 بلند ترین سطح 3.7 فیصد تک پہنچ گئی اور مالیاتی خسارہ کم ہو کر جی ڈی پی کا 0.7 فیصد رہ گیا۔ مسلسل آئی ایم ایف کے جائزوں کی تکمیل سے بیرونی شعبے کے استحکام کو مزید تقویت ملی، جس سے مجموعی ادائیگی 4.8 بلین امریکی ڈالر تک پہنچ گئی اور کل غیر ملکی زر مبادلہ کے ذخائر 20 بلین امریکی ڈالر سے تجاوز کر گئے۔ اس ساختی بہتری نے سرمایہ کاروں کے اعتماد میں نمایاں اضافہ کیا، جس کی وجہ سے پاکستان اسٹاک ایکسچینج ریجنل مارکیٹس میں سب سے آگے رہا اور کے ایس ای-100 انڈیکس میں 44 فیصد کا فائدہ حاصل کیا۔

تاہم، "تبدیلی کے بغیر استحکام" کی وسیع تر اقتصادی حقیقت کے تحت بنیادی ساختی کمزوریاں برقرار ہیں۔ علاقائی جیو پالیٹیکل کشیدگی اور عالمی توانائی کی بڑھتی ہوئی لاگت کی وجہ سے اوسط افراط زر 6.2 فیصد رہا۔ اس سے اسٹیٹ بینک آف پاکستان کو مارکیٹ کی توقعات کو مستحکم کرنے کے لیے اپنے مانیٹری میں نرمی کے چکر کو واپس لینے اور اپریل 2026 میں پالیسی ریٹ کو بڑھا کر 11.5 فیصد کرنے پر مجبور کیا۔ نتیجتاً، اگرچہ فوری اقتصادی بحران وقتی طور پر ختم ہو گیا ہے، لیکن موجودہ بیرونی لاگت کے دباؤ کے لیے ڈاؤن اسٹریم توانائی کی سپلائی چیز میں مسلسل مالیاتی نظم و ضبط اور اسٹریٹجک خطرات کے انتظام کی ضرورت ہے۔ ڈاؤن اسٹریم توانائی کی سپلائی چیز میں مسلسل مالیاتی نظم و ضبط اور اسٹریٹجک خطرات کے انتظام کی ضرورت ہے

صنعت کا جائزہ

مالی سال 2026 کے دوران، ڈاؤن اسٹریم پیٹرولیم مارکیٹنگ اور آئل ڈسٹری بیوشن انڈسٹری انتہائی غیر مستحکم عالمی ماحول میں کام کرتی رہی۔ امریکہ اور ایران کے مابین جنگ شروع ہونے کی وجہ سے بین الاقوامی توانائی کی سپلائی چین کو سخت آپریشنل خلل اور سپلائی بلاکج کا سامنا کرنا پڑا۔ اس جیو پالیٹیکل تنازعے کی وجہ سے خام تیل کی خریداری کے چینلز، سمندری فریٹ ریٹ اور بین الاقوامی ایندھن کی سپلائی کے ڈھانچے میں نمایاں اتار چڑھاؤ آیا۔ اس کے ساتھ ہی، عالمی سطح پر خام تیل کے بیٹج مارکس اور گھریلو پیٹرولیم مصنوعات کی قیمتوں میں غیر معمولی اضافہ دیکھنے میں آیا، جس کی وجہ سے خام مال کی خریداری کی لاگت میں اضافہ ہوا اور صارفین کی سطح پر خوردہ قیمتوں کے اتار چڑھاؤ میں نمایاں تبدیلی آئی۔

گھریلو محاذ پر، صنعت کو ریگولیٹری اداروں کے ذریعہ نافذ کردہ تعمیل کی بڑھتی ہوئی ضروریات کا سامنا کرنا پڑا، جس میں اسٹوریج ٹرمینلز اور ٹرانسپورٹ کے نقصان کے کنٹرول میں سخت مصنوعات کے معیار کے معیارات، صحت اور حفاظت کے انضمام شامل ہیں۔ قیمتوں اور سپلائی چین کے ان سخت چیلنجوں کے باوجود، گھریلو توانائی کے استعمال میں مضبوط پک دیکھنے میں آئی، جس میں ایندھن کی مصنوعات قومی راہداریوں میں اقتصادی سرگرمیوں کے لیے اہم محرک کے طور پر کام کرتی رہیں۔ مستقبل کی طرف دیکھتے ہوئے، ڈاؤن اسٹریم آئل مارکیٹنگ سیکٹر کے مزید وسعت پانے کی توقع ہے، جس کی وجہ بڑی تجارتی شاہراہوں پر انفراسٹرکچر میں سرمایہ کاری اور کارپوریٹ فلیٹ نیٹ ورکس کی مسلسل توسیع ہے۔

مالیاتی کارکردگی کا جائزہ

مالی سال 2026 کے دوران، ستارہ پیٹرولیم سروس لمیٹڈ نے ملک کو درپیش وسیع تر میکرو اکنامک چیلنجوں کے باوجود مضبوط مالیاتی کارکردگی کا مظاہرہ کیا۔ کمپنی نے 133,225 ملین روپے کی خالص فروخت ریکارڈ کی، جو گزشتہ سال کی 121,947 ملین روپے کی فروخت کے مقابلے میں 9.25 فیصد کا اضافہ ظاہر کرتی ہے۔ یہ غیر معمولی ترقی بنیادی طور پر مصنوعات کو اٹھانے کی اعلیٰ صلاحیتوں اور کمپنی کے خوردہ ڈسٹری بیوشن نیٹ ورکس کی ساختی توسیع کی وجہ سے ہوئی۔

مجموعی منافع میں گزشتہ سال کے 5,515 ملین روپے کے مقابلے میں 8,045 ملین روپے تک نمایاں بہتری آئی، جبکہ مجموعی مارجن 4.52 فیصد سے بڑھ کر 6.04 فیصد ہو گیا۔ سود، لیوی اور ٹیکس سے پہلے کا منافع بھی گزشتہ سال کے 5,120 ملین روپے سے بڑھ کر 7,129 ملین روپے ہو گیا، جو آپریشنل کارکردگی میں اضافہ، سپلائی کے ذرائع کو بہتر بنانے اور ٹرانسپورٹ انفراسٹرکچر میں سخت لاگت کے انتظام کے اقدامات کی عکاسی کرتا ہے۔

ٹیکس سے پہلے کا منافع گزشتہ سال کے 3,217 ملین روپے کے مقابلے میں 5,207 ملین روپے تک پہنچ گیا، جبکہ سال کے لیے ٹیکس کے بعد کا منافع مالی سال 2025 میں 2,951 ملین روپے کے مقابلے میں بڑھ کر 4,976 ملین روپے ہو گیا۔ اس کے مطابق خالص منافع کا مارجن 2.42 فیصد سے بہتر ہو کر 3.73 فیصد ہو گیا، جو بائم لائن کی کارکردگی میں مضبوط ریکوری کو ظاہر کرتا ہے۔

سال کے دوران کمپنی کے بیلنس شیٹ کی پوزیشن بھی کافی مضبوط ہوئی۔ کل لیکویڈٹی گزشتہ سال کے آخر میں ریکارڈ کیے گئے 8,364 ملین روپے سے بڑھ کر 18,001 ملین روپے ہو گئی۔ کل اثاثے مالی سال 2025 میں 19,756 ملین روپے کے مقابلے میں بڑھ کر 27,246 ملین روپے ہو گئے، جو آپریشنل اور ڈسٹری بیوشن کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے کافی ورکنگ کیپسٹل کی گہرائی فراہم کرتے ہیں۔ موجودہ تناسب بہتر ہو کر 2.20 (2025: 2.11) ہو گیا، جو انتہائی مضبوط لیکویڈیٹی پروفائل اور صحت مند ورکنگ کیپسٹل سائیکل کی نشاندہی کرتا ہے۔

مالی سال 2026 میں اثاثوں کا ٹرن اور مالی سال 2025 میں 6.17 کے مقابلے میں مستحکم ہو کر 4.89 ہو گیا، جو ہمارے فکسڈ اثاثہ جات کی بنیاد میں اسٹریٹجک توسیع کے ساتھ ساتھ ہمارے ڈسٹری بیوشن پوائنٹس اور گاڑیوں کے ڈھانچے کے مسلسل موثر استعمال کی عکاسی کرتا ہے۔ مجموعی طور پر، مالی سال 2026 مضبوط مالیاتی ترقی، مضبوط منافع کے اشاریوں، ایک مضبوط بیلنس شیٹ کی بنیاد اور اسٹریٹجک اثاثوں کی بہتری کے سال کے طور پر نشان زد ہوا، جس نے کمپنی کو آنے والے سالوں میں پائیدار ترقی کے لیے تیار کیا۔

کلیدی ریشو کا تجزیہ

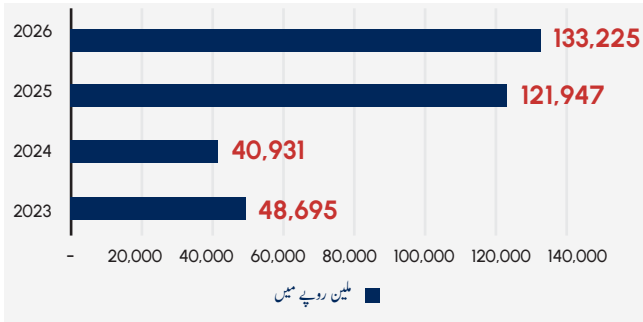
مالی سال 26	تفصیلات
6.04%	مجموعی مارجن %
5.70%	لیبڈا %
3.73%	خالص منافع کا مارجن %
27.64%	ایکویٹی پر منافع %
18.26%	اثاثوں پر منافع
2.2	موجودہ تناسب
3.46	فی شیئر آمدنی (RS)

آپریشنل اور فنانشل ہائی لائنس

مالی سال 26	تفصیلات
133,225	خالص فروخت
8,045	مجموعی منافع
6,117	ٹیکس اور لیوی سے پہلے کا منافع
7,129	سود اور ٹیکس سے پہلے کا منافع
4,976	ٹیکس کے بعد کا منافع
3.46	فی شیئر آمدنی (PKR)
27,246	کل اثاثے
18,001	کل ایکویٹی

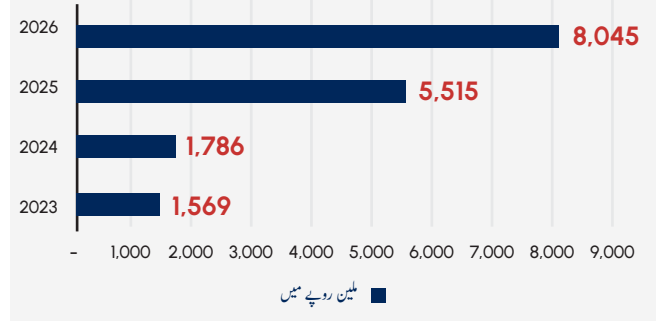
فروخت میں اضافہ

ملین روپے میں



مجموعی منافع میں اضافہ

ملین روپے میں



قومی خزانے میں حصہ

سال کے دوران، ہمارے ایندھن کی تقسیم کے مراکز (فیول ڈسٹری بیوشن فیسیلیٹیز) اور ٹرانسپورٹیشن نیٹ ورکس نے اعلیٰ کارکردگی کے ساتھ کام کیا، اور کارپوریٹ ٹیکسز، امپورٹ ڈیوٹی، اور پیٹرولیم لیویز کی شکل میں قومی خزانے میں اربوں روپے کا حصہ ڈالا، جس سے ریاست کی اقتصادی ترقی میں مدد ملی۔

شیئر ہولڈرز کو منافع (Return)

اگرچہ کمپنی نے سال کے دوران اپنے اسٹریٹجک انفراسٹرکچر کی توسیع اور کاروباری ترقی کے اقدامات کی حمایت کے لیے وسائل کو روکے رکھا ہے، لیکن یہ اپنے شیئر ہولڈرز کو ویلو فراہم کرنے کے لیے پرعزم ہے۔ اسی کے مطابق، کمپنی سال 2026 کے لیے فی شیئر 1 PKR کے ڈیویڈنڈ کا اعلان اور ادائیگی کرے گی، جبکہ ساتھ ہی ایسے اقدامات میں سرمایہ کاری جاری رکھے گی جن سے کاروباری ماڈل کو مضبوط کرنے، طویل مدتی منافع کو بڑھانے اور شیئر ہولڈرز کے لیے پائیدار منافع پیدا کرنے کی توقع ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کی طرف سے ان کے لسٹنگ کے ضوابط میں مقرر کردہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کی، جو 30 جون 2026 کو ختم ہونے والے سال کے لیے متعلقہ تھے، مکمل طور پر تعمیل کی گئی۔

صحت اور حفاظت (Health & Safety)

کمپنی اچھی صحت اور بہبود (Well-being) کے لیے گہرائی سے پر عزم ہے۔ فائر سیفٹی سسٹمز، حفاظتی آلات، اور خصوصی سپل کنٹرول پروٹوکولز تمام اسٹوریج ٹرمینلز اور ٹرانسپورٹیشن فلیٹ کے اثاثوں میں سختی سے نافذ کیے گئے ہیں۔ ملازمین اور لاجسٹکس آپریٹرز باقاعدگی سے پیشہ ورانہ صحت اور حفاظت کی تربیت حاصل کرتے ہیں تاکہ صفر حادثات (zero-accident) کے نفاذ کو یقینی بنایا جاسکے۔

اندرونی کنٹرول (Internal Controls)

ستارہ بیسولیم سروس لمیٹڈ کارپوریٹ اثاثوں کے تحفظ، درست مالیاتی رپورٹنگ کو یقینی بنانے، اور قابل اطلاق قوانین اور ضوابط کی مکمل تعمیل کو فروغ دینے کے لیے ڈیزائن کیا گیا ایک جامع اندرونی کنٹرول کا نظام برقرار رکھتی ہے۔ مالی سال کے دوران، اندرونی آڈٹ فنکشن نے کلیدی کاروباری عملوں کا آزادانہ طور پر جائزہ لینا جاری رکھا، خاص طور پر فلیٹ کے استعمال، تجارتی وصولیوں کے چکروں، اور خریداری کے کنفیگیشنز کا، اور براہ راست بورڈ کی آڈٹ کمیٹی کو رپورٹ کیا۔

کارپوریٹ گورننس

کمپنی کمپنیز ایکٹ، 2017، اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی دفعات کی مکمل تعمیل کرتی رہی۔ بورڈ آف ڈائریکٹرز نے مؤثر اسٹریٹجک نگرانی، کارپوریٹ رہنمائی، اور مالیاتی کارکردگی کی تشخیص فراہم کی۔ چیئرمین اور چیف ایگزیکٹو آفیسر کے الگ الگ کردار آزاد اور شفاف رہے۔ بورڈ کی قائمہ کمیٹیوں (آڈٹ اور ایچ آر اینڈ آر) نے اپنی ریگولیٹری ذمہ داریوں کو مؤثر طریقے سے ادا کرنے کے لیے باقاعدگی سے ملاقات کی۔

