

#### ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

#### ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INDIVIDUALS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE, UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.



### Sitara Petroleum Service Limited

#### PROSPECTUS FOR INITIAL PUBLIC OFFERING

**Date and place of incorporation:** 03<sup>rd</sup> July 2012, Pakistan, **Incorporation number:** 0080414, **Registered Office:** 14-T, Gulberg-II, Lahore, Punjab 54000, Pakistan, **Corporate Office:** 83 A/1, Main Boulevard, Gulberg III, Lahore, Pakistan, **Contact No:** +92 300 8618521, **Website:** <http://www.SitaraPetroleum.com> **Email:** [Info@sitrapetroleum.com](mailto:Info@sitrapetroleum.com) **Contact Persons:** Mr. Zaheer Baig (Chief Executive Officer), **Phone:** 0345-5107777, **Email:** [ceo@sitrapetroleum.com](mailto:ceo@sitrapetroleum.com); Mr. Abdur Rehman Farooq (Chief Financial Officer & Company Secretary), **Phone:** +92 321 5389049, **Email:** [abdur.rehman@sitrapetroleum.com](mailto:abdur.rehman@sitrapetroleum.com).

**Issue Size:** This Issue consists of 279,914,000 Ordinary Shares (16.66% of the total post-IPO paid up capital of SPSL) of face value of PKR 1.0 each. 111,914,000 shares (6.66%) relate to the Pre-IPO placement, while 168,000,000 shares (10.00%) are being offered through the IPO.

**Method of Offering:** Pre-IPO and Book Building Method

**Book Building Method and Floor Price:** Seventy-five percent (75%) of the IPO size i.e. 126,000,000 shares will be offered through Book Building Method at a Floor Price of PKR 13.50/- per share (including premium of PKR 12.50/- per share) with a maximum price band of up to 40% (Rs. 18.90). Justification of premium is given under "Valuation section", i.e. Section 4A). The Bidders shall place Bids for seventy-five percent (75%) of the Issue size, and the Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed. The remaining twenty-five percent (25%) i.e. 42,000,000 shares shall be offered to the retail investors through General Public portion.




**Pre-IPO Private Placement:** In addition to this Issue, the Company has also signed agreements to sell 111,914,000 Ordinary Shares (6.66% of the total Post-IPO Paid Up Capital) at a price of PKR 14.85/share which is at a premium of 10% to the Floor Price through Pre-IPO Private Placement. The transfer of Pre-IPO shares will be completed before the book building post PSX & SECP approval. (Details are disclosed in Section 3A(i)).

**Retail/General Public Portion:** General Public portion of the Issue comprises of 42,000,000 ordinary shares (25% of the total issue) at the Strike Price. The retail portion of the public- offer shall be fully underwritten.

**Public Comments:** Draft Prospectus was placed on PSX's website for seeking public comments starting from February 25<sup>th</sup>, 2026 to March 04<sup>th</sup>, 2026 and public comments were received.

**REGISTRATION OF ELIGIBLE INVESTORS:** The registration of eligible investors will commence at 9:00 am on April 28<sup>th</sup>, 2026 and will close at 3:00 pm on May 05<sup>th</sup>, 2026

**BIDDING PERIOD DATES:** From May 04<sup>th</sup>, 2026 to May 05<sup>th</sup>, 2026, From: 9:00 am to 5:00 pm  
**DATE OF PUBLIC SUBSCRIPTION:** From May 11<sup>th</sup>, 2026 to May 12<sup>th</sup>, 2026 (both days inclusive)

Joint Consultant to the Issue	Eligible Participants for Book Building	Underwriter to the Issue
 	Securities Brokers, Mutual Funds, Scheduled Banks and Development Finance Institutions that are clearing members of the NCCPL, and trading only brokers <sup>1</sup>	

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk> and [www.cdceipo.com](http://www.cdceipo.com). There is no transaction limit on making payment through e-banking channels. Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e-IPO platforms. For details, please refer to Section 13.4 of the of the Prospectus.

**Date of Publication of this Prospectus:** April 26<sup>th</sup>, 2026

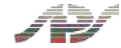
Prospectus can be downloaded from the following websites: <https://sitrapetroleum.com>, <http://www.psx.com.pk>, [www.cdceipo.com](http://www.cdceipo.com) and <http://www.arifhabibltd.com>

#### For Further Queries you may Contact

**Sitara Petroleum Service Limited:** Mr. Zaheer Baig (Chief Executive Officer), **Phone:** +92-42-111464646 | **Email:** [ceo@sitrapetroleum.com](mailto:ceo@sitrapetroleum.com), Mr. Abdur Rehman Farooq Butt (Chief Financial Officer & Company Secretary), **Phone:** +92-321-5389049 | **Email:** [abdur.rehman@sitrapetroleum.com](mailto:abdur.rehman@sitrapetroleum.com); **Arif Habib Limited:** Hamza Rehan (AVP - Investment Banking), **Phone:** +92-21-38280227 | **Email:** [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com); Muhammad Ali Farooq (Analyst - Investment Banking), **Phone:** +92-21-38280290 | **Email:** [muhammad.ali@arifhabibltd.com](mailto:muhammad.ali@arifhabibltd.com) Integrated Equities Limited: Muhammad Iqbal Hussain (Chief Compliance Officer & Vice President), **Phone:** +92 3450091263, **Email:** [iqbal.hussain@iel.net.pk](mailto:iqbal.hussain@iel.net.pk), Sabir Bashir (AVP Corporate Finance), **Phone:** +92 3049690674, **Email:** [sabir.bashir@iel.net.pk](mailto:sabir.bashir@iel.net.pk); Waleed Zafar (Analyst, Corporate Finance), **Phone:** +92 3064070707 | **Email:** [Waleed.zafar@iel.net.pk](mailto:Waleed.zafar@iel.net.pk)

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

<sup>1</sup> Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.



**UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

**E-STAMP**



No. of Shares: 1000000  
 No. of Lots: 1000000  
 No. of Lots: 1000000





Mr. **Muhammad Anshari**  
 Chief Executive Officer  
 No. 1000000

**TESTED**  
 DATE: 22/11/2024

[Placeholder for stamp or signature]

Dated: 22/11/2024

**UNDERTAKING**

WE, **ZAHIR BAKI**, THE CHIEF EXECUTIVE OFFICER AND **ABDUL WHEMAN FAROOQ BUTT**, THE CHIEF FINANCIAL OFFICER OF SITARA PETROLEUM SERVICE LIMITED CERTIFY THAT:

1. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUE AND THE VALUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015, THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED;
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF SITARA PETROLEUM SERVICE LIMITED:



**ZAHIR BAKI**  
CHIEF EXECUTIVE OFFICER





**ABDUL WHEMAN FAROOQ BUTT**  
CHIEF FINANCIAL OFFICER



**Note:** This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Sitara Petroleum Service Limited is published.

## SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Sitara Petroleum Service Limited earlier published on February 25, 2026

### Sitara Petroleum Service Limited

- FLOOR PRICE: PKR 13.50/- PER SHARE
- STRIKE PRICE: PKR [.]/- PER SHARE
- ISSUE PRICE: PKR [.]/- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 18.90/- PER SHARE

### Underwriters to the retail portion of the issue if any

S. No	Name(s) of Underwriters	Number of Shares Underwritten	Amount Underwritten (at Floor)	Amount Underwritten (at Cap)	Underwriting Fee (%)	Take-up Commission (%)
1	Arif Habib Limited	42,000,000	567,000,000	793,800,000	1.50%	0.10%

### Category Wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of Shares Provisionally Allocated
1	Commercial Banks	•	•
2	Development Financial Institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	<b>Total Institutional Investors</b>	•	•
	<b>Individual Investors:</b>	•	•
12	Foreign Investors	•	•
13	Local	•	•
	<b>Total Individual Investors</b>	•	•
	<b>GRAND TOTAL</b>		



## Glossary of Technical Terms

ACT	Securities Act, 2015
ACX	Auto Care Experts
AHL	Arif Habib Limited
AUTOCOM	Automobile Corporation of Pakistan
B2B	Business selling goods and services to other commercial/industrial entities
BOD	Board of Directors
BVPS	Book Value Per Share
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CF	Company Financed
COCO	Company Owned Company Operated
CODO	Company Owned Dealer Operated
Company / SPSL / Issuer	Sitara Petroleum Service Limited
CNIC	Computerized National Identity Card
Companies Act	Companies Act, 2017
Commission/SECP	The Securities and Exchange Commission of Pakistan
CY	Calendar Year
DDM	Dividend Discount Model
DOCO	Dealer Owned Company Operated
DODO	Dealer Owned Dealer Operated
EBITDA	Earnings before Interest, Tax, Depreciation, and Amortization
EPS	Earnings Per Share
FY	Financial Year
GDP	Gross Domestic Product
GIL	Gandhara Industries Limited
GO	Gas & Oil Pakistan
GPS	Global Positioning System
HSD	High Speed Diesel
HOBC	High Octane Blending Component
IEL	Integrated Equities Limited
IFEM	Inland Freight Equalization Margin
IPO	Initial Public Offering



ITO	Income Tax Ordinance, 2001
LTR	Litre
MF	Mixed Finance
Mn	Million
MS	Motor Spirit
MOU	Memorandum of Associate
MT	Metric Tonne
NEV	New Energy Vehicle
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
Non-OCED	Non-Organization for Economic Co-operation and Development
OCAC	Oil Companies Advisory Council
OECD	Organization for Economic Co-operation and Development
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Company
PBT	Profit Before Tax
PES	PSX E-IPO System
PKR or Rs.	Pakistan Rupee(s)
POL	Petroleum Oil Lubricants
PSO	Pakistan State Oil
PSX / Exchange	Pakistan Stock Exchange Limited
SBP	State Bank of Pakistan
SPSL	Sitara Petroleum Service Limited
TOR	Terms of Reference
UIN	Unique Identification Number
WHT	Withholding Tax
YOY	Year over Year



## DEFINITIONS

**Application Money**

The total amount of money payable by a successful investor which is equivalent to the product of the Strike Price and the number of shares subscribed and allotted.

**Bid**

An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Sitara Petroleum Service Limited at a price at or above the floor price, including upward revisions thereto. **An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section 12.1.2 for details.**

**Bid Amount**

The amount equal to the product of the number of shares Bid for and the Bid Price.

**Bid Price**

The price at which Bid is made for a specified number of shares.

**Bid Revision**

The Eligible Investors can revise their Bids upward subject to the provision of Regulation 10(2)(iii) of the PO Regulations. The Bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.

**As per Regulation 10(2)(vi) of the PO Regulations, the Bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e., Bid Volume may be adjusted ensuring that the Bid amount or Bid money remains the same.**

**As per Regulation 10(2)(vii) of the PO Regulations, the Bidder shall not withdraw their Bids.**

**Bidder**

An Eligible Investor who makes bids for shares in the Book Building process.

**Bidding Period**

The period during which bids for subscription of shares are received.

The Bidding Period shall be of two days, from **May 04th, 2026 to May 05th, 2026** both days inclusive (daily from 9:00 a.m. to 5:00 p.m.)

**Book Building**

A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.

**Book Building Portion**

The part of the total Issue allocated for subscription through the Book Building.



<b>Book Building System</b>	An online electronic system operated by the Designated Institution for conducting Book Building.
<b>Carriage Services</b>	The business of transportation and delivery of petroleum products using oil tankers or tank lorries from oil storage terminals to fuel outlets or other authorized delivery points.
<b>Company</b>	Sitara Petroleum Service Limited (the “Company” or “SPSL”)
<b>Company Financed (“CF”)</b>	A dealership model where the Company finances the outlet’s development, and the dealer is responsible for operating the retail station.
<b>Company Owned Dealer Operated (“CODO”)</b>	A dealership model where the Company owns/leases the land and infrastructure, while the dealer operates the retail outlet under an operating arrangement.
<b>Commission</b>	The Securities & Exchange Commission of Pakistan (“SECP”)
<b>Consolidated Bids</b>	A bid which is fully or partially beneficially owned by persons other than the one named therein.
<b>Consultant to the Issue</b>	Any person licensed by the Commission to act as Consultant to the Issue.  Arif Habib Limited and Integrated Equities Limited has been appointed as Joint Manager/Consultant to the Issue by the Issuer.
<b>Designated Institution</b>	Pakistan Stock Exchange Limited (“PSX”) is acting as the Designated Institution for this Issue and its Book Building System will be used for price discovery.
<b>Dealer Owned Dealer Operated (“DODO”)</b>	A dealership model where the dealer owns or leases the land and infrastructure, finances the outlet, and independently operates the retail station.
<b>Dutch Auction Method</b>	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares offered under the Book Building Portion are subscribed.
<b>E-IPO Platform</b>	“E-IPO Platform” means an electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. Retail investors shall be able to participate in the public subscription through only the E-IPO platforms



provided by CDC and PSX.

The following systems are available for e-IPO:

- PSX's E-IPO System (PES): To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES. 1 Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on making payment through e – banking channels.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: [itss@psx.com.pk](mailto:itss@psx.com.pk). Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on May 12, 2026.

- Centralized e-IPO System (CES): To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-PO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES. There is no transaction limit on making payment through e – banking channels. For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self



registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Farooq Ahmed Butt, Assistant General Manager – Operations, at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).

Investors who are registered with CES can submit their applications through the web link [www.cdceipo.com](http://www.cdceipo.com) 24 hours a day during the subscription period which will close at midnight on May 12, 2026.

#### **IPO Facilitation Account (IFA):**

Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.



<b>Eligible Investors</b>	An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only)
<b>Eligible Participant for Book Building (Eligible Participant)</b>	<p>Eligible Participant shall include securities brokers (Trading and Clearing, Trading and Self-Clearing, and Trading Only), mutual funds, scheduled banks, and development finance institutions (DFIs) that are clearing member of NCCPL.</p> <p>Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.</p> <p>Provided further that in case of Trading Only Securities Broker, Professional clearing member shall collect the margin money from the bidders and deposit the same with NCCPL.</p>
<b>Floor Price</b>	The minimum price per share set by the Issuer in consultation with Joint Lead Managers. For this Issue, Floor Price is <b>PKR 13.50/-</b> per share.
<b>Fuel Station</b>	A facility established for the retail sale of petroleum products to consumers, equipped with dispensing units, storage tanks, and associated infrastructure.
<b>GDP</b>	Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
<b>General Public</b>	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
<b>Initial Public Offer (IPO)</b>	Initial Public Offering or IPO means first time offer of securities to the general public
<b>IFEM</b>	IFEM is a regulatory mechanism in Pakistan that ensures uniform, nationwide pricing for petroleum products by subsidizing transportation costs from supply points to depots. It is managed by OGRA.
<b>Institutional Investors</b>	<p>Any of the following entities:</p> <ul style="list-style-type: none"> <li>▪ A financial institution;</li> <li>▪ A Company as defined in the Companies Act, 2017;</li> <li>▪ An insurance Company established under the Insurance Ordinance, 2000;</li> <li>▪ A securities broker;</li> <li>▪ A fund established as Collective Investment Scheme under the Non- Banking Finance Companies and Notified Entities Regulations, 2008;</li> <li>▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;</li> </ul>



<b>Issue</b>	<ul style="list-style-type: none"> <li>▪ A private fund established under Private Fund Regulations, 2015;</li> <li>▪ Any employee’s fund established for beneficial of employees;</li> <li>▪ Any other fund established under any special enactment;</li> <li>▪ A foreign Company or any other foreign legal person; and</li> </ul> <p>Any other entity as specified by the Commission.</p> <p>Issue of <b>279,914,000</b> Ordinary Shares with representing 16.66% of total Post- IPO Paid-Up Capital having a Face Value of PKR 1.0/- each.</p> <p>111,914,000 shares (6.66%) relate to the Pre-IPO placement, while 168,000,000 shares (10.00%) are being offered through the IPO.</p>
<b>Issue Price</b>	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
<b>Issuer</b>	Sitara Petroleum Service Limited (the “Company” or “SPSL”)
<b>Key Employees</b>	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
<b>Joint Lead Manager</b>	Any person licensed by the Commission to act as a Consultant to the Issue. Arif Habib Limited and Integrated Equities Limited have been appointed as Joint Lead Managers by the Issuer for this Issue.
<b>Joint Procedures</b>	Means Procedures notified by the Securities Exchange and NCCPL for Book Building
<b>Legal Advisor for the Transaction</b>	A. Qadir & Company
<b>Limit Bid</b>	A bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method.
<b>Limit Price</b>	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
<b>Listing Regulations</b>	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled  ‘Listing of Companies and Securities Regulations’.  <a href="https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-November-24-2025-updated.pdf">https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-November-24-2025-updated.pdf</a>
<b>Margin Money</b>	Securities broker will be required to participate with 100% margin money with NCCPL for proprietary and investors account based on their own risk assessment criteria.



<b>Minimum Bid Size</b>	The Bid Amount equals Two Million (PKR 2,000,000/-).
<b>Mixed Finance</b>	A dealership model where outlet development is jointly financed by the Company and the dealer, while day-to-day operations are managed by the dealer.
<b>Metric Tonne (“MT”)</b>	A unit of mass used in the petroleum industry to measure quantities of oil products, which may be expressed in volumetric terms based on standard conversion factors; for reference, one (1) MT is approximately equal to 1,194 liters of High-Speed Diesel (HSD) and 1,359 liters of Motor Spirit (MS).
<b>NEV</b>	New Energy Vehicles (NEVs) are automobiles powered by alternatives to traditional fossil fuels, aiming to reduce emissions through electricity, hybrids, or fuel cells. Primary types include Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs), offering lower operating costs, less maintenance, and increased energy efficiency.
<b>OCAC</b>	OCAC serves as the forum and platform for projecting and establishing views of Downstream Petroleum Industry.
<b>Oil Storage Terminal</b>	A facility comprising storage tanks and associated infrastructure used for the bulk storage, handling, and dispatch of petroleum products prior to distribution.
<b>Oil Tankers</b>	Specialized road vehicles equipped with storage tanks and safety systems, used for the bulk transportation of petroleum products from oil storage terminals to retail outlets or other delivery points.
<b>Operator Only Model</b>	A model where the operator manages day-to-day operations of the retail outlet without owning or financing the underlying assets.
<b>Ordinary Shares</b>	Ordinary Shares of Sitara Petroleum Service Limited having face value of PKR 1/- each. (Pak Rupee One each)
<b>Price band</b>	Floor Price with an upper limit of 40% above the Floor Price as determined by the Joint Consultant to the Issue, allowing Bidder to make Bid at Floor Price or within the Price Band.
<b>PO Regulations</b>	The Public Offering Regulations, 2017  <a href="https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673h">https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673h</a>
<b>Prospectus</b>	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a Company or body corporate or entity.



<b>Pump Island</b>	A raised concrete platform located in the forecourt of a petrol station, serving as the base for one or more fuel dispensers (pumps). It protects dispensers from vehicle collisions, guides traffic flow, and usually features a protective overhead canopy.
<b>Registration Period</b>	<p>The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.</p> <p>The bidding shall remain open for at least two working days. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.</p>
<b>Related Employees</b>	Related Employees mean such employees of the Issuer, the Joint Consultants to the Issue, who are involved in the Issue. Please refer to <b>Section 3A (Vii)</b> for further details.
<b>Sponsor</b>	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
<b>Step Bid</b>	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).
<b>Strike Price</b>	The price per Ordinary Share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are Issued to the successful bidders.
<b>Supplement to the Prospectus</b>	The Supplement to the Prospectus shall be published within One (1) working day of the closing of the Bidding Period, at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

**Interpretation:**

**ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.**



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## 1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

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### 1.1 Approval of the Securities and Exchange Commission of Pakistan

The Prospectus of the Company has been approved by PSX vide letter No. **PSX/GEN-444** dated April 14, 2026 in accordance with the requirements of the Listing of Companies and Securities Regulations.

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Sitara Petroleum Service Limited ("**SPSL**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their respective letter Nos. **SMD/PMADD/IPO/SPSL/84/2026/382** dated April 16, 2026.

#### **DISCLAIMER:**

**(A)** THE SECURITIES EXCHANGE AND COMMISSION HAS NOT EVALUATED THE QUALITY OF THE ISSUE, AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC/INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

**(B)** THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY THE SECURITIES EXCHANGE AND COMMISSION.

**(C)** THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY THE SECURITIES EXCHANGE AND COMMISSION, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF THE EXCHANGE AND COMMISSION.

**(D)** IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND COMMISSION AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

**(E)** THE SECURITIES EXCHANGE AND COMMISSION DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND/OR MISTAKES, FOR DECISIONS AND/OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

**(F)** SECURITIES EXCHANGE AND COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE COMPANY IN THIS PROSPECTUS.

**ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT**



### 1.2. Filing of Prospectus and other Documents with the Registrar of Companies

Sitara Petroleum Service Limited (“SPSL” or the “Company”) has filed with the Registrar of Companies as required under Section 57 (1) of the Companies Act 2017, a copy of this Prospectus signed by all the Directors of the Company.

### 1.3. Listing on PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this Prospectus shall be void if such permission has not been applied for within seven (7) days after the first issue of this Prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this Prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of default in complying with this requirement, the Company and every officer who authorizes or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.



## 2. SUMMARY OF THE PROSPECTUS

### 2.1. PRIMARY BUSINESS OF SITARA PETROLEUM SERVICE LIMITED

Sitara Petroleum Service Limited (“SPSL” or the “Company”) was initially incorporated on 03<sup>rd</sup> July 2012, as a private limited company under the Companies Ordinance 1984 (repealed by Companies Act, 2017) and subsequently converted into a public unlisted company on 07<sup>th</sup> February 2023. The Company is engaged in the trading, distribution, and retail sale of fuel as the largest dealer of Gas & Oil Pakistan (GO) by volume, along with carriage services. Headquartered in Lahore, it currently operates 54 GO branded fuel stations out of 1,319 stations, jointly owns 7 Aramco branded pumps out of 51 Aramco branded stations and 320 oil tankers as of first half of FY 2026 and plans to become an OMC in the future after the development of oil storage terminal to expand its operations and strengthen supply reliability. The registered office of the company is at 14-T, Gulberg-II, Lahore. The Company will construct its terminal storage and apply for an OMC license. The Company is expected to become and operate as an OMC by FY2028.

Brands Classification	Number of Pumps
GO Branded Pumps	54
Aramco Branded Pumps	7
<b>Total</b>	<b>61</b>

The Company’s business includes trading and distribution of petroleum products, with a growing network of 61 fuel retail outlets and operates a fleet of 320 oil tankers as of 1H FY 2026. It provides logistics and on-site fueling solutions to its clients. Currently, the Company is fleet logistics partner of GO which is a licensed OMC currently ranked as the second largest OMC in Pakistan by retail network<sup>2</sup>, and all of its oil tankers are engaged in providing logistic services to GO. The Company also intends to set up its own POL storage terminal in Gatti, Faisalabad. The Company's operations are integrated with GO's extensive distribution infrastructure, allowing for synergies that enhance its efficiency and customer service. The fuel stations also provide food and beverages, car washing, tire shops and other convenience services by renting space which add value to the overall fuel stations. Please refer to section 3.1 in **Business Segment - Retail Fuel Stations** of Prospectus for further details on different types of arrangements through which fuels are operated by the Company. For further detailed information on GO, please visit the website <https://www.gno.com.pk/>



By expanding the Company’s retail footprint from the current 61 stations to over 100 within 2 years out of which 23 further are expected to be added in the current fiscal year, it aims to tap into high-growth corridors. This expansion to 100 outlets would significantly enhance the Company’s ability to reach a wider segment of the public, strengthen its market presence, and solidify its footprint across key regions. By broadening its operational scale, the Company would not only improve brand visibility and accessibility but also position itself as a more prominent and influential player within the industry. This increased reach is expected to support long-term growth and reinforce the Company’s standing as a recognized and trusted name in the market, thereby resulting

<sup>2</sup> <https://arifhabibltd.com/api/research/open?path=178/6981df652c2a6a5d495e46b2.pdf>



in strong market visibility and operational stability. The ownership models followed by the company are as follows:

Dealership Type	Description
<b>Dealer Owned</b>	The dealer (SPSL) leases the land, owns all assets, and independently operates the retail outlet. The OMC (GO) only supplies fuel and bears no capital or operational responsibility.
<b>Dealer Operated (DODO)</b>	
<b>Mixed Finance - Aramco Pumps</b>	Under this model, fuel pump is jointly owned by SPSL and GO. The fuel pumps are operated by GO. Net profit, after deducting operating expenses from the dealer margin, is shared in the ratio - 80% with SPSL and 20% with GO. Profit sharing is only applicable under this model.  The primary difference lies in location, branding, station infrastructure, and the overall customer experience offered at the outlet leading to higher volumes at Aramco sites.
<b>Mixed Finance - Dealer Operated</b>	Capital investment is shared between the OMC and the dealer, typically with the OMC financing plant and machinery and the dealer funding the building. The retail outlet is operated by the dealer under agreed commercial arrangements.
<b>Company Financed - Dealer Operated</b>	The OMC finances the building and plant & machinery, while the land is leased by the dealer. The dealer operates the outlet, resulting in higher OMC capital exposure but dealer-led operations.
<b>Company Owned Dealer Operated (CODO)</b>	The OMC leases the land and owns all fixed assets, while the dealer operates the outlet. This model provides the OMC with maximum asset control compared to other dealer-operated structures.
<b>Operator Only</b>	The dealer acts solely as an operator with no ownership or leasehold interest in any assets. All infrastructure is owned or leased by the third parties.

Additionally, the Company plans to strengthen its logistics capabilities by increasing its oil tankers to 370 by June 2027 from current 320 vehicles while simultaneously optimizing fleet utilization. This improvement is expected to improve operational efficiency and increase delivery capacity. The enlarged and more efficiently deployed fleet will enable the Company to better support its expanding retail network, thereby reinforcing its competitive position within the industry. The construction of its own storage terminal at Gatti, Faisalabad will solidify its supply chain infrastructure. As stated before, currently the company is providing 100% of its carriage services to GO.

In the future, the Company also intends to position itself in the emerging electric vehicle (EV) market. The selected fuel stations of the Company will be equipped with EV charging solutions. These selected stations will also offer NEV chargers, batteries, and repair services, ensuring comprehensive support for the growing demand for sustainable transportation solutions. Through these strategic initiatives, the Company aims to remain at the forefront of innovation and customer-centric service in Pakistan's energy and logistics sectors.

The Company will construct its terminal storage and apply for an OMC license. The Company is expected to become and operate as an OMC by FY2028. Upon grant of OMC license, the Company will be authorized to engage in the marketing, distribution, and sale of petroleum products across Pakistan (currently it is under the OMCs name). This license enables the Company to establish and operate fuel stations, procure and store petroleum products, and supply them to retail and commercial customers under its own name. The Company plans to develop a storage capacity of 30,000 MT and shift gradually to their own branded pumps targeting up to 50% conversion by 2030, resultantly reducing the reliance on GO for supply of POL products. OMC Operations are expected to start by FY2028.



The Company will need to comply with regulatory standards set by the OGRA, including safety, quality, and pricing guidelines. Additionally, the Company plans expand its market presence, compete with established OMCs, and contribute to the energy sector by supplying fuel to meet consumer demand.

## 2.2. SPONSORS OF SPSL

The sponsors of the Company include the following persons (shareholders):

- Muhammad Siddique Javed
- Muhammad Usman Javed
- Muhammad Hassan Javed
- Muhammad Ali
- Huzaifa Bilal
- Hassan Bilal

## 2.3. SALIENT FEATURES OF THE ISSUE

The issue comprises of 279,914,000 Ordinary Shares of Face Value of PKR 1/- each, representing 16.66% of the Company's total post-IPO paid-up capital. Of these, 111,914,000 shares (6.66%) were issued through a Pre-IPO placement, which has been placed with 21 investors at a price of PKR 14.85/share (premium of 10% to the Floor Price) , while 168,000,000 shares (10.00%) are being offered to the public as part of the IPO .

Of the 168,000,000 Ordinary Shares, 75% (seventy-five percent) i.e. 126,000,000 will be offered through the book building process at a Floor price of PKR 13.50/- per share with a price band of 40% above the floor price i.e. PKR 18.90/-.The bidders shall be allowed to place bids for seventy-five percent (75%) of the offer size i.e. 126,000,000 shares, and the strike price shall be the price at which 75% of the offer is subscribed. Successful bidders will be allotted 75% of the issue size i.e. 126,000,000 shares, with the remaining 25% i.e. 42,000,000 being offered to retail investors at the strike price determined through the book building process. The retail portion shall be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue.

### 2.3.1. PRE-IPO

Pre-IPO issue consists of 111,914,000 ordinary shares each having a par value of PKR 1/-. They will be issued at a fixed price of PKR 14.85 per share, which is set at a 10% premium to floor. The pre-IPO issue investment will be as follows:

S. No	Pre-IPO Investors	No. of Shares	Share Price	Total Amount	%
1	Bank Alfalah Limited	30,310,000	14.85	450,103,500	27.1%
2	Lucky Investments	16,850,000	14.85	250,222,500	15.1%
3	Shahid Malik	13,480,000	14.85	200,178,000	12.0%
4	Muhammad Nasir	13,480,000	14.85	200,178,000	12.0%
5	Muhammad Shahid Ali	6,750,000	14.85	100,237,500	6.0%
6	Shahid Hameed	6,750,000	14.85	100,237,500	6.0%
7	Mohammad Amin	8,108,000	14.85	120,403,800	7.2%
8	Omair Safdar	3,367,000	14.85	49,999,950	3.0%
9	Shahida Bano	3,269,900	14.85	48,558,015	2.9%
10	Integrated Equities Limited	2,100,000	14.85	31,185,000	1.9%
11	Shahida Bano	1,468,100	14.85	21,801,285	1.3%
12	Saad Reaz	1,347,000	14.85	20,002,950	1.2%
13	Muhammad Saqib Imtiaz	1,000,000	14.85	14,850,000	0.9%
14	Fakhar Abbas Khan	1,000,000	14.85	14,850,000	0.9%



15	Muhammad Sohail	1,000,000	14.85	14,850,000	0.9%
16	Faisal Tahseen	374,000	14.85	5,553,900	0.3%
17	Zahid Rafique	350,000	14.85	5,197,500	0.3%
18	Tahseen Ali Khan	260,000	14.85	3,861,000	0.2%
19	Kashif Rafique	250,000	14.85	3,712,500	0.2%
20	Tahir Waheed	200,000	14.85	2,970,000	0.2%
21	Asma Tahir	200,000	14.85	2,970,000	0.2%
	<b>Total</b>	<b>111,914,000</b>		<b>1,661,922,900</b>	<b>100%</b>

## 2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Sponsors	Current Shareholding	Current %	Post-Issue Shareholding*	Post IPO %
Muhammad Siddique Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Usman Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Hassan Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Ali	209,405,020	14.96%	209,405,020	12.47%
Huzaifa Bilal	209,404,970	14.96%	209,404,970	12.47%
Hassan Bilal	209,404,970	14.96%	209,404,970	12.47%
Others**	143,570,130	10.26%	143,570,130	8.55%
<b>Total</b>	<b>1,400,000,000</b>	<b>100.00%</b>	<b>1,400,000,000</b>	<b>83.34%</b>

\*Post Issue Shareholding represents post Pre-IPO & IPO (Post 16.66%)

\*\*This shareholding was subscribed to by comprised friends, associates, and early supporters of the initial sponsors.

\*\*\*Siddique Javed, Muhammad Usman Javed, and Hassan Javed are the sons of Javed Iqbal; Muhammad Ali, Hassan Bilal, and Huzaifa Bilal are the sons of Tahir Iqbal.

## 2.5. PRINCIPAL PURPOSE OF THE ISSUE

The principal purpose of the Pre-IPO and IPO is to finance the Company's expansion project, which commenced in October 2025. The expansion is focused on strengthening the Company's operational and distribution capabilities across the petroleum value chain through the establishment of a dedicated oil storage terminal at Gatti, Faisalabad, the development of new and under-construction GO and Aramco branded retail fuel stations across key locations in Pakistan, and the expansion of its carriage services segment through the acquisition of additional oil tankers.

The oil storage terminal is a mandatory requirement for the Company's transition into an Oil Marketing Company (OMC) and is expected to enhance inventory management, enable efficient bulk procurement, improve cost optimization, and strengthen operational control. Furthermore, once SPSL obtains OMC license, they will be able to operate pumps with their own branding and earn additional OMC margin on their sales. The expansion of the retail network will increase market presence, support higher fuel sales volumes, diversify revenue streams, and cater to growing demand in both urban and semi-urban regions. The enlarged tanker fleet will further strengthen logistics capabilities and service reach.

Collectively, these initiatives will enhance SPSL's ability to serve Pakistan's POL market, support operational autonomy upon securing an OMC license from OGRA in due course, and position the Company for sustainable long-term growth. The expansion will be financed through a combination of Pre-IPO proceeds, IPO proceeds, and internal cash flows.



### 2.5.1 SOURCES OF FUNDING:

The company is planning to inject equity investment for the proposed project through new equity issuance by way of Pre-IPO Private Placement, Initial Public Offering (IPO) and internal cash generation. The breakup of the funds arranged through the aforementioned methods is shown as follows:

Source of Funding	No. of Shares	Price per Share (PKR)	Value (PKR Mn)	Percentage (%)
Pre-IPO	111,914,000	14.85	1,661,922,900	17%
IPO	168,000,000	13.5	2,268,000,000	24%
Internal Cash	-	-	5,575,911,360	59%
<b>Total</b>			<b>9,505,834,260</b>	<b>100%</b>

### 2.5.2 UTILIZATION OF IPO PROCEEDS:

SPSL intends to direct the proceeds towards setting up storage terminal, establishment of new fuel stations (retail outlets) and addition of new oil tankers to transport fuel.

As evident from the table below, most of the proceeds will be used in establishing of the terminal storage, representing 56% of the total proceeds.

Particulars	From Pre-IPO Proceeds (PKR MN)		From IPO Proceeds (PKR MN)	
	Proceeds (PKR MN)	Percentage	Proceeds (PKR MN)	Percentage
Oil Storage Terminal	930	56%	1,270	56%
Fuel stations	565	34%	771	34%
Oil Tankers	167	10%	227	10%
<b>Total</b>	<b>1,662*</b>	<b>100%</b>	<b>2,268**</b>	<b>100%</b>

\* Pre-IPO proceeds are calculated at the issue price i.e PKR 14.85/-

\*\*For this purpose, IPO proceeds are calculated on the floor price i.e PKR 13.50/-

Detailed breakdown of the utilization of proceeds is provided in [Section 4.3](#)

In the event that the strike price is determined above the floor price during book building, resulting in surplus IPO proceeds, SPSL intends to utilize the excess proceeds towards the expansion plan, thereby funding a greater portion of the project through IPO proceeds and remaining through internal cash.

## 2.6. JUSTIFICATION IN FAVOR OF THE FLOOR PRICE OF PKR 13.50/- PER SHARE

Justification given by the Lead Manager/consultant to the issue in favor of floor price of PKR 13.50/- per share may be seen at section 4A of the prospectus, titled VALUATION SECTION.

## 2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of SPSL during the last three financial years, i.e. FY25, FY24, FY23, by the Company's Auditors, i.e. Ilyas Saeed & Co, RSM.

## 2.8. FINANCIAL INFORMATION - (PLEASE REFER TO SECTION 6.7 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

PKR Mn	FY 2023	FY 2024	FY 2025	1H FY 2026
	Audited	Audited	Audited	Unaudited
Share Capital	1,400	1,400	1,400	1,400



Net Worth	3,722	5,411	8,663	11,377
Revenue	48,695	40,931	121,947 <sup>1</sup>	72,612
Gross Margin	3.2%	4.4%	4.5%	5.56% <sup>2</sup>
Operating Margin	3.0%	4.4%	4.4%	5.38%
Profit After Tax	676	221	3,250	2,714
Profit After Tax Margin	1.4%	0.5%	2.7%	3.74% <sup>3</sup>
Earnings/(Loss) per share Before Split (PKR)	4.8	1.6	23.2	-
Earnings/(Loss) per share After Split (PKR)	0.48	0.16	2.32	1.94
Break-up value per share Before Split (PKR)	26.6	38.6	61	-
Break-up value per share After Split (PKR)	2.66	3.86	6.1	8.13
Total Borrowings	3,134	4,171	8,778	11,462 <sup>4</sup>
Total Debt to Equity Ratio	0.85	0.79	1.01	1.01
Cash flows from Operations	5	394	(704) <sup>5</sup>	1,959
Outstanding Shares (Mn)	1,400	1,400	1,400	1,400

<sup>1</sup>The increase in revenue from PKR 41 billion in FY24 to PKR 122 billion in FY25 is primarily attributable to the resolution of supply constraints following the acquisition of a 40% stake in Gas & Oil Pakistan Limited by Saudi Aramco. This transaction significantly improved supply availability, enabling the Company to normalize operations across its retail network and achieve higher sales volumes. The growth was further supported by the expansion of the retail network, with the number of petrol pumps increasing from 46 in FY24 to 52 in FY25, and the recovery in petrol pump throughput, which returned to levels comparable to FY21 after previously declining due to supply disruptions. A similar recovery trend was observed at Gas & Oil Pakistan Limited

<sup>2</sup> During the second half of FY2025, GO introduced a discount mechanism for its dealers upon achieving certain volumetric benchmarks. SPSL successfully met these targets in 1H FY26, enabling the Company to procure fuel from GO at discounted prices. As a result, SPSL's gross margins improved during the period.

<sup>3</sup> As mentioned in the footnote above, gross margins improved due to the procurement of fuel at discounted prices from GO. This improvement subsequently trickled down to net profit, resulting in higher net margins as well. Furthermore, the increase in other income primarily due to the share of profit received from GO on the Aramco sites - also contributed to the improvement in profitability.

<sup>4</sup> Net borrowings have increased over the years due to a rise in both long-term and short-term financing. The Company expanded its retail network from 52 sites at the end of FY25 to 61 sites by the end of 1H FY26, along with an increase in the number of carriages during FY25, which led to greater reliance on long-term financing. Furthermore, volumetric sales increased significantly from 135.7 million liters to 451 million liters in FY25 and reached 258 million liters in the first half of FY26. This growth resulted in higher inventory requirements and increased trade receivables, thereby necessitating higher short-term borrowings.

<sup>5</sup> In FY2025, the Company reported negative operating cash flows of PKR 704 million. The negative cash flow position during Financial Year 2025 was primarily due to the Company's strategic expansion initiatives. During the year, the Company paid an advance for the purchase of land intended for the development of oil storage facilities to support future operational capacity and for investment in associate. These advances required substantial cash outflows during the year, which resulted in an overall negative operating cash flow position.

## 2.9. OUTSTANDING LEGAL PROCEEDINGS

The following table outlines the outstanding legal proceedings other than the normal course of business against SPSL.

Type of cases	Number of Cases	Amount (PKR)
Tax Related	3	100,248,000
<b>Total</b>	<b>3</b>	<b>100,248,300</b>

Further details of outstanding legal proceedings against SPSL are provided hereunder:

S. No	Year	Issuing Authority	Brief Case Description	Amount (PKR)	Management Stance
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1	Tax Year 2023	Taxation Authority	The taxation authorities have initiated proceedings under Section 161 of the Income Tax Ordinance, 2001, pertaining to the company's compliance with withholding tax obligations for the tax year 2023.	Not specified	Management, based on a detailed opinion from external tax advisors, has concluded that the company has a strong case and that the proceedings are not expected to result in any material liability. Consequently, no provision for any penalty or additional tax has been recognized in these financial statements.
2	Tax Years 2023	Federal Board of Revenue	The matter regarding the applicability of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for Tax Year 2023 is sub judice, pending a final adjudication by the Honorable Supreme Court of Pakistan.	24,935,000	Consequently, the Federal Board of Revenue's (FBR) demands for Super Tax are contested. As the outcome of this litigation is uncertain, management believes that recognizing a provision is not appropriate under the applicable financial reporting framework. No liability has been recorded in these financial statements.
3	Tax Years 2022	Federal Board of Revenue	The matter regarding the applicability of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for Tax Year 2022 is sub judice, pending a final adjudication by the Honorable Supreme Court of Pakistan.	75,313,000	Consequently, the Federal Board of Revenue's (FBR) demands for Super Tax are contested. As the outcome of this litigation is uncertain, management believes that recognizing a provision is not appropriate under the applicable financial reporting framework. No liability has been recorded in these financial statements.

Please find further details of outstanding legal proceedings against SPSL in **Section 8 Legal Proceedings and Overdue Loans**.

Note: There are no other pending litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors other than those already mentioned above.

#### Contingencies:

- Bank guarantees issued on behalf of the company in favor of a supplier against supply of MS and diesel (secured against collaterals discussed in Note 12 & 18 of 2025 Audited Accounts), The amounts are 235,000,000 (2024: 365,000,000)

#### Commitments:

There are no commitments as of 30 June 2025 (2024: Nil)



## 2.10. RISK FACTORS

Kindly refer to section 5 of this prospectus for details regarding the internal and external risks faced by SPSL.

## 2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

The related party transactions undertaken by SPSL during the three financial years are provided here under. All transactions are carried out on an arm's length basis.

Name	Relationship	Nature	FY2023	FY2024	FY2025
<i>Transactions during the year</i>			(PKR MN)	(PKR MN)	(PKR MN)
Sitara Heights*	Common Management	Advances received back	4,047	2,111	-
Sitara Heights	Common Management	Advances paid	4,054	2,113	-
Sitara Heights	Former Director / CEO	Loan given and repaid	200	-	200

\* Previously, Sitara Petroleum Service Limited had a common management relationship with Sitara Heights. Certain management functions and departments were shared between the two entities. Additionally, Mr. Tahir Iqbal served as a director in both Sitara Petroleum Service Limited and Sitara Heights, which created a common management linkage between the companies. However, during the last year, the relationship with the related party Sitara Heights was restructured. As a result, the common management arrangement was discontinued. Furthermore, Mr. Tahir Iqbal ceased to hold the position of director in Sitara Petroleum Service Limited. Consequently, the common management relationship between the two entities no longer exists.



### 3. OVERVIEW, HISTORY AND PROSPECTS

#### 3.1. COMPANY HISTORY & OVERVIEW

<b>Name</b>	Sitara Petroleum Service Limited
<b>Incorporation Number</b>	0080414
<b>Date of Incorporation as Private Limited Company and Place</b>	03 July 2012 in Lahore, Pakistan
<b>Date of conversion to Public Limited Company</b>	07 February, 2023
<b>Date of Commencement of Business</b>	Not Applicable as the company was incorporated as a private limited company

**Sitara Petroleum Service Limited** (“SPSL” or the “Company”) is an Fuel Distribution and Carriage company with its registered office and head office is located at 14-T, Gulberg II, Lahore. It has fuel stations in major cities of Pakistan serving both urban and semi urban regions.

Headquartered in Lahore, it currently operates 54 GO branded fuel stations, jointly owns 7 Aramco branded fuel stations with GO and operates 320 oil tankers as of first half of FY 2026 and plans to become an OMC in the future after developing storage terminal at Gatti, Faisalabad to expand its operations and strengthen supply reliability.

Branding Classification	Number of Pumps
GO Branded Pumps	54
Aramco Branded Pumps	7
<b>Total</b>	<b>61</b>



The Company’s business includes trading and distribution of petroleum products, with a growing network of 61 fuel retail outlets and operates a fleet of 320 oil tankers as of first half of FY2026. While SPSL does not hold any exclusive rights over the GO or Aramco brand name, it remains the largest dealer of GO in terms of both retail outlets and volumes sold. The Company also provides logistics and on-site fueling solutions to its clients, and currently serves as the fleet logistics partner of GO, a licensed OMC, with all of its oil tankers dedicated to providing logistics services to GO. The Company’s operations are integrated with GO’s extensive distribution infrastructure, allowing for synergies that enhance its efficiency and customer service. The fuel stations also provide food and beverages, car washing, tire shops and other convenience services which are usually rented out to third parties adding value to the overall fuel stations. Please refer to section in **Business Segment - Retail Fuel Stations** of Prospectus for further details on different types of arrangements through which Fuel Stations



are operated by the Company. The Company also intends to set up its own oil storage terminal at Gatti, Faisalabad, which is considered the prime location for these terminals.

GO Petroleum is one of Pakistan's leading Oil Marketing Companies (OMCs), currently ranked as the second-largest by retail network. The Company operates 1319<sup>3</sup> retail outlets nationwide, supported by two storage terminals and five storage depots, which enable efficient storage and distribution of fuel. In Calendar Year 2025, GO sold approximately 1,949 kilo tons<sup>4</sup> of fuel, capturing a 12%<sup>5</sup> share of the national market. In addition to its retail operations, GO serves a broad range of corporate and industrial customers, some of whom receive fuel through direct deliveries, further strengthening its market presence.

SPSL is GO's largest dealer, both in terms of the number of outlets and volume sold, playing a critical role in the Company's operations. By leveraging GO's infrastructure, SPSL ensures timely supply to its network of stations and corporate clients, contributing significantly to overall sales and market coverage. The strong alignment between GO and SPSL supports operational efficiency, volumetric growth, and superior customer service.

Through its structured approach to storage, distribution, and dealer management, GO has consistently expanded its retail footprint and sales volume. With 1,319<sup>6</sup> outlets and nearly 2 million tons of fuel sold in 2025, the Company continues to reinforce its position as a reliable and high-performing player in Pakistan's competitive downstream petroleum sector.

For further detailed information on GO, please visit the website <https://www.gno.com.pk/>



SPSL's long-term renewable agreement with GO ensures a stable and reliable fuel supply. The fuel sales comprise both corporate and retail customers, with corporate sales contributing ~37% of total volumes. SPSL operates under a flexible financing model for its GO-branded pumps, with setups varying across company-funded, GO-

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<sup>3</sup> [PACRA Report](#)

<sup>4</sup> <https://arifhabibltd.com/api/research/open?path=178/69577a4b13ce250dd5ca308c.pdf>

<sup>5</sup> <https://arifhabibltd.com/api/research/open?path=178/69577a4b13ce250dd5ca308c.pdf>

<sup>6</sup> [PACRA Report](#)



funded, jointly financed, and lease-operated sites. This approach optimizes capital deployment and supports scalable network growth. For more details related to structure and type of pumps, refer to section 4.2.2.

The company currently owns 7 ARAMCO-branded fuel stations alongside its GO-branded fuel stations. The arrangement of Aramco pumps is such that the capex is jointly handled by SPSL and GO while the operations are handled by GO itself. Aramco has a 40% stake in GO, due to which GO has the right to operate Aramco branded fuel stations in Pakistan. SPSL receives share of profit in return. The presence of Aramco-branded pumps enhances the Company's brand profile and builds customer trust due to Aramco's global reputation for quality and reliability. At the same time, this dual-branding approach allows the Company to strengthen market credibility, and benefit from both international brand recognition and local market reach.

