



NAVIGATING HEADWINDS WITH FOCUSED VISION

Annual Report 2025

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Since its establishment in 1960, PRL has remained unwavering in its commitment to progress enhancing capacity, embracing innovation, and leveraging technology with purpose to fuel growth in an ever-evolving energy landscape. Over the decades, the Company has earned distinction as one of Pakistan's leading refineries, consistently delivering excellence and building the trust of stakeholders across the energy value chain.

Guided by a clear vision and resilience in the face of industry challenges, PRL is advancing its transformative Refinery Expansion and Upgrade Project (REUP). This landmark initiative will double crude oil processing capacity from 50,000 bpd to 100,000 bpd, transition operations to a Deep Conversion Refinery with minimized HSFO output, and enable the production of eco-friendly EURO V compliant fuels aligned with global standards.

Amid shifting global dynamics and rising national energy needs, PRL's vision remains steadfast to redefine Pakistan's energy future. Through this monumental expansion, the Company is not only addressing the country's growing demand but also embedding sustainability at the core of its operations, setting new benchmarks of responsibility, innovation, and excellence for the industry.

TABLE OF CONTENTS

About the Report	04	Corporate Governance	21	Board Policy Disclosures	34	Financial Statements	101
Company Information	05	Directors' Profiles	22	Pattern of Shareholding	35	Independent Auditors' Report on Audit of Financial Statements	102
Chairman's Review	07	Engagement of Board Members in Business Entities	28	Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	39	Statement of Financial Position	106
Managing Director & CEO's Message	08	Board Committees	29	Independent Auditors' Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019	42	Statement of Profit or Loss and Other Comprehensive Income	107
Vision / Mission	10	Role of the Chairman & CEO	31	Audit and Risk Committee Report	43	Statement of Changes in Equity	108
PRL Values	12	Significant Commitments of the Chairman of the Board	31	Directors' Report	45	Statement of Cash Flows	109
Code of Conduct	12	Other Directorships of Executive Directors	31	Board Composition and Board Sub-Committees	51	Notes to and forming part of the Financial Statements	110
Company Profile	14	Remuneration of Directors	31	Attendance of the Board and Sub-Committees Meetings	52	Directors' Report – Urdu	151
Business Model and Operational Network	14	External Search Consultancy	31	Strategy, Resource Allocation and Risk Management	53	Chairman's Review – Urdu	153
Product Profile and Market Share	14	Security Clearance of Foreign Directors	31	Sustainability Disclosures and Corporate Social Responsibility	60	Notice of Annual General Meeting	154
Group Structure	15	Board Meetings held outside Pakistan	31	IT Governance and Cybersecurity	63	Form of Proxy	
Value Chain Position and Business Connections	15	Decisions taken by the Board and Delegated to Management	31	Stakeholders' Relationship and Engagement	64	Form of Proxy - Urdu	
Corporate History and Milestones	16	Board's view on Diversity	31	Refinery Management and Operations	67		
SWOT Analysis	17	External Oversight of Various Functions	32	Organisational Structure and Reporting Relationships	68		
PESTEL Analysis	18	Safety of Records of PRL	32	Refinery Leadership Team	69		
Seasonality and Business Operations	20	Related Party Transactions	32	Calendar of Major Events	70		
Legislative and Regulatory Framework	20	Governance Practices Exceeding Legal Requirements	32	Future Outlook	81		
Influences on Business Environment	20	Presence of Chairman Board Audit and Risk Committee at AGM	32	Striving for Excellence in Corporate Reporting	83		
Changes in Business Model during the year	20	Enterprise Resource Planning (ERP) System Disclosure	33	Financial Performance and Analysis	85		
Competitive Landscape	20	Date of Authorisation of Financial Statements	33				
		Disclosure of Gender Pay Gap	33				

ABOUT THE REPORT

The Annual Report 2025 covers the period from July 1, 2024, to June 30, 2025, and significant subsequent events till its issuance. This report has been prepared in line with the International Integrated Reporting Framework, the Best Corporate Report (BCR) Evaluation Criteria 2025 of ICAP & ICMAP, and the SECP ESG Disclosure Guidelines. It reflects PRL's continued commitment to transparency, accountability, and alignment with global best practices in corporate reporting, while comprehensively highlighting its operations, values, sustainability priorities, and commitments.

Key Components of Integrated Reporting encompass:

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

The online version of this report is available on PRL's website, accessible through the following link:

<http://www.prl.com.pk/financial-reports/>

COMPANY INFORMATION

Deputy Managing Director (Finance)/CFO

Imran Ahmad Mirza

Company Secretary

Shehrzad Aminullah

Auditors & Tax Advisors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Orr Dignam & Co.

Registrar & Share Registration Office

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

Bankers

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

Registered Office

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



CHAIRMAN'S REVIEW

It is my pleasure to present the 65th Annual Report of Pakistan Refinery Limited ("the Company") for the year ended June 30, 2025 to the shareholders.

As a result of a challenging macroeconomic environment, particularly the decline in global oil prices coupled with slower than expected demand recovery in key markets and global conflicts, the overall refining environment remained challenging and led to significantly depressed refinery margins throughout the financial year. Domestic challenges, like non-existent demand for High-Speed Furnace Oil (HSFO) also put pressure on refineries, and resultantly the Company reported a loss after taxation of Rs. 4.7 billion for the year under review in contrast to a profit after taxation of Rs. 4.1 billion in the previous year.

In the face of these headwinds, the Board remained steadfast in its commitment to safeguard shareholders' interests by implementing a focused and robust operational philosophy which included the strategic selection of the most viable crude and product mix, enabling the Company to achieve its highest ever production of High-Speed Diesel (HSD) at 796,261 M. Tons during the year. However, the local demand for HSFO remained subdued during the year and as a result, the Company was compelled to export HSFO at a loss. The imposition of an exceptionally high Petroleum Levy on local sales of HSFO by the Government in the Finance Act 2025 will further dampen the local demand of HSFO in future.

Your Company remains fully committed to the Refinery Expansion and Upgrade Project (REUP). Significant progress was made during the year with the successful completion of Front-End Engineering Design (FEED) on time in September 2024. The Company maintained its momentum in project execution, as evidenced by the receipt of Engineering, Procurement, and Construction (EPC) bids towards the end of the financial year, following a transparent prequalification and bidding process. Currently, these bids are under evaluation, while parallel efforts are underway with financial advisors and prospective lenders to secure the necessary financing. This will culminate in achieving financial close and awarding the EPC Contract.

Upon its completion, the REUP will double PRL's crude processing capacity from 50,000 to 100,000 barrels per day and significantly reduce furnace oil production while enhancing yields of Euro V compliant High-Speed Diesel (HSD) and Motor Spirit (Gasoline).

Health, Safety, Environment and Quality (HSEQ) continued to remain one of the top priorities of the Company with processes continuously being reviewed, revisited and strengthened, wherever required. As a result, your refinery remained compliant with all applicable HSEQ standards.

Your Company being a responsible corporate citizen continued to contribute meaningfully to the well-being of the communities it serves through targeted Corporate Social Responsibility initiatives in the areas of education, healthcare, mental health, and community development to various organizations including Citizens Foundation, Indus Hospital, Karwan-e-Hayat, Dr. Prem Kumar Sital Das Memorial Trust, Behbud Association, Goread.pk and the Institute of Business Management.

Financial results are explained in detail in the enclosed Directors' Report and Financial Statements for the year ended June 30, 2025.

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

Tariq Kirmani

Chairman

Karachi: August 18, 2025

MD & CEO'S MESSAGE

It is my privilege to present the Annual Report of Pakistan Refinery Limited for the year ended June 30, 2025. The year 2025 brought substantial challenges for the refining sector, and PRL was no exception. While international refining margins remained under pressure, local demand also remained subdued - particularly for High Sulphur Furnace Oil (HSFO), which continues to face structural headwinds. The Company grappled with cash flow challenges due to adverse impact of sales tax exemptions on key petroleum products, curtailing input tax recoverability, recovery of Customs Duty on crude oil under Brownfield Refinery Policy and reimbursement of exchange loss claims on FE loans. In addition, the imposition of new levies on HSFO, including Petroleum Levy and Climate Support Levy, further constrained domestic demand and necessitated increased exports. These developments contributed to a consolidated loss after taxation of Rs. 4.7 billion as compared to a profit of Rs. 4.0 billion in the previous year.

Despite these headwinds, the Company maintained operational reliability and achieved important milestones. Annual production of High-Speed Diesel reached a record ~800,000 metric tons, supported by disciplined crude selection and efficient plant operations, while Motor Spirit output remained steady in line with national requirements. Safety remained a core priority, with over eight million safe manhours completed without a lost-time injury, underscoring the strength of our HSEQ culture. Management also advanced digitalisation and process optimisation initiatives to reinforce efficiency and transparency across operations.

Progress on the Refinery Expansion and Upgrade Project (REUP) remained central to our transformation strategy. The timely completion of the Front-End Engineering Design in December 2024 and the receipt of competitive EPC bids toward the end of the year marked critical steps in project timeline. Parallel engagement with financial advisors and prospective lenders is underway to secure financing and move towards financial close. On completion, the REUP will double capacity to 100,000 barrels per day, eliminate furnace oil from the product slate, and enable the production of Euro V compliant fuels, positioning PRL to compete at international standards.

The Company also continued to uphold its responsibilities to society and the environment. During the year, Rs. 49.74 million was allocated to social investment programmes in education, healthcare, women's empowerment, literacy, and mental health, benefitting communities across Pakistan. PRL also advanced its Green Growth Commitment, with 160,000 trees planted to date towards the target of 200,000 by end-2025.

As we look ahead, PRL's focus will remain on prudent financial management, operational discipline, and the successful execution of the REUP. While challenges persist in the external environment, the Company's strategy, combined with the commitment of its people and the support of its stakeholders, provides a strong foundation for a more modern, efficient, and sustainable future.

I wish to thank our shareholders, the Board of Directors, our employees, and all stakeholders for their confidence and support as we continue this journey of transformation.



Zahid Mir
Managing Director &
Chief Executive Officer



VISION

The Refinery of the first choice for all stakeholders

MISSION

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



PRL VALUES

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



CODE OF CONDUCT

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

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

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

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

Dealing with Customers

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

Dealing with Business Partners

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

Information Security and Communications

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

Business Conduct

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

Media Relations / Public Relations Harassment

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

Drug and Alcohol Usage

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

Political Affiliation

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

Conflict of Interest

These include:

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

Harassment

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

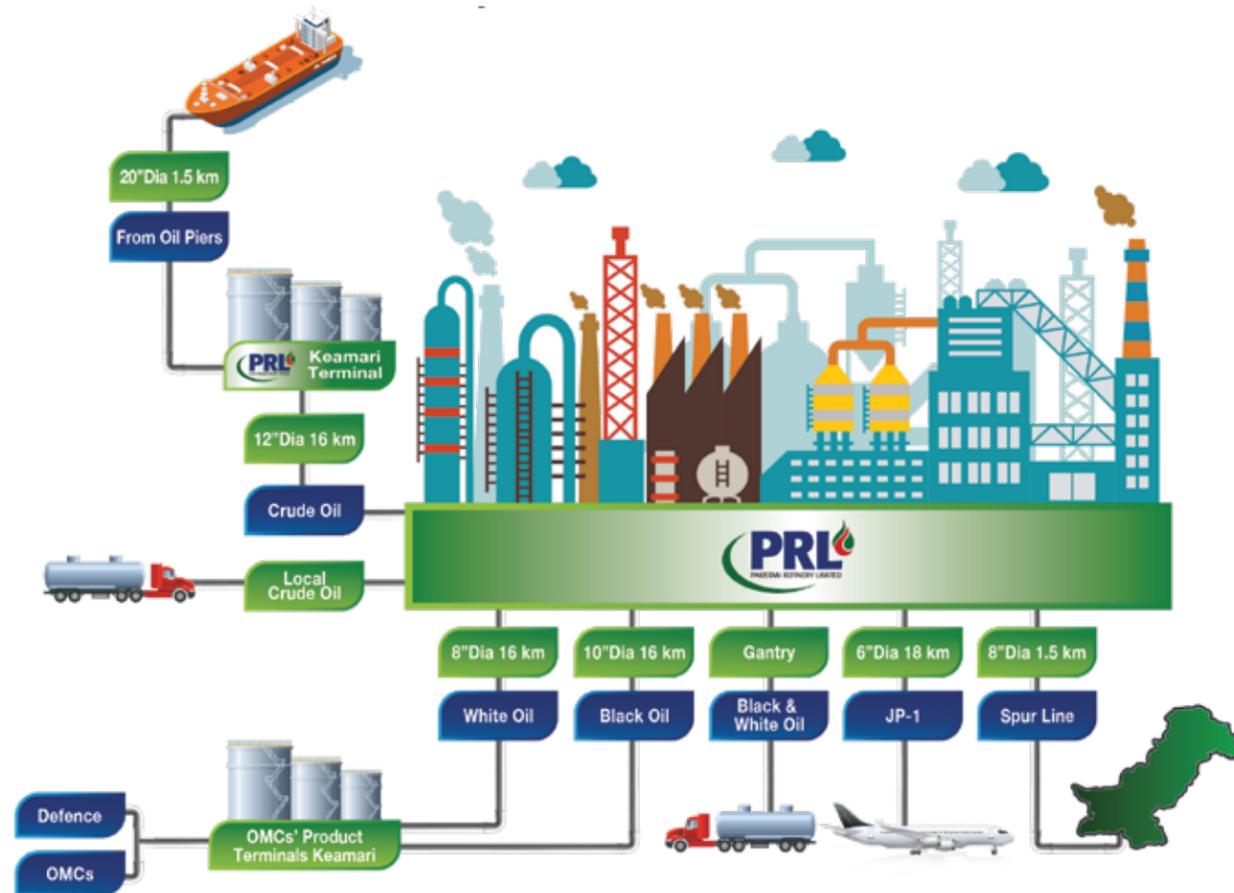
Gender Equality

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

COMPANY PROFILE

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

BUSINESS MODEL AND OPERATIONAL NETWORK



PRODUCT PROFILE AND MARKET SHARE

PRL produces and sells:

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

All these products are sold to Oil Marketing Companies who then sell the same to their customers. PRL also supplies Jet Fuels and other petroleum products to armed forces. Any surplus HSFO and Naphtha are exported. Company's market share based on actual sales during the year 2024-25 was 8.0% as compared to 8.1% last year. (Source: Oil Companies Advisory Council)

GROUP STRUCTURE

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



VALUE CHAIN POSITION AND BUSINESS CONNECTIONS

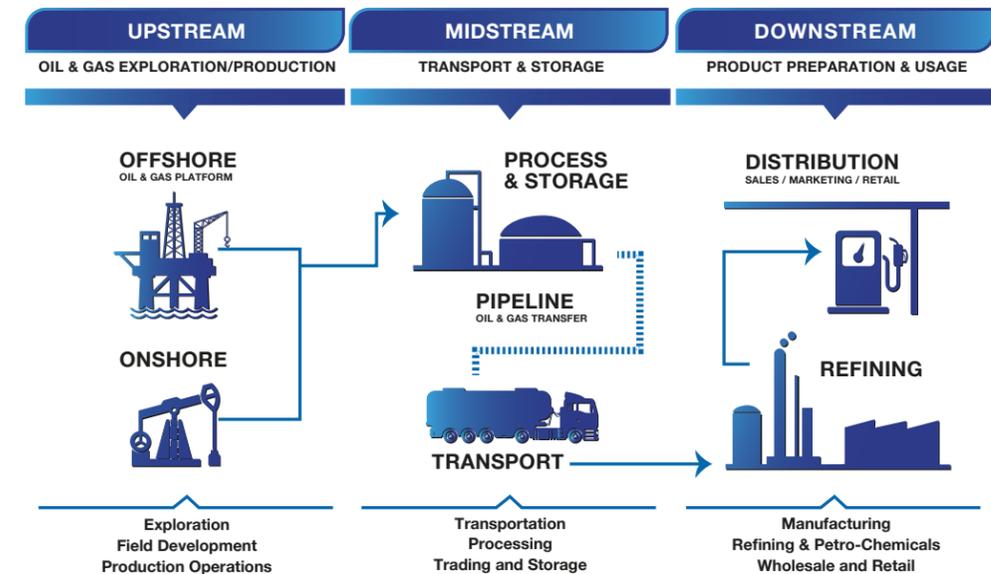
The oil industry is segregated in three broad categories i.e.,

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

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

- ARAMCO
- Abu Dhabi National Oil Company (ADNOC)

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



CORPORATE HISTORY & MILESTONES

<p>1959 The agreement was signed between the Government of Pakistan and four major oil companies to construct and operate the largest refinery in Pakistan.</p> <p>1960 PRL was incorporated as a public limited company. Contract awarded for construction of Refinery to M/s Kellogg Group of Companies.</p> <p>1961 Piling work started at the Refinery site.</p> <p>1962 Earlier that year, the foundation stone was laid by the then Minister for Fule, Power, and Natural Resources Mr. Zulfiqar Ali Bhutto. The plant came into operation 2 months ahead of the schedule. Later in the year, official opening was performed by the then President of Pakistan, Field Marshal Mohammad Ayub Khan.</p> <p>1964 Expansion of crude oil processing capacity from 1.5 MT per year to 2.1 million MT per year.</p>	<p>1971 PRL purchased 27.26% shares in Pak Grease Manufacturing Company (Private) Limited.</p> <p>1972 Commissioning of PRL Airport pipeline connecting the Refinery with Karachi Airport.</p> <p>1981 Commissioning of LPG plant to produce 6,000 MT LPG per year.</p> <p>1985 PRL started processing local crude oil.</p> <p>1999 Installation of Crude Desalter Unit to improve the quality of crude oil stream and reduce fouling in heat exchangers.</p> <p>2000 Commissioning of Fuel Oil loading gantry to load fuel oil into tank lorries on behalf of customers.</p> <p>2001 Implementation of SAP ERP software.</p>	<p>2015 Commissioning of Isomerisation Unit that doubled the production of Petrol from 12,000 MT per day to 24,000 MT per day.</p> <p>2015 Revamp of Crude Unit internal column to increase production of HSD by minimising overlapping.</p> <p>2018 Installation of 4.5 MW captive power plant.</p> <p>2019 Commissioning of white oil gantry enabling supply of HSD, MS, and Jet fuels.</p> <p>2022 Achieved record profit. REUP was approved followed by awarding of FEED Contract & appointment of Financial Advisors.</p> <p>2024 PRL signed agreements with OGRA under the Brownfield Refining Policy for REUP.</p> <p>2025 Completed FEED for REUP followed by receipt of EPC-F bids.</p>
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SWOT ANALYSIS

			
Strengths	Weaknesses	Opportunities	Threats
<p>Strategic location near port facilities enables efficient crude procurement and product exports.</p> <p>Integrated infrastructure with pipeline connectivity to customer terminals provides competitive advantage through smooth logistics and reliable delivery.</p> <p>Skilled workforce: Experienced, qualified, and safety-focused employees with strong technical expertise.</p> <p>Commitment to HSEQ: Proven record of compliance with international safety, health, environment, and quality standards, ensuring safe, reliable, and efficient operations.</p> <p>Support from parent company, the largest OMCs in Pakistan, strengthening market presence and commercial synergies.</p> <p>Robust governance: Strong board oversight, structured corporate controls, and increasing transparency under ESG disclosure requirements.</p>	<p>Euro V compliance requires significant investment and complex technology upgrades; until REUP completion, PRL remains exposed to competitive disadvantage.</p> <p>Reliance on imported crude exposes PRL to forex volatility, international pricing shifts, and supply chain risks.</p> <p>High HSFO yield in current configuration continues to pressure profitability, given limited domestic demand.</p> <p>Aging infrastructure in certain units creates operational constraints and maintenance overheads until upgrades are implemented.</p>	<p>Refinery Expansion & Upgrade Project (REUP): Positioned to double refining capacity, phase out HSFO, and produce Euro V compliant HSD and MS, aligning with global standards.</p> <p>Government Brownfield Policy continues to incentivize upgrades and investment in the refining sector.</p> <p>Sustainability and ESG expectations: Growing demand for cleaner fuels, reduced carbon footprint, and stronger ESG disclosures offers PRL a chance to strengthen market credibility and attract investor confidence.</p> <p>Digital transformation: Leveraging automation, analytics, and digital monitoring to improve efficiency, safety, and decision-making.</p> <p>Rising demand for cleaner fuels (HSD, MS, Jet Fuel) creates space for increased production and export opportunities post-upgrade.</p>	<p>Regulatory shifts: New or revised pricing mechanisms, emission controls, and compliance requirements may impact margins and long-term strategies.</p> <p>Energy transition trends: Rapid global move towards renewables and alternative fuels could gradually reduce demand for fossil-based products.</p> <p>Macroeconomic volatility: Persistent inflation, Rupee devaluation, and higher financing costs threaten operational stability.</p> <p>Geopolitical instability and disruptions in crude supply chains can elevate procurement risks.</p> <p>Competition from imports of refined products at lower prices can erode domestic market share until REUP enhances efficiency and compliance.</p>
S	W	O	T

PESTEL ANALYSIS



Political Factors

Petroleum product pricing continues to remain under government influence, with periodic policy shifts affecting refinery margins.

Ongoing regional geopolitical tensions and global energy market volatility directly impact supply security and costs.

Import reliance for crude oil exposes the industry to policy changes on international trade and foreign exchange regulations.

Company's Response

PRL actively engages with government and regulatory stakeholders to align with evolving pricing frameworks and policy measures. The Company leverages its monitoring of international crude benchmarks and regional trade flows to timely adjust operating and procurement strategies.



Economic Factors

Persistent inflationary pressures, high interest rates, and volatility in the Rupee–USD exchange rate continue to strain operational costs.

Global crude oil price fluctuations impact refining margins and working capital requirements.

Access to financing and liquidity remains sensitive to macroeconomic stability and investor sentiment in Pakistan.

Company's Response

Through disciplined financial management and risk mitigation strategies, PRL seeks to minimize the impact of exchange rate volatility and interest rate hikes. The Company continues to optimize crude procurement, diversify supply sources, and explore opportunities for efficiency gains under its Refinery Upgrade Project (REUP).



Social Factors

Refining is considered an essential service, with growing public expectations for energy security, environmental responsibility, and safety.

Workforce demographics are shifting, with increased demand for specialized technical expertise in energy transition and digital technologies.

Stakeholders, including communities and investors, increasingly expect greater transparency on sustainability and social impact.

Company's Response

PRL invests in training, skill development, and employee engagement initiatives to strengthen workforce capabilities. The Company also drives social responsibility through community health, education, and sustainability-focused programs, fostering shared value with stakeholders.



Technological Factors

The refining sector requires continuous technological advancement to meet evolving fuel specifications, reduce emissions, and improve efficiency.

Digitalization and Industry 4.0 solutions (AI, automation, advanced analytics) are transforming operational excellence and governance in the sector.

Company's Response

As part of REUP, PRL is adopting conversion technology to produce Euro V compliant fuels (HSD and MS) while phasing down high-sulfur fuel oil (HSFO).

The Company is also enhancing digital integration across core operations to improve monitoring, safety, and performance. PRL is devising new IT strategy to address emerging technological challenges.



Environmental Factors

Global and national climate change policies are intensifying focus on carbon reduction, renewable energy, and sustainable fuel production.

Pakistan's adoption of stricter Euro V standards for fuels, combined with local environmental compliance requirements, increases pressure on refiners.

Growing investor and customer expectations around ESG disclosure and sustainable operations shape market competitiveness.

Company's Response

PRL is committed to reducing its carbon footprint through process upgrades, adoption of ESG standards and clean fuel technologies, and compliance with environmental benchmarks. Under REUP, the Company targets significant improvements in emission control, energy efficiency, and sustainable operations.



Legal Factors

PRL remains subject to a complex framework of federal and provincial laws governing safety, emissions, energy, and taxation.

New SECP amendments in 2024 require disclosure of sustainability risks, D&I policy, and anti-harassment measures, expanding governance obligations.

Non-compliance with environmental or workplace laws can result in penalties and reputational risks.

Company's Response

PRL ensures strict compliance with all applicable regulations, guided by robust governance and internal control frameworks. The Company has implemented policies on diversity, equity & inclusion (DE&I), anti-harassment, and occupational health & safety, reflecting its commitment to responsible corporate conduct.



SEASONALITY AND BUSINESS OPERATIONS

The nature of the petroleum industry is such that the demand for petroleum products remains subject to seasonality, alongside other external factors including the availability of alternative fuels, abrupt price changes, and political developments. Due to the sustained reduction in local demand for High Sulphur Furnace Oil (HSFO), disposal options have become increasingly constrained, often requiring exports at discounted margins. Diesel demand continues to fluctuate with harvesting and sowing seasons, peaking during October to mid-December and again from April to May.

Adverse weather conditions such as floods, heavy rains, and extreme heat also contribute to temporary slowdowns in economic activity, dampening product demand. In addition, the over-import of petroleum products (particularly Diesel and MS) due to regulatory planning gaps can trigger a supply glut, leading to margin pressures. PRL is mitigating seasonal exposure through its Refinery Upgrade Project (REUP), which aims to diversify yields, produce Euro V compliant fuels, and gradually reduce reliance on HSFO.

LEGISLATIVE AND REGULATORY FRAMEWORK

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

The regulatory environment continues to evolve, with the Government's Refining Policy for Brownfield Projects providing an enabling framework for investment in critical refinery upgrades. PRL also adheres to the SECP's ESG Disclosure Guidelines and the 2024 amendments to the Listed Companies (Code of Corporate Governance) Regulations, which mandate disclosures on sustainability, diversity and inclusion, and anti-harassment policies. These requirements strengthen accountability and align PRL with international governance standards.

INFLUENCES ON BUSINESS ENVIRONMENT

PRL's business environment is shaped by a range of external influences across short, medium, and long terms. These include persistent inflationary pressures, volatility in foreign exchange rates, and fluctuations in global crude oil pricing, all of which directly impact procurement costs and refining margins.

Technological shifts, including automation and digital monitoring, are transforming refining operations and enhancing efficiency. Regulatory changes, such as the enforcement of Euro V fuel standards, and stakeholder demands for ESG-focused disclosures are also redefining industry expectations. Together, these factors influence PRL's strategic priorities and adaptive capacity, supporting long-term growth and resilience.

CHANGES IN BUSINESS MODEL DURING THE YEAR

There were no significant material changes in PRL's core business model during the year. The Company continued to focus on refining, importing, and marketing petroleum products in line with its established strategy. However, reduced demand of HSFO has forced the Company to export significant HSFO production. Exports are likely to increase next year due to imposition of petroleum and climate support levies on local sales of HSFO effective July 1, 2025.

However, progress under the Refinery Upgrade Project (REUP) represents a key transition initiative, aimed at converting HSFO into higher-value Euro V compliant fuels (HSD and MS). While not a change in the fundamental model, REUP signifies PRL's forward-looking approach to sustainable growth and alignment with national energy security objectives.

COMPETITIVE LANDSCAPE

PRL continues to supply products to Oil Marketing Companies (OMCs), which market them to end-consumers. The Company also exports surplus Naphtha and supplies jet fuel and other petroleum products to the armed forces. Due to declining local demand for HSFO, PRL exports its surplus volumes, while ensuring its product mix remains competitive.

Competition within the domestic refining sector remains limited, as overall production capacity is lower than national demand and deficit volumes are imported. However, global competition for crude procurement and compliance with Euro V product standards place continuous pressure on local refiners to upgrade and remain efficient. Through REUP and operational improvements, PRL is positioning itself to enhance competitiveness, meet environmental obligations, and sustain long-term value creation.



ETHICS AT THE CORE
CORPORATE
GOVERNANCE



Tariq Kirmani

Chairman

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

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

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

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

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

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

He has also served as the Chairman of Punjab Energy Holding Company (Pvt.) Limited (PEHCL), Pakistan International Airlines (PIA), United Bank Limited Fund Managers, Greenstar Social Marketing (GSM), Oil Companies Advisory Council (OCAC), and served as the President of Pakistan Hockey Federation (PHF).

He has previously served as a Director on the Boards of multinational and public sector companies such as Chevron Pakistan, Pak-Arab Pipeline Company Limited (PAPCO), Pakistan State Cement Corporation (PSCC), Asia Pipeline (Pvt.) Ltd. (APL), Board of Governors in LUMS, Lahore, Pakistan Telecommunications Limited (PTCL), Pakistan Private Infrastructure Board (PPIB), National Bank of Pakistan (NBP), Pakistan International Airlines (PIA) and Family Educational Services Foundation (FESF).



Zahid Mir

Managing Director & Chief Executive Officer

Mr. Zahid Mir has been working for PRL as Managing Director & CEO since 1st August 2019. He is a Petroleum Engineer, and an MBA. Mr. Mir has over 37 years of diverse technical and management experience working for both public sector and multinational companies in Pakistan and United Kingdom. He also has significant experience of both onshore and offshore operations having been involved, at a senior level, in all stages of upstream and mid-stream operations. He has extensive experience in negotiating commercial and fiscal agreements, developing strategy, project development and execution, mergers and acquisitions and dealing with the Government regulators.

He has previously worked for Shell, Kufpec, Premier Oil and OGDCL. Before joining PRL, his last appointment was as MD/CEO of OGDCL.

Mr. Mir is also a Director of Petroleum Institute of Pakistan (PIP) and has served as Chairman, Oil Companies Advisory Council (OCAC) in 2021.



Aftab Husain

Director

Mr. Aftab Husain worked for PRL as Managing Director & CEO from 2011 to 2019. He is currently a member of the Boards of PRL, PARCO, PARCO Coastal Refinery and the Petroleum Institute of Pakistan.

A Chemical Engineer and MPA from IBA, Karachi, he has a career in oil refining spanning over 44 years with diversified experience having led all Operations, Technical and Commercial functions in Pakistan Refinery. Mr. Husain has been associated with different committees and working groups on oil pricing mechanism, deregulation refinery issues and formulation of Refining Policy 2023 with the Ministry of Energy (Petroleum Division), Government of Pakistan.

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



Falak Sher

Director

Mr. Falak Sher is a seasoned professional currently serving as the Deputy Secretary Corporate Affairs in the Ministry of Energy (Petroleum Division), Islamabad. With extensive experience in the Secretariat Group, he has held key roles in managing corporate affairs in Pakistan's oil and gas sector. His diverse portfolio includes prior appointments as Deputy Secretary in the Ministry of Interior, overseeing national security, law and order, and high-profile cases involving FIA, Passport and immigration, and Interpol. He has also contributed to national food security policies and international trade cooperation during his tenure in the Ministry of National Food Security. A graduate with a Master's in English Literature, Mr. Falak Sher brings strong leadership and administrative expertise to his current role.

Mohammad Abdul Aleem

Director

Mr. Mohammad Abdul Aleem re-joined the Board of PRL in October 2020 and is the Chairman of its Audit Committee. Earlier Mr. Aleem was a Director of PRL in 2008. Besides PRL, Mr. Aleem is currently a Board member of Meezan Bank Limited. He has also served on the Board of Engro Corporation Limited as the Chairman of their Audit Committee.

Mr. Abdul Aleem is currently the CEO and Secretary General of Overseas Investors Chambers of Commerce & Industry (OICCI). He has worked in senior positions within both Exxon Chemicals and Engro Corporation, serving in both Singapore and Pakistan. Thereafter, he worked with British American Tobacco Group UK (BAT) in Pakistan and overseas, where he served as CEO of BAT Operations in Cambodia, Mauritius and Indian Ocean territory. Since 2004, Mr. Aleem has served in senior positions with large government-owned organizations in Pakistan. His last assignment was as the Managing Director of Pakistan State Oil Company Ltd.

Mr. Mohammad Abdul Aleem is a Fellow Member of the Institute of Chartered Accountants of Pakistan (Gold Medalist) and a Fellow Member of the Institute of Cost & Management Accountants of Pakistan.



Mohammad Zubair

Director

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

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

Mohsin Ali Mangi

Director

Mr. Mohsin Ali Mangi is a seasoned professional with over 24 years of local and international experience spanning across diversified sectors in capacity of Chief Strategy & Technology Officer, Chief Operating Officer, Chief Financial Officer, Head of Projects and Businesses and Investment Banking working for PSO, Hubco, Engro and Credit Suisse. During his career, he has launched several new businesses and products in diversified fields of agriculture, energy, petrochemicals, E&P and mining. He has closed financial transactions of over US\$ 5 billion, including capital markets, mergers and acquisitions and project finance transactions. He has vast experience in building organizations from scratch, restructuring them and designing and implementing long-term strategies and business development. In addition to being Board Member of PRL, he has also served on the Board of Engro Powergen Qadirpur. He is an MBA from LUMS.



Syed Jehangir Ali Shah

Director

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

Syed Muhammad Taha

Director

Syed Taha, capitalising on his over three decades of cross-industry experience, both local and international, marked the highest ever profits in the approximately five decades of Pakistan's largest energy icon – PSO. Under his leadership, the Company has gone from strength to strength, maintaining strong volumetric growth in all product lines and steadily increasing market shares across major portfolios. Taha has successfully transformed PSO from an oil marketing business to an agile, integrated and future-ready energy Company. He spearheaded the clean energy revolution in Pakistan, making PSO the first Company to introduce EURO V fuels in the country while also building scale in low carbon energy alternatives such as EV charging and solarisation of locations. He streamlined management and marketing, redesigned the Company's internal architecture and unlocked the talent and potential of the organisation's human capital with special focus on diversity and inclusion.

Harnessing the power of disruptive and indigenous technologies, he set the wheels for the Company's long-term sustainability in motion through business process reengineering, automation and digitisation, diversification and new ventures. He increased focus on infrastructural projects, strategic financial management and high margin products with safety and customer-centricity being underpinning drivers of all initiatives. Previously, he worked as an Executive Director in Oasis Energy, heading the Program Management Office of Port Harcourt Electricity Distribution Company, Nigeria. Prior to that, as the Chief Distribution Officer at K-Electric Limited, he managed revenues exceeding USD 1.9 billion, catering 2.4 million customers in Karachi and improving the productivity and effectiveness of 8000+ employees. Well known as a visionary strategist and respected for his transformational skills in the energy sector with decades of executive level experience, Taha has been a key member of the change management and leadership teams in various organisations where he successfully turned around struggling enterprises into highly profitable concerns. He holds an engineering degree with an MBA from the Institute of Business Administration, Karachi.