پائیداری اور سی ایس آر کے اقدامات (Sustainability and CSR Initiatives)

سپسل لیمٹڈ (SPSL) سماجی ذمہ داری اور آپریشنل پائیداری کو ایک بنیادی کارپوریٹ ترجیح کے طور پر دیکھتی ہے۔ سال کے دوران درج ذیل جامع اقدامات کو فعال طور پر آگے بڑھایا گیا اور فنڈ کیا گیا:

ہم اپنے آپریٹرز کے کاربن فٹ پرنٹ کو کم کرنے کے لیے کلیئر انرجی سلوشنز میں سرمایہ کاری کر رہے ہیں۔ اس میں کلیدی خوردہ مقامات پر الیکٹرک وہیکل (EV) چارجنگ اسٹیشنز کی تنصیب، فیول اسٹیشنوں پر سولر کی مدد سے چلنے والی بجلی کا استعمال، اور ہماری ماحولیاتی کارکردگی کو بڑھانے کے لیے جدید اخراج کنٹرول سسٹم (emission control systems) کا نفاذ شامل ہے۔

ہمارے فیول اسٹیشنز اور لاجسٹکس کی سہولیات گاڑیوں کی صفائی اور دیکھ بھال کے لیے پانی کے ری سائیکلنگ سسٹم کا استعمال کرتی ہیں۔ پانی کے استعمال کو بہتر بنا کر اور فضلے کو کم کر کے، ہم تمام آپریشنل پوائنٹس پر وسائل کے تحفظ کو فروغ دیتے ہیں۔

ہم اپنے انفراسٹرکچر میں قابل تجدید توانائی کی ٹیکنالوجیز کو شامل کرنے کے لیے وقف ہیں۔ ہماری حکمت عملی میں سولر پاور سے چلنے والے فیول اسٹیشنوں کو تیار کرنا، پائیدار لائٹنگ سسٹم نصب کرنا، اور گرڈ پر انحصار کم کرنے کے لیے توانائی کے مؤثر آپریٹرز کو اپنانا شامل ہے۔

ہم تیل کے باقیات، استعمال شدہ چمکانے والے مادوں (lubricants) اور پیکیجنگ کے فضلے کے انتظام کے لیے سخت پروٹوکولز پر عمل کرتے ہیں۔ خطرناک مواد کو محفوظ طریقے سے پروسس کیا جاتا ہے۔

ہم پوری سپلائی چین میں، ایندھن کے ذخیرے سے لے کر فلیٹ لاجسٹکس تک، توانائی کی کارکردگی کو بہتر بنانے اور اخراج کو کم کرنے کے لیے اپنے سسٹمز کو بہتر بنا رہے ہیں۔ ہمارا اپ گریڈ شدہ ٹینکر فلیٹ، خودکار ایندھن بھرنے کے نظام، اور ڈیجیٹل مانیٹرنگ ٹولز پورے پاکستان میں محفوظ، کلیئر اور زیادہ قابل اعتماد توانائی کی فراہمی کو یقینی بناتے ہیں۔

ہم پائیداری کے پروگراموں میں مقامی کمیونٹیز کو فعال طور پر شامل کرتے ہیں جو ہمارے آپریٹرز کے ساتھ ہم آہنگ ہوتے ہیں۔ اس میں ہمارے مقامات پر شجرکاری کی مہم، قریبی اسکولوں کے ساتھ شراکت میں گرین ایجوکیشن کے اقدامات، اور کلین فیولنگ کے طریقوں پر آگاہی مہم شامل ہیں۔ ماحولیاتی ذمہ داری ایک مشترکہ سفر ہے، اور ہم اسے ذمہ داری سے آگے بڑھانے کے لیے پر عزم ہیں۔

کمپنی نے پسماندہ طبقات کو روزانہ خوراک کا تحفظ فراہم کرنے کے لیے فری ویلفیئر کچنز کے مکمل فنڈنگ اور آپریٹرز کو جاری رکھا۔ اس کے ساتھ ہی، کمپنی نے مفت میڈیکل ڈسپنسریز اور فارمیسیز چلائیں، جو مقامی کمیونٹیز کو ضروری صحت کی دیکھ بھال، کلینیکل ٹیسٹنگ اور زندگی بچانے والی ادویات فراہم کرتی ہیں جو ہمارے اہم آپریشنل ہب کے ارد گرد آباد ہیں۔

ماحول دوست توانائی



(Eco-Friendly Energy)

پانی کا تحفظ



(Water Conservation)

قابل تجدید توانائی کا انضمام



(Renewable Integration)

فضلے کا انتظام



(Waste Management)

پائیدار آپریٹرز



(Sustainable Operations)

کمیونٹی کی شمولیت



(Community Engagement)

ویلفیئر کچنز اور طبی دیکھ بھال



(Welfare Kitchens & Medical Care)

منافع حصص اور رقوم کی تخصیص (Dividends and Appropriations)

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے فی حصص 1 روپے کے حتمی نقد منافع (کیش ڈیویڈنڈ) کی سفارش کی ہے۔ یہ فیصلہ کمپنی کی مالی کارکردگی، کاروباری ضروریات، ترقی کے مواقع اور طویل مدتی اسٹریٹجک سمت کے محتاط جائزے کی عکاسی کرتا ہے۔

مستقبل کا نقطہ نظر (Future Outlook)

مستقبل کی طرف دیکھتے ہوئے، ڈاؤن اسٹریم آئل مارکیٹنگ اور بھاری لاجسٹکس کی صنعت مسلسل اقتصادی استحکام، صنعتی توسیع، اور ٹرانسپورٹ کے بڑھتے ہوئے حجم سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ ستارہ پیٹرولیم سروس لمیٹڈ، آئی پی او (IPO) کے بعد اپنے توسیع شدہ ایکویٹی ڈھانچے، جی او (GO) کے ساتھ اس کے اسٹریٹجک سپلائی اتحاد، اور ایک بہتر 359 باؤزر (browser) فلیٹ کی مدد سے، ابھرتی ہوئی مارکیٹ کے مواقع کو حاصل کرنے اور اپنے شیئر ہولڈرز کو کمپاؤنڈ ویلیو فراہم کرنے کے لیے مکمل طور پر تیار ہے۔

بورڈ اور بورڈ کی کمیٹیاں

30 جون 2026 تک، بورڈ آف ڈائریکٹرز سات (7) ممبران پر مشتمل تھا جیسا کہ درج ذیل ہے:

الف) مرد (6)

ب) خواتین (1)

آزاد ڈائریکٹرز (Independent Directors) : تین (3)

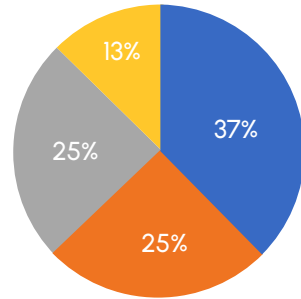
نان ایگزیکٹو ڈائریکٹرز (Non-Executive Directors) : دو (2)

ایگزیکٹو ڈائریکٹرز (Executive Directors) : دو (2)

خاتون : ایک (1)

بورڈ کی تشکیل

آزاد ڈائریکٹرز
نان ایگزیکٹو ڈائریکٹرز



تشکیل

بورڈ کی تشکیل درج ذیل ہے:

نام	تشکیل
فرید آغا (چیئرمین) رفعت سلطانیہ (خاتون) محمد افضل چوہدری	آزاد ڈائریکٹرز
عثمان جاوید محمد علی	نان ایگزیکٹو ڈائریکٹرز
ظہیر بیگ زین لیاقت	ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں

بورڈ نے نیچے دیے گئے ممبران پر مشتمل کمیٹیاں تشکیل دی ہیں:

(ب) ایچ آر اور ریمونریشن کمیٹی

ظہیر بیگ
(ایگزیکٹو ڈائریکٹر) - چیئر مین

رفعت سلطانہ
(آزاد ڈائریکٹر) - ممبر

عثمان جاوید
(نان ایگزیکٹو ڈائریکٹر) - ممبر

(الف) آڈٹ کمیٹی

محمد افضل چوہدری
(آزاد ڈائریکٹر)

عثمان جاوید
(نان ایگزیکٹو ڈائریکٹر) - ممبر

فرید آغا
(آزاد ڈائریکٹر) - ممبر

ڈائریکٹرز کاریمونریشن پیکج (بشمول چیف ایگزیکٹو آفیسر)

بورڈ کی طرف سے منظور شدہ ڈائریکٹرز کی ریمونریشن پالیسی کے مطابق، بورڈ کے ممبران درج ذیل مینٹنز میں شرکت کے لیے فیس کے حقدار ہیں:

1- ڈائریکٹرز کے بورڈ کی میٹنگ میں بطور ممبر شرکت کے لیے: PKR 300,000 فی میٹنگ۔

2- ڈائریکٹرز کے بورڈ کی کسی بھی کمیٹی کی میٹنگ میں بطور ممبر شرکت کے لیے: PKR 150,000 فی میٹنگ۔

چیف ایگزیکٹو آفیسر کسی بھی میٹنگ میں شرکت کی فیس کے حقدار نہیں ہیں۔

چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کو ادا کی جانے والی اجرت کی تفصیلات مالیاتی گوشواروں کے نوٹ 37 میں ظاہر کی گئی ہیں۔

شیئر ہولڈنگ کا پیٹرن (Pattern of Shareholding)

30 جون 2026 تک کمپنی میں شیئر ہولڈنگ کے پیٹرن کا بیان بعد کے صفحات پر دیا گیا ہے۔

وعدے اور ہنگامی حالات (Commitments and Contingencies)

اس رپورٹ کی تاریخ تک، کمپنی کی مالی پوزیشن کو متاثر کرنے والے کوئی بڑے وعدے یا ہنگامی حالات نہیں ہیں۔

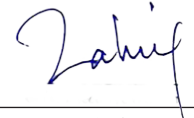
آڈٹرز کا تقرر

آڈٹ کمیٹی اور بورڈ نے شیئر ہولڈرز کو مالی سال 2027 کے لیے کمپنی کے آڈٹرز کے طور پر میسرز الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کے تقرر کی سفارش کی ہے، جو آئندہ سالانہ جزل میٹنگ میں پیش کی جائے گی۔

شکریہ (Acknowledgements)

ہم اپنے قابل قدر شیئر ہولڈرز، بینکرز، گاہکوں اور شراکت داروں کے مسلسل اعتماد اور حمایت کے لیے ان کے بے حد مشکور ہیں، جس نے کمپنی کی ترقی اور تنوع کو ممکن بنایا۔ ہم پاکستان اسٹاک ایکسچینج، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور سینٹرل ڈپازٹری کمپنی کا بھی ان کے تعاون کے لیے شکریہ ادا کرتے ہیں۔ سب سے بڑھ کر، ہم اپنے ملازمین کی لگن کی تعریف کرتے ہیں، جن کی کوششیں ہماری کامیابی کی بنیاد ہیں۔ ساتھ مل کر، ہم نہ صرف ایک کمپنی بلکہ ترقی اور کامیابی کی ایک دیرپا میراث بنا رہے ہیں۔


چیئر مین


چیف ایگزیکٹو آفیسر

The background of the cover page is a dark blue gradient. It features faint, semi-transparent financial charts, including a line graph at the top and a bar chart in the middle. In the bottom left, there is a faint image of a hand using a calculator. The title 'FINANCIAL STATEMENT' is centered in large, bold, white capital letters.

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SITARA PETROLEUM SERVICE LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Sitara Petroleum Service Limited (the Company), which comprise the statement of financial position as at June 30, 2026 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended, and notes to the financial statements, including material accounting policies and other explanatory information which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of 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 June 30, 2026 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year 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.

S. No. Key Audit Matter

1 Revenue recognition
(Refer to notes 4.9 and 26 to the financial statements)

The Company recognized net sales during the year from the sale of petroleum and related products amounting to Rs. 133,225 million.

How the matter was addressed in our audit

Our procedures in relation to recognition of revenue, amongst others, included:

- Obtained understanding of the process relating to recognition of revenue and assessed the design, implementation and operating effectiveness of the relevant internal controls over recording of revenue;

The Company recognizes revenue at a point in time when control of the product is transferred to the customer at the transaction price which the Company expects to be entitled to. Control is considered to be transferred when the product is delivered to the customer or otherwise made available to the customer in accordance with the agreed terms. Revenue from the sale of petroleum and oil products is recognized upon transfer of control to the customers, while revenue from fleet logistic services is recognized in accordance with the related contractual arrangements and when the relevant services are rendered. The transaction price for regulated and semi regulated product is determined in accordance with notifications of Oil and Gas Regulatory Authority (OGRA) whereas for deregulated products the transaction price is based on the approval of appropriate authority within the Company.

We considered this as a key audit matter due to the significance of the amounts requiring significant time and resources to audit due to magnitude, inherent risk of material misstatement, and revenue being a key economic indicator of the Company.

- Performed verification of a sample of revenue transactions with underlying documentation, including inspecting sales invoices, relevant sales contracts, dispatch notes and acknowledgment of customers;
- Checked on a sample basis, notifications of OGRA for regulated and semi-regulated products prices and pricing committee approvals for deregulated products prices;
- Performed cut-off procedures on a sample basis to ensure revenue has been recorded in the correct accounting period;
- Tested journal entries related to revenue recognized during the year based on identified risk criteria;
- Checked that revenue has been recognized in accordance with the Company's accounting policy and the applicable accounting and financial reporting framework; and
- Assessed the appropriateness of disclosures made in the financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the company and our auditor's 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 audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in 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 is 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.
- 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 Management with the statement that we have complied with the 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 Management, 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, the statement of 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 auditor's report is Bushra Sana.



Ilyas Saeed & Co.