By expanding the Company's retail footprint from the current 61 stations to 100 by the end of FY 2027 it aims to tap cities and areas further. This expansion to 100 outlets would significantly enhance the Company's ability to reach a wider segment of the public, strengthen its market presence, and solidify its footprint across key regions. This expansion will be in both urban and semi urban areas of the country. By broadening its operational scale, the Company would not only improve brand visibility and accessibility but also position itself as a more prominent dealer of GO initially and as a prominent player in the industry post receiving OMC license. As per AHL report, GO recorded 1,706K MT in FY2025, while SPSL recorded 359K MT, this makes the share of SPSL 21% in the total volumes sold by GO. This increased reach is expected to support long-term growth and reinforce the Company's standing as a recognized and trusted dealer of GO which would help expand B2B sales. The company primarily follows DODO (Dealer Owned Dealer Operated), CODO (Company Owned Dealer Operated), and rental models. This established base provides strong market visibility and operational stability.

Additionally, the Company plans to strengthen its logistics capabilities by increasing its oil tanker fleet to 370 by June 2027 from current 320 vehicles and optimizing their utilization. The company plans to add oil tankers with a capacity of 48,000 liters each. This will enable SPSL to transport larger volumes per trip, thereby improving operational efficiency and optimization.

The construction of its own storage terminal at Gatti, Faisalabad will solidify its supply chain infrastructure.

In the future, the Company also intends to position itself in the emerging electric vehicle (EV) market. The selected fuel stations of the Company will be equipped with EV charging solutions. These selected stations will also offer NEV chargers, batteries, and repair services, ensuring comprehensive support for the growing demand for sustainable transportation solutions. The proposed NEV chargers will be installed and operated directly by the Company at its existing petrol pump locations. In the initial phase, the Company plans to utilize its own retail fuel stations for this purpose, allowing it to leverage existing infrastructure, customer traffic, and operational control. Any further expansion or alternative arrangements may be considered in the future based on market developments and operational feasibility.

EV charging stations at new petrol pump locations will be considered on a case-by-case basis. The Company will assess the feasibility of installing EV charging infrastructure based on market demand, location suitability, and operational requirements at each site. If the management determines that a particular location has sufficient demand and strategic relevance for EV charging facilities, the station will be installed. Otherwise, the pump will operate without EV charging infrastructure. This is not a part of the IPO proceeds

Through these strategic initiatives, the Company aims to remain at the forefront of innovation and customer-centric service in Pakistan's energy and logistics sectors.

The Company will construct its terminal storage and apply for an OMC license. The Company is expected to become and operate as an OMC in FY2028. Upon grant of OMC license, the Company will be authorized to engage in the marketing, distribution, and sale of petroleum products across Pakistan using their own brand name. This license enables the Company to establish and operate their own branded fuel stations, procure and



store petroleum products, and supply them to retail and commercial customers in its own name. The Company plans to develop a storage capacity of 30,000 MT and gradually shift 50% of its pumps to its own OMC by 2030, resultantly reducing the reliance on GO for supply of POL products. Operations of SPSL as an OMC are planned to start in FY2028.

The Company will need to comply with regulatory standards set by the OGRA, including safety, quality, and pricing guidelines. Additionally, the Company can expand its market presence, compete with established OMCs - which will become easier since they will already have operational excellence, reputable name in the B2B industry, and contribute to the energy sector by supplying fuel to meet consumer demand.

Furthermore, SPSL has acquired a 29.986% equity stake in Capital Smart Motors (“CSM”), a company engaged in the import, distribution, and future local assembly of electric vehicles (EVs) in Pakistan. This investment aligns with SPSL’s long-term strategy to diversify into future mobility solutions, participate in the evolving transportation ecosystem, and position the company for the ongoing global transition toward cleaner energy and electric mobility.

Capital Smart Motors is introducing multiple international EV brands and models in Pakistan, offering vehicles across different price segments - from entry-level EVs to premium luxury vehicles. The company has brought several globally recognized EV brands to the Pakistani market, including:

- i. Zeekr – Premium electric vehicles including models such as Zeekr X, Zeekr 009, and Zeekr 7X.
- ii. JMEV (Jiangling Motors EV) – Affordable EVs such as JMEV Elight sedan and JMEV EV3 hatchback.
- iii. Forthing – Electric and range-extended SUVs including Forthing Friday.
- iv. Riddara – Electric pickup trucks such as Riddara RD6.

This multi-brand strategy allows Capital Smart Motors to serve multiple segments of Pakistan’s EV market, ranging from affordable urban vehicles to luxury mobility solutions.

This investment represents an important step in SPSL’s future-oriented diversification strategy. As global transportation gradually transitions toward electric mobility, the ability to participate in both traditional energy markets and next-generation mobility solutions will be critical for sustained growth.

Through this strategic stake in Capital Smart Motors, SPSL is positioning itself to:

- i. Participate in the early growth phase of Pakistan’s EV market.
- ii. Develop new revenue streams linked to electric mobility.
- iii. Strengthen its long-term relevance in the future transportation and energy ecosystem.

The investment therefore complements SPSL’s existing operations while supporting the company’s vision of becoming a forward-looking mobility and energy platform aligned with global technological and environmental trends.

In November 2025, Pakistan Credit Rating Agency upgraded SPSL’s credit rating. Long term rating was improved from A- to A and short-term rating improved from A2 to A1<sup>7</sup>. These ratings reflect the strong and improving business profile of SPSL.

#### **Business Segments:**

Sitara Petroleum Service Limited (SPSL) operates as a Dealer to OMCs through two business segments that reflect the Company’s integrated approach to petroleum distribution and logistics: 1) Retail Fuel Sales 2) Carriage Services

<sup>7</sup> <https://www.pacra.com/api/rating-report/MTUwOTQ=>



## 1. Retail Fuel Sales

### Industry Wise Consumption

The following section presents province-wise consumption of MS and HSD on an industry basis. Overall consumption is concentrated in Punjab, which accounts for the largest share, reflecting its higher population, industrial activity, and transport demand compared to other provinces.

MS (unit in MT) Province wise industry wide consumption:<sup>8</sup>

Province	FY2023	% of total	FY2024	% of total	FY2025	% of total	1H FY2026	% of total
<b>Punjab</b>	4,947,504	66.2%	4,728,840	66.2%	4,998,432	65.7%	2,549,782	66.3%
<b>Sindh</b>	1,593,338	21.3%	1,514,674	21.2%	1,577,059	20.7%	788,033	20.5%
<b>KPK</b>	694,664	9.3%	674,874	9.4%	772,552	10.2%	387,849	10.1%
<b>Baluchistan</b>	89,053	1.2%	72,757	1.0%	81,641	1.1%	31,316	0.8%
<b>Gilgit Baltistan</b>	52,590	0.7%	48,116	0.7%	54,419	0.7%	27,080	0.7%
<b>Azad Kashmir</b>	100,003	1.3%	105,743	1.5%	119,144	1.6%	63,104	1.6%
<b>Total</b>	<b>7,477,152</b>	<b>100%</b>	<b>7,145,004</b>	<b>100%</b>	<b>7,603,247</b>	<b>100%</b>	<b>3,847,164</b>	<b>100%</b>

HSD (unit in MT) Province wise industry wide consumption:<sup>9</sup>

Province	FY2023	% of total	FY2024	% of total	FY2025	% of total	1H FY2026	% of total
<b>Punjab</b>	3,908,932	61%	3,859,993	62%	4,281,134	62%	2,208,718	62%
<b>Sindh</b>	1,363,382	21%	1,331,814	21%	1,422,054	21%	725,910	20%
<b>KPK Including FATA</b>	821,270	13%	753,567	12%	874,593	13%	496,933	14%
<b>Baluchistan</b>	93,938	1%	107,168	2%	92,250	1%	45,894	1%
<b>Gilgit Baltistan</b>	77,157	1%	78,440	1%	79,690	1%	40,413	1%
<b>Azad Kashmir</b>	101,439	2%	108,091	2%	114,944	2%	61,168	2%
<b>Total</b>	<b>6,366,118</b>	<b>100%</b>	<b>6,239,073</b>	<b>100%</b>	<b>6,864,665</b>	<b>100%</b>	<b>3,579,036</b>	<b>100%</b>

### SPSL Retail Fuel Segment

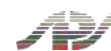
Building on the overall industry consumption trends, the retail fuel segment remains the SPSLs primary revenue stream. SPSL markets High-Speed Diesel (HSD) and Motor Gasoline (Petrol) through its network of 61 retail fuel stations, strategically located across Punjab, Sindh, and KPK, with the majority of pumps situated in Punjab. Details of the geographical distribution of pumps is provided in Section 4A (I).

Sales in this segment are generated by leveraging different ownership models. Over the years, this segment has shown strong and consistent growth, accounting for around 95% of SPSL's revenue in FY2025, up from around 81% in FY2021. The increase is driven by rising demand, improved supply chain linkages, and targeted growth in underserved markets. In the year 2025, substantial increase in sales/volume is mainly on account of uninterrupted supply from GO which was not there in FY 2024. In 1H FY2026, POL products remained the Company's primary revenue driver, accounting for 95.6% of total sales.

The Company operates through five distinct operating models, DODO, Mixed Finance - Aramco Pumps, Mixed Finance - Dealer Operated, OMC financed, CODO and leased models. This reflects a well-diversified and flexible business structure. This multi-model approach allows the Company to cater to different market conditions and

<sup>8</sup> <https://www.ocac.org.pk/wp-content/uploads/2022/05/Prov-wise-Consmp-2020-21-till-2025-26-Jul-Dec.pdf>

<sup>9</sup> <https://www.ocac.org.pk/wp-content/uploads/2022/05/Prov-wise-Consmp-2020-21-till-2025-26-Jul-Dec.pdf>



capital availability, while reducing dependence on any single operating format. By combining asset-light arrangements with fully and partially financed models, the Company is able to balance growth with risk management. The presence of SPSL as an operator further strengthens control over operations.

Overall, the diversity of operating models enhances scalability, improves resilience against market volatility, and positions the Company to efficiently expand its retail network while maintaining operational and financial discipline.

The fuel pumps are of GO and Aramco are operated under different models as under:

Retail Outlet Type:	Description	No of Outlets*	Revenue -FY25 (PKR MN)
<b>Dealer Owned Dealer Operated ("DODO")</b>	Under the DODO model, the dealer (SPSL) Owned / leases the land and owns the building, plant, and machinery at the retail outlet. The dealer independently finances and operates the station, while fuel is supplied by the OMC (GO). This structure entails minimal capital investment by the OMC, with full operational control and asset ownership residing with the dealer.	15	40,641.43
<b>Mixed Finance - Aramco Pumps</b>	Under the Mixed Finance - Aramco Pumps model, the land is owned / leased by the dealer (SPSL). The fuel pumps are operated by GO. Net profit, calculated after deducting operating expenses from the dealer margin, is shared 80% with SPSL and 20% with GO. This structure allows the OMC to retain control over critical dispensing infrastructure while sharing commercial upside with the dealer.  The primary difference lies in location, branding, station infrastructure, and the overall customer experience offered at the outlet leading to higher volumes at Aramco sites.	7	_10
<b>Mixed Finance - Dealer Operated</b>	In this model, financing responsibilities are shared between the OMC (GO) and the dealer (SPSL). Typically, the OMC finances plant and machinery, while the dealer invests in the land (owned / leased) and building and related infrastructure. SPSL operates the outlet, combining shared capital deployment with dealer-led operations.	4	23,959.33
<b>Company Financed - Dealer Operated</b>	Under the Company Financed - Dealer Operated model, the OMC (GO) finances the building and plant & machinery, while the land is Owned / leased by the dealer (SPSL). The outlet is operated by the dealer under agreed commercial terms. This model involves	4	5,404.42

<sup>10</sup> At the end of FY25, few sites were converted to this model and operations started in FY26, thus nil revenue under this model in FY25.



	higher capital commitment from the OMC while leveraging the dealer's operational expertise.		
<b>Company Owned Dealer Operated ("CODO")</b>	In the CODO model, the OMC (GO) leases the land and owns the building, plant, and machinery. The dealer (SPSL) operates the outlet under an operating agreement. Key distinction: Unlike the Company Financed model, land is also leased by the OMC in CODO, resulting in greater asset control by the OMC.	7	2,557.37
<b>Operator Only</b>	Under the Operator Only model, SPSL acts solely as an operator with no ownership in the land, building, or plant & machinery and only deals in operating lease. All assets are owned or leased by the third party. SPSL earns a predefined margin per liter and bears operating expenses, making this a low-capital operating structure.	24	44,030.76
<b>Total</b>		<b>61</b>	<b>116,593.31</b>

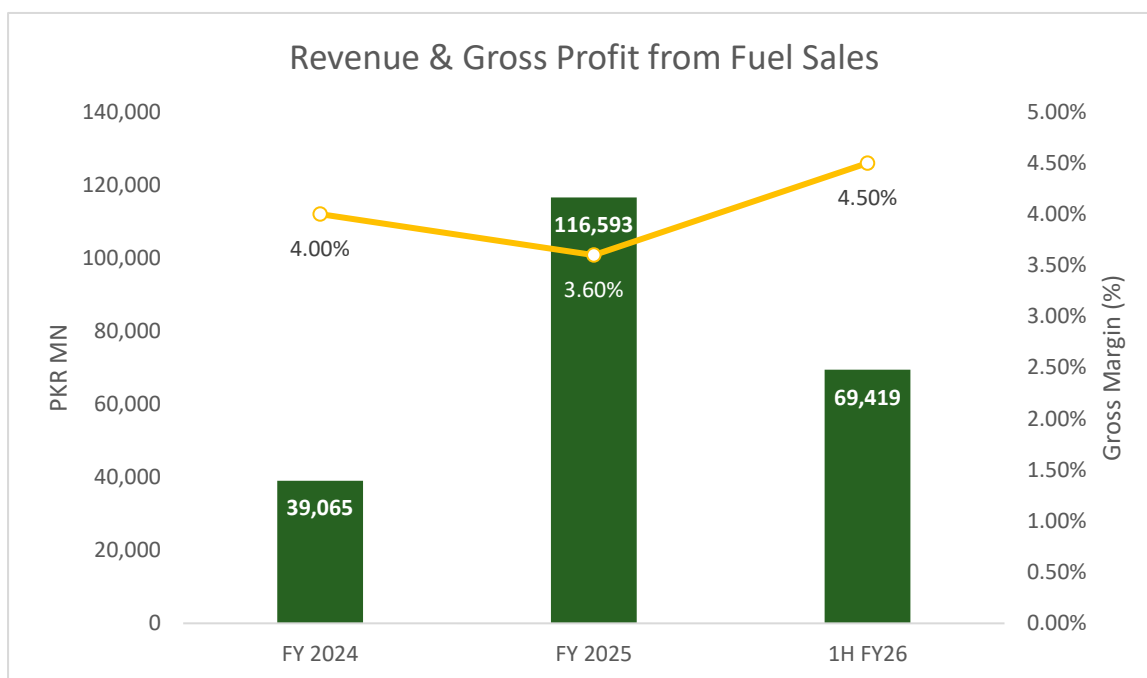
\*The number of retail outlets are under each model is as of 31<sup>st</sup> December 2025.

#### Notes:

1. For operating SPSL requires to enter into an agreement with an OMC licensed entity
2. The approval for the fuel station is in the name of OMC (through submission of K-Form with OGRA)
3. In case of Mixed finance, the Plant & Machinery is partly borne by SPSL with OMC
4. All the Petrol/Diesel is provided by the OMC in whose name the fuel station is branded with
5. All the management of the fuel station is responsibility of SPSL under a set guideline provided by OMC/OGRA
6. Currently, 54 pumps operated by SPSL are GO Branded while 7 are Aramco Branded

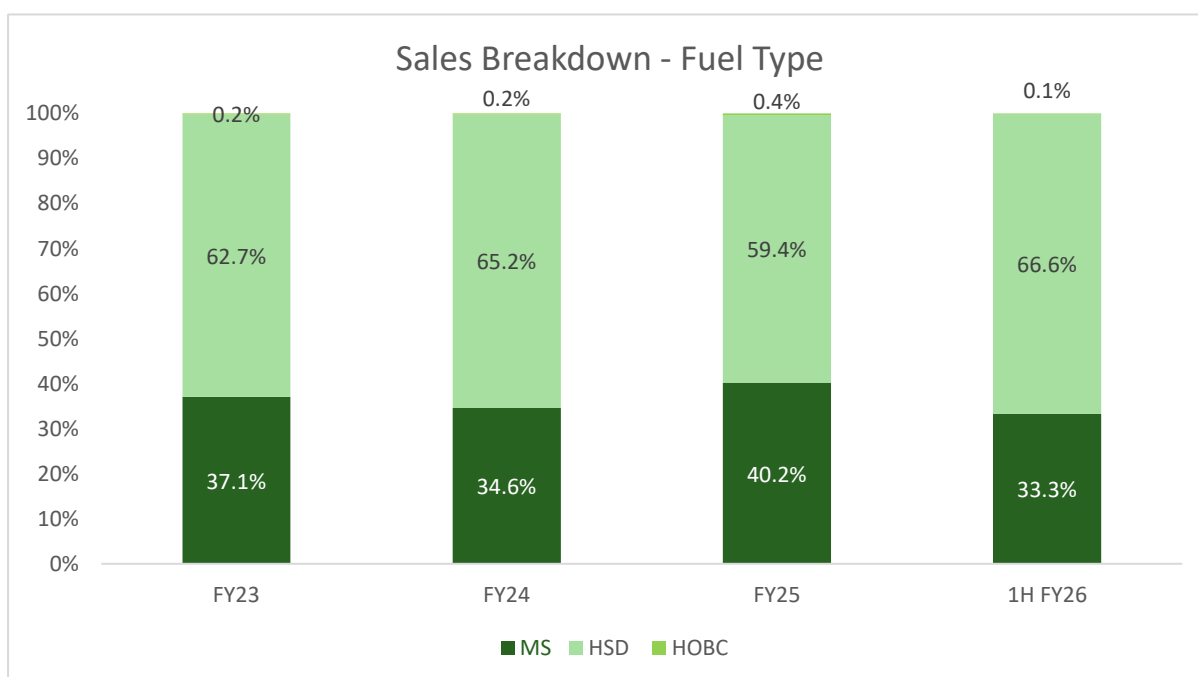
Following table presents revenue generated solely from fuel sales.

PKR Mn	FY2023	FY2024	FY2025	1H FY2026
<b>Revenue</b>	42,985	39,065	116,593	69,419
<b>Cost of Sales</b>	(42,270)	(37,513)	(112,412)	(66,277)
<b>Gross Profit</b>	<b>714</b>	<b>1,551</b>	<b>4,181</b>	<b>3,142</b>
<b>Gross Margin</b>	1.7%	4.0%	3.6%	4.5%



Total revenue is attributed to the following products, Motor Spirit (MS), High Spirit Diesel (HSD) and High-Octane Blending Component (HOBC), with HSD having the highest proportion of revenue.

Name	FY2023	FY2024	FY2025	1H FY26
MS	37.1%	34.6%	40.2%	33.3%
HSD	62.7%	65.2%	59.4%	66.6%
HOBC	0.1%	0.2%	0.4%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

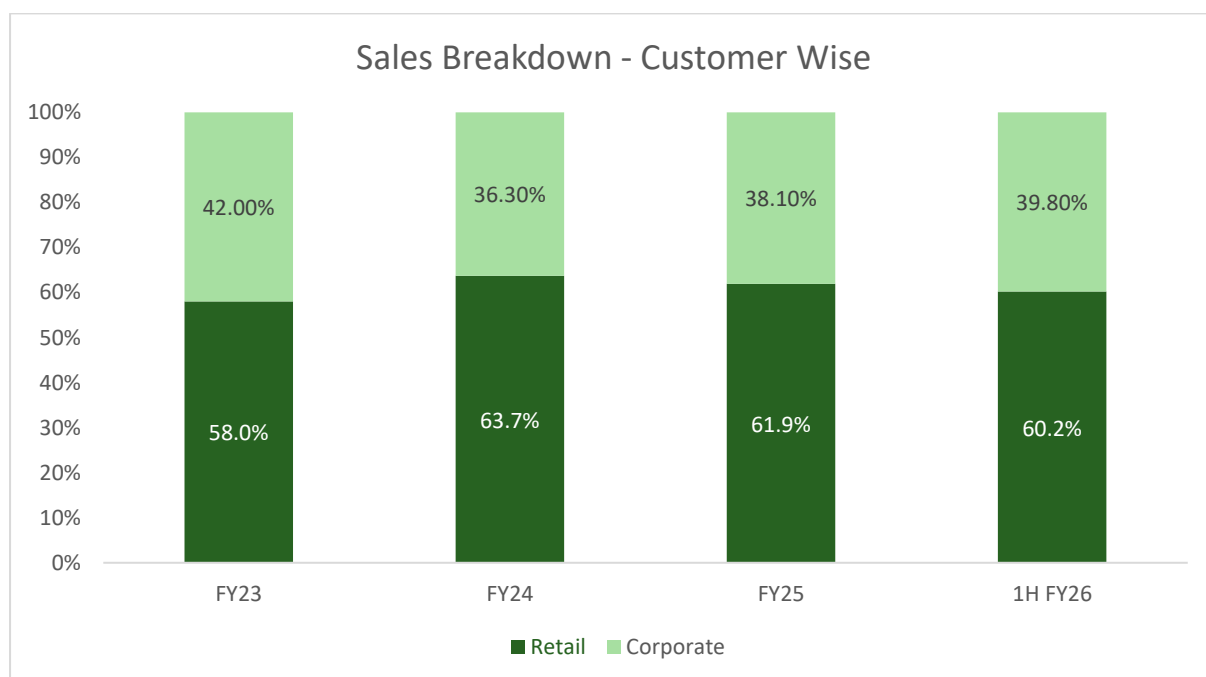


**Sales Mix**



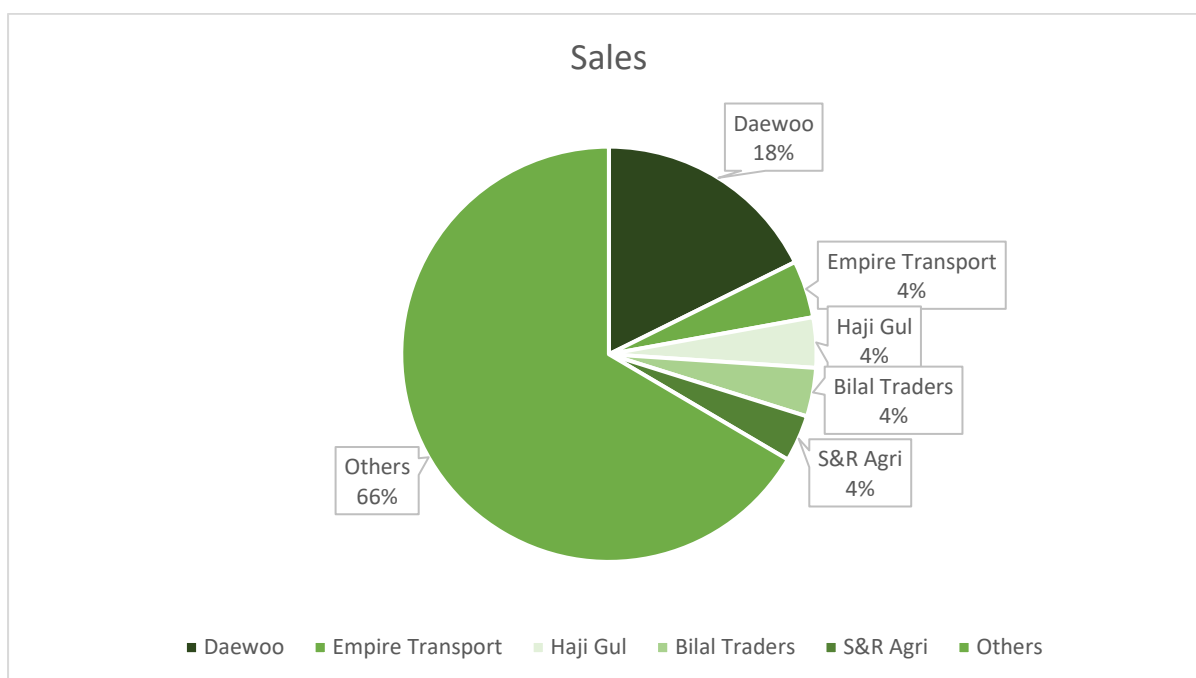
Following is the Sales mix with approximately 40% via corporate clients and the rest from retail clients.

Customer Type	FY23		FY24		FY25		1H FY26	
	Qty (MN LTR)	%	Qty (MN LTR)	%	Qty (MN LTR)	%	Qty (MN LTR)	%
MS	41.53	24.4%	35.99	26.5%	145.59	32.3%	64.52	25.0%
HSD	56.82	33.4%	50.20	37.0%	131.70	29.2%	90.70	35.1%
HOBC	0.24	0.1%	0.20	0.2%	1.78	0.4%	0.41	0.2%
<b>Total Retail</b>	<b>98.59</b>	<b>58.0%</b>	<b>86.39</b>	<b>63.7%</b>	<b>279.06</b>	<b>61.9%</b>	<b>155.62</b>	<b>60.2%</b>
MS	21.61	12.7%	10.96	8.1%	35.97	8.0%	21.48	8.3%
HSD	49.76	29.3%	38.33	28.3%	136.08	30.2%	81.46	31.5%
<b>Total Corporate</b>	<b>71.37</b>	<b>42.0%</b>	<b>49.29</b>	<b>36.3%</b>	<b>172.05</b>	<b>38.1%</b>	<b>102.93</b>	<b>39.8%</b>
<b>Total Sales</b>	<b>169.96</b>	<b>100%</b>	<b>135.68</b>	<b>100%</b>	<b>451.11</b>	<b>100%</b>	<b>258.55</b>	<b>100%</b>



The details of volumetric sales to top 5 corporate clients in FY25 is given in the table below. As the table represents, SPSL had the highest volumetric sales to Daewoo of 30.42 million liters.

Corporate Client Name	Sales (Mn LTR) - FY2025	% of Total
Daewoo	30.42	17.68%
Empire Transport	7.68	4.46%
Haji Gul	6.72	3.91%
Bilal Traders	6.52	3.79%
S&R Agri	6.24	3.63%
Others	114.47	66.53%
<b>Sales to Corporate Clients</b>	<b>172.05</b>	<b>100%</b>



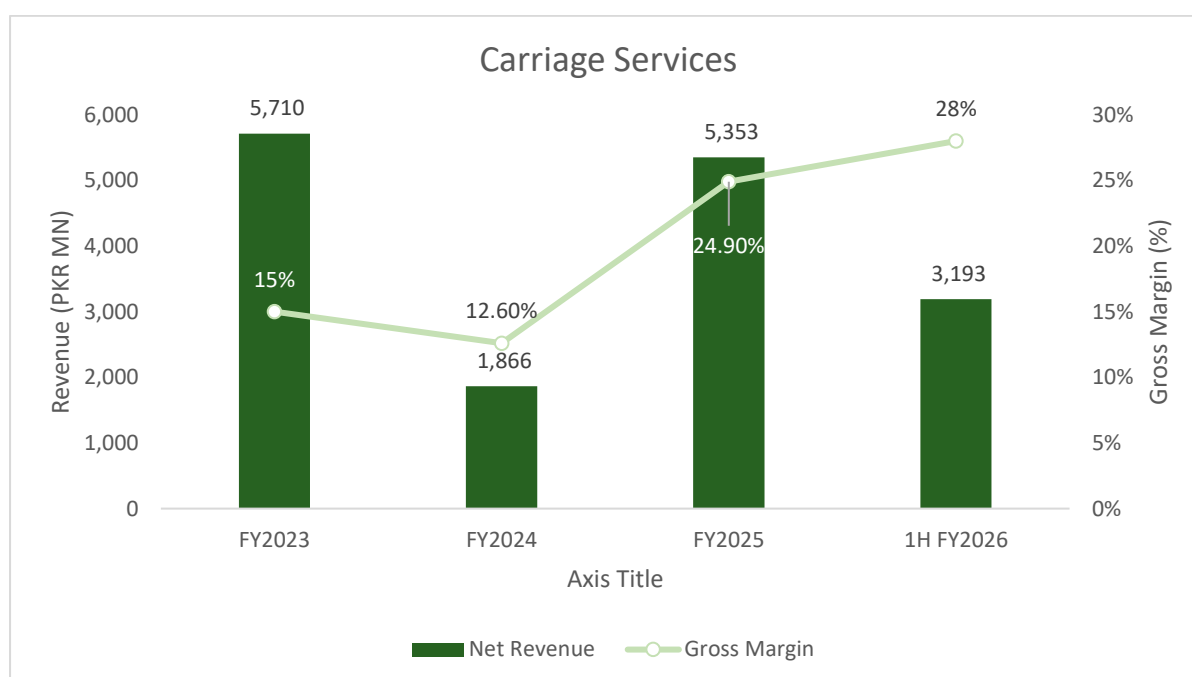
## 2. Fleet Logistics Services to Oil Marketing Sector

This segment involves the carriage of petroleum products from refineries and terminals to depots, fuel stations, and bulk customers. SPSL operates a fleet of 320 oil tankers (as of 1H FY 2026), providing end-to-end petroleum transportation services to GO. The fleet comprises oil tankers with varying capacities to cater to different operational needs, including 48,000-liter and 20,000-liter units, all in compliance with OGRA requirements. This diversified fleet composition allows the company efficiently to cater to different delivery requirements and ensure flexibility in serving both large-volume and smaller-scale distribution needs. Large volume oil tankers are typically used for transportation from Sindh, and oil tankers with volume capacity from 20,000 - 24,000 Liter are usually used for secondary transportation.

Additionally, the Company plans to strengthen its logistics capabilities by increasing its tanker fleet to 370 by June 2027 from current 320 vehicles and optimizing their utilization. The construction of its own storage terminal at Gatti, Faisalabad will solidify its supply chain infrastructure.

While the revenue share from logistics services has reduced in recent years, it remains a strategic part of the business. In FY2025, carriage services contributed PKR 6.15 billion, or 5.0% of total revenue. The segment ensures high fleet utilization and creates long-term institutional linkages, especially with GO being SPSL's logistics client. SPSL fulfills approximately 70% of GO's road logistics requirements. In 1H FY2026, carriage operations represented 4.4% of total sales, reflecting a smaller but complementary revenue stream alongside POL product sales.

PKR Mn	FY2023	FY2024	FY2025	1H FY2026
<b>Net Revenue</b>	5,710	1,866	5,353	3,193
<b>Cost of Sales</b>	(4,855)	(1,632)	(4,019)	(2,298)
<b>Gross Profit</b>	<b>855</b>	<b>234</b>	<b>1,334</b>	<b>895</b>
<b>Gross Margin</b>	15.0%	12.6%	24.9%	28.0%



### Competitive Advantage

Sitara Petroleum Service Limited benefits from a set of operational, strategic, and financial advantages that differentiate it within Pakistan's competitive downstream oil market. These strengths support the Company's long-term growth and resilience.

#### 1. Retail Operations

SPSL operates an established retail network comprising 61 fuel pumps, predominantly GO-branded, with a limited number of Aramco outlets. Fuel sales, including MS, HSD, and HOBC, account for approximately 95% of total revenue. In FY25, SPSL contributed around 21% to GO's overall sales, highlighting its significance within GO's retail network.

#### 2. Strategic Partnership with GO

SPSL maintains a strong and stable contractual relationship with GO. This relationship ensures a reliable and uninterrupted supply of petroleum products, enabling SPSL to consistently meet customer demand. The partnership provides SPSL with revenue continuity, volume stability, and access to both underserved and metropolitan markets, while reducing reliance on short-term and volatile spot logistics contracts.

#### 3. Corporate & Retail Sales Mix

SPSL's fuel sales are well diversified across corporate and retail customer segments. Corporate clients contribute approximately 40% of total fuel volumes, providing volume stability, while retail sales support margins and brand visibility.

#### 4. Flexible Financing Model

SPSL follows a flexible financing structure for its GO-branded retail outlets, encompassing company-funded, GO-funded, jointly financed, and lease-operated sites. This approach enables efficient capital allocation, reduces upfront investment requirements, and facilitates scalable and disciplined network expansion.

#### 5. Carriage Services

Carriage services form SPSL's secondary business line, contributing approximately 5% of total revenue and nearly 15% of profits. The segment currently serves GO on an exclusive basis, diversification to revenue stream, operational synergies, and additional profitability.



### Customers:

Sitara Petroleum Service Limited serves a diverse customer base that includes both corporate and retail clients. The Company operates 54 GO branded and jointly owns 7 Aramco fuel stations with GO across Pakistan as of 1H FY 2026, catering directly to end consumers with retail sales of High-Speed Diesel (HSD), Petrol (MS) and High Octane (HOBC). It also provides logistics services to GO. Currently, the Company provides 100% of its fuel logistic services to GO. Additionally, the Company serves transporters, industries, and agricultural businesses in Punjab and surrounding regions through its efficient fuel distribution network through pumps and carriages. The combination of dealership operations and fleet-based B2B services allows SPSL to maintain a stable and recurring customer base.

### 3.2. PATTERN OF SHAREHOLDING

Following is the pattern of shareholding of SPSL

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held (No.)	Ownership %	Shares Held (No.)	Ownership %
<b>Sponsors &amp; Directors*</b>				
Muhammad Siddiqui Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Usman Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Hassan Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Ali	209,405,020	14.96%	209,404,970	12.47%
Huzaifa Bilal	209,404,970	14.96%	209,404,970	12.47%
Hassan Bilal	209,404,970	14.96%	209,404,970	12.47%
<b>Other Shareholders:</b>				
Other Shareholders **	143,570,130	10.26%	143,570,130	8.55%
<b>Pre-IPO</b>			111,914,000	6.66%
<b>IPO</b>			168,000,000	10.00%
<b>Total</b>	<b>1,400,000,000</b>	<b>100%</b>	<b>1,679,914,000</b>	<b>100%</b>

\* Siddique Javed, Muhammad Usman Javed, and Hassan Javed are the sons of Javed Iqbal; Muhammad Ali, Hassan Bilal, and Huzaifa Bilal are the sons of Tahir Iqbal.

\*\* Other shareholders include directors and close friends and family members of sponsors. Directors have a total holding of 130 shares. Names of Directors having holding in SPSL are Zaheer Baig, Rafat Sultana, Fareed Ahmad Agha, Muhammad Afzal Chaudhry and Zain Liaquat. Close friends and family members hold a total of 143,570,000 shares. Names of close friends and family members of sponsors are Saleem Akbar, Shaukat Mehmood Ghuman, Muhammad Anus, Shoaib Rasool, Bismillah Khan, Ahmad Ali, Muhammad Hayat, Ahmad Faraz, Muhammad Irshad, Ali Imran Hotiana and Naila Shaukat

Following are the details of sponsors of SPSL:

#### Mr. Muhammad Siddique Javed

Mr. Siddique Javed, hailing from a prominent business family, holds a graduate degree and brings over 15 years of diversified professional experience across the petroleum retail, logistics, transportation, rice industry, and oil sectors. He began his career in petrol pump management, where he gained strong hands-on expertise in retail fuel operations, inventory control, regulatory compliance, and customer service.



Over time, his career evolved toward the logistics and oil transportation business, where he developed in-depth knowledge of bulk fuel movement, fleet operations, safety management, and supply chain optimization. In parallel, he accumulated more than a decade of experience in the rice industry, strengthening his commercial, operational, and market development capabilities.

Mr. Siddique Javed plays an instrumental role in driving strategic growth and operational excellence, leveraging his multi-sector experience, leadership skills, and practical industry insight to enhance operational efficiency, expand logistics capabilities, and strengthen the Company's overall market position.

#### **Mr. Muhammad Hassan Javed**

Mr. Hassan is an accomplished business professional with a strong academic foundation and hands-on industry experience. He holds a bachelor's degree in business administration, which has equipped him with comprehensive knowledge of management principles, organizational operations, and strategic planning. Over the past four years, Hassan has built a solid career in the logistics and supply chain sector, where he has gained extensive expertise in transportation management. His experience includes optimizing workflow efficiency, ensuring timely delivery of goods, and maintaining strong relationships with suppliers and stakeholders. Hassan is known for his professionalism, analytical approach, and commitment to achieving operational excellence. His background in business administration, combined with his practical experience in logistics, makes him a reliable and capable sponsor who understands both the strategic and operational needs of the company.

#### **Mr. Hassan Bilal**

Hassan Bilal is a dedicated and ambitious student currently pursuing his education in Finance from a renowned university. With a strong interest in financial management, investment strategies, and economic analysis, he is steadily building a solid academic foundation to excel in the financial sector. Hassan is known for his analytical mindset, commitment to learning, and ability to grasp complex financial concepts with ease. His academic journey has strengthened his skills in financial modeling, budgeting, market analysis, and decision-making. He continually strives to broaden his expertise through coursework, research, and practical exposure. With his passion for finance and strong academic standing, Hassan Bilal is poised to develop into a competent and forward-thinking finance professional.

#### **Mr. Huzaifa Bilal**

Huzaifa Bilal is a motivated and hardworking student currently pursuing his education in Finance from a renowned university. He has a strong interest in financial markets, corporate finance, and analytical decision-making, and is committed to developing the skills necessary to succeed in the financial industry. Huzaifa is recognized for his disciplined approach to academics, strong analytical abilities, and eagerness to expand his knowledge through coursework, research, and practical learning opportunities. His education provides him with a solid foundation in areas such as financial planning, investment analysis, and economic principles. With his dedication and growing expertise, Huzaifa Bilal is on a promising path toward becoming a capable and well-rounded finance professional.

### **3.3. REVENUE AND INCOME DRIVERS**

SPSL's revenues are primarily driven by two core business segments: (i) Sale of Fuel through retail fuel stations, and (ii) Carriage Services. The revenue dynamics of each segment vary based on the underlying operating model, demand conditions, and regulatory environment.

#### **1) Fuel Sales**



The sale of fuel represents the principal revenue stream for SPSL, contributing approximately 95% of the total revenue. The company operates a network of 61 fuel stations, predominantly located in Punjab while having footprints in Sindh and KPK catering to both retail and commercial customers.

Key revenue drivers for this segment include:

- 1) **Volume Throughput:** Revenue is directly linked to the volume of High-Speed Diesel (HSD) and Motor Spirit (MS) sold, which is influenced by overall economic activity, transportation demand, and regional traffic flows.
- 2) **Dealership Margins:** Earnings are driven by per-liter margins regulated and periodically revised by the OGRA. Any upward revision in dealership margins positively impacts profitability. Since SPSL operates only as the dealer of GO currently, only dealership margin is relevant. As of February 2026, the dealership margin is PKR 8.64 per liter on both MS and HSD. There is a high probability of upward revision in the dealer margin by PKR 1.34 in the next 6 - 12 months<sup>11</sup>.
- 3) **OMC Margin:** Once SPSL successfully receives the OMC license, which is set by OGRA, will also become the key revenue driver for SPSL. As of January 2026, the OMC margin is PKR 7.87 per liter on both MS and HSD. There is a high probability of upward revision in the OMC margin by PKR 1.22 in the next 6 - 12 months<sup>12</sup>.
- 4) **Station Network Size & Location:** Stations located on high-traffic highways, urban centers, and commercial routes generate higher average daily sales volumes, thereby enhancing overall revenue.
- 5) **Fuel Mix:** A higher proportion of diesel sales typically associated with commercial transport and freight movement with Daewoo being the single largest customer, provides relatively stable volumes compared to petrol.

Overall, revenue growth in this segment is primarily volume-led, with incremental upside from margin revisions and network expansion.

## 2) Carriage Services

Carriage services constitute SPSL's second major revenue stream, contributing approximately 5% of total revenues. Under this segment, the Company provides fuel transportation and logistics services through its owned and contracted fleet of 320 vehicles.

Key revenue drivers for this segment include:

- **Freight Demand & Fuel Movement:** Revenue is driven by the demand for transportation of petroleum products from storage depots to retail outlets, which correlates with national fuel consumption trends.
- **Fleet Size & Utilization:** Higher vehicle availability and optimized utilization levels directly enhance revenue generation on a per-vehicle basis.
- **Contractual Arrangements:** The Company has contractual agreement with GO providing fleet logistics services to it.
- **Route Distance & Trip Frequency:** Carriage income is linked to the number of trips, route lengths, and applicable per-kilometer rates.
- **Operational Efficiency:** Efficient fuel consumption, fleet maintenance, and turnaround time contribute to higher effective margins within the segment.

The carriage business provides a relatively stable and recurring revenue stream, complementing the volume-driven nature of the retail fuel segment.

## Segment Contribution Overview

The dual-segment business model enables SPSL to diversify its revenue base, with the retail fuel business offering scale and volume, while carriage services provide operational integration and recurring income. Together, these

<sup>11</sup> <https://www.dawn.com/news/1960270>

<sup>12</sup> <https://www.dawn.com/news/1960270>



segments position the Company to benefit from growth in Pakistan's energy consumption and transportation activity.

### 3.3.1 BREAKDOWN OF VALUE-WISE PRODUCTS:

The tables below illustrate the value-wise break-up of revenue from FY 2023 to 1H FY2026:

Product Type	FY 2023		FY 2024		FY 2025		1H FY2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
MS Sale	16,608.12	34.1%	13,292.61	32.5%	46,182.71	37.9%	22,788.54	31.4%
HSD Sale	26,301.01	54.0%	25,701.50	62.8%	69,883.93	57.3%	46,514.57	64.1%
HOBC Sale	75.38	0.2%	70.61	0.2%	526.67	0.4%	115.60	0.2%
<b>Total Fuel Sales</b>	<b>42,984.51</b>	<b>88.3%</b>	<b>39,064.73</b>	<b>95.4%</b>	<b>116,593.31</b>	<b>95.6%</b>	<b>69,418.71</b>	<b>95.6%</b>
Carriage Services	5,710.05	11.7%	1,866.24	4.6%	5,353.39	4.4%	3,193.35	4.4%
<b>Total</b>	<b>48,694.56</b>	<b>100%</b>	<b>40,930.97</b>	<b>100%</b>	<b>121,946.71</b>	<b>100%</b>	<b>72,612.06</b>	<b>100%</b>

### 3.4. COST DRIVERS

#### 3.4.1. COST OF FUEL:

This table shows the yearly cost of fuel consumed, highlighting its rising share in total cost of sales, reaching 96.5% by FY25. In 1H FY2026, cost of fuel reached 96.2%.

Particular	FY 2024		FY 2025			1H FY2026		
	PKR Mn	% of Total COS	PKR Mn	PKR Mn	PKR Mn	% of Total COS	PKR Mn	% of Total COS
Cost of Fuel	41,886	88.9%	37,174	95.0%	112,024	96.2%	66,057	96.3%
Salaries, wages & allowances	243	0.5%	188	0.5%	203	0.2%	124	0.2%
Depreciation	95	0.2%	98	0.3%	109	0.1%	50	0.1%
Electricity, fuel and power	43	0.1%	50	0.1%	63	0.1%	26	0.0%
Others	3	0.0%	3	0.0%	13	0.0%	19	0.0%
<b>Total Cost of Sales – Fuel Sales</b>	<b>42,270</b>	<b>89.7%</b>	<b>37,513</b>	<b>95.8%</b>	<b>112,412</b>	<b>96.5%</b>	<b>66,277</b>	<b>96.6%</b>

#### 3.4.2. COST OF SALES - CARRIAGE SERVICES:

Particular	FY 2023		FY 2024		FY 2025		1H FY2026	
	PKR Mn	% of Total COS	PKR Mn	PKR Mn	PKR Mn	% of Total COS	PKR Mn	% of Total COS
Vehicle running and maintenance	3,952	8.4%	1,265	3.2%	3,498	3.0%	1,871	2.7%
Salaries, wages & allowances	362	0.8%	130	0.3%	284	0.2%	232	0.3%
Ijarah rentals	351	0.7%	97	0.2%	-	0.0%	-	0.0%
Depreciation	132	0.3%	115	0.3%	168	0.1%	156	0.2%
Toll tax	58	0.1%	24	0.1%	69	0.1%	39	0.1%
<b>Total Cost of Sales - Carriage Services</b>	<b>4,855</b>	<b>10.3%</b>	<b>1,632</b>	<b>4.2%</b>	<b>4,019</b>	<b>3.5%</b>	<b>2,298</b>	<b>3.4%</b>

#### 3.4.3. Total Cost of Sales

Particular	FY 2023		FY 2024		FY 2025		1H FY2026	
	PKR MN	%	PKR MN	%	PKR MN	%	PKR MN	%



COGS – Fuel Sales	42,270.2	89.7%	37,513.4	95.8%	112,412.3	96.5%	66,277.0	96.6%
COGS – Carriage Services	4,855.3	10.3%	1,631.9	4.2%	4,019.2	3.5%	2,298.2	3.4%
<b>Total Cost of Sales</b>	<b>47,125.5</b>	<b>100%</b>	<b>39,145.3</b>	<b>100%</b>	<b>116,431.5</b>	<b>100%</b>	<b>68,575.2</b>	<b>100%</b>

#### 3.4.4. PURCHASES

Purchases from OMCs account for approximately 96% of total cost and are the principal cost driver for SPSL. The Company purchases petroleum products from GO since SPSL is the dealer of GO.

S. No	Vendor Name	Country	Product	Purchases during FY23	% of Total Purchases during FY23	Purchases during FY24	% of Total Purchases during FY24	Purchases during FY25	% of Total Purchases during FY25	Purchases during 1H FY26	% of Total Purchases during 1H FY26
1	Gas & Oil Pakistan	Pakistan	Fuel	42,111	100%	37,818	100%	114,046	100%	66,987	100%
<b>Total</b>				<b>42,111</b>	<b>100%</b>	<b>37,818</b>	<b>100%</b>	<b>114,046</b>	<b>100%</b>	<b>66,987</b>	<b>100%</b>

#### 3.4.5. FUEL, POWER AND WATER:

Electricity, fuel, and power expenses under the fuel sales segment have steadily increased from PKR 24.1 million in 2021 to PKR 62.6 million in 2025. This reflects both inflationary pressures and increased operational activity. The significant jump in 2023 onward aligns with the company's expansion in pump operations and growing fuel volumes handled.