Tara Uzra Dawood

Director

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

Zafar Ul Islam Usmani

Director

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

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

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

ENGAGEMENT OF BOARD MEMBERS IN BUSINESS ENTITIES

S. No.	Names of Directors	Related Parties Based on Common Directorships
1	Tariq Kirmani	Gas & Oil Pakistan Limited Professional Education Foundation National Academy of Performing Arts
2	Aftab Husain	Pak Arab Refinery Limited PARCO Costal Refinery Limited Petroleum Institute of Pakistan
3	Falak Sher	Nil
4	Mohammad Abdul Aleem	Overseas Investors Chamber of Commerce Industry Meezan Bank Limited Professional Education Foundation Audit Oversight Board
5	Mohammad Zubair	Taj Gasoline (Private) Limited
6	Mohsin Ali Mangi	CERISMA (Private) Limited PSO Renewable Energy (Private) Limited PSO Venture Capital (Private) Limited
7	Syed Jehangir Ali Shah	Asia Petroleum Limited
8	Syed Muhammad Taha	Pakistan State Oil Company Limited Pak Arab Pipeline Company Limited Petroleum Institute of Pakistan Asia Petroleum Limited
9	Tara Uzra Dawood	786 Investments Limited Dawood Global Foundation LADIESFUND Energy (Private) Limited LADIESFUND Solar (Private) Limited Lean in Pakistan Foundation Dawood Family Takaful Limited Flow Petroleum (Private) Limited Paysys Labs (Private) Limited
10	Zafar UI Islam Usmani	Paysys Labs (Private) Limited
11	Zahid Mir (MD/CEO)	Petroleum Institute of Pakistan

BOARD COMMITTEES

Board Audit & Risk Committee		
1	Mohammad Abdul Aleem	Chairman
2	Falak Sher	Member
3	Mohammad Zubair	Member
4	Mohsin Ali Mangi	Member
5	Tara Uzra Dawood	Member

Terms of Reference

- a. Determination of appropriate measures to safeguard PRL's assets
- b. Review of annual and interim financial statements of PRL, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas
 - (ii) significant adjustments resulting from the audit
 - (iii) going concern assumption
 - (iv) any changes in accounting policies and practices
 - (v) compliance with applicable accounting standards
 - (vi) compliance with these regulations and other statutory and regulatory requirements
 - (vii) all related party transactions
- c. Review of preliminary announcements of results prior to external communication and publication
- d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter the auditors may wish to highlight (in the absence of management, where necessary)
- e. Review of management letter issued by external auditors and management's response thereto
- f. Ensuring coordination between the internal and external auditors of PRL
- g. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within PRL
- h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto
- i. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective
- j. Review of PRL's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports
- k. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body
- l. Determination of compliance with relevant statutory requirements
- m. Monitoring compliance with the regulations and identification of significant violations thereof
- n. Review of arrangement for staff and management to report to BARC in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures
- o. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to PRL by the external auditors in addition to auditing its financial statements. The Board of Directors will give due consideration to the recommendations of BARC and where it acts otherwise it will record the reasons thereof
- p. Consideration of any other issue or matter as may be assigned by the Board of Directors

Board Human Resources & Compensation Committee

1	Tariq Kirmani	Chairman
2	Aftab Husain	Member
3	Syed Jehangir Ali Shah	Member
4	Syed Muhammad Taha	Member
5	Tara Uzra Dawood	Member
6	Zafar UI Islam Usmani	Member
7	Zahid Mir	Member (MD & CEO)

Terms of Reference

- Recommendation to the Board for the selection, evaluation, appointment, compensation (including retirement benefits) and succession planning of the Managing Director & Chief Executive Officer.
- Recommendation to the Board the selection, evaluation, appointment, development, compensation (including retirement benefits), succession planning and separation of Chief Financial Officer, Company Secretary and Chief Internal Audit as well as all General Managers and above.
- Recommendation to the Board for Human Resource Management Policies.
- Consideration and approval on recommendations of Managing Director & Chief Executive Officer on such matters relating to Refinery Leadership Team.
- Annual appraisal and annual merit increase of employees.
- Recommendation to the Board for consideration and approval of a policy framework for determining remuneration of directors (both executive and non-executive directors).
- Undertaking, annually, a formal process of evaluation of the performance of the Board as a whole and its Committees either directly or by engaging external independent consultant.

Board Project Steering Committee

1	Zafar UI Islam Usmani	Chairman
2	Aftab Husain	Member
3	Falak Sher	Member
4	Mohsin Ali Mangi	Member
5	Syed Muhammad Taha	Member
6	Zahid Mir	Member (MD & CEO)

Terms of Reference

- BPSC will review in detail the assumptions, methodology and selected working related to major project metrics/decisions and make recommendations to the Board accordingly.
- Monitor project progress against defined milestones and assurance gate reviews.
- Provide steer as needed to ensure that the Project is aligned to meet PRL objectives, financial goals and is in line with any change in Government policies and decisions, throughout the Project lifecycle.
- Finalisation of the scope of technical and financial advisors and their selection including all technical and financial aspects of the project.
- Support management on funding arrangements/securing funds for the project and ensure alignment with major stakeholder objectives and processes on such matters.

Role of the Chairman & CEO

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

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

Significant Commitments of the Chairman of the Board

The Chairman is committed to protecting shareholders' wealth and creating sustainable returns while securing the interests of all stakeholders at the same time. The Chairman effectively plays his role of guiding the Board of Directors in devising and implementing medium to long-term strategies of PRL, adhering to the Vision and Mission Statement.

Other Directorships of Executive Directors

As of June 30, 2025, the MD & CEO of PRL is the only executive director on the Board. He also serves as a Non-Executive Director on the Board of Petroleum Institute of Pakistan (PIP).

Remuneration of Directors

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

External Search Consultancy

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

Security Clearance of Foreign Directors

No foreign directors were appointed during the year. In case of any such appointment, the Company ensures that all requirements regarding security clearance are complied with.

Board Meetings Held Outside Pakistan

No Board meetings were held outside Pakistan during the year.

Decisions Taken by the Board and Delegated to the Management

The Board has delegated certain powers to the Managing Director & CEO through a Power of Attorney and has approved a comprehensive Limit of Authority Manual (LAM). LAM considers the requirements of applicable laws and regulations and Articles of Association of PRL and defines which powers require approval of the shareholders in general meetings through ordinary/special resolution, the decisions that require Board approval, and the extent to which these are delegated to management. Apart from decisions that require the Board's specific approval as per applicable laws and regulations, the Board has identified certain items that require specific approval of the Board.

Board's View on Diversity

PRL has a diversified Board of Directors that includes professionals with leadership experience in fields like finance, operations, marketing, law, and human resources. The collective experience of Board members enhances decision-making and contributes to PRL's long-term value creation.

The Board continues to follow the diversity parameters set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019. As of June 30, 2025, the Board comprises one Executive and ten Non-Executive Directors including three independent and one female director.

External Oversight of Various Functions

To ensure effectiveness and upgrades of PRL's overall operations and controls, PRL as a routine involves external consultants for third-party reviews and evaluations. These include third-party surveillance audits on IMS (ISO Standards 14001, 9001, and 45001), which are used to assess the robustness of the Company's cybersecurity, engagement of external surveyors for crude and product inventory management, external IT experts to audit the functional utilization of ERP, etc. Moreover, PRL also engages technical consultants for review of various equipment/ investment processes in the refinery.

Safety of Records of PRL

PRL puts great emphasis on storage and safe custody of its financial and important corporate records. PRL's records include books of accounts, major agreements/contracts, documentations of taxation, legal, personnel information, electronic data, and other business-related information. The electronic database of the ERP system also forms part of PRL's records. The company has effective data backup policies that ensure timely backup of all electronic data, and a Disaster Recovery Plan, including a Disaster Recovery Site, is in place to ensure timely restoration of IT facilities.

Related Party Transactions

Related party relationships, including relationships where there is common directorship, and transactions, including outstanding balances as at the year ended June 30, 2025, have been appropriately accounted for and disclosed in accordance with the requirements of the approved accounting standards as applicable in Pakistan and the Companies Act, 2017. All related party transactions are in the normal course of business and do not involve undisclosed side agreements.

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

Governance Practices Exceeding Legal Requirements

At PRL, we remain committed to upholding strong governance and internal control frameworks, consistently going beyond regulatory compliance to ensure transparency, accountability, and ethical conduct across the organization. The following practices adopted by PRL exceed the minimum legal requirements:

- Enhanced Financial Reporting:**
 In addition to statutory disclosures required under the Companies Act, 2017 and applicable financial reporting standards, PRL voluntarily aligns its Annual Report with the Best Corporate Report Criteria issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).
- Limits of Authority Manual (LAM):**
 PRL has developed a detailed in-house Limits of Authority Manual that requires Board-level approvals for key decisions — even where management discretion is allowed under prevailing laws and regulations. This practice reinforces Board oversight and strengthens internal governance.
- HSEQ Standards:**
 PRL implements comprehensive Health, Safety, Environment, and Quality (HSEQ) policies that exceed local legal and regulatory requirements. These include stringent safety protocols, environmental safeguards, and quality control measures aimed at ensuring employee well-being, asset integrity, and product excellence.

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

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

The Chairman of the BARC, Mr. Mohammad Abdul Aleem, was present at the Annual General Meeting held on October 19, 2024, to respond to shareholder queries related to the Committee's responsibilities, including audit processes, risk oversight, and internal control matters.

Enterprise Resource Planning (ERP) System Disclosure

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

- Integrated Business Process Management:**
 PRL's ERP platform integrates key functions — including finance, human resources, procurement, inventory, and maintenance — into a unified system that improves cross-functional coordination, data accuracy, and responsiveness.
- Executive Oversight and Continuous Enhancement:**
 ERP development and utilization remain a management priority, with regular oversight to ensure the system evolves in step with business needs and industry best practices. Ongoing updates are driven by feedback, audit outcomes, and performance reviews.
- Training and User Enablement:**
 Comprehensive training programs are conducted to empower employees across departments to maximize ERP capabilities. These efforts promote user adoption and unlock the full potential of digital tools for business performance.
- ERP Risk Management:**
 PRL maintains a structured approach to managing risks related to ERP projects. This includes pre-deployment testing, access control validation, data integrity safeguards, and contingency planning — all embedded within the Company's broader internal control environment.
- System Security and Governance:**
 System access is governed by strict user rights and segregation of duties protocols. Periodic internal audits and independent reviews help maintain a secure environment that protects sensitive data and supports compliance with regulatory standards.

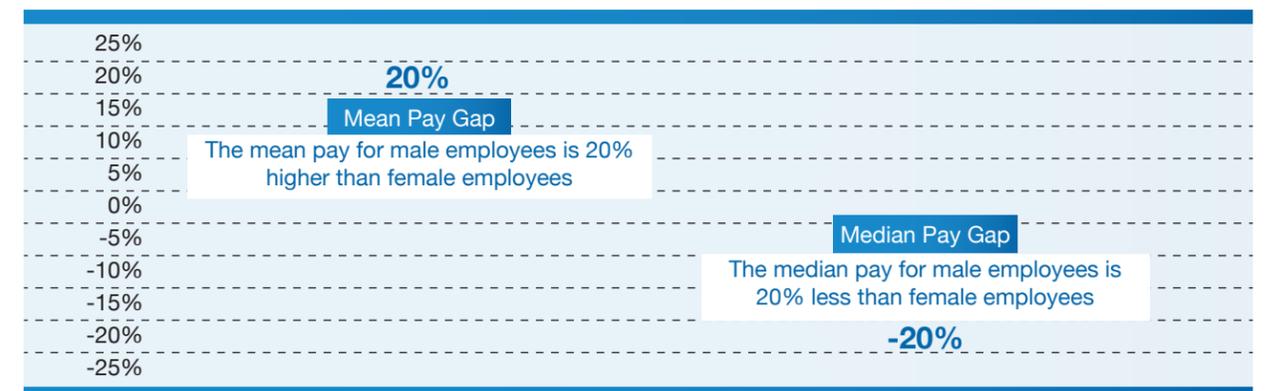
PRL's commitment to ERP modernization supports its digital transformation journey and reinforces operational transparency, scalability, and resilience.

Date of Authorisation of Financial Statements

In line with its commitment to timely and transparent financial reporting, PRL's Annual Financial Statements for the year ended June 30, 2025, were approved by the Board of Directors in a meeting held on August 18, 2025. The Company made the necessary disclosures to the Pakistan Stock Exchange (PSX) on the same day following the conclusion of the meeting.

Disclosure of Gender Pay Gap

PRL is committed to transparency in employment and remuneration practices. The compensation framework is structured around clearly defined pay bands, determined by objective and non-discriminatory factors such as role & responsibilities, years of experience, and individual performance. This approach ensures that all employees in equivalent roles receive equal pay, regardless of gender, and reflects PRL's ongoing commitment to gender equity across the organisation.



Board Policy Disclosures

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

- Governance of Risk and Internal Controls:**
 The Board actively oversees PRL's risk management framework and internal control environment, conducting regular assessments to ensure adequacy and effectiveness.
- Diversity and Gender Inclusivity:**
 PRL values diversity across all organizational levels and has set measurable objectives to enhance gender representation and inclusivity. Progress is monitored and reported periodically.
- Directors' Interest in Contracts and Arrangements:**
 Any interest held by a Director in Company-related contracts is transparently disclosed and handled in accordance with applicable laws and governance principles.
- Remuneration of Non-Executive Directors:**
 Non-Executive and Independent Directors receive fair remuneration for attending Board and General Meetings, aligned with market standards.
- Executive Directors' Retention of Board Fees from Other Companies:**
 Any board fees earned by Executive Directors for serving on other boards are retained by the individuals concerned.
- Security Clearance of Foreign Directors:**
 All foreign directors appointed to PRL's Board have obtained the requisite security clearances from competent authorities.
- Board Meetings Held Outside Pakistan:**
 Where necessary, Board meetings may be held outside Pakistan in compliance with regulatory provisions.
- Human Resource Management and Succession Planning:**
 PRL emphasizes talent development and maintains robust succession plans to ensure business continuity and leadership preparedness.
- Social and Environmental Responsibility:**
 The Company is committed to sustainability and social responsibility, supporting initiatives that generate long-term value for society and the environment.
- Communication with Stakeholders:**
 Effective stakeholder communication is a priority. PRL maintains open channels to ensure transparency, build trust, and foster engagement.
- Investor Relations and Grievance Redressal:**
 PRL values its investors and has mechanisms in place to promptly address their queries and concerns.
- Employee Health, Safety, and Protection:**
 Ensuring a safe and secure workplace is paramount. PRL implements comprehensive health and safety measures across its operations.
- Whistleblowing Policy:**
 The Company has adopted a robust whistleblowing framework that protects whistleblowers from retaliation and promotes ethical conduct.
- Safety of Records:**
 PRL takes proactive steps to safeguard critical records, ensuring their confidentiality, integrity, and availability.
- Management and Reporting Policies:**
 Operational areas such as procurement, emissions, and waste management are governed by documented policies aligned with industry best practices and sustainability goals.

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
3,126	1	100	113,895
3,281	101	500	1,122,396
2,585	501	1,000	2,304,597
4,892	1,001	5,000	13,473,302
1,583	5,001	10,000	12,515,935
519	10,001	15,000	6,729,886
380	15,001	20,000	7,068,206
221	20,001	25,000	5,164,530
157	25,001	30,000	4,489,313
98	30,001	35,000	3,227,546
96	35,001	40,000	3,686,592
49	40,001	45,000	2,127,374
124	45,001	50,000	6,096,920
48	50,001	55,000	2,539,134
34	55,001	60,000	1,988,930
29	60,001	65,000	1,824,630
27	65,001	70,000	1,845,840
30	70,001	75,000	2,211,598
21	75,001	80,000	1,644,568
17	80,001	85,000	1,424,907
13	85,001	90,000	1,150,796
12	90,001	95,000	1,103,450
72	95,001	100,000	7,179,681
15	100,001	105,000	1,547,146
10	105,001	110,000	1,082,215
1	110,001	115,000	115,000
7	115,001	120,000	833,376
12	120,001	125,000	1,479,823
9	125,001	130,000	1,161,500
6	130,001	135,000	796,950
7	135,001	140,000	967,648
5	140,001	145,000	713,662
19	145,001	150,000	2,844,073
4	150,001	155,000	612,264
5	155,001	160,000	798,890
1	160,001	165,000	163,500
4	165,001	170,000	669,880
5	170,001	175,000	874,000
4	175,001	180,000	715,500

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	185,00	190,000	190,000
2	190,001	195,000	387,840
21	195,001	200,000	4,196,267
4	200,001	205,000	813,644
2	210,001	215,000	426,500
5	215,001	220,000	1,092,358
3	235,001	240,000	715,300
2	240,001	245,000	484,848
2	245,001	250,000	500,000
4	250,001	255,000	1,008,754
1	255,001	260,000	260,000
2	270,001	275,000	548,802
1	275,001	280,000	278,000
1	280,001	285,000	284,060
1	295,001	300,000	300,000
1	305,001	310,000	308,000
1	310,001	315,000	310,927
2	315,001	320,000	633,872
1	320,001	325,000	325,000
1	335,001	340,000	336,532
1	345,001	350,000	350,000
1	355,001	360,000	359,710
2	365,001	370,000	731,328
1	370,001	375,000	374,238
1	380,001	385,000	383,395
8	395,001	400,000	3,200,000
1	400,001	405,000	401,400
1	405,001	410,000	409,500
1	420,001	425,000	425,000
2	425,001	430,000	859,632
1	430,001	435,000	433,500
4	445,001	450,000	1,800,000
2	450,001	455,000	906,870
1	455,001	460,000	458,500
1	470,001	475,000	471,831
1	485,001	490,000	490,000
1	490,001	495,000	492,500
5	495,001	500,000	2,492,279
4	510,001	515,000	2,048,163

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	555,001	560,000	555,799
1	575,001	580,000	580,000
1	580,001	585,000	584,693
1	585,001	590,000	588,000
1	590,001	595,000	591,000
2	595,001	600,000	1,200,000
1	600,001	605,000	601,000
3	630,001	635,000	1,903,764
1	645,001	650,000	645,862
4	695,001	700,000	2,794,900
1	720,001	725,000	724,500
1	750,001	755,000	755,000
1	765,001	770,000	769,000
1	800,001	805,000	801,500
2	855,001	860,000	1,718,316
1	895,001	900,000	900,000
1	900,001	905,000	900,003
1	915,001	920,000	920,000
1	945,001	950,000	948,485
1	995,001	1,000,000	1,000,000
1	1,020,001	1,025,000	1,021,501
1	1,090,001	1,095,000	1,091,228
1	1,115,001	1,120,000	1,118,500
1	1,180,001	1,185,000	1,180,854
1	1,355,001	1,360,000	1,358,746
1	1,360,001	1,365,000	1,362,100
1	1,395,001	1,400,000	1,400,000
1	1,430,001	1,435,000	1,432,750
1	1,500,001	1,505,000	1,504,500
1	1,590,001	1,595,000	1,593,000
1	1,600,001	1,605,000	1,601,509
1	1,645,001	1,650,000	1,650,000
1	1,665,001	1,670,000	1,669,775
1	1,795,001	1,800,000	1,800,000
1	1,825,001	1,830,000	1,829,521
1	3,100,001	3,105,000	3,103,339
1	3,145,001	3,150,000	3,150,000
1	3,210,001	3,215,000	3,210,213
1	3,595,001	3,600,000	3,600,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholdings			
No. of Shareholders	From	To	Total Shares
1	4,925,001	4,930,000	4,925,401
1	5,595,001	5,600,000	5,600,000
1	7,600,001	7,605,000	7,603,779
1	9,660,001	9,665,000	9,661,088
1	10,690,001	10,695,000	10,693,343
1	22,455,001	22,460,000	22,459,028
1	28,345,001	28,350,000	28,350,000
1	167,995,001	168,000,000	168,000,000
1	181,645,001	181,650,000	181,650,000
17,680			630,000,000

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2025

S. No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	6	28,000	0.00
2	Associated Companies, Undertakings and Related Parties	4	400,459,028	63.56
3	NIT and ICP	2	10,306,950	1.64
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	5	2,129,699	0.34
5	Insurance Companies	3	6,100,120	0.97
6	Modarabas and Mutual Funds	26	23,593,140	3.74
7	Shareholders holding 10%	2	349,650,000	55.50
8	General Public:			
	a. Local	17,490	153,337,804	24.34
	b. Foreign			
9	Others	144	34,045,259	5.40
	Total (excluding shareholders holding 10%)	17,680	630,000,000	100.00

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

For the year ended June 30, 2025

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

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

	Category	Number
a	Male	Ten
b	Female	One

- The composition of Board is as follows:

Category	Names
Independent Directors	Tariq Kirmani Mohammad Abdul Aleem Mohammad Zubair
Non-Executive Directors	Aftab Husain Syed Jehangir Ali Shah
Non-Executive Directors (PSO Affiliated)	Falak Sher Mohsin Ali Mangi Syed Muhammad Taha Zafar UI Islam Usmani
Executive Director - MD & CEO	Zahid Mir
Female Director	Tara Uzra Dawood

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and the Regulations;
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency of meetings, recording and circulating minutes of meetings of the Board;

8. The Board has a formal and transparent procedure for remuneration of Directors in accordance with the Act and the Regulations;
9. The Directors were apprised of their duties and responsibilities from time to time. The Directors either have already attended the Directors' training as required in previous years or meet the exemption criteria as contained in the Regulations;
10. The Board has approved appointment of Chief 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 Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed statutory committees comprising members whose names are given below:

a. Audit & Risk Committee

1.	Mohammad Abdul Aleem	Chairman
2.	Falak Sher	Member
3.	Mohammad Zubair	Member
4.	Mohsin Ali Mangi	Member
5.	Tara Uzra Dawood	Member

b. Human Resources & Compensation Committee

1.	Tariq Kirmani	Chairman
2.	Aftab Husain	Member
3.	Syed Jehangir Ali Shah	Member
4.	Syed Muhammad Taha	Member
5.	Tara Uzra Dawood	Member
6.	Zafar UI Islam Usmani	Member
7.	Zahid Mir	Member (MD & CEO)

c. Project Steering Committee

1.	Zafar UI Islam Usmani	Chairman
2.	Aftab Husain	Member
3.	Falak Sher	Member
4.	Mohsin Ali Mangi	Member
5.	Syed Muhammad Taha	Member
6.	Zahid Mir	Member (MD & CEO)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The minimum frequency of meetings of the committee were as per following:
 - a. Audit & Risk Committee: Quarterly
 - b. HR & Compensation Committee: Quarterly
15. The Board has set up an effective internal audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the Firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company;
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

On behalf of the Board



Tariq Kirmani
Chairman

August 18, 2025



Zahid Mir
Managing Director & CEO



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

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Pakistan Refinery Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Refinery Limited ("the Company") for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 02 September 2025

Karachi

UDIN: CR202510201VUysmwNPK

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

AUDIT & RISK COMMITTEE REPORT

For the Year Ended June 30, 2025

On behalf of the Audit & Risk Committee (the Committee), I am pleased to present my report for the year ended June 30, 2025. The report outlines how the Committee discharged its responsibilities during the year in relation to financial and other reporting, risk management and internal control, the internal audit function and our relationship and interaction with the external auditors.

Roles and Responsibilities

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

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

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

Composition of the Committee

S.No.	Name	Designation	Category
1.	Mr. Mohammad Abdul Aleem	Chairman	Independent Non-Executive Director
2.	Mr. Mohammad Zubair	Member	Independent Non-Executive Director
3.	Ms. Tara Uzra Dawood	Member	Non-Executive Director
4.	Mr. Mohsin Ali Mangi	Member	Non-Executive Director
5.	Mr. Falak Sher	Member	Non-Executive Director

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

Committee Meetings

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

Financial Reporting and Significant Financial Judgements

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

- the appropriateness and consistency of accounting policies and practices;
- the going concern assumption;
- compliance with applicable financial reporting standards and corporate governance requirements as well as the clarity and completeness of disclosures; and
- considering the significant areas of complexity, management judgement and estimation that had been applied in the preparation of the statutory financial statements in accordance with the accounting policies.

The Committee believes that the Annual Report for the year ended June 30, 2025, as a whole provides the information necessary for shareholders to assess the Company's financial position and performance, business model and strategy.

Internal Control and Risk Management

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

The Company has developed a sound mechanism for the identification of risks and assigning appropriate criticality levels and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company. The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.

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

Internal Audit Function

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

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

External Auditor

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

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

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

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

On behalf of the Audit & Risk Committee



Mohammad Abdul Aleem
Chairman Audit & Risk Committee

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of your Company are pleased to present their Annual Report together with Audited Financial Statements for the year ended June 30, 2025.

Financial Results

	2025	2024
	(Rupees in thousand)	
(Loss) / profit for the year	(4,659,666)	4,061,635
Other comprehensive income	2,953,226	151,761
Total comprehensive (loss) / profit	(1,706,440)	4,213,396
	Rs. (7.40)	
		Rs. 6.45
Appropriations:		
Transfer from Special Reserve	-	16,979,049
Dividend paid	(1,260,000)	-
	(1,260,000)	16,979,049

Despite incurring loss during the current year, which is primarily due to depressed refining margins coupled with low local demand for High Sulphur Furnace Oil (HSFO), the Company continued to focus on aggressive operational strategy and achieved highest ever production of High Speed Diesel (HSD) during the year. Moreover, significant progress has been made on Refinery Expansion and Upgrade Project (REUP) where Front End Engineering and Design (FEED) work was completed and Engineering, Procurement and Construction (EPC) bids were received towards the end of current year for the REUP.

The Company along with other refineries is engaged with the Government to remove exemption of petroleum products from levy of Sales Tax. The Government through Finance Act, 2024 exempted certain Petroleum Products (Motor Gasoline, High Speed Diesel and Kerosene) from levy of Salex Tax which resulted in the Refinery not being able to claim related input tax. During the year, the Government allowed recovery of such irrecoverable input tax through Inland Freight Equalisation Margin (IFEM) for the year 2024-25 only. Going forward, the refineries are pursuing the Government to extend the recovery mechanism for the year 2025-26 to provide temporary relief to the refineries and restore taxable status of the aforementioned products for permanent resolution of the matter.

Subsequent to the year end, the Government also imposed Petroleum Levy and Climate Support Levy on HSFO at Rs. 82,077 per Metric Ton and Rs. 2,665 per Metric Ton respectively, further denting the already depleted local demand. It is expected that consequent to these levies, entire HSFO production will be exported with adverse pressure on Company's profitability.

The resolution of these matters along with recovery of outstanding claims of custom duty on crude oil from Oil and Gas Regulatory Authority (OGRA), along with the reimbursement of exchange losses on foreign exchange loans as per Government directives, will be critical in maintaining profitable operations and sustainable liquidity position of the Company.

State of the Company's affairs and its review

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

- Stringent controls over crude oil procurement and inventory management were consistently applied to ensure maximum production of better margin products, namely Petrol (MS) and HSD.
- Pressure on local upliftment of HSFO continued to grow that forced the Company to export 311,570 Metric Tons as compared to 142,533 Metric Tons last year.
- The Company made significant progress on REUP during the year. The FEED for REUP was completed in the second quarter of the current financial year followed by the bidding process based on transparent prequalification. Towards the end of the year, the Company has received EPC bids for the project. The Company is currently evaluating the bids as well as working with financial advisors and potential lenders for raising required financing for the project.

Principal Risks and Uncertainties

- The Refinery operates under policy framework of the Government of Pakistan. The pricing of certain products is regulated / monitored by the Ministry of Energy (MoE) which is primarily on import parity pricing basis. Changes in international pricing of crude oil and refined petroleum products and local pricing mechanism by MoE may have a significant impact on the results of the Company.
- Specifications of Refinery's products are defined by the Government and the Refinery is required to strictly comply with such specifications. Any change in these specifications may require the Refinery to make changes in operational parameters which in turn may have an adverse impact on the results of the Company.
- The Company has signed agreements with the OGRA under the Pakistan Oil Refining Policy for Upgradation of Existing / Brownfield Refineries, which inetralia require the Company to complete its REUP in the stipulated period of six years. The completion of REUP is heavily dependent on successful 'financial close' of the project.
- As already discussed in the aforementioned paragraphs, the Government has levied Climate Support Levy and Petroleum Levy on HSFO subsequent to the year-end which will severely affect local demand. This will force refineries to export HSFO with adverse pressure on the Company's profitability.

Future Prospects and Risk Mitigation Measures

- Work on FEED phase of Company's REUP has completed. REUP has following objectives:
 - Compliance with requirement to product EURO V compliant HSD and MS;
 - Expansion of crude oil processing capacity from 50,000 to 100,000 barrels per day; and
 - To achieve self-sustainability by upgrading from hydro-skimming refinery to deep conversion refinery thereby, significantly reducing production of HSFO.

FEED for the project was carried out by M/s Wood Group UK Limited. The Company has received EPC bids for the project after transparent prequalification and bidding process. The Company expects that the bid evaluation process will be completed and significant progress on financial close will be made by the end of next year.

Dividend

Due to loss situation in the current financial year, the Directors of the Company do not propose any dividend for year ended June 30, 2025.

Corporate and Financial Reporting Framework

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

Credit Rating

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

Value of Investment in Post - Employment Benefit Funds

The value of investments of provident, gratuity and pension funds on the basis of unaudited accounts as at June 30, 2025 was as follows:

	(Rupees in '000)
Provident Fund	739,685
Gratuity Fund – Management Staff	352,471
Gratuity Fund – Non-management Staff	136,606
Pension Fund – Management Staff	2,336,243
Pension Fund – Non-management Staff	332,814

Health, Safety, Environment and Quality (HSEQ)

Safe Manhours

As at June 30, 2025, Pakistan Refinery Limited (PRL) achieved 8.2 million safe manhours without a Lost Time Injury (LTI). This milestone underscores the Company's unwavering commitment to Health, Safety, Environment and Quality excellence, proactive risk management, and a robust safety culture throughout the organization.

HSEQ External Audit

In November 2024, a third-party surveillance audit based on IMS (ISO standards 9001, 14001, and 45001) was conducted and there was no major observation or non-compliance reported.

Compliance with Regulatory Requirements

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

Environment, Social, and Governance

PRL is actively involved in activities that are aimed to protect environment, improving governance and contributing to social wellbeing of communities in our vicinity. PRL has engaged an Environment, Social and Governance (ESG) consultant to support the development and implementation of a comprehensive ESG strategy. Currently, a detailed gap assessment is in progress to compare existing practices against international ESG standards. SECP disclosure requirements relating to ESG will be effective for periods beginning July 1, 2025.

Technical and Operations

The Refinery continued to operate safely and efficiently optimizing production and enhancing energy efficiency. As a result of these efforts, during the year 2024-25, the Company achieved record annual sales of HSD (~800,000 Metric Tons) and MS (~300,000 Metric Tons), underscoring the Company's focus on operational discipline and reliability.

As part of achieving sustainability the Naphtha Circuit Modification Project is planned to be completed during the next scheduled maintenance shutdown in the financial year 2026-27, which will increase annual production of Motor Gasoline (Petrol) by ~15,000 Metric Tons.

Throughout the year, the Company undertook various engineering initiatives to ensure asset integrity, enhancing equipment reliability and performance through various upgrades. These initiatives included numerous in-house efforts demonstrating employees' capabilities.

Refinery Expansion and Upgrade Project (REUP)

In line with the Company's long-term strategic vision, substantial progress has been achieved during the year on REUP. The FEED awarded to M/s Wood Group UK Limited was successfully completed in the second quarter of the financial year 2024-25. As part of this phase, Process Design Packages (PDPs) for the licensed process units were received from globally recognized technology licensors, M/s UOP (USA) and M/s Axens (France).

Invitation to Bid (ITB) was issued under EPC-F mode to internationally reputed EPC contractors who were pre-qualified through a rigorous evaluation process. On May 30, 2025, two bids were received which are currently under detailed technical and commercial evaluation. The Company is targeting Financial Close of REUP during the next calendar year.

Upon its completion, the REUP will double the Company's crude processing capacity from 50,000 to 100,000 barrels per day. The integration of deep conversion technology will significantly curtail furnace oil production while enhancing yields of Euro V compliant High-Speed Diesel (HSD) and Motor Gasoline (Petrol). These enhancements will not only improve refinery margins but also align operations with environmental and fuel quality standards.

Formulation of New Information Technology Strategy

The Company is working on a new Information Technology Strategy to align with industry best practices and the right emerging technologies. This strategy will establish a clear framework to further enhance Information Technology Governance, Information and Cyber Security, Operational efficiency, and support digital transformation. It will ensure that the Company's Information Technology environment is well-positioned to support the objectives of the REUP by leveraging cutting-edge technologies such as Internet of Things (IoT), Artificial Intelligence (AI), and Data Analytics. The revised Information Technology Strategy will drive sustainable growth, streamline operations, and ensure compliance with regulatory requirements.

Human Resources and Industrial Relations

The Company's Human Resources continued to play a pivotal role in supporting the Company's strategic objectives. Effective talent management, employee engagement, career development and strict compliance with regulatory standards helped in strengthening workforce capabilities, enhancing employee wellbeing, and fostering a culture of safety, inclusion, and continuous development.

Employee engagement initiatives were actively pursued, including the roll-out of various wellness programs and employee recognition efforts. A comprehensive range of health and safety training programs contributed to a noticeable reduction in workplace incidents and reinforced our safety-first culture across all levels of the organization. Additionally, significant progress was made in leadership development and technical skills enhancement, with a strong focus on building internal capacity, supporting succession planning, and advancing employee career progression.

Engagement with the Collective Bargaining Agent (CBA) remained constructive and collaborative, with no disputes recorded during the year.

Corporate Social Responsibility (CSR)

During the year, PRL continued to contribute meaningfully to the well-being of its adjacent communities through targeted CSR initiatives in the areas of education, healthcare, mental health, and community development. A total of Rs. 49.74 million was allocated to various organizations committed to creating lasting social impact including Rs. 11.18 million to Citizens Foundation to fund quality education for underprivileged children, Rs. 17.5 million to Indus Hospital to strengthen access to free healthcare, Rs. 4.56 million to Karwan-e-Hayat for mental health services, Rs. 0.5 million to Dr. Prem Kumar Sital Das Memorial Trust for community support and Rs. 10 million to Behbud Association for women's empowerment and educational programs. Additionally, the Company supported literacy advancement through Goread.pk by way of a donation of Rs. 1 million and higher education scholarship program at the Institute of Business Management worth Rs. 5 million.

Adequacy of Internal Financial Controls

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

Contribution to the National Exchequer and Value Addition

The Company continued to be amongst major taxpayers of the country with timely discharge of all tax related liabilities. During the year, the Company contributed Rs. 103.22 billion (2024: Rs. 91.96 billion) to the National Exchequer in the form of direct and indirect taxes. In addition, during the year Company's exports fetched valuable foreign exchange of USD 181.7 million (2024: USD 80.43 million).

Key operation and financial data

A statement summarizing key operating and financial data for the last six years is given on page 85 of the report.