Ilyas Saeed & Co.
Chartered Accountants
Lahore

Dated: September 22, 2026

UDIN: AR202610278H6EeLnvuP

SITARA PETROLEUM SERVICE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,906,279,492	6,659,078,661
Investment in associate	7	506,609,871	-
Long term advances	8	704,000,000	920,000,000
		12,116,889,363	7,579,078,661
CURRENT ASSETS			
Stock in trade	9	4,315,393,714	3,913,843,525
Trade debts	10	7,249,989,730	6,309,208,747
Advances, deposits and other receivables	11	561,485,318	504,717,542
Income tax refunds due from the government	12	1,379,866,155	815,834,933
Cash and bank balances	13	1,622,558,342	633,236,273
		15,129,293,259	12,176,841,020
TOTAL ASSETS		27,246,182,622	19,755,919,681
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized share capital			
1,900,000,000 ordinary shares of Rs.01/- each		1,900,000,000	1,900,000,000
Issued, subscribed and paid up capital	14	1,679,914,000	1,400,000,000
Capital reserves:			
Share Premium	15	4,385,298,249	-
Surplus on revaluation of property, plant and equipment	16	1,398,881,079	1,461,614,079
Revenue reserve:			
Unappropriated profit		10,537,040,496	5,502,191,768
		18,001,133,824	8,363,805,847
NON-CURRENT LIABILITIES			
Long term borrowings	17	1,488,531,604	4,476,910,985
Lease liabilities	18	826,787,576	1,090,925,695
Deferred liabilities			
Staff retirement benefit	19	43,178,036	28,937,524
Deferred tax liability	20	15,614,775	17,330,191
		2,374,111,991	5,614,104,395
CURRENT LIABILITIES			
Current portion of long term borrowings	17	2,845,462,723	1,069,177,635
Current portion of lease liabilities	18	589,264,269	293,401,051
Trade and other payables	21	1,788,116,112	1,145,202,083
Short term borrowing	22	341,011,748	1,847,599,948
Accrued mark-up	23	165,900,878	293,139,630
Provision for taxation	24	1,141,181,077	1,129,489,092
		6,870,936,807	5,778,009,439
TOTAL EQUITY AND LIABILITIES		27,246,182,622	19,755,919,681
CONTINGENCIES AND COMMITMENTS	25	-	-

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
Sales	26	133,225,250,509	121,946,706,550
Cost of sales	27	(125,180,083,296)	(116,431,512,619)
Gross profit		8,045,167,213	5,515,193,931
Other income	28	185,582,415	46,336,727
		8,230,749,628	5,561,530,658
Administrative and general expenses	29	(545,775,744)	(171,144,987)
Finance cost	30	(1,011,467,402)	(1,155,669,866)
Other expenses	31	(457,679,668)	(270,327,879)
Share of loss from associate	7	(98,390,129)	-
		(2,113,312,943)	(1,597,142,732)
Profit before levy and taxation		6,117,436,685	3,964,387,926
Levy	32	(910,712,162)	(747,104,419)
Profit before taxation		5,206,724,523	3,217,283,507
Taxation	33	(231,031,129)	(266,097,567)
Profit for the year		4,975,693,394	2,951,185,940
Earnings per share - basic and diluted	34	3.46	2.11

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees (Restated)
Profit for the year	4,975,693,394	2,951,185,940
Other comprehensive Income / (loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	(5,865,026)	3,202,099
Deferred tax related to defined benefit liability	2,287,360	(1,248,826)
	(3,577,666)	1,953,273
Total comprehensive income for the year	4,972,115,728	2,953,139,213

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserve	Total
		Share Premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		6,117,436,685	3,964,387,926
Adjustment for non cash items:			
Depreciation on property, plant and equipment	6.4	459,839,083	277,125,944
Provision for staff retirement gratuity	19.3	8,375,486	7,989,458
Gain on early lease termination	28	(2,725,982)	-
Gain on disposal of freehold land	28	(6,000,000)	-
Gain on disposal of vehicles	28	-	(4,382,801)
Share of loss from associate	7	98,390,129	-
Interest income from related party	28	(13,238,637)	-
Finance cost	30	1,011,467,402	1,155,669,866
		1,556,107,481	1,436,402,467
Cash flows before working capital changes		7,673,544,166	5,400,790,393
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		(401,550,189)	(2,022,035,764)
Trade debts		(940,780,983)	(2,266,742,990)
Advances, deposits and other receivables		(253,529,139)	7,959,330
Increase / (decrease) in current liabilities:			
Trade and other payables		642,914,029	(587,068,371)
		(952,946,282)	(4,867,887,795)
Cash flow from operations		6,720,597,884	532,902,598
Income tax and levy paid		(1,693,510,584)	(106,571,617)
Cash generated from operating activities	A	5,027,087,300	426,330,981
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(1,085,166,546)	(2,072,478,002)
Advance against purchase of land		(484,000,000)	(920,000,000)
Proceeds from disposal of vehicles		-	10,000,000
Advance for purchase of shares in associate		-	(210,000,000)
Additions to capital work in progress		(2,443,983,218)	-
Investment in associate		(395,000,000)	-
Proceeds from disposal of freehold land		135,000,000	-
Cash used in investing activities	B	(4,273,149,764)	(3,192,478,002)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	14	4,665,212,249	-
Long term loan obtained		-	5,321,288,266
Repayments of:			
Long term loans		(1,212,094,293)	(832,368,420)
Lease liabilities		(572,439,069)	(102,546,070)
Dividend paid		-	-
Finance cost paid		(1,138,706,154)	(966,257,356)
Increase/(decrease) in short term bank borrowings - net		(1,506,588,200)	(368,999,171)
Cash generated from financing activities	C	235,384,533	3,051,117,249
Net increase in cash and cash equivalents (A+B+C)		989,322,069	284,970,228
Cash and cash equivalents at the beginning of the year		633,236,273	348,266,045
Cash and cash equivalents at the end of the year	13	1,622,558,342	633,236,273

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and its operations

Sitara Petroleum Service Limited (the Company) was incorporated on July 3, 2012 under the repealed Companies Ordinance, 1984 repealed by the Companies Act, 2017 as a private limited company and subsequently converted into a public limited company on February 7, 2023 and was listed on Pakistan Stock Exchange on May 21, 2026. The Company is mainly engaged in the business of trading and distribution of diesel and petrol. The Company is also engaged in providing fleet logistic services to oil marketing sector. The registered office of the Company is situated at 83-A, E/1 Main Gulberg, III, Lahore, in Punjab. The petrol pumps of the Company are located in Lahore (7 units), Bahawalnagar (4 units), Faisalabad (12 units), Muzaffargarh (2 units), Pakpattan (3 units), Mirpur (1 unit), Sahiwal (1 unit), Jhang (2 units), Khushab (1 unit), Buner (1 unit), Mianwali (1 unit), Uper dir (1 unit), Chinniot (2 units), Multan (3 units), Narowal (1 unit), Kasur (1 unit), Layyah (1 unit), Sheikhpura (4 units), Bhawalpur (1 unit), Bangla gogera (1 unit), Fort abbas (1 unit), Kala shah kaku (1 unit), Khanpur (1 unit), Qadirabad (1 unit), Rahim yar khan (1 unit), Rajan pur (2 units), Shorkot (1 unit), Shujabad (1 unit), and Sialkot (1 unit).

During the year, the Company raised funds through an Initial Public Offering (IPO) in order to expand its existing business operations. The Securities and Exchange Commission of Pakistan (SECP) granted approval on April 16, 2026, to issue, circulate and publish the prospectus for the IPO comprising a total of 279,914,000 ordinary shares. On May 4 and May 5, 2026, the book-building process among institutional and large investors was completed for 126,000,000 shares, representing 75% of the issue size, at a strike price of Rs. 18.90 per share the upper end of the Rs. 13.50 floor price band, reflecting a 40% ceiling above the floor. The remaining 25% of the issue, comprising 42,000,000 ordinary shares, was offered for general public subscription. In addition, the Company completed a Pre-IPO Private Placement of 111,914,000 ordinary shares (6.66% of the total post-IPO paid-up capital) at Rs. 14.85 per share. Consequently, 16.66% of the Company's total post-IPO share capital was offered to the public and institutional investors, with the combined transaction raising approximately Rs. 4.8 billion making it the third-largest private-sector IPO in Pakistan's capital markets history. The listing of the Company's shares on the Pakistan Stock Exchange and the commencement of trading was completed on May 21, 2026.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective notes of accounting policies below.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these

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

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies, other than those discussed specifically in different accounting policies, are as follows:

- Residual values and useful lives of depreciable assets
- Provisions
- Provision for staff retirement gratuity
- Leases
- Provision for current and deferred taxation
- Provision for expected credit loss

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupee ("Rs.") which is the Company's functional and presentation currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

3 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3.1 Standards, interpretations and amendments to approved accounting standards that became effective

The Company has adopted the following revised standards, amendments in accounting standards and interpretations of IFRS which became effective for the year end June 30, 2026:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	01 January 2025

However, this adoption has no impact on the financial statements of the Company.

3.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on the Company's financial statements except as disclosed in the note to these financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 7 Amendments to lack of exchangeability	01 January 2026
Amendments to IFRS 7 and 9 - Classification and Measurement of Financial Instruments	01 January 2026
IFRS 10 Consolidated Financial Statements (Amendments)	01 January 2026
IAS 21 The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	01 January 2027
IAS 28 Investments in Associates and Joint Ventures (Amendments)	01 January 2027
IFRS 17 Insurance Contracts	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements.	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
IFRS 1 First Time Adoption of International Financial Reporting Standards	
IFRS 20 Regulatory Assets and Regulatory Liabilities	
IFRIC 12 Service Concession Arrangement	

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, which is carried at revalued amount, and capital work-in-progress, which is carried at cost less any impairment. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is charged to statement of profit or loss using reducing balance method at the rates specified in Note 6 to the financial statements. The Company starts charging depreciation on additions to property, plant and equipment from the date it is available for intended use till the date of disposal of property, plant and equipment. Assets residual values, useful lives and depreciation rates are reviewed, and adjusted, if appropriate at each reporting date.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in the statement of profit or loss.

Capital work in progress is transferred to the respective item of property, plant and equipment when available for intended use.

4.2 Stock-in-Trade

Stock-in-trade is valued at lower of cost or its net realizable value, except stock in transit which is stated at cost (invoice value) plus other charges incurred thereon till reporting date. Cost is determined on the basis of first in first out cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to be incurred in order to make a sale.

4.3 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flows have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

4.4 Financial Instruments

4.4.1 Measurement of financial asset

Initial Measurement

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- amortized cost.

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition, except FVTPL which is measured at fair value.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest markup or dividend income, are recognized in the statement of profit or loss.

Financial assets measured at amortized cost

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when the right to receive cash flows from the asset have expired; or the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The financial asset is also derecognized when there is significant modification in the terms of the financial asset.

4.4.2 Measurement of Financial liabilities**Initial Measurement**

Financial liabilities are classified in the following categories:

- . fair value through profit or loss; and
- . amortized cost

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Financial liabilities at amortized cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost using the effective interest rate method. Gain and losses are recognized in statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

4.4.3 Offsetting of Financial Asset and Financial Liability

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.4.4 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof.

The Company individually makes an assessment with respect to the timing and amount write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.5 Related party transactions

Transactions with related parties are carried out on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price methods which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer un-related to the seller.

4.6 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the period end. Balances considered bad are written off when identified. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

4.7 Leases

4.7.1 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, 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 comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used;
- residual guarantee;
- lease term;
- certainty of a purchase option; and
- termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

4.7.2 Right of use

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use asset is depreciated over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the Right-of-use asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use asset is subject to impairment or adjusted for any remeasurement of the related lease liability.

4.7.3 Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, if there is a significant event or significant change in circumstances.

4.7.4 Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay to a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

4.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.9 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.

The Company recognizes revenue at point of time when control of product is transferred to customer. Control is considered to be transferred either when the product is directly uplifted by customer from terminal or when it is delivered by the Company at customer premises.

The Company generally enters into agreements with its customers for supply of petroleum products, including delivery of the product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation. The credit limits in contract with customers ranges from 1 to 45 days.

The transaction price for regulated and semi regulated product is determined in accordance with notifications of Oil and Gas Regulatory Authority (OGRA) whereas for deregulated products the transaction price is based on the approval of appropriate authority within the Company.

Commission and handling income is recognized when services are rendered which coincides with the shipment of related products.

4.10 Taxation

4.10.1 Current tax

Provision of current tax is based on taxable income for the year determined in accordance with the income tax ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years. Minimum taxes in excess of the amount designated as income tax is recognized as levy falling under the scope of IAS 37.

4.10.2 Deferred tax

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

4.10.3 Levy

The Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 regarding treatment of final taxes and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of minimum tax and final tax to be classified separately as a levy instead of current tax expense.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

4.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.13 Foreign Currency Transactions

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in profit or loss for the period.

4.14 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.15 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the extent of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 Staff retirement benefits

The Company operates a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All actuarial gains and losses are recognized in 'other comprehensive income' as they occur.

4.17 Investment in associate

Associates are entities over which the company has significant influence but not control, generally represented by a shareholding of 20% or more but less than 50% of the voting rights. Significant influence may also arise through common directorship or participation in financial and operating policy decisions. Investments in associates are accounted for using the equity method, under which the company recognises its share of the associate's profit or loss. Investments are initially recorded at cost and adjusted for post-acquisition changes in the associate's net assets. At each reporting date, the company assesses whether there is any indication of impairment and recognises a loss if the carrying amount exceeds the recoverable amount.

4.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Company's other components. All operating results of the segments are reviewed regularly by the Chief Operating Decision Maker (CODM) — the Chief Executive Officer of the Company — in order to make decisions about the allocation of resources to each segment and to assess its performance, and for which discrete financial information is available.

Segment results reported to the CODM include items directly attributable to a segment, as well as those that can be allocated to it on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

5 RECTIFICATION OF ERROR

During the year, the Company identified prior period errors relating to the recognition of the Workers' Profit Participation Fund (WPPF) obligation and deferred tax for the year ended June 30, 2025. The WPPF obligation was applicable to the prior period but had not been recognised in the financial statements for that period.

The above prior period errors have been corrected retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, by restating the comparative amounts for the prior period presented in these financial statements. The restatement has been made to recognise the WPPF obligation and the correction of deferred tax effects in the appropriate accounting period.

The Statement of Financial Position as at June 30, 2024 has not been presented, as the correction of these prior period errors has no effect on the Statement of Financial Position as at June 30, 2024.