#### 3.4.6. HUMAN RESOURCES:

The Company's total salary and wage expense averaged around PKR 600 - 660 million annually during 2021-2023, with a dip in 2024, followed by an increase in 2025. The largest share consistently relates to operational staff under Fuel Sales and Carriage Services, reflecting the labor-intensive nature of SPSL's logistics and retail activities. Administrative salaries, though smaller in proportion, have shown a steady upward trend, reaching PKR 86.1 million in 2025. This reflects controlled back-office growth despite expansion, while field and transport manpower remain the primary cost driver in HR.

#### 3.4.7. VEHICLE RUNNING AND MAINTENANCE – CARRIAGE SERVICES:

These costs accounted for 9.8% of total COGS in 2022 and declined to 8.4% in 2023, followed by a significant reduction to 3.2% in 2024. In 2025, vehicle running and maintenance expenses stood at 3.0% of total COGS, while in 1H FY2026, they represented 2.7% of total COGS. The overall trend reflects improved cost efficiency, better fleet utilization, and effective control over operating and maintenance expenses within the carriage segment.

#### 3.4.8. OVERHEADS:

In 2025, total COGS surged to PKR 116,431.5 million, driven mainly by a sharp rise in fuel purchases, which made up 96.2% of total COGS. Carriage services remained a small share at 3.5%, with slight increases in salaries and vehicle maintenance.

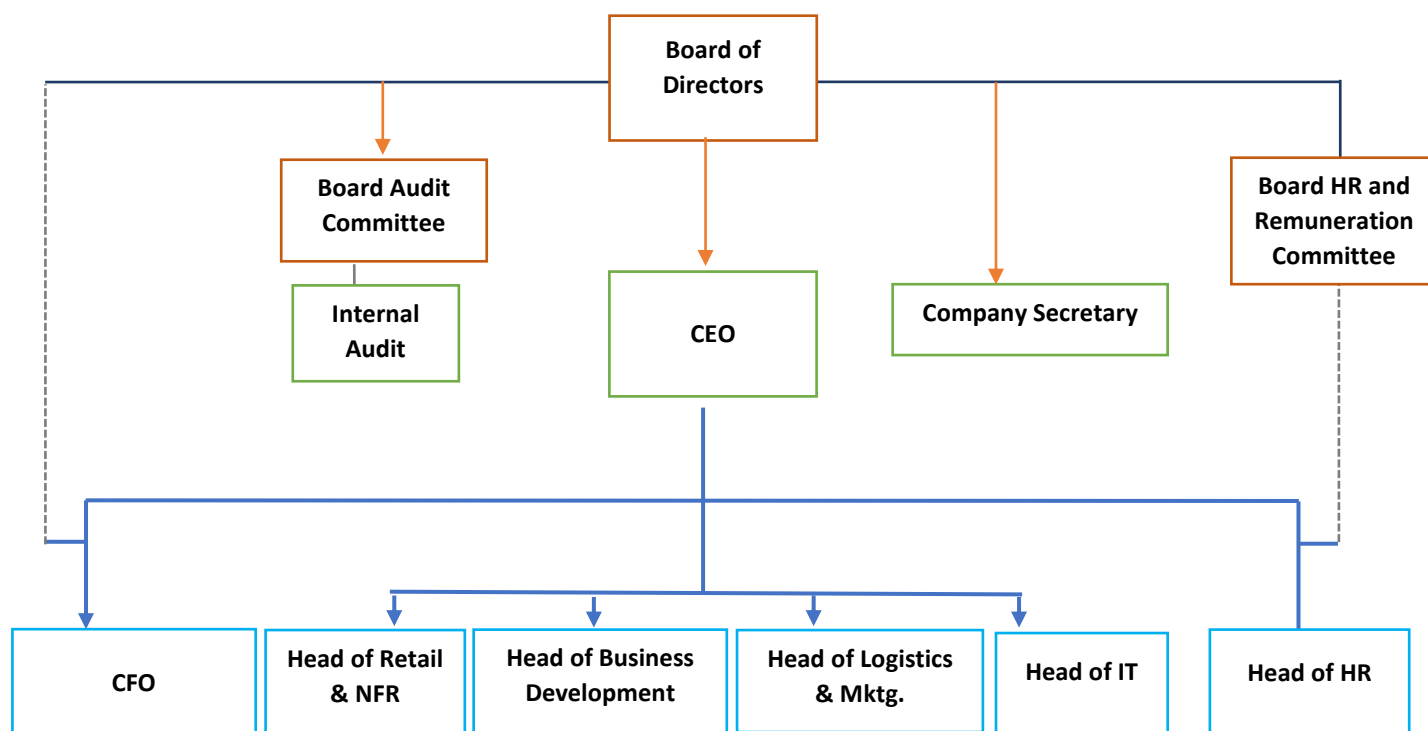
Particulars	FY 2025 (PKR MN)	% of Cost of Sales
<b>Cost of Sales – Fuel Sales</b>		
Salaries, wages & allowances	203.0	0.2%
Purchases	112,024.2	96.2%
Depreciation	109.1	0.1%
Electricity, fuel and power	62.6	0.1%



Others	13.5	0.0%
<b>Total Cost of Sales – Fuel Sales</b>	<b>112,412.3</b>	<b>96.5%</b>
<i>Cost of Sales - Carriage Services</i>		
Salaries, wages & allowances	284.3	0.2%
Vehicle running and maintenance	3,498.0	3.0%
Depreciation	167.7	0.1%
Toll tax	69.2	0.1%
<b>Total Cost of Sales - Carriage Services</b>	<b>4,019.2</b>	<b>3.5%</b>
<b>Total Cost of Sales</b>	<b>116,431.5</b>	<b>100.0%</b>

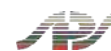


### 3.5. ORGANIZATIONAL STRUCTURE OF THE ISSUER



### 3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

Year	Milestones
2012	Sitara Petroleum was registered as a private company.
2015	The Company signed its carriage service contract with GO.
2015	A partnership was established with GO, prior to which PSO pumps were being operated.
2015	The fleet grew to 100 vehicles.
2019	The Company established 25 fuel pumps.
2021	Revenue reached PKR 40 billion.
2023	Sitara Petroleum was converted into a public company.
2022	The fleet expanded to 300 vehicles.
2024	The Company established 50 fuel pumps.

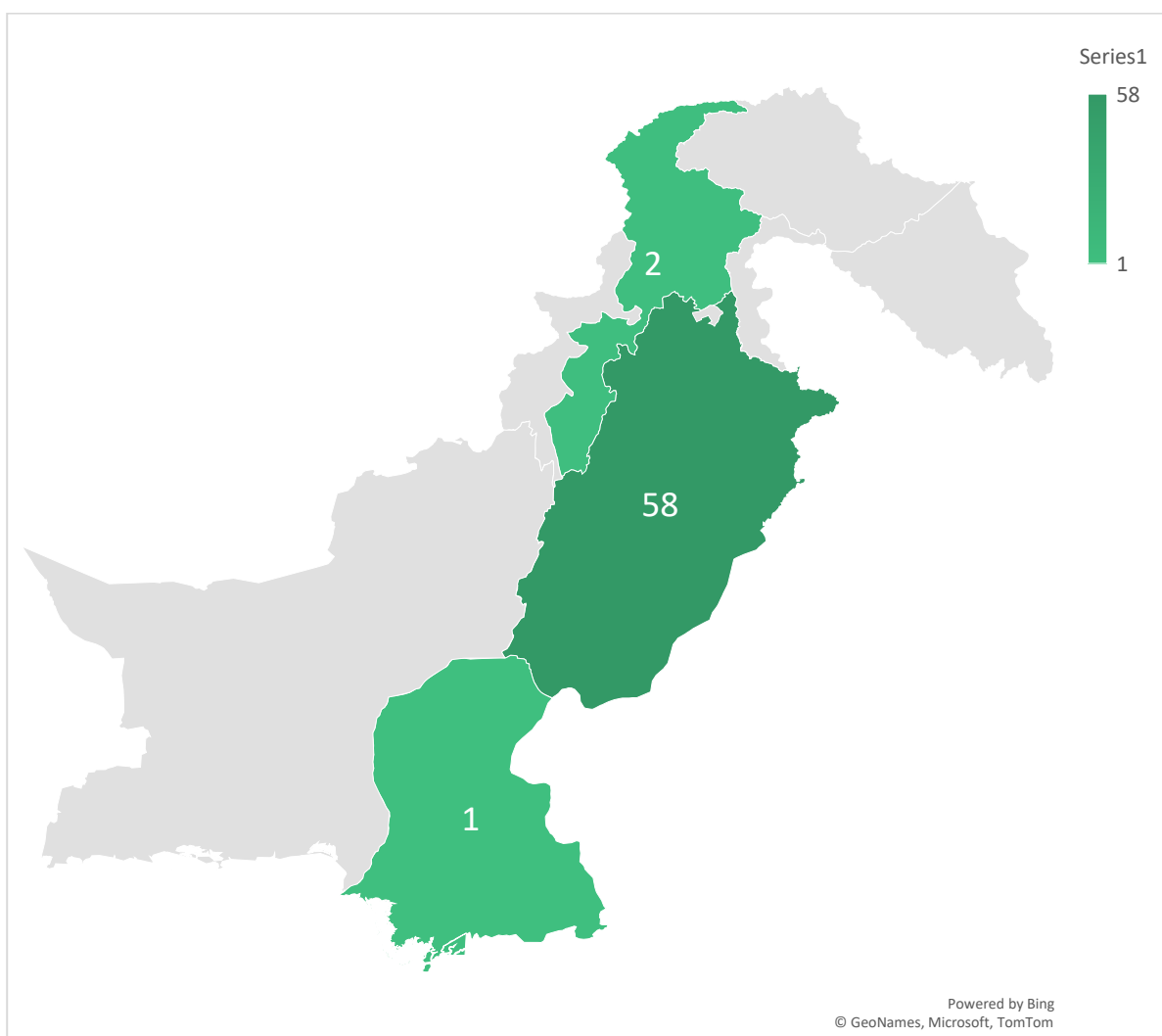


2025	The fleet reached 320 vehicles.
2025	Revenue grew to PKR 100 billion, and the Company owned seven ARAMCO-branded sites.
2026	Successfully closed Pre-IPO commitments worth PKR 1.7 Bn contingent on approval of IPO.

### 3.7. NATURE AND LOCATION OF THE COMPANY’S PROJECTS

#### Fuel Stations

SPSL is currently operating **54 GO branded fuel stations** across Pakistan while it also generates income from 7 owned Aramco pumps. The Fuel Stations of the Company are located in **Bahawalnagar, Narowal, Buner, Faisalabad (9), Pakpattan, Upper Dir, Jhang, Lahore, Kasur and South Punjab.**



FAISALABAD	LAHORE	BAHAWALNAGAR	SHEIKHUPURA	MULTAN	PAKPATTAN	SAHIWAL	JHANG	MUZAFARGARH	CHINIOT	Kasur	Others <sup>13</sup>
10	10	7	5	3	3	3	2	2	2	2	12

<sup>13</sup> Narowal, Bunair, Upper Dir, Mirpurkhas, Layyah, Bhakkar, D.G Khan, Mianwali, Khushab, Sialkot, Rajanpur, Sargodha



The fuel stations comprise the following key components:

- Underground Fuel Storage Tanks
- Fuel Dispensers
- Island Sumps
- Oil Separator
- Fuel Transfer and Distribution System

#### **1. Underground Fuel Storage Tanks**

The fuel stations are equipped with underground storage tanks designed for the safe storage of petroleum products such as petrol and diesel. These tanks are installed below ground level to enhance safety, optimize site utilization, and maintain fuel quality by reducing exposure to temperature variations. The tanks are constructed using approved materials and are fitted with standard accessories, including fill and vent systems, to support controlled fuel receipt and dispensing. The underground configuration and design standards adopted are intended to ensure operational reliability, environmental protection, and compliance with applicable regulatory requirements.

#### **2. Fuel Dispensers**

Fuel dispensers are installed to facilitate the controlled and accurate dispensing of fuel to customers. These units are connected to the underground storage tanks through a dedicated piping system and incorporate metering, control, and display mechanisms to ensure precise measurement of fuel volumes. The dispensers are mounted on reinforced platforms and are designed to support continuous commercial operation while maintaining safety and measurement integrity. The installation of standardized dispensing equipment supports efficient service delivery and revenue generation at the fuel station.

The fuel dispensers are installed on reinforced concrete pump islands that provide structural support and protection for dispensing equipment and associated connections. These islands are designed to accommodate fuel piping, electrical services, and containment features beneath the dispensing units. The construction of pump islands enhances operational safety, protects critical infrastructure, and ensures durability under regular vehicular traffic and operational conditions typical of fuel retail environments.

#### **3. Island Sumps**

Island sumps are provided beneath the fuel dispensers to house piping connections and containment systems in a controlled environment. These sumps are designed to capture and contain any potential fuel leakage at connection points, thereby reducing environmental risk and facilitating inspection and maintenance activities. The inclusion of island sumps forms part of the station's spill prevention and environmental control measures and supports compliance with relevant safety standards.

#### **4. Oil Separator**

An oil separator forms part of the station's drainage and environmental management system and is installed to treat wastewater generated from the forecourt and operational areas. The system is designed to separate oil and hydrocarbon residues from surface runoff before discharge into the drainage network. The installation of an oil separator supports environmental compliance and reflects the station's adherence to established pollution control practices.

#### **5. Fuel Transfer and Distribution System**

The fuel stations are equipped with an integrated fuel transfer and distribution system comprising underground fuel piping and associated control and safety fittings. This system connects the underground storage tanks with the dispensing units and is designed to ensure the safe, efficient, and controlled movement of fuel within the



station. The piping and fittings are installed in accordance with applicable technical standards to minimize leakage risk, facilitate accurate fuel measurement, and support reliable station operations.

### Oil Tankers

The fleet comprises of tankers with varying capacity such as 20,000 liters, 48,000 liters. This diversified fleet composition allows the Company efficiently to cater to different delivery requirements and ensure flexibility in serving both large-volume and smaller-scale distribution needs.

The Sitara Petroleum Service Limited (SPSL) procures petroleum products from Gas & Oil Pakistan Limited (GO). The oil is generally collected from GO's designated storage depots / terminals located in different regions of Pakistan.

For SPSL, the primary lifting point is typically the GO depot located in Mehmood Kot, District Muzaffargarh, which is one of the major petroleum storage and distribution hubs in the country. Petroleum products are lifted from this terminal through authorized oil tankers and transported to SPSL's retail outlets. However, depending on product availability and logistical considerations, supplies may also be lifted from other GO-designated depots as allocated by the supplier carriage.

Additionally, SPSL also provides carriage services for the secondary transportation of oil, for which tankers with comparatively lower capacities, typically around 20,000 liters, are utilized.

#### 1) 48,000-Liter Capacity Oil Tankers

The carriage comprises a Dongfeng 6x4 Prime Mover (RHD), Model LK-375, with a Gross Combination Weight (GCW) of 60 tons. It is equipped with ABS, powered by a 9.5-liter, 6-cylinder turbocharged Cummins diesel engine compliant with Euro-2 emission standards. The unit features a fully synchronized gearbox with 12 forward and 2 reverse gears, 11 Chinese radial tires, and a turn plate for enhanced stability and maneuverability.

The bowser (oil tanker) has a 48,000-liter capacity, built in accordance with GO-OGRA standards. The tanker's manufacturer is certified by the Engineering Development Board (EDB), Government of Pakistan, ensuring compliance with national safety and quality regulations.

#### 2) 20,000-Liter Capacity Oil Tankers

The carriage consists of an Isuzu FVR90 (4x2) Rigid Truck, powered by a Common Rail Direct Injection (CRDI) smart engine. It features a full double frame up to the engine compartment with extra reinforcement for added durability. The vehicle is equipped with an Air Over Hydraulic Brake system, 10-stud wheels, a wind deflector, and an air-conditioned cab for driver comfort.

The oil tanker (bowser) has a 20,000-liter capacity divided into three compartments, constructed in accordance with GO-OGRA standards. The setup includes conversion of the 4x2 truck chassis into a 6x2 configuration with ABS, ensuring improved load-bearing capacity and safety compliance.

SPSL's oil tanker fleet primarily comprises tankers with capacities of 48,000 and 20,000 liters, along with additional carriages of varying capacities. The composition of SPSL's oil tanker fleet is outlined below:

S.No	Capacity (Liters)	No. of Oil Tankers	Total Capacity (Liters)
1.	50,000	3	150,000
2.	48,000	183	8,784,000
3.	40,000	17	680,000
4.	25,000	14	350,000
5.	24,000	9	216,000
6.	20,000	72	1,440,000



7.	15,000	14	210,000
8.	10,000	8	80,000
	<b>Total</b>	<b>320</b>	<b>11,910,000</b>

### 3) Workshops for maintenance of Oil Tankers

The Company operates and utilizes dedicated workshop facilities for the routine maintenance, inspection, and repair of its lorry fleet. These workshops are equipped to carry out preventive maintenance, mechanical and electrical repairs, braking system inspections, and safety checks, ensuring optimal vehicle performance and compliance with applicable regulatory requirements. The workshops also maintain adequate inventories of spare parts, consumables, and critical components required for routine and corrective maintenance, including lubricants, filters, brake components, hoses, fittings, and other essential workshop materials. Inventory levels are monitored and replenished on a regular basis to minimize vehicle downtime, support uninterrupted operations, and enhance overall fleet reliability.

### 3.8. INFRASTRUCTURE OVERVIEW

Sitara Petroleum Service Limited (SPSL) has developed an integrated distribution infrastructure to support both retail operations and carriage services. While the company does not have its own oil storage terminal, it relies on strategic partnerships and logistics agreements with GO. Currently the Company is getting all its supplies from Gas & Oil Pakistan Limited (GO). These strategic partnerships help ensure a reliable flow of high-grade petroleum products to SPSL's retail outlets and B2B clients.

The backbone of SPSL's infrastructure is its fleet of 320 specialized oil tankers as of 1H FY 2026, all built and maintained in line with national safety standards. Each tanker is GPS-equipped for real-time tracking, allowing efficient routing, tight dispatch control, and full trip accountability. Maintenance and regulatory compliance are managed through internal protocols aligned with OGRA, ensuring consistent safety and operational readiness.

Although SPSL currently does not operate its own fuel depot, management has stated an intention to develop a fuel terminal Gatti Faisalabad, to strengthen its supply chain. The Company will construct its terminal storage and apply for an OMC license. The Company is expected to become and operate as an OMC in FY2028.

### 3.9. SERVICES OF THE ISSUER

Sitara Petroleum Service Limited (SPSL) maintains a concentrated product and service portfolio comprising primarily of petroleum sales and petroleum logistics. The Company's operations revolve around two core revenue streams:

#### (1) Sale of Fuel

#### (2) Carriage Services Receipts.

#### Petroleum Product Sales - Core Revenue Driver

SPSL's product mix includes petroleum products such as Motor Gasoline and High-Speed Diesel. The Company's main revenue source is the sale of High-Speed Diesel (HSD) and Petrol, distributed through SPSL's network of 61 fuel stations and institutional customers. This segment has shown strong growth over the years and contributed PKR 116,593 million (95.0%) to total revenue in FY2025, up from PKR 39,064.7 million (94.8%) in FY2024 and PKR 27,015 million (80.9%) in FY2021. In 1H FY2026, this segment accounted for 95.6% of the total sales with revenue of PKR 69,419 million. The following table presents the sales breakdown by product category - HSD, MS, and HOBC.



Name	FY2023	FY2024	FY2025	1H FY2026
MS	38.6%	34.0%	39.6%	32.8%
HSD	61.2%	65.8%	59.9%	67.0%
HOBC	0.2%	0.2%	0.5%	0.2%

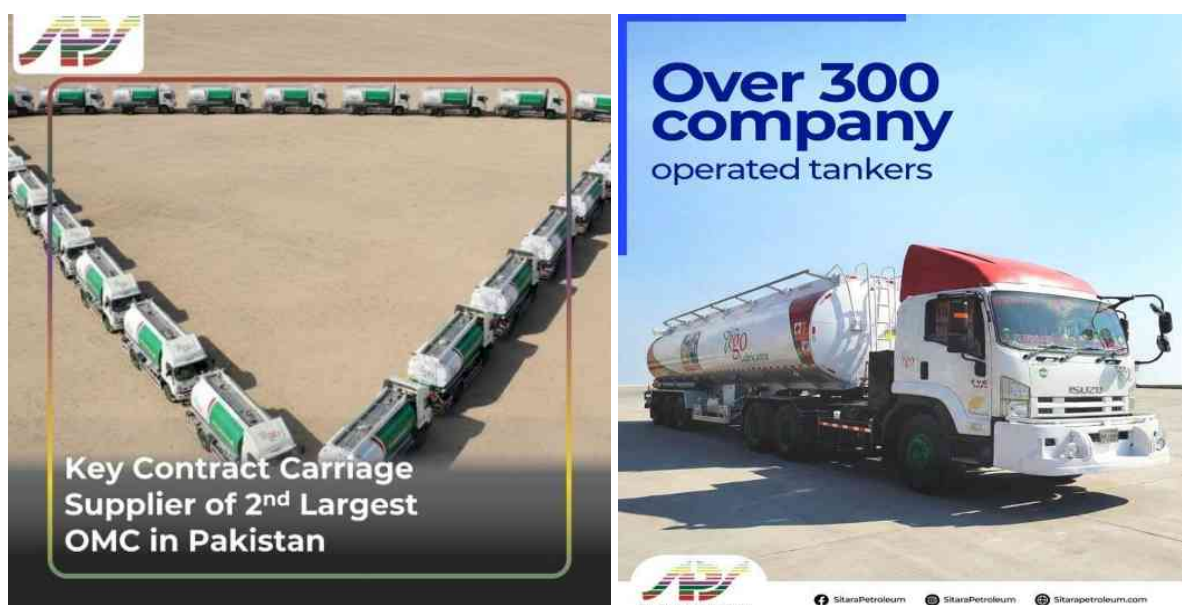
The increase in contribution highlights the Company’s strategic shift towards expanding retail penetration and optimizing margins on product sales. This segment is expected to remain the dominant revenue contributor in the future.



### Carriage Services - Logistics for GO Pakistan

SPSL offers 100% of the carriage services to GO. SPSL is leveraging its fleet of 320 oil tankers. In FY2025, the Company earned PKR 6,156.4 million (5.0%) from this segment. Though previously contributing a larger share - 19.1% in FY2021 mainly due to lower fuel sales and fuel prices. In 1H FY2026, this segment contributed 4.4% to revenue totaling PKR 3,193 million. Though the revenue under this segment is increasing, the percentage share of this segment fluctuates due to growth in fuel sales and due to fluctuations in fuel prices.

Despite its smaller percentage, this business line remains critical for maintaining high fleet utilization and stable cash flows. The Oil tankers travel is further segregated into two moves; Primary and Secondary move. Primary move refers to transportation of fuel from one depot to another, typically company’s own storage. Secondary move, on the other hand, refers to transportation of fuel from depot to pumps. Cost of primary transportation is covered by OMC’s through IFEM while OMCs must bear the cost of secondary transportation.



## Strategic Focus and Growth Potential

Over the years, SPSL's revenue has grown from PKR 33.4 billion in FY2021 to PKR 122.7 billion in FY2025, led primarily by product sales. The Company is also gradually looking to start offering lubricants in the future, introduce value-added services at its retail stations, and further optimize its retail footprint, all of which are expected to enhance the product portfolio and profitability.

### 3.10. MARKETING ACTIVITIES

To accelerate its growth trajectory and maximize shareholder value, Sitara Petroleum Services Limited ("SPSL" or the "Company") has initiated a comprehensive brand transformation program. The Company has appointed **Manhattan International**<sup>14</sup>, a leading full-service consultancy, to orchestrate its integrated branding, communication, and marketing framework.

This strategic engagement aims to position SPSL as a premier, modern energy brand, ensuring a consistent and sophisticated identity across all B2B and B2C touchpoints.

#### 3.10.1. BRAND ARCHITECTURE & CORPORATE IDENTITY

The Company is establishing a robust brand hierarchy designed to support its diversifying portfolio. This initiative encompasses:

**Unified Visual Identity:** The development of a standardized visual system and comprehensive brand guidelines governing the corporate entity and its sub-brands (including fuels, lubricants, EV, and industrial solutions).

**Physical Infrastructure Branding:** Standardizing the brand experience across retail station fascia, signage, fleet aesthetics, and employee uniforms to ensure instant market recognition.

**Brand Narrative:** Defining the Company's vision, mission, and core values to establish a distinctive "voice" that reflects our commitment to reliability and innovation.



#### 3.10.2. INTEGRATED MARKETING COMMUNICATIONS (IMC)

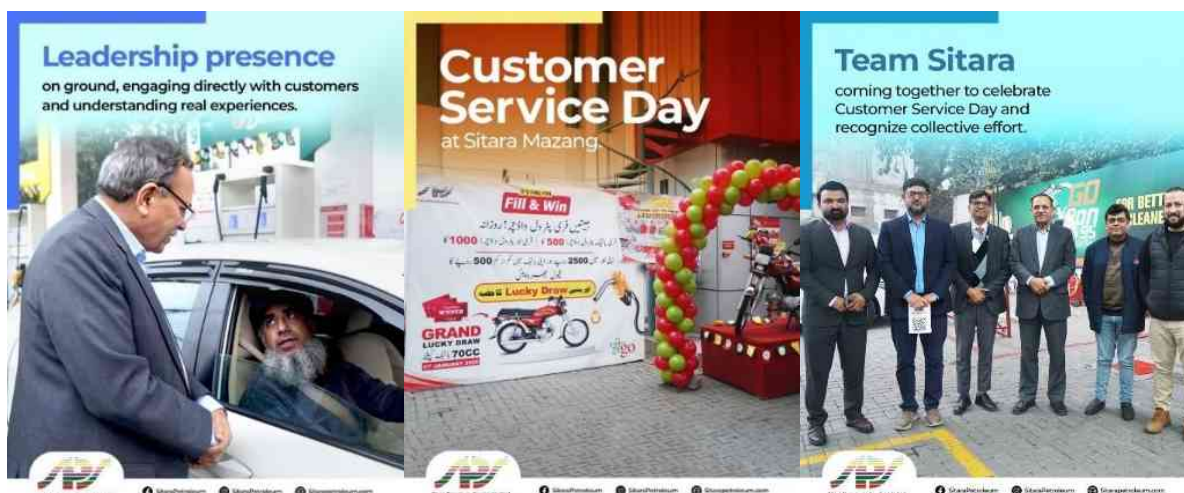
SPSL is implementing an omni-channel marketing strategy to optimize market penetration and cost-effective outreach:

**Media Optimization:** A data-driven approach to Above-the-Line (ATL) and Below-the-Line (BTL) activities, utilizing television, radio, print, and out-of-home (OOH) media.

<sup>14</sup> <https://pk.linkedin.com/company/manhattan-international>

**Performance-Based Marketing:** All creative production and media buying are subject to rigorous post-campaign evaluation and analytics to ensure alignment with commercial objectives and Return on Marketing Investment (ROMI).

**Strategic Content:** Development of specialized content to support trade marketing, retail promotions, sustainability disclosures, and employer branding.



### 3.10.3. DIGITAL ECOSYSTEM & SOCIAL ENGAGEMENT

The Company's digital strategy focuses on enhancing corporate reputation and stakeholder accessibility:

**Digital Hub:** The official corporate website ([www.sitarapetroleum.com](http://www.sitarapetroleum.com)) serves as the central repository for business profiles, product specifications, and investor relations information.

**Transformation & Visibility:** Ongoing enhancements to the digital platform are focused on improving investor visibility, search engine optimization (SEO), and performance marketing to drive customer engagement in an increasingly digital energy landscape.

### 3.10.4. STAKEHOLDER RELATIONS & MARKET INSIGHTS

To ensure sustainable market growth, the marketing framework extends into experiential and community-focused initiatives:

**Network Engagement:** Strengthening relationships with dealers and distributors through targeted activations, exhibitions, and trade engagement programs.

**CSR & Outreach:** Aligning the brand with community development and Corporate Social Responsibility (CSR) to reinforce SPSL's role as a responsible corporate citizen.

- Sitara water filtration plant<sup>15</sup>
- Sitara Dispensary<sup>16</sup>
- Sitara Dastarkhawan<sup>17</sup>

<sup>15</sup> <https://www.sitarapetroleum.com/about/corporate-social-responsibility>

<sup>16</sup> <https://www.sitarapetroleum.com/about/corporate-social-responsibility>

<sup>17</sup> <https://www.sitarapetroleum.com/about/corporate-social-responsibility>



Research & Analytics: Leveraging market intelligence and customer sentiment analysis to refine service offerings and maintain a competitive edge.

Through these integrated initiatives, SPSP is building a scalable and resilient brand presence capable of supporting its nationwide network expansion and fostering long-term loyalty among customers and partners alike.

### 3.11. END USERS, DEMAND FOR THE PRODUCTS AND KEY COMPETITORS

The end users of the Company's products comprise both the general public and corporate clients. SPSP's network of Fuel Stations serves as a key retail outlet, providing consumers with essential fuels including Motor Gasoline (MS), High-Speed Diesel (HSD), and High-Octane Blending Component (HOBC). These retail stations cater to a diverse customer base ranging from individual vehicle owners and transporters to commercial fleets and industrial consumers. SPSP's fuel stations are equipped with modern technology, digital metering systems, and safety infrastructure to ensure efficient, transparent, and reliable delivery service. In addition to fuel supply, the stations are designed to offer a convenient customer experience in addition to fuel supply, the stations also offer added convenience to customers through on-site tuck shops, car wash facilities, and tyre repair services, making them a one-stop solution for motorists and transporters alike.

The Company also provides carriage services for the transportation of petroleum products. These services are structured to meet the needs of third-party Oil Marketing Companies (OMCs), ensuring safe and timely delivery of fuel through a fleet of well-maintained oil tankers. However, at present, 100% of SPSP's carriage is dedicated to serving GO Petroleum Limited.

#### Competitors:

Following are the key competitors of SPSP operating as a dealer of an OMC.

Companies	No. of Pumps	OMCs
Taj Corporation	20	Taj Gasoline
Mahar Traders	8	Mix
Al Majeed Enterprises	7	GO
I&I	5	GO

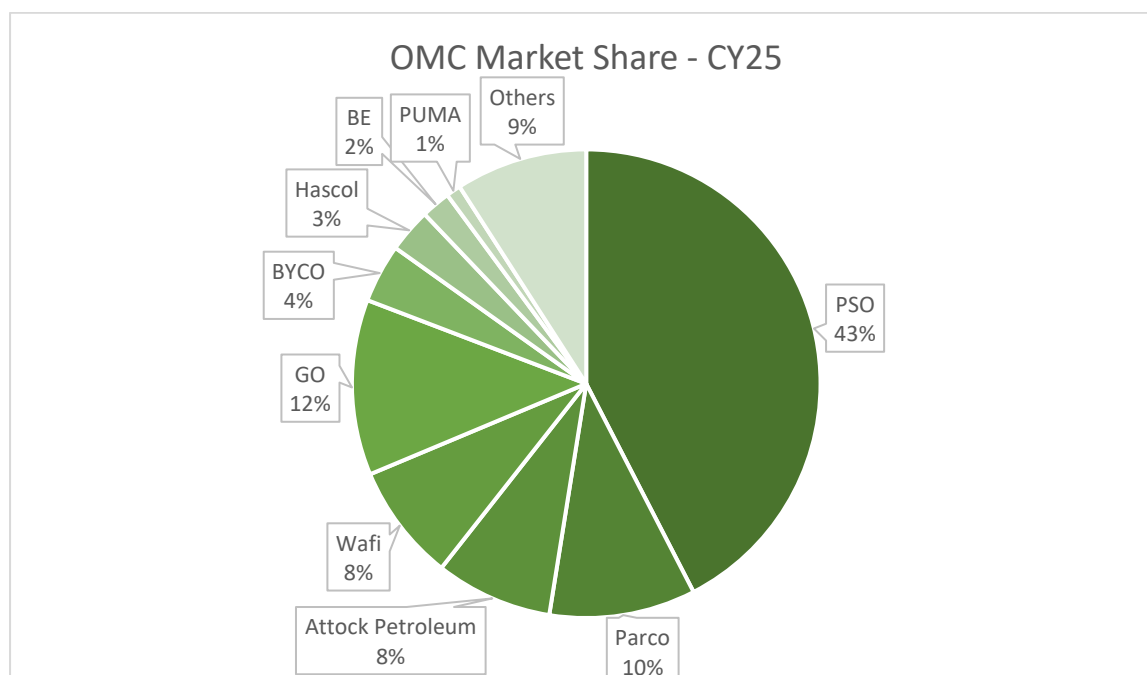
Source: SPSP's Management

SPSP operates as a dealer of GO in the fuel segment. While the OMCs listed below are not direct competitors of SPSP, they compete with GO Petroleum. Accordingly, any change in GO's market share has a direct impact on SPSP's performance - higher market share for GO translates into improved outcomes for SPSP.



## POL Products Competitors

Name	No of Fuel Stations <sup>19</sup>	CY 2025 <sup>18</sup>	
		Sale (K Tons)	Market Share
Pakistan State Oil	3,649	6,945	42%
Gas & Oil Pakistan Limited	<b>1,319</b>	<b>1,949</b>	<b>12%</b>
PARCO	823	1,703	10%
Attock Petroleum Limited	776	1,397	8%
Wafi	676 <sup>20</sup>	1,290	8%
Cnergyico PK Limited	476 <sup>21</sup>	580	4%
Hascol Petroleum Limited	659	542	3%
BE Energy	519	356	2%
PUMA	560	202	1%
Others	910	1,492	9%
<b>Total</b>	<b>10,367</b>	<b>16,456</b>	<b>100%</b>



## Carriage Services

- Bismillah Logistics (Pvt) Ltd
- Pakistan Tankers Company
- Shaheen Freight Services
- Horizon Oil Company
- Pakistan National Carriers

<sup>18</sup> <https://arifhabibltd.com/api/research/open?path=178/69577a4b13ce250dd5ca308c.pdf>

<sup>19</sup> [https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25_1765548937.pdf)

<sup>20</sup> <https://dps.psx.com.pk/download/document/263589.pdf>

<sup>21</sup> <https://dps.psx.com.pk/download/document/271370.pdf>



- Flow Petroleum

### 3.12. INTELLECTUAL PROPERTY RIGHTS

None

### 3.13. DETAILS OF MATERIAL PROPERTY

Details of SPSL's material properties, as of December 31, 2025, are provided hereunder:

S. No	Property Address	Ownership Status	Date of Acquisition	Usage	Total Area (M: Marla, K: Kanal)
1	Main Bahawalnagar Road, Qaboola Bypass, Tehsil Arif Wala, District Pakpattan and agricultural land in Qabula.	Owned	7/1/2013	Fuel station	21K-5M
2	Main Haroon Abad Road, Tehsil Fort abbas, District Bahawalnagar	Owned	7/1/2013	Fuel station	5K
3	Mouza Fazal Pur, Indus Highway Road, Tehsil & Distt Rajan	Owned	7/1/2013	Fuel station	2K-8M
4	Abdalian Housing Society, Lahore	Owned	3/1/2019	Proposed Pump	1.5K
5	DHA Islamabad Phase 2 Sector F	Owned	3/11/2021	Guest House	6M
6	Chak No. 213, Rab Tehsil City and District Faisalabad	Owned	1/1/2022	Fuel station	54M
7	Chak No 212 RB Faisalabad	Owned	1/11/2022	Proposed Pump	4M 87SFt
8	Chak No. 52/5-L Tehsil and District, Sahiwal	Owned	12/7/2018	Proposed Pump	7Acres
9	District Nowshera, Peshawar	Owned	4/18/2019	Fuel station	12K
10	782-E DHA Phase-6 Lahore- 783-E DHA Phase-6 Lahore	Owned	3/11/2021	Guest House	4K
11	Arif Wala Bahawalpur Road at Qabula City Tehsil Arif Wala District Pakpattan	Owned	7/1/2013	Fuel station	41M
12	KLP Road, Adda Sheikh wahin, Rahimyar khan	Owned	6/29/2021	Fuel station	13.85K
13	Fort Abbas Yazman Road, District Bahawalnagar	Owned	7/1/2013	Fuel station	4K
14	Rahim Yar Khan	Owned	6/25/2021	Office Site	8M
15	Chak No 140, Tehsil Salan Wali District Sargodha	Owned	1/17/2022	Proposed Pump	110M
16	Maza Sajoka, Tehsil Sahiwal District Sargodha	Owned	9/22/2021	Proposed Pump	16K



17	Moza Khairpur Malia Tehsil and District Sheikhpura	Owned	11/11/2021	Fuel station	3K-13M
18	Chak-155-EB, Arif Wala, Pakpattan	Owned	11/1/2022	Pump Extension	9M-110F
19	Chak no 66, tehsil and district, Faisalabad	Owned	29/09/2022	Pump Construction U/P	45M
20	Chak No 190, Rab karari Tehsil and dist. Faisalabad	Owned	8/20/2024	Pump Construction U/P	1K-4M
21	Karman Wala P/S Renala Khurd, City I, Chak No.25/2-L	Owned	3/28/2025	Pump Construction U/P	6K-15M
22	Urban Faisalabad Chak no 212RB	Owned	2/14/2025	Proposed Regional Office	150Ft
23	Chak No. 135/9-L Sahiwal	Owned	8/6/2025	Proposed Pump	12K-8M
24	Chak No. 201 RB Faisalabad	Owned	9/15/2025	For construction of Depot	74K-15M

### 3.14. FUTURE PROSPECTS AND DEMAND OUTLOOK

Looking ahead, growth in fuel demand is expected, supported by population growth and improved economic activity. However, energy transition trends - like electric vehicles - pose long-term challenges. On the upside, government support for private investment in terminals and storage offers growth opportunities for well-capitalized firms.

The following table represents demand forecast for oil products for FY2026 - FY 2030:

Year	MS Sales in MT <sup>22</sup>	Projected Growth Rate
FY2025	7,740,784	-
FY2026	7,992,359	3.2%
FY2027	8,232,130	3.0%
FY2028	8,520,255	3.5%
FY2029	8,861,065	4.0%
FY2030	9,171,202	3.5%

Year	HSD Sales in MT <sup>23</sup>	Projected Growth Rate
FY2025	7,018,045	-
FY2026	7,281,222	3.8%
FY2027	7,517,861	3.2%
FY2028	7,743,397	3.0%
FY2029	8,014,416	3.5%
FY2030	8,334,993	4.0%

<sup>22</sup> Pakistan Oil Report 2024 – 2025 (OCAC)

<sup>23</sup> Pakistan Oil Report 2024 – 2025 (OCAC)



Oil Companies Advisory Council (OCAC's) forecast shows a projected growth rate of 3.0% - 4.0% for Motor Spirit while HSD shows growth of approximately 3% year over year.

SPSL's growth outlook is closely aligned with the expansion of Pakistan's petroleum sector, which continues to be a critical enabler of the country's energy and mobility needs. With ongoing increases in population, urbanization, and industrial activity, national demand for petroleum products - particularly High-Speed Diesel (HSD) and Motor Gasoline (Petrol) - is projected to rise steadily over the medium term.

### **Storage Facility**

The Company will construct its oil storage terminal and apply for an OMC license. The Company is expected to become and operate as an OMC in FY2028. Upon grant of OMC license, the Company will be authorized to engage in the marketing, distribution, and sale of petroleum products across Pakistan. This license enables the Company to establish and operate fuel stations, procure and store petroleum products, and supply them to retail and commercial customers in its own name. The Company will need to comply with regulatory standards set by the OGRA, including safety, quality, and pricing guidelines. Additionally, the Company can expand its market presence, compete with established OMCs, and contribute to the energy sector by supplying fuel to meet consumer demand.

The Company's envisions of development of a dedicated oil storage facility will enhance inventory management and allow better handling of bulk procurement. The storage capacity of the terminal facility will be 30,000 MT. This will also bring new revenue sources for SPSL e.g. hospitality (whereby SPSL will charge rent to third parties for using their storage) and throughput (whereby SPSL will charge when third-party trucks use its depot to load and unload).

### **Market Reach**

The emphasis on fuel supply reliability, especially in under-served and rural regions, presents opportunities for network expansion and increased volume throughput. SPSL's relationships with GO further strengthen its long-term position in both the retail and carriage segments.

### **Fuel Imports and Logistics Demand**

Increase reliance on imported fuels including LPG and refined petroleum products, the demand for logistics and last-mile fuel distribution is expected to grow significantly. SPSL's logistics capacity and agile operational model give it a competitive advantage in seizing emerging opportunities. In addition, as GO continues to grow and Sitara expands its operations, SPSL is likely to benefit even more. These developments will strengthen SPSL's position in the market and make it easier for the company to take full advantage of the increasing demand for fuel and logistics services.

### **Revenue Outlook and Growth Potential**

The Company's consistent revenue growth in recent years reflects its ability to scale alongside industry demand. With plans for operational expansion and attaining the OMC License, SPSL is well-positioned to benefit from the sector's evolving landscape and deliver sustainable revenue growth in the years ahead.

### **Cold Chain Logistics / Exploration Cranes**

In the future, SPSL intends to establish cold chain warehousing and logistics facilities to bridge the gap of approximately 10 million metric tons in cold chain capacity. This initiative is aimed at strengthening the country's food supply chain. To support this, SPSL targets the expansion of its vehicle fleet to 20 units by 2026.

### **EV Charging**



Further into the future, SPSL, in alignment with the Government's new Auto Policy, plans to develop electric vehicle (EV) charging infrastructure to facilitate the transition toward cleaner and more sustainable transportation solutions. SPSL's initiatives are aligned with the Government's objective of achieving 30% EV sales by 2030 through investments in enabling infrastructure and sustainable mobility solutions.

### Fast Food Restaurants

SPSL aims to collaborate with leading global food chains to establish operations across the MENAP region, capitalizing on the region's expanding consumer base.

### Lubricants

Building on trusted brands like GO and Valvoline Lubricants, which offer superior engine protection for all types of vehicles, SPSL is exploring entry into the automotive and industrial lubricants manufacturing segment. This move aims to meet growing domestic demand while diversifying the company's product portfolio.

### Tires

SPSL plans to set up a tire manufacturing facility in Pakistan to serve the domestic and regional markets.

### Market Outlook

SPSL remains focused on leveraging Pakistan's growing population and rising industrial demand to expand its footprint across multiple high-growth sectors, ensuring long-term value creation for shareholders. The market offers room to grow through network expansion, integrated logistics, and service in underserved regions. But success will depend on managing cash flows, scaling efficiently, and handling volatility. Given its economic importance and rising transport needs, the sector remains central to Pakistan's energy future and a viable area for long-term investment.

## 3.15. VENDORS TO THE ISSUER

### Gas and Oil Pakistan

S. No	Vendor Name	Country	Product	Purchases during FY23	% of Total Purchases during FY23	Purchases during FY24	% of Total Purchases during FY24	Purchases during FY25	% of Total Purchases during FY25	Purchases during 1H FY26	% of Total Purchases during 1H FY26
1	Gas & Oil Pakistan	Pakistan	Fuel	42,111	100%	37,818	100%	114,046	100%	66,987	100%
<b>Total</b>				<b>42,111</b>	<b>100%</b>	<b>37,818</b>	<b>100%</b>	<b>114,046</b>	<b>100%</b>	<b>66,987</b>	<b>100%</b>

The sole supplier of petroleum products to Sitara Petroleum Service Limited (SPSL) is Gas & Oil Pakistan Ltd. (GO). GO, a licensed Oil Marketing Company (OMC), supplies 100% of the fuel procured and distributed by SPSL through its nationwide retail outlet network. SPSL's operational model is therefore entirely reliant on this exclusive supply arrangement, making GO a critical partner across SPSL's value chain. Any disruption in GO's ability to supply fuel - whether arising from regulatory constraints, financial stress, supply chain disruptions, or logistical challenges - may have a direct and material impact on SPSL's operations, volumes, and revenue generation.

GO is Pakistan's **second largest OMC by retail footprint**, operating 1,319<sup>24</sup> retail sites, including service stations, across all four provinces of Pakistan. The company operates under multiple business models, ranging from

<sup>24</sup>[https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25_1765548937.pdf)



company-owned and operated sites to dealer-operated and mixed financed, enabling flexible capital deployment and rapid network expansion. GO has significantly strengthened its market presence in recent years, with its market share increasing from an average of approximately 3% in FY24 to around 10.5% in FY25<sup>25</sup>.

A key driver of this growth has been ARAMCO's 40% strategic equity stake in GO, which has enhanced the company's supply reliability, financial strength, governance standards, and brand credibility. The association with ARAMCO - one of the world's largest integrated energy companies - has supported GO's access to fuel supply, operational efficiencies, and accelerated retail network expansion, positioning GO among the leading OMCs in Pakistan.

GO continues to pursue an aggressive growth strategy and plans to expand its retail network. Expansion of GO's retail footprint directly translates into growth opportunities for SPSL, given its position as GO's single largest authorized dealer. The increase in dealer-operated outlets is expected to drive higher fuel movement, thereby supporting the scaling of SPSL's carriage and logistics business. Currently, GO contributes 100% of SPSL's carriage-related revenue, highlighting both the strength of the partnership and SPSL's exposure to GO's operational performance and expansion plans.



### 3.16. GROUP STRUCTURE OF THE ISSUER

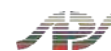
SPSL does not have any subsidiaries, the only have an investment in Capital Smart Motors which is 29.986% making them as an investment in associate.

### 3.17. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER:

Sitara Petroleum Services Limited (SPSL) operates within a highly regulated oil and gas sector and is required to comply with the regulatory framework prescribed by Oil and Gas Regulatory Authority (OGRA). As a licensed dealer, SPSL receives Form K from the concerned Oil Marketing Company (OMC), which governs the commercial and operational relationship between the OMC and SPSL. Under this arrangement, SPSL is obligated to comply with OGRA's requirements relating to retail operations, including product quality standards, pricing compliance, safety protocols, record keeping, and periodic inspections.

In addition to retail dealership operations, SPSL provides fuel transportation and logistics services to GO Petroleum. These logistics activities are also subject to OGRA's regulatory oversight. SPSL must ensure compliance with OGRA regulations related to transportation of petroleum products, including licensing of

<sup>25</sup> <https://arifhabibltd.com/api/research/open?path=178/6865213b7a00429e91c4cb34.pdf>



browsers, calibration and fitness certification of vehicles, driver training, safety and emergency response standards, and adherence to prescribed routes and documentation requirements.

Under the OGRA licensing framework, the criteria for establishing a new Oil Marketing Company require<sup>26</sup>:

- A minimum upfront equity of PKR 100 million and
- A minimum total investment programme of PKR 500 million over a period of three years, which includes paid-up capital and infrastructure development.