Principal activities of the Company

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

Changes concerning nature of business of the Company and its investee Company

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

Subsequent events

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

External Auditors

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

Acknowledgement

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

On behalf of the Board of Directors



Tariq Kirmani
Chairman



Zahid Mir
Managing Director & CEO

Karachi: August 18, 2025

Board Composition and Board Sub-Committees

a	Male	10
b	Female	1

Category	Names
Non-Executive / Independent Directors	<ul style="list-style-type: none"> Tariq Kirmani Aftab Husain Mohammad Abdul Aleem Mohammad Zubair Syed Jehangir Ali Shah
Non-Executive Directors (PSO affiliated)	<ul style="list-style-type: none"> Falak Sher Mohsin Ali Mangi Syed Muhammad Taha Zafar Ul Islam Usmani
Female Director	<ul style="list-style-type: none"> Tara Uzra Dawood
Executive Director (MD / CEO)	<ul style="list-style-type: none"> Zahid Mir

Board Audit & Risk Committee

1	Mohammad Abdul Aleem	Chairman
2	Falak Sher	Member
3	Mohammad Zubair	Member
4	Mohsin Ali Mangi	Member
5	Tara Uzra Dawood	Member

Board Human Resources & Compensation Committee

1	Tariq Kirmani	Chairman
2	Aftab Husain	Member
3	Syed Jehangir Ali Shah	Member
4	Syed Muhammad Taha	Member
5	Tara Uzra Dawood	Member
6	Zafar Ul Islam Usmani	Member
7	Zahid Mir	Member (MD & CEO)

Board Project Steering Committee

1	Zafar Ul Islam Usmani	Chairman
2	Aftab Husain	Member
3	Falak Sher	Member
4	Mohsin Ali Mangi	Member
5	Syed Muhammad Taha	Member
6	Zahid Mir	Member (MD & CEO)

Attendance of the Board of Directors' Meetings held during the year

Director	Total No. of Board Meetings	No. of Meetings Attended
Tariq Kirmani	8	8
Aftab Husain	8	8
Falak Sher	8	8
Mohammad Abdul Aleem	8	8
Mohammad Zubair	8	8
Mohsin Ali Mangi	8	7
Syed Jehangir Ali Shah	8	8
Syed Muhammad Taha	8	7
Tara Uzra Dawood	8	8
Zafar Ul Islam Usmani	8	8
Zahid Mir	8	8

Attendance of the Board Sub-Committees' Meetings held during the year

Board Audit & Risk Committee

Member Name	Total No. of Committee Meetings	No. of Meetings Attended
Mohammad Abdul Aleem	4	4
Falak Sher	4	4
Mohammad Zubair	4	4
Mohsin Ali Mangi	4	3
Tara Uzra Dawood	4	4

Board Human Resources & Compensation Committee

Member Name	Total No. of Committee Meetings	No. of Meetings Attended
Tariq Kirmani	4	4
Aftab Husain	4	4
Syed Jehangir Ali Shah	4	4
Syed Muhammad Taha	4	4
Tara Uzra Dawood	4	4
Zafar Ul Islam Usmani	4	4
Zahid Mir	4	4

Board Project Steering Committee

Member Name	Total No. of Committee Meetings	No. of Meetings Attended
Zafar Ul Islam Usmani	4	4
Aftab Husain	4	4
Falak Sher	4	4
Mohsin Ali Mangi	4	3
Syed Muhammad Taha	4	4
Zahid Mir	4	4

**OUR BLUEPRINT FOR GROWTH
STRATEGY,
RESOURCE
ALLOCATION &
RISK MANAGEMENT**

STRATEGIC OBJECTIVES AND PLANNING

In pursuit of sustained growth and value creation, PRL has developed a robust business strategy that aligns with PRL's vision and objectives. The strategy focuses on optimising the core business, exploring new opportunities, and expanding its energy value chain. PRL aims to achieve these strategic objectives through a mix of short, medium, and long-term planning, supported by effective resource allocation and operational excellence.

S. No.	Objective	Nature	Strategy
01	Uninterrupted operations of the refinery	Short / Medium / Long	PRL continues to focus on preventive maintenance plans to ensure uninterrupted operations of the Refinery. Further, PRL has agreements with crude oil suppliers and oil marketing companies that ensure smooth supply chain at both ends.
02	Operational excellence	Short / Medium / Long	PRL takes pride in its operational excellence, being the refinery with lowest operating cost per barrel whilst ensuring safety of employees and efficiency in operations. Focus remains on increasing distillate yields, reducing manufacturing losses and continues plant availability.
03	Health, Safety, Environment & ESG	Short / Medium / Long	PRL continues its HSEQ mindset for all stakeholders. HSEQ standards are implemented within the refinery and measures are taken to prevent HSEQ related incidents (fatalities, process safety incidents, Lost Time Injury frequency, oil spills and non-compliance with environmental regulations) from occurring.
04	Production of environment-friendly products and sustainable operations	Long	PRL has already embarked on REUP . The project focusses on i) production of EURO V compliant HSD and MS; ii) reduction in production of HSFO; and iii) doubling the refinery capacity from existing 50,000 bpd to 100,000 bpd.
05	Stakeholder satisfaction	Short / Medium / Long	All stakeholder complaints are managed and settled timely, and focus remains on having zero unresolved complaint.
06	Community & Social Responsibility	Short / Medium / Long	PRL is committed towards society in general and to the people who live in the close vicinity of the Refinery and contributes regularly towards the welfare of the society.
07	Financial discipline	Short / Medium / Long	PRL targets improving profitability to create value for shareholders. Availability of finances at lower rates and controlling operating expenses promote financial discipline in PRL.

Resource Allocation and Capital Overview

To implement the strategic objectives, PRL has allocated resources across various capital categories. In terms of financial capital, PRL has planned to invest significant funds towards the REUP project and other capital expenditures aimed at improving operational efficiency and increasing capacity. Human capital is another critical resource, and PRL has plans to recruit and retain top talent, provide ongoing training and development, and foster a culture of innovation.

Manufactured capital, including equipment, infrastructure, and facilities, is also a priority for PRL. The Company has plans to upgrade existing facilities and invest in new equipment and infrastructure to support its strategic objectives.

Social and relationship capital, which includes PRL's interaction with stakeholders, customers, and partners, is a vital asset for the Company. PRL aims to further strengthen its relationships and forge new partnerships to support its growth and diversification initiatives. Recognising the importance of natural capital, the Refinery is committed to incorporating sustainable practices and reduce its environmental footprint, ensuring a balance between business growth and environmental responsibility.

Company's most significant resources are as follows:

- **Human Capital:** The biggest asset of PRL is its trained and dedicated workforce. PRL continues its efforts to develop career plans for high potential employees and ensure training for all employees.
- **Financial Capital:** The Refinery's business model requires effective working capital management. PRL has a comprehensive budgeting, planning and liquidity management system in place that ensures proper utilisation of financial resources and create value to PRL.
- **Installed Capital:** PRL has an effective preventive maintenance system that ensures identification and availability of required resources. Further, various plant and equipment are replaced time to time with latest technology to keep the refinery abreast with updated trends.
- **Natural Capital:** PRL's business model gives prime importance to preservation of natural resources and environmental protection. PRL through its waste management and effluent monitoring process, minimises any harmful impact to the environment caused by the refinery operations.

Competitive Advantage and Value Creation

PRL's inherent strengths and strategic investments, exemplified by the REUP project, reinforce its competitive edge and value proposition. This initiative expands product range, boosts refining capacity, and curbs fuel imports, while leveraging advanced technology for operational excellence. Moreover, sustainable practices enhance reputation, mitigate risks, and attract conscientious investors. Strong stakeholder relations further solidify PRL's advantage and foster enduring partnerships in a stable business landscape.

Factors Impacting Strategy and Resource Allocation

PRL's strategy and resource allocation is influenced by various factors, including technological changes, innovation initiatives, and resource shortages. PRL has responded to technological advancements by implementing significant digital transformation strategies to enhance operational efficiency, reduce costs, and improve decision-making. PRL has fostered innovation through the REUP. PRL has had to tackle resource shortages, leading it to adopt cost-cutting measures and seek partnerships and collaborations to ensure sustainable input supply. These factors have shaped PRL's short, medium, and long-term strategic objectives, including enhancing production and revenue, optimising refining strategies, and implementing operational and cost-cutting measures to maintain a sustainable competitive advantage and create value for stakeholders.

KPIs for Strategic Objectives

PRL is committed to achieving its strategic objectives by monitoring and measuring its performance against key performance indicators (KPIs). PRL uses a scorecard system to track progress towards its goals and objectives and to identify areas where performance can be improved. PRL regularly reviews its KPIs to ensure that they remain relevant and aligned with its strategic objectives. By measuring and monitoring its performance against these KPIs, PRL can make informed decisions to improve its operations, maintain financial stability, and achieve its growth objectives.

To ensure that it is meeting its strategic objectives, PRL has identified five key areas for which it measures KPIs:

- Health, Safety, Environment
- Operational
- Financial
- REUP Progress
- Human Resource Development

Financial Performance and Debt Management

There have been no defaults in repayment of any debt during the year. PRL implemented various measures such as efficient crude planning including buying low-cost crude cargoes on a SPOT basis, inventory management, achieving optimal product mix yields etc. These measures consequently improve profitability, which augments the cash and cash equivalents and reduces reliance on borrowings. In addition, the Company has taken up the challenge to improve the operating cycle, for instance increasing the proportion of cash sales, which improves liquidity. All such measures have helped and will help the Company to settle its liabilities promptly.

RISK & OPPORTUNITIES

Analysis of Capital Availability, Quality, and Affordability

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

Internal Factors

1. Financial Capital

- Opportunity: Access to diverse financing options and capital markets can provide PRL with the necessary funds to invest in infrastructure upgrades, process improvements, and expansion projects. This can enhance the availability and quality of financial capital
- Risk: Inadequate financial management and economic uncertainties can pose challenges in securing affordable capital, potentially limiting the availability of funds for critical investments

2. Human Capital

- Opportunity: Building a skilled and motivated workforce through recruitment, training, and development programs can improve the quality of human capital. A talented and knowledgeable workforce enhances operational efficiency, innovation, and overall organisational performance
- Risk: Shortage of skilled labor, high turnover rates, and the lack of continuous professional development can impact the availability and quality of human capital, leading to decreased productivity and competitiveness

External Factors

1. Market Conditions

- Opportunity: Favourable market conditions, such as stable crude oil prices and increasing demand for petroleum products, can positively impact the availability and affordability of the capital. This allows PRL to optimise production and maximise profitability
- Risk: Change of oil prices in the market can affect overall pricing

2. Regulatory Environment

- Opportunity: Supportive regulatory frameworks, tax incentives, and government policies promoting energy sector investments can enhance the availability and affordability of the capital. This facilitates PRL's ability to invest in sustainable technologies, infrastructure upgrades, and environmental compliance
- Risk: Stringent regulations, compliance requirements, and changes in government policies can increase costs, impact affordability, and limit the availability of capital. Non-compliance may result in penalties and reputational damage

3. Technological Advancements

- Opportunity: Embracing technological advancements, such as digitalisation, automation, and process optimisation, can improve the quality and affordability of capital. This leads to enhanced operational efficiency, cost savings, and better utilisation of resources
- Risk: Rapid technological changes and the need for constant upgrades may require significant investments, impacting the affordability and availability of capital. Inadequate adoption of technology can result in operational inefficiencies and reduced competitiveness

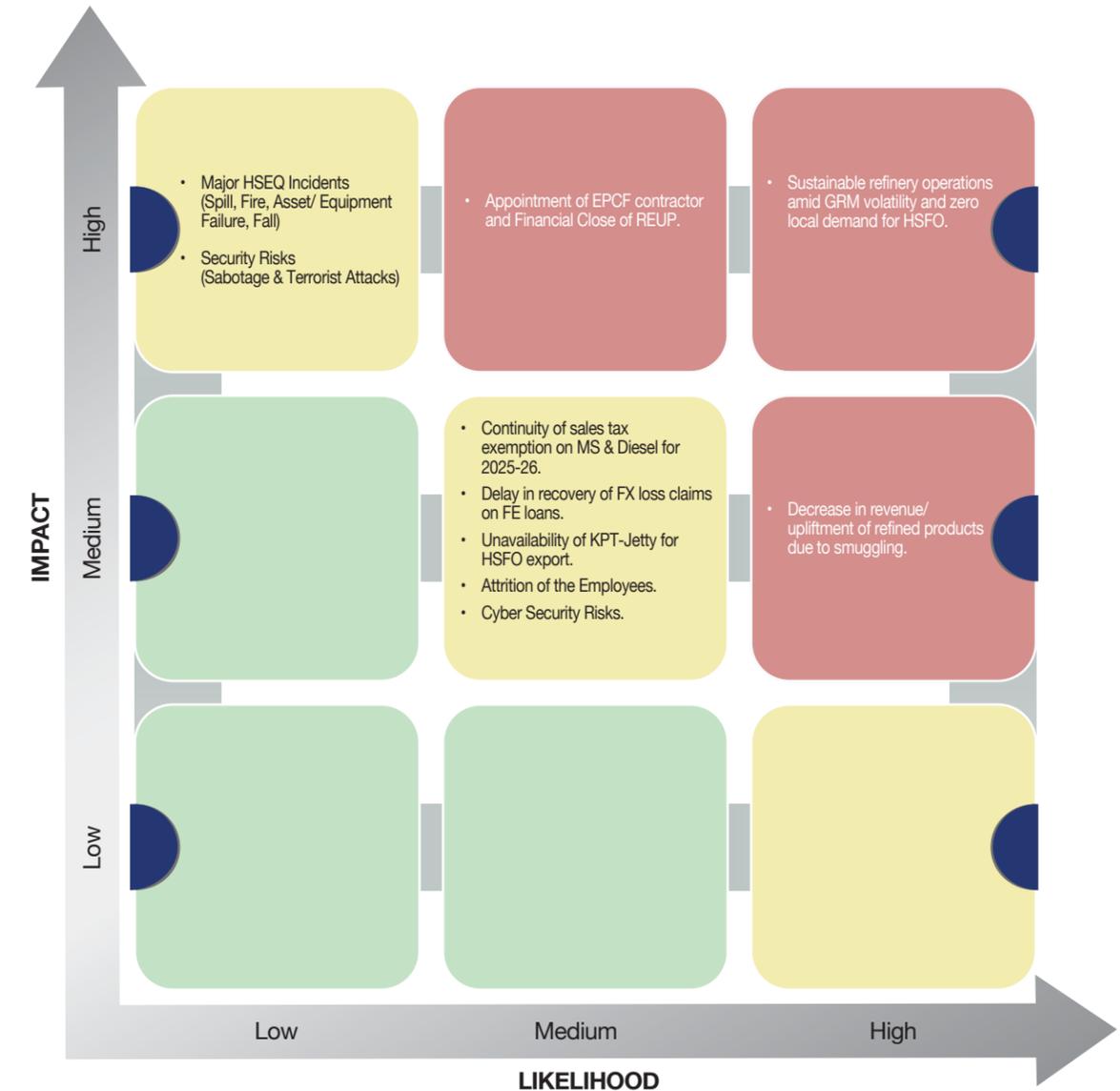
BUSINESS CONTINUITY & DISASTER RECOVERY PLAN

PRL's Business Continuity and Disaster Recovery Plan recognises its critical importance in mitigating risks and ensuring the resilience of PRL's operations. The plan encompasses comprehensive strategies, protocols, and resources to safeguard PRL's business and minimise disruptions in the face of unforeseen events. The board remains committed to regular evaluation and refinement of the plan to align with evolving circumstances, ensuring PRL's ability to effectively respond and recover from any potential disruptions.

RISK MANAGEMENT AND GOVERNANCE

Business Risk Matrix

To ensure proactive risk management, PRL has developed a comprehensive business risk matrix that assesses the likelihood and impact of various risks. This matrix encompasses a wide range of risks, including operational, financial, legal, and reputational factors. By regularly reviewing and updating the risk matrix, the Company is able to identify emerging risks and implement appropriate measures to mitigate them, ensuring a robust approach to risk management.



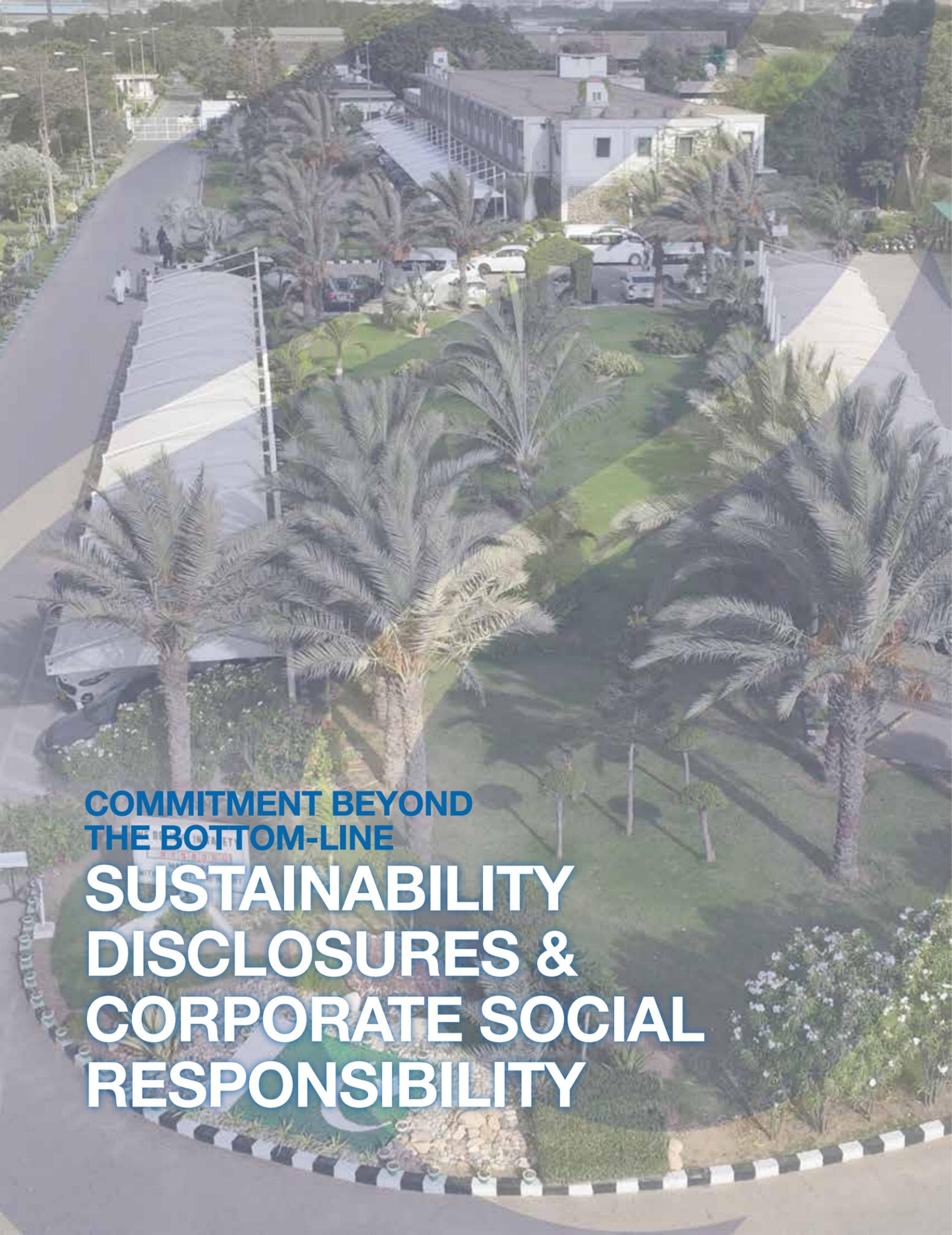
In response to the identified risks, PRL has implemented a range of measures, including investing in new technologies, strengthening PRL's financial position, and enhancing PRL's corporate governance practices. A risk management team is also in place to monitor and manage risks on an ongoing basis.

RISK MITIGATION MEASURES

In pursuit of sustainable growth and effective risk management, PRL has undertaken specific steps to mitigate key risks and capitalise on key opportunities. The management continuously reviews all the high-priority corporate risks that pose a serious threat to PRL's profitability and liquidity and makes relentless efforts to mitigate those risks as part of day-to-day activities.

	Business Risks	Rating	Impact	Mitigation
1	Sustainable refinery operations due to GRM volatility and low demand of HSFO/challenges in the sale of HSD	High	<ul style="list-style-type: none"> Volatile GRM Inventory losses Liquidity issues 	<ul style="list-style-type: none"> Inventory management through periodic review
			<ul style="list-style-type: none"> Low demand for HSFO Ullage problem Reduced throughput Refinery shutdown 	<ul style="list-style-type: none"> Optimise crude oil selection / new customers / export of HSFO Active engagement with government authorities, OCAC, and other relevant forums
2	Challenges to have timely financial close of REUP	High	<ul style="list-style-type: none"> Reputational risk with financial institutions, consultants, and licensors 	<ul style="list-style-type: none"> Engaging actively with ministry, GOP, and SBP to explain the significance of REUP Bringing in potential strategic investors preferably foreign
3	Delay in recovery of FX loss claims on FE loans	Medium	<ul style="list-style-type: none"> Financial stability Cash flow constraints 	<ul style="list-style-type: none"> Continuous engagement with GOP, and other stakeholders, at relevant forums Prior settlement of similar claims of other companies by GOP
4	Economic challenges impacting the cost of doing business	Medium	<ul style="list-style-type: none"> Increase in tax rates Energy costs Reduction in revenues High financial costs Exchange rate parity 	<ul style="list-style-type: none"> Active engagement with government authorities, and industry partners at relevant forums to avoid such unilateral changes
5	Attrition of employees	Medium	<ul style="list-style-type: none"> Adverse impact on company operations due to higher attrition Decreased employee morale 	
6	Cyber security risks	Medium	<ul style="list-style-type: none"> Potential financial losses Reputation damage Operational disruption Theft of sensitive data 	<ul style="list-style-type: none"> Implement firewalls Using secure communication channels Regular system updates Data backup and recovery Training and awareness Conduct external reviews at regular intervals for improvement

	Business Risks	Rating	Impact	Mitigation
7	Challenges in opening LCs (crude oil /chemicals /spares) due to country risk	Medium	<ul style="list-style-type: none"> Operational disruption or refinery shutdown 	<ul style="list-style-type: none"> Active engagement with government authorities, SBP, OCAC, and other relevant forums
8	Change of status of taxable supplies (MS & HSD) to exempt supplies	Medium	<ul style="list-style-type: none"> Impact on profitability Cash flow implications Impact on REUP viability 	<ul style="list-style-type: none"> Active engagement with government authorities, and industry partners at relevant forums to revert this change
9	Major HSE incident (spill, fire, asset/equipment failure, fall)	Medium	<ul style="list-style-type: none"> Fatality/injuries Damage to plant/asset Reputation risk Operational disruptions Litigation/penalties Environmental impact 	<ul style="list-style-type: none"> Compliance with SOPs/controls
10	Security risks (sabotage & terrorist attack)	Medium	<ul style="list-style-type: none"> Fatalities/ injuries Damage to plant & infrastructure Operational disruptions Financial loss 	<ul style="list-style-type: none"> Compliance with SOPs/controls Liaison with law enforcement agencies for improved security arrangements



**COMMITMENT BEYOND
THE BOTTOM-LINE**

SUSTAINABILITY DISCLOSURES & CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY DISCLOSURES & CORPORATE SOCIAL RESPONSIBILITY

PRL remains committed to creating long-term value by embedding sustainability at the core of its business model. This commitment is expressed through Corporate Social Responsibility (CSR) initiatives that directly benefit communities, and through sustainability disclosures aligned with Environmental, Social, and Governance (ESG) best practices. Together, these demonstrate PRL's belief that responsible business conduct, community investment, and transparent reporting are essential to sustainable growth.

Corporate Social Responsibility (CSR) – Initiatives & Performance

CSR at PRL is guided by the principle of shared value creation — uplifting communities while reinforcing the Company's long-term sustainability. During the year, PRL allocated Rs. 49.74 million across education, healthcare, mental health, women's empowerment, and community development.

Healthcare

- Indus Hospital – Rs. 17.5 million: Supported free, quality healthcare services for underprivileged communities.
- Dr. Prem Kumar Sital Das Memorial Trust – Rs. 0.5 million: Assisted community-based health and welfare initiatives.

Mental Health

- Karwan-e-Hayat – Rs. 4.56 million: Enabled psychiatric treatment and rehabilitation services.

Education

- The Citizens Foundation (TCF) – Rs. 11.18 million: Provided quality education for underprivileged children.
- Institute of Business Management (IoBM) – Rs. 5 million: Funded scholarships for deserving students.
- GoRead.pk – Rs. 1 million: Advanced literacy and reading culture among children.

Women's Empowerment & Community Development

- Behbud Association – Rs. 10 million: Supported women's empowerment, education, and livelihood programmes.

These initiatives reflect PRL's commitment to long-term partnerships that deliver meaningful and measurable social impact.

Sustainability Disclosures

While CSR reflects PRL's direct community impact, the Company also recognises the importance of embedding Environment, Social and Governance (ESG) principles into its broader strategy and operations. During the year, PRL advanced its alignment with the SECP ESG Disclosure Guidelines (2024), ensuring transparency and accountability across environmental, social, and governance dimensions.

Environmental Performance

PRL is committed to minimising its environmental footprint and ensuring compliance with national and international standards.

- Emissions: PRL monitors emissions through SEPA-approved third-party laboratories as part of its Environmental Management Plan. Monthly monitoring confirms that NO_x, SO_x, and CO levels remain below permissible limits, reflecting effective control measures and ongoing compliance.
- Water & Wastewater Management: Process wastewater is treated on-site in a Wastewater Treatment Plant (WWTP). Both internal and SEPA-approved external labs monitor discharge quality to ensure compliance. Studies are underway to reuse treated effluent water via a reverse osmosis (RO) plant for non-potable use. Cooling water systems operate in closed-loop configurations to conserve resources, with upgrades planned to reduce evaporation losses.

- Waste Management: Hazardous waste is managed in strict compliance with SEPA regulations. This includes segregation, containment, third-party incineration, and landfill disposal under PRL supervision. Used oils are collected and channelled through the oily drainage system leading to the API Separator. Regular audits, training, and labelling protocols reinforce safe and traceable handling of hazardous waste.

Social Performance

PRL prioritises employee well-being and responsible practices across its supply chain.

- Training & Development: PRL provides comprehensive programmes covering technical, HSEQ, management, and digital literacy. Initiatives include Learning Management System-based training, train-the-trainer schemes, coaching, and mentoring.
- Health & Safety:

Following are the Leading Indicators for the year:

Safe manhours	Safe man-days	Emergency drills	Potential incidents reported	Near misses
8.2 million	969	93	40	18

Following are the Lagging Indicators for the year:

Fatalities	Lost time injury	Restricted work case	Medical treatment case	First aid case	Total recordable case frequency	Lost time injury frequency
0	0	0	0	1	0	0.168

Governance Performance

Robust governance underpins PRL’s sustainability approach. A dedicated risk management framework monitors emerging ESG-related risks, including climate, social, and governance matters, ensuring proactive mitigation. PRL’s sustainability and CSR framework is anchored in governance practices that ensure accountability, compliance, and long-term value creation.

- Regulatory Alignment: PRL complies with SECP’s CSR Guidelines (2013) and the Listed Companies (Code of Corporate Governance) Regulations (2019). The Company is also progressively adopting SECP’s ESG Disclosure Guidelines (2024).
- Oversight Mechanisms: All CSR contributions are reviewed by management for alignment with PRL’s strategic and community objectives.
- Certifications & Standards:
 - ISO 45001 – Occupational Health and Safety Management Systems
 - ISO 14001 – Environmental Management Systems
 - ISO 9001 – Quality Management Systems

These certifications reaffirm PRL’s commitment to embedding HSEQ standards across its operations and maintaining compliance with international benchmarks.

IT GOVERNANCE AND CYBERSECURITY

Board Oversight and Responsibility

The Board of Directors actively oversees PRL’s IT and cybersecurity agenda, receiving periodic updates from Management on IT risks, policies, and key initiatives. This ensures that any significant threats are promptly escalated and that the Company’s cyber risk management strategy remains aligned with business objectives and regulatory expectations.

IT Governance

IT operates under structured governance framework that ensures alignment of technology initiatives with the Company’s strategic direction. Clear policies, defined roles, and standardized procedures enable effective management of IT resources while supporting operational excellence and compliance requirements.

Digital Transformation

PRL is actively pursuing digital transformation initiatives across key business areas, including operations, laboratory testing, procurement, and commercial functions. These initiatives are focused on automation, real-time data utilization, enhanced efficiency, positioning technology as a driver of business growth and innovation.

Cybersecurity Framework

PRL has established a comprehensive cybersecurity framework to safeguard critical systems, data, and networks. The framework includes preventive, detective, and responsive measures, supported by regular risk assessments and compliance reviews. Continuous monitoring ensures timely identification and mitigation of potential risks in line with industry best practices.

Business Continuity and Resilience

PRL places strong emphasis on business continuity through established disaster recovery and resilience mechanisms. Regular testing and updates ensure that critical operations can continue without major disruptions in the event of unforeseen incidents.

Education and Awareness

Recognizing that employees are the first line of defense, PRL regularly conducts awareness campaigns and training sessions to strengthen the cybersecurity culture. Periodic IT bulletins are also issued to keep staff informed about risks, safe practices, and emerging trends.

Future Outlook

PRL continues to strengthen its IT and cybersecurity capabilities in line with evolving business, regulatory, and technological requirements. Investments in governance, digital transformation, and resilience will remain a priority, ensuring technology continues to enable sustainable growth, operational efficiency, and stakeholder confidence.



SHARED VISION, SHARED SUCCESS

STAKEHOLDERS' RELATIONSHIP & ENGAGEMENT

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Stakeholder Engagement Strategy and Framework

Stakeholder engagement is a fundamental aspect of PRL's operations, recognising the vital role stakeholders play in shaping the Company's success and fostering sustainable growth. Through a comprehensive analysis, PRL has identified its key stakeholders, including employees, customers, suppliers, local communities, government authorities, industry associations, shareholders, and regulatory bodies.

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

Stakeholder Engagement and Impact on Performance

PRL prioritises stakeholder engagement as a key driver of building strong relationships and addressing stakeholder needs. The Company actively engages with institutional investors, customers, suppliers, banks, media, regulators, local communities, and analysts through regular communication and collaboration. These interactions directly influence PRL's performance and value, and are managed through proactive dialogue, feedback mechanisms, and dedicated stakeholder management teams. By understanding stakeholder perspectives and aligning strategies accordingly, PRL fosters trust, enhances its reputation, and ensures sustainable outcomes. Key stakeholders include the following:

- **Shareholders**
PRL engages shareholders through annual general meetings, providing updates on performance, financial results, and strategic initiatives. The Company values shareholder feedback and incorporates their expectations into its decision-making processes.
- **Customers & Suppliers**
Ongoing engagement with customers and suppliers is crucial for fostering strong partnerships. Through regular dialogue, PRL aims to understand their requirements, resolve issues, and explore opportunities for collaboration and innovation.
- **Banks and Other Lenders**
PRL maintains open communication with banks and lenders, discussing financial performance, capital requirements, and risk management strategies. These engagements help to secure financial support and maintain strong relationships with financial institutions.
- **Media**
Media engagement is vital for sharing PRL's corporate activities, initiatives, and achievements. The Company communicates proactively through press releases, interviews, and participation in industry events to ensure accurate and transparent dissemination of information.
- **Regulators**
PRL engages regulators to ensure compliance with applicable laws and regulations. The Company participates in regulatory consultations, provides required information, and maintains a cooperative relationship with regulatory bodies to uphold legal standards.
- **Local Communities**
PRL actively engages with local communities to understand their needs and concerns, foster goodwill, and contribute positively to societal development. The Company participates in community meetings and supports community development initiatives, ensuring a positive and sustainable impact on the local areas in which it operates.
- **Analysts**
Engagement with analysts is key to ensuring transparent and accurate coverage of PRL's performance. The Company provides essential information, participates in analyst briefings, and responds to inquiries, enabling analysts to make well-informed assessments of its performance.

Encouraging Minority Shareholder Participation

Management has implemented various initiatives to promote and encourage the attendance of minority shareholders at general meetings. These measures include providing clear information and guidance on meeting procedures and creating an inclusive and welcoming environment for all shareholders to participate and express their views. The aim is to ensure that all shareholders, including minority shareholders, can engage, ask questions, and make informed decisions during general meetings.

Investor Relations' Section on the Website

PRL's Investor Relations' section on the corporate website serves as a centralised hub for stakeholders to access comprehensive financial and non-financial information. With company updates, press releases, financial statements, and other resources readily available, the Company prioritises transparency and aims to foster effective communication with investors, analysts, and other stakeholders. PRL also utilises various channels, including social media and email, to maintain an open dialogue and promptly address inquiries.

Issues raised in the last AGM, Decisions taken, and their Implementation Status

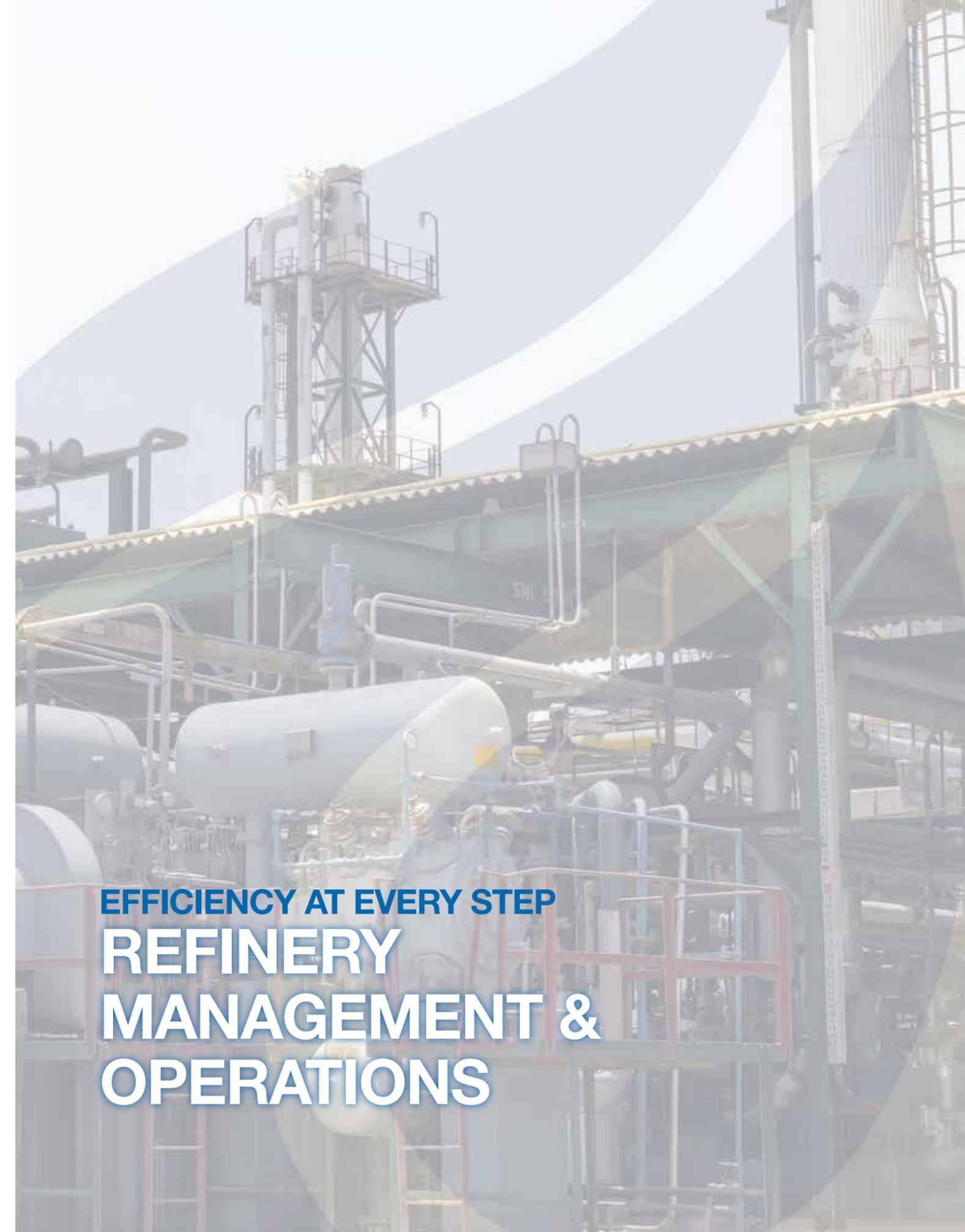
At PRL, shareholder input is highly valued, and the Company actively seeks participation in the Annual General Meeting (AGM). The AGM serves as an important platform to address shareholder queries, discuss concerns, and gather valuable advice for future actions. PRL is pleased to report that no significant issues were raised in the last AGM, reflecting overall satisfaction and confidence of shareholders. The Company remains committed to open and transparent communication with stakeholders while striving towards organisational goals.