The effect of the correction of the prior period errors on the financial statements for the year ended June 30, 2025 is summarised below:

Statement of Financial Position	Note	2025 Rupees
Deferred tax liability/(asset)		
As Previously reported		(69,854,552)
Correction of error and reclassification (deferred tax)		87,184,743
Deferred tax liability/(asset) after rectification	20	<u>17,330,191</u>
Trade and other payables		
As Previously reported		933,466,293
Correction of error and reclassification (WPPF)		211,735,790
	21	<u>1,145,202,083</u>
Statement of Profit or Loss		
Other expenses		
As Previously reported		58,592,089
Correction of error and reclassification (WPPF)		211,735,790
	31	<u>270,327,879</u>
Taxation		
As Previously reported		178,912,831
Correction of error and reclassification (deferred tax)		87,184,736
	33	<u>266,097,567</u>
Earnings per share - Basic and diluted		
As Previously reported		23.22
Earnings per share after splitting of share value from Rs 10/share to Rs 01/share		2.32
Correction of error and reclassification		(0.21)
	34	<u>2.11</u>
Statement of changes in equity		
Unappropriated profit		
As Previously reported		5,801,112,301
Correction of error and reclassification		(298,920,533)
		<u>5,502,191,768</u>

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2026 Rupees	2025 Rupees
Owned assets	6.1	7,805,099,231	4,940,864,107
Right of use assets	6.2	1,965,698,662	1,564,394,432
Capital work in progress			
Civil works	6.3	1,135,481,599	153,820,122
		10,906,279,492	6,659,078,661

6.1 Particulars

Year ended June 30, 2026

Opening net book value	2,615,107,935	575,238,833	364,533,538	1,776,511	1,405,054	-	171,019,391	1,211,782,845	4,940,864,107
Additions / transfer	1,075,598,513	904,529,891	300,682,272	9,532,701	5,679,482	11,743,850	257,109,578	682,612,000	3,247,488,287
Surplus on revaluation	-	-	-	-	-	-	-	-	-
Disposal / transfer / early termination	-	-	-	-	-	-	-	-	-

Cost	129,000,000	-	-	-	-	-	-	-	129,000,000
Accumulated depreciation	-	-	-	-	-	-	-	-	-

Depreciation charged	-	(44,695,311)	(47,913,491)	(813,164)	(525,226)	(1,673,678)	(26,072,476)	(132,559,817)	(254,253,163)
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Closing net book value	3,561,706,448	1,435,073,413	617,302,319	10,496,048	6,559,310	10,070,172	402,056,493	1,761,835,028	7,805,099,231
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Cost	3,561,706,448	1,597,825,892	875,796,449	14,292,234	9,131,438	11,743,850	533,532,977	2,221,684,855	8,825,714,143
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Accumulated depreciation	-	(162,752,479)	(258,494,130)	(3,796,186)	(2,572,128)	(1,673,678)	(131,476,484)	(459,849,827)	(1,020,614,912)
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Net book value	3,561,706,448	1,435,073,413	617,302,319	10,496,048	6,559,310	10,070,172	402,056,493	1,761,835,028	7,805,099,231
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Year ended June 30, 2025

Opening net book value	2,592,099,000	455,141,382	334,115,097	1,973,901	1,561,171	-	165,500,292	880,780,639	4,431,171,482
Additions / transfer	23,008,935	149,246,815	70,361,890	-	-	-	24,521,253	459,957,665	727,096,558
Surplus on revaluation	-	-	-	-	-	-	-	-	-
Disposal / transfer / early termination	-	-	-	-	-	-	-	-	-

Cost	-	-	-	-	-	-	-	7,812,500	7,812,500
Accumulated depreciation	-	-	-	-	-	-	-	(2,195,301)	(2,195,301)

Depreciation charged	-	(29,149,364)	(39,943,449)	(197,390)	(156,117)	-	(19,002,154)	(123,338,260)	(211,786,734)
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Closing net book value	2,615,107,935	575,238,833	364,533,538	1,776,511	1,405,054	-	171,019,391	1,211,782,845	4,940,864,107
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As at June 30, 2025

Cost	2,615,107,935	693,296,001	575,114,177	4,759,533	3,451,956	-	276,423,399	1,539,072,855	5,707,225,856
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Accumulated depreciation	-	(118,057,168)	(210,580,639)	(2,983,022)	(2,046,902)	-	(105,404,008)	(327,290,010)	(766,361,749)
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Net book value	2,615,107,935	575,238,833	364,533,538	1,776,511	1,405,054	-	171,019,391	1,211,782,845	4,940,864,107
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Annual rate of depreciation (%)	-	5%	10%	10%	10%	33%	10%	10%	-
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6.1.1 This includes freehold land valuing Rs. 601.04 million (2025: Rs. 730.04) held for future expansion. Had there been no revaluation, the carrying value of land would have been Rs. 1,064.21 million. Forced sale value of the land is Rs. 2,025.99 million. The fair value of land was determined by an independent valuer M/S MYK Associates (Private) Limited in the month of June 2024, on the basis of market comparable approach that reflects recent transaction prices for similar properties. Value was determined under Fair Value Hierarchy - Level 2.

6.1.2 Detail of operating fixed assets exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Net Book Value	Sales Proceeds	Gain / (Loss)	Mode of disposal	Relationship	Particulars of purchasers
Rupees							
Freehold land	129,000,000	129,000,000	135,000,000	6,000,000	Negotiation	None	Shehryar javed
	129,000,000	129,000,000	135,000,000	6,000,000			Dawood javed

6.1.3 Particulars of immovable assets of the Company are as follows:

Address	Location	Usage of property	Total area (Sq.ft)	Covered area (Sq.ft)
Freehold Land				
Plot No. 011, Block A, Abdalian Housing Society, Lahore.	Lahore	Commercial Plot	8,168	8,168
Commercial Property measuring 06 Marla, situated in DHA Islamabad, Phase 2, Sector F	Islamabad	Commercial Plot	1,634	1,634
Commercial Plots situated at Chak No. 212 RB, Faisalabad, comprising: 4 Marla 87 Sq. Ft, 8.32 Marla, 3 Marla, 7.6213 Marla, and 7.6213 Marla.	Faisalabad	Commercial Plot	8,546	8,546
Commercial Property measuring 07 Acres, situated at Chak No. 52/5-L, Tehsil and District Sahiwal.	Sahiwal	Commercial Plot	304,920	304,920
Property measuring 12 Kanal, situated in District Nowshera, Peshawar.	Peshawar	Land	65,340	65,340
Plot No. 782-E, DHA Phase-6, Lahore, and Plot No. 783-E, DHA Phase-6, Lahore.	Lahore	Commercial Plot	21,780	21,780
8 Marla Commercial Plot, Rahim Yar Khan	Rahim Yar Khan	Commercial Plot	2,178	2,178
110 Marla Plot, Chak No. 140, Tehsil Sillanwali, District SargodhaCommercial Property measuring 07 Acres, situated at Chak No. 52/5-L, Tehsil and District Sahiwal.	Sahiwal	Land	29,947	29,947
16 Kanal Plot, Mouza Sajoka, Tehsil Sahiwal, District Sargodha.	Sargodha	Land	87,120	87,120
Commercial Plot measuring 3 Kanal 13 Marla, Mouza Kharpur Malia, Tehsil and District Sheikhpura.	Sheikhpura	Commercial Plot	19,874	19,874
Property measuring 2 Kanal 3 Marla 4 Marla 110 Sq. Ft, Chak No. 155-EB, Arifwala, Pakpattan.	Pakpattan	Land	2,560	2,560
Property measuring 5 Kanal 18 Marla 106 Sq. Ft, Chak No. 66, Tehsil and District Faisalabad (1/2 share = 45 Marla).	Faisalabad	Land	12,251	12,251
Chak No. 190, Rab Karari, Tehsil and District Faisalabad.	Faisalabad	Land	6,534	6,534
Karmanwala P/S, Renala Khurd, City I, Chak No. 25/2-L.	Renala Khurd	Land	36,754	36,754
Urban land, Faisalabad, Chak No. 212 RB.	Faisalabad	Land	150	150
Chak No. 135/9-L, Sahiwal.	Sahiwal	Land	67,518	67,518

6.1.4 Particulars of business units:

RD No.	Business unit	Address	Geographical location
31	Fahad Khan Petroleum	Bw Km 8/9 From Narowal Kanjroor Shakargarh Road Tehsil & District Narowal	Narowal
146	Hammad Petroleum Service	Tehsil Gagra District Buner	Buner
197	Sitara 2	Samundri Road Faisalabad City Tehsil City District Faisalabad	Faisalabad
271	Sitara 1	Arifwala Bahawalpur Road At Qabula City Tehsil Arifwala District Pakpattan	Pakpattan
273	Nayab Filling Station	Dir Chitral Road, Tehsil Wari District Upper Dir	Uppar Dir
366	Sitara 3	11-Km From Zila Kacheri Chowk On Faisalabad-Sumandri Road	Faisalabad
377	Subhan Allah P/S	Mouza Kot Shahi Singh, Tehsil & District Jhang	Jhang
383	Salam & Sons	Tehsil Ali Pur District Muzafargarh.	Muzafargarh
413	KK Petroleum	Derra Road Towards Lower Magasan Mouza Dogar Kalan Tehsil Kot Addu	Muzafargarh
426	Ali P/S	Km 6-7 Jaranwala Khurrianwala Road Chak No. 659/9 Tehsil Jaranwala	Faisalabad
454	Makkah Madina P/S	Samundari Road Faisalabad Mouza Chak No. 465/Gb, Tehsil Samundari	Faisalabad
499	Sitara 6	Furlong 2 & 3 Of Mile No. 1 Fort Abbas Manzoora Road Tehsil Fort Abbas	Bahawalnagar
500	Sitara 7	Mile No. 6 Of Chishtian On Metha Jhedu Road At Chishtian Tehsil Chishtian	Bahawalnagar
501	MRS Petroleum	Babar Chowk On Southern Bypass, Multan	Multan
506	Laique P/S	New Bypass From Mirwah Mirpur Khas Road To Hyderabad Toll Plaza	Mirpur
582	Al Rehman P/s	At Mouza Peer Kot Tehsil, Sheikhpura	Sheikhpura
624	Sitara 13	Mouza Rakh Patan , 5 Km From Jamal Chowk, Pakpattan	Pakpattan
643	Sitara 8	Faisalabad-Jhumra Road, Crescent Sugar Mill, Faisalabad.	Faisalabad
646	Al Noor P/s	Faisalabad Chobara Road, Tehsil Chobara District Layyah	Layyah
648	Sitara 15	Dharanwala Road, Tehsil Haroonabad ,Bahawalnagar	Bahawalnagar
697	Al-Nawaz P/S	Sheikhpura Faisalabad Road At Shahkot Tehsil Shahkot , Nankana	Faisalabad
720	Sitara Mureedke	Main National Highway At Mureedke Tehsil Mureedke District Sheikhpura	Sheikhpura
1004	Al-Husnain Joyia	Sargodha Bhakar Road,Khushab.	Khushab
1221	Al khalil PS	Mauza Saukan Vina Tehsil Pasrur Dist Sialkot	Sialkot
769	MAKKAH P/S	Mouza Muzaffar Pur Junabi The Dist Mian Wali	Mianwali
1285	Sitara 14	On Bedian Road, Tehsil Cant Lahore.	Lahore
1564	Sitara-37	At Mouza Chung Panjgiran Tehsil, Raiwind	Lahore
1614	Haider Filling Station	At Mouza Civil Station, Jhang	Jhang
1716	Sitara-30 (AALI)	Fortabbas-Yazman Road, Bahawalnagar	Bahawalnagar
1803	Sitara-25	At Chak No. 222/Rb	Faisalabad
1831	sitara 35	Rajan Pur Dera Ghazi Road Indus Highway N55 Mouza Fazil Pur City Dist Rajan Pur	Rajanpur
1979	Sitara-31 P/s	Faisalabad Samundari Road, Tehsil Saddar, District Faisalabad	Faisalabad
2019	Allah Ho F/S	Mouza Chiniot No 2 On Pindi Bharrian Chiniot Jhang Road	Chiniot
2023	Sitara Sahiwal	Comprehensive Chol,Madhali Road, Chak No. 89/6-R, Sahiwal	Sahiwal
2072	Sitara-32 P/s	At Chak No. 226/Rb	Faisalabad
2085	Sitara Chiniot-2 (Ex Sitara-33)	At Mouza Kot Muhammad Yar	Chiniot
2086	Sitara-34 P/s	At Chak No. 126 Rb	Faisalabad
2135	Sitara-36 PS (Ex- Al Makkah P/s)	At Mouza Chakbedi, Pakpattan	Pakpattan
2291	Sitara Habibabad	At Mouza Umarabad, Tehsil Pattoki , District Kasur.	Kasur
600	Sitara Sua-e-Asal	Sitara Soi E Hasil ,1Km From Central Park Society Main Ferozpur Road Model Town Lahore	Sua Asal
721	Ghousia Mehria Khuman PS	Mouza Kaki Kona On The. Shorkot Dist Jhang	Shorkot
777	JM Filling Station	Mouza Jhoran Teh Khanpur Dist Rahimyar Khan	Khan Pur
914	Bismillah P/s	Mouza Qadirpur Lar Teh Multan Saddar	Multan
1262	Nasir Petroluem Rajan Pur	Mouza Raqba Nabi Shah Teh Dist Rajan Pur	Rajan Pur
1606	Sitara Mazang	Bahawalpur Road Near Qurtaba Chock Mozang Lahore	Lahore
1853	Sitara Qadirabad	Lahore Gt Road Qadirabad	Qadirabad
1928	Sitara Manawan	Main Grand Trunk Road Manawan Near Educator School	Lahore
1974	CRG Petro-1	Mouza Dehrda On Gujranwala Road Teh District Sheikhu Pura	Sheikhpura
2155	Sitara 36	Sheikhu-Pura Road Near Civic Center Opposite Parasites Pearl Marquee	Faisalabad
2204	Iqra P/s	Mouza Jallapur Khakhi Teh Shujabad District Multan	Shujabad
2219	Sitara Bangla Gogera P/s	Asad Petroleum Basti Petrol Pump Sadar Gogera. District Okara	Bangla Gogera
1263	Sitara Multan	Sitara Multan Kayanpur Chowk Naag Shah Road Multan	Multan
1320	Al Masoom FS	Zila Bahawalnagar Tasli Haron Abad Stop Rafiq Abad	Fortabbas
1459	Sitara Sheikhpura	Sheikhpura Muridke Road Near Police Choki Khair Pur Malian	Sheikhpura
1557	Sitara Bahawalpur	Sitara Bahawalpur Rd 1557 Yazman Road Islamia Colony Near Mcb Bank Bahawalpur	Bahawalpur
2079	Sitara Faisalabad	Bypass Road Khanuana Faisalabad	Faisalabad
2246	Sitara Karwan	Sitara Carvan Near Yateem Khana Chowk Main Multan Road Lahore	Lahore
2275	Sitara KSK	Near M2 Interchange Kala Shah Kako Main Gt Road Gujranwala	Kala Shah Kako
2292	Sitara Mustafaabad	Main Feroz Pur Road,Thathan Dograan Near Madina Steel Mills,Mustafabad.	Lahore
2497	Rahim yar khan FS	Fsd Filling Station Klp Road Haleeb Factory Sheikh Wahan Rahim Yar Khan	Rahim Yar Khan

SITARA PETROLEUM SERVICE LIMITED

		Right of use assets		
6.2	Particulars	Petrol pumps	Vehicles	Total
----- Rupees -----				
Year ended June 30, 2026				
	Opening net book value	138,394,732	1,425,999,700	1,564,394,432
	Additions / transfer	9,735,462	601,719,990	611,455,452
	Surplus on revaluation	-	-	-
	Disposal / transfer / early termination			
	Cost	17,294,476	-	17,294,476
	Accumulated depreciation	(12,729,174)	-	(12,729,174)
		4,565,302	-	4,565,302
	Depreciation charged	(11,914,036)	(193,671,884)	(205,585,920)
	Closing net book value	131,650,856	1,834,047,806	1,965,698,662
As at June 30, 2026				
	Cost	216,269,399	2,079,562,380	2,295,831,779
	Accumulated depreciation	(84,618,543)	(245,514,574)	(330,133,117)
	Net book value	131,650,856	1,834,047,806	1,965,698,662
Year ended June 30, 2025				
	Opening net book value	153,500,224	130,851,974	284,352,198
	Additions / transfer	5,865,535	1,427,160,470	1,433,026,005
	Surplus on revaluation	-	-	-
	Disposal / transfer / early termination			
	Cost	-	118,874,500	118,874,500
	Accumulated depreciation	-	(31,229,939)	(31,229,939)
		-	87,644,561	87,644,561
	Depreciation charged	(20,971,027)	(44,368,183)	(65,339,210)
	Closing net book value	138,394,732	1,425,999,700	1,564,394,432
As at June 30, 2025				
	Cost	223,828,413	1,477,842,390	1,701,670,803
	Accumulated depreciation	(85,433,681)	(51,842,690)	(137,276,371)
	Net book value	138,394,732	1,425,999,700	1,564,394,432
	Annual rate of depreciation (%)	Over the lease term	10%	

- 6.2.1** The right of use assets are acquired under lease agreements. The option to terminate leases by serving a notice of one to four months is available to the Company, however, the Company is reasonably certain not to exercise the same during the lease terms.