Looking ahead, SPSL intends to apply for its own OMC license. This will significantly expand its regulatory obligations, requiring compliance with extensive OGRA requirements covering minimum capital thresholds as mentioned above, storage and infrastructure development, supply chain arrangements, health, safety and environment (HSE) standards, reporting obligations, and ongoing regulatory audits.

Collectively, these regulatory requirements are critical to ensuring safe, transparent, and reliable operations across SPSL's current and planned business activities.

### 3.18. ASSOCIATED COMPANIES.

Name of Company	Nature of Business	Nature of Relation	Shareholding %
Hungrie (Private) Limited	Fast Food chain	Common Directorship (Muhammad Usman Javed and Muhammad Ali)	65% holding of Muhammad Usman Javed & 35% holding of Muhammad Ali
Capital Smart Motors	Automotive	SPSL's Investment in Capital Smart Motors	29.986% holding of SPSL
Zarea Limited	B2B ecommerce Market Place	Common Directorship (Muhammad Afzal Chaudary)	-
Sindh Transmission & Dispatch Company	Electricity Transmission	Common Directorship (Rafat Sultana)	-
Alpha Insurance Company	Insurance Services	Common Directorship (Rafat Sultana)	-

### 3.19. RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out at an arm's length basis price determined in accordance with comparable uncontrolled price method, except mentioned otherwise Parties are said to be related if they are able to influence the operating and financial decisions of the company and vice versa. The related parties comprise of associated undertaking, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties, details of which are written below:

Name	Relationship	Nature	FY	FY	FY
			2023	2024	2025
			(PKR Mn)	(PKR Mn)	(PKR Mn)

<sup>26</sup> <https://www.ogra.org.pk/download/625>



Sitara Heights (Pvt.) Ltd.	Common management	Advance received back	4,047	2,111	-
Sitara Heights (Pvt.) Ltd.	Common management	Advances paid	4,054	2,113	-
Mr. Tahir Iqbal	Former Director / CEO	Loan given and repaid	200	-	200

### 3.20. PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER, WHICH THE ISSUER HAS CONTROL ALONG WITH FOLLOWING INFORMATION:

The Issuer, SPSL, does not have control over any associated listed company.

### 3.21. INDUSTRY OVERVIEW

The oil and gas industry is broadly divided into three segments: upstream, midstream, and downstream.

- The upstream segment focuses on exploration, field development, and production operations.
- The midstream segment covers refining, processing, storage, and distribution activities.
- The downstream segment includes wholesale, marketing, and dealership operations.

Oil and gas marketing and distribution companies are vital intermediaries in the energy sector, responsible for the wholesale and retail sale of fuel products derived from crude oil and natural gas. These companies also manage the logistics of transporting oil and gas from refineries to various consumer outlets such as gas stations, industries, and households. They play a crucial role in maintaining the energy supply chain and stabilizing local markets by matching supply with consumer demand.<sup>27 28</sup>

### 3.22. GLOBAL OVERVIEW:

Supported by recent policy shifts and a stronger global economy, oil demand is expected to keep growing steadily by about 9.6 million barrels per day (mb/d) over the medium term, increasing from 103.7 mb/d in 2024 to around 113.3 mb/d by 2030.<sup>29</sup> Most of this growth will come from non-OECD countries, though demand in OECD nations is also projected to edge higher. Oil demand is expected to peak by CY30 with natural gas and oil forecasted to remain a core part of the global energy mix till then.

Over the longer run, regions like India, other parts of Asia, the Middle East, and Africa will be the main drivers of global oil consumption. Among these, India is expected to lead the charge. China's demand will rise too, but more moderately with most of the increase happening before 2030 and leveling off afterward.<sup>30</sup>

The transportation sector continues to form the backbone of global oil demand, accounting for over half (57%) of total consumption in 2024. Going forward, the biggest jumps in usage are likely to come from road transport and aviation, while petrochemicals will also play a growing role.<sup>31</sup>

Demand for road transport fuels will rise mainly because the global vehicle fleet is expanding rapidly, especially in developing countries. The total number a vehicles is expected to climb from 1.7 billion in 2024 to about 2.9 billion by 2050. Electric vehicles (EVs) will see the fastest growth, but traditional internal combustion engine (ICE) vehicles will still make up the majority of cars on the road.<sup>32</sup>

<sup>27</sup> [https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25_1765548937.pdf)

<sup>28</sup> <https://docs.vis.com.pk/Sector%20Update%202024/Sector-OilGas-Distribution.pdf>

<sup>29</sup> <https://www.opec.org/assets/assetsdb/woo-2025.pdf>

<sup>30</sup> <https://www.opec.org/assets/assetsdb/woo-2025.pdf>

<sup>31</sup> <https://www.opec.org/assets/assetsdb/woo-2025.pdf>

<sup>32</sup> <https://www.opec.org/assets/assetsdb/woo-2025.pdf>



Reflecting these trends, light refined products (like petrol and jet fuel) and middle distillates (like diesel) are expected to drive most of the growth in oil demand, while heavy products will likely see only small changes due to environmental rules and the gradual shift toward alternative energy sources.<sup>33</sup>

Following is a list of 10 big oil companies in the world<sup>34</sup>:

Sr No.	Company	Country	2024 Revenue (USD Bn)	Net Income (USD Bn)
1	Saudia Aramco	Saudia Arabia	436	106.2
2	PetroChina Co Ltd	China	408	184
3	ExxonMobil	USA	339	33.7
4	Shell	United Kingdom	284	18.5
5	Sinopec	China	427	7.99
6	Total Energies	France	214	15.8
7	Chevron	USA	194	17.7
8	British Petroleum	United Kingdom	189	1.2
9	Marathon Petroleum	USA	139	3.5
10	Valero Energy Corporation	USA	129	2.8
	<b>Total</b>		<b>2,759</b>	<b>391</b>



### 3.23. LOCAL OVERVIEW:

Pakistan's oil marketing and distribution sector plays a crucial role in meeting the country's energy needs. It links domestic refineries and global suppliers with consumers nationwide. The industry manages the storage, transport, and retail of key petroleum products, including petrol, diesel, furnace oil, and jet fuel. Despite growing interest in cleaner energy, petroleum still accounts for over 60% of Pakistan's energy mix. The operating environment is shaped by regulated pricing, high capital needs, infrastructure gaps, and rising competition.

Pakistan's Oil Marketing Companies (OMC) sector recorded gross revenues of approximately PKR 4,416 billion in FY25, largely stable compared to PKR 4,438 billion in FY24<sup>35</sup>. The slight decline was primarily attributable to lower average prices of POL products, stemming from a softer global crude oil environment, while the PKR remained broadly stable during the year. Despite muted revenues, the sector posted moderate volumetric growth of 9.5%<sup>36</sup>, mainly driven by higher imports of POL products.

Pakistan's total POL consumption (domestic supply comprising local production and imports) increased to around 18.5 million MT in FY25, marking a strong recovery from 16.9 million MT in FY24 and 17.2 million MT in FY23<sup>37</sup>. This volume rebound was supported by higher refinery throughput, with local production improving

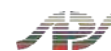
<sup>33</sup> <https://publications.opec.org/woo/chapter/142/2640>

<sup>34</sup> [https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20%20Dec25_1765548937.pdf)

<sup>35</sup> [PACRA REPORT - OMC](#)

<sup>36</sup> [PACRA REPORT - OMC](#)

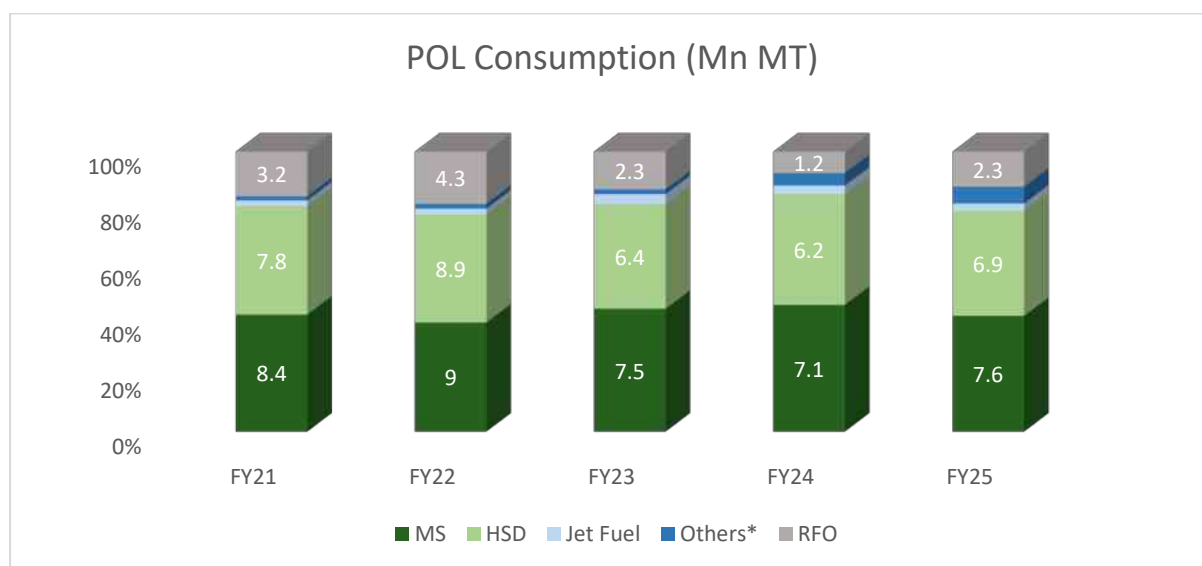
<sup>37</sup> [PACRA REPORT - OMC](#)



modestly to approximately 10.5 million MT (FY24: ~10.1 million MT), alongside a notable increase in imported POL products to ~8.0 million MT (FY24: ~6.8 million MT) <sup>38</sup>.

During FY25, additional OMC licenses were issued, raising the total number of licensed operators to an estimated 48, compared to 39 in FY24<sup>39</sup>.

Imports accounted for approximately 43% of total POL supply in FY25, up from ~40% in FY24<sup>40</sup>, highlighting the sector’s continued dependence on imported POL products despite marginal gains in local production. Meanwhile, the share of POL products and crude oil in Pakistan’s overall import mix declined to ~19% in FY25, down from ~22% in FY24 and ~22.8% in FY23, primarily due to lower international crude oil prices<sup>41</sup>.



[https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec25_1765548937.pdf)

The market remains moderately concentrated, led by PSO but recently PSO is being challenged by other OMCs. GO is rapidly taking up the market share of PSO. In FY24 GO’s market share was only 3% while this has increased to 11% in FY25<sup>42</sup>. While new players have expanded rapidly, many face financial pressure from volatile prices, currency swings, and delayed payments from institutional buyers.

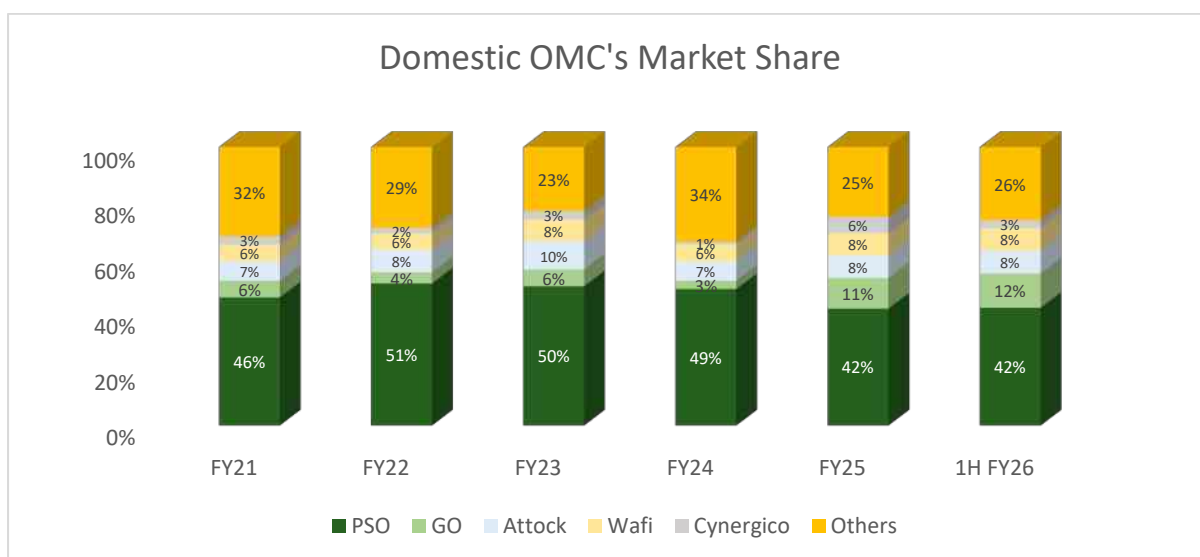
<sup>38</sup> [PACRA REPORT - OMC](#)

<sup>39</sup> [PACRA REPORT - OMC](#)

<sup>40</sup> [PACRA REPORT - OMC](#)

<sup>41</sup> [PACRA REPORT - OMC](#)

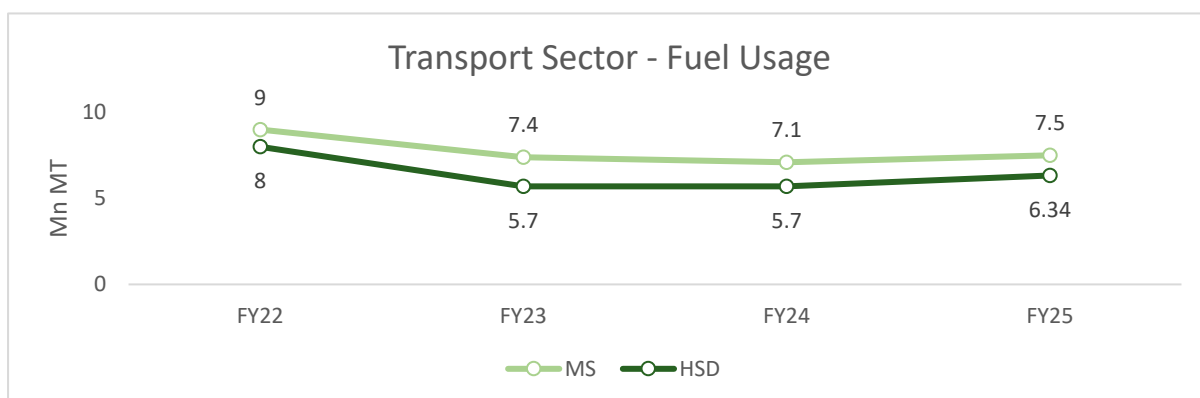
<sup>42</sup> <https://arifhabibltd.com/api/research/open?path=178/6865213b7a00429e91c4cb34.pdf>



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Major demand for POL Products includes the transport, industry and power sectors of the country. Among these, transport sector is the biggest demand driver. The breakdown of consumption of MS and HSD of transport sectors are given in the following tables:<sup>45</sup>

MS - Mn MT	FY2022	FY2023	FY2024	FY2025
<b>Transport</b>	9.0	7.4	7.1	7.5
HSD - Mn MT	FY2022	FY2023	FY2024	FY2025
<b>Transport</b>	8.0	5.7	5.7	6.34



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Macroeconomic instability also impacts the sector. Margins are fixed in rupee terms, so rising capital costs and inventory losses during price swings erode profitability. Regulatory risks, such as tax changes and fuel standards complicate operations. While some reforms like HOBC deregulation and Euro V adoption signal progress, compliance remains uneven.

<sup>43</sup>[https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec25_1765548937.pdf)

<sup>44</sup> AHL Research

<sup>45</sup>[https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec%2724\\_1733128871.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20-%20PACRA%20Research%20-%20Dec%2724_1733128871.pdf)



Looking ahead, there is cautious optimism for the rest of FY26. Global crude prices are expected to ease as OPEC+ continues to raise output, potentially softening domestic fuel prices in the months ahead. Market expects overall petroleum product sales to grow between 7 and 10 percent this fiscal year, driven primarily by petrol and diesel demand, while furnace oil is set to remain on a structural downward path as Pakistan continues its shift toward more efficient and environmentally friendly energy sources.<sup>46</sup>

For emerging players like SPSL, the market offers room to grow through network expansion, integrated logistics, and service in underserved regions. But success will depend on managing cash flows, scaling efficiently, and handling volatility. Given its economic importance and rising transport needs, the sector remains central to Pakistan's energy future and a viable area for long-term investment.

### Regulations & Pricing

The Oil and Gas Regulatory Authority (OGRA) oversees and licenses all Oil Marketing Companies (OMCs) in Pakistan, ensuring they follow strict operational, safety, and performance standards. Fuel prices in the country are government-regulated, with OGRA updating them every two weeks.

The ex-refinery price - set by refineries for both HSD and MS - fluctuates based on international oil prices and refinery margins. The government also charges a petroleum levy, which serves as a development tax. To maintain uniform fuel prices across the country, the In-Land Freight Equalization Margin (IFEM) is applied and revised every fortnight by OGRA. OMCs earn a fixed distribution margin on fuel sales, currently around PKR 7.9 per liter for both MS and HSD, while fuel pump owners receive a fixed dealer's commission of about PKR 8.6 per liter. Additionally, a carbon levy designed to curb emissions is charged at PKR 2.5 per liter, with expectations that it will rise to PKR 5 per liter.

Before obtaining a marketing license, companies must comply with OGRA's storage infrastructure requirements and are also required to maintain minimum stock levels - generally around 20 days - to ensure consistent supply. OMCs work within a fixed margin framework, while the final consumer price reflects various government charges, including petroleum levy and GST. To support the digitization and automation of fuel stations over the coming three years, OGRA has also proposed an increase in OMC and dealer margins.

### Fuel Price Breakdown:

1) Ex-Refinery Price: The refinery output price for finished inventories of HSD and MOGAS. It is variable based on global prices, refinery costs, and margins.

2) Petroleum Levy (PL) & Carbon Levy (CL): PL is a discretionary, variable tax adjusted by GoP as needed. The GoP has raised the maximum cap of PL to PKR ~90/liter for FY26 on both MOGAS and HSD.

3) In-Land Freight Equalization Margin (IFEM): The element of pricing structure that allows pricing of POL products to remain at par across the country. A freight pool managed by OGRA is developed to keep the prices equalized countrywide. It is variable and revised on a fortnightly basis by OGRA.

4) OMC Margin: Fixed Commission per liter earned by the OMCs upon sales of HSD and MOGAS to Industrial and retail clients. At present, this is set at PKR~7.87 for both MOGAS and HSD by OGRA.

5) Dealer's Commission: Fixed Commission per liter earned by the dealer or owner of the petrol pump. At present, this is set at PKR~8.64/liter for MOGAS and HSD.

6) Carbon Levy: FY26 budget sets Carbon Levy at PKR ~2.5/liter, with the plan to raise it to PKR 5/liter later on.

<sup>46</sup> <https://www.brecorder.com/news/40376263>

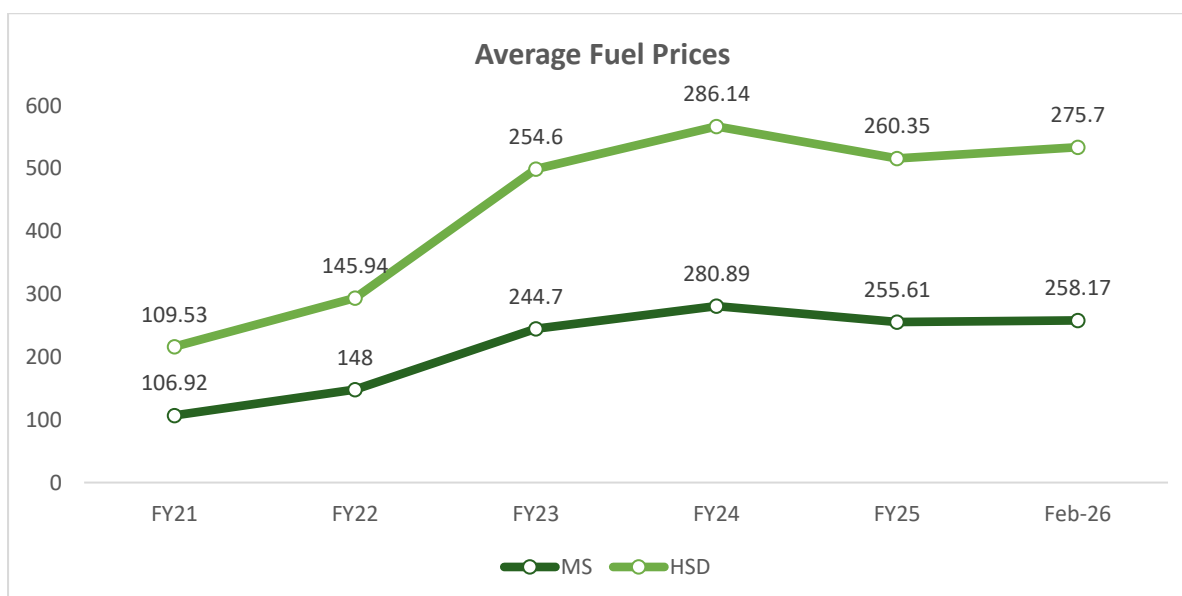


MS	FY23	FY24	FY25	Current Price*
Ex-Refinery	187.45	200.59	167.90	146.53
Petroleum Levy	42.28	59.17	64.59	84.40
IFEM	3.28	5.57	6.61	8.23
OMC Margin	4.87	7.36	7.87	7.87
Dealer Margin	6.83	8.20	8.64	8.64
Carbon Levy	-	-	-	2.5
<b>Total**</b>	<b>244.70</b>	<b>280.89</b>	<b>255.61</b>	<b>258.17</b>

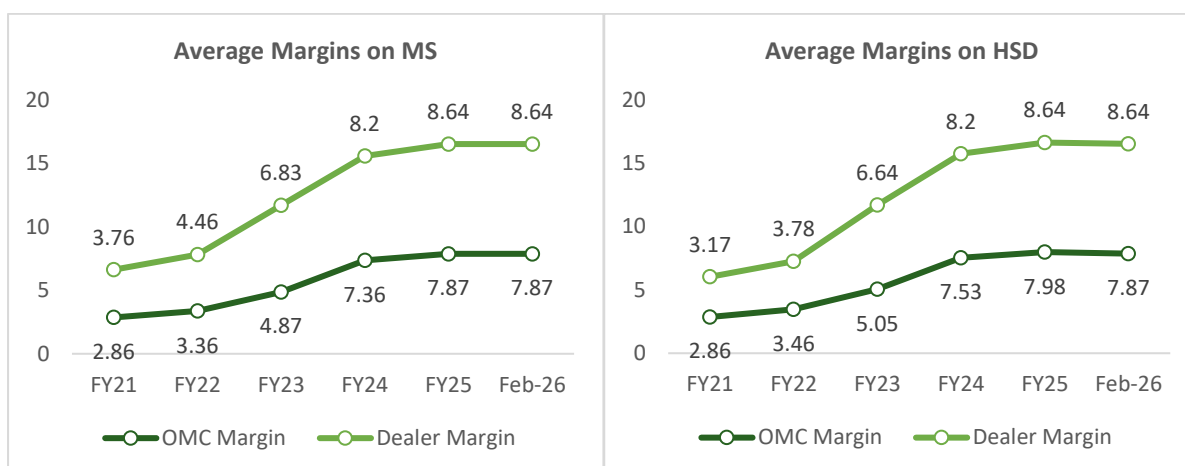
\*Price as of 19<sup>th</sup> February 2026.

HSD	FY23	FY24	FY25	Current Price*
Ex-Refinery	217.99	211.87	175.70	174.23
Petroleum Levy	28.44	56.88	64.38	76.21
IFEM	(3.52)	1.67	3.65	6.25
OMC Margin	5.05	7.53	7.98	7.87
Dealer Margin	6.64	8.20	8.64	8.64
Carbon Levy	-	-	-	2.5
<b>Total</b>	<b>254.60</b>	<b>286.14</b>	<b>260.35</b>	<b>275.70</b>

\*Price as of 19<sup>th</sup> February 2026.



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### Association

OCAC<sup>47</sup> represents the downstream oil industry at government and non-government forums and works on issues of common interest for the sector. It acts as a central data hub by collecting information from member companies and preparing industry statistics and reports, which are used by both members and the regulator (OGRA) for planning and operational purposes.

In addition, OCAC coordinates petroleum supply logistics by planning vessel schedules for oil imports and exports, and by assessing short- and long-term supply and demand balances of petroleum products. It supports smooth availability of oil products by identifying infrastructure gaps and port constraints and by suggesting upgrades or de-bottlenecking where needed. OCAC also assists OGRA in industry coordination, including product review meetings and freight pool management, and regularly shares consolidated industry views with government authorities on policy, regulatory, and fiscal matters. Its annual oil report serves as a key reference for understanding and planning the development of Pakistan's downstream oil sector.

### Future Prospects

On Dec 09, 2025, the government approved an increase of PKR 1.22/liter in OMC margins and PKR 1.34/liter in dealer margins, to be implemented in two phases. In the first phase, an increase of PKR 0.61/liter for OMCs and PKR 0.67/liter for dealers) is approved and effective from Dec'25. In the second phase, equivalent increase is scheduled from Jun 01, 2026, subject to fulfillment of sales and inventory digitalization requirements.<sup>48</sup> This increase in margins is long awaited and will improve the profitability of SPSL and other OMCs.

The following table represents demand forecast for oil products for FY2026 - FY 2030<sup>49</sup>:

Year	MS Sales in MT
FY2025	7,740,784
FY2026	7,992,359
FY2027	8,232,130
FY2028	8,520,255
FY2029	8,861,065
FY2030	9,171,202

<sup>47</sup> <https://www.ocac.org.pk/>

<sup>48</sup> [https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25\\_1765548937.pdf](https://www.pacra.com/view/storage/app/Oil%20Marketing%20Companies%20&%20Dealers%20%20PACRA%20Research%20-%20Dec25_1765548937.pdf)

<sup>49</sup> Pakistan Oil Report 2024 – 2025 (OCAC)



Year	HSD Sales in MT
FY2025	7,018,045
FY2026	7,281,222
FY2027	7,517,861
FY2028	7,743,397
FY2029	8,014,416
FY2030	8,334,993



### 3A. SHARE CAPITAL AND RELATED MATTERS

#### 3A (i) SHARE CAPITAL

The current share capital of SPSL is as follows:

Share Capital	No. of Shares	Face Value Per Share (PKR)	Premium (PKR)	Total (PKR)
<b>Authorized Share Capital</b>				
Ordinary Shares	1,900,000,000	1	-	1,900,000,000
<b>Issued, Subscribed &amp; Paid-Up Capital</b>				
Ordinary Shares of PKR 1/- each fully paid	1,400,000,000	1	-	1,400,000,000
<b>Total</b>	<b>1,400,000,000</b>	<b>1</b>	<b>-</b>	<b>1,400,000,000</b>
<b>Breakdown of Issued, Subscribed and Paid-up capital:</b>	<b>No. of Shares</b>	<b>Face Value Per Share (PKR)</b>	<b>Premium (PKR)</b>	<b>Total (PKR)</b>
<b>Sponsors:</b>			-	
Muhammad Siddique Javed	209,404,970	1	-	209,404,970
Muhammad Usman Javed	209,404,970	1	-	209,404,970
Muhammad Hassan Javed	209,404,970	1	-	209,404,970
Muhammad Ali	209,405,020	1	-	209,405,020
Huzaifa Bilal	209,404,970	1	-	209,404,970
Hassan Bilal	209,404,970	1	-	209,404,970
<b>Directors</b>				
Zaheer Baig	60	1	-	60
Rafat Sultana	10	1	-	10
Fareed Ahmad Agha	10	1	-	10
Muhammad Afzal Chaudhary	10	1	-	10
Zain Liaqat	40	1	-	40
<b>Other Shareholders</b>			-	
Other Shareholders**	143,570,000	1	-	143,570,000
<b>Sub Total</b>	<b>1,400,000,000</b>	<b>1</b>	<b>-</b>	<b>1,400,000,000</b>
<b>Present Issue of Ordinary Shares</b>	<b>No. of Shares</b>	<b>Face Value Per Share (PKR)</b>	<b>Premium Per Share (PKR)</b>	<b>Total (PKR)</b>
<b>New Issuance through Pre-IPO</b>	111,914,000	<b>1</b>	<b>13.85</b>	111,914,000
<b>New Issuance through IPO - Book Building</b>	126,000,000	<b>1</b>	<b>12.50</b>	126,000,000
<b>New Issuance through IPO - Retail</b>	42,000,000	<b>1</b>	<b>12.50</b>	42,000,000
<b>Paid up Capital (Post Pre-IPO &amp; IPO)</b>	<b>1,679,914,000</b>	<b>1</b>		<b>1,679,914,000</b>

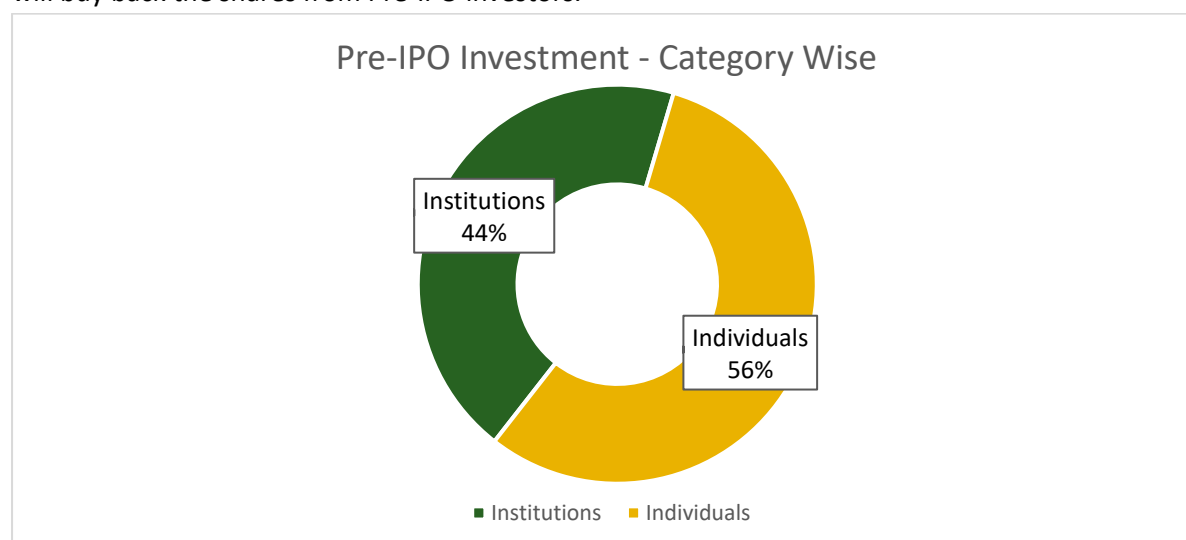
\*\*Other shareholders include close friend family of sponsors

The company has entered into agreements to sell 111,914,000 shares i.e. 6.66% of the Post IPO Paid Up Capital of company to the following investors at the date mentioned as follows:



S. No	Pre-IPO Investors	Category	No. of Shares	Share Price	Total Amount	Percentage	Agreement Date
1	Bank Alfalah Limited	Institutions	30,310,000	14.85	450,103,500	27.1%	02/02/2026
2	Lucky Investments	Institutions	16,850,000	14.85	250,222,500	15.1%	30/01/2026
3	Shahid Malik	Individual	13,480,000	14.85	200,178,000	12.0%	30/01/2026
4	Muhammad Nasir	Individual	13,480,000	14.85	200,178,000	12.0%	30/01/2026
5	Muhammad Shahid Ali	Individual	6,750,000	14.85	100,237,500	6.0%	30/01/2026
6	Shahid Hameed	Individual	6,750,000	14.85	100,237,500	6.0%	30/01/2026
7	Mohammad Amin	Individual	8,108,000	14.85	120,403,800	7.2%	30/01/2026
8	Omair Safdar	Individual	3,367,000	14.85	49,999,950	3.0%	30/01/2026
9	Shahida Bano	Individual	3,269,900	14.85	48,558,015	2.9%	30/01/2026
10	Integrated Equities Limited	Institutions	2,100,000	14.85	31,185,000	1.9%	30/01/2026
11	Shahida Bano	Individual	1,468,100	14.85	21,801,285	1.3%	30/01/2026
12	Saad Reaz	Individual	1,347,000	14.85	20,002,950	1.2%	30/01/2026
13	Muhammad Saqib Imtiaz	Individual	1,000,000	14.85	14,850,000	0.9%	30/01/2026
14	Fakhar Abbas Khan	Individual	1,000,000	14.85	14,850,000	0.9%	30/01/2026
15	Muhamad Sohail	Individual	1,000,000	14.85	14,850,000	0.9%	30/01/2026
16	Faisal Tahseen	Individual	374,000	14.85	5,553,900	0.3%	30/01/2026
17	Zahid Rafique	Individual	350,000	14.85	5,197,500	0.3%	30/01/2026
18	Tahseen Ali Khan	Individual	260,000	14.85	3,861,000	0.2%	30/01/2026
19	Kashif Rafique	Individual	250,000	14.85	3,712,500	0.2%	30/01/2026
20	Tahir Waheed	Individual	200,000	14.85	2,970,000	0.2%	30/01/2026
21	Asma Tahir	Individual	200,000	14.85	2,970,000	0.2%	30/01/2026
<b>Total</b>			<b>111,914,000</b>		<b>1,661,922,900</b>		

The transfer of shares to the above-mentioned investors would be post PSX & SECP approval before book-building. The Pre-IPO Purchaser undertakes and confirms that the Purchaser will not divest, sell, assign, transfer and/or dispose of any of the Shares for a period of 30 (thirty) days from the date of listing of the Issuer on the PSX. Since the Pre-IPO is contingent upon IPO, therefore in case, if for any unforeseen reason, the IPO does not materialize, the Private Placement will also not be fulfilled. In case after the allocation of shares to Pre-IPO investors, the book building does not materialize, SPSL will buy back the shares from Pre-IPO investors.





### 3A (ii) PATTERN OF SHAREHOLDING

SPSL's current pattern of shareholding is provided hereunder:

Name	Shares Held (No.)	Ownership %
<b>Sponsors:</b>		
Muhammad Siddique Javed	209,404,970	14.96%
Muhammad Usman Javed	209,404,970	14.96%
Muhammad Hassan Javed	209,404,970	14.96%
Muhammad Ali	209,405,020	14.96%
Huzaifa Bilal	209,404,970	14.96%
Hassan Bilal	209,404,970	14.96%
<b>Directors and related family:</b>		
Zaheer Baig	60	0.00%
Fareed Ahmad Agha	10	0.00%
Rafat Sultana	10	0.00%
Muhammad Afzal Chaudhary	10	0.00%
Zain Liaqat	40	0.00%
<b>Other Shareholders:</b>		
Other Shareholders	143,570,000	10.26%
<b>Total</b>	<b>1,400,000,000</b>	<b>100%</b>

### 3A (iii) SPONSORS SHARES TO BE KEPT IN BLOCKED FORM

Shares held by Sponsors	Pre Issue Holding	Pre Issue Shareholding	Post Issue Holding	Post Issue Shareholding
Muhammad Siddique Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Siddique Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Hassan Javed	209,404,970	14.96%	209,404,970	12.47%
Muhammad Ali	209,405,020	14.96%	209,405,020	12.47%
Huzaifa Bilal	209,404,970	14.96%	209,404,970	12.47%
Hassan Bilal	209,404,970	14.96%	209,404,970	12.47%

Note:

- i. As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- ii. As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Post Issue Paid Up Capital of the Company for not less than three years from the last date for the public subscription;
- iii. As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (iii) above shall be kept unencumbered in a blocked account with the CDC;
- iv. As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations. Provided that a sale of at least 5% of the post issue paid up capital or PKR. 50 million, whichever is lower, shall constitute a block sale during the lock-in period.



### 3A (iv) PRESENT ISSUE

The company intends to issue **279,914,000** Ordinary Shares with 119,914,000 (6.66%) in Pre-IPO and 168,000,000 in post-IPO (10.00%) representing 16.66% of total Post- IPO Paid-Up Capital having a Face Value of PKR 1.0/- each. 119,914,000 shares will be offered in pre-IPO at a price of PKR 14.85 (10% premium to floor price). The IPO Issue of 168,000,000 Ordinary Shares, seventy five percent (75%) of the issue i.e. 126,000,000 ordinary shares will be offered through the Book Building process at a Floor Price of PKR 13.50/- per share with a price band of 40% above the floor price i.e. PKR 18.90/-. The bidders shall be allowed to place bids for seventy five percent (75%) of the issue size, and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue, i.e. 42,000,000 ordinary shares will be offered to retail investors. The retail portion will be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue. Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriter to the issue.

### 3A (v) SHARES ISSUED IN PRECEDING YEARS

Break-up of shares issued since the inception of the company, including bonus shares, right shares and non-cash shares, has been provided below:

S. No.	No. of shares issued	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total Value (PKR)	Consideration	Year of issuance
1	1,000	10	-	10,000	Initial Subscription	2012
2	34,999,000	10	-	349,990,000	Share in kind/ Cash/Bank	2012
3	105,000,000	10	-	1,050,000,000	Bonus	2019
<b>Total</b>	<b>140,000,000</b>			<b>1,400,000,000</b>		

Subsequently to the above table, a special resolution was passed on October 22<sup>nd</sup>, 2025, for share splitting in a ratio of one to 10 reducing the face value from PKR 10/- to PKR 1/- in order to enhance the liquidity of the share post-split.

No. of Shares - Before Split	Par Value Per Share (PKR) – Before Split	No. of Shares - Post Split	Par Value Per Share (PKR) – Post Split
<b>140,000,000</b>	10	1,400,000,000	1

The company has undertaken a share split and established a par value of PKR 1.00/- per share for the following key reasons:

#### 1. Enhancing Liquidity:

The share split is strategically implemented to increase the liquidity of the company's shares in the market. By reducing the par value and increasing the number of shares outstanding, the shares become more accessible to a diversified base of investors, thereby improving trading volume and liquidity

#### 2. Benefitting New Shareholders:

The share split is value-neutral for existing shareholders. While it increases the number of shares outstanding through a corresponding reduction in the par value per share, it does not affect shareholders' proportional ownership or the Company's overall market capitalization. Accordingly, the aggregate value of each shareholder's investment remains unchanged.



### 3A (vi) EMPLOYEE STOCK OPTION SCHEME

SPSL does not have any employee stock option scheme.

### 3A (vii) RELATED EMPLOYEES

Related Employees of the Company (Sitara Petroleum Service Limited) are as follows:

S. No	Name	Designation
1	Zaheer Baig	Chief Executive Officer
2	Abdur Rehman Farooq Butt	Chief Financial Officer / Company Secretary
3	Saleem Akbar	Head of Logistics
4	Talha Rasool	Head of HR
5	Asim Younas	Head of Strategy
6	Wajahat Ali Syed	Head of Retail and NFR
7	Imraan Moonis	Head of Marketing

Related employees of the Joint Consultant to the Issue (Arif Habib Limited) are as follows:

S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Farhan Rizvi	Managing Director, Investment Banking
3	Mr. Hamza Rehan	Assistant Vice President, Investment Banking
4	Mr. Malik Harris Rehan	Assistant Vice President, Investment Banking
5	Mr. Raheel Ahmed	Senior Associate, Investment Banking
6	Mr. Saif Ul Haq	Associate, Investment Banking
7	Mr. Muhammad Ismail	Associate, Investment Banking
8	Mr. Ali Raza	Senior Analyst, Investment Banking
9	Mr. Muhammad Faizan Qureshi	Senior Analyst, Investment Banking
10	Mr. Naveed Said	Senior Analyst, Investment Banking
11	Mr. Muhammad Ali	Analyst, Investment Banking
12	Mr. Tasweeb Fathe Khan	Analyst, Investment Banking
13	Mr. Sufyan Khan	Analyst, Investment Banking
14	Mr. Muhammad Ali Chandio	Analyst, Investment Banking

Related employees of the Joint Consultant to the Issue (Integrated Equities Limited) are as follows:

S. No	Name	Designation
1	Mr. Sardar Ali Wattoo	Chief Executive Officer
2	Mr. Muhammad Shahjahan	Head of Corporate Finance
3	Mr. Muhammad Iqbal Hussain	VP & Chief Compliance Officer
4	Mr. Haroon Khalil	Chief Financial Officer
5	Mr. Sabir Bashir	AVP Corporate Finance
6	Mr. Waleed Zafar	Financial Analyst
7	Mr. Muhammad Aadil	Financial Analyst
8	Mr. Ahmed Munawar	Financial Analyst



**3A (vii) UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION**

**E-STAMP**

**Barcode**

**QR Code**

**Stamp**

**Signature**

**Vendor Lic # 928**

**Sr. #**

**ATTESTED**

**RAJA ZULFIKAR ALI KHAN**

**GATH COMMISSIONER**

**UNDERTAKING**

We,


1. **Muhammad Usman Javed, son of Javed Iqbal being Sponsor/Director/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-2399783-1, resident of Hussainabad Colony Ward Street # 12 Qaboola Near GO Pump, Arifwala, District PakPatan.**
2. **Muhammad Hassan Javed, son of Javed Iqbal Qaiser being Sponsor/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-3554021-1, resident of Hussainabad Colony Ward Street # 12 Qaboola Near GO Pump, Arifwala, District PakPatan.**
3. **Muhammad Siddiq Javed, son of Javed Iqbal Qaiser being Sponsor/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-8879405-9, resident of Hussainabad Colony Ward Street # 12 Qaboola Near GO Pump, Arifwala, District PakPatan.**
4. **Muhammad Ali, son of Tahir Iqbal being Sponsor/Director/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-9279736-1, resident of Scheme No 3 Feroz Town House # 34Y Sahiwal.**
5. **Huzair Bilal, son Tahir Iqbal of being Sponsor/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-3525341-7, resident of Scheme No 3 Feroz Town House # 34Y Sahiwal.**
6. **Hassan Bilal, son of Tahir Iqbal being Sponsor/Shareholder of Sitara petroleum Service limited holding CNIC No. 36502-9683185-1, resident of Scheme No 3 Feroz Town House # 34Y Sahiwal.**

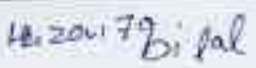



As hereby stated on solemn affirmation as under:

- (1) That we are the sponsor and majority shareholder/owner of the shares of Sitara Petroleum Service Limited (the "Company").
- (2) That the IPO Proceeds of Sitara Petroleum Service Ltd will be utilized as per the purpose disclosed in the Prospectus.

	
Muhammad Usman Javed Sponsor/Director/Shareholder Sitara Petroleum Service Limited	Muhammad Hassan Javed Sponsor/Shareholder Sitara Petroleum Service Limited

	
Muhammad Siddiq Javed Sponsor/Shareholder Sitara Petroleum Service Limited	Muhammad Ali Sponsor/Director/Shareholder Sitara Petroleum Service Limited

	
Huzefa Bilal Sponsor/Shareholder Sitara Petroleum Service Limited	Hassan Bilal Sponsor/Shareholder Sitara Petroleum Service Limited

Date: 30-1-2026





## 4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING AGREEMENTS

### 4.1. PRINCIPAL PURPOSE OF THE ISSUE

The principal purpose of the issue is to finance the expansion project. The expansion project started in October 2025 with the aim to set up oil storage terminal at Gatti, Faisalabad, expand footprint by opening new GO and Aramco branded pumps, and expand their carriage service segment by adding new oil tankers.

The project involves the following additions:

#### 1) Oil Storage Terminal

SPSL plans to develop a dedicated oil storage facility with a capacity of 30,000 MT at Gatti, Faisalabad. The company has already acquired the land for the construction of oil storage terminal. The land measures 74-Kanals and 15 Marlas, located in Chak 201, RB Tara Garh, Tehsil Sadar, District Faisalabad. The establishment of this storage facility will enable SPSL to meet a key regulatory requirement for obtaining an OMC license. Beyond regulatory compliance, the facility will enhance inventory management, reduce reliance on third-party storage providers, and enable more efficient handling of bulk procurement. Additionally, the storage infrastructure is expected to unlock new revenue streams for the Company, including hospitality and throughput income.

#### 2) Fuel Pumps:

The Company plans to establish additional fuel stations at various locations across Pakistan, primarily in Punjab, with selective expansion in Sindh and Khyber Pakhtunkhwa. This retail expansion is intended to enhance Sitara to increase their share in GO's total sales, diversify its revenue streams, and cater to growing customer demand in both urban and semi-urban areas.

Currently, the Company operates a mixed network of GO-branded and Aramco-branded retail fuel stations, comprising 54 GO sites and 7 Aramco sites, resulting in a total network of 61 fuel stations. The following table presents the category-wise number of fuel stations proposed to be added in this project.

No.	Fuel Pump Classification	No of Sites
1	CODO	3
2	DOCO-ARAMCO-MF	4
3	DODO	7
4	DODO - CF*	5
5	DODO - Mix Finance	12
6	Operator Only	16
	<b>Total</b>	<b>47</b>

\*One additional site planned under this classification is already operational as of 31<sup>st</sup> December 2025.

Out of the total 47 pumps that will be constructed under this project, location of 14 pumps have already been identified and work is in process, while for the rest location is yet to be identified. The location for 14 pumps are as follows:

S.No	Location of Under Construction Fuel Pumps
1	Basti Kyan Pur Stop, near Askari Bypass, Shujabad Road, Multan
2	Adda Khanuana, Bypass, Faisalabad
3	Purana Kahna, Ferozepur Road, Lahore – Rashid Hotyana
4	Jhang Road, Faisalabad
5	Bahawalnagar
6	Okaf, Liliani, Ferozepur Road, Lahore
7	Khokharapar, Karachi



8	New Kahna, Ferozepur Road, Lahore
9	Chak-198, Canal Road, Faisalabad
10	Chak-198, Sheikhpura Road, Faisalabad
11	Sargodha Road, Faisalabad
12	Chak-241, Jhang Road, Faisalabad
13	Pajian Chowk, Raiwind Road, Lahore
14	Jhang Road, Faisalabad

### 3) Oil Tankers:

SPSL also plans to expand its fleet of oil tankers, which will enable the Company to effectively cater to the increasing demand from GO. Under this project the company will acquire 15 Oil tankers in FY26 and further 35 in FY27 which will increase their fleet from 320 tankers to 370 tankers. As the Company's entire carriage revenue is generated through the provision of oil transportation services to GO, the expansion of the tanker fleet is expected to support revenue growth and enhance operational capacity. The bowsers for the 20 new tankers will be bought from Ghandara Industries and the tanker will be purchased from Autocom, while 30 used oil tankers will be acquired which are yet to be identified.