Stakeholder Engagement and Analyst Briefing

PRL has demonstrated a robust commitment to engaging stakeholders through comprehensive corporate briefing sessions, reflecting its dedication to transparency and open communication. These sessions serve as a vital platform for understanding and incorporating the perspectives of stakeholders in strategic decision making. Additionally, PRL has taken proactive steps to provide insightful summaries of analyst briefings conducted throughout the year. These briefings encompass a wide spectrum of topics, ranging from industry trends, Pakistan's petroleum demand, local refinery production share, and global crude and product prices. The sessions delve into PRL's organisational and operational landscape, highlighting key achievements such as operational excellence and financial milestones. This unwavering commitment to stakeholder engagement and transparent communication remains an integral part of PRL's journey towards sustained growth and shared success.

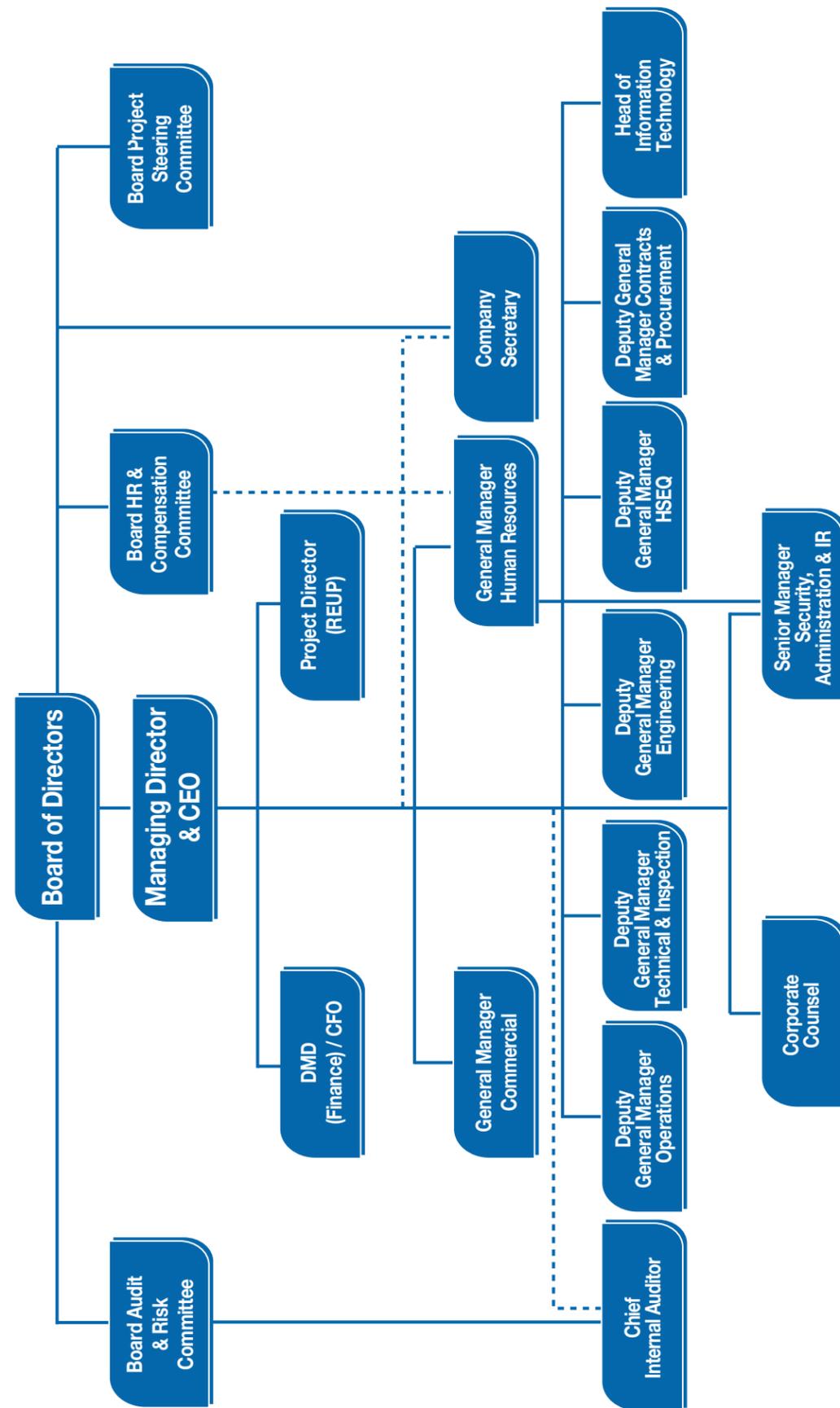
Investor Grievance Redressal

PRL's Company Secretariat plays a crucial role in maintaining constant engagement with shareholders, ensuring that their queries are promptly addressed and requests for information are fulfilled. The Company values open communication and strives to address investor concerns efficiently. PRL's dedicated team diligently works to resolve shareholder complaints, providing the necessary support and guidance. The Company is committed to maintaining a strong and transparent relationship with its investors, fostering trust and confidence in PRL.



EFFICIENCY AT EVERY STEP
REFINERY
MANAGEMENT &
OPERATIONS

ORGANISATIONAL STRUCTURE AND REPORTING RELATIONSHIPS



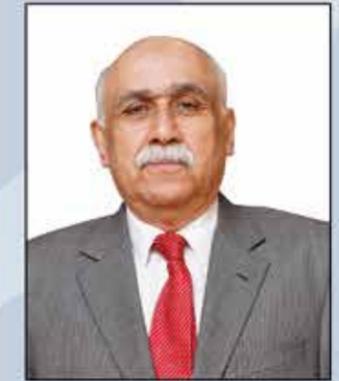
REFINERY LEADERSHIP TEAM



Zahid Mir
Managing Director
& Chief Executive Officer



Imran Ahmad Mirza
Deputy Managing Director
(Finance) / CFO



Sheikh Imran ul Haque
Project Director



Najam Mahmud
General Manager
Human Resources



Shehrzad Aminullah
Company Secretary



Om Perakash
General Manager
Commercial



Akbar Musharraf
Deputy General Manager
Operations



Fawad Hussain
Deputy General Manager
Technical & Inspection



Omar Siddiqui
Deputy General Manager
Engineering

CALENDAR OF MAJOR EVENTS

First Quarter

- Achieved quarterly HSD production milestone of 200,000 metric tons for the first time in history of PRL.

Second Quarter

- Achieved quarterly HSD production milestone of 200,000 metric tons for second quarter in a row.
- 64th Annual General Meeting held in October 2024.
- Secured 5th position in Fuel & Energy sector at Best Corporate Report Awards 2023 (ICAP & ICMA Pakistan).
- Signed a strategic MoU with Asia Petroleum Limited to enhance refinery upgradation and integrated sustainable practices.
- Entered into an NDA with ED Holdings, Saudia Arabia to safeguard sensitive information exchange for REUP.
- Participated at ADIPEC 2024 by engaging in B2B meetings and showcasing PRL's cleaner technologies and energy security initiatives.
- Launched SAP Ariba for digital procurement; ~430 cases processed and 521 vendors onboarded within 6 months.
- Announced target to plant 200,000 trees by end of 2025 (160,000 trees already planted).
- Completed Front End Engineering Design (FEED) for REUP.
- Declared final cash dividend at Rs. 2 per share for the year 2023-24.

Third Quarter

- Conducted Harassment Awareness Training with Petroleum Institute of Pakistan (PIP) and FOSPAH to strengthen workplace environment.
- Organized industrial visits for NED University students in collaboration with PIP.
- 10 days Maintenance shutdown of the Refinery to carry out necessary maintenance jobs.
- Signed Tripartite Memorandum of Understanding (MoU) with State Oil Company of Azerbaijan Republic (SOCAR) and Pakistan State Oil Company Limited (PSO) in Baku, Azerbaijan for project management consultancy support and technical services in refinery modernization, as well as new initiatives, covering experience and knowledge related to feasibility studies & scope definition, technical advisory matters, risk assessment & mitigation and procurement & contracting support.

Fourth Quarter

- Received EPC-F bids from leading global firms for REUP.
- Mr. Zahid Mir reappointed as MD & CEO and Mr. Sheikh Imran ul Haque appointed as Project Director – REUP.
- Organized a blood donation drive with Indus Hospital.
- Launched a pharmacy at PRL premises for employees and dependents.
- Achieved 8 million safe manhours without LTI.



OPERATIONS

The core responsibilities of the Operations Department are to operate the refinery in a safe, reliable, and efficient manner to achieve PRL's production targets. The refinery operates in rotational shifts, round the clock. Moreover, Operations also make sure that all emissions and effluents conform to applicable standards.

Refinery shutdown and startup activities (plant turnaround) are carried out at periodic intervals in coordination with engineering and technical teams. Operations also initiates commissioning of new equipment and modification to existing plant to enhance safety, efficiency, and profitability of the refinery, besides meeting organisational objectives by processing variety of crudes which recently resulted in production of EURO II compliant HSD, high yields of middle distillates and IMO compliant low sulphur furnace oil.

Oil Movement function is responsible for crude oil and product related logistics. This spans from receiving imported crude at Karachi Port and local crude via bowsers at Refinery premises in Korangi and preparation of suitable crude recipe. Via integrated network of storage tanks, pipelines and gantries, Oil Movement ensures supplies to Oil Marketing Companies and handles export of surplus Naphtha and Furnace Oil.



ENGINEERING

The Engineering department plays a major role in achieving Company business objectives by maximising overall plant / equipment reliability and availability through concerted effort of all engineering functions thus ensuring safe and uninterrupted refinery operations.

Pursues new technological development in plant maintenance engineering. Implements and establishes effective maintenance (Online, Proactive, Preventive) programs/techniques to ensure its prime objective of maximum equipment reliability/availability for smooth plant operation.



It is also responsible for undertaking different small to medium scale projects required for sustainable refinery operations along with major Turnarounds and Regeneration shutdowns. Continuously strives for innovations, cost saving techniques and energy efficient options for better and improved Plant equipment performance.

The department consists of essential maintenance functions including Stationary, Rotary, Electrical, Instruments & Control, Civil, Planning and Design office.

TECHNICAL & INSPECTION

Technical and Inspection (T&I) Department's core functions are to ensure process monitoring & optimisation, troubleshooting support, process engineering support for capital projects, process safety and mechanical integrity assurance of static equipment. T&I department conducts audits of all operations and maintenance processes, process safety compliances and product quality check at each level.

T&I plays a vital role in providing all kinds of technical support for trouble-free operations of the Refinery. It's multifunctional nature of work ranges from production planning, energy auditing, optimisation and process design, refinery economics and pre-feasibilities, plant monitoring, product quality control. T&I work includes technical support to ongoing and planned projects and it must vet and approve all process modifications keeping in view need, technical viability, and economic justification for each proposed change.

Areas of T&I are:

- Process Engineering
- Technical Audit /Energy Conservation
- Process and Techno-commercial Studies • Plant Expansion and De-bottlenecking
- Quality Control (Laboratory)
- Benchmarking Studies
- Plant & Offsite Mechanical Integrity
- Process Safety Management System



COMMERCIAL

The Commercial Department is responsible for crude procurement and off-take of finished products. It is responsible for efficient inventory management by using various measures such as procurement of low-cost spot cargoes and meeting the product sales targets. It liaises with both Operations and Oil Movement functions to make necessary arrangements for the receipt and further processing of crude oil and disposal of refined products thereafter. Additionally, it also makes all arrangements for the export of surplus Naphtha and Furnace Oil.



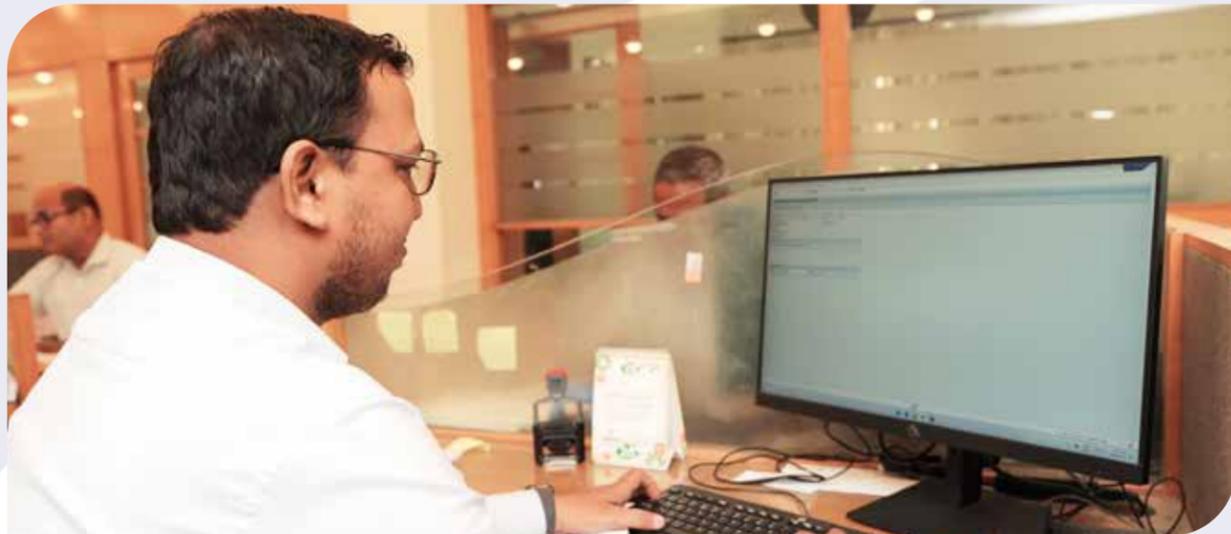
CONTRACTS & PROCUREMENT

The Contracts and Procurement (C&P) Department is the central authority for managing the contracts and procurement processes on a refinery-wide basis. C&P is responsible for procurement of goods and services for the refinery. C&P is tasked to seek the best value and highest quality of goods and services for PRL. C&P is also required to ensure transparency and accountability while ensuring timely and efficient acquisition of goods and services.



FINANCE

The Finance Department at PRL is committed to providing vital financial information on a timely basis to all the stakeholders while maintaining strict confidentiality. PRL makes use of internationally recognised SAP ERP, which captures all financial transactions that transform data into meaningful information. Finance function has been structured in a way that it is not only geared to meet current requirements but will also be effective to face challenges of the future providing a clear steer to Company's efforts. Through an effective and positive portrayal of PRL's business model and its underlying strengths, it has undertaken the task of ensuring the availability of cost-efficient financing facilities for continuous refinery operations. Another core responsibility of the Finance function is tax planning and giving advice to other business functions on taxation and related financial matters,



HUMAN RESOURCES

The Human Resources (HR) Department is focused on attracting, retaining, developing, and rewarding employees, PRL's biggest asset, by providing them with opportunities to develop, both personally and professionally. The HR department is focused on contributing towards the overall business objectives through strategic alignment with the organisational goals. Therefore, all the functions which fall under the purview of the HR department, such as Talent Acquisition, Performance Management, Payroll Management, Training & Development, Industrial Relations, Administration and Medical, are all in their own way helping PRL in achieving its short- and long-term objectives.

The HR department strives to place the right candidate in the right job and has played a pivotal role in providing PRL with quality human Resources based on the current and future needs of the organisation. PRL has a robust Trainee Program (for Trainee Engineers, Management Trainees and Trainee Chemists) which allows PRL to induct new talent with future growth potential.



PRL places special emphasis on fostering a learning culture by empowering its employees to contribute towards a learning organisation. The HR function provides employees with numerous opportunities to develop and increase productivity, covering all aspects of business operations by imparting technical, managerial and HSEQ related in-house and external training. PRL has an alliance with the Institute of Business Administration- Centre for Executive Education (IBA – CEE) for various training programs offered by them, which further enhance the leadership and management skills of the employees.

REFINERY EXPANSION & UPGRADE PROJECT

This is a dedicated department that focuses on the Refinery Expansion and Upgrade Project and its related. Tasks such as carrying out initial feasibility studies, coordination with external consultants etc.

The challenge is to address the long-term Company objectives for growth and improvement by delivering sustainable solutions within a specified period. Major Projects develops viable options and business cases by employing systematic and structured approach involving various phases, from concept, feasibility, design, and implementation of projects conceived.

To ensure the projects undertaken provide the most optimal solution and is fit for purpose, the best in business world class design/project consultants are engaged. This is driven by the fact that PRL believes in quality and safety as the foremost priority in all the ventures it undertakes.



HSEQ

Ensuring safe operations and safety at the workplace is the responsibility of all employees of PRL. In PRL, the role of the HSEQ department is very significant which maintains a focus on continuous improvement through a consultative and systematic management approach to health and safety to ensure a safe environment and compliance with relevant applicable laws. HSEQ ensures all systems are in place that are required to mitigate and control any undesirable hazardous situation (causing threat to Health, Safety, Environment & Quality) arising in case of any failure or incident in the refinery.



INFORMATION TECHNOLOGY

Information Technology (IT) Department is committed to provide an effective and efficient workflow of information services, to enhance productivity, reduce costs and to ensure continual development through availability of online and real-time information, facilitation of business processes by use of ERP and by protecting the integrity of its information management capabilities and databases and ensuring the security, reliability, and confidentiality of information. The IT team remains responsive to provide services to users through the help desk.





LEGAL

The Legal Department is responsible for all legal, regulatory and compliance related matters, inter-alia giving accurate and timely solicitation to the management on a wide array of legal topics, collaborating with the management to devise efficient defense strategies, drafting agreements, contracts and other legal documents to ensure Company's full legal rights, managing all contentious issues in liaison with external counsels, communicating with external parties such as regulators, external counsel, public authorities, etc. The Legal Department also consists of the Corporate Communications function. This function is responsible for managing the company's external and internal communication strategies, ensuring consistency and transparency in messaging.

INTERNAL AUDIT

The Internal Audit Department is an independent assurance function which supports PRL in improving its overall control framework and the Chief Internal Auditor reports directly to the Board Audit and Risk Committee. It contributes to the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of PRL's risk management, control, and governance processes. The primary role of the Department, through its assurance and other assignments, is to enhance value by contributing to the effectiveness and efficiency of PRL's operations, reliability of internal and external reporting, compliance with the applicable laws, rules, regulations, policies, and procedures and safeguarding of PRL's assets.



COMPANY SECRETARIAL

The Company Secretarial Department at PRL plays a pivotal role in ensuring effective corporate governance and statutory compliance. It is responsible for organizing Board and Committee meetings, maintaining corporate records, and facilitating timely disclosures and filings with the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), and other relevant authorities. The department ensures compliance with the Code of Corporate Governance, Companies Act, 2017, Rules of Pakistan Stock Exchange and supports shareholders' engagement through AGMs and investor communication, and upholds transparency in Board decision-making. Acting as a bridge between the Board, management, regulators, and shareholders, the Company Secretarial team helps foster accountability, integrity, and good governance practices across the organization.



**FOCUSED FORWARD,
GROWING STRONG**
**FUTURE
OUTLOOK**

Refinery Expansion and Upgrade Project (REUP) Update

PRL continues to make substantial progress on the Refinery Expansion and Upgrade Project (REUP) and completed the FEED study through M/s Wood Group UK.

EPC bids were received towards the end of current year and are currently undergoing detailed technical and commercial evaluation. PRL aims to achieve Financial Close and commence EPC by end of 2026.

The REUP will reposition PRL as a Deep Conversion Refinery, significantly reducing Furnace Oil production and enabling Euro V-compliant production of MS and HSD. This step not only supports national energy self-sufficiency and environmental compliance.

Delivering on Our Forward-Looking Disclosures

In line with strategic commitments made in 2023–24, PRL achieved major milestones despite a challenging business environment:

- Completed FEED and advanced into EPCF evaluation for REUP.
- Sustained 98% plant availability with record sales of ~800,000 MT HSD and ~300,000 MT MS.
- Exported over 311,000 MT of HSFO amid declining local upliftment and newly imposed levies.

Looking Ahead

The path forward includes securing REUP financing, navigating evolving regulatory landscapes (such as the HSFO levy and sales tax regime), and recovering key dues like custom duty and exchange loss claims. These efforts will be essential to restoring profitability and sustainable refinery operations till the completion of REUP.

With strategic leadership, disciplined execution, and government engagement, PRL is well-positioned to lead the next chapter of refining in Pakistan—cleaner, bolder, and future-ready.

Assumptions and Sources of Information

The Company's forward-looking statements and assumptions continue to be based on a combination of in-house analysis and independent external sources as follows:

- Domestic sources: Economic Survey of Pakistan, Pakistan Energy Book, Pakistan Oil Book, and publications from the State Bank of Pakistan, Ministry of Finance and Ministry of Energy.
- International sources: International oil & gas industry specific reports, regional refining benchmarks, and global economic forecasts.

These sources, together with internal financial and operational modelling, provide the foundation for PRL's strategic planning. Considerations include refining policy shifts, global oil demand trends, and financing conditions for large-scale projects such as REUP.



**TRANSPARENCY THAT
BUILDS TRUST
STRIVING FOR
EXCELLENCE IN
CORPORATE
REPORTING**

Integrated Reporting

This report is prepared under the guidelines laid down in the International Integrated Reporting Framework, benchmarking its corporate reporting with best international practices. This report focuses on how the organisation's strategy, governance, performance, and prospects lead to value creation for all stakeholders and help them in timely decision-making.

Integrated reporting is built around the following key components

- Organisational overview and the external environment under which it operates
- Governance structure and how this supports its ability to create value
- Business model
- Risks and opportunities and how they are dealing with them and how they affect the Company's ability to create value
- Strategy and resource allocation
- Performance and achievement of strategic objectives for the period and outcomes
- Outlook and challenges facing the Company and their implications
- The basis of the presentation needs to be determined, including what matters are to be included in the integrated report and how the elements are quantified or evaluated

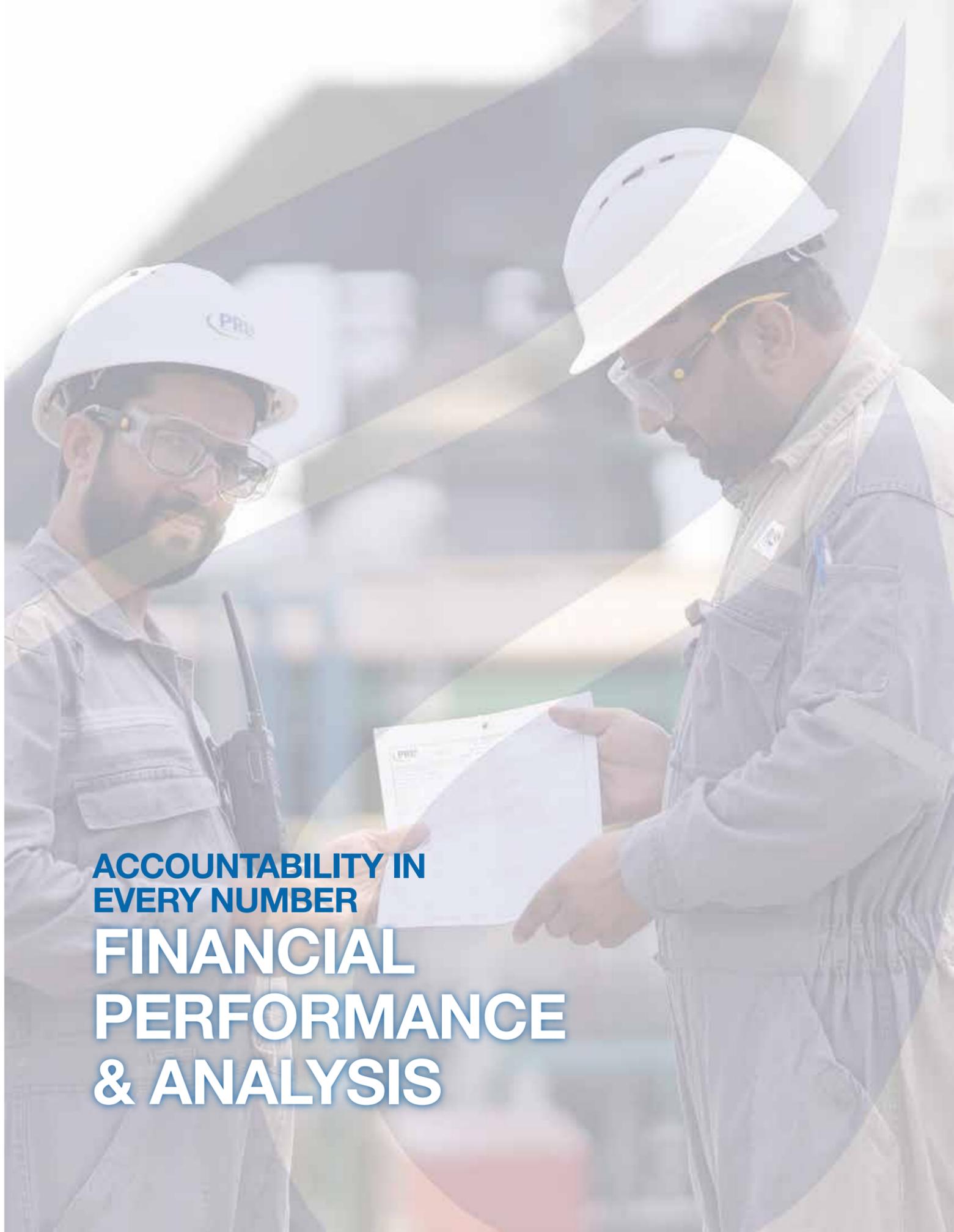
Disclosures Beyond BCR Criteria

The corporate reporting structure has evolved over the years to provide increased analysis for a better understanding of stakeholders. The Company's annual report includes the following disclosures in addition to ICAP / ICMAP criteria for Best Corporate Report to augment stakeholders' overall understanding of the Company and future prospects:

- About the report
- MD & CEO's message
- Highlights for the year ended June 30, 2025
- Detailed information about Refinery Expansion and Upgrade Project (REUP), including the latest progress and milestones

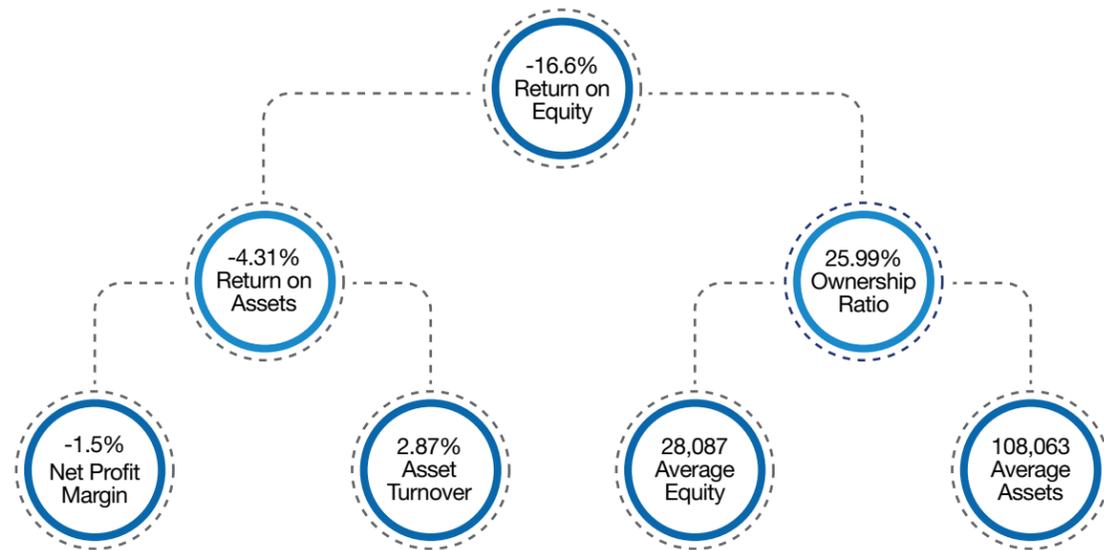
Compliance with Financial Reporting Standards

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



**ACCOUNTABILITY IN
EVERY NUMBER
FINANCIAL
PERFORMANCE
& ANALYSIS**

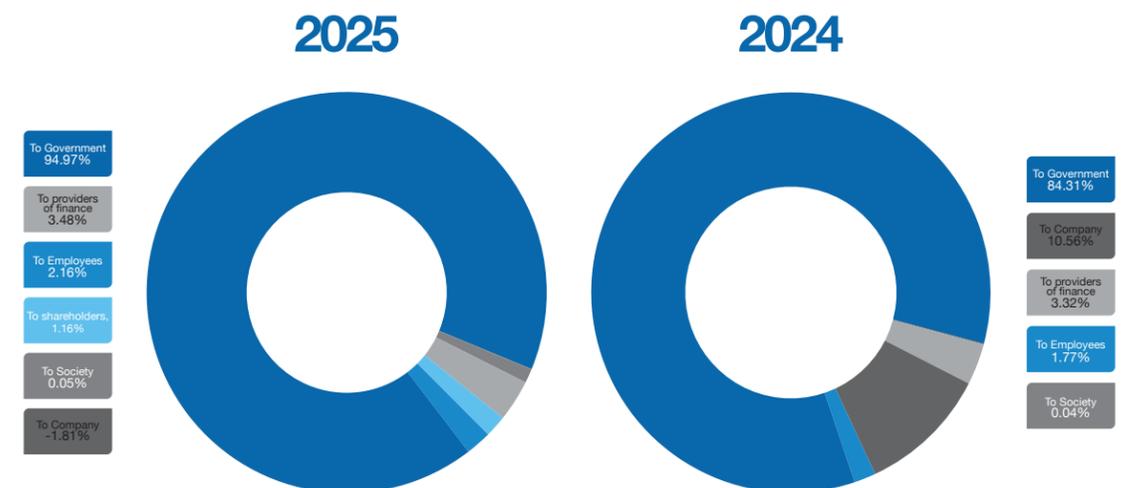
DUPONT ANALYSIS



Description	2025	2024	Comments
a. Tax burden (net income / profit before tax)	117.6%	57.5%	The Company generated loss for the year amounting to Rs. 4.66 billion. The Company was under the minimum tax regime i.e. 0.5% of turnover. The Company has also booked a deferred tax asset on current tax losses.
b. Interest burden (profit before tax / earnings before interest and tax)	-230.2%	65.2%	Interest burden has increased due to loss before interest and tax during the year. Moreover, interest expense has increased due to long term borrowings on study cost for refinery expansion and upgrade project.
c. Operating profit margin (earnings before interest and tax / revenue)	0.6%	3.5%	Operating profit margins decreased significantly as compared to last year due to depressed refining margins and low local demand for HSFO as depicted by earnings before interest and tax of Rs. 1.7 billion as compared to Rs. 11.3 billion last year.
d. Asset turnover (sales / assets)	2.87	2.86	Asset turnover ratio is impacted by the change in total assets against the increase in revenue. The average total assets increased by 1.2% as compared to 9% in prior year while the revenue increased by 1.6% as against 17% in the comparative year.
e. Financial Leverage ratio (assets / net equity)	3.84	3.89	Loss for the year was offset by increase in surplus on revaluation.
Return on equity (a x b x c x d x e)	-16.6%	14.6%	Return on equity decreased due to loss for the year as compared to profit in the comparative period.

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2025		2024	
	Rs. in thousand	%	Rs. in thousand	%
Wealth Generated				
Total gross revenue and other income	415,398,799		398,353,406	
Brought in materials and services	(306,713,838)		(289,288,332)	
	108,684,961	100%	109,065,074	100%
Wealth distribution to stakeholders				
To employees				
Salaries, wages and other costs including retirement benefits	2,349,507	2.16%	1,925,008	1.77%
To Government				
Income tax, sales tax, excise duty, development surcharge, WPPF, WWF	103,218,296	94.97%	91,957,732	84.31%
To society				
Donation to an educational institute	49,612	0.05%	45,183	0.04%
To shareholders				
Dividends and bonus	1,260,000	1.16%	-	-
To providers of finance				
Financial charges for borrowed funds	3,779,093	3.48%	3,621,661	3.32%
To Company				
Depreciation, amortisation and retained profit	(1,971,547)	-1.81%	11,515,490	10.56%
	108,684,961	100%	109,065,074	100%



ANALYSIS OF STATEMENT OF FINANCIAL POSITION

		2025	2024	2023	2022	2021	2020
Share Capital	Rs./bn	6.3	6.3	6.3	6.3	6.3	3.2
Reserves	Rs./bn	20.3	23.3	19.1	17.3	(4.3)	(5.3)
Share deposit money	Rs./bn	-	-	-	-	-	1.9
Net equity	Rs./bn	26.6	29.6	25.4	23.6	2.0	(0.2)
Fixed assets and Intangible assets	Rs./bn	34.7	30.7	28.6	29.1	20.6	21.4
Net current assets / (liabilities)	Rs./ bn	4.1	2.9	(0.7)	(4.6)	(17.8)	(16.8)
Long term / deferred liabilities	Rs./bn	12.8	4.1	2.8	1.0	0.8	4.8

NET EQUITY

During the past six years, the Company's share capital primarily remained unchanged except for rights share issuance in 2020 which doubled the share capital of the Company to Rs. 6.3 billion. The reserves of the company have gradually increased over the years due to profitable operations, however, current year balance was impacted due to loss for the year. Net equity has also increased due to surplus on revaluation of land.

NON-CURRENT ASSETS

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

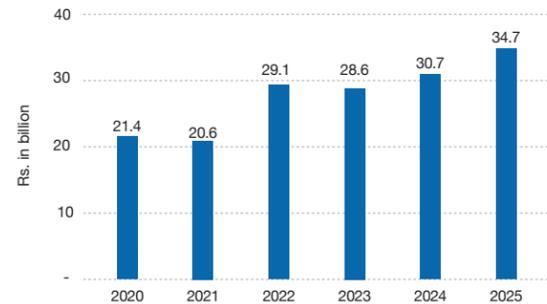
CURRENT ASSETS

As at June 30, 2025, current assets of the Company have exceeded current liabilities resulting in positive current ratio.