6.3	Capital work in progress - Movement	Note	2026 Rupees	2025 Rupees
	Opening Balance		153,820,122	311,773,300
	Addition during the year		2,443,983,218	20,000,000
	Transfer to property, plant and equipment		(1,462,321,741)	(177,953,178)
	Closing Balance		1,135,481,599	153,820,122

SITARA PETROLEUM SERVICE LIMITED

6.3.1 This amount represent capital work in progress related to construction of petrol pumps.

		2026	2025
6.4	Depreciation for the year is allocated as under:	Rupees	Rupees
	Cost of sales - oil & diesel	130,595,314	109,065,994
	Cost of carriage services	326,231,701	167,706,443
	Administrative and general expenses	3,012,068	353,507
		459,839,083	277,125,944

7 INVESTMENT IN ASSOCIATE

Investment in Capital smart motors (private) limited - unlisted	605,000,000	-
Company's Share of loss for the year	(60,205,084)	-
Accumulated provision for the diminution in the value of investment	(38,185,045)	-
Company's share of other comprehensive income for the year	-	-
	506,609,871	-

Investment in 60.5 million ordinary shares of Capital Smart Motors (Private) Limited (an associated company) representing 29.99 % shareholding, which is accounted for using the equity method.

The summarized financial information of the associates, based on the un-audited financial statements for the year ended June 30, 2026, is as follows:

Summarised Statement of Financial Position	2026	2025
	Rupees	Rupees
Non-current assets	231,546,791	193,748,920
Currents assets	2,510,924,912	986,588,268
Non-current liabilities	(659,719,553)	(174,817,580)
Current liabilities	(393,489,491)	(39,597,044)
Net assets	1,689,262,659	965,922,564
Reconciliation of carrying amount of investment		
Company's percentage shareholding in associate	29.99%	-
Company's share in carrying value of net assets as at June 30,	506,609,871	-
Summarised Statement of Comprehensive Income		
Total revenue	1,673,837,310	-
Total comprehensive income/(loss) for the year	(234,143,638)	-
Company's share of total comprehensive income/(loss) for the year	(60,205,084)	-

8 LONG TERM ADVANCES

8.1

Advance against purchase of land	704,000,000	920,000,000
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8.1 The amount includes Rs. 210 million for purchase of land from BSP Food (Private) Limited, Rs. 90 million for the purchase of land in Moza Aza Khel, Rs. 194 million for the purchase of land in Faisalabad and Rs. 200 million for the purchase of land in Doulatpur.

9 STOCK IN TRADE

	2026	2025
	Rupees	Rupees
Petrol	2,487,136,146	1,456,191,774
Diesel	1,828,257,568	2,457,651,751
	4,315,393,714	3,913,843,525

10 TRADE DEBTS

<i>Unsecured</i>		
Trade debts - considered good	7,117,292,529	6,309,208,747
Trade debts - considered doubtful	223,643,919	-
Allowance for expected credit loss	(90,946,718)	-
	7,249,989,730	6,309,208,747
10.1 Movement in allowance for expected credit loss is as follows:		
Opening balance	-	-
Charge/(reversal) during the year	90,946,718	-
Closing balance	90,946,718	-

SITARA PETROLEUM SERVICE LIMITED

	Note	2026 Rupees	2025 Rupees
Not due		7,117,292,533	-
1-30 Days		223,643,919	4,371,270,244
More than 30 days		-	1,937,938,503
		7,340,936,452	6,309,208,747
11 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Considered good			
Advance for investment in related party	11.1	-	210,000,000
Advance to related party	11.2	410,000,000	-
Fabrication for Vehicles	11.3	-	141,300,000
Advances for Vehicles	11.4	-	50,270,000
Accrued interest on advance to related party		13,238,637	-
Security Deposits		1,575,860	-
Due from related party		-	8,674,207
Accrued Income from Gas & Oil Pakistan Limited	11.5	14,466,416	-
Accrued Rent		27,731,070	-
Sales tax refundable		94,473,335	94,473,335
		561,485,318	504,717,542
11.1 Advance for investment in related party			
Opening balance		210,000,000	-
Advance for investment in related party		-	210,000,000
Recognized as investment during the year		(210,000,000)	-
Closing balance		-	210,000,000
11.1.1 This amount is related to advance given to Capital Smart Motors (Private) Limited - a related party for the proposed purchase of its shares.			
11.2 This represents an unsecured advance given to Capital Smart Motors (Private) Limited, an associated company. The advance carries mark-up at the rate of 3 month KIBOR plus 1.5% per annum. The advance has been given in accordance with the provision of section 199 of the Companies Act, 2017.			
11.3 During the year ended June 30, 2025, the Company paid an advance of Rs. 141.3 million to Automobile Corporation of Pakistan (Private) Limited and Auto Expert for the fabrication of vehicles.			
11.4 This amount relates to a downpayment of Rs. 50.27 million made to MCB Bank Limited in respect of the lease arrangement for commercial vehicles			
11.5 The Company has entered into agreements with Gas & Oil Pakistan Limited (GOPL) to operate 7 filling stations operating under ARAMCO retail branding. Under these arrangements, the Company has suspended its direct dealership operations and transferred physical possession and station equipment to GOPL for management.			
The Company is entitled to an 80% share of the net profit or loss derived from the Dealer Margin/Commission after the deduction of all operational expenses, with GOPL retaining the remaining 20%.			
The amount of Rs. 14.47 million is related to share of the Company for the month of June 2026.			
12 INCOME TAX REFUNDS DUE FROM GOVERNMENT			
	Note	2026 Rupees	2025 Rupees
Income tax refundable		1,379,866,155	815,834,933
13 CASH AND BANK BALANCES			
Cash in hand		339,717,987	174,368,047
Cash at banks			
-In current accounts		1,282,840,355	458,868,226
		1,622,558,342	633,236,273

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14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	2026 Rupees	2025 Rupees
350,000,000 Ordinary shares of Rs. 01/- each (30 June 2025: 35,000,000 Ordinary shares of Rs. 10/- each) fully paid in cash	14.1	350,000,000	350,000,000
1,050,000,000 Ordinary shares of Rs. 01/- each (30 June 2025: 105,000,000 Ordinary shares of Rs. 10/- each) fully paid bonus shares	14.1	1,050,000,000	1,050,000,000
279,914,000 Ordinary shares of Rs. 01/- each issued through initial public offering fully paid in cash	14.2	279,914,000	-
	14.3	1,679,914,000	1,400,000,000

14.1 The Company vide members meeting dated 22 October 2025, resolved to split value of shares from Rs. 10/share to Rs. 01/share.

14.2 During the year, the company issued 279,914,000 new ordinary shares of face value or Rs. 01 each through Initial Public Offering.

14.3 The company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.

14.4 The status of utilization of Initial Public Offer (IPO) proceeds are as follows:

Purpose of utilization of IPO proceeds	Allocation Cost	Funds Utilized	%age of utilization
Construction of Oil Storage Terminal	2,704,000,000	50,450,000	2%
Construction of Fuel Pumps	1,642,000,000	617,000,000	38%
Purchase of Oil Tankers	483,000,000	394,000,000	82%
	4,829,000,000	1,061,450,000	

15 SHARE PREMIUM	2026 Rupees	2025 Rupees
Received during the year	4,548,778,158	-
Share issuance cost	(163,479,909)	-
	4,385,298,249	-

15.1 The share premium will be utilized by the company only for the purpose as specified in section 81 of the Companies Act, 2017.

16 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Surplus/(deficit) arising on revaluation	Note	2026 Rupees	2025 Rupees
Freehold land		1,461,614,079	1,461,614,079
Net amount transferred to unappropriated profit on account of:			
Surplus on disposal of land	16.1	(62,733,000)	-
		1,398,881,079	1,461,614,079

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with provision of section 241 of the Companies Act, 2017.

16.1 The amount transferred is due to disposal of land during the year having fair value of Rs. 129 million and cost of Rs. 66.27 million.

17 LONG TERM BORROWINGS

Secured under markup arrangement from banking companies:

National Bank of Pakistan	17.1	699,746,506	1,049,746,506
Bank Al Falah	17.2	252,000,000	252,000,000
Bank Al Habib Limited- Term Finance Facility	17.3	200,520,835	286,458,334
Bank Al Habib Limited- Medium Term Facility	17.4	1,500,000,000	1,500,000,000
Bank Al Habib Limited- Long term Facility II	17.5	590,916,670	844,166,668
Bank Al Habib Limited- Long term Facility III	17.6	702,893,646	1,004,133,778
Bank Al Habib Limited- Long term Facility IV	17.7	387,916,670	609,583,334
Balance carried forward		4,333,994,327	5,546,088,620

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	Note	2026 Rupees	2025 Rupees
Balance brought forward		4,333,994,327	5,546,088,620
Less: Current portion			
Instalments due		(543,892,545)	(356,392,545)
Payable within one year		(2,301,570,178)	(712,785,090)
		(2,845,462,723)	(1,069,177,635)
		1,488,531,604	4,476,910,985

- 17.1** The Company has obtained a funded facility from National Bank of Pakistan amounting to Rs. 1,500 million/- for the purpose of converting existing bank guarantees and inland letters of credit. The facility carries a mark-up at 3-month KIBOR plus 1.50% per annum, which is payable quarterly in arrears, with a prompt payment rebate available as per the terms of the agreement. The repayment of the facility will be made through twenty (20) equal quarterly instalments of Rs. 25 million each during the first year, followed by sixteen (16) quarterly instalments of Rs. 87.50 million each over the subsequent four years. The facility is scheduled to mature on March 31, 2028, and is secured against the mortgage of various properties of the Company, its sponsors, and related parties.
- 17.2** The Company has obtained an Islamic diminishing musharakah facility from Bank Al Falah with an aggregate limit of Rs. 800 million/-. The aggregate facility comprises a Direct facility of Rs. 500 million/-, including a sublimit of Rs. 300 million/- for used vehicles, and a Sale and Lease Back facility of Rs. 300 million/-. During the year, the Company availed Rs. 300 million/- under the Sale and Lease Back component for oil tankers purchased from November 2024 onward through its own sources. The facility carries a profit at 3-month KIBOR plus 1.25% per annum, subject to a minimum floor of 8% and a maximum cap of 35%, with rentals revised quarterly in line with the prevailing KIBOR rate. Repayment of the Rs. 300 million/- availed under the Sale and Lease Back component will be made in twenty-four (24) equal monthly instalments after completion of a grace period of one year. The financing is secured through joint ownership of the financed assets, liens and specific charges over the financed vehicles, charge over current assets, direct debit instructions or post-dated cheques, directors' guarantees, and takaful or insurance. The facility is subject to the agreed financial covenants, including DSCR of not less than 1.0x, debt to EBITDA of not more than 4.0x, gearing of not more than 2.0x, and a current ratio of not less than 1.0x.
- 17.3** The Company has obtained a term finance facility (TF-I) from Bank Al Habib Limited amounting to Rs. 343.75 million/- for the purpose of construction of retail outlets. The facility carries a mark-up based on the 6-month KIBOR, reviewed semi-annually, with payments due half-yearly in arrears. An Assumed Rate of 30% per annum is used for calculation purposes, with adjustments made for any difference between this rate and the actual Base Price. Repayment of the facility will be made through twelve (12) equal quarterly instalments following a 6-month grace period, including the applicable mark-up. The facilities are secured by the Company's Promissory Note for Rs. 907.576 million, a first hypothecation charge on all present and future fixed assets of the nine retail outlets, a personal guarantees amounting to Rs. 1,054.203 million, and an equitable mortgage over a commercial property.
- 17.4** The Company has obtained a medium term facility from Bank Al Habib Limited amounting to Rs. 1,500 million/- to support its permanent working capital requirements. The facility carries a mark-up at 3-month KIBOR plus 0.75% per annum, with an adjustment mechanism in place to account for the difference between the Assumed Rate and the actual Base Price, as defined in the agreement. Repayment of the facility will be made in eight (08) equal quarterly instalments following a 12-month grace period. The facility will mature three years from the date of disbursement. It is secured by the Company's promissory note, a first Pari Passu charge on current assets, and registered personal guarantees of the sponsors and mortgagors for a cumulative amount of Rs. 2.118 billion.
- 17.5** The Company has obtained a long term facility (TF-II) from Bank Al Habib Limited amounting to Rs. 1,013 million/- for the purpose of converting its existing Running Finance I and II facilities. The facility is priced at 3-month KIBOR plus 0.75% per annum, with the rate reset quarterly and payments made quarterly in arrears. An Assumed Rate of 30% per annum is applied for calculation purposes, with subsequent adjustments made to account for the difference between this assumed rate and the actual base price. Repayment will be made through twelve (12) equal quarterly instalments following a 6-month grace period, with the first instalment due in March 2025. The facility will mature 3.5 years from the date of disbursement. It is secured by four promissory notes and collateral as outlined in the principal offer letter, with a total promissory note amount of Rs. 1.610 billion.

- 17.6** The Company has obtained a term finance facility (TF-III) from Bank Al Habib Limited amounting to Rs. 1,205 million/- for the purpose of converting an STF-One Off facility of Rs. 1,205 million/-. The facility carries a mark-up based on the 6-month KIBOR, reviewed semi-annually, with payments due half-yearly in arrears. An Assumed Rate of 30% per annum is used for calculation purposes, with adjustments made for any difference between this rate and the actual Base Price. Repayment of the facility will be made through twelve (12) equal quarterly instalments following a 6-month grace period, including the applicable mark-up. The facility will mature 3.5 years from the date of disbursement and is secured by the Company's promissory note, a first Pari Passu charge on current assets amounting to Rs. 2.000 billion, as well as registered personal guarantees and mortgages from the sponsors, including a residential property and land.
- 17.7** The Company has obtained a term finance facility (TF-IV) amounting to Rs. 700 million/- to support CAPEX related to the expansion of its retail network. The facility is priced at 3-month KIBOR plus 1.15% per annum, with the rate reset quarterly. Payments are to be made quarterly in arrears. An Assumed Rate of 30% per annum is used for calculation purposes, with true-ups made to reflect the actual Base Price. Repayment will be made through twelve (12) equal quarterly instalments after a 6-month grace period, including applicable mark-up. The first instalment is due in March 2025. The facility will mature 3.5 years from the date of disbursement. It is secured by a Pro Note for Rs. 1.113 billion, a personal guarantee of Mr. Bilal Ahmad Ansari for Rs. 1.054 billion, and an equitable mortgage on a commercial property valued at Rs. 691 million.