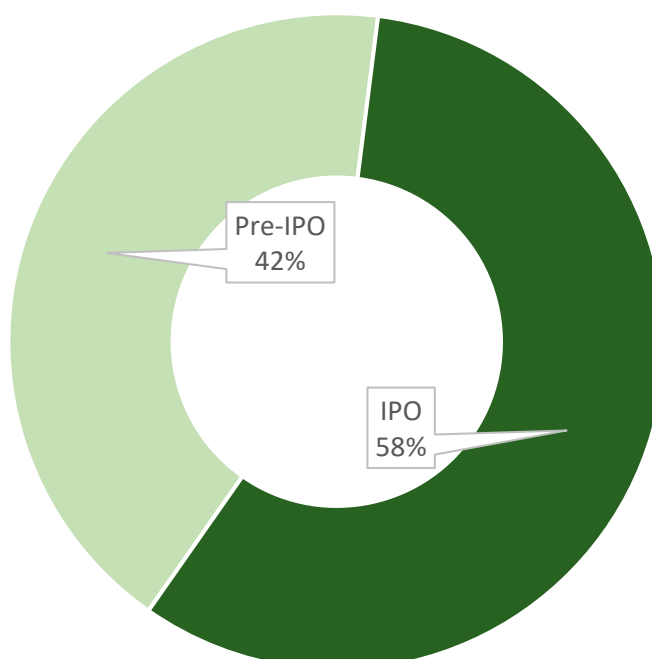
The expansion plan will be financed through Pre IPO, IPO proceeds and internal cash generation.

### 4.2. SOURCE OF FUNDS:

SPSL intends to raise PKR 3,929.92 million through Pre-IPO and IPO. They will issue 111,914,000 shares in Pre-IPO at a price of PKR 14.85 raising PKR 1,661.92 million followed by IPO issue consisting of 168,000,000 shares at a floor price of PKR 13.5/- raising PKR 2,268 million.

	No of Shares	Amount Raised
Pre-Initial Public Offering	111,914,000	1,661,922,900
Initial Public Offering	168,000,000	2,268,000,000
<b>Total</b>	<b>279,914,000</b>	<b>3,929,922,900</b>

### Amount Raised



### 4.3. UTILIZATION OF PROCEEDS

The principal purpose of the Issue is to finance the SPSL Project initiated in October 2025, pursuant to which SPSL intends to allocate the IPO and Pre-IPO proceeds towards strategic initiatives aimed at enhancing



operational efficiency, strengthening its supply chain and logistics infrastructure, expanding its retail footprint, and supporting sustainable long-term growth. The proceeds will be utilized for the establishment of a storage terminal to improve inventory management and supply reliability and apply for OMC license, the development of additional fuel stations across key regions to expand market presence and customer reach, and the expansion of the oil tanker fleet to enhance transportation capacity and service efficiency. These initiatives are expected to result in obtaining OMC license, strengthen supply chain resilience, improve distribution capabilities, optimize logistics operations, ensure supply stability, and reinforce SPSSL's competitive position within Pakistan's petroleum sector.

#### 4.3.1. TOTAL PROJECT COST

Particulars	Project Cost (PKR MN)	Already Incurred - 31 <sup>st</sup> December 2025 (PKR MN)	Remaining (PKR MN)
Oil Storage Terminal	5,069	581	4,488
Fuel Pumps	3,177	949	2,228
Oil Tankers	1,260	-	1,260
<b>Total</b>	<b>9,506</b>	<b>1,530</b>	<b>7,976</b>

Particulars	Remaining Cost (PKR MN)	From Pre-IPO Proceeds (PKR MN)	From IPO Proceeds (PKR MN)	From Internal Cash Generation
Oil Storage Terminal	4,488	930	1,270	2,288
Fuel Pumps	2,228	565	771	892
Oil Tankers	1,260	167	227	866
<b>Total</b>	<b>7,976</b>	<b>1,662*</b>	<b>2,268**</b>	<b>4,046</b>

\*Pre-IPO proceeds are calculated at the issue price i.e PKR 14.85/-

\*\*IPO proceeds are calculated at the floor price i.e PKR 13.50/-

#### 4.3.2. TOTAL FROM PRE IPO & IPO PROCEEDS

Particulars	From Pre-IPO Proceeds (PKR MN)	Percentage	From IPO Proceeds (PKR MN)	Percentage
Oil Storage Terminal	930	56%	1,270	56%
Fuel Pumps	565	34%	771	34%
Oil Tankers	167	10%	227	10%
<b>Total</b>	<b>1,662*</b>	<b>100%</b>	<b>2,268**</b>	<b>100%</b>

\* Pre-IPO proceeds are calculated at the issue price i.e PKR 14.85/-

\*\*For this purpose, IPO proceeds are calculated on the floor price i.e PKR 13.50/-

#### 4.4. ADDITIONAL BREAKDOWN RELATING TO THE PURPOSE OF THE ISSUE

##### 4.4.1. OIL STORAGE TERMINAL

SR.	Description	Expected Supplier/ Contractor	Cost (PKR)	Percentage (%)
1	Land (already acquired)	-	400,000,000*	8%
2	Mechanical Works	Elite Group	2,585,431,200	51%
3	Civil Works	Elite Group	1,086,092,532**	21%
4	Electrical & Instrumentation works	Elite Group	897,512,528	18%
5	Miscellaneous***	Elite Group	100,000,000	2%
	<b>Total</b>		<b>5,069,036,260</b>	<b>100%</b>

\*Land has already been acquired and details have been mentioned under material properties.



\*\*PKR 180,949,220 out of this has already been incurred as of 31<sup>st</sup> December 2025.

\*\*\*Miscellaneous includes minor expenses that may occur during construction and are based on management estimates.

The costs mentioned in the table for Oil Storage Terminal are based on quotation provided by Elite Group.

Description	Cost (PKR MN)	Percentage (%)
Cost Already Incurred	581	11.5%
From Pre-IPO Proceeds	930	18.4%
From IPO Proceeds	1,270	25.0%
From Internal Cash Generation	2,288	45.1%
<b>Total Cost</b>	<b>5,069</b>	<b>100%</b>

Breakdown of Electrical & Instrumentation Works:

Description	Amount	Expected Vendor	Expected Starting Date	Expected Dates
Supply & Installation of External Lighting	8,807,782	Elite Group	Jan - 27	Jun-27
Supply & Installation of Earthing including Earthing Cables	17,670,646	Elite Group	Jan - 27	Jun-27
Supply & Installation of Cathodic Protection System	147,398,874	Elite Group	Jan - 27	Jun-27
Supply & Installation of Building Electrification	39,756,412	Elite Group	Jan - 27	Jun-27
Supply & Installation of Switchgears	35,654,298	Elite Group	Jan - 27	Jun-27
Supply & Installation of Explosion Proof Lighting System	38,811,479	Elite Group	Jan - 27	Jun-27
Supply & Installation of Cable Trays, Conduits and G.I Pipes etc.	14,056,135	Elite Group	Jan - 27	Jun-27
Supply & Installation of Instrumentation for Product Tanks & Fire Water Tank	115,680,878	Elite Group	Jan - 27	Jun-27
Supply & Installation of Field Instrumentation for Pumping System	14,238,291	Elite Group	Jan - 27	Jun-27
Supply & Installation of Instrument Cables.	31,967,880	Elite Group	Jan - 27	Jun-27
Supply & Installation of Power Cables	36,830,541	Elite Group	Jan - 27	Jun-27
Supply & Installation of Cable Glands	775,517	Elite Group	Jan - 27	Jun-27
Supply & Installation of Truck Loading System (Metering System).	388,568,153	Elite Group	Jan - 27	Jun-27
Supply & Installation of CCTV Network	7,295,642	Elite Group	Jan - 27	Jun-27
<b>Total</b>	<b>897,512,528</b>			

Projects	Existing State of Affairs	Desired State of Affairs	Amount (PKR MN)	Expected Timeline
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<p><b>Oil Storage Terminal</b></p>	<p>The Company has acquired land for the development of an oil storage terminal at Gatti (Title: Chak No. 201 RB Faisalabad), Faisalabad for a total cost of PKR 400 million, which has been fully incurred. The project is currently at the planning and pre-construction stage, with preliminary design activities initiated.</p> <p>Regulatory engagement with the Oil and Gas Regulatory Authority (OGRA) has commenced to obtain the required approvals. No expenditure has yet been incurred on design</p>	<p>The Company intends to establish a modern oil storage terminal to enhance storage capacity and strengthen supply chain reliability (<b>Capacity of 30,000 MT</b>). The project will include completion of detailed engineering designs and obtaining requisite approvals from the Oil and Gas Regulatory Authority (OGRA) and other relevant authorities.</p> <p>The scope of development includes civil construction works such as storage tanks, foundations, control buildings, and allied facilities, along with the installation of plant and machinery including pipelines, pumping systems, fire-fighting, and safety equipment. The project will also involve the development of utilities, automation, and environmental and compliance systems in accordance with applicable regulations.</p> <p>Upon completion, the terminal is expected to support higher fuel volumes, improve operational flexibility, and complement the Company's expanding retail and logistics network by enhancing inventory</p>	<p>PKR 5,069 MN</p>	<p>1.5 Years</p>
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		management and supply continuity.		
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### Strategic Rationale

The proposed investment program is a cornerstone of our strategy to expand our downstream operations, directly enhancing our capabilities in distribution, storage, and retail. The primary objective is to build a more efficient and reliable supply chain, positioning the Company to meet rising fuel demand and achieve sustainable growth.

**Expanding Customer Reach:** The development of new petrol stations will significantly broaden our retail footprint, improve last-mile accessibility and bring our quality products and services closer to our customers.

**Securing The Supply Chain:** The establishment of a dedicated oil storage terminal will increase our strategic storage capacity, providing greater control over inventory management and reducing our dependence on third-party infrastructure.

**Ensuring Seamless Logistics:** The acquisition of a modern fleet of oil tankers will integrate our transportation logistics, ensuring the timely and efficient distribution of petroleum products between our storage facilities and retail network.

These integrated investments are projected to deliver the following strategic advantages:

- Strengthen our vertical integration across the downstream value chain.
- Enhance operational control and product throughput.
- Mitigate logistical constraints and supply-side risks.
- Support robust volume growth and optimize profit margins.
- Create a scalable platform for future expansion.

#### 4.4.2. FUEL STATIONS

Sites to be completed under the expansion project

S.no	Number of Pumps	Additional Sites	Average Cost (PKR Mn)	Total Cost (PKR Mn) (Additional sites x Average cost)
1	DODO	7	185	1,295
2	DOCO - ARAMCO - MF	4	80	320
3	DODO - Mixed Finance	12	100	1,200
4	DODO - CF	5	35	175
5	CODO	3	9	27
6	Operator Only	16	10	160
7	Total	47		3,177

S.No	Location of Under Construction Fuel Pumps	Capex already Incurred (PKR)
1	Basti Kyan Pur Stop, near Askari Bypass, Shujabad Road, Multan	69,292,360
2	Adda Khanuana, Bypass, Faisalabad	42,437,090
3	Purana Kahna, Ferozepur Road, Lahore – Rashid Hotyana	72,543,600



4	Jhang Road, Faisalabad	58,194,800
5	Bahawalnagar	103,466,070
6	Okaf, Liliani, Ferozepur Road, Lahore	195,695,750
7	Khokharapar, Karachi	27,718,540
8	New Kahna, Ferozepur Road, Lahore	73,407,570
9	Chak-198, Canal Road, Faisalabad	29,584,570
10	Chak-198, Sheikhpura Road, Faisalabad	70,232,270
11	Sargodha Road, Faisalabad	43,586,190
12	Chak-241, Jhang Road, Faisalabad	68,626,510
13	Pajian Chowk, Raiwind Road, Lahore	40,844,040
14	Jhang Road, Faisalabad	52,885,540
	<b>Total</b>	<b>948,514,900</b>

Description	Cost (PKR MN)	Percentage (%)
Cost Already Incurred	949	30%
From Pre-IPO Proceeds	565	18%
From IPO Proceeds	771	24%
From Internal Cash Generation	892	28%
<b>Total Cost</b>	<b>3,177</b>	<b>100%</b>

#### 4.4.2.1. DODO

SR.	Description	Expected Supplier / Contractor	Cost (PKR)	Percentage (%)
1	Surfacing	Elite Group	55,707,758	30.0%
2	Canopy	Elite Group	8,980,483	4.8%
3	Storage Tanks	Elite Group	32,011,851	17.3%
4	Buildings	Elite Group	49,043,411	26.4%
5	Facia	Elite Group	14,765,000	8.0%
6	Drainage	Elite Group	3,263,897	1.8%
7	Fuel System	Elite Group	5,226,862	2.8%
8	Electrical Works	Elite Group	11,930,241	6.4%
9	Supply Items	Elite Group	4,500,000	2.4%
			<b>185,429,503*</b>	

\*The given cost is based on the quotation provided by elite group.

#### 4.4.2.2. DOCO - ARAMCO - MF

SR.	Description	Expected Supplier / Contractor	Cost (PKR)	Percentage (%)
1	Surfacing	Elite Group	19,379,652	24%
2	Canopy	Elite Group	8,164,075	10%
3	Storage tanks	Elite Group	9,837,795	12%
4	Buildings	Elite Group	25,833,661	32%
5	Facia	Elite Group	7,586,364	9%
6	Drainage	Elite Group	2,137,601	3%
7	Fuel system	Elite Group	2,663,011	3%
8	Electrical Works	Elite Group	4,883,765	6%
			<b>80,485,925*</b>	

\*The given cost is based on the quotation provided by elite group.

#### 4.4.2.3. DOCO - MIXED FINANCE

SR.	Description	Expected Supplier / Contractor	Cost (PKR)	Percentage (%)
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1	Surfacing	Elite Group	19,379,652	19%
2	Canopy	Elite Group	8,164,075	8%
3	Storage tanks	Elite Group	9,837,795	10%
4	Buildings	Elite Group	37,259,269	37%
5	Facia	Elite Group	7,718,182	8%
6	Drainage	Elite Group	2,967,179	3%
7	Fuel system	Elite Group	2,663,011	3%
8	Electrical Works	Elite Group	7,926,900	8%
9	Supply Items	Elite Group	4,090,909	4%
			<b>100,006,973*</b>	

\*The given cost is based on the quotation provided by elite group.

#### 4.4.2.4. DODO - CF

DODO refers to Dealer Owned, Dealer Operated fuel stations, under which the land, civil works, and primary infrastructure are financed and owned by the respective dealers. In certain DODO arrangements, ARAMCO branding is applied at the stations. Accordingly, the financial commitment of SPSL is limited to initial licensing, legal documentation, branding-related expenditures, and initial operating setup, including costs associated with A-shops and pump installations, where applicable.

The costs reflected under DODO - CF represent SPSL's portion of the initial setup and commissioning expenses, rather than the total capital cost of station development. These estimates are derived from management's assessment, based on historical expenditure and market surveys.

#### 4.4.2.5. CODO

Under the CODO model, while the station may be owned by the Company, operations are carried out by appointed dealers. The expenditure reflected under this category primarily relate to initial licensing, regulatory approvals, commissioning activities, and operational readiness, and do not include full-scale construction or land acquisition costs where such assets are already in place.

#### 4.4.2.6. OPERATOR ONLY

In the Operator Only model, SPSL's role is limited to appointing and managing operators for fuel station operations. The associated costs mainly comprise initial licensing, legal, onboarding, and commencement-related operating expenditures. As no significant capital investment in infrastructure is required under this model, the average cost per site is comparatively lower. The estimate provided is based on management estimates based on market surveys and past expenditures.

	Existing State of Affairs	Desired State of Affairs	Amount (PKR)
New Fuel stations	The Company currently operates a network of fuel stations across Pakistan, established progressively in line with traffic flow, regional demand, and commercial feasibility. These outlets primarily serve retail fuel customers and form an integral part of the Company's downstream distribution and retail operations.	Over the next three to five years, the Company plans to strengthen and scale its fuel station network through the establishment of new pumps and selective expansion of existing outlets. The development program will focus on:	3,177 million
Existing Fuel stations Development			
	While the existing	<ul style="list-style-type: none"> <li>Establishment of new fuel stations at strategically identified high-traffic and commercially viable</li> </ul>	



	<p>network provides a stable operating base, the Company recognizes the need to expand its retail footprint and enhance capacity at select locations to cater to increasing fuel demand, improve market penetration, and strengthen brand visibility, particularly along high-traffic corridors and growing urban centers.</p>	<p>locations</p> <ul style="list-style-type: none"> <li>• Expansion and capacity enhancement of selected existing pumps to support higher throughput</li> <li>• Standardization of infrastructure, branding, and safety features in line with regulatory requirements</li> <li>• Installation of modern fuel dispensing and automation systems</li> <li>• Development of ancillary facilities such as convenience retail, lubrication services, and customer amenities</li> </ul> <p>These initiatives are designed to position the Company’s fuel station network as a high-visibility, performance-driven retail platform supporting long-term growth.</p>	
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**Cost Strategy and Capital Allocation**

The planned investment of PKR 3,177 million is allocated to the strategic expansion of our retail fuel station network. Our cost strategy is designed to optimize capital deployment and maximize market penetration by utilizing a diversified portfolio of outlet models, each with a distinct ownership, operational, and financial structure.

Financial projections are based on rigorous, industry-standard benchmarks, including per-liter operational costs and revenue models tied to the Maximum Retail Price (MRP). These metrics have been validated against the performance of our existing sites and prevailing market conditions.

**A Diversified Portfolio of Retail Models**

Our expansion strategy incorporates a mix of operating models to balance capital investment, operational control, and growth velocity:

- **Company-Owned Sites (CODO/DOCO):** Provide maximum control over brand standards and service quality in high-value strategic locations.
- **Dealer-Operated & Financed Sites (DODO):** Facilitate rapid, capital-efficient expansion by leveraging the local expertise and investment of our partners.
- **Hybrid & Partnership Models:** Allow us to enter promising markets with managed capital exposure and minimal fixed asset investment.

Phased Expansion Plan and Investment Summary: Our network growth is being executed in a disciplined, phased manner to ensure controlled capital deployment and operational readiness. The expansion timeline and investment are summarized in section 4.6.



#### 4.4.3. OIL TANKERS

Particulars	Units	Cost per Unit (PKR Mn)	Total Cost (PKR Mn)
New Oil Tankers	20	30.00	600
Slightly Used Oil Tankers*	30	16.67	500
<b>Total Oil Tankers</b>	<b>50</b>		<b>1,100</b>
Regulatory & Registration Expenses	50	3.20	160
<b>Total Project Cost</b>			<b>1,260</b>

\* The used oil tankers proposed to be acquired by the Company have not yet been identified; however, management intends to procure units that will be in good condition and are expected to have an estimated age of approximately three to five years.

Description	Cost (PKR MN)	Percentage (%)
Cost Already Incurred	-	0%
From Pre-IPO Proceeds	167	13%
From IPO Proceeds	227	18%
From Internal Cash Generation	866	69%
<b>Total Cost</b>	<b>1,260</b>	<b>100%</b>

#### Cost Breakdown of a new oil tanker

S. No	Particulars	Cost (PKR)	Percentage
1	Prime Mover	17,500,000 /-	53%
2	48,0000 Liters Fuel Tanker as per GO-OGRA Standards	9,000,000 /-	27%
3	Tires for Truck Chassis*	3,500,000 /-	11%
4	Regulatory & Registration Expense*	3,200,000 /-	9%
<b>Total</b>		<b>33,200,000</b>	<b>100%</b>

\*These are based on management estimates based on past expenditures and market surveys.

#### Cost Breakdown of used oil tankers

Particulars	Units	Cost per Unit (PKR MN)	Total Cost	Expected Vendor	Expected Order Date	Expected Arrival Date	Age of Machines	Remaining Life
(#1) Used Oil Tankers	10	16.67	166.7	To be decided	May - 26	June – 2026	3-5 Years	15 Years
(#2) Used Oil Tankers	10	16.67	166.7	To be decided	Oct – 26	Nov – 2026	3-5 Years	15 Years



(#3) Used Oil Tankers	10	16.67	166.7	To be decided	Apr - 27	May-27	3-5 Years	15 Years
Registration	30	3.2	96.0					
<b>Total</b>			596					

Particulars	Units	Cost per Unit (PKR MN)	Total Cost	Expected Vendor	Expected Order Date	Expected Arrival Date	Useful Life
(#1) Prime Mover	5	17.5	87.5	Ghandara Automobiles	May-26	Jun-26	20 Years
(#1) Tanker	5	9	45	Autocare Experts	May-26	Jun-26	20 Years
(#1) Tires	5	3.5	17.5	To be decided	May-26	Jun-26	20 Years
(#2) Prime Mover	5	17.5	87.5	Ghandara Automobiles	Sep-26	Nov-26	20 Years
(#2) Tanker	5	9	45	Autocare Experts	Sep-26	Nov-26	20 Years
(#2) Tires	5	3.5	17.5	To be decided	Sep-26	Nov-26	20 Years
(#3) Prime Mover	10	17.5	175	Ghandara Automobiles	Mar-27	May-27	20 Years
(#3) Tanker	10	9	90	Autocare Experts	Apr-26	June – 2026	20 Years
(#3) Tires	10	3.5	35	To be decided	Apr-26	June – 2026	20 Years
Registration & Regulatory	20	3.2	87.5				
<b>Total</b>			<b>664.0</b>				

Projects	Existing State of Affairs	Desired State of Affairs	Amount (PKR)	Expected Timeline
Acquisition of Oil Tankers	Currently, the Company relies both on Owned/Leased and third-party transporters for the movement of petroleum products between depots, storage locations, and retail outlets of GO/ARAMCO. While this arrangement has supported operations to date,	The Company intends to acquire an additional dedicated fleet of 50 petroleum oil tankers, comprising 20 new units and 30 slightly used units in good operating condition, to enhance in-house logistics capability. The acquisition will be complemented by incurring necessary	PKR 1,260 Million	15 to be purchased in FY26 while 35 to be purchased in FY27.



	it exposes the Company to logistical constraints, availability risks, and cost volatility, particularly during periods of high demand or supply disruptions. Dependence on external logistics also limits operational control over scheduling, turnaround time, and service reliability.	regulatory, registration, and compliance costs to ensure that all vehicles are fully licensed and operational in accordance with applicable laws and industry standards. This fleet will be deployed to support transportation of petroleum products from refineries and storage terminals to retail outlets, inter-facility transfers between storage and distribution points, and operational flexibility during peak demand periods and supply chain disruptions.		
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#### Strategic Rationale

- Enhanced logistics control through ownership of transport assets.
- Cost optimization by reducing long-term reliance on third-party transporters.
- Improved supply chain resilience during peak demand and disruptions.
- Operational synergy with planned oil storage terminal and retail expansion.
- Scalable logistics platform to support future growth.

#### 4.5. DETAILS REGARDING FINANCIAL CLOSE OF PROJECT:

The expenditure on the items outlined in Section 4.3 has already commenced and is expected to be completed by the end of FY27.

#### 4.6. IMPLEMENTATION SCHEDULE:

No.	Fuel Pump Classification	Sites as of Q2 FY26	Additional Sites								Total Number of Sites
			Q3	Q4	Total FY26	Q1	Q2	Q3	Q4	Total FY27	
1	CODO	7	1	0	1	1	1	0	0	2	10
2	DOCO-ARAMCO-MF	7	1	1	2	2	0	0	0	2	11
3	DODO	15	2	1	3	0	2	1	1	4	22
4	DODO - CF	4*	0	2	2	0	1	0	1	2	8
5	DODO - Mix Finance	4	3	2	5	1	3	1	2	7	16
6	Operator Only	24	4	6	10	2	0	1	3	6	40



	<b>Total</b>	<b>61</b>	<b>11</b>	<b>12</b>	<b>24</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>7</b>	<b>23</b>	<b>107</b>
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\*One DODO – CF fuel station planned to be added under this project has been constructed and operational as of 31<sup>st</sup> December 2025

OIL TANKERS	FY26			FY27				Total	
	Q3	Q4	Total FY26	Q1	Q2	Q3	Q4		Total FY27
New Oil tankers	0	5	5	0	5	0	10	15	20
Used Oil tankers*	0	10	10	0	10	0	10	20	30
<b>Total</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>20</b>	<b>35</b>	<b>50</b>
Existing Fleet as of FY25									320
<b>Total post-acquisition of additional tankers</b>									<b>370</b>

\* The used oil tankers proposed to be acquired by the Company have not yet been identified; however, management intends to procure units that will be in good condition and are expected to have an estimated age of approximately three to five years.

PROJECTS	JAN - JUNE 26	JULY - DEC 26	JAN - JUNE 27	Total
	PKR MN			
Oil Storage Terminal	898	1,570	2,020	<b>4,488</b>
Fuel Stations	480	1,003	745	<b>2,228</b>
Oil tankers	365	365	530	<b>1,260</b>
<b>Total</b>	<b>1,743</b>	<b>2,938</b>	<b>3,295</b>	<b>7,976</b>

#### 4.7. UTILIZATION OF EXCESS IPO FUNDS, IN CASE STRIKE PRICE IS DETERMINED ABOVE FLOOR:

In the event that the strike price is determined above the floor price during book building, resulting in surplus IPO proceeds, SPSL intends to utilize the excess proceeds towards the expansion plan, thereby funding a greater portion of the project through IPO proceeds and remaining through internal cash.



#### 4(i). POST ISSUE MATTERS. (REPORTING AND EXIT OPPORTUNITY)

##### i. Post issuance reporting requirements as per regulation 16 of these regulations

The issuer, Sitara Petroleum Service Limited, upon completion of the public offer shall:

- a. Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts (till the fulfilments of the commitments mentioned in the prospectus).
- b. submit a: (a) Half Yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfilment of the commitments mentioned in the prospectus stating the following:
  - Implementation status of the project/commitment made in the prospectus as per format given below:
  - Detailed Break-up utilization of the proceeds raised from the issue:
- c. Submit a final report reviewed by the auditor after the fulfilment of the commitments mentioned in the prospectus.

##### ii. Exit Opportunity Mechanism as per regulation 16(a) of these regulations

- a. The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.
- b. In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.
- c. Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in non-completion of principal purpose of issue in a timely manner as disclosed in the prospectus.
- d. The mechanism for an exit offer opportunity shall be as under:
  - i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.
  - ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
    1. Intrinsic value based on the latest available audited accounts;
    2. Weighted average closing price for last six preceding months
    3. offer price at which the shares were subscribed through IPO.
  - iii. The exit offer shall be executed by the sponsors within a period of thirty days from the date of passing of special resolution.



#### 4A VALUATION SECTION:

#### 4A (I) JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND. THE JUSTIFICATION MUST INCLUDE APPROPRIATE VALUATION MODELS, INCLUDING THE DISCOUNTED CASH FLOW (DCF) MODEL, DIVIDEND DISCOUNT MODEL (DDM), AND/OR GORDON GROWTH MODEL (GGM).

##### Disclaimer:

The offer price/floor price and price band are set by the Issuer and Consultant to the Issue using appropriate valuation models, and that the Commission and the Securities Exchange have neither assessed nor validated the pricing or the underlying valuation model. The Commission and the Securities Exchange do not assess, validate or endorse the price of a transaction, as pricing is purely a function of market forces; whereby minimum price is determined by the Consultant to the Issue/Issuer and final price is set by the investors.

##### Valuation - Free Cash Flow to Firm (FCFF):

Cost of Equity		FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Risk Free Rate <sup>50</sup>	[%]	10.52%	10.52%	10.52%	10.52%	10.52%
Beta <sup>51</sup>		1.19	1.19	1.19	1.19	1.19
Risk Premium <sup>52</sup>	[%]	6.00%	6.00%	6.00%	6.00%	6.00%
Sustainable Growth <sup>53</sup>	[%]	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Cost of Equity<sup>54</sup></b>	<b>[%]</b>	<b>17.67%</b>	<b>17.67%</b>	<b>17.67%</b>	<b>17.67%</b>	<b>17.67%</b>

WACC	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
After Tax Cost of Debt <sup>55</sup>	8.39%	8.99%	8.92%	8.92%	8.59%
Cost of Equity	17.67%	17.67%	17.67%	17.67%	17.67%
Debt Weight <sup>56</sup>	29.04%	16.93%	8.78%	6.97%	5.64%
Equity Weight	70.96%	83.07%	91.22%	93.03%	94.36%
Weighted Cost of Equity <sup>57</sup>	12.54%	14.68%	16.12%	16.44%	16.68%
Weighted Cost of Debt <sup>58</sup>	2.44%	1.52%	0.78%	0.62%	0.48%
<b>WACC<sup>59</sup></b>	<b>14.98%</b>	<b>16.20%</b>	<b>16.90%</b>	<b>17.06%</b>	<b>17.16%</b>

FCFF	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
<b>Profit After Tax</b>	4,291,755,581	6,267,546,121	7,617,240,099	8,705,892,256	9,938,225,628
<b>Depreciation &amp; Amortization</b>	425,008,959	546,995,773	810,751,611	998,653,265	995,925,626
<b>Change in Working Capital</b>	638,972,752*	(647,393,400)	(564,035,944)	(1,168,871,832)	(593,531,836)
<b>CAPEX</b>	(4,532,661,690)	(6,347,463,430)	(820,549,958)	(1,324,240,732)	(1,212,038,333)

<sup>50</sup> 5 Year PIB rate on 29<sup>th</sup> January 2026 since forecast horizon is 5 years.

<sup>51</sup> Market Cap weighted Beta (PSO, APL, WAFI, HTL)

<sup>52</sup> Equity Risk Premium has been derived from the implied equity return over the past 20 years, which has averaged approximately 06% above the average long-term Government bond yield.

<sup>53</sup> Aligned with Pakistan's long-term historical GDP growth, which has averaged around 3.5% or higher over 20 years, representing a reasonable long-term sustainable growth assumption.

<sup>54</sup> Cost of Equity = Risk Free Rate + (Risk Free Rate – Risk Premium) \*Beta

<sup>55</sup> Total Finance Cost for the year / Average Interest-Bearing Debt

<sup>56</sup> Debt / Total Capital

<sup>57</sup> (Weight of Equity \* Cost of Equity)

<sup>58</sup> (Weight of Debt \* Cost of Debt)

<sup>59</sup> Weighted Cost of Debt + Weighted Cost of Equity



<b>Net Interest Expense</b>	658,437,498	522,583,558	337,581,542	249,262,756	230,612,021
<b>Undiscounted cashflows</b>	1,481,513,100	342,268,622	7,380,987,350	7,460,695,714	9,359,193,106
<b>Terminal Value</b>					70,908,613,852
<b>Undiscounted cashflows with TV</b>	1,481,513,100	342,268,622	7,380,987,350	7,460,695,714	80,267,806,958
<b>Discounting Factor</b>	0.87	0.74	0.63	0.53	0.45
<b>Free Cash Flow</b>	1,288,508,189	253,472,489	4,619,756,106	3,972,830,889	36,360,315,204

\* As mentioned earlier, working capital in FY25 included advances paid for land and investment in CSM, resulting in an elevated working capital position. Significant portion of these advances were reclassified during 1HFY26; consequently, the change in working capital reflects a positive movement.

Enterprise Value	46,494,882,876
Cash	633,236,273
Debt	(8,778,015,314)
Firm Value <sup>60</sup>	38,350,103,835
Number of shares	1,679,914,000
<b>Value/Share</b>	<b>22.83</b>
<b>Floor Price</b>	13.50
<i>Discount on the floor price</i>	69.10%

#### Relative Valuation based on Price to Earning Multiples:

Company	Price per Share*	TTM EPS **	P/E
PSO	467.25	51.39	9.09
WAFI	247.02	26.18	9.43
APL	607.82	95.00	6.40
HTL	57.27	1.36	42.22
<b>Market Cap Weighted Industry Average</b>			<b>8.52</b>
SPSL - Floor Price (PKR 13.50/-)	13.50	3.41**	3.96
<b>Discount to Industry Average</b>			<b>54%</b>
SPSL - Cap (PKR 18.90/-)	18.90	3.41**	5.54
<b>Discount to Industry Average</b>			<b>35%</b>

\*Share price as of 10<sup>th</sup> February 2026.

\*\*TTM EPS calculated using existing number of shares. TTM period for PSO, WAFI, APL and HTL is 1<sup>st</sup> October 2024 – 30<sup>th</sup> September 2025, while for SPSL it is from 1<sup>st</sup> January 2025 - 31<sup>st</sup> December 2025.

<sup>60</sup> Firm Value = Enterprise Value + Cash - Debt



### Dividend Discount Model:

The Dividend Discount Model (DDM) is generally suitable for companies with a consistent and predictable dividend payout history. Sitara Petroleum Service Limited is a growth-focused company and does not currently distribute dividends. No dividend payments are planned for the next two financial years, as the Company intends to retain earnings to finance its expansion and growth initiatives. Although dividend distributions may be considered in the future, the present financial strategy prioritizes reinvestment to support long-term growth. Therefore, applying the DDM at this stage would not be consistent with the Company's business model and capital allocation approach, and may not appropriately reflect its intrinsic value.

### Justification for the Premium: 40% Upside

Based on the valuation assessment, the FCF model estimates a fair value of PKR 22.83 per share, indicating a potential upside of 69.10% over the floor price of PKR 13.50 and an upside of 20.79% over the cap price of PKR 18.90, which represents a 40% premium to the floor price. Furthermore, relative valuation analysis shows that SPSL is being offered at a P/E multiple of 3.93x at the floor price, reflecting a 54% discount to the industry average, and at 5.49x at the cap price, representing a 35% discount to the industry average. Collectively, these valuation outcomes support the appropriateness of the proposed 40% price band.

### Successful Operational History:

SPSL is primarily engaged in the trading and distribution of petroleum products, including High-Speed Diesel (HSD), Petrol, and HOBC.

SPSL benefits from its strategic affiliation with GO, along with a robust business profile. The Company's sponsors bring over three decades of experience in the petroleum sector, demonstrating strong business acumen and industry insight. Sitara Petroleum operates primarily in two core segments: Trading and Distribution of POL Products, and Fleet Logistics Services for various Oil Marketing Companies (OMCs). Within the trading segment, the Company operates both retail and bulk sale units. The retail arm operates through a network of 61 fuel stations as of 1H FY2026, predominantly located in Punjab. In contrast, the bulk segment caters to corporate clients, offering POL products on credit, this segment represents approximately 95% of the Company's total sales. The logistics segment is supported by a fleet of 320 oil tankers as of 1H FY2026. Currently, SPSL oil tankers are providing 100% of their services to GO. Overall, sales of POL products contribute ~95% of Sitara Petroleum's total revenues.

### Retail Fuel Stations

SPSL operates a network of **54 GO branded fuel stations** and jointly owns **7 Aramco sites with GO** across Pakistan, offering retail sales of diesel, petrol and HOBC. These stations are supplied through a centralized distribution system and follow standard operating procedures to ensure product quality, accurate dispensing, and customer satisfaction.

### Logistics Fleet

To support its distribution operations, SPSL owns and manages a fleet of over **320 oil tankers as of 1H FY2026**. These tankers are compliant with national safety and transport regulations and are GPS-equipped for real-time tracking. The fleet is used for both internal fuel station replenishment and third-party logistics services.

Petroleum products are transported from supply points such as refineries, terminals, or OMC depots to stations or customer locations. The Company follows a controlled dispatching process, ensuring timely deliveries, safety compliance, and proper documentation at all stages.

This bulk transport of petroleum products under contract arrangements adds a stable B2B revenue stream to the Company's operations.



All distribution activities are managed under strict safety protocols in accordance with OGRA and relevant authorities. Tanker maintenance, driver training, and real-time monitoring systems are used to ensure safe and efficient deliveries across the network.

### **Competitive Advantage:**

Sitara Petroleum Service Limited (SPSL) benefits from a set of operational, strategic, and financial advantages that differentiate it within Pakistan's competitive downstream oil market. These strengths support the Company's long-term growth and resilience.

#### **1. Integrated Logistics Capability**

SPSL operates a fleet of over 320 oil tankers, giving it full control over fuel movement from terminal to pump. Unlike many mid-sized OMCs that rely entirely on third-party carriage, SPSL's in-house logistics allow better cost control, dispatch efficiency, and service reliability. Real-time tracking and adherence to OGRA's safety standards further enhance operational credibility.

#### **2. Long-Term Strategic Partnerships**

The Company maintains stable contractual relationships with GO. This partnership provides revenue continuity, volume stability, and reduces reliance on volatile spot logistics contracts.

#### **3. Strong and Growing Retail Network**

With 61 operational fuel stations and a focus on underserved markets like Sahiwal and peripheral cities, SPSL ensures access to high-demand retail corridors. This focused presence allows the Company to achieve faster station-level breakeven and build customer loyalty, especially in less saturated regions.

#### **4. Revenue Diversification**

Though petroleum product sales form the bulk of SPSL's income, the Company maintains a diversified revenue base through logistics services. This dual-revenue model improves cash flow stability and enables cross-segment synergies between fuel sales and transportation.

#### **5. Consistent Revenue Growth and Operational Discipline**

From FY2021 to FY2025, SPSL's total revenue has grown from **PKR 33.4 billion to PKR 122.7 billion**, reflecting sound execution, demand responsiveness, and disciplined cost management. The Company has avoided overleveraging while expanding steadily - an uncommon strength in a sector marked by frequent financial stress among peers.

### **Infrastructure:**

Sitara Petroleum Service Limited (SPSL) has developed an integrated distribution infrastructure to support both retail operations and third-party carriage services. These partnerships help ensure a reliable flow of high-grade petroleum products to SPSL's 61 retail outlets and B2B clients.

The backbone of SPSL's infrastructure is its fleet of over 320 specialized oil tankers, all built and maintained in line with national safety standards. Each tanker is GPS-equipped for real-time tracking, allowing efficient routing, tight dispatch control, and full trip accountability. Maintenance and regulatory compliance are managed through internal protocols aligned with OGRA and other relevant authorities, ensuring consistent safety and operational readiness.

Although SPSL currently does not operate its own fuel depot, management has stated an intention to develop a fuel terminal at Gatti Faisalabad, to strengthen its supply chain and reduce reliance on third-party facilities. This



initiative is likely to be part of future capital expansion plans, backed by internal cash flows and existing credit lines.



### Financial Performance:

In FY25 Sitara Petroleum Service Limited sold a cumulative volume of 451 million liters through their GO branded outlets, representing share of 2.20% in the downstream market<sup>61</sup>.

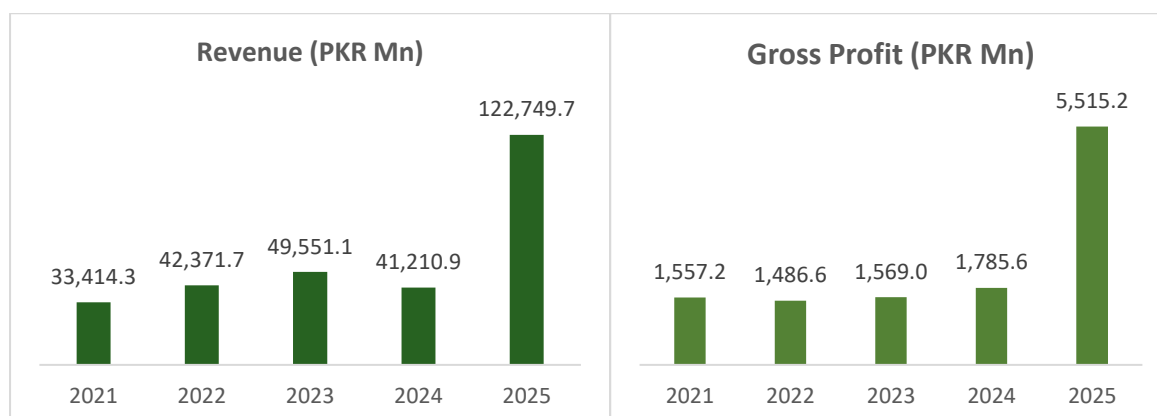
SPSL's Revenue showed consistent growth from FY2021 to FY2023, increasing from PKR 33.4 billion to PKR 49.6 billion. However, a slight dip occurred in FY2024, bringing revenue down to PKR 41.2 billion. Remarkably, FY2025 shows a significant rebound, with revenue tripling to PKR 122.7 billion

The Company's Gross Profit remained relatively stable between FY2021 and FY2024, fluctuating modestly between PKR 1.5 billion and PKR 1.8 billion. In FY2025, gross profit jumped sharply to PKR 5.5 billion. Fuel sales contributed about 95% to the revenue while the remaining 5% was due to carriage services.

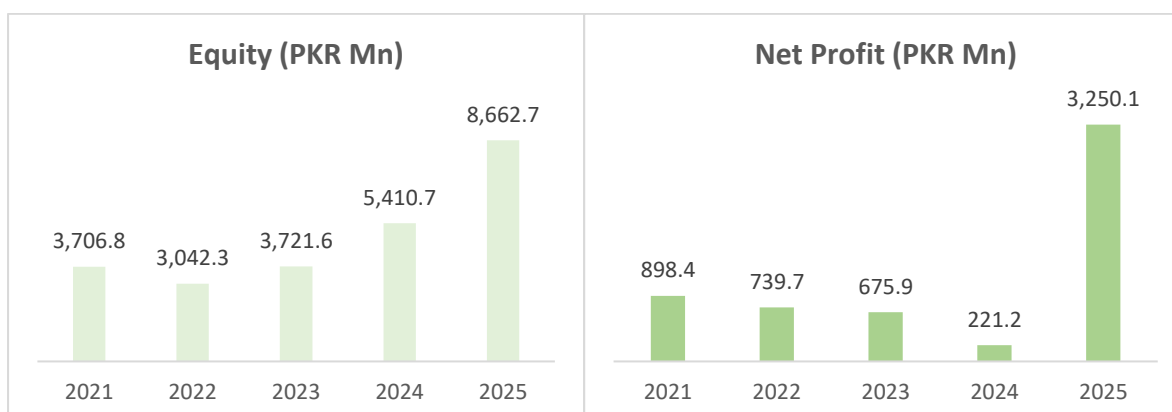
In terms of Net Profit, SPSL saw a declining trend from PKR 898 million in FY2021 to PKR 221 million in FY2024. The turnaround in FY2025 is substantial, with net profit reaching PKR 3.25 billion

Equity growth remained modest between FY2021 and FY2023, fluctuating around the PKR 3.7 billion mark. In FY2024, equity improved to PKR 5.41 billion, and then to PKR 8.66 billion in FY2025.

Overall, FY2025 marks a pivotal year for SPSL's financial profile, showing the impact of operational maturity and revenue scaling. The improved profitability, strengthened balance sheet, and restored margins position the Company well for public offering and future expansion.



<sup>61</sup> <https://arifhabibltd.com/api/research/open?path=178/6865213b7a00429e91c4cb34.pdf>



### Key Customers:

Sitara Petroleum Service Limited serves a diverse customer base that includes both corporate and retail clients. The Company operates 54 GO branded fuel and jointly owns 7 Aramco branded fuel stations with GO as of 31<sup>st</sup> December 2025 across Pakistan, catering directly to end consumers with retail sales of High-Speed Diesel (HSD), Petrol (MS), and HOBC. Additionally, the Company serves transporters, industries, and agricultural businesses in Punjab and surrounding regions through its efficient carriage and fuel delivery network. The combination of dealership operations and fleet-based B2B services allows SPSL to maintain a stable and recurring customer base.

### Innovation:

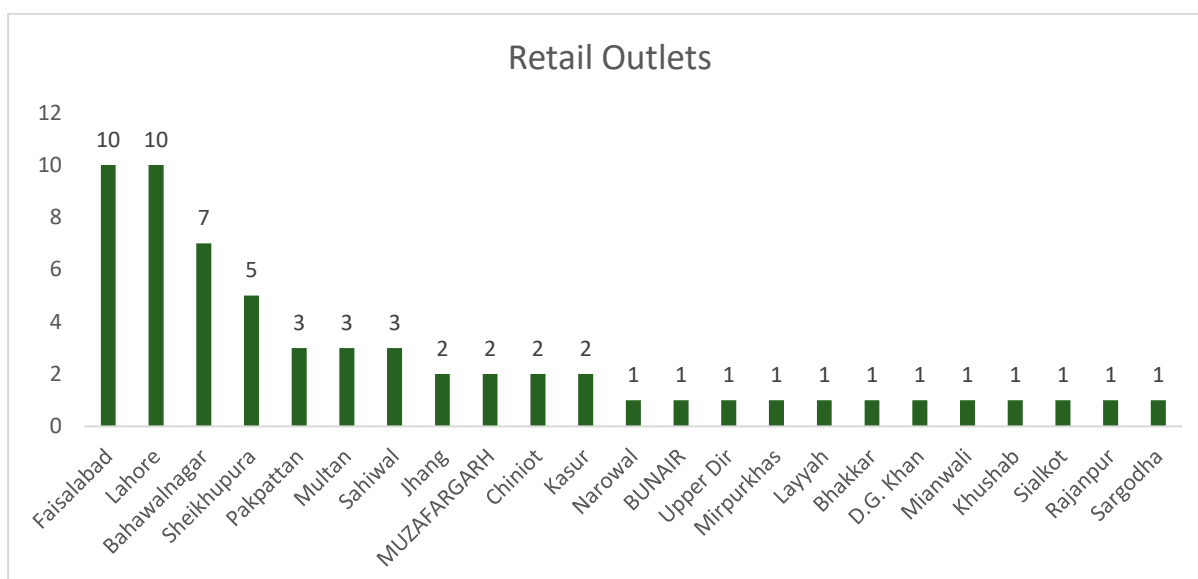
Sitara Petroleum Service Limited is actively exploring the integration of innovative technologies to improve operational efficiency and customer experience. This includes adopting digital fleet tracking systems for real-time monitoring of fuel deliveries, exploring automation at fuel stations, and enhancing internal reporting systems.

As the company expands, innovation will play a key role in optimizing logistics, ensuring safety compliance, and maintaining service quality. SPSL also aims to stay aligned with evolving industry trends, including future-ready infrastructure that can accommodate alternative fuels or blended energy solutions as the regulatory landscape develops.

### Structured Growth Strategy

SPSL has a well thought of plan regarding the future with regards to constructing new pumps, acquiring new oil tankers and lowering their dependence on third parties' storage by having their own terminal storage capacity.

### Geographic Footprint:



### Justification:

Sitara Petroleum Service Limited is pursuing an IPO to fund its next phase of expansion, as the company transitions from a mid-sized oil logistics operator to a more integrated Oil Marketing Company (OMC). SPSL has demonstrated robust growth in top-line revenues, increasing its net sales from PKR 32.6 billion in 2021 to PKR 121.9 billion in 2025 with the momentum continuing in 1H FY2026 posting PKR 72 billion in sales. This consistent rise in volumes has led to meaningful profitability, with gross profits increasing from PKR 1.57 billion in 2021 to PKR 5.5 billion in 2025. Although margins are modest, they show signs of stabilizing, rising from 3.2% in 2023 to an expected 4.5% in 2025. Higher dealership margins over time can lead to better overall margins and improved profitability.