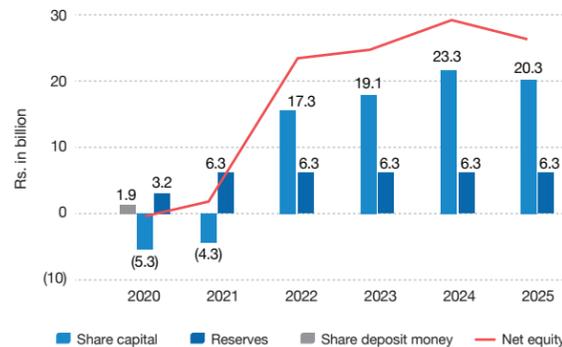
NON-CURRENT LIABILITIES

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

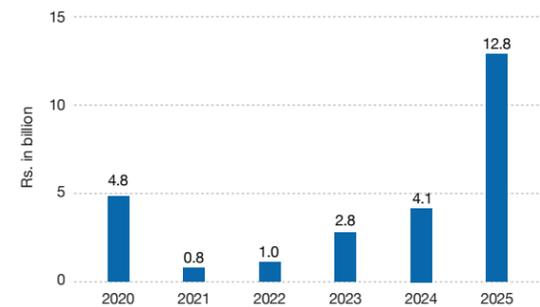
FIXED AND INTANGIBLE ASSETS



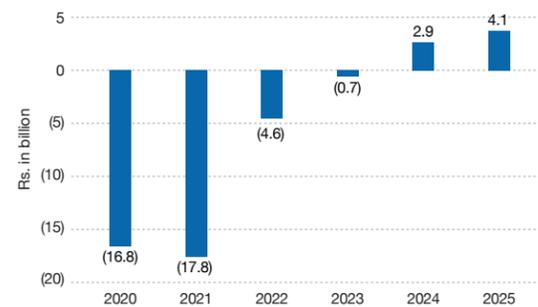
EQUITY COMPONENTS



LONG TERM / DEFERRED LIABILITIES



NET CURRENT ASSETS / (LIABILITIES)



HORIZONTAL ANALYSIS OF FINANCIAL POSITION

	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19
	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%
ASSETS												
Non-current assets												
Property, plant and equipment and intangibles	34,587	13	30,567	7	28,456	(2)	28,981	42	20,414	(4)	21,208	12
Right-of-use asset	77	(23)	99	(14)	115	(12)	131	(11)	147	(10)	163	-
Investment accounted for using the equity method	58	(6)	61	33	46	(17)	56	(6)	59	(10)	65	5
Long-term deposits and loans	33	6	31	11	28	(9)	31	13	27	5	26	(12)
Deferred tax asset	600	100	-	(100)	161	100	-	-	-	-	-	-
Employee benefit prepayments	9	(52)	18	(4)	19	(41)	33	27	26	(15)	30	72
Total non-current assets	35,364	15	30,777	7	28,826	(1)	29,232	41	20,673	(4)	21,493	13
Current assets												
Inventories	22,028	(28)	30,520	(14)	35,461	47	24,057	131	10,415	31	7,964	(16)
Trade receivables	19,390	73	11,229	(44)	19,912	76	11,306	72	6,589	80	3,667	(72)
Trade deposits, loans, advances and short-term prepayments	417	(50)	830	376	174	(24)	229	204	75	53	49	(73)
Other receivables	25,778	10	23,500	149	9,428	265	2,585	(16)	3,073	46,769	7	(99)
Taxation - payments less provision	739	100	200	100	-	-	-	(100)	96	16	83	(50)
Investments	1,385	(67)	4,201	100	-	-	-	-	-	-	-	-
Cash and bank balances	2,840	(59)	6,927	(41)	11,671	(50)	23,539	32,287	73	(97)	2,190	762
Total current assets	72,577	(6)	77,408	1	76,646	24	61,715	204	20,321	46	13,960	(41)
Total assets	107,941	(0.2)	108,185	3	105,472	16	90,947	122	40,994	16	35,452	(17)
EQUITY AND LIABILITIES												
EQUITY												
Share capital	6,300	-	6,300	-	6,300	-	6,300	-	6,300	100	3,150	7
Subscription money against rights issue (Accumulated loss) / unappropriated profit	(2,928)	(199)	2,943	(116)	(18,250)	(0)	(18,286)	1	(18,185)	(1)	(18,363)	72
Special reserve	-	-	-	(100)	16,979	11	15,254	449	2,781	43	1,943	-
Revaluation surplus on property, plant and equipment	23,230	14	20,326	-	20,326	-	20,326	82	11,149	-	11,149	20
Other reserve	2	-	2	-	2	-	2	-	2	-	2	25
Total equity	26,604	(10)	29,571	17	25,357	7	23,596	1,053	2,047	(1,271)	(175)	(105)
LIABILITIES												
Non-current liabilities												
Long-term borrowings	12,350	312	3,000	50	2,000	100	-	(100)	294	(93)	4,215	(2)
Lease liability	124	(12)	140	5	133	(6)	142	(4)	148	(3)	152	100
Deferred tax liabilities	-	(100)	618	100	-	(100)	284	5,700	5	(51)	10	(25)
Employee benefit obligations	362	(6)	384	(40)	637	8	587	55	378	(16)	450	23
Total non-current liabilities	12,836	210	4,142	50	2,770	173	1,013	23	825	(83)	4,828	3
Current liabilities												
Trade and other payables	52,991	8	48,996	6	46,433	0	46,298	126	20,509	14	18,036	(10)
Short-term borrowings	15,473	(39)	25,444	(15)	29,834	58	18,901	8	17,574	39	12,599	(14)
Unearned revenue	-	-	-	-	-	(100)	6	(57)	15	(89)	141	100
Current portion of lease liability	12	8	11	30	9	35	6	41	5	36	3	100
Taxation - provision less payments	-	-	-	(100)	1,050	(5)	1,106	100	-	-	-	-
Unpaid dividend	4	100	-	-	-	-	-	-	-	-	-	-
Unclaimed Dividend	20	-	20	-	20	-	20	-	20	(0)	20	(9)
Total current liabilities	68,501	(8)	74,472	(4)	77,345	17	66,338	74	38,122	24	30,799	(11)
Total liabilities	81,337	3	78,614	(2)	80,115	19	67,351	73	38,947	9	35,627	(10)
Total equity and liabilities	107,941	(0.2)	108,185	3	105,472	16	90,947	122	40,994	16	35,452	(17)

VERTICAL ANALYSIS OF FINANCIAL POSITION

(AS A PERCENTAGE OF REVENUE)

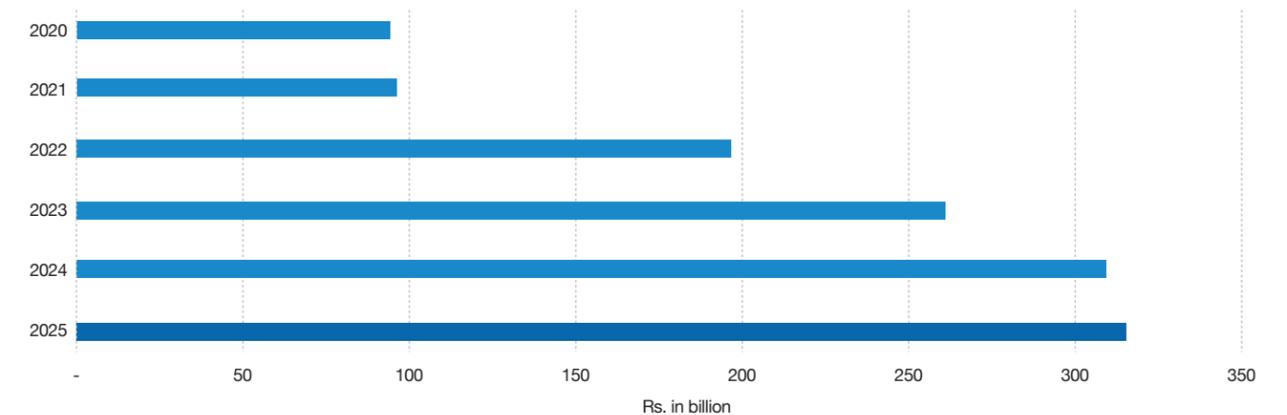
	2025	2024	2023	2022	2021	2020
ASSETS						
Non-current assets						
Property, plant and equipment and intangibles	32.0	28.3	27.0	31.9	49.8	59.8
Right-of-use asset	0.1	0.1	0.1	0.1	0.4	0.5
Investment accounted for using the equity method	0.1	0.1	-	0.1	0.1	0.2
Long-term deposits and loans	-	-	-	-	0.1	0.1
Deferred tax asset	0.6	-	0.2	-	-	-
Employee benefit prepayments	-	-	-	-	0.1	0.1
Total non-current assets	32.8	28.5	27.3	32.1	50.4	60.7
Current assets						
Inventories	20.4	28.2	33.6	26.5	25.4	22.5
Trade receivables	18.0	10.4	18.9	12.4	16.1	10.3
Trade deposits, loans, advances and short-term prepayments	0.4	0.8	0.2	0.3	0.2	0.1
Other receivables	23.9	21.6	8.9	2.8	7.5	-
Taxation - payments less provisions	0.7	0.2	-	-	0.2	0.2
Investments	1.3	3.9	-	-	-	-
Cash and bank balances	2.6	6.4	11.1	25.9	0.2	6.2
Total current assets	67.2	71.5	72.7	67.9	49.6	39.3
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY AND LIABILITIES						
Share capital	5.9	5.9	6.0	6.9	15.4	8.9
Subscription money against rights issue	-	-	-	-	-	5.5
(Accumulated loss) / unappropriated profit	(2.7)	2.7	(17.3)	(20.1)	(44.4)	(51.8)
Special reserve	-	-	16.1	16.8	6.8	5.5
Revaluation surplus on property, plant and equipment	21.5	18.8	19.3	22.3	27.2	31.4
Total equity	24.6	27.3	24.0	25.9	5.0	(0.5)
LIABILITIES						
Non-current liabilities						
Long-term borrowings	11.4	2.8	1.9	-	0.7	11.9
Lease liability	0.1	0.1	0.1	0.2	0.4	0.4
Deferred tax liabilities	(0.1)	0.5	-	0.3	-	-
Employee benefit obligations	0.3	0.4	0.6	0.6	0.9	1.3
Total non-current liabilities	11.9	3.8	2.6	1.1	2.0	13.6
Current liabilities						
Trade and other payables	49.1	45.3	44.0	50.9	50.0	50.9
Short-term borrowings	14.3	23.5	28.3	20.8	42.9	35.5
Unearned revenue	-	-	-	0.0	0.0	0.4
Current portion of lease liability	-	-	0.01	0.01	0.0	0.0
Unpaid dividend	0.0	-	-	-	-	-
Unclaimed Dividend	0.0	0.0	0.0	0.0	0.1	0.1
Total current liabilities	63.5	68.8	73.3	72.9	93.0	86.9
Total liabilities	75.4	72.7	76.0	74.1	95.0	100.5
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

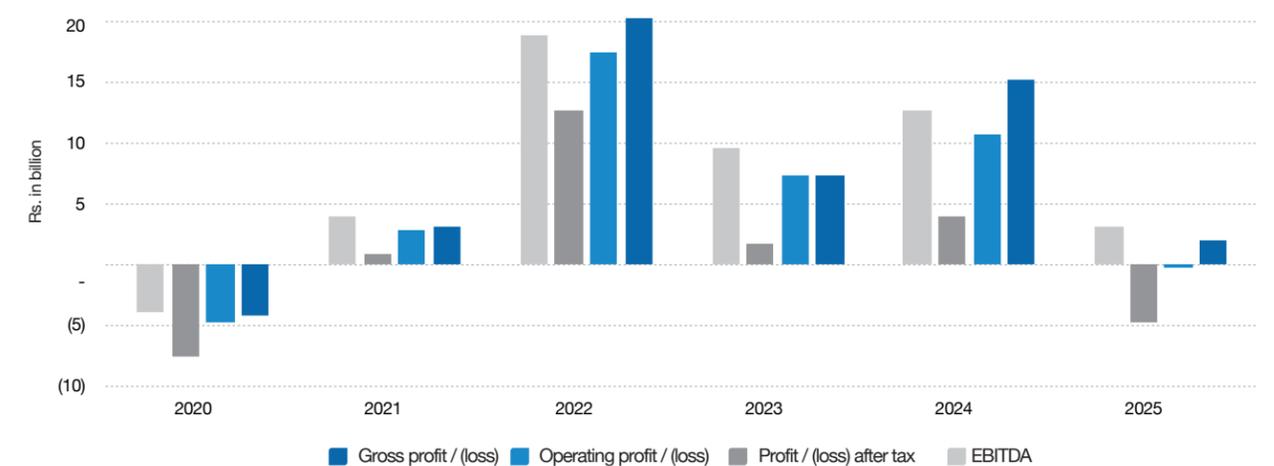
		2025	2024	2023	2022	2021	2020
Revenue from contracts with customers	Rs./bn	310.4	305.5	261.9	191.3	92.1	90.5
Gross profit / (loss)	Rs./bn	1.9	15.1	7.3	20.3	3.2	(4.4)
Operating (loss) / profit	Rs./bn	(0.2)	10.8	7.4	17.5	3.0	(4.9)
(Loss) / profit before tax	Rs./bn	(4.0)	7.1	3.4	15.9	1.6	(6.9)
(Loss) / profit after tax	Rs./bn	(4.7)	4.1	1.8	12.6	0.9	(7.6)
EBITDA	Rs./bn	3.2	12.6	9.6	19.0	4.0	(3.9)

During the year, the refining margins remained depressed due to decline in global oil prices further negatively impacted by low local demand for HSFO. Resultantly, the Company posted a loss after tax of Rs. 4.7 billion as compared to profit after tax of Rs. 4.1 billion last year. For details please refer Chairman Review and Directors' Report.

REVENUE FROM CONTRACTS WITH CUSTOMERS



FINANCIAL PERFORMANCE ANALYSIS



VERTICAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

(AS A PERCENTAGE OF REVENUE)

	2025	2024	2023	2022	2021	2020
Revenue from contracts with customers	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(99.4)	(95.1)	(97.2)	(89.4)	(96.5)	(104.8)
Gross profit / (loss)	0.6	4.9	2.8	10.6	3.5	(4.8)
Selling expenses	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)
Administrative expenses	(0.4)	(0.4)	(0.4)	(0.3)	(0.5)	(0.5)
Other operating expenses	(0.8)	(2.2)	(0.9)	(1.3)	(0.2)	(0.1)
Other income	0.9	1.5	1.6	0.3	0.7	0.2
Operating (loss) / profit	(0.1)	3.5	2.8	9.1	3.2	(5.4)
Finance costs	(1.2)	(1.2)	(1.6)	(0.8)	(1.4)	(2.2)
Share of profit / (loss) of associate	0.0	0.0	(0.0)	(0.0)	(0.0)	-
(Loss) / profit before taxation	(1.3)	2.3	1.3	8.3	1.8	(7.6)
Taxation	(0.2)	(1.0)	(0.6)	(1.7)	(0.8)	(0.8)
(Loss) / profit after taxation	(1.5)	1.3	0.7	6.6	1.0	(8.4)

HORIZONTAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19
	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%
Revenue from contracts with customers	310,351	2	305,540	17	261,860	37	191,316	108	92,084	2	90,524	(22)
Cost of sales	(308,494)	6	(290,446)	14	(254,560)	49	(171,044)	93	(88,843)	(6)	(94,893)	(20)
Gross profit / (loss)	1,857	(88)	15,093	107	7,301	(64)	20,272	525	3,241	(174)	(4,368)	38
Selling expenses	(793)	19	(669)	34	(501)	56	(321)	21	(266)	29	(206)	(18)
Administrative expenses	(1,394)	10	(1,262)	29	(975)	77	(552)	15	(479)	4	(460)	(5)
Other operating expenses	(2,547)	(62)	(6,759)	177	(2,443)	0	(2,433)	1,282	(176)	309	(43)	81
Other income	2,700	(39)	4,431	9	4,066	660	535	(16)	637	289	164	(39)
Operating (loss) / profit	(177)	(102)	10,835	45	7,448	(57)	17,501	492	2,957	(160)	(4,913)	30
Finance costs	(3,788)	0.1	(3,786)	(7)	(4,066)	157	(1,579)	20	(1,311)	(34)	(1,995)	38
Share of income / (loss) of associate	0.79	(96)	20	(302)	(10)	183	(3)	(46)	(6)	(295)	3	(123)
(Loss) / profit before taxation	(3,963)	(156)	7,069	110	3,373	(79)	15,918	871	1,639	(124)	(6,905)	32
Taxation	(696)	(77)	(3,007)	94	(1,548)	(54)	(3,345)	377	(702)	2	(686)	19
(Loss) / profit after taxation	(4,660)	(215)	4,062	123	1,825	(85)	12,573	1,242	937	(112)	(7,591)	30

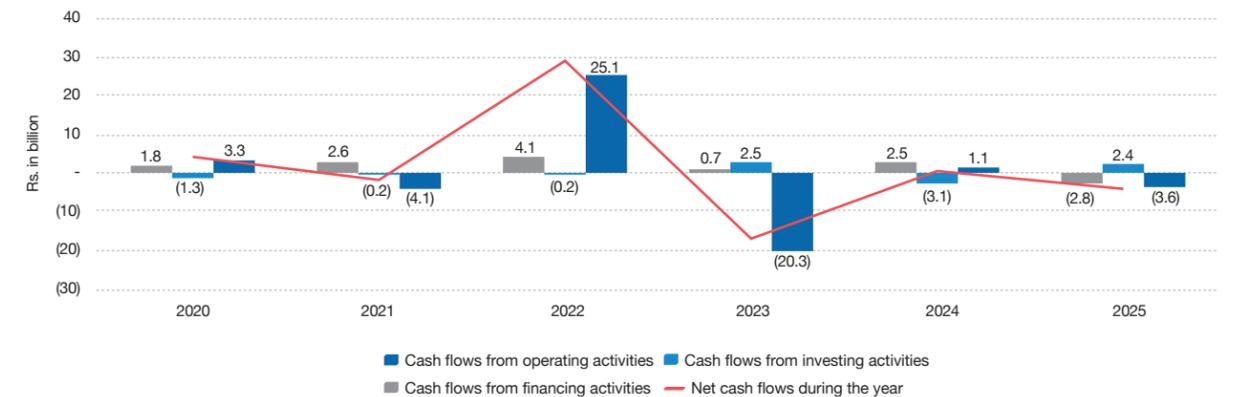
ANALYSIS OF STATEMENT OF CASHFLOWS

		2025	2024	2023	2022	2021	2020
Cash flows from operating activities	Rs./bn	(3.6)	1.1	(20.3)	25.1	(4.1)	3.3
Cash flows from investing activities	Rs./bn	2.4	(3.1)	2.5	(0.2)	(0.2)	(1.3)
Cash flows from financing activities	Rs./bn	(2.8)	2.5	0.7	4.1	2.6	1.8
Net cash flows during the year	Rs./bn	(4.1)	0.5	(17.1)	29.0	(1.8)	3.9

Negative cash flows from operations is mainly due to loss for the year.

The Company sold treasury bills acquired during the year to earn capital gain and income from investments. This coupled with interest received on bank accounts and net impact of property, plant and equipment acquired resulted in net positive cashflows from investing activities.

The Company repaid foreign exchange (FE) loans and secured medium-term financing to support the planning phase and related studies for the future upgrade and expansion of the Refinery, leading to negative cash flows from financing activities. Additionally, dividend payments to shareholders further contributed to the negative impact on financing cash flows.



ANALYSIS OF PERFORMANCE AGAINST TARGET

- Revenue decrease by 15.2% due to decline in global oil prices. For details please refer Chairman Review and Directors' Report.
- Other income decreased from target by 14.3% mainly due to decrease in discount rates and lower surplus cash due to loss for the year.
- Company's tax regime was in accordance with the target as it was forecasted that the Company would fall under the minimum tax regime @ 0.5% on normal sales and 1% on export sales.
- The Company suffered loss after taxation as compared to planned profit for the year due to factors mentioned in Chairman's Review and Directors' Report.

STATEMENT OF CASH FLOWS- DIRECT METHOD

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	302,190,042	314,222,925
Cash paid to suppliers / service providers and employees	(299,639,973)	(305,692,449)
Interest paid	(3,572,028)	(3,777,310)
Taxes paid	(2,453,434)	(3,476,900)
Contribution made to retirement benefit plans	(164,682)	(205,976)
Net cash (used in) / generated from operating activities	(3,640,075)	1,070,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,562,440)	(3,358,219)
Proceeds from disposal of property, plant and equipment	9,651	5,541
Purchase of treasury bills net off disposals	3,855,423	(2,649,703)
Dividend received from associate	4,252	4,252
Interest received	1,050,289	2,923,239
Net cash generated from / (used in) investing activities	2,357,175	(3,074,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	9,350,000	2,500,000
Repayment of FE loans	(61,209,802)	-
Proceeds from FE loans	49,323,362	-
Proceeds from short term borrowings	1,000,000	-
Lease rentals paid	(33,565)	(28,162)
Dividend paid	(1,255,876)	-
Net cash (used in) / generated from financing activities	(2,825,881)	2,471,838
Net (decrease) / increase in cash and cash equivalents	(4,108,781)	467,238
Cash and cash equivalents at the beginning of the year	6,927,227	6,469,174
Exchange gain / (loss) on cash and cash equivalents	21,272	(9,185)
Cash and cash equivalents at the end of the year	2,839,718	6,927,227

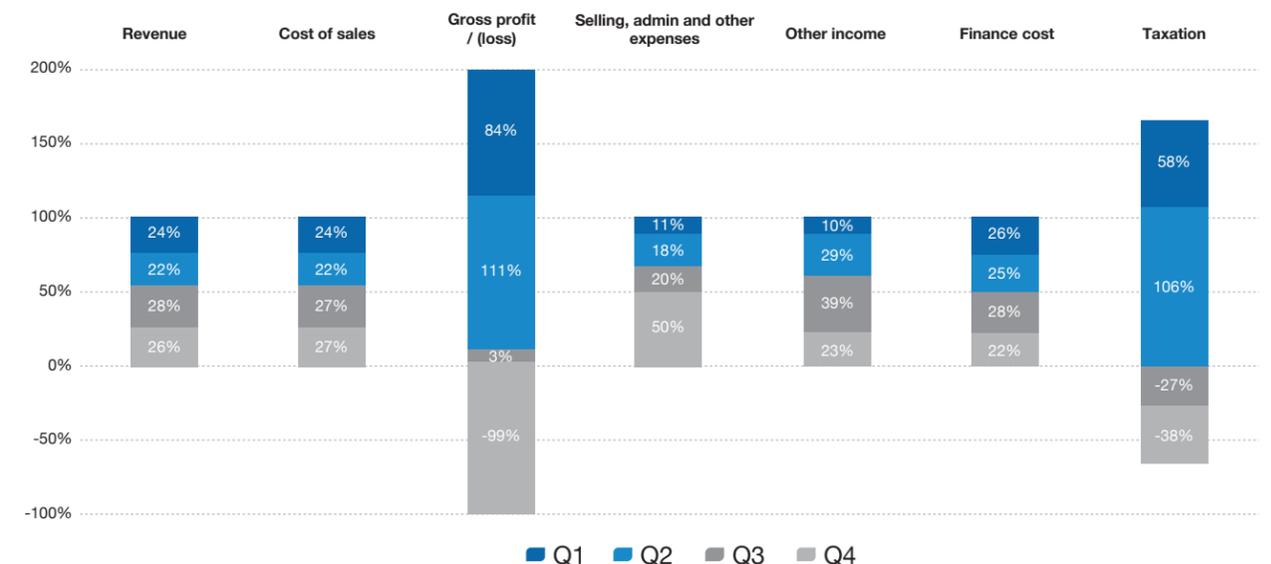
ANALYSIS OF QUARTERLY RESULTS

	Q1 Jul - Sep 24	Q2 Oct - Dec 24	Q3 Jan - Mar 25	Q4 Apr - Jun 25	2024-25
	----- Rs. in thousand -----				
Revenue from contracts with customers	82,099,486	86,780,490	67,081,081	74,390,298	310,351,355
Cost of sales	(82,043,141)	(84,713,215)	(68,911,797)	(72,825,906)	(308,494,059)
Gross profit / (loss)	56,345	2,067,275	(1,830,716)	1,564,392	1,857,296
Selling expenses	(194,663)	(198,442)	(198,841)	(200,791)	(792,737)
Administrative expenses	(398,946)	(317,924)	(328,352)	(348,870)	(1,394,092)
Other operating expenses	(1,783,300)	(453,667)	(327,212)	17,080	(2,547,099)
Other income	608,245	1,043,067	770,599	278,161	2,700,072
Operating (loss) / profit	(1,712,319)	2,140,309	(1,914,522)	1,309,972	(176,560)
Finance cost	(826,892)	(1,062,310)	(928,382)	(969,972)	(3,787,556)
Share of income / (loss) of associate - accounted for using the equity method	927	1,003	2,198	(3,341)	787
(Loss) / profit before Taxation	(2,538,284)	1,079,002	(2,840,706)	336,659	(3,963,329)
Taxation	187,876	(741,508)	261,336	(404,041)	(696,337)
(Loss) / profit for the year	(2,350,408)	337,494	(2,579,370)	(67,382)	(4,659,666)
(Loss) / earnings per share - basic and diluted	(Rs. 3.73)	Rs. 0.54	(Rs. 4.09)	(Rs. 0.11)	(Rs. 7.40)

Refining margins remained depressed during the first and third quarters, primarily due to a decline in global oil prices, leading to operating losses in these periods. However, margins showed slight improvement in the second quarter and also recovered in fourth quarter, resulting in operating profits during those quarters.

The Refinery was shutdown for 10 days in the 3rd quarter for maintenance activities.

FINANCIAL PERFORMANCE ANALYSIS



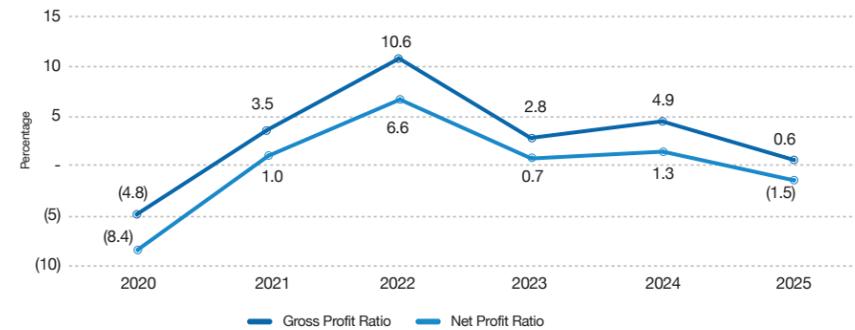
PROFITABILITY RATIOS

		2025	2024	2023	2022	2021	2020
Gross profit ratio	%	0.6	4.9	2.8	10.6	3.5	(4.8)
Net profit ratio	%	(1.5)	1.3	0.7	6.6	1.0	(8.4)
EBITDA margin	%	1.0	4.1	3.7	9.9	4.4	(4.4)
Operating leverage ratio	Times	(47.6)	(0.9)	(1.3)	3.4	(117.6)	(1.6)
Return on Equity	%	(17.5)	13.7	7.2	53.3	45.8	*
Return on Capital employed	%	(24.9)	21.2	11.0	120.9	15.4	(116.3)

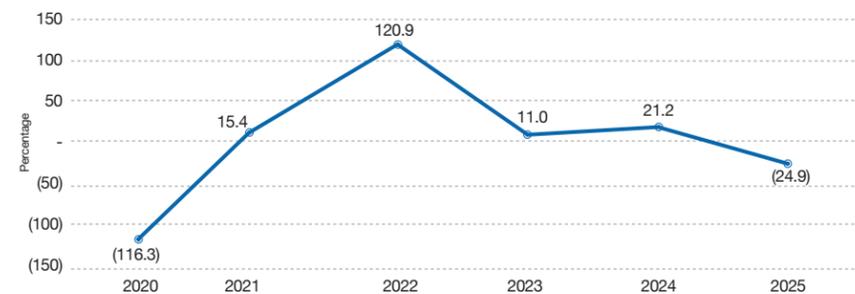
* Not applicable due to negative equity.

Overall refining margins remained unfavorable throughout the year, contributing significantly to a loss of Rs. 4.66 billion, in contrast to a profit after tax of Rs. 4.06 billion in the previous year. Furthermore, depressed local demand of HSFO also contributed to negative profitability during the year. These factors resulted in deterioration in key profitability ratios, including operating and net profit margins.

PROFITABILITY RATIOS



RETURN ON CAPITAL EMPLOYED



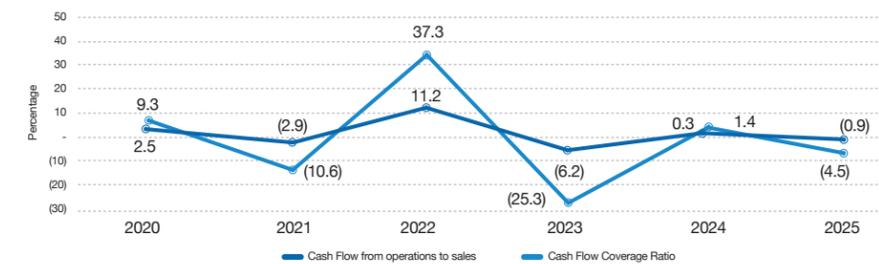
LIQUIDITY RATIOS

		2025	2024	2023	2022	2021	2020
Current ratio	Ratio	1.06:1	1.04:1	0.99:1	0.93:1	0.53:1	0.45:1
Quick ratio / acid test ratio	Ratio	0.74:1	0.63:1	0.53:1	0.57:1	0.26:1	0.19:1
Cash flow to capital expenditures	Times	(1.4)	0.3	(32.8)	49.3	(13.7)	2.5
Cash flow from operations to sales	%	(0.9)	0.3	(6.2)	11.2	(2.9)	2.5
Cash flow coverage ratio	%	(4.5)	1.4	(25.3)	37.3	(10.6)	9.3

The Company repaid its foreign exchange (FE) - short term loans during the year and shifted its dependence on medium term loans for working capital needs leading to an improvement in both current and quick ratios.

Negative cash flows from operating activities led to a negative cash flow coverage ratio.

CASH FLOW RATIOS



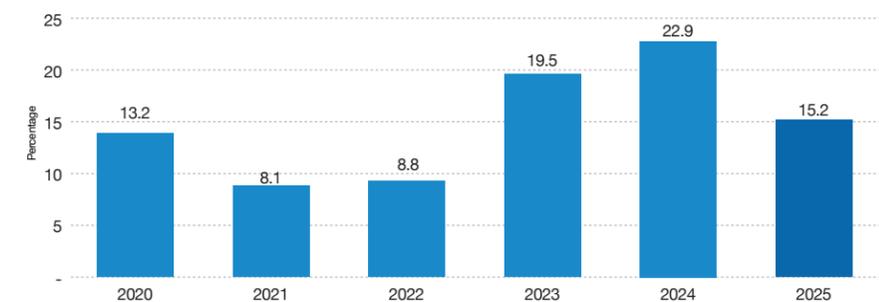
CAPITAL STRUCTURE

		2025	2024	2023	2022	2021	2020
Financial leverage ratio	Times	1.0	1.0	1.3	0.8	8.7	*
Weighted average cost of debt	%	15.2	22.9	19.5	8.8	8.1	13.2
Debt to equity ratio							
- as per book value	Ratio	32:68	9:91	7:93	0:100	13:87	*
- as per market value	Ratio	37:63	17:83	19:81	0:100	2:98	37:63
Net assets per share	Times	4.2	4.7	4.0	3.7	0.3	(0.1)
Interest cover	Times	0.5	3.7	2.8	15.3	2.4	(2.5)

* Not applicable due to negative equity.

During the year, the Company revalued its land, which enhanced its net equity and led to an improvement in the financial leverage ratio. Additionally, the Company secured medium term loans to support its working capital needs and finance study cost for expansion and upgrade of refinery. These factors resulted in increase in debt equity ratio during the year.

WEIGHTED AVERAGE COST OF DEBT



INVESTMENT / MARKET RATIOS

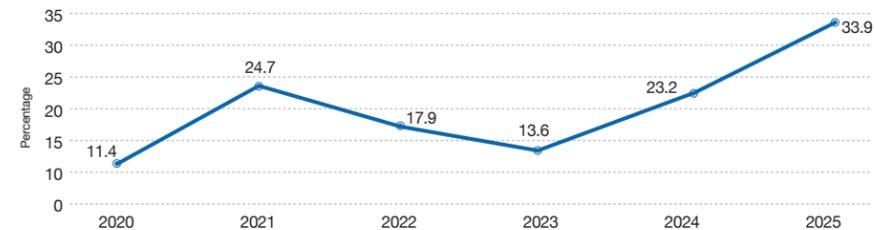
		2025	2024	2023	2022	2021	2020
(Loss) / earnings per share	Rs.	(7.4)	6.4	2.9	20.0	1.5	(17.5)
Price earnings ratio	Times	*	3.6	4.7	0.9	16.2	*
Price to book ratio	%	80.3	49.4	33.7	47.8	759.6	*
Dividend yield ratio	%	-	8.6	-	-	-	-
Dividend payout ratio	%	-	31.0	-	-	-	-
Cash dividend per share	Rs.	-	2.0	-	-	-	-
Dividend cover ratio	Times	-	3.2	-	-	-	-
Market value per share							
- at the end of the year	Rs.	33.9	23.2	13.6	17.9	24.7	11.4
- high during the year	Rs.	45.9	36.2	19.9	24.8	29.0	28.1
- low during the year	Rs.	21.5	13.4	12.1	10.7	11.6	9.5
Breakup value per share:							
- without surplus on revaluation	Rs.	5.4	14.7	8.0	5.2	**	**
- with surplus on revaluation	Rs.	42.2	46.9	40.2	37.5	3.2	**
DuPont analysis	%	(16.6)	14.6	7.5	98.1	100.1	(455.3)
Free cash flow	Rs. /mn	(10)	5,175	(14,984)	28,199	(2,183)	4,580
Economic value added (EVA)	Rs. /mn	(10,651)	(3,728)	(3,655)	10,405	706	(8,207)

* Not applicable due to loss.

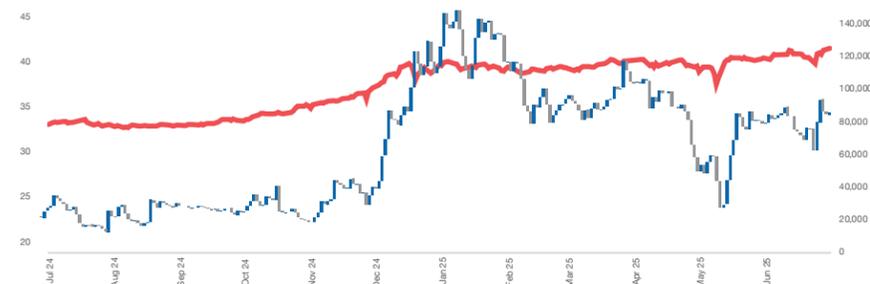
** Not applicable due to negative equity.

The Company reported a loss after tax of Rs. 4.66 billion, leading to a loss per share. Consequently, the breakup value per share, DuPont analysis and free cash flows also declined due to loss for the year. Despite this, PRL's market price rose by approximately 46% during the year, resulting in an increase in the price-to-book ratio.

SHARE PRICE



PRL'S SHARE PRICE VS PSX100 INDEX

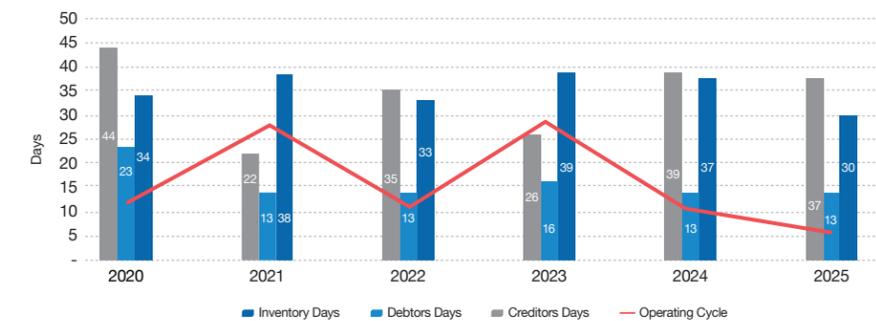


ACTIVITY / TURNOVER RATIO

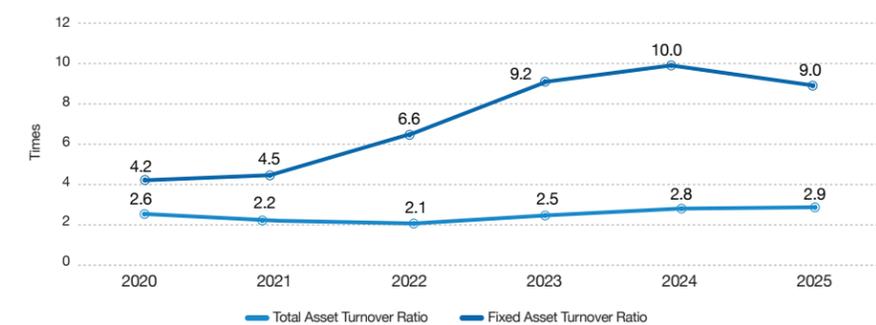
		2025	2024	2023	2022	2021	2020
Total assets turnover ratio	Times	2.9	2.8	2.5	2.1	2.2	2.6
Fixed assets turnover ratio	Times	9.0	10.0	9.2	6.6	4.5	4.2
Inventory turnover	Days	30	37	39	33	38	34
Creditors turnover	Days	37	39	26	35	22	44
Debtor turnover	Days	13	13	16	13	13	23
Operating cycle	Days	6	11	29	11	29	13
Debtor turnover	Times	27.6	25.9	20.9	25.0	27.2	15.6
Creditor turnover	Times	9.5	8.5	7.3	10.5	16.3	8.2
Inventory turnover	Times	11.7	8.8	8.6	9.9	9.7	10.9

Total asset turnover has seen a slight improvement, driven by a proportionate increase in sales relative to an average total assets. However, fixed asset turnover has declined as a result of update in revaluation on land. The operating cash cycle has shortened, primarily due to a reduction in inventory days, reflecting improved inventory management.