18 LEASE LIABILITIES	Note	2026 Rupees	2025 Rupees
Lease liabilities against:			
Vehicles	18.1	1,257,692,338	1,217,966,018
Petrol pumps	18.2	158,359,507	166,360,728
		1,416,051,845	1,384,326,746
Less : Current portion			
Vehicles		(572,540,645)	(259,476,814)
Petrol pumps		(16,723,624)	(33,924,237)
		(589,264,269)	(293,401,051)
		826,787,576	1,090,925,695

- 18.1** The principal plus finance cost is payable over the lease period in 24 to 60 monthly instalments. The liabilities represent the total minimum lease payments discounted from 10.18% to 13.21% (2025: 8.67% to 25.08%) per annum being the interest rates implicit in the leases. These leases are secured against title of the leased assets.
- 18.2** Lease liability has been recognized at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rates ranging from 7.95% to 21.13% per annum (2025: 11.19% to 23.97%) per annum.
- 18.3** The future minimum lease payments to which the Company is committed are as under:

	2026 Rupees	2025 Rupees
Future minimum lease payments	1,705,241,311	1,611,863,323
Less: Financial charges allocated to future periods	(289,189,466)	(227,536,577)
	1,416,051,845	1,384,326,746

	Minimum lease payments		Present value of minimum lease payments	
	2026	2025	2026	2025
	-----Rupees-----			
Due within 1 year	734,074,151	413,530,593	589,264,269	298,287,460
Due within 2 to 5 years	848,727,160	1,182,631,718	733,339,145	1,017,432,392
Due later than 5 years	122,440,000	15,701,012	93,448,431	68,606,894
	1,705,241,311	1,611,863,323	1,416,051,845	1,384,326,746

19 STAFF RETIREMENT BENEFIT

The scheme provides terminal benefits to all employees of the Company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2026 using Projected Unit Credit Method.

		2026	2025
	Note	Rupees	Rupees
19.1 Reporting date liability			
Present value of defined benefit obligations	19.2	43,178,036	28,937,524
19.2 Movement in net liability recognized			
Opening balance		28,937,524	24,150,165
Expenses recognized in profit or loss	19.3	8,375,486	7,989,458
Remeasurement adjustments recognized in other comprehensive expense/(income)		5,865,026	(3,202,099)
Closing balance		43,178,036	28,937,524
19.3 Expenses recognized in profit or loss			
Current service cost		4,758,295	4,608,434
Interest cost		3,617,191	3,381,024
		8,375,486	7,989,458

19.4 Principle actuarial assumptions

Most recent actuarial valuation was carried out as on June 30, 2026. The principal actuarial assumptions used in the valuation are given below:

	2026	2025
Discount rate	12.25% per annum	12.50% per annum
Expected rate of Eligible Salary increase in future years	11.25% per annum	11.50% per annum
Average expected remaining working time of employees	11 Years	11 Years

Change in assumptions

	Increase	Decrease
	+100 bps	-100 bps
	Rupees	Rupees

19.5 Sensitivity analysis

Year end sensitivity analysis

2026		
Discount rate	38,930,034	48,353,744
Salary increase rate	48,417,156	38,789,384

Change in assumptions

	Increase	Decrease
	+100 bps	-100 bps
	Rupees	Rupees
2025		
Discount rate	26,090,238	32,418,876
Salary increase rate	32,462,483	25,995,154

The above sensitivity analysis is based on 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 (Projected Unit Credit Method) has been applied as for calculating the liability of gratuity.

19.6 Expected benefit payments for next years

	2026
	Rupees
Less than a year	5,550,101
Between 1-2 years	3,999,189
Between 2-3 years	4,187,445
Between 3-4 years	3,753,393
Between 4-5 years	3,952,000
Between 5-10 years	31,243,394

20 DEFERRED TAX LIABILITY

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Note	2026 Rupees	2025 Rupees (Restated)
20.1 Deferred tax on taxable temporary differences in respect of the following:			
- Accelerated tax depreciation allowance		22,380,574	20,529,782
- Right of use assets		34,114,700	42,036,843
		56,495,274	62,566,625
Deferred tax on deductible temporary differences in respect of the following:			
- Investment in associate		(1,707,561)	-
- Lease liabilities		(24,234,068)	(37,198,244)
- Provision for expected credit loss		(1,236,868)	-
- Staff retirement benefits-gratuity		(407,842)	(777,580)
- Workers' welfare fund		(4,255,440)	(1,571,058)
- Workers' profit participation fund		(9,038,720)	(5,689,552)
		(40,880,499)	(45,236,434)
Deferred tax liability/(asset)		15,614,775	17,330,191
20.2 Deferred tax liability is charged as follows:			
Opening deferred tax liability / (asset)		17,330,191	131,044,069
Deferred tax expense/(income) charged to profit or loss		571,944	(114,962,704)
Deferred tax expense/(income) charged to OCI		(2,287,360)	1,248,826
Closing deferred tax liability / (asset)		15,614,775	17,330,191

Deferred taxation has been provided using rate of taxation applicable to tax year 2027 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the company chargeable under normal tax regime.

	Note	2026 Rupees	2025 Rupees (Restated)
21 TRADE AND OTHER PAYABLES			
Trade payables		855,660,627	769,098,497
Accrued liabilities		25,983,835	15,614,416
Advance from Gas & Oil Pakistan Limited		75,184,863	-
Sales tax payable		16,264,399	12,799,538
Workers' welfare fund	21.1	264,877,692	135,953,842
Workers' profit participation fund	21.2	540,491,608	211,735,790
EOBI Payable		343,200	-
Withholding income tax payable		9,309,888	-
		1,788,116,112	1,145,202,083
21.1 Workers' welfare fund	Note	2026 Rupees	2025 Rupees
Opening balance		135,953,842	77,361,753
Provision for the year		128,923,850	58,592,089
		264,877,692	135,953,842
Payment during the year		-	-
Closing balance		264,877,692	135,953,842
21.2 Workers' profit participation fund			
Opening balance		211,735,790	-
Provision for the year		328,755,818	211,735,790
		540,491,608	211,735,790
Payment during the year		-	-
Closing balance		540,491,608	211,735,790

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		2026 Rupees	2025 Rupees
22 SHORT TERM BORROWING	Note		
Secured - under markup arrangements from banking companies			
Running finances	22.1	341,011,748	1,847,599,948
22.1	The Company has obtained a running musharakah finance facility to meet short-term Shariah-compliant working capital financing requirements with available limit of Rs. 5,000 million. The facility is valid for a period of one year and will expire on November 30, 2026. It carries a target profit rate of 3-month KIBOR plus 0.1% per annum. The profit and loss sharing ratio is set at 0.001% for the Bank and 99.999% for the Customer, with provisional profit payable on a quarterly basis. This is an on-demand facility, with quarterly profit payments due within 15 days after the end of each quarter. It is secured by a lien on original bank guarantees (duly assigned) issued by AA-rated or better banks, including BOP. A margin of 3% or the equivalent of the upcoming profit, (whichever is higher) is held for BOP guarantees, and 5% for guarantees issued by other banks.		
23 ACCRUED MARK-UP	Note	2026 Rupees	2025 Rupees
Accrued mark-up on long term borrowings		130,485,630	142,974,097
Accrued mark-up on short term borrowing		35,415,248	150,165,533
		165,900,878	293,139,630
24 PROVISION FOR TAXATION	Note	2026 Rupees	2025 Rupees
Opening balance		1,129,489,092	259,456,121
Provision for taxation		230,459,185	381,060,271
Provision for levy		910,712,162	747,104,419
		2,270,660,439	1,387,620,811
Adjusted/paid during the year		(1,129,479,362)	(258,131,719)
Closing balance		1,141,181,077	1,129,489,092
25 CONTINGENCIES AND COMMITMENTS			
25.1 Contingencies			
25.1.1	Bank guarantees issued on behalf of the Company in favor of a supplier against supply of oil and diesel		
	(secured against collaterals disclosed in Note 17 & 22)	-	235,000,000
25.2 Commitments			
	There are no commitments as at June 30, 2026 (2025 : Nil)		
26 SALES			
Sales - Oil and diesel		127,373,327,286	116,593,314,364
Carriage services receipts		6,729,800,305	6,156,401,013
Less: Sales tax	26.1	(877,877,082)	(803,008,827)
		5,851,923,223	5,353,392,186
		133,225,250,509	121,946,706,550
26.1	This includes sales tax charged by the following regimes:		
Punjab Revenue Authority		515,993,136	410,125,277
Sindh Revenue Board		250,504,131	273,885,191
Khyber Pakhtunkhwa Revenue Authority		107,004,570	118,332,794
Baluchistan Revenue Authority		4,375,245	665,565
		877,877,082	803,008,827

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		2026	2025
	Note	Rupees	Rupees
27 COST OF SALES			
Cost of sales - oil & diesel	27.1	120,477,669,436	112,412,321,040
Cost of carriage services	27.2	4,702,413,860	4,019,191,579
		125,180,083,296	116,431,512,619
27.1 Cost of sales - oil & diesel			
Salaries, wages & allowances		245,449,972	203,012,739
Cost of oil and diesel	27.1.1	120,021,567,797	112,024,182,423
Depreciation	6.4	130,595,314	109,065,994
Electricity, fuel and power		40,329,305	62,605,848
Others		39,727,048	13,454,036
		120,477,669,436	112,412,321,040
27.1.1 Cost of oil and diesel			
Opening stock		3,913,843,525	1,891,807,761
Purchases including purchase expenses - net of discount		120,423,117,986	114,056,182,467
Closing stock		(4,315,393,714)	(3,913,843,525)
		120,021,567,797	112,034,146,703
27.2 Cost of carriage services			
Salaries, wages & allowances		323,515,838	284,295,296
Vehicle running and maintenance		3,972,398,155	3,497,968,875
Depreciation	6.4	326,231,701	167,706,443
Toll tax		80,268,166	69,220,965
		4,702,413,860	4,019,191,579
28 OTHER INCOME			
Gain on disposal of vehicles		-	4,382,801
Gain on early lease termination		2,725,982	-
Gain on disposal of freehold land		6,000,000	-
Profits from ARAMCO retail outlets	28.1	119,097,707	-
Profits from ARAMCO Stop Shops		16,789,019	-
Interest income from related party		13,238,637	-
Rental income from Gas & Oil Pakistan Limited		27,731,070	41,953,926
		185,582,415	46,336,727
28.1	This represents the net profit share recognized from operations managed under the ARAMCO retail brand framework. The aforementioned operational profit is derived from the volumetric retail distribution of petroleum products through designated ARAMCO retail outlets as follows:		
	Note	2026	2025
		Liters	Liters
Petrol (MS)		34,593,902	-
Diesel (HSD)		5,511,672	-
		40,105,574	-
29 ADMINISTRATIVE AND GENERAL EXPENSES	Note	2026	2025
		Rupees	Rupees
Salaries and benefits	29.1	120,551,735	86,124,040
Directors' remuneration		18,500,000	15,500,000
Legal and professional		96,120,944	43,964,830
Staff gratuity expense		8,375,486	-
Utilities		5,562,508	7,772,856
Telephone		5,218,515	2,980,786
Fuel and power		649,688	-
Vehicles running and maintenance		5,604,755	4,399,288
Printing and stationery		3,479,722	1,328,625
Entertainment		5,730,563	1,241,965
Repairs and maintenance		6,770,988	873,046
Traveling and conveyance		3,916,932	431,888
Balance carried forward		280,481,836	164,617,324

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	Note	2026 Rupees	2025 Rupees
<i>Balance brought forward</i>		280,481,836	164,617,324
Insurance		3,788,295	-
Rent and rates		8,339,209	-
Charity and donations	29.2	133,035,444	-
Postage and courier		438,404	228,083
Fee and subscriptions		12,379,657	131,980
Depreciation	6.4	3,012,068	353,507
Allowance for expected credit loss - trade debts	10.1	90,946,718	-
Auditor's remuneration	29.3	5,342,746	3,795,000
Others		8,011,367	2,019,093
		<u>545,775,744</u>	<u>171,144,987</u>

29.1 This includes Rs. 8.37 million (2025: Rs. 7.99 million) on account of provision for gratuity.

29.2 Donation to following organizations exceed 10% of the company's total amount of donation or one million, whichever is higher:

	2026 Rupees	2025 Rupees
Qasim Ali Shah Foundation	9,000,000	-
Punjab Police Welfare Fund	120,000,000	-
	<u>129,000,000</u>	<u>-</u>

29.3 Auditor's remuneration

Statutory audit fee	3,758,400	3,465,000
Half yearly review fee	747,774	-
CCG review fee	162,000	-
Other certifications fee	311,572	-
Out of pocket expenses	363,000	330,000
	<u>5,342,746</u>	<u>3,795,000</u>

30 FINANCE COST

Mark up on:

Long term borrowings	612,835,511	790,332,693
Lease liabilities	201,036,856	51,341,930
Short term borrowing	193,032,970	307,996,070
Bank charges and commission	4,562,065	5,999,173
	<u>1,011,467,402</u>	<u>1,155,669,866</u>

31 OTHER EXPENSES

Workers' Welfare Fund	128,923,850	58,592,089
Workers' profit participation fund	328,755,818	211,735,790
	<u>457,679,668</u>	<u>270,327,879</u>

32 LEVY

Final tax on revenue	910,712,162	747,104,419
----------------------	-------------	-------------

This represents final taxes paid under section 156A of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

	Note	2026 Rupees	2025 Rupees (Restated)
33 TAXATION			
Current			
For the year		224,860,123	379,965,020
Prior year		5,599,062	1,095,251
		<u>230,459,185</u>	<u>381,060,271</u>
Deferred tax expense/(income)		571,944	(114,962,704)
		<u>231,031,129</u>	<u>266,097,567</u>

33.1 Income Tax Return has been filed to the Income Tax Authorities up to and including Tax Year 2025 under the provisions of Income Tax Ordinance, 2001 and assessments for the tax years up to 2025 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filed by the Company.