This growth, however, demands a corresponding build-up in physical infrastructure. SPSL now plans to invest IPO proceeds toward:

- **Planning a dedicated Oil storage terminal** to integrate its supply chain, reduce dependency on third parties and obtain OMC license.
- **Establishing new petrol stations** to expand its retail footprint.
- **Purchasing additional oil tankers** to strengthen its nationwide carriage network.

The current capital structure limits self-financing of expansion purely through retained earnings. The Pre-IPO and IPO will bridge this gap with external equity, with remaining funding to be raised from internal cash.

With a growing fleet, increasing revenues, expanding retail base, and disciplined execution, the IPO proceeds will equip SPSL to scale its business in a timely and sustainable manner. This investment will enable the Company to capitalize on the rising demand for petroleum products in Pakistan while delivering long-term value to investors.

The joint consultants to the issue are of the opinion that the historical performance of the Company, well established operations, the demand for its products, and growth trajectory indicates sustainability in business performance, which justifies the Floor Price of PKR 13.50/-

Based on the valuation assessment, the FCF model estimates a fair value of PKR 22.83 per share, implying a potential upside of 69.10% over the floor price of PKR 13.50 and 20.79% over the cap price of PKR 18.90, which represents a 40% premium to the floor price. In addition, the relative valuation analysis indicates that SPSL is



being offered at a P/E multiple of 3.93x at the floor price, reflecting a 54% discount to the industry average, and at 5.49x at the cap price, representing a 35% discount to the industry average. Collectively, these valuation results support the appropriateness of the proposed 40% price band.

The company is offering a Price to Book multiple of 1.66x at the floor price of PKR 13.50/- per share based on the book value as of 31<sup>st</sup> December 2025.

#### 4A (II) DISCLOSURE OF POST ISSUE FREE FLOAT

Post IPO, the share capital of SPSL will increase from 1,400,000,000 Ordinary Shares to 1,679,914,000 Ordinary Shares. The free float status of SPSL post IPO is provided hereunder:

Description	Number of Shares	% of Shareholding	Total Free Float
<b>Existing Shareholders</b>			
Sponsors	1,256,429,870	74.79%	-
Directors	130	0.00%	-
Other Shareholder	143,570,000	8.55%	8.55%
Public Offering – Pre IPO	111,914,000	6.66%	6.66%
Public Offering – IPO	168,000,000	10.00%	10.00%
<b>Total</b>	<b>1,679,914,000</b>	<b>100.0%</b>	<b>25.21%</b>

#### 4A (III) PEER GROUP COMPARISON

SPSL operates as a dealer of GO in the fuel segment. While the OMCs listed below are not direct competitors of SPSL, they compete with GO Petroleum. Accordingly, any change in GO's market share has a direct impact on SPSL's performance - higher market share for GO translates into improved outcomes for SPSL.

PKR Mn	SPSL	PSO <sup>62</sup>	Wafi	APL	HTL
<b>Pricing Comparison</b>					
Number of Shares (Mn)	1,400.00	-	-	-	-
Number of Shares (Mn) - Post Issue	1,679.90	469.47	214.02	124.42	139.20
Share Price**	13.50	467.25	247.02	607.82	57.27
EPS*	3.41	51.39	26.18	95.00	1.36
EPS (post-IPO)	2.84	-	-	-	-
BVPS*	8.13	547.49	116.81	534.01	44.77
BVPS (post-IPO)	6.77	-	-	-	-
P/E	3.95	9.09	9.43	6.40	42.22
P/E (Post IPO)	4.75	-	-	-	-
P/B	1.66	0.85	2.11	1.14	1.28
P/B (post IPO)	1.99	-	-	-	-
Industry Average P/E <sup>63</sup>	8.52				
Industry Average P/B <sup>64</sup>	1.00				
Median P/E	9.26				
Median P/B	1.21				
KSE-100 P/E***	9.3				
KSE-100 P/B***	1.7				

<sup>62</sup> Earnings and Equity Value attributing to owners of the holding company is used.

<sup>63</sup> Total Market Cap / Total Earnings – Calculated for PSO, Wafi, APL, HTL

<sup>64</sup> Total Market Cap / Total Equity Value – Calculated for PSO, Wafi, APL, HTL



<b>ROE</b>	53%	9%	25%	19%	3%
<b>ROA</b>	23%	2%	5%	10%	1%
<b>Free Float - No. of Shares (Mn)</b>	423.48	234.74	32.10	24.88	34.80
<b>Free Float (%)</b>	25.21%	50%	15%	20%	25%

\* Based on the trailing twelve months (TTM) earnings for each company, covering the period from October 1, 2025, to September 30, 2025.

For SPSL, TTM earnings are calculated for the period January 1, 2025, to December 31, 2025.

\*\* Share Price – 10<sup>th</sup> February 2026

\*\*\*based on prices and earnings as of 10<sup>th</sup> February 2026.



## 5. RISK FACTORS

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### 5.1. INTERNAL RISKS

The Company's operations, financial performance, and long-term sustainability are subject to various internal risks. These risks arise from its business model, capital structure, operating environment, and governance systems. While management endeavors to mitigate these risks through strategic planning and operational controls, the following internal risk factors remain material to the Company's future performance:

#### 5.1.1. Business Risk

The Company's business model is heavily dependent on the efficiency and profitability of its retail fuel stations and carriage operations. Any underperformance of these core business segments, whether due to suboptimal station locations, operational inefficiencies, lower-than-expected throughput, or reduced carriage utilization, may materially affect revenue generation.

Additionally, as the Company expands into new locations, it may face challenges in maintaining uniform quality standards, operational oversight, and brand consistency. Failure to achieve expected sales volumes or manage operational costs efficiently could result in lower margins and reduced overall profitability.

#### 5.1.2. Negative Operating Cashflows in FY25

In FY2025, the Company reported negative operating cash flows of PKR 704 million. The negative cash flow position during Financial Year 2025 was primarily due to the Company's strategic expansion initiatives. During the year, the Company paid an advance for the purchase of land intended for the development of oil storage facilities to support future operational capacity and for investment in associate. These advances required substantial cash outflows during the year, which resulted in an overall negative operating cash flow position.

#### 5.1.3. Supply Chain Risk

The Company's entire supply chain currently relies on a single Oil Marketing Company (OMC) - GO - for the procurement of petroleum products. Any disruption in supply, change in commercial terms, or deterioration in the relationship with GO could significantly affect the Company's operations and sales. Although GO has demonstrated strong growth and financial backing, including a 40% equity stake by Aramco, dependence on a single source remains a material concentration risk. Until SPSL diversifies its supply base or obtains its own OMC license, this dependency may continue to limit the Company's bargaining power and operational flexibility.

#### 5.1.4. Inflation Risk

Rising inflation in Pakistan directly increases operating costs - particularly transportation, labor, and utility expenses - while also reducing consumer purchasing power. Furthermore, currency depreciation can elevate the landed cost of imported petroleum products and capital equipment, increasing cost of opening new pumps and chances of inventory losses.

#### 5.1.5. OMC License Risk

SPSL does not hold a direct Oil Marketing Company (OMC) license from the Oil and Gas Regulatory Authority (OGRA). Instead, it operates under a commercial arrangement with Gas & Oil Pakistan Ltd. (GO), a licensed OMC. This structure exposes SPSL to a regulatory dependency risk, if GO's OMC license is suspended, revoked, or materially restricted due to compliance, legal, or operational reasons, SPSL's ability to procure and distribute petroleum products would be immediately and severely impacted. Any disruption in GO's licensing status could effectively halt SPSL's core business operations for a time period till they switch the OMC.

Furthermore, the Company intends to apply for an OMC license and commence operations of fuel stations under its own brand from FY28. This plan carries the risk of delays in approval or the possibility of the OMC license not



being granted by OGRA. Any issues in the application or licensing process could delay the conversion of fuel stations to SPSL's brand and may have an adverse impact on the Company's financial performance.

#### 5.1.6. Financial and Structural Risks

##### High Leverage and Debt Servicing Pressure

The Company's total liabilities increased sharply from PKR 6.4 billion in FY 2024 to PKR 11.2 billion in FY 2025, driven by:

- Long-term loans rising to PKR 5.5 billion
- Finance lease liabilities reaching PKR 1.4 billion
- Short-term borrowings of PKR 1.85 billion

This has significantly increased financial risk and debt servicing obligations, with finance charges remaining elevated at PKR 1.2 billion in FY 2025.

##### Working Capital Stress

Working capital exposure has expanded considerably:

- Stock-in-trade increased to PKR 3.91 billion
- Trade debts rose to PKR 6.31 billion

This creates dependency on efficient inventory and receivable cycles. Any delays in collections or inventory turnover can pressure cashflows. Stock in trade mainly accounts for receivables from the B2B segment and carriage services segment.

#### 5.1.7. Executive Risk in Expansion Plans

SPSL plans to expand its operations by increasing the number of retail fuel stations, adding new oil tankers for carriage operations, and developing its own oil storage terminal. These expansion activities require significant capital investment, project management expertise, and regulatory clearances.

Delays in project execution, cost escalations, or inefficiencies in site selection and construction could materially affect the Company's financial performance and delay the expected benefits of its IPO proceeds.

#### 5.1.8. Liquidity risk

Despite a growing asset base, cash and bank balances remain modest at **PKR 633 million** as of FY2025. The current assets of the company stand at PKR 13,166 million and current liabilities at 5,566 million. This brings the current ratio to 2.4x.

#### 5.1.9. Customer Concentration Risk:

Sitara Petroleum provides carriage services solely to GO, meaning that the entire revenue stream from this segment is linked to one counterparty. While this relationship has enabled the Company to operate at scale within the logistics segment, it also exposes the Company to concentration risk. Any reduction in business volumes, changes in contractual terms, or operational shifts by GO could materially affect Sitara Petroleum's vehicle utilization and ultimately the carriage revenue.

#### 5.1.10. Any change in ARAMCO's shareholding in GO could affect SPSL's operations

In 2024, Saudi Aramco acquired a 40% equity stake in Gas & Oil Pakistan Limited as part of its global downstream retail expansion strategy. While this strategic partnership strengthens GO's market position and brand value, Sitara Petroleum remains exposed to developments within GO's ownership structure. Any change in Aramco's



shareholding or partnership arrangements with GO could indirectly affect Sitara Petroleum's fuel supply arrangements, branding, or long-term relationship with GO. Given that GO is the Company's sole fuel supplier and key logistics client, any strategic change at GO could have operational and commercial implications for Sitara Petroleum.

#### **5.1.11. Approvals Yet to Be Received by the Issuer**

Approvals related to building of terminal; OMC license is still pending to be applied. Any delay, conditional approval, or rejection may adversely affect the implementation of the Company's plans mentioned in the prospectus.

#### **5.1.12. Seasonality of the Business**

The Company's business is subject to seasonal fluctuations in demand. Petroleum sales and carriage volumes may vary due to changes in weather conditions, agricultural activity, economic cycles, and travel patterns throughout the year. Such seasonality may lead to uneven revenue generation and cash flows across different periods, which could impact quarterly performance and working capital management.

#### **5.1.13. Project Related Risks**

The proceeds raised through this public offer will be utilized by the Company until FY27. Given the time duration of the project, material agreements are not in place for all relevant expenditures. As such, the cost estimates may not be in-line with actual future expenditure, creating the risk of potential cost overruns. Management have derived their estimates after conducting thorough due diligence and seeking external third-party quotations for the relevant expenditures. There is also the risk of potential delays in project initiation and execution, which could undermine the management's plan and hinder the successful utilization of deployed resources. In particular, delay in the construction of oil storage terminal and delays in approvals may lead to project being carried forward.

#### **5.1.14. Regulatory Approvals Required for Project Implementation**

The implementation of the Company's proposed projects is subject to obtaining various regulatory approvals from relevant authorities specifically OGRA. These approvals may involve procedural requirements, inspections, or compliance conditions. Any delay or inability to obtain such approvals may hinder project execution and postpone operational commencement.

#### **5.1.15. Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue**

The orders for planned oil storage terminal, additional fuel pumps to be added in the future, and oil tankers have not yet been placed, and suppliers for used tankers have not been identified. The procurement process may involve negotiations, technical evaluations, and regulatory considerations. Any delay in the finalization of suppliers or placement of orders may result in delays in the project implementation schedule and impact timely operational readiness.

#### **5.1.16. Absence of Long-Term Agreements with Major Customers**

The Company does not currently have long-term contractual agreements in place with major customers. Sales are largely conducted on a transactional basis, which exposes the Company to the risk of demand volatility and customer attrition. The absence of guaranteed offtakes may result in fluctuations in sales volumes and revenue, particularly during periods of increased competition or economic uncertainty.

#### **5.1.17. Insurance Coverage Not Fully in Place for Business Operations**

The Company's operations involve inherent risks related to storage, handling, and transportation of petroleum products. Certain insurance policies covering operational assets, inventory, and business interruption may not be fully in place or may be subject to limitations. Any uninsured or underinsured losses arising from accidents,



natural disasters, fire, or other unforeseen events could have an adverse impact on the Company's financial position and operations.

#### **5.1.18. Legal and Litigation Exposure**

The Company faces legal risks arising from its participation in a regulated industrial or trading environment. Potential exposure includes contractual disputes with vendors, contractors, or customers; tax audits and investigations relating to customs, invoicing, or regulatory compliance; and labor-related litigation, particularly in large-scale production or logistics operations. Adverse rulings or ongoing legal uncertainty could materially affect cash flows, operational timelines, and public perception.

#### **5.1.19. Risk of Non-Compliance with SECP and PSX Regulations**

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading to potential suspension in trading or delisting.

These internal risk factors collectively highlight the need for strategic planning, operational discipline, and financial prudence to ensure SPSL's sustainable growth in a competitive and regulated market environment.

### **5.1. EXTERNAL RISKS:**

The Company is exposed to numerous external risks that are beyond its direct control. These risks stem from the macroeconomic environment, regulatory regime, sector-specific dynamics, and geopolitical trends. Any adverse developments in these areas can materially impact on /the Company's operations, financial health, and investor returns. The key external risks include the following:

#### **5.1.1. Macroeconomic Volatility**

Pakistan's macroeconomic environment remains vulnerable to a range of risks, including inflation, currency devaluation, rising interest rates, and persistent fiscal imbalances. Persistent devaluation of the Pakistani Rupee increases the cost of imported machinery, raw materials, and finished goods, while high interest rates elevate the Company's borrowing costs, thereby affecting net margins. Inflationary trends further drive-up logistics, fuel, and utility expenses, particularly in energy-intensive sectors. These factors collectively have the potential to impact the Company's profitability and long-term growth momentum.

#### **5.1.2. Political and Regulatory Uncertainty**

Political and regulatory uncertainty presents a significant external threat to the Company. Frequent shifts in economic policies, changes in taxation laws, and evolving regulatory requirements can directly impact the cost structure and pricing strategy. For instance, unexpected adjustments in income tax, customs duties or unexpected adjustments in pricing components specifically dealer margin can alter financial projections since this sector is highly regulated, while new government regimes may revise or eliminate existing industrial incentives, subsidies, or import/export regulations. Moreover, delays in regulatory approvals, environmental clearances, or licenses can hinder planned expansion and investment initiatives. The Company's operational continuity and investor confidence are closely tied to its ability to respond to these uncertainties.

#### **5.1.3. Volatility in Global Oil Prices**

Fluctuations in international crude oil prices directly influence domestic petroleum prices. Sharp movements in global oil markets can affect consumer demand, profit margins, and inventory valuations. Although regulated pricing mitigates extreme volatility to some extent, timing mismatches between price adjustments and inventory turnover can still result in temporary losses or reduced profitability. Though this risk is low for SPSL since they are currently operating only as a dealer and their inventory days are low, once they convert to OMC, this risk will increase. Example of such volatility could be recent Iran, US, Middle east crisis due to which there was a sudden hike in global fuel prices, leading to hike in prices in Pakistan.



#### **5.1.4. Geopolitical Risks**

Geopolitical developments and regional conflicts may lead to volatility in global crude oil prices and disruptions in petroleum supply chains, which could impact the procurement cost and availability of petroleum products. Recent geopolitical tensions in key energy-producing regions have heightened uncertainty in global oil markets, increasing the risk of price fluctuations and supply disruptions. Such uncertainties may affect the stability of fuel prices and overall market dynamics, potentially influencing the Company's operations and profitability.

#### **5.1.5. Environmental, Social, and Climate Risks**

Growing regulatory and societal emphasis on sustainability presents new operational risks for the Company. Increasing pressure to comply with Environmental, Social & Governance (ESG) standards may require new systems for reporting, audits, and disclosures. Furthermore, climate-related events like flooding, heatwaves, or storms can disrupt production, storage, or transport infrastructure. Non-compliance with environmental standards could lead to penalties, temporary plant closures, or reputational harm. Failure to meet stakeholder expectations regarding climate resilience and green business practices may also reduce future business opportunities.

#### **5.1.6. Environmental, Social and Governance Risk**

As a business engaged in fuel distribution, retail, and logistics, Sitara Petroleum operates in an industry that faces increasing scrutiny from an environmental, social, and governance (ESG) perspective. The transportation and sale of petroleum products carry environmental and safety risks, including fuel spills, emissions from logistics operations, and compliance with environmental regulations. Additionally, the Company's large fleet of tankers and fuel retail operations require strict adherence to safety and environmental standards. Any failure to effectively manage these risks could lead to regulatory penalties, operational disruptions, reputational damage, or increased compliance costs.

#### **5.1.7. Dependence on Government Infrastructure and Policy**

Operational efficiency is significantly influenced by public infrastructure such as road networks, ports, energy grids, and transport systems. Delays in infrastructure development, poor road conditions, or inadequate port connectivity can result in logistical inefficiencies and increased operating costs. Additionally, bureaucratic hurdles, policy indecision, or red tape can cause setbacks in acquiring customs clearances, land, or construction permits, thereby hindering the Company's growth plans.

#### **5.1.8. Competitive Pressure in the Retail Fuel Segment**

The petroleum retail sector in Pakistan is dominated by established OMCs such as PSO, Shell, Total, and GO. As a dealer-based operator, SPSL faces competition in securing strategic retail locations, maintaining brand visibility, and attracting customers. Entry of new players can further intensify competitive pressure, potentially reducing the market share.

#### **5.1.9. Increasing Trend of Electric Vehicles**

The increasing adoption of electric vehicles (EVs) in Pakistan may gradually reduce demand for petrol and other conventional fuels, which could adversely impact fuel sales volumes over the long term. However, the EV ecosystem in Pakistan is still at a developing stage, with limited charging infrastructure and relatively low EV penetration, and therefore the transition is expected to occur gradually.

#### **5.1.10. Credit Risk**

The Company's customers may include both retail consumers and corporate clients. Any default or delayed payment by large customers can adversely affect cash flow. Similarly, any default in supplier payments could damage long-term relationships or result in supply restrictions.

#### **5.1.11. Capital Market Risk**



After listing on the securities exchange, the Company's share price will be determined by market dynamics influenced by both local and international socio-economic factors, trends in the capital and money markets, and the Company's own performance. Consequently, the share value may fluctuate in response to the combined impact of these factors.

**To the best of our knowledge and belief, all risk factors applicable to the issuer i.e. SPSL have been disclosed.**



### 5.3. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER



Dated: 30-01-2026

Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We being the Chief Executive Officer and Chief Financial Officer of Sitara Petroleum Service Limited (the "issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Sitara Petroleum Service Limited

  
 Zahoor Baig  
 Chief Executive Officer



  
 Abdur Rehman Farooq Butt  
 Chief Financial Officer



5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

**E-STAMP**

Barcode and QR code

**UNDERTAKING BY COMPANY AND ITS SPONSORS**

I/We, the undersigned, do hereby undertake and warrant that

- 1) Neither the Company nor its directors, officers or substantial shareholders have been notified of any of the activities of their own company or subsidiary shareholders in any capacity
- 2) I/We have not provided information to the securities exchange of the exchange of
- 3) Neither the Company nor its directors or officers or substantial shareholders have been notified of any of the activities of their own company or subsidiary shareholders in any capacity
- 4) I/We have not provided information to the securities exchange of the exchange of
- 5) Neither the Company nor its directors or officers or substantial shareholders have been notified of any of the activities of their own company or subsidiary shareholders in any capacity

For and on behalf of Sitara Petroleum Service Limited and its directors

  
Zohair Bag  
Chief Executive Officer

  
M. H. H. H.  
Company Secretary/Chief Financial Officer



**ATTESTED**  
PUBLIC TRUST AND  
DATA CENTRAL SERVICE





## 5.5. STATEMENT BY THE ISSUER



Dated: 30-01-2026

The Chief Executive  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

On behalf of Sitara Petroleum Service Limited or (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Sitara Petroleum Service Limited

  
Zahoor Baig  
Chief Executive Officer



  
Abdul Rehman Farooq Butt  
Chief Financial Officer



## 5.6. STATEMENT BY THE CONSULTANT TO THE ISSUE

30<sup>th</sup>, January 2026

The Chief Executive  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi - 74000.

Being mandated as the Lead Consultant to the issue to this initial Public Offering of Sitara Petroleum Service Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on Behalf of Arif Habib Limited

**Farhan Rizvi**  
Managing Director, Investment Banking

Head Office / Corporate Office: Arif Habib Centre, 25 M 7, Khan Road, Ferozki (I)AM +92 21 111 245 111 (Rev) +92 21 2042 8818  
Lahore Office: Office No. 0-3 & 0-4, Ground Floor, LEE Plaza, 19, Khayaban-e-Nawaz-Iqbal, Lahore. (Tel) +92 42 3531 5700 - 15, 3031 3742 - 44  
Islamabad Office: Office No. 334, 3rd Floor, 106 Towers, Jinnah Avenue, Islamabad (Tel) +92 31 289 4868 / 69  
Peshawar Office: F26-PLF, 1st Floor, The Mall Tower, Peshawar, (Tel) +92 91 3222213  
Faisalabad Office: Office No. 04, 2nd Floor, Legally Tower, Rajmohr City, Faisalabad. (Tel) +92 41 8822219-8  
Multan Office: Office No. 01, 1st Floor, The United Mall, Plot No. 74, 4th/3rd Block, Multan. (Tel) +92 61 4114412  
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TRIC Holder of the Pakistan Stock Exchange Ltd. / British Reg No. 404 488 / 94



Stock Brokers at PSX  
Investment Advisors  
Financial Consultants  
M&A, IPO, REITs Advisors

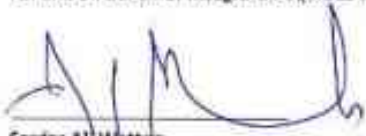

30<sup>th</sup> January 2026

**The Chief Executive**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi – 74000.

Being mandated as the Joint Consultant to the Issue to this Initial Public Offering of Sitara Petroleum Service Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on Behalf of Integrated Equities Limited

  
  
 Sardar Ali Wattoo  
 Chief Executive Officer

**Integrated Equities Limited**

Head Office : 30 Cricketers Colony, 3<sup>rd</sup> Floor, NETSOL Avenue, Ghazi Interchange Ring Road Lahore. T 92 42 3574 1714 -15 E info@iel.net.pk www.iel.net.pk  
 Branch Office : Floor No. 134, 3<sup>rd</sup> Floor, Stock Exchange Main Building, Karachi. T 92 21 3240 0881- 82 PSX TRIC No. 293



## 6. FINANCIAL INFORMATION:

### 6.1. AUDITORS REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL



#### Ilyas Saeed & Co.

Chartered Accountants

108-J-3, Model Town, Lahore - Pakistan

T : +92 42 3586 8849, 3586 1852

E : info@ilyasaheed.com

W : www.ilyasaheed.com

Ref. No. A/00016/26

January 27, 2026

The Board of Directors  
Sitara Petroleum Service Limited  
24-T, Gulberg II,  
Lahore.

Dear Sirs,

#### AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP CAPITAL AS REQUIRED UNDER CLAUSE 14(i) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested by the management of Sitara Petroleum Service Limited (the Company) to provide you with a certificate on issued, subscribed, and paid-up capital as required under Clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

#### Scope of Certificate

Our engagement was undertaken for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under Clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 for onward submission to the regulatory authorities for listing purposes.

#### Management Responsibilities

The responsibility for ensure compliance with the Clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017. The management's responsibilities also include maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certificate does not relieve the management of its responsibilities. Further, the management is also responsible for submission of this certificate to the regulatory authorities.

#### Auditor's Responsibilities

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company based on audited financial statements for the year ended June 30, 2025 in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountants Firms" issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures as mentioned below:

- Traced the amount of issued, subscribed and paid-up capital from the audited annual financial statements for the year ended June 30, 2025; and
- Obtained and reviewed Form 3 to corroborate figures for issued, subscribed and paid-up capital after the issuance of bonus and right shares

13/01



**Ilyas Saeed & Co.**  
Chartered Accountants

#### Certificate

Based on procedures mentioned above, we certify that break-up of issued, subscribed and paid-up share capital of the Company as at June 30, 2025, is as follows:

Issued, Subscribed and Paid-Up Capital	June 30, 2025 (Rupees)
35,000,000 ordinary shares of Rs.10 each fully paid in cash	350,000,000
105,000,000 ordinary shares of Rs.10 each issued as fully paid bonus shares.	1,050,000,000

#### Break-up of Shareholding

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount (Rupees)
Umair Saghir	6	60
Muhammad Usman Javed	20,940,497	209,404,970
Muhammad Hassan Javed	20,940,497	209,404,970
Muhammad Ali	20,940,497	209,404,970
Zain Liaqat	4	40
Rasid Amroor	4	40
Azmat Saleem	4	40
Saleem Akbar	2,851,000	28,510,000
Shaukat Mehmood Ghuman	2,143,000	21,430,000
Muhammad Anus	2,323,000	23,230,000
Shouab Rasool	1,466,000	14,660,000
Bismillah Khan	1,167,000	11,670,000
Ahmad Ali	1,792,000	17,920,000
Muhammad Hayat	872,000	8,720,000
Ahmad Faraz	874,000	8,740,000
Muhammad Irshad	400,000	4,000,000
Ali Imran Hotiana	344,000	3,440,000
Naila Shaukat	125,000	1,250,000
M. Siddique	20,940,497	209,404,970
Huzaila Bilal	20,940,497	209,404,970
Hassan Bilal	20,940,497	209,404,970

Subsequent to June 30, 2025, the Company undertook a share split, reducing the par value of its ordinary shares from PKR 10 to PKR 01 each, increasing the number of shares proportionally. The details of the share capital structure as at January 27, 2026 is as follows:

Issued, Subscribed and Paid-Up Capital	June 30, 2025 (Rupees)
3,500,000,000 ordinary shares of Rs.01 each fully paid in cash	350,000,000
10,500,000,000 ordinary shares of Rs.01 each issued as fully paid bonus shares.	1,050,000,000

*(Signature)*


**Ilyas Saeed & Co.**  
 Chartered Accountants

The shareholders of the company as at January 27, 2026 include the following:

Name of Shareholders	No. of ordinary shares of Rs. 01 each	Amount (Rupees)
Zaheer Baig	60	60
Muhammad Usman Javed	209,404,970	209,404,970
Muhammad Hassan Javed	209,404,970	209,404,970
Muhammad Ali	209,405,020	209,405,020
Hasan Ahmed	10	10
Tosheeba Sarwar	10	10
Muhammad Afzal Chaudhry	10	10
Zain Liaqat	40	40
Saleem Akbar	28,510,000	28,510,000
Shaukat Mehmood Ghuman	21,430,000	21,430,000
Muhammad Anas	23,230,000	23,230,000
Shoaib Rasool	14,660,000	14,660,000
Bismillah Khan	11,670,000	11,670,000
Ahmad Ali	17,920,000	17,920,000
Muhammad Hayat	8,720,000	8,720,000
Ahmad Faraz	8,740,000	8,740,000
Muhammad Irshad	4,000,000	4,000,000
Ali Imran Hotiana	3,440,000	3,440,000
Naila Shaukat	1,250,000	1,250,000
Muhammad Siddique Javed	209,404,970	209,404,970
Huzafa Bilal	209,404,970	209,404,970
Hassan Bilal	209,404,970	209,404,970

**Restriction on Use and Distribution**

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

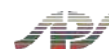
Yours Truly,

Ilyas Saeed & Co.  
Chartered Accountants



## 6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE





**Ilyas Saeed & Co.**  
Chartered Accountants

#### Certificate

Based on procedures mentioned above, we certify that breakup value of ordinary shares of the Company based on audited financial statements of the Company as at June 30, 2025, is as follows:

		June 30, 2025
		Rupees
Share Capital		1,400,000,000
Unappropriated Profit		5,801,112,301
<b>Net Assets excluding revaluation surplus</b>	<b>A</b>	<b>7,201,112,301</b>
Revaluation Surplus on Land - Net of tax		1,461,614,079
<b>Net Assets including revaluation surplus</b>	<b>B</b>	<b>8,662,726,380</b>
		Number
<b>Number of Ordinary shares</b>	<b>C</b>	<b>140,000,000</b>
		Rupees/ Share
<b>Break-up value per share excluding revaluation surplus</b>	<b>D = A / C</b>	<b>51.44</b>
<b>Break-up value per share including revaluation surplus</b>	<b>E = B / C</b>	<b>61.88</b>

Subsequent to June 30, 2025, the Company undertook a share split, reducing the par value of its ordinary shares from PKR 10 to PKR 1 each. Based on the book value as of June 30, 2025, the updated break-up value per share is as follows:

		June 30, 2025
		Rupees
Share Capital		1,400,000,000
Unappropriated Profit		5,801,112,301
<b>Net Assets excluding revaluation surplus</b>	<b>A</b>	<b>7,201,112,301</b>
Revaluation Surplus on Land - Net of tax		1,461,614,079
<b>Net Assets including revaluation surplus</b>	<b>B</b>	<b>8,662,726,380</b>
		Number
<b>Number of Ordinary shares</b>	<b>C</b>	<b>1,400,000,000</b>
		Rupees/ Share
<b>Break-up value per share excluding revaluation surplus</b>	<b>D = A / C</b>	<b>5.14</b>
<b>Break-up value per share including revaluation surplus</b>	<b>E = B / C</b>	<b>6.19</b>

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**Ilyas Saeed & Co.**  
Chartered Accountants

The revised break-up value per share reflects the impact of the share split. This calculation is based on the book value as at June 30, 2025, adjusted for the updated share capital structure.

**Restriction on Use and Distribution**

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours Truly,

Ilyas Saeed & Co.  
Chartered Accountants



### 6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

	<b>Ilyas Saeed &amp; Co.</b> Chartered Accountants
<p><b>Certificate</b></p> <p>Based on the procedures performed as mentioned in the preceding paragraph, we are pleased to report that:</p>	
<ol style="list-style-type: none"> <li>1. In terms of the requirement under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulations, 2017 and based on the audited financial statements, we report as under:             <ol style="list-style-type: none"> <li>a) The summary of assets, liabilities and shareholder's equity of the Company as on June 30, 2025, June 30, 2024 and June 30, 2023 is included in <b>Annexure "A"</b>.</li> <li>b) The summary of profit or loss for the year ended 30 June 2025, 30 June 2024 and 30 June 2023 is included in <b>Annexure "B"</b>.</li> <li>c) The summary of comprehensive income for the year ended 30 June 2025, 30 June 2024 and 30 June 2023 is included in <b>Annexure "C"</b>.</li> </ol> </li> <li>2. No dividend was declared by the Company for the year ended 30 June 2025, 30 June 2024 and 30 June 2023.</li> <li>3. The Company does not have any subsidiaries for the year ended 30 June 2025, 30 June 2024 and 30 June 2023.</li> </ol>	
<p><b>Restriction on Use and Distribution</b></p> <p>This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.</p>	
<p>Yours Truly,</p> <div style="text-align: center; margin-top: 10px;">  </div> <p>Ilyas Saeed &amp; Co. Chartered Accountants</p>	


**Ilyas Saeed & Co.**  
 Chartered Accountants

Annexure 8
**SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDER'S EQUITY**

	30 JUNE 2025	30 JUNE 2024	30 JUNE 2023
	Rupees	Rupees	Rupees
	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6,536,578,961	5,027,296,980	3,546,644,158
<b>CURRENT ASSETS</b>			
Stock in trade	3,013,843,523	1,891,807,761	1,248,508,798
Trade debtors - <i>net, unsecured and considered good</i>	6,308,208,787	4,642,465,757	2,315,241,007
Advances, deposits and other receivables	2,216,746,931	499,283,863	619,733,148
Income tax refunds due from Government	23,805,544	23,683,025	16,588,684
Deferred tax assets	68,834,532	-	-
Cash and bank balances	633,216,273	348,366,045	267,215,933
	<u>11,166,695,122</u>	<u>6,803,507,031</u>	<u>5,167,356,188</u>
<b>TOTAL ASSETS</b>	<b>18,825,774,233</b>	<b>11,832,804,011</b>	<b>8,708,020,648</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
Authorized share capital			
190,000,000 ordinary shares of Rs.10/- each	1,900,000,000	1,900,000,000	1,900,000,000
Issued, subscribed and paid up capital:	1,400,000,000	1,400,000,000	1,400,000,000
Reserves:			
Capital reserve:			
Surplus on revaluation of land	1,461,614,079	1,401,614,079	-
Reserve reserve:			
Unappropriated profit	5,801,112,301	2,549,052,555	2,321,612,732
	<u>8,662,726,380</u>	<u>3,410,666,634</u>	<u>3,721,612,732</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	6,120,518,480	962,296,506	1,449,746,508
Lease liabilities	1,090,625,695	151,862,918	183,039,002
Deferred liabilities:			
Staff retirement gratuity	28,937,524	24,150,163	26,128,846
Deferred taxation	-	131,044,669	143,483,723
	<u>5,340,181,699</u>	<u>1,269,354,256</u>	<u>1,802,400,079</u>
<b>CURRENT LIABILITIES</b>			
Current portion of non-current liabilities	1,718,071,231	840,777,023	486,933,792
Creditors, accrued and other liabilities	933,466,293	1,732,276,454	1,803,777,366
Short term bank borrowings	1,847,599,948	2,234,596,119	1,847,066,169
Accrued mark-up	283,139,630	103,727,120	31,286,874
Provision for taxation - Income tax	1,129,489,092	259,456,121	398,161,412
	<u>5,922,666,194</u>	<u>3,152,803,730</u>	<u>3,572,207,539</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,825,774,233</b>	<b>11,832,804,011</b>	<b>8,708,020,648</b>


**Ilyas Saeed & Co.**  
 Chartered Accountants

(Amounts in Rs.)

**SUMMARY OF PROFIT OR LOSS**

	30 JUNE 2025	30 JUNE 2024	30 JUNE 2023
	Ruppes	Ruppes	Ruppes
	(Audited)	(Audited)	(Audited)
Sales	121,546,706,550	40,910,968,877	48,094,558,619
Cost of sales	(116,411,512,619)	(38,145,343,987)	(47,125,511,829)
Gross profit	5,135,193,931	1,765,624,890	1,069,046,790
Other Income	46,336,727	(52,653,655)	21,691,228
	5,201,530,658	1,812,971,235	1,090,738,018
Administrative and general expenses	(171,144,987)	(146,283,079)	(126,938,724)
Finance cost	(1,155,669,866)	(1,214,813,193)	(400,736,314)
Other expenses	(58,592,089)	(9,356,476)	(20,881,206)
	(1,385,406,942)	(1,470,452,770)	(148,556,244)
Profit before levy and taxation	4,176,123,716	407,821,797	1,044,181,980
Levy	(787,104,419)	(183,455,989)	(176,393,926)
Profit for the year before taxation	3,429,019,297	244,365,808	867,788,054
Taxation	(178,912,811)	(83,197,316)	(106,891,331)
Profit for the year	3,270,106,486	211,178,492	760,896,723
Earnings per share - basic and diluted (Rs. per share)	21.22	1.58	4.83

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**Ilyas Saeed & Co.**  
Chartered Accountants

Annexure E

**SUMMARY OF COMPREHENSIVE INCOME**

	30 JUNE 2025	30 JUNE 2024	30 JUNE 2023
	Ruppes	Ruppes	Ruppes
	(Audited)	(Audited)	(Audited)
Profit for the year	3,230,300,866	225,176,899	673,864,713
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	3,202,099	(10,267,003)	4,824,943
Related deferred tax	(1,248,819)	(4,004,170)	(1,396,233)
	1,953,280	6,262,833	3,428,710
Surplus on revaluation of Reshold land carried out during the year	-	3,461,818,029	-
<b>Total comprehensive income for the year</b>	<b>3,232,254,046</b>	<b>1,683,653,502</b>	<b>677,291,423</b>

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#### 6.4. SHARIAH COMPLIANCE CERTIFICATE



January 14, 2026

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

#### SHARIAH COMPLIANCE OF SITARA PETROLEUM SERVICE LIMITED

We, Al-Hilal Shariah Advisors (Pvt.) Limited, have conducted the Shariah Compliance Screening of **Sitara Petroleum Service Limited**, as requested by the Company, based on the audited financial statements for the year ended **June 30, 2025**, along with the unaudited financial statements for the 1<sup>st</sup> quarter ended **September 30, 2025** of the financial year 2025-2026, as provided by the Company's management.

We have thoroughly analyzed the financial statements in light of the Shariah screening criteria approved by our Shariah Supervisory Council in line with the prescribed thresholds of the Securities and Exchange Commission of Pakistan (SECP). Based on the information made available and our independent evaluation, we hereby certify that investment in the shares of **Sitara Petroleum Service Limited** is Shariah compliant, and no evidence to the contrary has been identified.

Hence, it is resolved that investment in the shares of **Sitara Petroleum Service Limited** is permissible.

Please note that this assessment has been conducted strictly in accordance with the Shariah Screening Criteria adopted by Al-Hilal Shariah Advisors which is in line with the criteria prescribed by SECP. This evaluation reflects independent professional judgment of Al-Hilal Shariah Advisors based on the financial information and publicly available disclosures.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم وبارك وسلم عليه



Mufti Irshad Ahmed Ajaz  
Chairman  
Shariah Supervisory Council




Faraz Younus Sandukda, CFA  
Chief Executive

**Al-Hilal Shariah Advisors (Pvt) Limited**  
Suite 807, 4<sup>th</sup> Floor, Alifan Towers, Cross 5/6, Minicross Street,  
Block 09 - Clifton, Karachi  
Tel: +92-21-33380001-07, 0800-11111111  
www.alhilal.com



## 6.5. LATEST AUDITED ACCOUNTS AS AT 30TH JUNE 2025


SITARA PETROLEUM SERVICE LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	6,659,078,661	5,827,296,080
<b>CURRENT ASSETS</b>			
Stock in trade	6	3,913,843,325	1,891,807,761
Trade debts - local, <i>assessed and considered good</i>	7	6,309,208,747	4,842,463,757
Advances, deposits and other receivables	8	2,216,746,931	499,283,863
Income tax refunds due from Government		23,805,344	25,683,823
Deferred tax assets	9	69,854,552	-
Cash and bank balances	10	633,236,273	748,206,043
		<u>13,166,685,512</u>	<u>6,805,507,051</u>
<b>TOTAL ASSETS</b>		<b>19,825,774,233</b>	<b>11,837,804,031</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
Authorized share capital 190,000,000 ordinary shares of Rs.10/- each		1,900,000,000	1,900,000,000
Issued, subscribed and paid up capital	11	1,400,000,000	1,400,000,000
Reserves			
Capital reserve:			
Surplus on resolution of land		1,461,614,079	1,461,614,079
Revenue reserve:			
Unappropriated profit		5,801,112,301	2,549,652,555
		<u>8,662,726,380</u>	<u>5,410,666,634</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	12	4,120,518,440	902,300,506
Lease liabilities	13	1,090,925,685	151,865,918
Deferred liabilities			
Staff retirement gratuity	14	25,937,524	34,150,165
Deferred taxation	15	-	131,044,009
		<u>5,240,381,659</u>	<u>1,209,300,658</u>
<b>CURRENT LIABILITIES</b>			
Current portion of non-current liabilities	16	1,718,971,231	840,772,923
Creditors, accrued and other liabilities	17	933,466,283	1,732,230,654
Short term bank borrowings	18	1,847,599,948	2,215,398,119
Accrued work-up	19	293,179,630	103,327,120
Provision for taxation - Income tax		1,129,489,002	259,456,121
		<u>5,922,666,194</u>	<u>5,151,830,727</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,825,774,233</b>	<b>11,837,804,031</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		

The attached notes from 1 to 21 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

ISCW

DIRECTOR  


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**SITARA PETROLEUM SERVICE LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Sales	21	121,946,706,550	40,930,968,877
Cost of sales	22	(116,431,512,619)	(39,145,345,987)
Gross profit		5,515,193,931	1,785,622,890
Other Income	23	46,336,727	152,653,655
		5,561,530,658	1,938,276,545
Administrative and general expenses	24	(171,144,987)	(146,283,079)
Finance cost	25	(1,155,669,866)	(1,314,813,195)
Other expenses	26	(58,592,089)	(9,356,476)
		(1,385,406,942)	(1,470,452,750)
Profit before levy and taxation		4,176,123,716	467,823,795
Levy	27	(747,104,419)	(183,455,589)
Profit for the year before taxation		3,429,019,297	284,368,206
Taxation	28	(178,912,831)	(63,191,316)
Profit for the year		3,250,106,466	221,176,890
Earnings per share - basic and diluted (Rupees per share)	29	23.22	1.58

The annexed notes from 1 to 41 form an integral part of these financial statements.

ISCo

  
 CHIEF EXECUTIVE  
 //

  
 DIRECTOR



**SITARA PETROLEUM SERVICE LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 Rupees	2024 Rupees
Profit for the year	3,250,106,466	221,176,890
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	3,202,099	10,267,103
Related deferred tax	(1,248,819)	(4,004,170)
	1,953,280	6,262,933
Surplus on revaluation of freehold land carried out during the year	-	1,461,614,079
<b>Total comprehensive income for the year</b>	<b>3,252,059,746</b>	<b>1,689,053,902</b>

*The annexed notes from 1 to 41 form an integral part of these financial statements.*

TSCG

  
Zahid  
CHIEF EXECUTIVE

  
Zahid  
DIRECTOR



**SITARA PETROLEUM SERVICE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Issued, subscribed and paid up capital	Surplus on revaluation of land	Unappropriated profit	Total
	Rupees			
Balance as at June 30, 2023	1,400,000,000	-	2,121,612,732	3,721,612,732
Total comprehensive income for the year	-	-	221,376,890	221,376,890
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Remeasurement of defined benefit liability	-	-	10,267,101	10,267,101
Related deferred tax	-	-	(4,004,170)	(4,004,170)
Related deferred tax	-	-	6,262,933	6,262,933
Surplus on revaluation of land (refer Note 3)	-	1,461,614,079	-	1,461,614,079
Balance as at June 30, 2024	1,400,000,000	1,461,614,079	2,349,052,555	3,410,666,634
Total comprehensive income for the year	-	-	3,250,106,466	3,250,106,466
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Remeasurement of defined benefit liability	-	-	3,202,699	3,202,699
Related deferred tax	-	-	(1,248,819)	(1,248,819)
Related deferred tax	-	-	1,953,280	1,953,280
Balance as at June 30, 2025	1,400,000,000	1,461,614,079	3,091,112,301	3,662,726,380

The attached notes form 1 to 41 form an integral part of these financial statements.

*Zahid*  
 CHIEF EXECUTIVE

*Kam Vaid*  
 DIRECTOR



**SITARA PETROLEUM SERVICE LIMITED**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before levy and taxation		4,176,123,716	467,823,795
Adjustment for non cash items:			
Depreciation on property, plant and equipment	5	277,125,944	214,153,191
Provision for staff retirement gratuity	14.1	7,989,458	8,288,422
Gain on disposal of Vehicles	22	(4,382,801)	(130,733,186)
Finance cost	23	1,155,669,866	1,314,813,195
		1,436,402,467	1,406,522,622
Cash flows before working capital changes		5,612,526,183	1,874,346,417
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		(2,022,035,764)	(645,218,963)
Trade debts		(2,266,742,990)	(527,216,150)
Advances, deposits and other receivables		(1,122,040,670)	6,067,175
Decrease in current liabilities:			
Creditors, accrued and other liabilities		(798,604,161)	(71,466,912)
		(6,209,623,585)	(1,235,834,850)
Cash flow from operations		(597,097,402)	638,511,567
Income taxes paid		(106,371,617)	(244,510,831)
Net cash flow from operating activities	A	(703,669,019)	394,000,736
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(2,072,478,002)	(312,459,448)
Proceeds from disposal of vehicles		10,000,000	209,000,000
Net cash flow from investing activities	B	(2,062,478,002)	(108,459,448)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loan obtained		5,321,288,266	-
Repayments of:			
Long term loans		(832,368,420)	(100,000,000)
Lease liabilities		(102,546,070)	(74,810,953)
Finance cost paid		(966,257,356)	(1,242,372,949)
Increase/(decrease) in short term bank borrowings - net		(368,999,171)	1,212,692,724
Net cash flow from financing activities	C	3,051,117,249	(204,491,176)
Net increase in cash and cash equivalents (A+B+C)		284,970,228	81,050,112
Cash and cash equivalents at the beginning of the year		348,266,045	267,215,933
Cash and cash equivalents at the end of the year	10	633,236,273	348,266,045

The annexed notes from 1 to 41 form an integral part of these financial statements.

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**Zahid**  
 CHIEF EXECUTIVE

  
**Zahid**  
 DIRECTOR



**SITARA PETROLEUM SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and its operations**

Sitara Petroleum Service Limited (the Company) was incorporated on July 3, 2012 under the repealed Companies Ordinance, 1984 repealed by the Companies Act, 2017 as a private limited company and subsequently converted into a public limited company on February 7, 2023. The Company is mainly engaged in the business of trading and distribution of diesel and petrol. The Company is also engaged in providing fleet logistic services to oil marketing sector. The registered office of the Company is situated at 14-T, Gulberg II, Lahore, in the province of Punjab. The petrol pumps of the Company are located in Lahore (3), Bahawalpur (6), Faisalabad (10), Muzaffargarh (3), Pakpattan (4), Mirpur (1), Sahiwal (1), Jhang (2), Khuzhab (1), Bhakkar (1), Buner (1), Uper dir (1), Chinniot (2), Multan (1), Rajanpur (1), Narowal (1), Kasur (2), Sialkot (1), D.G Khan (1), Layyah (1) and Sheikhupura (1).