WORKING CAPITAL RATIOS



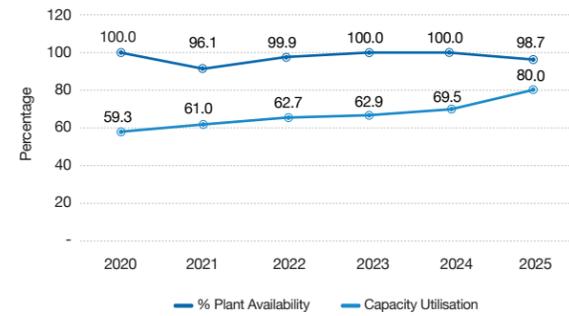
ASSET TURNOVER RATIOS



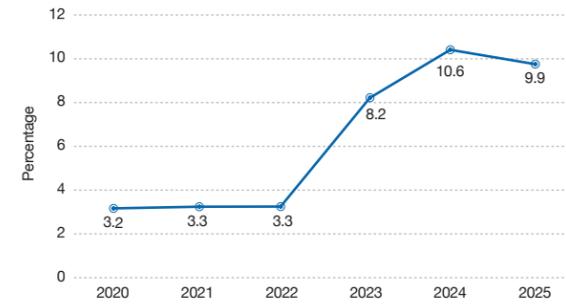
NON FINANCIAL RATIOS

		2025	2024	2023	2022	2021	2020
Employee productivity ratios							
- production per employee	(M.Ton)	6,008	5,257	4,772	4,862	4,713	4,533
- revenue per employee	Rs. / mn	1,093	1,083	932	696	334	324
Staff turnover ratio	%	9.9	10.6	8.2	3.3	3.3	3.2
Operational performance ratios							
- % of plant availability	%	98.7	100.0	100.0	99.9	96.1	100.0
- capacity utilisation	%	80.0	69.5	62.9	62.7	61.0	59.3
Spares inventory as % of assets cost	%	2.0	2.1	1.7	0.6	1.3	1.2
Maintenance cost as % of operating expenses	%	7.2	5.8	7.6	11.0	11.6	8.1

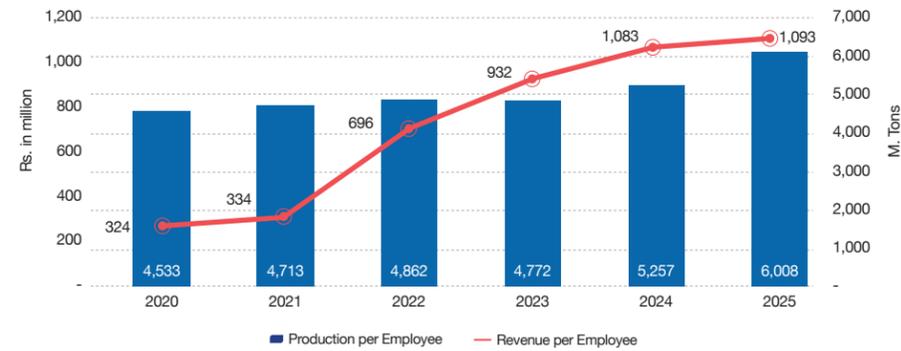
OPERATIONAL PERFORMANCE



STAFF TURNOVER



EMPLOYEE PRODUCTIVITY RATIO



ACCURACY THAT
INSPIRES CONFIDENCE
**FINANCIAL
STATEMENTS**



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INDEPENDENT AUDITORS' REPORT

To the Members of Pakistan Refinery Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Refinery Limited (the Company), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025, and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Following are the key audit matter:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1	Recognition of Revenue	
	<p>Refer notes 4.16.1 and 25 to the Company's financial statements for the accounting policy and detail of revenue.</p> <p>The company recognises revenue when control of goods has been transferred to the customers at the transaction price which the Company expects to be entitled to, after deducting sales tax, excise duties and applicable levies.</p> <p>The Company conducts the sale of regulated products at prices set by the Oil and Gas Regulatory Authority (OGRA), which are subject to policy clarifications from the Federal Government. Sale of certain deregulated products is carried out at margin-based price mechanism and the company recognises revenue at a point in time when control of the products is transferred to customers.</p> <p>We consider this as a key audit matter due to the regulatory nature of pricing, the significance of amounts requiring significant time and resources to audit due to magnitude, inherent risk of material misstatement associated with the existence and accuracy of revenue, as well as revenue being a key economic indicator of the company.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, include the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the revenue recognition process, assessed the design and implementation of key internal controls over revenue recognition from sale of products; • Assessed the appropriateness of the Company's accounting policy for recognition of revenue and compliance of the policy with International Financial Reporting Standard (IFRS 15: "Revenue from Contracts with Customers"); • Compared on sample basis, the revenue transactions recorded during the reporting period with the underlying supports including sales invoices, delivery challans, relevant sales contract, joint dip certificates and customer acknowledgement to assess if the related revenue is appropriately supported; • Performed on sample basis the cutoff testing over the revenue transactions recorded before and after the reporting period with the underlying supports including sales invoices, delivery challans, relevant sales contract, joint dip certificates and customer acknowledgement to assess if the related revenue was recorded in the appropriate accounting period; • For regulated products agreed the ex-refinery rates per litre of from the notifications of OGRA and for deregulated products agreed the price with the company's internal price notifications; • Assessed the appropriateness of the disclosure made in the financial statements in accordance with requirements of accounting and reporting standards as applicable in Pakistan.



KPMG Taseer Hadi & Co.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2025 but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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.



KPMG Taseer Hadi & Co.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) by the Company, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Date: 2 September 2025

Karachi

UDIN: AR202510201gHOZFRTC9

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

ASSETS

Non-current assets

Note	2025	2024
	(Rupees in thousand)	
5	34,552,918	30,548,548
6	76,965	99,435
7	34,307	18,325
8	57,676	61,141
9	33,240	31,222
10	599,890	-
21	8,728	18,272

Current Assets

11	22,028,162	30,520,187
12	19,390,402	11,229,089
13	417,253	830,002
14	25,777,593	23,500,321
	738,950	199,985
15	1,385,124	4,200,895
16	2,839,718	6,927,227
	72,577,202	77,407,706
	107,940,926	108,184,649

EQUITY AND LIABILITIES

EQUITY

17	6,300,000	6,300,000
	(2,927,651)	2,942,789
5.1.3	23,229,928	20,325,928
18	1,947	1,947
	26,604,224	29,570,664

LIABILITIES

Non-current liabilities

19	12,350,000	3,000,000
20	123,578	139,969
10	-	618,242
21	362,483	384,269
	12,836,061	4,142,480

Current liabilities

22	52,990,985	48,996,338
23	15,473,492	25,443,989
20	12,188	11,326
	4,124	-
	19,852	19,852
	68,500,641	74,471,505
	81,336,702	78,613,985

CONTINGENCIES AND COMMITMENTS

24	107,940,926	108,184,649
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The annexed notes 1 to 43 form an integral part of these financial statements.



Zahid Mir
Managing Director & CEO



Syed Jehangir Ali Shah
Director



Imran Ahmad Mirza
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

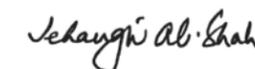
FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	(Rupees in thousand)	
25	310,351,355	305,539,679
26	(308,494,059)	(290,446,434)
	1,857,296	15,093,245
27	(792,737)	(668,591)
28	(1,394,092)	(1,262,137)
29	(2,547,099)	(6,759,228)
30	2,700,072	4,431,446
	(176,560)	10,834,735
31	(3,787,556)	(3,785,603)
8.1	787	19,539
	(3,963,329)	7,068,671
32	(1,825,957)	(355,735)
33	1,129,620	(2,651,301)
	(4,659,666)	4,061,635
21	49,226	151,761
5.1.3	2,904,000	-
	2,953,226	151,761
	(1,706,440)	4,213,396
34	(Rs. 7.40)	Rs. 6.45

The annexed notes 1 to 43 form an integral part of these financial statements.



Zahid Mir
Managing Director & CEO



Syed Jehangir Ali Shah
Director



Imran Ahmad Mirza
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	SHARE CAPITAL		CAPITAL RESERVE		REVENUE RESERVE		TOTAL
	Special reserve	Revaluation surplus on property, plant and equipment	Exchange equalisation reserve	Unappropriated profit / (accumulated loss)	General reserve		
	6,300,000	16,979,049	20,325,928	897	(18,249,656)	1,050	25,357,268
Balance as at July 1, 2023 - (audited)	-	-	-	-	4,061,635	-	4,061,635
Profit for the year ended June 30, 2024	-	-	-	-	151,761	-	151,761
Other comprehensive income for the year ended June 30, 2024	-	(16,979,049)	-	-	4,213,396	-	4,213,396
Amount transferred from special reserve	-	-	-	-	16,979,049	-	-
Balance as at June 30, 2024 - (audited)	6,300,000	-	20,325,928	897	2,942,789	1,050	29,570,664
Balance as at July 1, 2024 - (audited)	6,300,000	-	20,325,928	897	2,942,789	1,050	29,570,664
Loss for the year ended June 30, 2025	-	-	-	-	(4,659,666)	-	(4,659,666)
Other comprehensive income for the year ended June 30, 2025	-	-	2,904,000	-	49,226	-	2,953,226
Final dividend for the year ended June 30, 2024 @ Rs. 2 per share (transaction with shareholders)	-	-	-	-	(1,260,000)	-	(1,260,000)
	-	-	2,904,000	-	(5,870,440)	-	(2,966,440)
Balance as at June 30, 2025 - (audited)	6,300,000	-	23,229,928	897	(2,927,651)	1,050	26,604,224

(Rupees in thousand)

The annexed notes 1 to 43 form an integral part of these financial statements.


Zahid Mir
Managing Director & CEO


Syed Jehangir Ali Shah
Director


Imran Ahmad Mirza
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	2,552,087	8,533,476
Interest paid		(3,572,028)	(3,777,310)
Taxes paid		(2,453,434)	(3,476,900)
Contribution made to retirement benefit plans		(164,682)	(205,976)
Decrease in long-term deposits and loans		(2,018)	(3,000)
Net cash (used in) / generated from operating activities		(3,640,075)	1,070,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,562,440)	(3,358,219)
Proceeds from disposal of property, plant and equipment		9,651	5,541
Purchase of treasury bills net off disposals		3,855,423	(2,649,703)
Dividend received		4,252	4,252
Interest received		1,050,289	2,923,239
Net cash generated from / (used in) investing activities		2,357,175	(3,074,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings		9,350,000	2,500,000
Repayment of FE loans		(61,209,802)	-
Proceeds from FE loans		49,323,362	-
Proceeds from short term borrowings		1,000,000	-
Lease rentals paid		(33,565)	(28,162)
Dividend paid		(1,255,876)	-
Net cash (used in) / generated from financing activities		(2,825,881)	2,471,838
Net (decrease) / increase in cash and cash equivalents		(4,108,781)	467,238
Cash and cash equivalents at the beginning of the year		6,927,227	6,469,174
Exchange gain / (loss) on cash and cash equivalents		21,272	(9,185)
Cash and cash equivalents at the end of the year	41	2,839,718	6,927,227

The annexed notes 1 to 43 form an integral part of these financial statements.


Zahid Mir
Managing Director & CEO


Syed Jehangir Ali Shah
Director


Imran Ahmad Mirza
Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND ITS OPERATIONS

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

The Company is a subsidiary of Pakistan State Oil Company Limited (PSO) which holds 63.56% shares of the Company (2024: 63.56%).

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

- Refinery complex and registered office of the Company is at Korangi Creek Road, Karachi; and
- Storage tanks are at Keamari, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

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

2.3 Functional Currency and foreign currency translation

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

2.4 Key accounting estimates and judgements

The preparation of financial statements is in conformity with accounting and reporting standards as applicable in Pakistan which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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

Note

4.5.1	Provision for current income tax charge
5	Property, plant and equipment (useful life and fair value)
10	Recognition of deferred tax
11	Inventories
11.3	Stores and spares
21	Measurement of defined benefit obligation

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

There are certain new standards, interpretations and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 1 July 2024. However these do not have any significant impact on the company's financial statements and therefore have not been detailed in these financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2025:

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

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

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

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

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

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

- Financial Assets with ESG-Linked features:

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

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

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

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

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

4.2 Intangible

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

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

4.3 Impairment of non-financial assets

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

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

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

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

4.4 Investment in associate

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

4.5 Income tax

4.5.1 Current

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

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

4.5.2 Deferred

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

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

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

4.6 Inventories

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

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

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

4.7 Cash and cash equivalents

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

4.8 Borrowings

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

4.9 Borrowing costs

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

4.10 Provisions

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

4.11 Lease liability and Right-of-use asset

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

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

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

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

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

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

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

4.12 Employee retirement benefits

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

4.12.1 Defined benefit plans

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

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

The Company operates recognised gratuity and pension funds for all its eligible employees. The latest actuarial valuations were carried out as at June 30, 2025 using the Projected Unit Credit Method.

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

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

4.12.2 Defined contribution plan

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

4.13 Foreign currency transactions

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

4.14 Financial instruments - Initial recognition and subsequent measurement

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

4.14.1 Financial assets

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

- a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;
 - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;
 - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

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

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

Impairment of financial asset

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

4.14.2 Financial liabilities

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

4.14.3 Offsetting

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

4.14.4 Transaction costs

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

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

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

4.15 Fair value measurement

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

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

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

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

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

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

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

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

4.16 Revenue Recognition

4.16.1 Revenue from contracts with customers

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

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

4.16.2 Other Income

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

4.17 Dividend

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

4.18 Segment reporting

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

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1

Major spare parts and stand-by equipment - note 5.2

Capital work-in-progress - notes 5.3 and 5.4

	2025	2024
	31,447,278	28,333,674
	682,722	484,439
	2,422,918	1,730,435
	34,552,918	30,548,548

(Rupees in thousand)

5.1 Operating assets

	Freehold land (notes 5.1.1, 5.1.2 and 5.1.3)	Buildings	Processing plant	Korangi farm	Keamari terminal	Pipelines	Steam generation plant	Power generation, transmission and distribution	Water treatment and cooling system	Equipment including furniture	Fire fighting and telecommunication systems	Vehicles and other automotive equipment	Total
Net carrying value basis													
Year ended June 30, 2025	20,328,000	29,706	5,573,165	514,214	463,623	178,728	340,632	413,559	12,441	175,181	156,490	147,955	28,333,674
Opening net book value (NBV)	2,904,000	-	-	-	-	-	-	-	-	-	-	-	2,904,000
Revaluation - note 5.1.3	-	29,610	874,371	104,604	1,405	14,191	173,053	111,350	12,386	248,828	32,180	88,536	1,690,514
Additions (at cost)	-	-	(48,001)	-	-	-	-	-	-	(120)	-	(6,800)	(54,921)
Write-off / Disposals (at NBV) - note 5.1.4	-	(7,407)	(659,364)	(126,165)	(95,755)	(34,971)	(37,361)	(87,200)	(2,956)	(89,519)	(63,000)	(52,291)	(1,425,989)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	23,232,000	51,909	5,540,171	492,653	369,273	157,948	476,324	437,689	21,871	334,370	155,670	177,400	31,447,278
Gross carrying value basis													
At June 30, 2025	23,232,000	194,877	12,249,823	2,198,078	1,499,217	566,792	761,148	1,070,649	129,245	976,080	440,195	332,882	43,650,986
Cost or revaluation	-	(142,968)	(6,709,652)	(1,705,425)	(1,129,944)	(408,844)	(284,824)	(632,960)	(107,374)	(641,710)	(284,525)	(155,482)	(12,203,708)
Accumulated depreciation	23,232,000	51,909	5,540,171	492,653	369,273	157,948	476,324	437,689	21,871	334,370	155,670	177,400	31,447,278
Net book value	-	5 to 20	5 to 33	5 to 20	5 to 20	10	10 to 33	5 to 33	10 to 20	10 to 33	5 to 33	10 to 33	25
Depreciation rate % per annum													
Net carrying value basis													
Year ended June 30, 2024	20,328,000	22,528	4,797,255	667,613	591,425	219,736	370,726	452,474	7,939	96,575	170,166	120,494	27,844,931
Opening net book value (NBV)	-	12,693	1,451,550	5,317	-	-	-	41,412	7,300	121,746	18,461	72,612	1,791,091
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-	(2,234)	(2,234)
Write-off / Disposals (at NBV) - note 5.1.4	-	(5,515)	(675,640)	(158,716)	(127,802)	(41,008)	(30,094)	(80,347)	(2,798)	(43,140)	(32,137)	(42,917)	(1,240,114)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	20,328,000	29,706	5,573,165	514,214	463,623	178,728	340,632	413,559	12,441	175,181	156,490	147,955	28,333,674
Gross carrying value basis													
At June 30, 2024	20,328,000	165,267	11,529,674	2,093,474	1,497,812	552,602	588,095	959,299	116,659	727,442	408,015	280,693	39,247,232
Cost or revaluation	-	(135,561)	(5,956,509)	(1,579,260)	(1,034,189)	(373,874)	(247,463)	(545,760)	(104,418)	(552,261)	(251,525)	(132,738)	(10,913,558)
Accumulated depreciation	20,328,000	29,706	5,573,165	514,214	463,623	178,728	340,632	413,559	12,441	175,181	156,490	147,955	28,333,674
Net book value	-	5 to 20	5 to 33	5 to 203	5 to 20	10	10 to 33	5 to 33	10 to 20	10 to 33	5 to 33	10 to 33	25
Depreciation rate % per annum													

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

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

Location	Usage of immovable property	Total area (in acres)
Naiclass No.24, Deh Dih, Tappo Landhi, Taluka Karachi, District Karachi.	Refining complex	200

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

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

Had there been no revaluation, the net book value of land would have been Rs. 2.07 million (2024: Rs. 2.07 million). The surplus on revaluation is not available for distribution to the shareholders.

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

Asset category	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Particulars of buyer
----- (Rupees in thousand) -----						
Processing plant	154,222	106,221	48,001	200,899	152,898	Exchange of Assets
Vehicle and other automotive equipment	5,132	1,454	3,678	3,678	-	Ali Raza Bodla (Ex-Employee) Company Policy
Vehicle and other automotive equipment	4,062	2,708	1,354	1,354	-	Abdul Majid (Ex-Employee) Company Policy
Vehicle and other automotive equipment	26,458	24,690	1,768	2,833	1,065	(Various employees) Company Policy
Equipment	190	70	120	104	(16)	Insurance Claim
Items having book value of less than Rs. 500,000 each	695	695	-	1,682	1,682	(Various Employees) Tender
	190,759	135,838	54,921	210,550	155,629	

2025 2024

(Rupees in thousand)

5.2 Major spare parts and stand-by equipment

Gross carrying value		
Balance at beginning of the year	504,932	138,939
Additions during the year	583,217	426,253
Transferred during the year	(381,216)	(60,260)
Balance at end of the year	706,933	504,932
Provision for impairment - note 5.2.1	(24,211)	(20,493)
Net carrying value	682,722	484,439

5.2.1 During the year, net charge of Rs. 3.09 million (2024: net reversal of Rs. 3.34 million) was recorded.

5.3 Movement in capital work-in-progress

Balance at beginning of the year
Additions during the year
Transfers made during the year
Balance at end of the year

2025	2024
(Rupees in thousand)	
1,730,435	489,481
2,382,997	2,972,045
(1,690,514)	(1,731,091)
2,422,918	1,730,435

5.4 Capital work-in-progress

Processing plant
Korangi tank farm
Keamari terminal
Pipelines
Power generation, transmission and distribution
Water treatment and cooling system
Steam generation plant
Equipment including furniture
Fire fighting and telecommunication systems
Buildings
Intangible assets
Refinery Expansion & Upgrade Project
Advances to contractors / suppliers

391,333	620,709
840,872	222,966
732,981	467,098
41,547	38,964
6,741	10,983
190,731	110,311
5,994	99,643
24,850	38,860
39,313	6,120
33,647	-
884	13,996
77,723	-
36,302	100,785
2,422,918	1,730,435

6. RIGHT-OF-USE ASSET

Opening net book value
Depreciation for the year
Lease modification
Closing net book value
Depreciation rate

99,435	115,345
(15,181)	(15,910)
(7,289)	-
76,965	99,435
9%	9%

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

7. INTANGIBLES - SOFTWARE

Net carrying value basis
Opening net book value
Additions at cost
Amortisation
Closing net book value

18,325	6,736
25,443	13,508
(9,461)	(1,919)
34,307	18,325

Gross carrying value basis
Cost
Accumulated amortisation
Net book value
Amortisation rate

68,466	43,023
(34,159)	(24,698)
34,307	18,325
20%-33%	20%-33%

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Pak Grease Manufacturing Company (Private) Limited - 850,401 (2024: 850,401) fully paid ordinary shares - note 8.1

2025	2024
(Rupees in thousand)	
57,676	61,141

8.1 The Company holds 27.26% (2024: 27.26%) share in the associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 8.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

The registered office of the associate is at 6, Oil Installation Area, Keamari, Karachi, Pakistan. The country of incorporation or registration is also its principal place of business.

The principal activity of the associate is manufacture and sale of petroleum grease products.

	2025	2024
(Rupees in thousand)		
Opening balance	61,141	45,854
Share of profit for the year	787	19,539
Dividend received	(4,252)	(4,252)
	57,676	61,141

8.2 Summarised financial information of Company's associate:

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

	2025	2024
(Unaudited) (Audited)		
(Rupees in thousand)		
Revenue from contracts with customers	298,083	470,893
Profit from continuing operations	5,024	71,764
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss)	5,024	71,764
Non-current assets	78,704	71,429
Current assets	171,443	212,961
Non-current liabilities	(10,314)	(10,670)
Current liabilities	(28,256)	(49,433)
Net assets	211,577	224,287
Carrying value (Company's share of 27.26%)	57,676	61,141

9. LONG-TERM DEPOSITS AND LOANS

Secured and considered good
Deposits
Loans to employees
Recoverable within one year – note 13

	2025	2024
(Rupees in thousand)		
Deposits	22,682	22,582
Loans to employees	21,554	18,708
	(10,996)	(10,068)
	10,558	8,640
	33,240	31,222

10. DEFERRED TAX ASSET / (LIABILITIES)

	Deferred tax liability arising in respect of taxable temporary difference			Deferred tax asset arising in respect of deductible temporary difference					Total	Net deferred tax asset
	Property, plant and equipment	Investment in associate accounted for under equity method	Total	Right of use asset net of lease liability	Unabsorbed depreciation	Provision for slow moving stores and spares	Excess of Alternate Corporate Tax / Minimum Tax over Normal Tax Liability	Tax loss for the period		
(Rupees in thousand)										
July 01, 2023	(1,234,088)	(17,547)	(1,251,635)	17,585	-	22,302	1,373,232	-	1,413,119	161,484
Credit / (charge) to profit or loss for the year	(74,068)	2,477	(71,591)	2,336	-	(6,327)	(704,144)	-	(708,135)	(779,726)
June 30, 2024	(1,308,156)	(15,070)	(1,323,226)	19,921	-	15,975	669,088	-	704,984	(618,242)
Credit / (charge) to profit or loss for the year	52,834	865	53,699	(2,708)	370,371	2,807	-	793,963	1,164,433	1,218,132
June 30, 2025	(1,255,322)	(14,205)	(1,269,527)	17,213	370,371	18,782	669,088	793,963	1,869,417	599,890

10.1 The management has recognized deferred tax asset based on financial projections indicating its realizability against taxable profits in future periods.

10.2 The company has not recognised deferred tax asset in respect of minimum tax credit of Rs. 2,077 million as a measure of prudence. Out of total minimum tax credit, amount of Rs. 251 million will expire in the year 2026 and the remaining of Rs. 1,826 million will expire in the year 2027.

11. INVENTORIES

Raw material
Crude oil [including in transit Rs. 0.01 billion (2024: 0.01 billion)]
Finished products - notes 11.1 & 11.2
Stores, spares and chemicals - note 11.3

	2025	2024
(Rupees in thousand)		
Raw material	14,748,874	15,140,306
Crude oil [including in transit Rs. 0.01 billion (2024: 0.01 billion)]	5,126,192	13,138,724
Finished products - notes 11.1 & 11.2	2,153,096	2,241,157
Stores, spares and chemicals - note 11.3	22,028,162	30,520,187

11.1 As at June 30, 2025, stock of finished products has been written down by Rs. 27.4 million (2024: 380.6 million) to arrive at its net realisable value.

	2025	2024
	(Rupees in thousand)	
11.2 Includes finished products held with the following third parties for onward sales to customers:		
- Al-Hamd Bulk Storage (Private) Limited	203,815	1,812,913
- Wafi Energy Pakistan Limited (previously: Shell Pakistan Limited)	-	46,853
- Pakistan Molasses Company (Private) Limited	-	1,110,938
- Karachi Bulk Storage and Terminals (Private) Limited	-	681,446
- Cnergyico PK Limited	163,880	-
- PSO - related party	1,436	1,370
	369,131	3,653,520

11.3 Stores, spares and chemicals

Stores	511,919	180,792
Spares	552,668	368,610
Chemicals	1,136,666	1,732,715
	2,201,253	2,282,117
Provision for slow moving stores, spares and chemicals	(48,157)	(40,960)
	2,153,096	2,241,157

12. TRADE RECEIVABLES

Considered good

Due from Related Party

Pakistan State Oil Company Limited - Parent	12,729,817	6,492,190
Flow Petroleum Private Limited - Associate	649,833	56,173
Gas & Oil Pakistan Limited - Associate	403,530	-
Taj Gasoline Private Limited - Associate	798,186	-
Others – note 12.1	4,809,036	4,680,726
	19,390,402	11,229,089
Considered doubtful - others	134,892	134,892
	19,525,294	11,363,981
Less: Loss allowance on doubtful receivables	(134,892)	(134,892)
	19,390,402	11,229,089

12.1 This also include trade receivables on account of export sales of Rs. 1.31 billion (2024: Rs. 1.54 billion) secured by way of export letter of credit.

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

	2025	2024
	(Rupees in thousand)	
Up to 3 months	263,035	634,087
3 to 6 months	-	-
More than 6 months	2,417	57,119

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

Up to 3 months	103	-
3 to 6 months	-	-
More than 6 months	25,291	25,291

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

Related Party Name	Relationship	2025	2024
(Rupees in thousand)			
Pakistan State Oil Company Limited	Parent	12,729,817	23,271,856
Flow Petroleum Private Limited	Associate	775,305	328,595
Gas & Oil Pakistan Limited	Associate	1,994,139	169,652
Taj Gasoline Private Limited	Associate	1,366,774	N/A

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

	2025	2024
	(Rupees in thousand)	
13. TRADE DEPOSITS, LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS		
Trade deposits	132,176	111,024
Loans to employees recoverable within one year – note 9	10,996	10,068
Advances for supplies and services	232,870	671,175
Short-term prepayments	41,211	37,735
	417,253	830,002

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

14. OTHER RECEIVABLES

Receivable from government - note 14.1 & 14.2	9,554,190	9,034,321
Profit on cash and cash equivalents	579	24,675
Receivable from refineries - note 14.4	3,201,850	4,505,305
Custom Duty Receivable - note 22.4	10,823,317	9,638,785
Sales Tax claimable from Government - note 14.3	2,171,935	57,904
Workers Profit Participation Fund	-	239,331
Workers Welfare Fund	25,722	-
	25,777,593	23,500,321

14.1 This includes a net amount of Rs. 9.30 billion (exchange gains of Rs. 0.62 billion net of exchange losses of Rs. 9.92 billion) (2024: Rs. 8.78 billion) in respect of foreign currency loans (FE loans) obtained by the Company for settlement of LCs of crude oil based on the directions of Ministry of Finance (MoF) dated November 27, 2013 and October 21, 2021. On July 18, 2024, MoF interalia informed the Directorate General of Oil office that exchange losses incurred by the Company on the two FE loans taken by it, may be included in the summary for the Economic Coordination committee (ECC) for recovery through pricing mechanism.

14.2 This includes receivable of Rs. 259.13 million (2024: Rs. 259.13 million) from the Government in respect of price differential claims as a result of restricting the ex-refinery prices charged by the Company to the oil marketing companies on instructions from Ministry of Energy (MoE). During the year ended June 30, 2018, the Company received a report from MoE through Oil Companies Advisory Council (OCAC) highlighting certain aspects of the above claims. The management is of the view that the report contains certain factual inaccuracies and is taking up the matter along with other refineries with the MoE.

14.3 Other receivables also include Rs. 2.2 billion on account of unadjustable input tax related to exempt supplies. During the year, the Government allowed recovery of disallowed input tax of OMCs and refineries due to exemption of Petroleum products to be recovered through pricing mechanism of MS and HSD.

14.4 This includes Rs. 3,184 million (2024: Rs. 4,491 million) due from Pak-Arab Refinery Limited (PARCO) - (related party) in respect of sharing of crude oil, freight and other charges. It further includes Rs. 17.8 million (2024: Rs. 14 million) due from National Refinery Limited in respect of pipeline and crude testing charges. Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

2025	2024
(Rupees in thousand)	

15. INVESTMENTS

Investment in treasury bills - note 15.1

1,385,124	4,200,895
-----------	-----------

15.1 This represents short term investment in treasury bills measured at fair value through profit or loss. Fair values of these investments are determined using repurchase price and carry interest yields ranging from 10.92% to 10.94%. These treasury bills will be matured latest by November 27, 2025.

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

2025	2024
(Rupees in thousand)	

16. CASH AND BANK BALANCES

With banks in

Conventional

Savings accounts - note 16.1
Current accounts - note 16.2

1,723,406	2,967,029
1,098,563	3,496,191
2,821,969	6,463,220

Islamic

Savings accounts - note 16.1
Current accounts - note 16.2

220	324,176
17,233	139,679
17,453	463,855

Cash in hand

296	152
2,839,718	6,927,227

16.1 The rates of mark-up on savings accounts as at June 30, 2025 were in the range of 8.50 % to 9.50 % per annum (June 30, 2024: 19% per annum).

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

17. SHARE CAPITAL

2025	2024
(Numbers)	

Authorised share capital
Ordinary shares of Rs. 10 each

1,000,000,000	1,000,000,000
---------------	---------------

Issued, subscribed and paid-up
Ordinary shares of Rs. 10 each

601,000,000	601,000,000
29,000,000	29,000,000
630,000,000	630,000,000

Ordinary shares fully paid in cash

Ordinary shares issued as fully paid bonus shares

2025	2024
(Rupees in thousand)	

10,000,000	10,000,000
------------	------------

6,010,000	6,010,000
290,000	290,000
6,300,000	6,300,000

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

2025	2024
(Rupees in thousand)	

18. OTHER RESERVES

Capital reserve - Exchange equalisation reserve
Revenue reserves - General reserve

897	897
1,050	1,050
1,947	1,947

19. LONG-TERM BORROWINGS

Long term loans - note 19.1

14,850,000	4,500,000
14,850,000	4,500,000
(2,500,000)	(1,500,000)
12,350,000	3,000,000

Less: Current portion of long term borrowings

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

2025	2024
(Rupees in thousand)	

Opening balance - note 19.2

4,500,000	2,000,000
-----------	-----------

Add: Loans obtained

Loan from PSO - Related Party - note 19.3
Long term loan - note 19.4
Diminishing Musharika - note 19.5

3,150,000	-
6,000,000	1,000,000
2,700,000	1,500,000
11,850,000	2,500,000

Less: Loans repaid

Diminishing Musharika repaid - note 19.6

(1,500,000)	-
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Closing balance - note 19.7

14,850,000	4,500,000
-------------------	-----------

19.2 This includes Rs. 3 billion received for long term project finance facility under mark-up arrangements from Askari Bank Limited (AKBL). The facility carries mark-up of 1 month KIBOR + 1% per annum for a tenor of 3 years (including 2.5 year grace period). The loan is repayable in equal monthly installments commencing from 31st month from drawdown date, whereas markup is to be paid on a quarterly basis. The loan is secured by way of hypothecation of property, plant and equipment (excluding land and buildings).

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

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

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

19.6 This represents Rs. 1.5 billion diminishing musharika obtained last year under mark-up arrangement through Faysal Bank Limited was repaid during the current financial year.

19.7 It includes Rs. 2.7 billion financing obtained under Islamic financing arrangement and Rs. 12.15 billion obtained under conventional long term financing.

20. LEASE LIABILITY

Lease liabilities under IFRS 16
Current portion
Non Current Portion

	2025	2024
	(Rupees in thousand)	
	135,766	151,295
	(12,188)	(11,326)
	123,578	139,969

20.1 Liabilities are payables as follows:

	2025			2024		
	Present Value of Minimum Lease Payments	Future Finance Cost	Minimum Lease Payments	Present Value of Minimum Lease Payments	Future Finance Cost	Minimum Lease Payments
	(Rupees in thousand)					
Not later than one year	12,188	23,051	35,239	11,326	16,688	28,014
Later than one year but not later than five year	112,334	47,144	159,478	93,520	41,850	135,370
Later than five year	11,244	-	11,244	46,449	1,194	47,643
	135,766	70,195	205,961	151,295	59,732	211,027

20.2 The lease liability is discounted using incremental borrowing rate of 22.93% (2024: 13.71%).

21. EMPLOYEE BENEFIT OBLIGATIONS / (PREPAYMENTS)

The Company operates recognised funded gratuity and pension schemes (the Schemes) for its eligible management and non-management employees. Actuarial valuation of these Schemes is carried out every year and the latest actuarial valuation was carried out as at June 30, 2025, using the Projected Unit Credit Method, details of which as per the actuarial valuation are stated in note 21.1.1.