33.2 The reconciliation of accounting profit and tax expense

	2026 Rupees	2025 Rupees (Restated)
Profit before income tax and levy	6,117,436,685	3,964,387,926
Tax at the applicable rate	1,774,056,639	1,149,672,499
Tax effect of:		
- amounts not deductible for tax purposes	168,995,728	123,229,407
- amounts deductible for tax purposes	(208,789,012)	(77,359,921)
- income subject to final tax regime	(1,555,607,367)	(913,003,893)
Adjustments for current tax of prior years and super tax	51,803,197	98,522,179
Deferred tax	571,944	(114,962,704)
	231,031,129	266,097,567

34 EARNINGS PER SHARE - BASIC AND DILUTED

		2026	2025 (Restated)
Profit attributable to ordinary shareholders	Rupees	4,975,693,394	2,951,185,940
Weighted average number of ordinary shares outstanding during the year	Number	1,439,111,271	1,400,000,000
Earnings per share - basic and diluted	Rupees	3.46	2.11

34.1 There is no dilutive effect on basic earnings per share of the Company.

35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated undertaking and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship
Capital Smart Motors (Private) Limited	Associate	29.99% Shareholding
Zaheer Baig	Key management personal	Chief Executive Officer
Fareed Ahmad Agha	Key management personal	Director
Zain Liaqat	Key management personal	Director
Rafat Sultana	Key management personal	Director
Muhammad Afzal Chaudary	Key management personal	Director
Muhammad Usman Javed	Key management personal	Director
Muhammad Ali	Key management personal	Director

The Company in the normal course of business carries out transactions with various related parties which comprise of Chief Executive, Directors and Associate Company. Details of transactions with related parties during the year, other than those disclosed in relevant notes to these financial statements are as follows:

Name of the related party	Nature of Relationship	Nature of the transaction	2026 Rupees	2025 Rupees
Capital Smart Motors (Private) Limited	Associate	Investment in associate	605,000,000	-
		Advance against working capital	410,000,000	-
		Interest receivable on advance	13,238,637	-
Mr. Tahir Iqbal	Former Director / CEO	Loan repaid by Mr. Tahir during the year	-	200,000,000

SITARA PETROLEUM SERVICE LIMITED

36 NUMBER OF EMPLOYEES

Number of employees at year end

Average number of employees during the year

2026 Number	2025 Number
155	120
142	117

37 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief executive officer		Directors		Executives	
	2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees
Managerial remuneration	14,000,000	3,500,000	4,500,000	12,000,000	77,485,618	26,020,839
Mobile bills allowance	-	-	-	-	-	265,336
Medical allowance	-	-	-	-	24,660	-
	14,000,000	3,500,000	4,500,000	12,000,000	77,510,278	26,286,175
Number of persons	1	1	4	4	31	12

37.1 An Executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under oversight of the Board of Directors in line with the policies approved by the Board.

38.1 Financial instruments by category

Note

Financial assets at amortized cost:

Trade debts

Advances, deposits and other receivables

Cash and bank balances

2026 Rupees	2025 Rupees
7,249,989,730	6,309,208,747
467,011,983	8,674,207
1,622,558,342	633,236,273
9,339,560,055	6,951,119,227
Financial liabilities at amortized cost:	
4,333,994,327	5,546,088,620
1,416,051,845	1,384,326,746
881,644,462	784,712,913
341,011,748	1,847,599,948
165,900,878	293,139,630
7,138,603,260	9,855,867,857

Financial liabilities at amortized cost:

Long term borrowings

Lease liabilities

Trade and other payables

Short term borrowing

Accrued mark-up

38.2 Financial instruments and related disclosures

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risk measured and managed by the Company are explained below:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

38.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

Financial assets

Trade debts

Advances, deposits and other receivables

Bank balances

2026 Rupees	2025 Rupees
7,249,989,730	6,309,208,747
467,011,983	8,674,207
1,282,840,355	458,868,226
8,999,842,068	6,776,751,180

SITARA PETROLEUM SERVICE LIMITED

Due to Company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect any non performance by these counter parties on their obligations to the Company.

For trade debts, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. The Company's most significant customers are general public and Gas & Oil Pakistan Limited. There are no past due balances at the year end as the balances due from parties at the end of the year are within the sanctioned credit limits. The credit risk exposure is limited in respect of bank balances as these are placed with the banks having good credit rating.

38.2.2 Aging analysis

	2026 Rupees	2025 Rupees
Trade debts		
Not due	7,117,292,533	-
0-30 Days	223,643,919	4,371,270,244
More than 30 days	-	1,937,938,503
	<u>7,340,936,452</u>	<u>6,309,208,747</u>

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

Bank	Agency	Rating	
		Short term	Long term
MCB Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Bank of Punjab	PACRA	A1+	AA+
JS bank	PACRA	A1+	AA
Askari Bank Limited	PACRA	A1+	AA+
National Bank of Pakistan	JCR-VIS	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
Habib Bank Limited	JCR-VIS	A1+	AA+
Bank of Khyber	JCR-VIS	A1+	AA-
Meezan Bank Limited	JCR-VIS	A1+	AAA

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. Geographically, there is no concentration of credit risk.

38.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of statement of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments.

	Carrying Amount	Contractual Cash Flows	Within one year	More than one year
	-----Rupees-----			
2026				
Financial Liabilities				
Long term borrowings	4,333,994,327	5,152,170,253	3,519,234,585	1,632,935,668
Lease liabilities	1,416,051,845	1,705,241,311	728,307,212	976,934,099
Trade and other payables	881,644,462	881,644,462	881,644,462	-
Short term borrowing	341,011,748	381,558,045	381,558,045	-
Accrued markup	165,900,878	165,900,878	-	-
	<u>7,138,603,260</u>	<u>8,286,514,949</u>	<u>5,510,744,304</u>	<u>2,609,869,767</u>

SITARA PETROLEUM SERVICE LIMITED

Carrying Amount	Contractual Cash Flows	Within one year	More than one year
-----Rupees-----			

2025

Financial Liabilities

Long term borrowings	5,546,088,620	7,542,359,591	2,603,665,215	4,938,694,376
Lease liabilities	1,384,326,746	1,470,554,143	413,530,593	1,057,023,550
Trade and other payables	784,712,913	784,712,913	784,712,913	-
Short term borrowing	1,847,599,948	2,060,997,742	2,060,997,742	-
Accrued markup	293,139,630	293,139,630	-	-
	<u>9,855,867,857</u>	<u>12,151,764,019</u>	<u>5,862,906,463</u>	<u>5,995,717,926</u>

38.2.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

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

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Fixed rate instruments

There are no fixed rate instruments.

Variable rate instruments

Financial assets

Advance to related party	410,000,000	-
	<u>410,000,000</u>	<u>-</u>

Financial liabilities

Long term borrowings	4,333,994,327	5,546,088,620
Lease liabilities	1,416,051,845	1,384,326,746
Short term borrowing	341,011,748	1,847,599,948
	<u>6,091,057,920</u>	<u>8,778,015,314</u>

Net financial asset / liability	<u>5,681,057,920</u>	<u>8,778,015,314</u>
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Sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) profit for the year by amount shown below:

	2026 (Rupees)	2025 (Rupees)
1% increase in interest rates	(56,810,579)	(87,780,153)
1% decrease in interest rates	<u>56,810,579</u>	<u>87,780,153</u>

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is not exposed to currency risk.

iii) **Equity price risk**

Trading and investing in equity securities give rise to equity price risk. The Company is not exposed to any equity price risk.

38.3 Fair values of financial instruments

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

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.

Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of the financial instruments and non-financial assets and liabilities:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities to be reported in level 1, 2 or 3.

Assets and liabilities other than financial instruments:

		2026			
		Level 1	Level 2	Level 3	Total
		Rupees			
Non-financial asset measured at fair value					
Property, plant & equipment	-	3,561,706,448	-	3,561,706,448	
	-	3,561,706,448	-	3,561,706,448	
		2025			
		Level 1	Level 2	Level 3	Total
		Rupees			
Non-financial asset measured at fair value					
Property, plant & equipment	-	2,615,107,935	-	2,615,107,935	
	-	2,615,107,935	-	2,615,107,935	

The fair value of land was determined by an independent valuer M/S MYK Associates (Private) Limited during the year ended June 30, 2024, on the basis of market comparable approach that reflects recent transaction prices for similar properties. Value was determined under Fair Value Hierarchy - Level 2.

39 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may obtain / repay long term financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt comprises of long term financing, lease liabilities and short term borrowings as shown in the statement of financial position. Total equity comprises of shareholders' equity as shown in the statement of financial position under 'share capital and reserve'.

SITARA PETROLEUM SERVICE LIMITED

	Note	2026 Rupees	2025 Rupees
Debt	17, 18, & 22	6,091,057,920	8,778,015,314
Less: Cash and cash equivalents	13	(1,622,558,342)	(633,236,273)
Net Debt		4,468,499,578	8,144,779,041
Total equity		18,001,133,824	8,363,805,847
Total capital		22,469,633,402	16,508,584,888
Gearing ratio		19.89%	49.34%

40 STANDARD CAPACITY AND ACTUAL PRODUCTION

Considering the nature of the Company's business, the information regarding capacity has no relevance.

41 SEGMENT REPORTING

	Oil and Diesel		Carraige services		Total	
	2026	2025	2026	2025	2026	2025
	----- Rupees -----					
Sales:						
Total	127,373,327,286	116,593,314,364	5,851,923,223	5,353,392,186	133,225,250,509	121,946,706,550
Intersegment	-	-	-	-	-	-
	127,373,327,286	116,593,314,364	5,851,923,223	5,353,392,186	133,225,250,509	121,946,706,550
Cost of Sales	120,477,669,436	112,412,321,040	4,702,413,860	4,019,191,579	125,180,083,296	116,431,512,619
Gross profit / (loss)	6,895,657,850	4,180,993,324	1,149,509,363	1,334,200,607	8,045,167,213	5,515,193,931
Profit / (loss) before unallocated	6,895,657,850	4,180,993,324	1,149,509,363	1,334,200,607	8,045,167,213	5,515,193,931

Unallocated income and expenses

	Total	
	2026	2025
Other income	185,582,415	46,336,727
Administrative and general expenses	(545,775,744)	(171,144,987)
Finance cost	(1,011,467,402)	(1,155,669,866)
Other expenses	(457,679,668)	(270,327,879)
Share of loss from associate	(98,390,129)	-
Profit before levy and taxation	6,117,436,685	3,964,387,926
Levy	(910,712,162)	(747,104,419)
Profit before taxation	5,206,724,523	3,217,283,507
Taxation	(231,031,129)	(266,097,567)
Profit after tax for the year	4,975,693,394	2,951,185,940
Other comprehensive income:		
Remeasurement (loss) / gain of defined benefit obligation	(3,577,666)	1,953,273
Total comprehensive profit for the year	4,972,115,728	2,953,139,213

Reconciliation of reportable segment assets and liabilities

	Oil and Diesel		Carraige services		Total	
	2026	2025	2026	2025	2026	2025
	----- Rupees -----					
Assets						
Owned assets	6,016,138,673	3,725,899,697	-	-	6,016,138,673	3,725,899,697
Right of use assets	131,650,856	138,394,732	3,595,882,834	2,637,782,545	3,727,533,690	2,776,177,277
Civil works	1,135,481,599	153,820,122	-	-	1,135,481,599	153,820,122
	7,283,271,128	4,018,114,551	3,595,882,834	2,637,782,545	10,879,153,962	6,655,897,096

Unallocated assets:

	Total	
	2026	2025
Furniture & Fixtures	10,496,048	1,776,511
Office Equipment	6,559,310	1,405,054
Computer and IT equipment	10,070,172	-
Long term advances	704,000,000	920,000,000
Investment in associate	506,609,871	-
Cash and bank balances	1,622,558,342	633,236,273
Other corporate assets	13,506,734,917	11,543,604,747
Total assets as per statement of financial position	27,246,182,622	19,755,919,681
Unallocated liabilities:		
Provision for taxation	1,141,181,077	1,129,489,092
Other corporate liabilities	8,103,867,721	10,262,624,742
Total liabilities as per statement of financial position	9,245,048,798	11,392,113,834

42 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

		2026 Rupees	2025 Rupees
Statement of Financial Position - Liability Side			
Financing - Obtained as per Islamic mode			
Long term borrowings	17.2	252,000,000	252,000,000
Short term borrowing	22	341,011,748	1,847,599,948
Lease financing		214,285,720	-
Interest or mark-up accrued on any Islamic financing		64,768,196	150,165,533
Interest or mark-up accrued on any conventional loan		130,485,630	142,974,097
Statement of Financial Position - Asset Side			
Investments (Long-term and short-term) - Shariah compliant		-	-
Shariah-compliant bank deposits, bank balances, and TDRs		-	-
Non-shariah compliant bank deposits, bank balances		1,282,840,355	458,868,226
Statement of Profit or Loss			
Revenue earned from Shariah-compliant business segment		133,225,250,509	121,946,706,550
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments		-	-
Share of loss from shariah-compliant associate		-	-
Profit earned from Shariah-compliant bank deposits, bank balances		-	-
Exchange gain on actual currency		-	-
Profit paid on Islamic mode of financing		223,369,581	157,830,537
Total Interest earned on conventional loan		-	-
Sources and detailed breakup of other income			
Shariah complaint income:		-	-
Gain on disposal of vehicles		-	4,382,801
Gain on early lease termination		2,725,982	-
Gain on disposal of freehold land		6,000,000	-
Profits from ARAMCO retail outlets		119,097,707	-
Profits from ARAMCO Stop Shops		16,789,019	-
Rental income from Gas & Oil Pakistan Limited		27,731,070	41,953,926
		172,343,778	46,336,727
Non - shariah compliant:			
Interest income from related party		13,238,637	-
	28	185,582,415	46,336,727

42.1 Relationship with Shariah-compliant financial institutions:

Name	Relationship
Bank of Punjab - Islamic	Funded Facility
Bank Al-Falah - Islamic	Funded Facility

43 RECLASSIFICATION

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. The following major re-arrangements / reclassifications have been made in these financial statements:

Nature	From	To	Amount (Rs.)
Advance against land	Advances, deposits and other receivables (Statement of cash flows - Cash flows from operating activities)	Advances against purchase of land (Statement of cash flows - Cash flows from investing activities)	920,000,000
Advance for purchase of shares - CSM	Advances, deposits and other receivables (Statement of cash flows - Cash flows from operating activities)	Advances against purchase of land (Statement of cash flows - Cash flows from investing activities)	210,000,000

SITARA PETROLEUM SERVICE LIMITED

Nature	From	To	Amount (Rs.)
Advance against land	Advances, deposits and other receivables (Note No. 11)	Long term advances (non-current assets Note No. 08)	920,000,000
Advance income tax	Advances, deposits and other receivables (Note No. 11)	Income tax refunds due from the government (Note No. 12)	792,029,389

44 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

45 SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 22, 2026 proposed a final cash dividend of Rs. 01(i.e 100%) per share for the year ended June 30, 2026 subject to the approval of the members at the forth coming annual general meeting to be held on October 27, 2026.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 22, 2026 by the Board of Directors of the Company.