The members of the Company had previously approved the proposed merger of the dormant company, M/s Karim Silk Mills Limited, with and into the Company. In accordance with the Scheme of Arrangement, as approved by the members of both companies, the assets, liabilities, and reserves of M/s Karim Silk Mills Limited were to be merged into the Company. The Scheme was duly approved by the Honourable High Court of Sindh on October 18, 2023. However, following the court's approval, the management has reconsidered the strategic direction and decided not to proceed with the reverse merger. Instead, the Company has resolved to pursue an independent listing on the Pakistan Stock Exchange (PSX).

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

**2.2 Basis of measurement**

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

**2.3 Use of estimates and judgments**

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

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

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

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

**2.4 Functional and presentation currency**

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

**3 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

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

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

Standard	Description	Effective Date
IAS 1	Presentation of Financial Statements (Amendments)	01 January 2024
IAS 7	Statement of Cash Flows (Amendments)	01 January 2024
IFRS 16	Leases - Amendments to Sale and leaseback transactions	01 January 2024

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in the note to these financial statements.

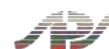
Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)	
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	01 January 2025
IFRS 7	Financial Instruments: Disclosures	01 January 2026
IFRS 9	Financial Instruments - Classification and Measurement of Financial Instruments	01 January 2026
IFRS 17	Insurance Contracts	01 January 2027

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements.
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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



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### 4 MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, which is carried at revalued amount, and capital work-in-progress, which is carried at cost less any impairment. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. During the year ended 30 June 2024, the accounting policy for freehold land was changed from the cost model to the revaluation model.

Depreciation is charged to statement of profit or loss using reducing balance method at the rates specified in note 5 to the financial statements. The Company starts charging depreciation on additions to property, plant and equipment when it is available for intended use (i.e.) the date of disposal of property, plant and equipment. Assets residual values, useful lives and depreciation rates are reviewed, and adjusted, if appropriate at each reporting date.

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

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

#### 4.2 Stock-in-Trade

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

#### 4.3 Impairment of non-financial assets

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

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

#### 4.4 Financial Instruments

##### 4.4.1 Measurement of financial asset

###### Initial Measurement

The Company classifies its financial assets into following three categories:

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

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



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### Subsequent measurement

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

#### Debt Investments at FVOCI

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

#### Equity Investments at FVOCI

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

#### Financial assets at FVTPL

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

#### Financial assets measured at amortized cost

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

#### Non-derivative financial assets

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

### De-recognition

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

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

### 4.4.2 Measurement of Financial liabilities

#### Initial Measurement

Financial liabilities are classified in the following categories:

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

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



## SITARA PETROLEUM SERVICE LIMITED

### Subsequent measurement

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

#### Fair value through profit or loss

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

#### Financial liabilities at amortized cost

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

### Derecognition

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

### 4.4.3 Offsetting of Financial Asset and Financial Liability

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

### 4.4.4 Impairment of financial assets

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

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

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

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

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



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

### 4.5 Related party transactions

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

### 4.6 Trade debts and other receivables

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

### 4.7 Leases

#### 4.7.1 Lease liabilities

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

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

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

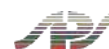
When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### 4.7.2 Right of use

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

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

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### 4.7.3 Lease term

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

### 4.7.4 Incremental borrowing rate

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

### 4.8 Trade and other payables

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

### 4.9 Revenue recognition

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

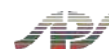
- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations,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

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

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

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

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

### 4.10 Taxation

#### 4.10.1 Current tax

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

#### 4.10.2 Deferred tax

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

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

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

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

#### 4.10.3 Levy

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

### 4.11 Cash and cash equivalents

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

### 4.12 Borrowing Costs

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

### 4.13 Foreign Currency Transactions

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

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

**4.14 Earnings Per Share**

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

**4.15 Provisions**

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

**4.16 Staff retirement benefits**

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

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5 PROPERTY, PLANT AND EQUIPMENT

Owned assets  
 Right of use assets  
 Capital work in progress  
 Civil works

	2025	2024
	Rspees	Rspees
Net		
5.1	4,940,864,107	4,431,171,482
5.2	1,564,296,432	284,352,198
5.3	155,826,122	311,775,300
	6,659,986,661	5,027,299,980

Particulars	Owned assets						Subtotal
	Freehold / land	Building on freehold land	Plant & Machinery	Furniture & Fixtures	Office Equipment	Electrical Installation	

As at July 01, 2023  
 Cost  
 Accumulated depreciation  
 Net book value  
 Year ended June 30, 2024  
 Opening net book value  
 Additions / transfer  
 Surplus on revaluation  
 Disposal / transfer / early termination  
 Cost  
 Accumulated depreciation  
 Depreciation charged  
 Closing net book value  
 As at June 30, 2024  
 Cost  
 Accumulated depreciation  
 Net book value  
 Year ended June 30, 2025  
 Opening net book value  
 Additions / transfer  
 Surplus on revaluation  
 Disposal / transfer / early termination  
 Cost  
 Accumulated depreciation  
 Depreciation charged  
 Closing net book value  
 As at June 26, 2025  
 Cost  
 Accumulated depreciation  
 Net book value  
 Annual rate of Depreciation (%)

1,130,484,021	544,040,186	804,920,287	4,259,532	3,451,956	251,902,146	881,239,154	3,129,639,183
-	(64,957,994)	(133,531,250)	(2,446,310)	(1,717,311)	(68,012,923)	(183,228,142)	(453,990,980)
1,130,484,021	479,082,192	371,238,997	2,193,221	1,734,635	183,889,213	698,011,012	2,866,648,193
1,130,484,921	479,096,192	371,238,997	2,193,222	1,734,635	183,889,213	698,011,012	2,866,648,193
1,461,614,079	-	-	-	-	-	357,488,536	1,461,614,079
-	-	-	-	-	-	151,800,000	151,800,000
-	-	-	-	-	-	(73,432,186)	(73,432,186)
-	(23,945,810)	(37,125,909)	(219,322)	(173,468)	(18,388,821)	(96,451,095)	(176,311,512)
2,922,099,000	455,141,382	334,115,097	1,973,901	1,561,171	165,500,292	840,780,529	4,431,171,482
2,922,099,000	544,040,186	504,920,287	4,259,533	3,451,956	251,902,146	1,086,927,090	4,987,541,798
-	(88,907,864)	(170,627,192)	(2,785,632)	(1,899,743)	(86,401,854)	(256,147,551)	(556,270,210)
2,922,099,000	455,141,382	334,115,097	1,973,901	1,561,171	165,500,292	840,780,529	4,431,171,482
2,922,099,000	455,141,382	334,115,097	1,973,901	1,561,171	165,500,292	840,780,529	4,431,171,482
21,008,935	149,246,815	70,361,890	-	-	24,521,253	459,057,663	727,006,558
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,812,509	7,812,509
-	(29,149,264)	(39,043,449)	(197,269)	(156,117)	(19,082,154)	(2,195,301)	(2,195,301)
2,815,107,635	575,238,833	364,533,538	1,776,511	1,405,054	173,019,291	1,211,782,845	4,940,864,107
2,815,107,635	693,296,601	575,114,177	4,259,533	3,451,956	276,423,299	1,539,072,155	5,207,225,856
-	(118,057,368)	(210,380,639)	(2,983,022)	(2,046,992)	(105,004,008)	(327,200,010)	(1,066,361,289)
2,815,107,635	575,238,833	364,533,538	1,776,511	1,405,054	173,019,291	1,211,782,845	4,940,864,107
-	-	-	10%	10%	10%	10%	10%

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8.1.1 This includes freehold land valued at Rs. 710.04 million (2024: Rs. 710.04) held for future expansion. Had there been no revaluation, the carrying value of land would have been Rs. 1,130.48 million. Forged sale value of the land is Rs. 2,125.64 million. The fair value of land was determined by an independent valuer MS MYK Associates (Private) Limited in the month of June 2024, on the basis of market comparable approach that reflects recent transaction prices for similar properties. Value was determined under Fair Value Hierarchy - Level 2.

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

Description	Cost	Accumulated Depreciations	Net Book Value	Sales Proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Vehicles	7,812,800	2,195,201	5,617,599	10,000,000	4,382,401	Negotiation	Rana Rashid Ali
	2,812,500	2,135,201	5,617,100	10,000,000	4,382,901		

8.1.3 Land with the following details are not held in the name of the Company. Formalities for vacating of lien and transfer of ownership in the name of the Company are in process:

Released Party's name	Property Address	2024	2025	Rupees
Mr. Javed Iqbal SID Hina Ahmed	House # 2227C, Feroz Town, 5th Street	178,000,000	178,000,000	178,000,000
Khadija Bano SID Riaz Ahmed	House # 340Y, Feroz Town, Bahawal	60,000,000	60,000,000	60,000,000

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## SITARA PETROLEUM SERVICE LIMITED

		Right of use assets		
5.2	Particulars	Petrol pumps	Vehicles	Subtotal
Rupees				
<b>As at July 01, 2023</b>				
	Cost	215,281,528	780,247,552	995,529,080
	Accumulated depreciation	(96,337,438)	(275,195,377)	(321,532,815)
	Net book value	168,944,090	505,052,175	673,996,265
<b>Year ended June 30, 2024</b>				
	Opening net book value	168,944,090	505,052,175	673,996,265
	Additions / transfer	3,479,733	-	3,479,733
	Surplus on revaluation	-	-	-
	Disposal / transfer / early termination			
	Cost	798,383	610,691,132	611,489,515
	Accumulated depreciation	(798,383)	(255,409,011)	(256,207,394)
		-	355,282,121	355,282,121
	Depreciation charged	(18,923,599)	(18,918,080)	(37,841,679)
	Closing net book value	153,500,224	130,851,974	284,352,198
<b>As at June 30, 2024</b>				
	Cost	217,962,878	169,556,420	387,519,298
	Accumulated depreciation	(64,462,654)	(38,704,446)	(103,167,100)
	Net book value	153,500,224	130,851,974	284,352,198
<b>Year ended June 30, 2025</b>				
	Opening net book value	153,500,224	130,851,974	284,352,198
	Additions / transfer	5,865,535	1,427,160,470	1,433,026,005
	Surplus on revaluation	-	-	-
	Disposal / transfer / early termination			
	Cost	-	118,874,500	118,874,500
	Accumulated depreciation	-	(31,229,939)	(31,229,939)
		-	87,644,561	87,644,561
	Depreciation charged	(20,971,027)	(44,368,183)	(65,339,210)
	Closing net book value	138,394,732	1,425,999,700	1,564,394,432
<b>As at June 30, 2025</b>				
	Cost	223,828,413	1,477,842,390	1,701,670,803
	Accumulated depreciation	(85,433,681)	(51,842,690)	(137,276,371)
	Net book value	138,394,732	1,425,999,700	1,564,394,432
	Annual rate of depreciation (%)	Over the lease term	10%	

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

5.3	Capital work in progress - Movement	Note	2025 Rupees	2024 Rupees
	Opening		311,773,300	-
	Addition during the year		20,000,000	311,773,300
	Transfer		(177,953,178)	-
	Closing Balance		153,820,122	311,773,300

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**SITARA PETROLEUM SERVICE LIMITED**

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

5.4 Depreciation for the year is allocated as under	Notes	2025	2024
		Rupees	Rupees
Cost of sales	22.1	109,065,994	98,391,270
Cost of carriage services	22.2	167,706,443	115,369,175
Administrative and general expenses	24	353,507	392,786
		<u>277,125,944</u>	<u>214,153,191</u>

**6 STOCK IN TRADE**

Stock in hand		2025	2024
Petrol		1,456,191,774	1,013,619,893
Diesel		2,457,651,751	878,187,868
		<u>3,913,843,525</u>	<u>1,891,807,761</u>

**7 TRADE DEBTS**

Unsecured		2025	2024
Trade debts - considered good		6,309,208,747	4,042,465,757

7.1 As at June 30, 2025, trade debts aggregating to Rs. 6,309,208,747 (2024: Rs. 4,042,465,757) are neither past due nor impaired. The age analysis of trade debts are as follows:

	2025	2024
Up to one month	4,371,270,244	2,608,563,325
One to three months	1,937,938,503	1,433,902,432
More than three months	-	-
	<u>6,309,208,747</u>	<u>4,042,465,757</u>

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2025	2024
		Rupees	Rupees
Considered good			
Advances for investment	8.1	210,000,000	-
Fabrication for Vehicles	8.2	141,300,000	-
Advances for Vehicles	8.3	50,270,000	-
Advance against land	8.4	920,000,000	-
Advance Income tax		792,029,389	196,606,991
Other receivables			
Loan to Director	8.5	-	200,000,000
Advance to SHPL		8,674,207	-
Due from related party		-	8,203,537
Sales tax refundable		94,673,335	94,473,335
		<u>2,216,746,931</u>	<u>499,283,863</u>

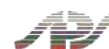
8.1 This amount is related to advance given to Capital Smart Motors (Private) Limited for the proposed purchase of its shares.

8.2 The Company has paid an advance of Rs. 126,000,000 to Automobile Corporation of Pakistan (Private) Limited for the fabrication of 21 vehicles and Rs. 156,000,000 to Auto Expert for the fabrication of 23 vehicles.

8.3 This amount relates to a downpayment of Rs. 50,270,000 made to MCB Bank Limited in respect of the lease arrangement for 23 commercial vehicles.

8.4 The amount includes Rs. 400 million paid for purchase of land in Faisalabad, Rs. 300 million for purchase of land in Sahiwal and Rs. 210 million for purchase of land from BSP Food (Private) Limited.

8.5 The loan was granted to Mr. Tahir Iqbal former Chief Executive Officer of the Company and was repaid by him in full during the year.



## SITARA PETROLEUM SERVICE LIMITED

	Note	2025 Rupees	2024 Rupees
<b>9 DEFERRED TAX ASSET</b>			
Deferred tax asset		69,851,552	-
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		174,268,047	253,789,070
Cash at banks			
In current accounts		458,868,226	94,476,975
		633,236,273	348,266,045
<b>11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
35,000,000 (2024: 35,000,000) ordinary shares of Rs.10 each fully paid in cash		350,000,000	350,000,000
105,000,000 (2024: 105,000,000) ordinary shares of Rs.10 each issued as fully paid bonus shares.		1,050,000,000	1,050,000,000
		1,400,000,000	1,400,000,000

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

	Note	2025 Rupees	2024 Rupees
<b>12 LONG TERM LOANS</b>			
Secured under markup arrangement			
National Bank of Pakistan	12.1	1,009,746,506	1,399,746,506
Bank Al Falah	12.2	252,600,000	-
Bank Al Habib Limited- Term Finance Facility	12.3	286,458,334	343,750,000
Bank Al Habib Limited- Medium Term Facility	12.4	1,500,000,000	-
Bank Al Habib Limited- Long term Facility II	12.5	844,166,658	-
Bank Al Habib Limited- Long term Facility III	12.6	1,004,133,778	-
Bank Al Habib Limited- Long term Facility IV	12.7	609,583,334	-
		5,546,688,620	1,743,496,506
Less: Current portion			
Installments due		(356,392,545)	(156,250,000)
Payable within one year		(712,785,090)	(625,000,000)
	18	(1,069,177,635)	(781,250,000)
		4,476,910,985	962,246,506

12.1 The Company has obtained a funded facility from National Bank of Pakistan amounting to Rs. 1,300,000,000/- for the purpose of converting existing bank guarantees and inland letters of credit. The facility carries a mark-up at 3-month KIBOR plus 1.50% per annum, which is payable quarterly in arrears, with a prompt payment rebate available as per the terms of the agreement. The repayment of the facility will be made through twenty (20) equal quarterly installments of Rs. 25 million each during the first year, followed by sixteen (16) quarterly installments of Rs. 87.50 million each over the subsequent four years. The facility is scheduled to mature on March 31, 2028, and is secured against the mortgage of various properties of the Company, its sponsors, and related parties.

12.2 The Company has obtained a diminishing musharaka facility from Bank Al Falah amounting to Rs. 300,000,000/- for the purpose of sale and lease back of oil tankers purchased by the customer from November 2024 onward through their own sources. The facility carries a mark-up at 3-month KIBOR plus 1.25% per annum, with a minimum floor of 8% and a cap of 35%. The rental will be revised every three months in accordance with the prevailing KIBOR rate. Repayment of the facility will be made in twenty-four (24) equal quarterly installments after the completion of the grace period.

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## SITARA PETROLEUM SERVICE LIMITED

The facility is secured through hypothecation/pledge of the Company's present and future stocks, receivables, leased assets, and other collateral, all of which must be duly insured under Takaful/insurance arrangements approved by the Bank. The Bank retains the right to conduct stock inspections, and all related charges, duties, and documentation costs are to be borne by the Company.

- 12.3** The Company has obtained a term finance facilities from Bank Al Habib Limited amounting to Rs. 550,000,000/- for the construction of nine retail outlets. The facilities carry mark-up at 3-month average KIBOR plus 1.15% per annum, which is payable quarterly in arrears and reset on a calendar quarterly basis. The repayment of the principal for the Rs. 550 million facility will be made in half-yearly installments after a one-year grace period, with a total tenor of five years. The facilities are secured by the Company's Promissory Note for Rs. 907.576 million, a first hypothecation charge on all present and future fixed assets of the nine retail outlets, a personal guarantees amounting to Rs. 1,054.203 million, and an equitable mortgage over a commercial property.
- 12.4** The Company has obtained a medium term facility from Bank Al Habib Limited amounting to Rs. 1,500,000,000/- to support its permanent working capital requirements. The facility carries a mark-up at 3-month KIBOR plus 0.75% per annum, payable half-yearly in arrears, with an adjustment mechanism in place to account for the difference between the Assumed Rate and the actual Base Price, as defined in the agreement. Repayment of the facility will be made in eight (08) equal quarterly installments following a 12-month grace period. The facility will mature three years from the date of disbursement. It is secured by the Company's promissory note, a first Pari Passu charge on current assets, and registered personal guarantees of the sponsors and mortgagors for a cumulative amount of Rs. 2.118 billion.
- 12.5** The Company has obtained a long term facility (TF-II) from Bank Al Habib Limited amounting to Rs. 1,013,000,000/- for the purpose of converting its existing Running Finance I and II facilities. The facility is priced at 3-month KIBOR plus 0.75% per annum, with the rate reset quarterly and payments made quarterly in arrears. An Assumed Rate of 30% per annum is applied for calculation purposes, with subsequent adjustments made to account for the difference between this assumed rate and the actual base price. Repayment will be made through twelve (12) equal quarterly installments following a 12-month grace period, with the first installment due in March 2025. The facility will mature 3.5 years from the date of disbursement. It is secured by four promissory notes and collateral as outlined in the principal offer letter, with a total promissory note amount of Rs. 1.810 billion.
- 12.6** The Company has obtained a term finance facility (TF-III) from Bank Al Habib Limited amounting to Rs. 1,025,000,000/- for the purpose of converting an STF-One Off facility of Rs. 1,205,000,000/-. The facility carries a mark-up based on the 6-month KIBOR, reviewed semi-annually, with payments due half-yearly in arrears. An Assumed Rate of 30% per annum is used for calculation purposes, with adjustments made for any difference between this rate and the actual Base Price. Repayment of the facility will be made through twelve (12) equal quarterly installments following a 12-month grace period, including the applicable mark-up. The facility will mature 3.5 years from the date of disbursement and is secured by the Company's promissory note, a first Pari Passu charge on current assets amounting to Rs. 2,000 billion, as well as registered personal guarantees and mortgages from the sponsors, including a residential property and land.
- 12.7** The Company has obtained a term finance facility (TF-IV) amounting to Rs. 700,000,000/- to support CAPEX related to the expansion of its retail network. The facility is priced at 3-month KIBOR plus 1.15% per annum, with the rate reset quarterly. Payments are to be made quarterly in arrears. An Assumed Rate of 30% per annum is used for calculation purposes, with true-ups made to reflect the actual Base Price. Repayment will be made through twelve (12) equal quarterly installments after a 12-month grace period, including applicable mark-up. The first installment is due in March 2025. The facility will mature 3.5 years from the date of disbursement. It is secured by a Pro Noto for Rs. 1.113 billion, a personal guarantee of Mr. Bilal Ahmad Anzari for Rs. 1.054 billion, and an equitable mortgage on a commercial property valued at Rs. 691 million.



<b>SITARA PETROLEUM SERVICE LIMITED</b>				
<b>13 LEASE LIABILITIES</b>	<b>Note</b>	<b>2025 Rupees</b>	<b>2024 Rupees</b>	
<b>Lease liabilities against:</b>				
Vehicles	13.1	1,217,966,018	36,180,290	
Petrol pumps	13.2	166,360,728	175,213,553	
		<u>1,384,326,746</u>	<u>211,393,843</u>	
<b>Less: Current portion - Payable within one year</b>				
Vehicles		(259,476,814)	(28,072,131)	
Petrol pumps		(33,924,237)	(31,455,794)	
		<u>(293,401,051)</u>	<u>(59,527,925)</u>	
		<u>1,090,925,695</u>	<u>151,865,918</u>	
<b>13.1</b> The principal plus finance cost is payable over the lease period in 24 to 60 monthly instalments. The liabilities represent the total minimum lease payments discounted from 8.67% to 25.08% (2024: 8.44% to 25.08%) per annum being the interest rates implicit in the leases. These leases are secured against title of the leased assets.				
<b>13.2</b> Lease liability has been recognized at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rates ranging from 11.19% to 23.97% per annum (2024: 7.95% to 23.97% per annum).				
<b>13.3</b> The future minimum lease payments to which the Company is committed are as under:				
		<b>2025 Rupees</b>	<b>2024 Rupees</b>	
Future minimum lease payments		1,611,863,323	347,108,112	
Less: Financial charges allocated to future periods		(227,536,577)	(135,714,269)	
		<u>1,384,326,746</u>	<u>211,393,843</u>	
		<b>Present value of minimum lease payments</b>		
		<b>2025</b>	<b>2024</b>	
		<b>Rupees</b>		
Due within 1 year		413,530,593	65,596,982	398,287,460
Due within 2 to 5 years		1,041,322,538	106,566,938	1,017,432,392
Due later than 5 years		15,701,012	171,950,192	68,606,894
		<u>1,470,554,143</u>	<u>247,108,112</u>	<u>1,384,326,746</u>
		<u>1,090,925,695</u>	<u>151,865,918</u>	<u>211,393,843</u>
<b>14 STAFF RETIREMENT GRATUITY</b>				
The scheme provides terminal benefits to all employees of the Company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2025 using Projected Unit Credit Method.				
<b>14.1 Reporting date liability</b>				
	<b>Note</b>	<b>2025 Rupees</b>	<b>2024 Rupees</b>	
Present value of defined benefit obligations	14.2	28,937,524	24,150,165	
<b>14.2 Movement in net liability recognized</b>				
Opening balance		24,150,165	26,128,846	
Expenses recognized in profit or loss	14.3	7,989,458	8,288,422	
Reassessment adjustments recognized in other comprehensive income		(3,202,099)	(10,267,103)	
Closing balance		<u>28,937,524</u>	<u>24,150,165</u>	



**SITARA PETROLEUM SERVICE LIMITED**

14.3 Expenses recognized in profit or loss	Note	2025 Rupees	2024 Rupees
Current service cost		4,608,433	4,042,485
Interest cost		3,381,023	4,245,937
		<u>7,989,456</u>	<u>8,288,422</u>

**14.4 Principle actuarial assumptions**

Most recent actuarial valuation was carried out as on June 30, 2025. The principal actuarial assumptions used in the valuation are given below:

	2025	2024
Discount rate	12.5% per annum	14% per annum
Expected rate of Eligible Salary increase in future years	11.5% per annum	13% per annum
Average expected remaining working time of employees	11 Years	14 Years

**14.5 Sensitivity analysis**

	Change in assumptions	
	Increase	Decrease
	+100 bps	-100 bps
	Rupees	Rupees

Year end sensitivity analysis:

**30-Jun-25**

Discount rate	26,090,238	32,411,876
Salary increase rate	32,462,483	25,995,154

**30-Jun-24**

Discount rate	21,242,542	27,805,176
Salary increase rate	27,862,756	21,136,881

The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of gratuity.

**14.6 Expected benefit payments for next years**

	2025 Rupees
Less than a year	3,747,724
Between 1-2 years	2,001,054
Between 2-3 years	2,766,977
Between 3-4 years	2,704,565
Between 4-5 years	2,123,623
Between 6-10 years	19,854,739

**15 DEFERRED TAXATION**

	Note	2025 Rupees	2024 Rupees
Opening deferred tax liability / (asset)		131,044,069	145,485,723
Provision for the year			
Recognized in profit or loss		(202,147,440)	(18,445,824)
Recognized in other comprehensive income		1,248,819	4,094,170
Closing deferred tax liability / (asset)		<u>(69,854,552)</u>	<u>131,044,069</u>

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<b>SITARA PETROLEUM SERVICE LIMITED</b>					
		2025	2024		
15.1	It comprise of the following:	Rupees	Rupees	Note	
	Taxable temporary difference				
	Difference between accounting and tax bases of property, plant and equipment	286,034,803	145,399,848		
	Deductible temporary differences				
	Lease liabilities	(353,210,145)	(10,492,284)		
	Staff retirement gratuity	(2,679,210)	(3,863,495)		
		<u>(69,854,552)</u>	<u>131,044,069</u>		
<b>16</b>	<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>				
	Current portion of:				
	Long term loans	1,069,177,635	781,250,000	22	
	Lease liabilities	293,403,051	59,527,925	23	
		<u>1,362,578,686</u>	<u>840,777,925</u>		
<b>17</b>	<b>CREDITORS, ACCRUED AND OTHER LIABILITIES</b>				
	Creditors	769,008,497	1,609,014,929		
	Accrued liabilities	15,614,418	15,981,712		
	Sales tax payable	12,799,538	21,532,060		
	WWF payable	135,953,842	77,341,753		
	Others	-	8,400,000		
		<u>933,466,293</u>	<u>1,732,270,454</u>		
<b>18</b>	<b>SHORT TERM BANK BORROWINGS</b>				
	Secured - under markup arrangements				
	Cash and running finances	-	1,011,638,585		
	Short term finance	-	1,204,960,534		
	Cash and running finances	1,847,599,948	-	28.2	
		<u>1,847,599,948</u>	<u>2,216,599,119</u>		
<b>18.1</b>	The Company has obtained a running/overhead finance facility to meet short-term Shariah-compliant working capital financing requirements. The facility is valid for a period of one year and will expire on November 30, 2025. It carries a target profit rate of 3-month KIBOR plus 0.40% per annum, which increases to KIBOR plus 1.00% per annum if the bank guarantee is issued by a non-BOP bank. The profit and loss sharing ratio is set at 0.001% for the Bank and 99.999% for the Customer, with provisional profit payable on a quarterly basis. This is an on-demand facility, with quarterly profit payments due within 15 days after the end of each quarter. It is secured by a lien on original bank guarantee (fully assigned) issued by AA-rated or better banks, including BOP. A waiver of 3% (or the equivalent of the upcoming profit, whichever is higher) is held for BOP guarantees, and 5% for guarantees issued by other banks.				
<b>19</b>	<b>ACCRUED MARKUP</b>	Note	2025	2024	
	Accrued mark up on long term loan		142,974,997	83,162,900	
	Accrued mark up on short term		150,165,533	29,564,229	
			<u>293,139,630</u>	<u>112,727,129</u>	
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>				
	<b>20.1 Contingencies</b>				
	<b>20.1.1</b> Bank guarantee issued on behalf of the Company in favor of a supplier against supply of oil and diesel (secured against collaterals discussed in Note 12 & 18)		235,000,000	361,000,000	
			<u>235,000,000</u>	<u>361,000,000</u>	

15.6



### SITARA PETROLEUM SERVICE LIMITED

**20.1.2** The taxation authorities have initiated proceedings under Section 161 of the Income Tax Ordinance, 2001, pertaining to the company's compliance with withholding tax obligations for the tax year 2023. Management, based on a detailed opinion from external tax advisors, has concluded that the company has a strong case and that the proceedings are not expected to result in any material liability. Consequently, no provision for any penalty or additional tax has been recognized in these financial statements.

**20.1.3** The matter regarding the applicability of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for Tax Years 2022 and 2023 is sub judice, pending a final adjudication by the Honourable Supreme Court of Pakistan. Consequently, the Federal Board of Revenue's (FBR) demands for Super Tax amounting to Rs. 24,935 million (2022) and Rs. 75,313 million (2023) are contested. As the outcome of this litigation is uncertain, management believes that recognizing a provision is not appropriate under the applicable financial reporting framework. No liability has been recorded in these financial statements.

#### 20.2 Commitments

There are no commitments as at 30 June 2025 (2024 : Nil)

21 SALES	Note	2025 Rupees	2024 Rupees
Sales - Oil and diesel		116,593,314,364	39,064,731,670
Carriage services receipts		6,156,401,013	2,146,172,806
Less: Sales tax	21.1	(803,008,827)	(279,935,599)
		<u>5,353,592,186</u>	<u>1,866,237,207</u>
		<u>121,948,706,550</u>	<u>40,930,968,877</u>
<b>21.1 This includes sales tax charged by the following regimes:</b>			
Punjab Revenue Authority		410,125,277	176,797,489
Sindh Revenue Board		273,885,191	84,600,190
Khyber Pakhtunkhwa Revenue Authority		118,332,794	18,467,048
Baluchistan Revenue Authority		665,565	70,872
		<u>803,008,827</u>	<u>279,935,599</u>
<b>22 COST OF SALES</b>			
Cost of sales - oil & diesel	22.1	112,412,321,040	37,313,440,445
Cost of carriage services	22.2	4,019,191,579	1,631,806,542
		<u>116,431,512,619</u>	<u>39,145,345,987</u>
<b>22.1 Cost of sales - oil &amp; diesel</b>			
Salaries, wages & allowances		203,012,739	187,575,273
Cost of oil and diesel	22.1.1	112,034,182,423	37,174,405,206
Depreciation	5.4	109,065,994	98,591,230
Electricity, fuel and power		62,605,848	69,665,960
Others		13,454,036	3,411,776
		<u>112,412,321,040</u>	<u>37,513,440,445</u>
<b>22.1.1 Cost of oil and diesel</b>			
Opening stock		1,891,807,761	1,348,588,798
Purchases including purchase expenses		114,056,182,467	37,817,624,169
Less: Closing stock		(3,913,843,525)	(1,891,807,761)
		<u>112,034,146,703</u>	<u>37,174,405,206</u>

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<b>SITARA PETROLEUM SERVICE LIMITED</b>			
		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>12.2 Cost of carriage services</b>			
Salaries, wages & allowances		284,295,296	130,370,000
Vehicle running and maintenance		3,497,968,875	1,265,151,188
Ijarah rentals		-	96,663,789
Depreciation	5.4	167,706,443	115,369,175
Toll tax		69,220,965	24,340,390
		<u>4,019,191,579</u>	<u>1,631,896,542</u>
<b>13 OTHER INCOME</b>			
Gain on disposal of vehicles		4,382,801	130,732,186
Other Income		41,953,926	21,921,469
		<u>46,336,727</u>	<u>152,653,655</u>
<b>24 ADMINISTRATIVE AND GENERAL EXPENSES:</b>			
Salaries and benefits	24.1	86,124,049	69,976,446
Directors' remuneration		15,500,000	14,800,000
Legal and professional		43,964,830	39,701,719
Utilities		7,772,856	7,128,545
Telephone		2,980,786	2,135,761
Vehicles running and maintenance		4,399,288	4,196,248
Printing and stationery		1,328,623	1,287,541
Entertainment		1,241,965	862,641
Repairs and maintenance		873,046	830,387
Traveling and conveyance		431,888	379,937
Postage and courier		228,083	246,493
Fee and subscriptions		131,980	214,318
Depreciation	5.4	353,507	292,786
Auditors' remuneration	24.2	3,795,000	3,795,000
Others		2,019,693	735,257
		<u>171,144,987</u>	<u>146,283,079</u>
24.1 This includes Rs. 7,989,456/- (2024: Rs. 8,288,422/-) on account of provision for gratuity.			
<b>24.2 Auditors' remuneration</b>		<b>2025</b>	<b>2024</b>
		<b>Rupees</b>	<b>Rupees</b>
Audit fee		3,300,000	3,300,000
Sales tax		165,000	165,000
Out of pocket expenses		330,000	330,000
		<u>3,795,000</u>	<u>3,795,000</u>
<b>25 FINANCE COST</b>			
Mark up on:			
Long term loan		796,332,693	428,496,364
Lease liabilities		51,341,930	34,542,751
Short term bank borrowings		307,998,070	847,773,314
Bank charges and commission		5,999,173	4,000,766
		<u>1,155,669,866</u>	<u>1,314,813,195</u>
<b>26 OTHER EXPENSES</b>			
Workers' Welfare Fund		<u>58,466,663</u>	<u>(9,356,476)</u>

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<b>SITARA PETROLEUM SERVICE LIMITED</b>						
		2025	2024			
27 LEVY	Note	Rupees	Rupees			
Final tax on revenue		747,104,419	181,455,589			
This represents final taxes paid under section 156A of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.						
<b>28 TAXATION</b>						
<b>Current</b>						
For the year		379,965,020	76,000,532			
For the prior year		1,095,251	5,636,608			
		381,060,271	81,637,140			
Deferred	28.1	(202,147,440)	(18,445,824)			
		178,912,831	63,191,316			
<b>28.1 The reconciliation of accounting profit and tax expense</b>						
Profit before income tax and levy		4,176,123,716	467,823,795			
Tax at the applicable rate		1,211,073,878	135,668,901			
Tax effect of:						
- amounts not deductible for tax purposes		61,826,028	94,926,574			
- amounts deductible for tax purposes		(77,359,921)	(91,417,235)			
- income subject to final tax regime		(913,003,893)	(82,665,024)			
Adjustments for current tax of prior years and super tax		98,522,179	25,123,924			
Deferred tax		(202,147,440)	(18,445,824)			
		178,912,831	63,191,316			
<b>28.2</b>						
Income Tax Return has been filed to the Income Tax Authorities up to and including Tax Year 2024 under the provisions of Income Tax Ordinance, 2001 and assessments for the tax years up to 2024 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filed by the Company.						
<b>29 EARNINGS PER SHARE - BASIC AND DILUTED</b>					<b>2025</b>	<b>2024</b>
Profit for the year	Rupees	3,250,106,464	721,176,890			
Weighted average number of ordinary shares outstanding	Number	140,000,000	140,000,000			
Earnings per share - basic and diluted (Rupees per share)	Rupees	23.22	5.15			
<b>29.1</b> There is no dilutive effect on basic earnings per share of the Company.						
<b>30 TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>						
The Company, in the normal course of business, carries out transactions with various related parties which comprise of Directors, Chief Executive Officer and associated undertakings / companies. The remuneration paid to Directors is disclosed in Note 32. Other significant transactions with the related parties are as under:						
Name of the related party	Nature of Relationship	Nature of the transaction	2025 Rupees	2024 Rupees		
Sitara Heights (Private) Limited	Common management	Advance received back	-	2,111,217,840		
		Advances paid	-	2,112,602,161		
Mr. Tahir Iqbal	Former Director / CEO	Loan repaid by Mr. Tahir during the year	200,000,000	-		

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## SITARA PETROLEUM SERVICE LIMITED

Sitara Heights (Private) Limited is no longer a related party of Sitara Petroleum Service Limited, as there is no common management during the current year.

31 NUMBER OF EMPLOYEES	2025	2024
Number of employees at year end	114	123
Average number of employees during the year	111	113

## 32 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Directors		Executives	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Remuneration paid	15,500,000	14,400,000	21,022,200	18,342,023
Mobile bills allowance	-	-	265,336	920,855
	15,500,000	14,400,000	21,287,536	19,262,878
Number of persons	5	6	12	9

## 33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

33.1 Financial instruments by category	2025 Rupees	2024 Rupees
Financial assets at amortized cost:		
Trade debts	6,309,208,747	4,042,465,757
Advances, deposits and other receivables	8,674,207	208,203,537
Cash and bank balances	633,236,273	348,266,045
	6,951,119,227	4,598,935,339
Financial liabilities at amortized cost:		
Long term loans	5,546,088,620	1,743,496,506
Lease liabilities	1,394,326,746	211,393,843
Creditors, accrued and other liabilities	784,712,913	1,624,976,641
Short term bank borrowings	1,847,599,948	2,216,599,119
Accrued mark-up	293,129,630	103,727,120
	9,835,867,857	5,900,193,229

## 33.2 Financial instruments and related disclosures

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

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

## 33.2.1 Credit risk and concentration of credit risk

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

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**SITARA PETROLEUM SERVICE LIMITED**

Financial assets	2025	2024
	Rupees	Rupees
Trade debts	6,309,208,747	4,042,465,757
Advances, deposits and other receivables	8,674,207	208,203,537
Bank balances	458,868,226	94,476,975
	<u>6,776,751,180</u>	<u>4,345,146,269</u>

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

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

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

Bank	Agency	Rating	
		Short term	Long term
MCB Limited	PACRA	AAA	A1+
United Bank Limited	JCR-VIS	AA+	A1+
Allied Bank Limited	PACRA	A1+	AAA
Bank of Punjab	PACRA	A1+	AA+
JS bank	PACRA	A1+	AA
Askari Bank Limited	PACRA	A1+	AA+
National Bank of Pakistan	JCR-VIS	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
Habib Bank Limited	JCR-VIS	A1+	AA+
Meezan Bank Limited	JCR-VIS	A-1+	AAA

**Concentration of credit risk**

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

**33.2.2 Liquidity risk**

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

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## SITARA PETROLEUM SERVICE LIMITED

	Carrying Amount	Contractual Cash Flows	Within one year	Over one year but less than five years
— Rupees				
<b>2025</b>				
<b>Financial Liabilities</b>				
Long term loans	1,516,188,620	8,441,547,077	5,678,743,273	2,762,803,804
Short term borrowings	1,847,599,048	2,226,874,035	2,226,874,035	-
Credits, accrued and other liabilities	933,466,293	833,466,293	933,466,293	-
Lease liabilities	1,381,326,746	1,670,554,143	413,510,593	1,017,023,550
	<u>4,719,481,607</u>	<u>13,072,441,548</u>	<u>9,252,614,194</u>	<u>3,819,827,354</u>
<b>2024</b>				
<b>Financial Liabilities</b>				
Long term loans	1,741,456,504	2,328,672,412	965,995,636	1,362,676,776
Lease liabilities	211,393,843	347,108,112	63,590,982	189,517,130
Credits, accrued and other liabilities	1,732,270,454	1,732,270,454	1,732,270,454	-
Short term bank borrowings	2,216,599,119	2,673,621,110	2,673,621,110	-
	<u>5,902,719,920</u>	<u>7,080,672,088</u>	<u>5,435,477,202</u>	<u>1,642,193,886</u>

The Company has liquid assets of Rs. 8,272.69 million (2024: Rs. 4,598.94 million) and unutilised financing facilities of Rs. 1,152.40 million (2024: Rs. 3,791.40 million) as at the reporting date to manage the liquidity risk.

### 33.2.3 Market risk

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

#### (i) Interest rate risk

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

Majority of interest rate risk arises from long and short term borrowings from banks. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

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

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

Had the interest rate been increased / decreased by 100 basis points at the reporting date, with all other variables held constant, profit for the year and equity as at the reporting date would have been lower / higher by Rs. 87.8 million respectively (2024: Rs. 41.7 million).

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### SITARA PETROLEUM SERVICE LIMITED

#### ii) Currency risk

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

#### iii) Equity price risk

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

#### 33.3 Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

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

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

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

#### 34 CAPITAL RISK MANAGEMENT

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

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

	Note	2025 Rupees	2024 Rupees
Debt	12, 13, & 18	8,778,015,314	2,966,528,934
Less: Cash and cash equivalents	10	(633,236,273)	(348,266,045)
Net Debt		8,144,779,041	2,618,262,889
Total equity		8,662,726,380	5,410,666,634
Total capital		16,807,505,421	8,028,929,523
Gearing ratio		48.46%	32.61%

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**SITARA PETROLEUM SERVICE LIMITED**

**36 STANDARD CAPACITY AND ACTUAL PRODUCTION**

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

**38 SEGMENT REPORTING**

These financial statements have been prepared on the basis of a single reportable segment.

None of the customers of the Company accounts for more than 10 % of the gross sales of the Company for the year.

**37 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

**38 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

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

**39 SUBSEQUENT EVENTS**

There were no adjusting events after financial position date.

**40 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29 August 2025 by the Board of Directors of the Company.

**41 GENERAL**

Figures have been rounded off to the nearest Rupees.

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*Zahid*  
CHIEF EXECUTIVE  
r

*Zain Usman*  
DIRECTOR



**6.6. LATEST MANAGEMENT ACCOUNTS AS AT 31<sup>st</sup> DECEMBER 2025**



Sitara Petroleum Service Limited  
Interim Financial Statements  
For the Half Year ended December 31, 2025



## Ilyas Saeed & Co.

Chartered Accountants

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### Independent Auditor's Review Report To the members of Sitara Petroleum Service Limited Report on Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sitara Petroleum Service Limited** ("the Company") as at 31 December 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### Scope of Review

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

#### Conclusion

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

#### Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended 31 December 2025 and 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2025.

The comparative information for the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows, and related notes, for the half year ended 31 December 2024 were not audited or reviewed.

The engagement partner on the review resulting in this independent auditor's review report is Bushra Sana.

Ilyas Saeed & Co.  
Chartered Accountants  
Lahore

Dated: February 27, 2026

UDIN: RR2025102788fw0KfzYV



**SITARA PETROLEUM SERVICE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 31 DECEMBER 2025**

	Note	Un-Audited 31-Dec-25 Rupees	Audited 30-Jun-25 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	8,863,907,007	6,659,078,661
Security Deposits		1,578,868	-
Investment in Associate	8	605,000,000	-
		9,470,482,867	6,659,078,661
<b>CURRENT ASSETS</b>			
Stock in trade	9	4,843,983,716	3,913,843,523
Trade debts - local, unsecured and considered good	10	7,847,437,342	6,309,208,747
Advances, deposits and other receivables		1,422,665,157	2,216,746,931
Income tax refunds due from Government		23,805,544	23,805,544
Deferred tax asset		-	69,854,552
Cash and bank balances		640,056,784	633,236,273
		14,777,948,513	13,166,695,572
<b>TOTAL ASSETS</b>		<b>24,248,431,380</b>	<b>19,825,774,233</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
Authorised share capital 1,900,000,000 ordinary shares of Rs. 01/- each (30 June 2025: 1,900,000,000 ordinary shares of Rs.10/- each)		1,900,000,000	1,900,000,000
Issued, subscribed and paid up capital	11	1,400,000,000	1,400,000,000
Reserves			
Capital reserve:			
Surplus on revaluation of land		1,461,614,079	1,461,614,079
Revenue reserve:			
Unappropriated profit		8,515,344,818	5,801,112,301
		11,376,958,897	8,662,726,380
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	12	3,070,146,726	4,476,910,985
Lease liabilities	13	1,074,800,052	1,090,925,095
Deferred liabilities:			
Staff retirement obligations		33,008,190	28,937,524
Deferred taxation		30,435,015	-
		4,208,409,943	3,996,774,204
<b>CURRENT LIABILITIES</b>			
Current portion of non-current liabilities	14	2,458,310,303	1,362,578,086
Creditors, accrued and other liabilities		591,537,608	933,406,293
Short term bank borrowings	15	4,858,639,998	1,847,599,948
Accrued make-up		181,871,868	293,139,630
Provision for taxation		573,702,763	1,170,480,007
		8,663,062,540	5,566,273,619
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,248,431,380</b>	<b>19,825,774,233</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes from 1 to 25 form an integral part of these financial statements.





**Zahid**  
 CHIEF EXECUTIVE OFFICER

**Director**  
 DIRECTOR

**Chief Financial Officer**  
 CHIEF FINANCIAL OFFICER



**SITARA PETROLEUM SERVICE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2025**

	Note	Un-Audited			
		Half year ended		Quarter ended	
		31-December		31-December	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
Sales	17	22,612,058,794	24,289,842,808	37,723,066,291	25,503,875,002
Cost of sales		(18,578,156,833)	(22,023,538,187)	(35,719,730,540)	(24,414,805,899)
Gross profit		4,036,902,761	2,245,886,621	2,005,337,751	1,091,069,103
Other Income		74,652,724	18,846,339	6,400,516	15,946,329
		4,111,555,485	2,264,732,960	2,011,738,267	1,107,015,432
Administrative and general expenses		(139,238,124)	(85,093,943)	(73,213,449)	(40,057,040)
Finance cost		(515,955,068)	(313,011,795)	(227,502,662)	(276,535,094)
Other expenses		(60,137,446)	(33,671,423)	(34,320,443)	(31,502,997)
		(724,310,638)	(633,777,161)	(334,936,545)	(347,895,129)
Profit before levy and taxation		3,387,244,847	1,630,955,799	1,676,801,722	759,120,303
Levy		(364,704,890)	(394,189,038)	(270,976,237)	(248,614,733)
Profit before taxation		3,022,540,047	1,236,766,761	1,405,825,485	510,505,570
Taxation		(308,307,530)	(46,459,398)	(116,729,817)	(894,139)
Profit for the Period		2,714,232,517	1,190,307,363	1,289,095,668	509,611,431
Earnings per share - Basic and Diluted - Restated	19	1.94	0.85	0.92	0.36

The annexed notes from 1 to 25 form an integral part of these financial statements.