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

	Pension Schemes				Gratuity Schemes			
	Management		Non-Management		Management		Non-Management	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in thousands)							
21.1.1 Statement of financial position reconciliation								
Present value of defined benefit obligation at June 30 - note 21.1.2	2,509,357	2,090,365	467,437	356,325	407,217	346,042	127,878	112,533
Fair value of plan assets at June 30 - note 21.1.3	(2,336,243)	(1,852,856)	(332,814)	(260,702)	(352,471)	(294,905)	(136,606)	(130,805)
Deficit / (Surplus)	173,114	237,509	134,623	95,623	54,746	51,137	(8,728)	(18,272)
21.1.2 Movement in the present value of defined benefit obligation								
Opening balance	2,090,365	1,846,774	356,325	308,814	346,042	282,607	112,533	99,312
Benefits paid by the plan	(177,370)	(111,073)	(23,347)	(11,086)	(66,743)	(26,683)	(14,571)	(3,786)
Benefits payable to outgoing member(s)	-	-	-	-	(3,975)	-	-	-
Current service cost	63,444	64,342	11,264	10,599	29,923	24,765	3,802	3,644
Past service cost	-	(123,231)	36,341	-	-	22,811	-	-
Interest cost	300,495	296,029	51,282	50,145	50,280	46,077	15,762	16,082
Remeasurement on obligation	232,423	117,524	35,572	(2,147)	51,690	(3,535)	10,352	(2,719)
Closing balance	2,509,357	2,090,365	467,437	356,325	407,217	346,042	127,878	112,533
21.1.3 Movement in the fair value of plan assets								
Opening balance	1,852,856	1,379,471	260,702	185,279	294,905	236,927	130,805	118,417
Contributions paid into the plan	101,134	143,065	25,941	31,262	36,964	31,649	643	-
Benefits paid by the plan	(177,370)	(111,073)	(23,347)	(11,086)	(66,743)	(26,683)	(14,571)	(3,786)
Benefits payable from the fund	-	-	-	-	(3,975)	-	-	-
Interest income	262,805	217,306	36,605	29,482	43,239	39,193	18,278	18,961
Remeasurement of plan assets	296,818	224,087	32,913	25,765	48,081	13,819	1,451	(2,787)
Closing balance	2,336,243	1,852,856	332,814	260,702	352,471	294,905	136,606	130,805
21.1.4 Expense recognised in statement of profit or loss and other comprehensive income								
Current service cost	63,444	64,342	11,264	10,599	29,923	24,765	3,802	3,644
Past service cost	-	(123,231)	36,341	-	-	22,811	-	-
Net interest cost / (income)	37,690	78,723	14,677	20,663	7,041	6,884	(2,516)	(2,879)
Expense recognised in statement of profit or loss and other comprehensive income	101,134	19,834	62,282	31,262	36,964	54,460	1,286	765
21.1.5 Remeasurement recognised in Other Comprehensive Income								
Remeasurement of present value of defined benefit obligation	232,423	117,524	35,572	(2,147)	51,690	(3,535)	10,352	(2,719)
Remeasurement of fair value of plan assets	(296,818)	(224,087)	(32,913)	(25,765)	(48,081)	(13,819)	(1,451)	2,787
Remeasurements	(64,395)	(106,563)	2,659	(27,912)	3,609	(17,354)	8,901	68
21.1.6 Net recognised liability / (asset)								
Net liability at the beginning of the year	237,509	467,303	95,623	123,535	51,137	45,680	(18,272)	(19,105)
Expense recognised in statement of profit or loss and other comprehensive income	101,134	19,834	62,282	31,262	36,964	54,460	1,286	765
Contribution made to the fund during the year	(101,134)	(143,065)	(25,941)	(31,262)	(36,964)	(31,649)	(643)	-
Remeasurements recognised in other comprehensive income	(64,395)	(106,563)	2,659	(27,912)	3,609	(17,354)	8,901	68
Recognised liability / (asset) as at June 30	173,114	237,509	134,623	95,623	54,746	51,137	(8,728)	(18,272)
21.1.7 Major categories / composition of plan assets are as follows:								
Equity securities	27.58%	25.18%	23.14%	20.99%	25.97%	26.93%	0.00%	0.00%
Debt securities	65.99%	56.47%	71.80%	71.80%	62.27%	62.81%	98.77%	93.40%
Others	6.43%	18.34%	5.06%	7.21%	11.76%	10.25%	1.23%	6.60%
21.1.8 Actuarial assumptions								
Discount rate at June 30	11.75%	14.75%	11.75%	14.75%	11.75%	14.75%	11.75%	14.75%
Future salary increases								
- One time salary increase	N/A	N/A	15.00%	13.00%	N/A	N/A	15.00%	13.00%
- First year following the valuation	15.00%	12.00%	7.00%	7.00%	15.00%	12.00%	7.00%	7.00%
- Second year following the valuation	12.25%	14.75%	11.75%	14.75%	12.25%	14.75%	11.75%	14.75%
Expected retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years
Pension increase rate								
- First year following the valuation	5.00%	5.00%	5.00%	5.00%				
- Long term pension increase rate	5.00%	7.50%	5.00%	7.50%				

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

The Company ensures that the investment positions are managed under 'Liability Driven Investment Approach' that has been developed to achieve long term investments that are in line with the obligations under the retirement benefit scheme. Within this framework, the objective is to match assets to the retirement benefit obligations by investing in long-term securities with maturities that match the benefit payments as they fall due. The retirement benefit funds have appointed a third party advisor who monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the process used to manage its risk from previous periods. The Company does not use derivatives to manage its risk. Investments are diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets for the year ended June 30, 2025 consists of government securities.

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

The Company's contributions to gratuity and pension funds for the year ending June 30, 2025 is expected to amount to Rs. 51.84 million and Rs. 123.47 million respectively.

21.2 Risks on account of defined benefit plan

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

- Final salary risk - The risk that the final salary at the time of cessation of service is greater than assumed salary. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.
- Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.
- Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

21.3 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
----- (Rupees in thousand) -----			
Discount rate at June 30	0.50%	(157,011)	170,381
Future salary increases	0.50%	72,173	(69,001)
Future pension increases	0.50%	(443,342)	(620,555)

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

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

	2025	2024	2023	2022	2021
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----- (Rupees in thousand) -----

21.4 Historical information

Management Pension Fund

Present value of defined benefit obligation	2,509,357	2,090,365	1,846,774	1,764,747	1,575,208
Fair value of plan assets	(2,336,243)	(1,852,856)	(1,379,471)	(1,298,844)	(1,308,268)
Deficit in the plan	173,114	237,509	467,303	465,903	266,940

Experience adjustments

Loss / (gain) on obligation	232,423	117,524	(116,966)	49,879	(103,344)
Gain / (loss) on plan assets	296,818	224,087	(118,366)	(148,477)	(23,804)

Non-Management Pension Fund

Present value of defined benefit obligation	467,437	356,325	308,814	257,305	254,664
Fair value of plan assets	(332,814)	(260,702)	(185,279)	(173,952)	(157,096)
Deficit in the plan	134,623	95,623	123,535	83,353	97,568

Experience adjustments

Loss / (gain) on obligation	35,572	(2,147)	24,121	(22,933)	2,453
Gain / (loss) on plan assets	32,913	25,765	(16,061)	(8,718)	1,573

Management Gratuity Fund

Present value of defined benefit obligation	407,217	346,042	282,607	249,485	208,084
Fair value of plan assets	(352,471)	(294,905)	(236,927)	(211,992)	(195,041)
Deficit in the plan	54,746	51,137	45,680	37,493	13,043

Experience Adjustments

Loss / (gain) on obligation	51,690	(3,535)	(4,763)	15,596	(1,128)
Gain / (loss) on plan assets	48,081	13,819	(12,950)	(8,854)	3,520

Non-Management Gratuity Fund

Present value of defined benefit obligation	127,878	112,533	99,312	82,568	84,105
Fair value of plan assets	(136,606)	(130,805)	(118,417)	(115,152)	(109,685)
Surplus in the plan	(8,728)	(18,272)	(19,105)	(32,584)	(25,580)

Experience adjustments

Loss / (gain) on obligation	10,352	(2,719)	9,638	(9,512)	4,981
Gain / (loss) on plan assets	1,451	(2,787)	(4,690)	(1,611)	304

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

	No. of years
Management Pension fund	9.84
Non-management Pension fund	9.98
Management Gratuity fund	6.20
Non-management Gratuity fund	5.86

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

21.7 The Company's contributions toward the provident fund for the year ended June 30, 2025 amounted to Rs. 51.17 million (2024: Rs. 45.49 million).

22. TRADE AND OTHER PAYABLES

	2025	2024
	(Rupees in thousand)	
Creditors – note 22.1	31,453,168	28,342,846
Payable to the Government – note 22.2	9,774,253	9,926,033
Accrued liabilities	2,359,469	3,501,665
Payable to escrow account - note 22.3 and 22.4	5,557,178	1,276,630
Surplus price differential payable - note 25.3	2,978,696	4,744,412
Accrued mark-up on bank borrowings	656,345	466,142
Advances from customers – note 22.5	198,102	456,047
Workers' Welfare Fund	-	156,565
Retention money	8,359	115,884
Tax deducted at source	5,415	10,114
	52,990,985	48,996,338

22.1 This includes Nil balance (2024: 2.61 billion) due to related parties.

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

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

Opening balance	1,276,630	-
Incremental incentives earned during the period	9,472,724	9,369,485
Incremental incentives to be deposited in IFEM pool	-	(3,490,577)
Incremental incentives transferred to joint Escrow Account	(5,192,176)	(4,602,278)
Closing balance payable to joint Escrow Account	5,557,178	1,276,630

22.4 During the year ended June 30, 2024, the GoP announced and notified the Pakistan Oil Refining Policy for Existing / Brownfield Refineries, 2023 (the Policy) on August 9 and 17, 2023 respectively. As per the Policy, the refineries were allowed incremental incentives at the rate of 2.5% on HSD and 10% on MS for a period of six years from the date of notification of the Policy to upgrade and produce environmental friendly fuels as per EURO V specifications.

The incentives collected during a month are required to be deposited within 10 days of subsequent month in an interest bearing Escrow Account maintained with National Bank of Pakistan to be jointly operated with OGRA. To be eligible for the incentives provided in the Policy, the refineries were required to enter into an Upgrade Agreement with OGRA within 3 months of the date of notification of the policy (subsequently extended by 60 days). The Company successfully executed the Upgrade Agreement with OGRA on November 15, 2023 and opened joint Escrow Account in accordance with the Policy on November 30, 2023.

Later the Government revised the Policy that was notified on February 23, 2024 and amended following provisions of the original Policy:

- incentive period increased from six years to seven years from the date of signing of Upgrade Agreement and opening of Joint Escrow Account;
- maximum capping of incremental incentives increased from 25% to 27.5% of project cost;
- refineries were allowed 7.5% deemed duty on HSD for 20 years from the date of commissioning of upgrade project; and
- introduction of force majeure clause and amendments in arbitration clauses.

The revised policy gives the rights to a refinery who have already executed Upgrade Agreement under original Policy to opt for the amended provisions / incentives of the revised Policy by executing a supplemental to the Upgrade Agreement. The Company is in the process of finalisation of Supplemental Upgrade and Escrow Account Agreements with OGRA.

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

	2025	2024
	(Rupees in thousand)	
Opening balance	4,767,605	-
Incremental incentives transferred to Escrow Account during the period	5,192,176	4,602,278
Interest earned on incremental incentives (net of withholding tax)	909,272	165,327
Closing balance	10,869,053	4,767,605

22.5 These represent advances received from customers against supply of petroleum products which are recognised as revenue when the performance obligation is satisfied. During the year, the amount recognised as revenue from advance balance at the beginning of the year amounts to Rs. 0.46 billion (2024: Rs. 0.27 billion).

	2025	2024
	(Rupees in thousand)	

23. SHORT-TERM BORROWINGS

Foreign currency loan - note 23.1	12,973,492	23,943,989
Current portion of long-term borrowings - note 19	2,500,000	1,500,000
	15,473,492	25,443,989

23.1 This represents short term FE 25 loan obtained from National bank of Pakistan at a markup rate of 7.5% p.a. amounting to USD 45.69 million (2024: USD 45.69 million) repayable on August 18, 2025, secured against ranking charge over current assets of the Company.

23.2 As at June 30, 2025 available running finance facilities under mark-up arrangements from various banks amounted to Rs. 14.30 billion (2024: Rs. 9.75 billion). The unutilised amount of running finance facilities as at June 30, 2025 was Rs. 14.30 billion (2024: Rs. 7.25 billion).

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

The rates of mark-up range between one month KIBOR+0.65% to one month KIBOR+1.5% per annum as at June 30, 2025 (2024: one month KIBOR+0.65% to one month KIBOR+2% per annum). Purchase prices are payable on demand.

23.3 Facilities for letters of credit / guarantees and invoice discounting as at June 30, 2025 accumulated to Rs. 99.60 billion (2024: Rs. 66.2 billion) and Rs. 4 billion (2024: Rs. 4.5 billion) respectively of which the unutilised amount as at June 30, 2025 was Rs. 61.71 billion (2024: Rs. 16.6 billion) and Rs. 4 billion (2024: Rs. 2 billion) respectively.

24. CONTINGENCIES AND COMMITMENTS

Contingencies

- a) Claims against the Company not acknowledged as debt amount to Rs. 7.38 billion (2024: Rs. 8.24 billion), which includes Rs. 7.2 billion (2024: Rs. 7.99 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 7.88 billion (2024: Rs. 7.87 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies which has also not been recorded. The Company is of the view that ultimately these claims will be waived off.

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

- b) Proportionate share of contingencies related to tax matters of Pak Grease Manufacturing Company (Private) Limited - an associate company, based on its unaudited accounts as of June 30, 2025 amounts to Rs. 5.66 million (2024: 5.66 million).

Commitments

- a) As at June 30, 2025 commitments outstanding for capital expenditure amounted to Rs. 3.55 billion (2024: Rs. 1.52 billion).

24.1 Description of legal proceedings

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

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

25. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales - notes 25.1 & 25.2
Exports
Gross sales
Less:
- Incremental incentives - note 22.3
- Sales tax
- Discount allowed - note 25.4
- Excise duty and petroleum levy
- Surplus price differential - note 25.3
- Custom duty

2025	2024
(Rupees in thousand)	
372,025,898	381,022,594
50,736,443	22,544,905
422,762,341	403,567,499
(9,472,724)	(9,369,485)
(5,754,575)	(9,539,232)
(543,757)	(295,593)
(90,049,071)	(67,982,185)
(6,590,859)	(9,609,584)
-	(1,231,741)
310,351,355	305,539,679

- 25.1 The Company sells its products to Oil Marketing Companies (OMCs). Out of these, 2 (2024: 2) of the Company's customers contributed towards 58.58% (2024: 59.1%) of the revenues during the year amounting to Rs. 191.55 billion (2024: Rs. 179.36 billion) and each customer individually exceeds 10% of the revenues.
- 25.2 Sales of regulated products are based on prices notified by OGRA which are subject to policy clarification from the Federal Government. Sales of certain de-regulated products (Motor Spirit, High Octane Blending Component, Light Diesel Oil and Aviation Fuels) are based on prices set under notifications of the Ministry of Energy (MoE).
- 25.3 This includes price differential amounting to Rs. 6.59 billion (2024: Rs. 9.61 billion) on sale of High Speed Diesel (HSD) as per the import parity pricing formula determined in the Economic Coordination Committee's decision dated February 26, 2013, November 17, 2020 and March 25, 2022. This also include price differential amounting to Rs. 0.45 billion (2024: Nil) on sale of 90 RON Motor Gasoline, calculated as per the mechanism notified by MoE dated September 5, 2016.
- 25.4 During the year, the company offered discounts to all the customers on ex-refinery prices of Motor Gasoline, High Sulphur Fuel Oil and High Speed Diesel.

26. COST OF SALES

Crude oil and condensate consumed - note 26.1 and 26.2

Stores, spares and chemicals
Depreciation and amortisation
Fuel, power and water
Salaries and wages
Repairs and maintenance
Insurance
Retirement benefits
Staff transport
Security expenses
Rent, rates and taxes
Subscriptions
Consultancy
Travelling and entertainment
Other expenses
Exchange loss - note 26.3

2025	2024
(Rupees in thousand)	
287,349,225	282,497,468
6,186,600	7,333,303
1,188,768	1,016,203
1,395,563	1,265,273
1,208,531	1,073,993
551,740	1,162,529
209,766	292,919
208,155	102,772
69,706	69,325
82,483	75,330
9,330	48,563
35,689	14,546
42,263	105,747
33,531	52,592
12,129	5,332
1,898,048	547,622
13,132,302	13,166,049
300,481,527	295,663,517
13,138,724	7,921,641
(5,126,192)	(13,138,724)
308,494,059	290,446,434

Opening inventory of finished products
Closing inventory of finished products

	2025	2024
	(Rupees in thousand)	
26.1 Crude oil and condensate consumed		
Opening inventory	15,140,306	25,778,009
Purchases	286,957,793	271,859,765
Closing inventory	(14,748,874)	(15,140,306)
	287,349,225	282,497,468

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

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

	2025	2024
	(Rupees in thousand)	
27. SELLING EXPENSES		
Transportation and handling charges	216,702	177,350
Depreciation and amortisation	106,847	116,993
Salaries and wages	113,333	104,501
Rent, rates and taxes	165,456	84,882
Repairs and maintenance	65,054	65,207
Insurance	49,791	57,337
Retirement benefits	12,130	11,607
Fuel, power and water	24,415	21,339
Security expenses	27,224	13,861
Staff transport	3,691	4,578
Subscriptions	6,400	8,429
Other expenses	1,694	2,507
	792,737	668,591

	2025	2024
28. ADMINISTRATIVE EXPENSES		
Salaries and wages	686,156	502,425
Depreciation and amortisation	155,016	124,744
Repairs and maintenance	5,729	4,701
Computer related and software maintenance expenses	84,807	74,268
Insurance	58,545	76,095
Travelling and entertainment	13,342	128,358
Legal and professional charges	71,528	54,088
Retirement benefits	32,547	37,435
Cleaning and janitorial services	55,739	34,383
Consultancy	685	1,185
Directors' remuneration - note 35	58,664	36,229
Subscriptions	21,771	16,154
Stamp duty charges	16,550	53,068
Security expenses	22,484	17,305
Communication	13,578	16,658
Staff transport	15,258	18,373
Training expenses	29,246	12,142
Printing and stationery	10,964	17,442
Auditors' remuneration - note 28.1	13,356	7,777
Advertising and publicity	2,223	17,796
Other expenses	25,904	11,511
	1,394,092	1,262,137

	2025	2024
	(Rupees in thousand)	
28.1 Auditors' remuneration		
Audit fee	3,240	2,700
Fee for:		
- limited review of half yearly financial information	960	800
- other certifications	2,238	1,140
- taxation services	5,295	2,825
Out of pocket expenses	1,623	312
	13,356	7,777

	2025	2024
29. OTHER OPERATING EXPENSES		
Research cost on Refinery Expansion and Upgradation - note 29.1	2,497,303	6,195,857
Workers' Profit Participation Fund	-	361,276
Workers' Welfare Fund	-	156,855
Donations - note 29.2	49,611	45,183
Penalties	185	57
	2,547,099	6,759,228

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

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

	2025	2024
	(Rupees in thousand)	
30. OTHER INCOME		
Income from financial assets		
Profit on deposits - note 30.1	1,026,193	2,613,168
Income on treasury bills	1,039,652	1,551,192
Interest on late payments	5,984	34,942
Others		
Rental income	74,506	-
Pipeline charges - note 30.2	24,178	22,777
Insurance claim - note 30.3	213,778	23,516
Crude oil testing services - note 30.4	1,369	32,365
Gain (net) on disposal of operating assets	155,629	145,308
Sale of scrap	97,661	-
Exchange gain	47,920	-
Others	13,202	8,178
	2,700,072	4,431,446

30.1 This includes profit earned from Shariah Compliant bank deposits amounting to Rs. 20.37 million (2024: Rs. 78.83 million).

30.2 This includes Rs. 0.37 million (2024: 0.37 million) from a related party.

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

30.4 This represents amount earned by the Company for crude oil testing services provided to other refineries based on mechanism of GoP through Customs. This includes Nil (2024: Rs. 21.87 million) from a related party.

31. FINANCE COST

	2025	2024
	(Rupees in thousand)	
Mark-up on running finance under mark-up arrangements - note 23.2	125,050	22,887
Mark-up on short-term borrowings	2,176,155	2,763,339
Markup on diminishing musharika - note 19.5 and 19.6	195,332	169,778
Markup on long term loans - note 19 and 31.1	1,257,231	647,414
Exchange loss - net	-	155,784
Amortisation of lease liability	25,325	18,242
Bank charges	8,463	8,159
	3,787,556	3,785,603

31.1 This includes markup on long term loan received from PSO - related party amounting to Rs. 95.1 million (2024: Nil).

32. FINAL TAX AND MINIMUM TAX

	2025	2024
	(Rupees in thousand)	
Final tax	638	345,258
Minimum tax	1,825,319	10,477
	1,825,957	355,735

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

33. TAXATION

Current for the year	88,512	2,088,422
Prior year	-	(216,847)
Deferred - note 10	(1,218,132)	779,726
	(1,129,620)	2,651,301

33.1 Relationship between tax expense and accounting profit

(Loss) / profit before taxation	(3,963,329)	7,068,671
Final tax and Minimum tax	(1,825,957)	(355,735)
(Loss) / profit before income tax	(5,789,286)	6,712,936
Tax at the applicable tax rate of 29% (2024 : 39%)	(1,678,893)	2,618,045
Effect of:		
- prior year tax	-	(216,847)
- impact of minimum and final taxes	522,119	-
- effect of taxable temporary differences	(8,249)	-
- deferred tax asset on minimum tax	-	250,103
- expenses not deductible for tax purposes	35,403	-
	(1,129,620)	2,651,301

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

	2025	2024
	(Rupees in thousand)	
(Loss) / profit for the year attributable to ordinary shareholders (Rupees in thousand)	(4,659,666)	4,061,635
Weighted average number of ordinary shares outstanding during the year (in thousand)	630,000	630,000
Basic and diluted (loss) / earnings per share	(Rs. 7.40)	Rs. 6.45

There were no dilutive potential ordinary shares in issue as at June 30, 2025 and 2024.

35. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

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

	2025			2024		
	Non - Executive Directors	Chief Executive	Executives	Non - Executive Directors	Chief Executive	Executives
	(Rupees in thousand)					
Fees	42,000	-	-	28,490	-	-
Managerial remuneration	-	73,613	438,441	-	61,208	391,255
Honorarium - note 35.2	7,200	-	-	3,600	-	-
Bonus	-	26,671	157,425	-	13,477	101,444
Retirement benefits	-	6,706	117,126	-	4,774	102,645
Housing	-	-	174,395	-	-	152,993
Utilities	-	-	38,405	-	-	33,865
Leave passage	-	-	57,610	-	-	53,524
Club expenses	-	527	880	-	579	1,164
Others	9,464	1,241	138,876	4,139	35	116,587
	9,464	1,768	410,166	4,139	614	358,133
	58,664	108,758	1,123,158	36,229	80,073	953,477
Number of persons	10	1	127	10	1	117

35.1 As at June 30, 2025, Chairman, Chief Executive and certain executives are provided with free use of company maintained cars. The monetary value of the Company provided cars to the executives amounted to Rs. 171.09 million (2024: Rs. 143.80 million). In addition, certain executives are provided furnished accommodation within refinery premises according to their respective terms of employment.

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

36. TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

Relationship	Nature of transaction	2025	2024
(Rupees in thousand)			
a) Parent company	Sale of goods	140,956,954	135,208,016
	Discount allowed	256,867	101,131
	Services rendered	370	375
	Purchase of goods	73,208	78,964
	Services received	35,000	29,780
	Dividend paid	800,918	-
	Long term loan received	3,150,000	-
	Markup on long term loan	95,083	-
b) Associated companies	Purchase of goods - net	16,670,839	32,685,027
	Sale of goods - net	38,032,197	35,511,613
	Discount allowed	25,968	9,780
	Services received	12,529	14,783
	Services rendered	-	21,866
	Dividend received	4,252	4,252
c) Key management personnel compensation (excluding non-executive directors)	Salaries and other short-term employee benefits	314,997	229,946
	Post-employment benefits	29,652	20,673
	Sale of car	774	921
d) Staff retirement benefit funds	Payments to staff retirement benefit funds	285,857	318,481
e) Non-executive Directors	Remuneration and fees	58,665	36,229

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

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

37. NUMBER OF EMPLOYEES

	2025	2024
(Rupees in thousand)		
Number of employees including contractual employees at the end of year	285	284
Average number of employees including contractual employees during the year	284	282

38. CAPACITY AND ACTUAL PERFORMANCE

Against the designed nominal annual capacity of 2,133,705 metric tons, the actual throughput during the year was 1,706,356 metric tons (2024: 1,482,468 metric tons). The Company operated the plant considering the level which gives optimal yield of products.

39. FINANCIAL INSTRUMENTS

39.1 Financial assets and liabilities

	Interest / Mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
----- (Rupees in thousand) -----							
FINANCIAL ASSETS							
Trade deposits and loans	-	-	-	143,172	33,240	176,412	176,412
Trade receivables	-	-	-	19,390,402	-	19,390,402	19,390,402
Other receivables	-	-	-	12,756,619	-	12,756,619	12,756,619
Investments	1,385,124	-	1,385,124	-	-	-	1,385,124
Cash and bank balances	1,723,626	-	1,723,626	1,116,092	-	1,116,092	2,839,718
2025	3,108,750	-	3,108,750	33,406,285	33,240	33,439,525	36,548,275
2024	7,492,100	-	7,492,100	28,550,504	31,222	28,581,726	36,073,826
FINANCIAL LIABILITIES							
Borrowings	15,473,492	12,350,000	27,823,492	-	-	-	27,823,492
Trade and other payables	-	-	-	34,477,341	-	34,477,341	34,477,341
Unpaid dividend	-	-	-	4,124	-	4,124	4,124
Unclaimed dividend	-	-	-	19,852	-	19,852	19,852
Lease Liability	12,188	123,578	135,766	-	-	-	135,766
2025	15,485,680	12,473,578	27,959,258	34,501,317	-	34,501,317	62,460,575
2024	25,455,315	3,139,969	28,595,284	32,446,389	-	32,446,389	61,041,673

Above information is based on contractual maturity.

39.2 Financial risk management objectives and policies

Capital Risk Management

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

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

The Company is not exposed to externally imposed capital requirement.

(i) Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 35.16 billion (2024: Rs. 31.87 billion).

	2025	2024
(Rupees in thousand)		
Trade deposits and loans	176,412	152,314
Trade receivables	19,390,402	11,229,089
Other receivables	12,756,619	13,564,301
Cash and bank balances	2,839,718	6,927,227
	35,163,151	31,872,931

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

	Rating agency	Rating	
		Long term	Short term
Askari Bank Limited	PACRA	AA+	A1+
Bank Al Falah Limited	PACRA	AAA	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
Bank of Punjab	PACRA	AA+	A1+
Bank of China - Pakistan Operations	SP Global	A	A1
Faysal Bank Limited	PACRA	AA	A1+
Habib Bank Limited	JCR - VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
JS Bank Limited	PACRA	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
MCB Islamic Bank Limited	PACRA	A+	A1
Meezan Bank Limited	JCR - VIS	AAA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
United Bank Limited	JCR - VIS	AAA	A1+

(ii) Liquidity risk

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

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual payments and exclude the impact of netting agreements.

	Carrying amount	Contractual Cashflows			
		Total	0-1 year	1-5 years	More than 5 years
----- (Rupees in thousand) -----					
2025					
Long term loans	12,350,000	18,539,236	4,173,527	14,365,709	-
Lease Liabilities	135,766	205,961	35,239	159,478	11,244
Short term borrowings	15,473,492	15,473,492	15,473,492	-	-
Trade and other payables	34,477,341	34,477,340	34,477,340	-	-
----- (Rupees in thousand) -----					
2024					
Long term loans	4,500,000	6,045,725	2,434,975	3,610,750	-
Lease Liabilities	151,295	211,027	28,014	135,370	47,643
Short term borrowings	23,943,989	24,223,507	24,223,507	-	-
Trade and other payables	32,426,537	32,426,537	32,426,537	-	-

(iii) **Foreign exchange risk**

Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2025, financial assets include trade receivables Rs. 1.31 billion (2024: Rs. 1.54 billion) and financial liabilities include trade payable of Rs. 23.33 billion (2024: Rs. 19.35 billion) which is subject to foreign currency risk. The Company manages its currency risk by close monitoring of currency markets. As per State Bank's regulations, the Company can not hedge its currency risk exposure against procurement of crude oil.

At June 30, 2025, if value of Pakistan Rupee had fluctuated by 5% against the foreign currencies with all other variables held constant, profit for the year would have been lower / higher by approximately Rs. 1.17 billion (2024: Rs. 1 billion) respectively, mainly as a result of foreign exchange losses / gains on translation of foreign currency creditors and receivables.

(iv) **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its running finance arrangements, short-term finance and long-term borrowing which is repriced at a maximum period of 180 days (2024: 180 days). Additionally, the Company is also exposed to interest rate risk on its saving bank accounts and investments. Financial assets and liabilities include balances of Rs. 3.11 billion (2024: Rs. 3.29 billion) and Rs. 27.82 billion (2024: Rs. 28.44 billion) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

As at June 30, 2025, if average KIBOR interest rate on long-term borrowings, short-term borrowings, running finance arrangements and cash at bank in savings accounts, had been 100 basis points higher / lower with all other variables held constant, profit for the year would have been higher / lower by approximately Rs. 247.15 million (2024: Rs. 209.52 million) respectively, mainly as a result of higher / lower interest exposure / income on floating rate borrowings / placements.

Foreign currency loan, a fixed rate borrowing, is free of interest rate risk.

(v) **Fair values of financial assets and liabilities**

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

40. CASH GENERATED FROM OPERATIONS

(Loss) / profit before income tax

Adjustments for non-cash charges and other items:

Mark-up expense
Depreciation and amortisation
Provision for employee benefit obligations
(Reversal) / provision for slow moving stores and spares - net
Share of (profit) of associate
Profit on deposits
Gain on investments
Exchange (gain) / loss on cash and cash equivalents
Gain on disposal of operating assets - net

Working capital changes - note 40.1

Cash generated from operations

	2025	2024
	(3,963,329)	7,068,671
Mark-up expense	3,787,556	3,767,362
Depreciation and amortisation	1,450,631	1,257,941
Provision for employee benefit obligations	201,666	106,321
(Reversal) / provision for slow moving stores and spares - net	10,916	(22,300)
Share of (profit) of associate	(787)	(19,539)
Profit on deposits	(1,026,193)	(2,613,168)
Gain on investments	(1,039,652)	(1,551,192)
Exchange (gain) / loss on cash and cash equivalents	(21,272)	9,185
Gain on disposal of operating assets - net	(2,731)	(3,307)
	3,360,134	931,303
Working capital changes - note 40.1	3,155,282	533,502
Cash generated from operations	2,552,087	8,533,476

2025 2024
(Rupees in thousand)

40.1 Working capital changes

(Increase) / decrease in current assets

Inventories	8,484,827	4,959,660
Trade receivables	(8,161,313)	8,683,246
Trade deposits, loans, advances and short-term prepayments	412,749	(655,702)
Other receivables	(1,385,425)	(15,071,462)
	(649,162)	(2,084,258)
Increase in current liabilities		
Trade and other payables	3,804,444	2,617,760
	3,155,282	533,502

41. CASH AND CASH EQUIVALENTS

Cash and bank balances

	2,839,718	6,927,227
	2,839,718	6,927,227

42. DATE OF AUTHORISATION

These financial statements were authorised for issue on August 18, 2025 by the Board of Directors of the Company.

43. GENERAL

Comparative figures have been re-arranged and reclassified for comparison purposes. However, no material reclassifications have been made.