47 GENERAL

Figures have been rounded off to the nearest Rupees.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



OTHER INFORMATION

SITARA PETROLEUM SERVICE LIMITED

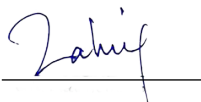
PAY GAP STATEMENT UNDER

CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2026:

(i) Mean Gender Pay Gap:	-54.06%
(ii) Median Gender Pay Gap:	-239.52%

For and on behalf of Board of Directors


CEO

SITARA PETROLEUM SERVICE LIMITED

PATTERN OF SHAREHOLDING REPORT

AS OF JUNE 30, 2026

<u>S.No.</u>	<u>Folio #</u>	<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Per %</u>
<u>Directors and their spouse(s) and minor children</u>				
1	03277-213500	ZAHEER BAIG	60	0.00
2	03277-213507	FAREED AHMAD AGHA	10	0.00
3	03277-214570	ZAIN LIAQAT	40	0.00
4	03277-214589	MUHAMMAD USMAN JAVED	209,404,970	12.47
5	03277-214591	MUHAMMAD ALI	209,405,020	12.47
6	03277-214880	RAFAT SULTANA	10	0.00
7	03525-130754	MUHAMMAD AFZAL CHAUDHRY	10	0.00
7			418,810,120	24.93

Associated companies, undertakings and related parties

1	06452-198391	ABDUR REHMAN FAROOQ BUTT	34,496	0.00
1			34,496	0.00

NIT & ICP

0	-	-
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Banks Development Financial Institutions, Non Banking Financial Institutions.

0	-	-
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Insurance Companies

1		11,500,000	0.68
	1	11,500,000	0.68

Modarabas and Mutual Funds

23	26,788,412	1.59
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General Public Foreign

1192	7,578,374	0.45
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Foreign Companies

1	3,100,000	0.18
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Others

77	32,691,036	1.95
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General Public Local

# Of Shareholders	Shareholding's Slab			Total Shares Held
3009	1	to	100	125,913
7281	101	to	500	3,059,429
6347	501	to	1000	5,805,835
8616	1001	to	5000	21,471,299
1780	5001	to	10000	14,013,935
707	10001	to	15000	8,993,774
442	15001	to	20000	8,153,045
454	20001	to	25000	10,373,122
186	25001	to	30000	5,250,490
115	30001	to	35000	3,771,691
93	35001	to	40000	3,579,340
65	40001	to	45000	2,765,997
144	45001	to	50000	7,063,394
62	50001	to	55000	3,265,120
35	55001	to	60000	2,043,635
39	60001	to	65000	2,449,321
32	65001	to	70000	2,194,253
32	70001	to	75000	2,334,283
19	75001	to	80000	1,491,236
14	80001	to	85000	1,143,368
17	85001	to	90000	1,494,321
11	90001	to	95000	1,016,901
63	95001	to	100000	6,271,113
13	100001	to	105000	1,335,722
15	105001	to	110000	1,627,212
5	110001	to	115000	567,408
5	115001	to	120000	587,051
11	120001	to	125000	1,361,807
5	125001	to	130000	639,650
6	130001	to	135000	799,911
5	135001	to	140000	694,194
8	140001	to	145000	1,140,615
15	145001	to	150000	2,247,500
3	150001	to	155000	456,466
5	155001	to	160000	798,000
4	160001	to	165000	647,613
6	165001	to	170000	1,016,015
2	170001	to	175000	342,005
1	175001	to	180000	180,000
3	180001	to	185000	550,611
2	185001	to	190000	379,000
2	190001	to	195000	385,475
14	195001	to	200000	2,800,000

# Of Shareholders	Shareholding's Slab			Total Shares Held
4	200001	to	205000	811,554
3	205001	to	210000	624,500
4	210001	to	215000	849,229
3	215001	to	220000	658,409
4	220001	to	225000	897,162
4	225001	to	230000	910,276
1	230001	to	235000	235,000
2	235001	to	240000	480,000
1	240001	to	245000	243,900
5	245001	to	250000	1,247,470
1	255001	to	260000	260,000
1	260001	to	265000	261,013
3	265001	to	270000	807,000
3	275001	to	280000	837,301
1	280001	to	285000	285,000
1	290001	to	295000	292,262
5	295001	to	300000	1,500,000
1	305001	to	310000	309,736
1	310001	to	315000	314,000
2	315001	to	320000	637,000
3	320001	to	325000	973,845
2	330001	to	335000	668,000
1	345001	to	350000	350,000
1	370001	to	375000	374,000
1	375001	to	380000	380,000
1	380001	to	385000	385,000
1	385001	to	390000	389,025
1	395001	to	400000	400,000
2	410001	to	415000	829,262
1	415001	to	420000	418,000
1	420001	to	425000	422,000
1	425001	to	430000	429,536
2	435001	to	440000	874,888
1	445001	to	450000	450,000
1	465001	to	470000	469,279
1	475001	to	480000	476,464
1	485001	to	490000	486,920
5	495001	to	500000	2,500,000
1	535001	to	540000	536,920
1	545001	to	550000	550,000
1	565001	to	570000	566,454
2	605001	to	610000	1,214,977
1	625001	to	630000	626,460
3	635001	to	640000	1,917,935
1	645001	to	650000	650,000
1	660001	to	665000	664,779
1	745001	to	750000	750,000

# Of Shareholders	Shareholding's Slab			Total Shares Held
1	795001	to	800000	800,000
1	815001	to	820000	820,000
1	855001	to	860000	858,600
1	880001	to	885000	885,000
1	895001	to	900000	900,000
1	900001	to	905000	903,980
1	985001	to	990000	988,500
7	995001	to	1000000	7,000,000
1	1065001	to	1070000	1,065,707
1	1085001	to	1090000	1,089,047
1	1215001	to	1220000	1,218,343
1	1245001	to	1250000	1,250,000
1	1345001	to	1350000	1,347,000
1	1355001	to	1360000	1,358,024
1	1615001	to	1620000	1,618,143
1	1875001	to	1880000	1,879,219
1	1995001	to	2000000	2,000,000
1	2145001	to	2150000	2,150,000
1	2440001	to	2445000	2,443,000
6	2555001	to	2560000	15,343,452
1	3095001	to	3100000	3,100,000
1	3100001	to	3105000	3,102,347
1	3435001	to	3440000	3,440,000
1	3740001	to	3745000	3,744,000
1	3865001	to	3870000	3,867,000
1	3995001	to	4000000	4,000,000
1	6745001	to	6750000	6,750,000
1	8715001	to	8720000	8,720,000
1	8735001	to	8740000	8,740,000
1	11345001	to	11350000	11,346,000
1	11375001	to	11380000	11,377,900
1	11495001	to	11500000	11,500,000
1	11665001	to	11670000	11,670,000
1	12555001	to	12560000	12,557,242
1	14655001	to	14660000	14,660,000
1	17915001	to	17920000	17,920,000
1	21425001	to	21430000	21,430,000
1	23225001	to	23230000	23,230,000
1	28505001	to	28510000	28,510,000
5	209400001	to	209405000	1,047,024,850
1	209405001	to	209410000	209,405,020
29838				1,679,914,000

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES REGULATIONS 2019 (CODE OF CORPORATE GOVERNANCE)

SITARA PETROLEUM SERVICE LIMITED

Year ended: June 30, 2026

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

1. The total number of directors are 7 as per the following.

a) Male: 6

b) Female: 1

2. The composition of the Board is as follows:

Independent directors:	Mr. Fareed Agha Mr. Muhammad Afzal Chaudhary Ms. Rafat Sultana
Non-Executive directors:	Mr. Muhammad Ali Mr. Usman Javed
Executive directors:	Mr. Zaheer Baig Mr. Zain Liaquat

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 the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

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

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

9. The following Directors were certified under the SECP approved Directors' Training Programs as at June 30, 2026:

- Mr. Muhammad Afzal Chaudhary
- Ms. Rafat Sultana
- Mr. Zaheer Baig

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising members given below.

a) Audit Committee

Sr. No.	Name	Status
1.	Mr. Muhammad Afzal Chaudhary	Chairman
2.	Mr. Fareed Agha	Member
3.	Mr. Usman Javed	Member

b) HR and Remuneration Committee

Sr. No.	Name	Status
1.	Mr. Zaheer Baig	Chairman
2.	Ms. Rafat Sultana	Member
3.	Mr. Usman Javed	Member

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

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

- | | | |
|----|-------------------------------|--------------------------------|
| a) | Audit Committee | quarterly/as and when required |
| b) | HR and Remuneration Committee | annually/as and when required |

* The Company was listed on PSX in the last quarter of the year. Hence, only one meeting of audit committee was held in last quarter.

15. The board has set up an effective internal audit function to who are considered suitably qualifies and experienced for the purpose and are conversant with the policies and procedures of the company;

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

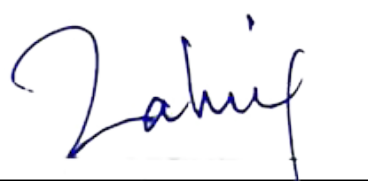
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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

19. Explanation for non-compliance with non-mandatory requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Non-Mandatory Requirement	Reg. Ref.	Explanation
1.	The board may establish a dedicated sustainability committee having at least one female director.	10A(5)	The Company has approved its Sustainability Framework and is currently developing the Sustainability Manual and Roadmap. As part of this process, the Company will establish its Sustainability Committee in accordance with the requirements of the Code (Listed Companies (Code of Corporate Governance) Regulations, 2019).
2.	It is encouraged that by June 30, 2022, all the directors on Boards shall have acquired the prescribed certification under any director training program.	19(1)	The Company acknowledges and remains committed to complying with the applicable requirements relating to Directors' Training Program (DTP) certification. Three (03) directors obtained the required certification prior to June 30, 2026, while two (02) additional directors obtained their certification in September 2026. The remaining two (02) directors are enrolled in an SECP-approved DTP scheduled to be conducted in November 2026 and are expected to obtain the requisite certification during the ensuing year, in accordance with the applicable regulatory requirements.
3.	The same person shall not simultaneously hold office of chief financial officer and the company secretary.	24	The Company has recently been listed on the Pakistan Stock Exchange and is currently in the process of strengthening its organizational resources. Due to resource and time constraints following the listing, the Company has temporarily assigned the responsibilities of Company Secretary to the CFO. The Company intends to appoint a separate Company Secretary as its resources and operational requirements evolve.

4.	The chairman of the Human Resource and Remuneration Committee shall be an independent director.	28(2)	Mr. Zaheer Baig, an executive director, has been appointed as Chairman of the Committee due to his extensive experience and expertise in human resource management, which is considered relevant to the Committee's functions. The Committee also includes an Independent Director, thereby providing independent oversight and perspective in its deliberations.
5.	The Board may constitute a separate committee, designated as the nomination committee.	29(1)	The responsibilities as prescribed for the Nomination Committee are being taken care of at Board level as and when needed, so a separate committee is not considered to be necessary at present.
6.	The Board may constitute the risk management committee.	30(1)	The responsibilities as prescribed for the Risk Committee are being taken care by the Board in Board Audit Committee as and when needed, so a separate committee is not considered to be necessary at present.


 Chief Executive Officer


 Chairman

Dated: September 22, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SITARA PETROLEUM SERVICE LIMITED REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Sitara Petroleum Service Limited for the year ended June 30, 2026, in accordance with the requirements of Regulation No. 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 Regulations as applicable to the Company for the year ended June 30, 2026.

Ilyas Saeed & Co. is a partnership firm registered in Pakistan and an independent member of MGI Worldwide,
a network of independent accounting, auditing, tax and consulting firms worldwide.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1.	19	The Board has not set up a dedicated sustainability committee.
2.	19	The Board have not completed directors' training program certification expect three directors.
3.	19	The same person simultaneously holds office of chief financial officer and the company secretary.
4.	19	The chairman of the Human Resource and Remuneration Committee is not an independent director.
5.	19	The Board has not set up a nomination committee.
6.	19	The Board has not set up a risk management committee.



Ilyas Saeed & Co.
Chartered Accountants
Lahore

Dated: September 22, 2026
UDIN: CR202610278YhVAFkB7X

The background of the page is a dark blue gradient. Overlaid on this are the silhouettes of several people sitting at a long table, facing each other in a meeting. The silhouettes are dark and semi-transparent, allowing the blue background to show through. The text 'ANNUAL GENERAL MEETING' is centered in the middle of the page in a large, white, sans-serif font.

ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Annual General Meeting (“AGM”)** of **Sitara Petroleum Service Limited** (the “Company”) will be held on **Tuesday, October 27, 2026 at 9:00 am at Royal Palm Golf & Country Club, Lahore**, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of **Sitara Petroleum Service Limited** (the ‘Company’) for the year ended **June 30, 2026**, together with the Directors’ and Auditors’ Reports thereon and Chairman’s Review Report.
2. To approve the final cash dividend of **Rs. 1.00 per share i.e. 100%** as recommended by the Board of Directors for the year ended June 30, 2026.
3. To appoint Auditors and fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of retiring auditors **M/s. Ilyas Saeed & Co.** for re-appointment as auditors of the Company.

By Order of the Board

Lahore
October 5, 2026

Abdur Rehman Farooq Butt
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from **October 20, 2026 to October 27, 2026** (both days inclusive). Transfers received in order by our Shares Registrar, **M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e Faisal, Karachi**, by the close of business on **October 19th, 2026** will be considered in time for the purpose of entitlement of final cash dividend and to attend, speak and vote at the AGM.
2. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote in place of him / her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than **48 hours before the time of meeting**. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.

3. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000.

4. The members can also participate in the AGM through video link facility.

To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an e-mail at ir@sitarapetroleum.com.

Folio / CDC Account No.	No. of shares held	Name	CNIC No	Cell No	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address, by or before the close of business hours (**5:00 p.m.**) on **October 25, 2026**.

5. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to submit Electronic Credit Mandate directly to the shareholder’s Broker/Participant/CDC Account Services.

6. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted as per applicable law. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, **M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi**, of the Company by the first day of book closure.

According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the “Filer/ Non-Filer” status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, **M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi**, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

7. In accordance with Section 223(6) of the Companies Act, 2017 and **S.R.O. 452(I)/2025 dated March 17, 2025**, the Annual Report, comprising Audited Financial Statements, Notice of Annual General Meeting and other related materials, has been sent electronically to those members whose email addresses are available with the Company, and hard copy to the remaining members. The Financial Statements of the Company for the year ended June 30,

2026 along with the related reports have also been placed on the Company's website and may be accessed through the below link/QR Code.

<https://sitarapetroleum.com/investor-relations/>



8. In terms of SRO 452 (I)/2025 dated March 17, 2025, issued by SECP, no gifts will be distributed at the meeting.

9. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980 to the Company.

10. For any query / information, the investors may contact the Shares Registrar:

CDC Share Registrar Services Limited

Tel: (92-21) 111-111-500,

E-mail address: info@cdcsrsl.com

and / or the Company

Sitara Petroleum Service Limited

83-A, E/1, Main Boulevard, Gulberg III, Lahore

Phone No.: [111-333-331](tel:111-333-331)

E-mail: ir@sitarapetroleum.com



Sitara Petroleum Service Limited
Making Progress Together

www.sitarapetroleum.com
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Gulberg III, Lahore, Pakistan