Zahid Mir
Managing Director & CEO


Syed Jehangir Ali Shah
Director


Imran Ahmad Mirza
Chief Financial Officer

ہیومن ریسورسز اور صنعتی تعلقات

کمپنی کا ہیومن ریسورسز شعبہ کمپنی کے اسٹریٹجک مقاصد کی تکمیل میں اہم کردار ادا کرتا رہا۔ مؤثر ٹیلنٹ منجمنٹ، ملازمین کی شمولیت، کیریئر ڈیولپمنٹ اور ریگولیشن کی معیارات کی سخت تعمیل کے ذریعے ورک فورس کی صلاحیتوں کو مضبوط بنانے، ملازمین کی فلاح و بہبود کو بہتر کرنے اور حفاظت، شمولیت اور مسلسل ترقی کے کلچر کو فروغ دینے میں مدد ملی۔

ملازمین کی شمولیت سے متعلق اقدامات کو فعال طور پر جاری رکھا گیا، جن میں مختلف ویلفیئر پروگرامز کا آغاز اور ملازمین کی حوصلہ افزائی کے اقدامات شامل تھے۔ صحت اور حفاظت سے متعلق جامع تربیتی پروگرامز نے کام کی جگہ پر پیش آنے والے واقعات میں نمایاں کمی میں مدد فراہم کی اور ادارے پھر میں سفارشی فرسٹ کلچر کو مزید مضبوط کیا۔ اس کے علاوہ، قیادت کی ترقی اور تکنیکی مہارتوں میں بہتری کے حوالے سے نمایاں پیش رفت ہوئی، جس میں اندرونی صلاحیت سازی، ادارہ جاتی جانشینی کی منصوبہ بندی اور ملازمین کی پیشہ ورانہ ترقی کو آگے بڑھانے پر پھر پور توجہ دی گئی۔

کلکٹیو باگیٹنگ ایجنٹ (CBA) کے ساتھ روابط تعاون پڑنی اور مثبت رہے اور سال کے دوران کوئی تنازع ریکارڈ نہیں ہوا۔

کارپوریٹ سوشل ریسپانسیبلٹی (CSR)

سال کے دوران PRL نے تعلیم، صحت، ذہنی صحت اور کمیونٹی ڈیولپمنٹ کے شعبوں میں مخصوص CSR اقدامات کے ذریعے اپنی خدمت گزار کمیونٹی کی فلاح میں مامعنی کردار ادا کیا۔ کل 49.74 ملین روپے مختلف اداروں کو مختص کیے گئے جن میں 11.18 ملین روپے دی سٹیٹسز فاؤنڈیشن کے لیے ہسپتال کی تعمیر کی فراہمی، 17.5 ملین روپے اینڈس ہسپتال کے لیے مفت علاج تک رسائی کو مضبوط بنانے، 4.56 ملین روپے کارواں حیات کے لیے ذہنی صحت کی خدمات، 0.5 ملین روپے ڈاکٹر پریم کمار سینٹرل داس میموریل ٹرسٹ کے لیے کمیونٹی سپورٹ اور 10 ملین روپے بہبود ایسوسی ایشن کے لیے خواتین کو بااختیار بنانے اور تعلیمی پروگرام کی مدد میں شامل ہیں۔ مزید برآں، کمپنی نے GoRead.pk کے ذریعے خواندگی کے فروغ کی حمایت کی اور انسٹی ٹیوٹ آف بزنس منجمنٹ میں ہائر ایجوکیشن اسکالرشپ پروگرام کے تحت 5 ملین روپے کی سہولت فراہم کی۔

اندرونی مالیاتی ضابطوں کی مناسبت

بورڈ آف ڈائریکٹرز بہتر داخلی مالیاتی ضابطوں کے قیام کا ذمہ دار ہے۔ بورڈ نے بیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر کو کمپنیز ایکٹ 2017 کے تحت بورڈ کے لیے مخصوص اختیارات کے علاوہ بعض مالی و انتظامی اختیارات استعمال کرنے کی اجازت دے رکھی ہے۔ بورڈ وقتاً فوقتاً انٹرنل آڈٹ فنکشن کے ذریعے اندرونی مالیاتی ضابطوں کی مناسبت کے بارے میں اپ ڈیٹ حاصل کرتا ہے۔ سال کے دوران ان کنٹرولز میں کسی مادی کمی کی اطلاع بورڈ کو نہیں دی گئی۔

قومی خزانہ میں حصہ اور قدر میں اضافہ

کمپنی ملک کے بڑے ٹیکس گزاروں میں شامل رہی اور تمام ٹیکس ذمہ داریوں کی بروقت ادائیگی کو یقینی بنایا۔ سال کے دوران کمپنی نے براہ راست اور بالواسطہ ٹیکسوں کی مدد میں 103.22 ملین روپے (2024: 91.96 ملین روپے) قومی خزانے میں جمع کرائے۔ اس کے علاوہ کمپنی کی برآمدات کے نتیجے میں 181.7 ملین امریکی ڈالر (2024: 80.43 ملین امریکی ڈالر) کا قیمتی زرمبادلہ حاصل ہوا۔

اہم آپریشن اور مالیاتی اعداد و شمار

گزشتہ چھ برسوں کے اہم آپریشن اور مالیاتی تفصیلات اس رپورٹ کے ساتھ منسلک ہیں۔

کمپنی کی بنیادی سرگرمیاں

پاکستان ریفاٹری لمیٹڈ نے 1960 میں پاکستان میں بطور ایک پبلک لمیٹڈ کمپنی کے طور پر قائم کی گئی اور پاکستان اسٹاک ایکسچینج پر لسٹڈ ہے۔ کمپنی پیٹرولیم مصنوعات کی تیاری اور فروخت کے امور انجام دیتی ہے۔

کمپنی اور اس کی سرمایہ کار کمپنی کے کاروبار کی نوعیت سے متعلق تبدیلیاں

کمپنی اور پاک گریس مینوفیکچرنگ کمپنی (پرائیویٹ) لمیٹڈ کے کاروبار کی نوعیت میں کوئی تبدیلی واقع نہیں ہوئی جس میں کمپنی کے 27.26 فیصد حصص ہیں۔

بعد از اس واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلیاں اور واقعات رونما نہیں ہوئے ہیں۔

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز، میسرز کے پی ایم جی (KPMG) تاثیر مادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ عام اجلاس کے اختتام پر ریٹائر ہو رہے ہیں اور انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔

اظہار تشکر

بورڈ وزارت توانائی اور دیگر سرکاری حکام کے قابل قدر تعاون کا معترف ہے۔ مزید برآں پورے سال کے دوران شیئر ہولڈرز، مالیاتی اداروں، ملازمین اور دیگر اسٹیک ہولڈرز کی حمایت اور اعتماد کو تسلیم کرتا ہے اور قدر کی نگاہ سے دیکھتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



طارق کرمانی

چیئر مین

کراچی: 18 اگست 2025



زاہد میر

بیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

• کمپنی نے کمپنیز ایکٹ 2017 کی تعمیل میں اپنے گوشواروں کی باقاعدہ کتابیں رکھی ہیں۔

• کمپنی نے اپنے مالیاتی گوشواروں کی تیاری میں پائیدار اور مناسب اکاؤنٹنگ پالیسیز پر عملدرآمد کیا ہے۔ اکاؤنٹنگ پالیسیز میں تبدیلیاں، اگر کہیں کی گئی ہیں تو انہیں بہتر انداز میں مالیاتی گوشواروں میں واضح کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے محتاط اور موزوں اندازے کی بنیاد پر لگائے گئے ہیں۔

• مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر عمل کیا گیا ہے اور کسی طرح کے بھی انحراف کو باقاعدہ واضح کیا گیا ہے۔

• کمپنی میں اندرونی ضابطہ کا موثر نظام موجود ہے اور اس پر مسلسل عملدرآمد اور نگرانی جاری رہتی ہے۔

• کمپنی کے کام جاری رکھنے کی صلاحیت پر کسی بھی قسم کے قابل ذکر شبہات نہیں ہیں۔

گریڈ ریٹنگ

رواں سال کے دوران پاکستان گریڈ ریٹنگ ایجنسی (PACRA) نے ازسر نو جائزے کے بعد کمپنی کو طویل المدتی ریٹنگ A (سنگل اے) اور قلیل المدتی ریٹنگ A1 (سنگل اے ون) تفویض کی ہے۔ یہ ریٹنگ کمپنی کی اعلیٰ گریڈ کو الٹی اور گریڈ رسک سے متعلق کم خطرات کی نشاندہی کرتی ہے یعنی کمپنی کو مالیاتی وعدوں کے مطابق بروقت ادائیگیوں کی بھرپور صلاحیت حاصل ہے۔

پوسٹ ایمپلائمنٹ فنڈز میں سرمایہ کاری کی مالیت

30 جون 2025 کو غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر پروویڈنٹ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاری کی مالیت حسب ذیل تھی:

پروویڈنٹ فنڈ	(روپے'000 میں)
گریجویٹ فنڈ - مینجمنٹ اسٹاف	739,685
گریجویٹ فنڈ - نان مینجمنٹ اسٹاف	352,471
پنشن فنڈ - مینجمنٹ اسٹاف	136,606
پنشن فنڈ - نان مینجمنٹ اسٹاف	2,336,243
پنشن فنڈ - نان مینجمنٹ اسٹاف	332,814

ہیلتھ، سیفٹی، انوائرنمنٹ اور کوالٹی (HSEQ) / صحت، سلامتی، ماحول اور معیار

محفوظ مین آورز

30 جون 2025 تک پاکستان ریفرنسز لمیٹڈ (PRL) نے بغیر کسی لاسٹ ٹائم انجری (LTI) کے 8.2 ملین محفوظ مین آورز حاصل کیے۔ یہ سنگ میل کمپنی کے ہیلتھ، سیفٹی، انوائرنمنٹ اور کوالٹی کے اعلیٰ معیار، فعال رسک مینجمنٹ اور مضبوط سیفٹی کلچر کا مظہر ہے۔

IHSEQ ایکسٹرنل آڈٹ

نومبر 2024 میں، IMS (ISO اسٹینڈرڈ 9001:2015 اور 45001) کے تحت تھرڈ پارٹی سروس پرائیورس ایجنسیوں میں کوئی عدم تعمیل یا بڑی آبروروشن سامنے نہیں آئی۔

قانونی تقاضوں کی تعمیل

کمپنی نے سندھ انوائرنمنٹ کوالٹی اسٹینڈرڈز کے تمام پیرامیٹرز کے نتائج برقرار رکھے اور انوائرنمنٹل مینجمنٹ پلان (EMP) کی مکمل تعمیل کی۔

انوائرنمنٹ، سوشل اور گورننس (ESG)

PRL اہل کے تحفظ، گورننس میں بہتری اور آس پاس کی کمیونٹیز کی سماجی فلاح و بہبود میں کردار ادا کرنے والی سرگرمیوں میں فعال طور پر شامل ہے۔ PRL نے ایک انوائرنمنٹ، سوشل اور گورننس (ESG) کنسلٹنٹ کی خدمات حاصل کی ہیں تاکہ جامع ESG حکمت عملی کی تیاری اور اس کے نفاذ میں معاونت حاصل کی جاسکے۔ فی الحال بین الاقوامی ESG معیارات کے مقابل موجودہ طریقوں کا تفصیلی گپ اسٹیمٹ جاری ہے۔ ESG سے متعلق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے انکشاف کے تقاضے ہم جولائی 2025 سے شروع ہونے والی مدت کے لیے مؤثر ہوں گے۔

ٹیکنیکل اور آپریشنز

پلانٹ کے تمام پرسونل ٹیسٹ محفوظ اور مؤثر انداز میں چلے، جس سے پیداوار کی اور توانائی کی کارکردگی میں بہتری آئی۔ ان اقدامات کے نتیجے میں، مالی سال 2024-25 کے دوران کمپنی نے ہائی اسپید ڈیزل (HSD) کی تقریباً 800,000 میٹرک ٹن اور موٹر اسپرٹ (MS) کی تقریباً 300,000 میٹرک ٹن کی ریکارڈ سالانہ فروخت حاصل کی جو کمپنی کے آپریشنل ڈسپلن اور اعتمادیت پر بھرپور توجہ کو اجاگر کرتی ہے۔

پائیداری کے حصول کے منصوبے کے طور پر، نیفٹھاسرکٹ موڈیفیکیشن پروجیکٹ کو مالی سال 2026-27 میں طے شدہ مرتقی شٹ ڈاؤن کے دوران مکمل کرنے کا منصوبہ ہے، جس کے نتیجے میں موٹر گیسولین (پٹرول) کی سالانہ پیداوار میں تقریباً 15,000 میٹرک ٹن اضافہ ہوگا۔

سال بھر کے دوران، کمپنی نے اثاثوں کی مضبوطی کو یقینی بنانے، آلات کی قابلیت اعتباراً اور کارکردگی کو بہتر بنانے کے لیے انجینئرنگ سے متعلق متعدد اقدامات کیے۔ ان اقدامات میں کئی اندرونی خانہ کوششیں شامل تھیں جو ملازمین کی صلاحیتوں کو اجاگر کرتی ہیں۔

ریفرنسز ایسوسی ایشن اینڈ اپ گریڈ پروجیکٹ (REUP)

کمپنی کے طویل المدتی اسٹریٹجک وژن کے مطابق، زیر جائزہ سال کے دوران REUP پر خاطر خواہ پیش رفت ہوئی۔ میسرز دوڈ گروپ کے لمیٹڈ کو دی گیا FEED مالی سال 2024-25 کی دوسری سہ ماہی میں کامیابی سے مکمل ہوا۔ اس مرحلے کے حصے کے طور پر لائسنس یافتہ پراسیس یونٹس کے لیے پروسیس ڈیزائن ہیکل (PDPs) عالمی شہرت یافتہ ٹیکنالوجی لائسنسز میسرز UOP (امریکہ) اور میسرز Axens (فرانس) سے موصول ہوئے۔

(ITB) نوٹیفیشن ٹوڈ ایسے بین الاقوامی شہرت یافتہ EPCF (انجینئرنگ، پروکیورمنٹ، کنسٹرکشن اور فنانس) کنٹریکٹرز کو جاری کیا گیا جو سخت چیلنج کے عمل کے ذریعے پیکوالیفائی کیے گئے تھے۔ 30 مئی 2025 تک دو EPCF بولیوں موصول ہوئیں جو اس وقت تک تکمیل اور تجارتی اعتبار سے تفصیلی چیلنج کے مرحلے میں ہیں۔ کمپنی کا ہدف ہے کہ اگلے کلینڈر سال کے دوران REUP کا فائنل کلوز حاصل کیا جائے۔

REUP کی تکمیل کے بعد کمپنی کی نام تیل پراسیسنگ کی گنجائش 50,000 بیرل یومیہ سے بڑھ کر 100,000 بیرل یومیہ ہو جائے گی۔ ڈیپ کنورژن ٹیکنالوجی کے انضمام سے فرانس آئل کی پیداوار میں نمایاں کمی آئے گی جبکہ EURO V معیار کے مطابق ہائی اسپید ڈیزل (HSD) اور موٹر گیسولین (پٹرول) کی پیداوار میں اضافہ ہوگا۔ یہ بہتریاں نہ صرف ریفرنسز مارجنز میں اضافہ کریں گی بلکہ ماحولیاتی اور فیول کوالٹی اسٹینڈرڈز سے ہم آہنگی بھی یقینی بنائیں گی۔

نئی انفارمیشن ٹیکنالوجی حکمت عملی کی تشکیل

کمپنی ایک نئی انفارمیشن ٹیکنالوجی حکمت عملی پر کام کر رہی ہے تاکہ اسے صنعتی بہترین طریقہ کار اور موزوں ابھرتی ہوئی ٹیکنالوجیز کے ساتھ ہم آہنگ کیا جاسکے۔ یہ حکمت عملی ایک واضح فریم ورک قائم کرے گی جس کے ذریعے انفارمیشن ٹیکنالوجی گورننس، انفارمیشن اور سائبر سیکیورٹی، آپریشنل کارکردگی میں مزید بہتری لائی جاسکے گی اور ڈیجیٹل تبدیلی کی معاونت کی جاسکے گی۔ یہ حکمت عملی اس بات کو یقینی بنائے گی کہ کمپنی کا انفارمیشن ٹیکنالوجی کا ماحول REUP کے مقاصد کے حصول کے لیے بہترین طور پر تیار ہو، جس کے لیے جدید ترین ٹیکنالوجیز جیسے انٹرنیٹ آف تھنگز (IoT)، مصنوعی ذہانت (AI)، اور ڈیٹا اینالیٹکس سے بھرپور استفادہ کیا جائے گا۔ نظر ثانی شدہ انفارمیشن ٹیکنالوجی حکمت عملی پائیدار ترقی کو فروغ دے گی، آپریشنز کو مؤثر اور ہموار بنائے گی، اور ریگولیٹری تقاضوں کی تعمیل کو یقینی بنائے گی۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2025 کو ختم شدہ سال کے لیے اپنی سالانہ رپورٹ بشمول آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

2025	2024
(روپے ہزار میں)	
(4,659,666)	4,061,635
2,953,226	151,761
(1,706,440)	4,213,396
(7.40) روپے	6.45 روپے
-	16,979,049
(1,260,000)	-
(1,260,000)	16,979,049

(نقصان)/منافع برائے سال

دیگر جامع آمدنی

کل جامع (نقصان)/منافع

(نقصان)/منافع فی حصص

اسپیڈ پرنٹیشن (تخصیصات):

اسٹیبل ریزرو میں منتقلی

اداشدہ ڈیویڈنڈ

موجودہ سال کے دوران نقصان کے باوجود، جو بنیادی طور پر کم ریفاٹمنگ مارجنز اور ہائی سلفز فرس آئل (HSFO) کی مقامی طلب میں کمی کے باعث ہوا، کمپنی نے جارحانہ آپریشنل حکمت عملی پر توجہ مرکوز رکھی اور سال کے دوران ہائی اسپیڈ بزل (HSD) کی تاریخ کی بلند ترین پیداوار حاصل کی۔ مزید برآں، ریفاٹمنگ اسپینڈ اپ گریڈ پروجیکٹ (REUP) پر نمایاں پیش رفت ہوئی جہاں فرسٹ اینڈ انجینئرنگ اینڈ ڈیزائن (FEED) مکمل ہوا اور سال کے اختتام پر اس منصوبے کے لیے انجینئرنگ، پروکیورمنٹ اور کنسٹرکشن (EPC) کی بولیاں موصول ہوئیں۔

کمپنی سمیت دیگر ریفاٹمنز نے حکومت کے ساتھ رابطہ رکھنا تاکہ پیٹرولیم مصنوعات پر سیلز ٹیکس سے استثناء ختم کیا جائے۔ فرانس ایکٹ 2024 کے ذریعے حکومت نے بعض پیٹرولیم مصنوعات (موٹر گیسولین، ہائی اسپیڈ بزل اور کیروسین) کو سیلز ٹیکس سے مستثنیٰ کر دیا جس کے نتیجے میں ریفاٹمنز متعلقہ ان پٹ ٹیکس کٹیم کرنے سے قاصر رہی۔ سال کے دوران حکومت نے صرف مالی سال 2024-25 کے لیے ان لینڈ فریٹ ایکسٹرنل نیشن مارجن (IFEM) کے ذریعے اس ناقابل وصول ان پٹ ٹیکس کی وصولی کی اجازت دی۔ آئندہ کے لیے، ریفاٹمنز حکومت سے مالی سال 2025-26 تک اس وصولی کے طریقہ کار کو توسیع دینے اور مستقل حل کے لیے مذکورہ مصنوعات کی قابل ٹیکس حیثیت بحال کرنے کی درخواست کر رہی ہیں۔

سال کے اختتام کے بعد حکومت نے HSFO پر پیٹرولیم لیوی اور کلائمٹ سپورٹ لیوی بالترتیب 82,077 روپے فی میٹرک ٹن اور 2,665 روپے فی میٹرک ٹن عائد کر دی، جس سے پہلے سے متاثرہ مقامی طلب مزید باؤ کا شکار ہوگی۔ توقع ہے کہ ان لیویز کے نتیجے میں پوری HSFO پیداوار برآمد کرنا پڑے گی جس سے کمپنی کے منافع پر منفی دباؤ پڑے گا۔

ان معاملات کا حل، بشمول آئل اینڈ گیس ریگولیشن اتھارٹی (OGRA) سے خام تیل پر کسٹم ڈیوٹی کے بقایا کٹیم کی وصولی اور حکومتی ہدایات کے مطابق غیر ملکی کرنسی میں قرضے پر کچھ لاسز کی ادائیگی، کمپنی کی منافع بخش کارکردگی اور پائیدار سرمائے کی روانی کو برقرار رکھنے کے لیے نہایت اہم ہوگا۔

کمپنی امور کی صورتحال اور اس کا جائزہ

کمپنی کے عملیات اور معاملات سے متعلق مختصر جائزہ درج ذیل ہے:

- خام تیل کی خریداری اور انویسٹری مینجمنٹ پر سخت اقدامات نافذ کیے گئے تاکہ بہتر مارجن والی مصنوعات یعنی موٹر گیسولین (MS) اور HSD کی زیادہ سے زیادہ پیداوار یقینی بنائی جاسکے۔

- HSFO کے مقامی فروغ پر دباؤ مسلسل بڑھتا رہا جس کے باعث کمپنی کو 311,570 میٹرک ٹن برآمد کرنا پڑا جبکہ گزشتہ سال یہ مقدار 142,533 میٹرک ٹن تھی۔
- سال کے دوران REUP پر نمایاں پیش رفت ہوئی۔ REUP کے لیے FEED موجودہ مالی سال کی دوسری سہ ماہی میں مکمل ہوا جس کے بعد شفاف پری کوالیفیکیشن کی بنیاد پر بولی کا عمل مکمل کیا گیا۔ سال کے اختتام تک کمپنی کو منصوبے کے لیے EPC بولیاں موصول ہو چکی تھیں۔ کمپنی اس وقت ان بولیوں کا جائزہ لے رہی ہے اور مالی مشیروں اور مکمل قرض دہندگان کے ساتھ منصوبے کے لیے مطلوبہ فنڈنگ کے حصول پر کام کر رہی ہے۔

اصل خطرات اور غیر یقینی صورتحال

- ریفاٹمنز، حکومت پاکستان کے پالیسی فریم ورک کے تحت کام کرتی ہے۔ بعض پروڈکٹس کی قیمتوں کو وزارت توانائی (MoE) کے ذریعے ریگولیٹ/مانیٹر کیا جاتا ہے جو بنیادی طور پر درآمدی قیمت سے یکسانیت کی بنیاد پر ہوتا ہے۔ خام تیل اور ریفاٹمنڈ پیٹرولیم پروڈکٹس کی بین الاقوامی قیمتوں میں تبدیلی اور وزارت توانائی کی طرف سے مقامی قیمتوں کے تعین کے طریقہ کار کا کمپنی کے نتائج پر نمایاں اثر ہو سکتا ہے۔
- ریفاٹمنز مصنوعات کے معیار کا تعین حکومت کی طرف سے کیا جاتا ہے اور ریفاٹمنز کو ان مقرر کردہ معیاروں کی باقاعدہ تعمیل کرنی ہوتی ہے۔ ان معیاروں میں کسی بھی قسم کی تبدیلی کی صورت میں ریفاٹمنز کو عملیاتی معیارات میں تبدیلیاں کرنے کی ضرورت پڑ سکتی ہے جس کے نتیجے میں کمپنی کے نتائج پر منفی اثر پڑ سکتا ہے۔
- کمپنی نے موجودہ/براؤن فیلڈ ریفاٹمنز کی اپ گریڈیشن کے لیے پاکستان آئل ریفاٹمنگ پالیسی کے تحت آئل اینڈ گیس ریگولیشن اتھارٹی (OGRA) کے ساتھ معاہدوں پر دستخط کیے ہیں، جس کے تحت کمپنی کو 6 سال میں مقررہ مدت میں REUP مکمل کرنا ہوگا۔ REUP کی تکمیل کا انحصار بڑی حد تک منصوبے کے کامیاب "فنانشل کلوز" پر ہے۔
- جیسا کہ اوپر بیان کیا گیا ہے، سال کے اختتام کے بعد حکومت نے HSFO پر کلائمٹ سپورٹ لیوی اور پیٹرولیم لیوی عائد کی ہے جس سے مقامی طلب شدید متاثر ہوگی۔ اس بنا پر ریفاٹمنز کو HSFO برآمد کرنا پڑے گا جس سے کمپنی کے منافع پر دباؤ بڑھے گا۔

مستقبل کے امکانات اور خطرات پر قابو پانے کے اقدامات

کمپنی کے REUP منصوبے کا FEED مرحلہ مکمل ہو چکا ہے۔ REUP کے مقاصد درج ذیل ہیں:

- EURO V معیار کے حامل HSD اور MS کی تیاری؛
- خام تیل پروسیسنگ کی صلاحیت کو 50,000 سے 100,000 بیرل پومیٹک بڑھانا؛ اور
- ہائڈرواسلمٹنگ ریفاٹمنز سے ڈیپ کنورژن ریفاٹمنز میں اپ گریڈ کر کے خود انحصاری حاصل کرنے کے لیے HSFO کی پیداوار میں نمایاں کمی لانا۔

اس منصوبے کا FEED ایم/ایس ووڈ گروپ پوکے لمیٹڈ نے انجام دیا۔ شفاف پری کوالیفیکیشن اور بولی کے عمل کے بعد کمپنی کو منصوبے کے لیے EPC بولیاں موصول ہو چکی ہیں۔ توقع ہے کہ آئندہ سال کے اختتام تک بولیوں کے جائزے کا عمل مکمل ہو جائے گا اور فنانشل کلوز پر نمایاں پیش رفت ہوگی۔

ڈیویڈنڈ

موجودہ مالی سال میں نقصان کے پیش نظر ڈائریکٹرز 30 جون 2025 کو ختم شدہ سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کرتے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک (کاروباری اور مالیاتی رپورٹنگ کا طریقہ کار)

- کمپنی کے مالیاتی گوشوارے انتظامیہ کی جانب سے تیار کئے گئے ہیں جن میں کمپنی کے معاملات، اس کے کاروباری نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کو پیش کیا گیا ہے۔

چیئر مین کا جائزہ

مجھے شیئر ہولڈرز کو پاکستان ریفرنسز لمیٹڈ ("کینی") کی 65 ویں سالانہ رپورٹ برائے سال ختم شدہ 30 جون 2025 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

چیلنجز سے بھرپور عالمی معاشی صورتحال، خصوصاً عالمی تیل کی قیمتوں میں نمایاں کمی، اہم منڈیوں میں توقع سے کم طلب کی بحالی اور عالمی تنازعات کے باعث ریفاٹنگ کا مجموعی ماحول نہایت مشکل رہا، جس کے نتیجے میں مالی سال کے دوران ریفرنسز مارجنز دباؤ کا شکار رہے۔ مقامی چیلنجز، جیسے کہ ہائی اسپڈ ڈیزل (HSFO) کی طلب کا نہ ہونا، بھی ریفرنسز پر دباؤ کا باعث بنے اور نتیجتاً کینی نے اس سال بعد از ٹیکس 4.7 ارب روپے کا خسارہ رپورٹ کیا، جبکہ گزشتہ سال 4.1 ارب روپے کا منافع کمایا تھا۔

ان مشکلات کے باوجود، بورڈ شیئر ہولڈرز کے مفاد کے تحفظ کے عزم پر قائم رہا اور ایک مؤثر اور مستحکم حکمت عملی اپنائی، جس کے تحت خام تیل اور مصنوعات کے بہترین امتزاج کا انتخاب کیا گیا۔ اس حکمت عملی کے باعث کینی نے ہائی اسپڈ ڈیزل (HSD) کی تاریخ کی سب سے زیادہ پیداوار 796,261 میٹرک ٹن حاصل کی۔ تاہم، مالی سال کے دوران HSFO کی مقامی طلب کم رہی جس کی وجہ سے کینی کو خسارے پر HSFO برآمد کرنا پڑا۔ مزید برآں، حکومت کی جانب سے فنانس ایکٹ 2025 میں HSFO کی مقامی فروخت پر غیر معمولی زیادہ پیٹرو لیوم عائد کرنے سے آئندہ بھی مقامی طلب میں مزید کمی کا امکان ہے۔

آپ کی کینی ریفرنسز انکلیوشن اینڈ اپگریڈ پروجیکٹ (REUP) کے لئے مکمل پر عزم ہے۔ اس سال اہم پیش رفت ہوئی اور فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) ستمبر 2024 میں بروقت مکمل کیا گیا۔ کینی نے منصوبے کے نفاذ کی رفتار کو برقرار رکھا، جس کا ثبوت مالی سال کے اختتام پر انجینئرنگ، پریکوریمنٹ اور کنسٹرکشن (EPC) کی بولیوں کا موصول ہونا ہے، جو کہ ایک شفاف پری کوالیفیکیشن اور بولی کے عمل کے بعد ممکن ہوا۔ فی الحال یہ بولیاں جانچ کے مرحلے میں ہیں جبکہ ساتھ ہی مالی مشیروں اور مکملہ قرض دہندگان کے ساتھ مطلوبہ فنانسنگ کے حصول کے لئے بات چیت جاری ہے۔ یہ عمل فنانشل کلوز اور EPC کنٹریکٹ کے اجراء پر اختتام ہوگا۔

منصوبے کی تکمیل پر، REUP کے ذریعے PRL کی خام تیل ریفاٹنگ کی صلاحیت 50,000 بیرل یومیہ سے بڑھ کر 100,000 بیرل یومیہ ہو جائے گی اور فرنس آئل کی پیداوار میں نمایاں کمی کے ساتھ ساتھ EURO V معیار کے مطابق ہائی اسپڈ ڈیزل (HSD) اور موٹر اسپرٹ (گیسولین) کی پیداوار میں اضافہ ہوگا۔

ہیلتھ سیفٹی، انوائرنمنٹ اینڈ کوالٹی (HSEQ) کینی کی اولین ترجیحات میں شامل رہے۔ ان پر عمل کے لیے عملی اقدامات کا مسلسل جائزہ لیا جاتا رہا اور جہاں ضرورت پڑی ان پر نظر ثانی کر کے انہیں مطلوب اور مستحکم بنایا گیا۔ نتیجتاً آپ کی ریفرنسز نے تمام قابل اطلاق HSEQ اسٹینڈرڈز کی پاسداری جاری رکھی۔

آپ کی کینی نے ایک ذمہ دار کارپوریٹ سٹیزن کے طور پر اپنے سماجی کردار کو جاری رکھا اور تعلیم، صحت، ذہنی صحت اور کمیونٹی ڈویلپمنٹ کے شعبوں میں کارپوریٹ سماجی ذمہ داری (CSR) پلان کے تحت مختلف اداروں جیسے کہ سٹیٹرز فاؤنڈیشن، انڈس ہاسپٹل، کاروان حیات، ڈاکٹر پریم کمار سیتل، اس میموریل ٹرسٹ، بہبود ایسوسی ایشن، GoRead.pk اور انسٹی ٹیوٹ آف بزنس مینجمنٹ میں خاطر خواہ عطیات دیئے اور نمایاں خدمات انجام دیں۔

30 جون 2025 کو ختم شدہ سال کے مالی نتائج کی تفصیل منسلکڈ انریکٹرز رپورٹ اور مالیاتی گوشواروں میں وضاحت سے موجود ہے۔

میں کینی کے تمام ملازمین کی محنت، لگن اور عزم کا اعتراف کرتے ہوئے ان کا مشکور ہوں۔ میں اپنے معزز صارفین، ڈائریکٹرز، حکومت پاکستان خصوصاً وزارت توانائی اور دیگر تمام اسٹیک ہولڈرز کا بھی مسلسل تعاون پر شکر یہ ادا کرتا ہوں۔

P. Kinnai

طارق کرمانی

چیئر مین

کراچی: 18 اگست 2025

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Sixty-fifth (65th) Annual General Meeting of Pakistan Refinery Limited** will be held on **Monday, September 29, 2025 at 11:00 hours** at the premises of the Company situated at Korangi Creek Road, Karachi as well as **through video-link facility** to transact the following business:

Ordinary Business

1. To receive, consider and approve the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Reports of the Board and the Auditors thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:

<http://www.prl.com.pk/downloads/PRLannualreport2025.pdf>



2. To appoint Company's Auditors for the year ending June 30, 2026 and to fix their remuneration.

Any Other Business

3. To transact any other business with the permission of the Chair.

By Order of the Board

Shehrzad Aminullah
Company Secretary

Karachi:
Date: September 08, 2025

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Tuesday, September 23, 2025 to Monday, September 29, 2025 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi up to the close of business on Monday, September 22, 2025 will be treated in time for attending the AGM.

2. Electronic transmission of Annual Report:

In compliance with Section 223(6) of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2025 through weblink, QR enabled code and through email to Members whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2025 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2025, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

3. Participation in the AGM proceedings via physical presence or through video link facility:

A Member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her Participant's ID Number and CDC Account/Sub-account Number along with Original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the Meeting.

In order to attend the Meeting through video-link facility, the Members are requested to get themselves registered not later than 72 hours before the Meeting by providing the following information to the contact details stated at the bottom of this Note. In case of the information sent through courier, the same should be received at the Company's Office by September 26, 2025:

Full Name	CNIC No.	Folio/CDS No.	Email Address	Cell No.

A copy of CNIC will be required with the abovementioned information. The video-link for the Meeting will be sent to the Members on their provided email addresses enabling them to attend the Meeting on the given date and time. The login facility will remain open from 10:30 am till the end of the Meeting. In case of any suggestions or comments for the agenda items, the Members may send the same at the email address mentioned below:

Pakistan Refinery Limited

P.O. Box 4612, Korangi Creek Road, Karachi - 75190.
Telephone: +92 21 35092636
Direct: +92 21 35122131-40 (Ext: 216)
WhatsApp: +92 3080930461
Email: companysecretarial@prl.com.pk

4. Submission of valid CNIC (Mandatory):

Individual Members who have not yet submitted a copy of their valid Computerized National Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of the Share Registrar of the Company, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi ("Share Registrar Office"). Corporate Members are requested to provide their National Tax Number (NTN) and Folio Number. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder.

5. Requirements for appointing Proxies

A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf through video-link. The instrument appointing the Proxy, as per the format available at the Company's website, must be received at the Registered Office of the Company i.e. (PAKISTAN REFINERY LIMITED, Korangi Creek Road, P.O. Box 4612, Karachi - 75190) not less than 48 hours (excluding holidays) before the time of holding the Meeting.

For appointing Proxies:

- In case of Individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded shall submit the Proxy Form as per the above requirement.
- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or Passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- In case of a Corporate Entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the Nominee shall be submitted along with the Proxy Form (unless it has been provided earlier) to the Company.
- The Proxy shall produce his/her original CNIC or original valid passport at the time of the Meeting.

6. Updation of Shareholder Addresses/Email and Cell Numbers:

The Members are requested to notify the Company if there is any change in their addresses or other particulars immediately; in case of physical shares, to the Company/Share Registrar and for CDC shares, to the respective Central Depository System (CDS) Participants.

Further, to comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC Account.

7. Conversion of Physical Shares into CDC Account

The Securities and Exchange Commission of Pakistan (SECP) has issued Letter No. CSD/ED/Misc./2016- 639-640 dated March 26, 2021 addressed to all listed companies drawing their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires them to replace shares issued by them in physical form with shares in the Book-Entry form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the Shareholders who still hold shares in Physical form are requested to convert their shares into the Book-Entry form.

8. Proxy Form

A Proxy Form is enclosed and is also available on the Company's Website.

Proxy Form

Sixty Fifth (65th) Annual General Meeting 2025

I/We _____ S/o D/o W/o _____ , CNIC _____
_____ being a Member of Pakistan Refinery Limited and holder of _____ Ordinary Shares as per Registered Folio No. _____ and/or CDC Participant I.D No. _____ and Sub Account No. _____ hereby appoint _____ S/o D/o W/o _____ CNIC _____ or failing him/her _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on September 29, 2025 and at any adjournment thereof.

Signed under my / our hands on this _____ day of _____, 2025.

Signature of Member

(Signature should agree with the specimen signature registered with the Company and in case of shares held in electronic form signature should agree with the specimen as per CNIC)

Signed in the presence of:

Witnesses:

1. Signature: _____	2. Signature: _____
Name: _____	Name: _____
Address: _____	Address: _____
CNIC: _____	CNIC: _____

Notes:

1. This Proxy Form duly completed and signed, together with the Power of Attorney or other Authority pursuant to which this proxy is signed must be received at the Registered Office of the Company i.e. (PAKISTAN REFINERY LIMITED, Korangi Creek Road, P.O. Box 4612, Karachi - 75190) not less than 48 hours (excluding holidays) before the time of holding the Meeting.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or passport of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The Proxyholder shall produce his/her original CNIC at the time of the Meeting.
5. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy.
6. In case of a Corporate Entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with the Proxy Form to the Company (unless it has been provided earlier).

پراکسی فارم

پینسٹھواں (65واں) سالانہ اجلاس عام 2025

FAMCO SHARE REGISTRATION SERVICES (PRIVATE) LIMITED

8-F, Near Hotel Faran, Nursery, Block-6,

P.E.C.H.S.,Shahrah-e-Faisal, Karachi.

Tel: (+92-21) 34380101-5

Fax: (+92-21) 34380106

Web: www.famcosrs.com

میں/ہم _____ ولد/دختر/زوجہ _____

_____ CNIC پاکستان ریفرنسز لمیٹڈ کارکن اور _____

پارٹیشن آئی ڈی نمبر اور سب اکاؤنٹ نمبر _____ CDC حصص کا حامل، رجسٹرڈ فوئیو نمبر اور/یا _____

_____ کے مطابق، اس خط کے ذریعے _____ ولد/دختر/زوجہ _____

_____ شناختی کارڈ نمبر _____ یا بصورت ناکامی _____

کواپنا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں جو میری/ہماری جانب سے کمپنی کے سالانہ اجلاس عام جو 29 ستمبر 2025 کو منعقد ہوگا، میں میری/ہماری جانب سے ووٹ دے گا/دیں گے اور کسی بھی ملتی شدہ اجلاس میں بھی میری/ہماری نمائندگی کریگا/کریں گے۔

میں/ہم نے اس _____ دن _____ 2025 کو اس پر دستخط کیا ہے/کیے ہیں۔

_____ رکن کے دستخط

(دستخط کمپنی میں رجسٹرڈ نمونہ دستخط کے مطابق ہونے چاہئیں اور اگر حصص الیکٹرانک صورت میں ہوں تو دستخط CNIC کے مطابق ہونے چاہئیں)

گواہان کی موجودگی میں دستخط کئے گئے:

گواہ:

_____ 1- دستخط: _____ 2- دستخط: _____

_____ نام: _____ نام: _____

_____ پتہ: _____ پتہ: _____

_____ CNIC: _____ CNIC: _____

نوٹس:

- 1- یہ پراکسی فارم مکمل طور پر پُر اور دستخط شدہ حالت میں پاور آف انارنی یا دیگر اتھارٹی کے ساتھ، جس کے تحت یہ پراکسی دستخط شدہ ہے، کمپنی کے رجسٹرڈ دفتر (پاکستان ریفرنسز لمیٹڈ، کورنگی کریک روڈ، پی۔او۔باکس 4612، کراچی۔75190) میں اجلاس کے وقت سے کم از کم 48 گھنٹے (تعطیلات کے علاوہ) قبل موصول ہونا چاہیے۔
- 2- پراکسی فارم پر دو افراد کے دستخط بطور گواہ لازمی ہیں اور ان کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں۔
- 3- مقرر کنندہ اور پراکسی ہولڈر کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں۔
- 4- پراکسی ہولڈر کو اجلاس کے وقت اپنا اصل CNIC پیش کرنا ہوگا۔
- 5- وہ رکن جو اجلاس میں شرکت اور ووٹ دینے کا اہل ہے، کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا ہے۔
- 6- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف انارنی بمعہ نمونہ دستخط اس پراکسی فارم کے ساتھ کمپنی میں جمع کرانا ہوگا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

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