₹ Crore

  
**Zahid**  
 CHIEF EXECUTIVE OFFICER

  
**Director**  
 DIRECTOR

  
**Chief Financial Officer**  
 CHIEF FINANCIAL OFFICER



**SITARA PETROLEUM SERVICE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2025**

	Un-Audited			
	Half year ended		Quarter ended	
	31-December		31-December	
	2025	2024	2025	2024
Note	Rupees	Rupees	Rupees	Rupees
Profit for the period	2,714,232,517	1,190,307,363	1,289,096,468	509,611,129
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the Period	<u>2,714,232,517</u>	<u>1,190,307,363</u>	<u>1,289,096,468</u>	<u>509,611,129</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**



**SITARA PETROLEUM SERVICE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Rupees			
	Issued, subscribed and paid up capital	Surplus on revaluation of land	Unappropriated profit	Total
Balance as at July 1, 2024 - Audited	1,400,000,000	1,461,614,079	2,549,032,555	5,410,666,634
Profit for the period	-	-	1,190,107,363	1,190,107,363
Other comprehensive income	-	-	-	-
Total comprehensive income for the Period	-	-	1,190,107,363	1,190,107,363
Balance as at December 31, 2024 - Un-Audited	1,400,000,000	1,461,614,079	3,739,139,918	6,600,753,997
Balance as at July 1, 2025 - Audited	1,400,000,000	1,461,614,079	5,001,112,301	8,662,726,380
Profit for the period	-	-	2,714,232,517	2,714,232,517
Other comprehensive income	-	-	-	-
Total comprehensive income for the Period	-	-	2,714,232,517	2,714,232,517
Balance as at December 31, 2025- Un-Audited	1,400,000,000	1,461,614,079	8,515,344,818	11,376,958,897

*The attached notes form 1 to 23 form an integral part of these financial statements. Ftc-o*

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**SITARA PETROLEUM SERVICE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Un-Audited 31-Dec-25 Rupees	Un-Audited 31-Dec-24 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before levy and taxation	2,387,244,847	1,630,044,700
Adjustment for non-cash items:		
Depreciation on property, plant and equipment	103,689,421	114,170,843
Provision for staff retirement gratuity	(4,070,626)	-
Gain on early lease termination	(2,725,982)	-
Finance cost	515,955,068	513,203,058
	<u>612,847,881</u>	<u>627,373,901</u>
Cash flows before working capital changes	4,000,092,728	2,258,329,700
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	(930,140,191)	(1,916,432,937)
Trade debts	(1,538,228,595)	(2,579,423,989)
Advances, deposits and other receivables	1,100,123,268	(647,006,400)
Decrease in current liabilities:		
Creditors, accrued and other liabilities	(341,928,685)	(724,865,037)
	<u>(1,710,174,203)</u>	<u>(5,867,748,403)</u>
Cash flow from operations	2,289,918,525	(3,609,418,703)
Income taxes paid	(330,687,675)	(440,648,436)
Net cash flow from operating activities	A <u>1,959,230,850</u>	<u>(4,050,067,139)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(2,411,854,167)	(717,076,143)
Investment in related party	(605,000,000)	-
Advance against land	(306,041,494)	-
Net cash flow from investing activities	B <u>(3,322,895,661)</u>	<u>(717,076,143)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	-	2,883,000,000
Repayments of:		
Long term loans	(612,371,714)	(175,000,000)
Lease liabilities	(400,960,214)	(38,551,008)
Finance cost paid	(627,222,830)	(513,203,058)
Increase (decrease) in short term bank borrowings - net	3,011,040,650	2,633,400,881
Net cash flow from financing activities	C <u>1,370,485,292</u>	<u>4,789,646,725</u>
Net increase in cash and cash equivalents (A+B+C)	6,820,481	22,502,447
Cash and cash equivalents at the beginning of the period	<u>633,236,273</u>	<u>207,215,913</u>
Cash and cash equivalents at the end of the period	<u>640,056,754</u>	<u>229,719,376</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

ISO  
  
**CHIEF FINANCIAL OFFICER**



**SITARA PETROLEUM SERVICE LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Sitara Petroleum Service Limited (the Company) having CIJIN: 0080414 was incorporated on July 3, 2012 under the repealed Companies Ordinance, 1984 repealed by the Companies Act, 2017 as a private limited company and subsequently converted into a public limited company on February 7, 2023. The Company is mainly engaged in the business of trading and distribution of diesel and petrol. The Company is also engaged in providing fleet logistic services to oil marketing sector. The registered office of the Company is situated at 14-T, Gulberg II, Lahore, in the province of Punjab. The petrol pumps of the Company are located in Bahawalnagar (6), Narowal (1), Dera G. Khan (1), Faisalabad (9), Pakpattan (3), Upper Die (1), Jhang (2), Muzaffargarh (2), Multan (3), Mirpurkhas (1), Sheikhupura (5), Lahore (6), Layyah (1), Bhakkar (1), D.G. Khan (1), Mianwali (1), Khushab (1), Sargodha (1), Stallot (1), Rajampur (1), Sahiwal (3), Chiniot (2) and Kasur (1).

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

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

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

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof for the period then ended.

These condensed interim financial statements have been prepared voluntarily as the Company is in the process of listing on the Pakistan Stock Exchange (PSX).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at for the year ended June 30, 2025.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2025.

The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows have been extracted from the internal management records maintained by the Company for the half year and quarter ended December 31, 2024.

*11/11/2025*



*SITARA PETROLEUM SERVICE LIMITED*

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2025, except for the adoption of amendments to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed in note 3.1.

**3.1 Standards, amendments to published standards and interpretations that are effective in the current period**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2025.

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

**5 BASIS OF MEASUREMENT**

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value or amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

**6 PRESENTATION AND FUNCTIONAL CURRENCY**

The condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

**7 PROPERTY, PLANT AND EQUIPMENT**

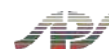
	Note	Un-audited 31-Dec-25 Rupees	Audited 30-Jun-25 Rupees
Owned assets	7.1	5,668,918,534	4,940,864,107
Right of use assets	7.2	2,065,824,336	1,564,394,432
Capital work in progress:			
Civil works	7.3	1,129,464,137	153,820,122
		<u>8,863,907,007</u>	<u>6,659,078,661</u>

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<b>SITARA PETROLEUM SERVICE LIMITED</b>			
	<b>Note</b>	<b>Un-audited 31-Dec-25 Rupees</b>	<b>Audited 30-Jun-25 Rupees</b>
<b>7.1 Operating assets - owned</b>			
Opening book value		4,940,864,107	4,431,171,482
Additions during the period		831,743,848	727,096,358
Book value of assets disposed off during the period		-	(5,017,199)
Depreciation charge for the period		(103,689,421)	(211,786,734)
Closing book value		<u>5,668,918,534</u>	<u>4,940,864,107</u>
<b>7.2 Right of use assets</b>			
Opening book value		1,564,394,432	284,352,198
Addition / transfer during the period		600,831,606	1,433,036,005
Disposal / transfer/ early termination		(4,565,302)	187,644,561
Depreciation charge for the period		(103,336,400)	(65,379,210)
Closing book value		<u>2,065,524,336</u>	<u>1,564,394,432</u>
<b>7.3 Capital work-in-progress</b>			
Opening balance		153,820,122	311,773,300
Add: Addition during the period		1,023,404,512	20,000,000
Less: Transfer during the period		(47,700,497)	(177,953,178)
Closing balance		<u>1,129,464,137</u>	<u>153,820,122</u>
<b>8 INVESTMENT IN ASSOCIATE</b>			
Investment in associated Company		<u>605,000,000</u>	-
Investment in 60,500,000 Ordinary shares of Capital Smart Motors (Private) Limited (an associated company) representing 29.966 % shareholding, which is accounted for using the equity method.			
<b>9 STOCK IN TRADE</b>			
Petrol		2,063,254,300	1,456,191,774
Diesel		2,780,729,416	2,457,631,751
		<u>4,843,983,716</u>	<u>3,913,823,525</u>
<b>10 TRADE DEBTS</b>			
<i>Unsecured</i>			
Trade debts - considered good		<u>7,847,437,342</u>	<u>6,309,208,747</u>
As at June 30, 2025, trade debts aggregating to Rs. 7,847,437,342 (30 June 2025: Rs. 6,309,208,747) are neither past due nor impaired. The age analysis of trade debts are as follows:			
Up to one month		4,708,971,859	4,371,270,244
One to three months		3,138,465,483	1,937,938,503
More than three months		-	-
		<u>7,847,437,342</u>	<u>6,309,208,747</u>
<b>11 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
350,000,000 Ordinary shares of Rs. 01/- each fully paid in cash (30 June 2025: 35,000,000 Ordinary shares of Rs. 10/-)		350,000,000	350,000,000
1,050,000,000 Ordinary shares of Rs. 01/- each fully paid bonus shares (30 June 2025: 105,000,000 Ordinary shares of Rs. 10/-)		<u>1,050,000,000</u>	<u>1,050,000,000</u>
		<u>1,400,000,000</u>	<u>1,400,000,000</u>

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**SITARA PETROLEUM SERVICE LIMITED**

During the period, the Company subdivided its ordinary shares. Each ordinary share having a nominal value of Rs 10 was subdivided into 10 ordinary shares of Rs 01 each, pursuant to a special resolution passed by the shareholders on 23 October 2025.

The subdivision did not result in any change in the total issued and paid-up share capital of the Company. All rights attached to the shares remain unchanged.

	Note	Un-audited 31-Dec-25 Rupees	Audited 30-Jun-25 Rupees
<b>12 LONG TERM LOANS</b>			
Secured under markup arrangement From banking companies		4,933,716,906	5,546,088,620
Less: Current portion			
Installment due		(356,392,545)	(356,392,545)
Payable within one year		(1,507,177,635)	(712,785,090)
		<u>(1,863,570,180)</u>	<u>(1,069,177,635)</u>
		<u>3,070,146,726</u>	<u>4,476,910,985</u>
<b>13 LEASE LIABILITIES</b>			
Lease liabilities against:			
Vehicles		1,514,264,536	1,217,966,618
Petrol pumps		155,275,639	166,360,728
		<u>1,669,540,175</u>	<u>1,384,326,746</u>
Less: Current portion - Payable within one year			
Vehicles		(579,244,297)	(259,476,814)
Petrol pumps		(15,495,826)	(33,924,277)
		<u>(594,740,123)</u>	<u>(293,401,051)</u>
		<u>1,074,800,052</u>	<u>1,090,925,695</u>
<b>14 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of:			
Long term loan		1,863,570,180	1,069,177,635
Lease liabilities		594,740,123	293,401,051
		<u>2,458,310,303</u>	<u>1,362,578,686</u>
<b>15 SHORT TERM BORROWINGS</b>			
Cash and running finances		4,858,639,998	1,847,599,948
		<u>4,858,639,998</u>	<u>1,847,599,948</u>

The Company has renewed a Running Musharakah Finance facility from The Bank of Punjab (BOP) aggregating to PKR 5,000,000,000/- expiring on 30 November 2026. The facility carries profit at 3 Months KIBOR + 10 bps per annum, payable quarterly, with profit/loss sharing ratio of Bank 0.001% and Company 99.999%, and loss sharing in proportion to equity shares in Musharakah capital.

The facility is secured against lien over original Bank Guarantees issued by AA rated banks in favor of the Company and is subject to covenants including annual clean-up of 50% twice a year and prior bank consent for any change in majority shareholding.

**16 CONTINGENCIES AND COMMITMENTS**

There is no material change in the status of contingencies and commitments as reported in the financial statements of the company for the period ended December 31, 2025.

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## SITARA PETROLEUM SERVICE LIMITED

17 SALES	Un-Audited		Un-Audited	
	Half year ended		Quarter ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees	Rupees	Rupees
Sales - Oil and diesel	69,418,712,479	51,407,567,164	36,093,426,436	23,828,786,903
Carriage services receipts	3,672,348,262	3,291,156,990	1,876,388,132	1,928,651,877
Less: Sales tax	(479,001,947)	(429,281,346)	(244,746,277)	(251,563,288)
	3,193,346,315	2,861,875,644	1,631,641,855	1,677,088,589
	<u>72,612,058,794</u>	<u>54,269,442,808</u>	<u>37,725,068,291</u>	<u>25,505,875,092</u>

## 18 OTHER INCOME

Mainly comprises profits earned from ARAMCO for the use of petrol pumps owned by Sitara Petroleum Service Limited, together with gains arising from the disposal of petrol pumps.

## 19 EARNINGS PER SHARE

	Half year ended		Quarter ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees	Rupees	Rupees
		Restated		Restated
Profit for the period	2,714,232,517	1,190,307,263	1,289,096,468	509,611,129
Weighted average number of ordinary shares	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000
Earnings per share - Basic and diluted	1.94	0.85	0.92	0.36

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

## 20 TRANSACTIONS WITH RELATED PARTIES

The Company, in the normal course of business, carries out transactions with various related parties, which comprise associated undertakings, directors, key management personnel, and post-employment benefit plans.

## 21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements.

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

The carrying value of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair value.

## 21.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

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

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

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

Following is the fair value hierarchy of assets and liabilities carried at fair value:

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**SITARA PETROLEUM SERVICE LIMITED**

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

**22 SEGMENT REPORTING**

These financial statements have been prepared on the basis of a single reportable segment.

None of the customers of the Company accounts for more than 10 % of the gross sales of the Company for the year.

**23 EVENTS AFTER THE REPORTING DATE**

There were no non-adjusting events after the reporting date.

**24 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on February 27, 2020 by the Board of Directors of the Company.

**25 GENERAL**

Figures in this condensed interim financial information have been rounded-off to the nearest rupees except where stated otherwise.

ISCO

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



## 6.7. SUMMARY OF FINANCIAL HIGHLIGHTS OF SITARA PETROLEUM SERVICE LIMITED

Income Statement	Audited	Audited	Audited	Management
PKR Mn	FY 2023	FY 2024	FY 2025	1H FY2026
Net Sales	48,695	40,931	121,947 <sup>65</sup>	72,612
Cost of Sales	(47,126)	(39,145)	(116,432)	(68,575)
<b>Gross Profit</b>	1,569	1,786	5,515 <sup>66</sup>	4,037
Other Income	24	153	46 <sup>67</sup>	75
Administrative & General Expenses	(127)	(146)	(171)	(139)
Other Operating Expenses	(21)	(9)	(59)	(69)
<b>Operating Profit</b>	1,445	1,783	5,332 <sup>68</sup>	3,903
Financial Charge	(401)	(1,315)	(1,156)	(516)
<b>Profit/Loss Before Taxation</b>	1,044	468	4,176	3,387
Taxation	(368)	(247)	(926)	(673)
<b>Profit/Loss After Taxation</b>	676	221	3,250 <sup>69</sup>	2,714
<b>EBITDA<sup>70</sup></b>	1,673	1,997	5,609 <sup>71</sup>	4,007
<b>Depreciation</b>	228	214	277	104
Balance Sheet	Audited	Audited	Audited	Management
PKR Mn	FY 2023	FY 2024	FY 2025	1H FY2026
<b>Current Assets</b>				
Stock in Trade	1,249	1,892	3,914 <sup>72</sup>	4,844
Trade Debts	3,515	4,042	6,309 <sup>73</sup>	7,847

<sup>65</sup> The increase in revenue from PKR 41 billion in FY24 to PKR 122 billion in FY25 is primarily attributable to the resolution of supply constraints following the acquisition of a 40% stake in GO by Aramco. After the transaction, supply availability improved significantly, enabling the Company to restore operations across its retail network and achieve higher sales volumes. In addition, the increase of number of pumps and recovery in petrol pump throughput contributed to this increase.

<sup>66</sup> Dealer margins have increased substantially compared to previous years. In addition, the share of carriage services as a percentage of revenue has risen significantly. In prior years, carriage services contributed a relatively small portion of total revenue due to limited business from our key customer, Gas & Oil Pakistan Ltd. However, with increased activity, carriage services contributed more. Furthermore, the gross profit increase in absolute terms is more, the margins have remained almost the same.

<sup>67</sup> In FY24, the disposal of vehicles amounting to PKR 130.7 million resulted in a significant increase in other income. No vehicle disposals occurred in FY25, which led to the decline in other income.

<sup>68</sup> The increase in Gross Profit led to the increase in operating profit as well. Also, the margins over the two years have remained almost the same.

<sup>69</sup> The increase in gross profit through volumetric growth, increase in dealer margins and carriage revenue led to increase in operating profit which reflected in increased net margins as well. Also, the decrease in financing cost through the reduction of policy rates also helped in increased net profit.

<sup>70</sup> Gross Profit – Administrative & General Expenses – Other operational expenses + depreciation

<sup>71</sup> The increase in EBITDA is due to the increase in gross and operating profit through volumetric growth, increase in dealer margins and increase in carriage revenue.

<sup>72</sup> Stock in trade includes MS, HSD and HOBC for sale. Since in FY25 the company experienced growth in volumetric sale per pump from an average of 3 Million liters per year to approximately 9 million liters per year, the stock in trade had to be increased to cater the growing demand expected ahead.

<sup>73</sup> Trade Debts mainly relate to corporate customers, and in FY25 revenue from corporate customers jumped to PKR 73 BN compared to only PKR 20 BN in FY24 because in FY24 overall sales of the company were low, thus, this lead to increased trade debts. Furthermore, increased carriage revenue also contributed to increased trade debt since SPSL provides credit period to GO for the payment of carriage services.



Advances, Deposits and other receivables	620	499	2,217	1,423
Income Tax Refunds due from Government	46	17	24	24
Deferred Tax Assets	-	-	70	-
Cash and Bank Balances	267	348	633 <sup>74</sup>	640
<b>Total Current Assets</b>	<b>5,667</b>	<b>6,806</b>	<b>13,167</b>	<b>14,778</b>
<b><u>Non-Current Assets</u></b>				
Property, Plant & Equipment	3,541	5,027	6,659 <sup>75</sup>	8,864
Investment in Associate				605
<b>Total Non-Current Assets</b>	<b>3,541</b>	<b>5,027</b>	<b>6,659</b>	<b>9,470<sup>76</sup></b>
<b>Total Assets</b>	<b>9,208</b>	<b>11,833</b>	<b>19,826</b>	<b>24,248</b>
<b><u>Equity &amp; Liabilities</u></b>				
<b><u>Current Liabilities</u></b>				
Current portion of non-current liabilities	487	841	1,719 <sup>77</sup>	2,458
Creditors, accrued and other Liabilities	1,804	1,732	933	592
Provision for Taxation	346	259	1,129	573
Short Term Borrowings	1,004	2,217	1,848	4,859 <sup>78</sup>
Accrued Mark-up	31	104	293	182
<b>Total Current Liabilities</b>	<b>3,672</b>	<b>5,153</b>	<b>5,923</b>	<b>8,663</b>
<b><u>Non-Current Liabilities</u></b>				
Long Term Loans	1,450	962	4,121 <sup>79</sup>	3,070
Liability against Assets Subject to Finance Lease	193	152	1,091	1,075
Deferred Staff retirement gratuity	26	24	29	33
Deferred Tax Liabilities	145	131	-	30
<b>Total Non-Current Liabilities</b>	<b>1,814</b>	<b>1,269</b>	<b>5,240</b>	<b>4,208</b>
<b>Total Liabilities</b>	<b>5,486</b>	<b>6,422</b>	<b>11,163</b>	<b>12,871</b>
<b><u>Equity</u></b>				

<sup>74</sup> Significant increase in profitability, increase in long term loans by approximately PKR 3 BN and lease liabilities by PKR almost PKR 1 bn for the purpose of capital expenditures led to the increase in cash balance at the end of FY25 compared to FY24.

<sup>75</sup> FY 25 increase in PPE is due to capex of PKR 727.1 Mn with oil tankers capex amounting to PKR 460 Mn and building on freehold amounting to PKR 149 Mn. New pumps and new cars have resulted in increased business, hence, increased sales. There was also addition in Right of Use Assets of 1,433 Mn.

<sup>76</sup> Total non current assets includes PKR 1.5 Mn as security deposit.

<sup>77</sup> SPSL increased its long-term borrowings from PKR 1.7 billion to PKR 5.5 billion to finance the expansion of its retail network. This led to a rise in long-term loans and, consequently, an increase in the current portion of long-term debt that is due for repayment in FY26.

<sup>78</sup> With the increase in the number of pumps, the working capital requirement also rose. To finance this higher requirement, the Company obtained short-term borrowings, resulting in the observed increase.

<sup>79</sup> Loans were obtained primarily to finance the construction of new pumps and oil tankers, which is reflected in the increase in Property, Plant, and Equipment.



Share Capital	1,400	1,400	1,400	1,400
Share Premium	-	-	-	-
Revaluation Surplus on Fixed Assets	-	1,462	1,462	1,462
Unappropriated Profit	2,322	2,549	5,801	8,515
<b>Total Equity</b>	<b>3,722</b>	<b>5,411</b>	<b>8,663</b>	<b>11,377</b>
<b>Total Equity &amp; Liabilities</b>	<b>9,208</b>	<b>11,833</b>	<b>19,826</b>	<b>24,248</b>
<b>Cash Flow Statement</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Management</b>
<b>PKR Mn</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>1H FY2026</b>
Net Cash from / (used in) Operating Activities	5	394	(704) <sup>80</sup>	1,959
Net Cash inflow/outflow) from Investing Activities	(347)	(108)	(2,062) <sup>81</sup>	(3,323)
Net Cash inflow / (outflow) from Financing Activities	432	(204)	3,051 <sup>82</sup>	1,370
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>90</b>	<b>81</b>	<b>285</b>	<b>7</b>
Cash at the Beginning of the Year	177	267	348	633
Cash at the End of the Year	<b>267</b>	<b>348</b>	<b>633</b>	<b>640</b>
Purchase of Property, Plant and Equipment	(354)	(317)	(2,072)	(2,412)

PKR Mn	Audited	Audited	Audited	Unaudited
Growth Multiples	FY 2023	FY 2024	FY 2025	1H FY2026 <sup>83</sup>
Sales Growth (%)	17.3%	-15.9% <sup>84</sup>	197.9%	33.8%
EBITDA Growth (%)	4.97%	19.4%	180.9%	77.3%

<sup>80</sup> In FY2025, the Company reported negative operating cash flows of PKR 704 million. The negative cash flow position during Financial Year 2025 was primarily due to the Company's strategic expansion initiatives. During the year, the Company paid an advance for the purchase of land intended for the development of oil storage facilities to support future operational capacity and for investment in associate. These advances required substantial cash outflows during the year, which resulted in an overall negative operating cash flow position.

<sup>81</sup> This negative investment cash flow is due to increase in PPE is due to capex of 727.1 Mn with vehicles capex amounting to 460 Mn and building on freehold amounting to 149Mn. New pumps and new cars have resulted in increased business, hence increased sales. There was also addition in Right of Use Assets of 1,433 Mn leading to higher cash outflow for investing activities.

<sup>82</sup> This negative cash flow from financing is because the company obtained long-term loans totalling 5,321 Mn, with repayments and finance costs of 2,270 Mn. These funds supported the company's expansion, as reflected by the growth in PPE and revenue.

<sup>83</sup> Growth ratios for 1H FY2026 are calculated by comparing 1H FY26 with 1H FY25

<sup>84</sup> Prior to the acquisition, Sitara Petroleum Service Limited experienced temporary fuel supply disruptions due to issues affecting its primary supplier, Gas & Oil Pakistan Limited (GO). As a result, fuel volumes declined from approximately 170 million litres in FY23 to 136 million litres in FY24, instead of showing the expected growth. Moreover, since GO itself was facing supply constraints, SPSL's carriage services were also impacted, with transported volumes dropping significantly from 1,275.7 million litres in FY23 to 595.7 million litres. Once the supply constraints were resolved, SPSL's volumes recovered in FY25.



Operating Profit Growth	5.3%	23.4%	199.1%	181.9%
Profit After Tax Growth (%)	-8.6%	-67.3%	1369.5%	119.3%
<b>Margins</b>				
Gross Margins (%)	3.22%	4.36%	4.52%	5.56%
Operating Profit Margin (%)	2.97%	4.36%	4.37%	5.38%
Profit after Tax Margin (%)	1.39%	0.54%	2.67%	3.74%
<b>Profitability Ratios</b>				
EPS (PKR) <sup>85</sup>	0.48	0.16	2.32	1.94
EPS (PKR) – Before Split	4.83	1.58	23.21	-
BVPS (with Revaluation Surplus) <sup>86</sup>	2.66	3.87	6.19	8.13
BVPS (with Revaluation Surplus) – Before Split	26.59	38.65	61.88	-
BVPS (without Revaluation Surplus) <sup>87</sup>	2.66	2.82	5.14	7.08
BVPS (without Revaluation Surplus) – Before Split	26.59	28.21	51.44	-
ROE <sup>88</sup>	18.20%	4.84%	46.18% <sup>89</sup>	54% <sup>90</sup>
ROA <sup>91</sup>	6.78%	2.10%	20.53%	25% <sup>92</sup>
<b>Balance Sheet Ratios<sup>93</sup></b>				
Fixed Asset Turnover <sup>94</sup>	13.87	9.55	20.87	18.01
Asset Turnover <sup>95</sup>	5.55	3.89	7.70	6.59
Current Ratio (x)	1.54	1.32	2.22	1.71
Receivable Days <sup>96</sup>	24.42	33.70	15.49	17.79
Inventory Days <sup>97</sup>	8.80	14.64	9.10	11.65
Payable Days <sup>98</sup>	16.41	16.49	4.18	2.03
<b>Leverage Ratios</b>				
Total Debt to Capital (%) <sup>99</sup>	0.42	0.38	0.45	0.50
EBITDA / Interest	4.17	1.52	4.85	7.77

<sup>85</sup> PAT / No of shares (PAR Value = 1)

<sup>86</sup> Total Equity Value / No of Shares (PAR value = 1)

<sup>87</sup> (Total Equity Value – Revaluation Surplus) / No of Shares

<sup>88</sup> PAT / Average Shareholders' Equity

<sup>89</sup> In FY25, net profit increased by approximately 1,370% compared to FY24, primarily driven by volumetric growth, uninterrupted fuel supply, higher dealer margins, increased carriage revenue, and a decline in the policy rate resulting in lower finance costs. The significant increase in profitability led to a corresponding rise in Return on Equity (ROE) for FY25. Additionally, since ROE is calculated using average equity, which was relatively low in FY24, the ROE reported for FY25 appears comparatively higher.

<sup>90</sup> (Revenue \* 2) / average shareholder's equity

<sup>91</sup> PAT / Average Total Assets

<sup>92</sup> (Revenue \* 2) / Avg Total Assets

<sup>93</sup> For the purpose of calculating IH FY26 ratios, income statement figures have been prorated to reflect full-year equivalents.

<sup>94</sup> Revenue / Average Total Fixed Assets

<sup>95</sup> Revenue / Average Total Assets

<sup>96</sup> (Average Trade Receivables / Revenue) \*365

<sup>97</sup> (Average Stock in trade / COGS) \*365

<sup>98</sup> (Average Trade Payables / COGS) \*365

<sup>99</sup> (Current Portion of NCL, Long term loan, Finance lease) / Total Capital



Debt / EBITDA <sup>100</sup>	1.41	1.50	0.93	0.84 <sup>101</sup>
Interest Coverage Ratio <sup>102</sup>	3.60	1.36	4.61	0.13

### 6.7.1. COMMENTARY ON SELECTED RATIOS

#### I. Sales Growth

SPSL posted an impressive net revenue of PKR 121 billion in FY25 post Aramco's acquisition of a 40% stake in GO. The increase in revenue was due to supply security, which was the major issue faced by SPSL in FY24 since GO could not supply sufficient fuel to its dealer prior to Aramco's acquisition of a strategic stake. Prior to the acquisition, SPSL experienced temporary fuel supply disruptions because its sole supplier (GO), faced limited product availability while transitioning from its previous oil supplier to Saudi Aramco. This, combined with rising global oil prices and a higher PKR–USD exchange rate, temporarily affected the Company's fuel supply.

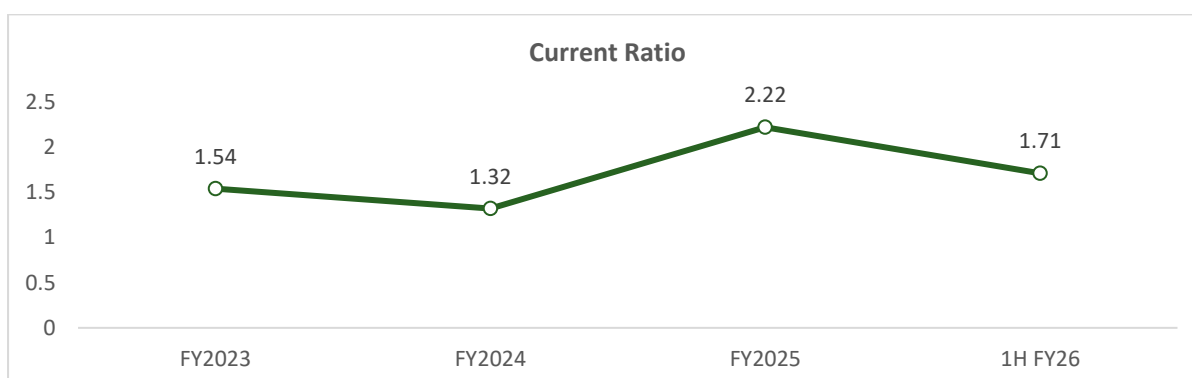
Post-acquisition, enhanced supply security enabled SPSL to achieve strong fuel volumes in FY25, which grew by 232% from 135.68 million liters in FY24 to 451.11 million liters in FY25, indicating that the revenue growth was largely driven by volume expansion. The Company has been able to sustain these volumes in 1H FY26. Moreover, higher fuel prices in the aftermath of the Russia Ukraine war and worsening domestic macroeconomic environment impacted revenues during FY23 and FY24. The turnaround in SPSL's operating business is not one-off as reflected by sustained momentum in 1HFY26 with revenues of PKR 72 bn (+34%YoY).

#### II. Profitability

Rising revenue was accompanied by a significant improvement in profitability, as profit after tax increased from PKR 676 million in FY23 to PKR 3.3 billion in FY25, reflecting a CAGR of 119%. The growth in PAT was primarily driven by higher volumetric sales which grew at a three-year CAGR of 63%, an increase in dealer margins by 11%, and decrease in financing cost through reduction in policy rate from 22% in FY24 to 10.5% in December 2025. Furthermore, in 1H FY26, profit after tax surged by an impressive 119% compared to the same period last year, supported by strong volumetric growth.

#### III. Liquidity

The Company's current ratio improved from 1.32x in FY2024 to 2.22x in FY2025, reflecting a stronger liquidity position during the period. However, as of 1H FY2026, the current ratio declined to 1.71x, primarily due to an increase in short-term borrowings - driven by higher sales volume, specifically in the corporate segment - and a higher current portion of long-term liabilities.



<sup>100</sup> (Average Current Portion of NCL, Long term loan, Finance lease) / EBITDA

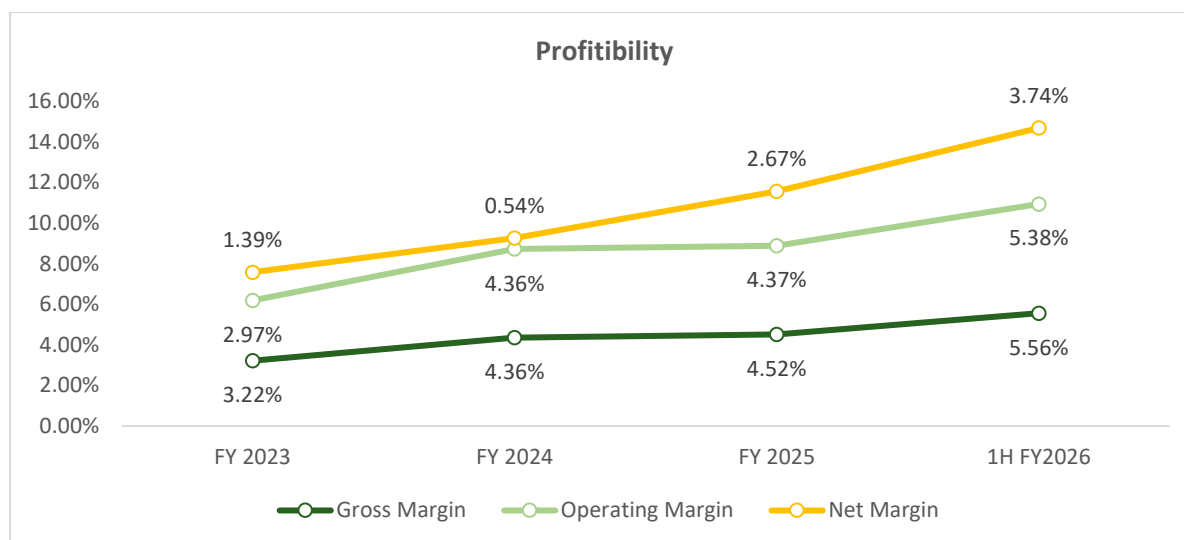
<sup>101</sup> (Average Debt / (EBITDA \*2))

<sup>102</sup> Operating Profit / Finance Cost



#### IV. Profitability Margins

In FY25, the company reported a gross margin of 4.5% and an operating margin of 4.4%. Over the past three years, net profit margin fluctuated from 1.4% in FY23 to 0.5% in FY24, before rebounding to 2.7% in FY25, primarily due to a revenue decline in FY24 caused by supply shocks. Despite this temporary setback, SPSL demonstrated strong resilience, achieving a notable recovery in both margins and profitability. The company has successfully sustained this recovery, and as of 31st December FY25, gross margin was 5.56%, operating margin 5.38%, and net profit margin 3.74%, reflecting stability. The improvement in profitability was driven by enhanced dealer margins, which grew at a three-year CAGR of 11%, and more favorable financing rates.



#### V. Return Ratios

The company has recorded strong growth in earnings per share (EPS), achieving a CAGR of 119.3% from FY23 to FY25, increasing from PKR 0.48 to PKR 2.32, based on the post-split number of shares. On a trailing twelve-months basis, EPS stands at PKR 3.41, while 1H FY26 EPS grew by 111% compared to the same period last year. Return on equity (ROE) improved significantly from 20% in FY23 to 46% in FY25 and continued its upward trajectory in 1H FY26, reaching 54% on an annualized basis. Similarly, return on assets (ROA) increased from 8% in FY23 to 21% in FY25, further strengthening to 25% in 1H FY26. Overall, the company's return ratios reflect sustained improvement following Aramco's acquisition of a 40% stake in GO, which helped resolve supply constraints and support earnings growth.

#### VI. Turnover Ratio

SPSL's corporate customers primarily purchase fuel on credit, which is reflected in receivable days increasing from 24.42 days in FY23 to 33.70 days in FY24, before improving to 15.49 days in FY25. As of 1H FY26, receivable days stood at 17.79 days, reflecting higher sales volumes to corporate customers on credit terms.

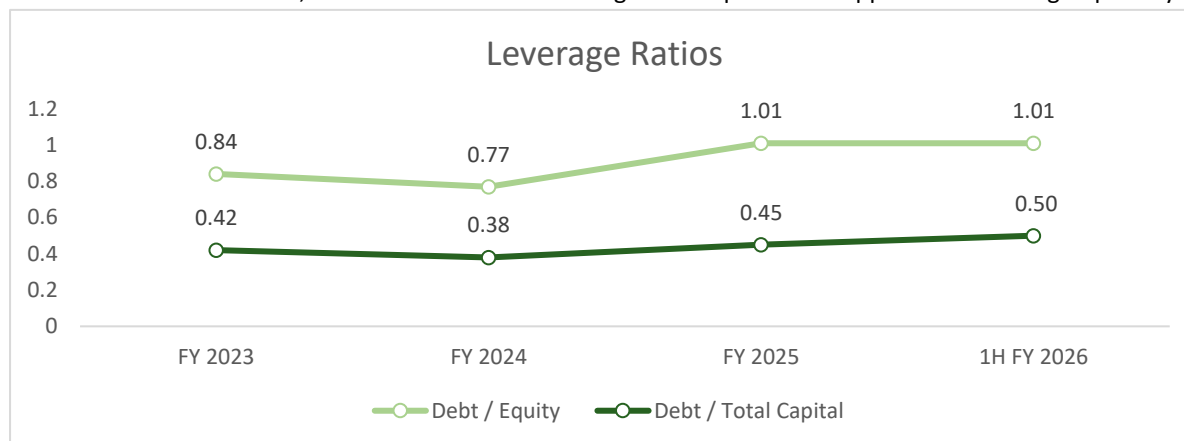
As a dealer, SPSL does not have any minimum inventory holding requirements and therefore maintains lean inventory levels. Inventory days declined from 8.80 days in FY23 to 14.64 days in FY24, before improving to 9.10 days in FY25, and increased slightly to 11.65 days in 1H FY26. The company typically maintains inventory of approximately 6–8 days, aligned with operational requirements.

On the payables side, SPSL's primary creditor is GO. Payable days increased marginally from 16.41 days in FY23 to 16.49 days in FY24, before declining sharply to 4.18 days in FY25 and further to 2.03 days in 1H FY26. Although the credit period allowed to SPSL is 7–10 days, the company has been settling its payables earlier than the agreed terms. The average cash conversion cycle for the last 4 reporting periods was 24 days.



## VII. Leverage Ratios

The company's debt-to-total-capital ratio remained stable around 0.4x - 0.5x, while the debt-to-equity ratio increased from 0.84x in FY23 to 1.01x in FY25 and currently stands at 1.01x as well. Overall, leverage remains well under control and primarily comprises lease liabilities and short-term borrowings. This capital structure is typical for companies operating in the OMC sector, as fuel stations are generally established on leased land rather than owned assets, while short-term borrowings are required to support the working capital cycle.



### 6.7.2. SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENSES

#### 6.7.2.1. Revenue Breakup:

Product Type	FY 2023		FY 2024		FY 2025		1H FY 2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Fuel Sales	42,985	86.8%	39,065	94.8%	116,594	95.0%	69,419	95.6%
Carriage Services Receipts	6,567	13.2%	2,146	5.2%	6,126	5.0%	3,193	4.4%
<b>Total</b>	<b>49,551</b>	<b>100%</b>	<b>41,211</b>	<b>100%</b>	<b>122,720</b>	<b>100%</b>	<b>72,612</b>	<b>100%</b>

#### 6.7.2.2. Expenditure:

	FY 2023		FY 2024		FY 2025		1H FY 2026	
	PKR MN	%	PKR MN	%	PKR MN	%	PKR MN	%
<b>Cost of Sales – Fuel Sales</b>								
Cost of Fuel	41,886	99.1%	37,174	99.1%	112,024	99.7%	66,057	99.7%
Salaries, wages & allowances	243	0.6%	188	0.5%	203	0.2%	124	0.2%
Depreciation	95	0.2%	98	0.3%	109	0.1%	50	0.1%
Electricity, fuel and power	43	0.1%	50	0.1%	63	0.1%	26	0.0%
Others	3	0.0%	3	0.0%	13	0.0%	19	0.0%
<b>Total Cost of Sales – Fuel Sales</b>	<b>42,270</b>	<b>100.0%</b>	<b>37,513</b>	<b>100.0%</b>	<b>112,412</b>	<b>100.0%</b>	<b>66,277</b>	<b>100.0%</b>



<b>Cost of Sales - Carriage Services</b>								
Vehicle running and maintenance	3,952	81.4%	1,265	77.5%	3,498	87.0%	1,871	81.4%
Salaries, wages & allowances	362	7.5%	130	8.0%	284	7.1%	232	10.1%
Ijarah rentals	351	7.2%	97	5.9%	0	0.0%	156	6.8%
Depreciation	132	2.7%	115	7.0%	168	4.2%	39	1.7%
Toll tax	58	1.2%	24	1.5%	69	1.7%	2,298	0.1%
<b>Total Cost of Sales - Carriage Services</b>	<b>4,855</b>	<b>100.0%</b>	<b>1,632</b>	<b>100.0%</b>	<b>4,019</b>	<b>100.0%</b>	<b>1,871</b>	<b>100.0%</b>
<b>Administrative Expenses</b>								
Salaries and benefits	60	47.2%	70	47.9%	86	50.3%	61	45.2%
Directors' remuneration	6	4.7%	14	9.6%	16	9.4%	9	6.7%
Legal and professional	34	26.8%	40	27.4%	44	25.7%	31	23.0%
Utilities	12	9.4%	7	4.8%	8	4.7%	4	3.0%
Telephone	2	1.6%	2	1.4%	3	1.8%	2	1.5%
Vehicles running and maintenance	4	3.1%	4	2.7%	4	2.3%	2	1.5%
Printing and stationery	1	0.8%	1	0.7%	1	0.6%	5	3.7%
Entertainment	1	0.8%	1	0.7%	1	0.6%	4	3.0%
Repairs and maintenance	1	0.8%	1	0.7%	1	0.6%	7	5.2%
Insurance	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Travelling and Conveyance	0	0.0%	0	0.0%	0	0.0%	1	0.0%
Postage and Courier	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Fee and Subscriptions	0	0.0%	0	0.0%	0	0.0%	1	0.7%
Depreciation	0	0.0%	0	0.0%	0	0.0%	1	0.7%
Auditor's Remuneration	3	2.4%	4	2.7%	4	2.3%		0.0%
Others	1	0.8%	1	0.7%	2	1.2%	11	5.2%



<b>Total Administrative Expenses</b>	<b>127</b>	<b>100.0%</b>	<b>146</b>	<b>100.0%</b>	<b>171</b>	<b>100.0%</b>	<b>139</b>	<b>100.0%</b>
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### 6.7.3. Summary of Other Income:

PKR Mn	FY 2023	FY 2024	FY 2025	1H FY 2026
<b>Gain On</b>				
<b>Early Lease termination</b>	3.9	-	-	
<b>Gain on Disposal</b>	5.3	130.7	4.4	2.7
<b>Rental from GO</b>	14.5	21.9	42.0	38.0
<b>Profit from Aramco</b>				33.9
<b>Others</b>				
<b>Total Other Income</b>	<b>23.7</b>	<b>152.6</b>	<b>46.4</b>	<b>74.6</b>

### 6.8. BIFURCATION OF REVENUE WITH RESPECT TO LOCAL AND EXPORT SALES, IF APPLICABLE.

Not Applicable as SPSL provides services in Pakistan only.

### 6.9. If the material part of the company's purchases, i.e. 50% or more, is dependent upon a single supplier or few major suppliers, then the same shall be disclosed.

SPSL is solely dependent on Gas & Oil Pakistan Ltd. (GO) for sourcing petroleum products. GO, in turn, procures fuel from local refineries and through imports. Any disruption in GO's supply chain - such as port delays, reduced refinery output, or import constraints - can directly affect SPSL's fuel availability. This single-source dependency heightens the risk of operational discontinuity, particularly during high-demand periods or macroeconomic stress events.

S. No	Vendor Name	Country	Product	Purchases during FY23	% of Total Purchases during FY23	Purchases during FY24	% of Total Purchases during FY24	Purchases during FY25	% of Total Purchases during FY25	Purchases during 1H FY26	% of Total Purchases during 1H FY26
1	Gas & Oil Pakistan	Pakistan	Fuel	42,111	100%	37,818	100%	114,046	100%	66,987	100%
<b>Total</b>				<b>42,111</b>	<b>100%</b>	<b>37,818</b>	<b>100%</b>	<b>114,046</b>	<b>100%</b>	<b>66,987</b>	<b>100%</b>

After the construction of its own oil storage terminal and the attainment of an OMC license, the company's reliance on GO will be significantly reduced.

### 6.10. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES:

SPSL operates as a dealer of GO in the fuel segment. While the OMCs listed below are not direct competitors of SPSL, they compete with GO Petroleum. Accordingly, any change in GO's market share has a direct impact on SPSL's performance - higher market share for GO translates into improved outcomes for SPSL.

PKR Mn	SPSL*	PSO	Wafi	APL	HTL
<b>Financials based on Trailing Twelve Months</b>					
<b>Operating Performance</b>					
Sales	140,289	3,263,466	448,915	479,163	35,024



Cost of Sales	(132,983)	(3,157,408)	(421,409)	(456,830)	(31,723)
Gross Profit	7,306	106,058	27,506	24,592	3,301
Finance Cost	(1,157)	(33,107)	(2,454)	(2,014)	(530)
PAT	4,774	24,127	5,604	11,819	189
<b>GP Margin</b>	<b>5.2%</b>	<b>3.2%</b>	<b>6.1%</b>	<b>4.7%</b>	<b>9.4%</b>
<b>NP Margin</b>	<b>3.4%</b>	<b>0.7%</b>	<b>1.2%</b>	<b>2.5%</b>	<b>0.5%</b>
<b>Capital Structure</b>					
Current Assets	14,778	916,141	75,082	103,021	7,522
Total Assets	24,248	1,014,596	118,707	129,716	14,659
Current Liabilities	8,663	705,133	77,406	52,088	7,494
Debt	11,462	374,000	15,022	12,058	3,005
Shareholders' Equity	11,377	267,293	25,000	66,439	6,232
<b>Current Ratio</b>	<b>1.71</b>	<b>1.30</b>	<b>0.97</b>	<b>1.98</b>	<b>1.00</b>
<b>Debt to Equity</b>	<b>1.01</b>	<b>1.40</b>	<b>0.60</b>	<b>0.18</b>	<b>0.48</b>
<b>Pricing Comparison</b>					
Number of Shares (Mn) - Post IPO	1,679.90	469.47	214.02	124.42	139.20
Share Price**	13.50	467.25	247.02	607.82	57.27
PAT (TTM)	4,774	24,127	5,604	11,819	189
EPS – (Post IPO for SPSL)	2.84	51.39	26.18	95.00	1.36
BVPS – (Post IPO for SPSL)	6.77	547.49	116.81	534.01	44.77
P/E – (Post IPO for SPSL)	4.75	9.09	9.43	6.40	42.22
P/B	1.99	0.85	2.11	1.14	1.28
ROE	53%	9%	25%	19%	3%
ROA	23%	2%	5%	10%	1%

\*\*Share price is of 10<sup>th</sup> February 2026.

\*Financials for SPSL are based on the period from January 1, 2025, to December 31, 2025, while financials for the other companies are based on the period from October 1, 2024, to September 30, 2025.



## 6.11. SUMMARY OF FINANCIAL PROJECTIONS FOR FIVE YEARS

### 6.11.1 Profit and Loss Statement:

PKR Mn	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
Net Sales	138,871	200,469	236,056	264,048	291,308
Cost of Sales	(132,134)	(191,381)	(224,840)	(251,094)	(276,283)
<b>Gross Profit</b>	<b>6,737</b>	<b>9,088</b>	<b>11,216</b>	<b>12,955</b>	<b>15,025</b>
<b>Gross Margin</b>	<b>4.85%</b>	<b>4.53%</b>	<b>4.75%</b>	<b>4.91%</b>	<b>5.16%</b>
Other Income	247	375	482	929	1,493 <sup>1</sup>
Administrative & General Expenses	(210)	(350)	(315)	(353)	(394)
Other Operating Expense	(64)	(71)	(78)	(86)	(94)
<b>Operating Profit</b>	<b>6,709</b>	<b>9,043</b>	<b>11,305</b>	<b>13,445</b>	<b>16,030</b>
<b>Operating Margin</b>	<b>4.83%</b>	<b>4.51%</b>	<b>4.79%</b>	<b>5.09%</b>	<b>5.50%</b>
Financial Charge	(927)	(736)	(475)	(351)	(325)
<b>Profit Before Taxation</b>	<b>5,781</b>	<b>8,307</b>	<b>10,829</b>	<b>13,094</b>	<b>15,705</b>
<b>EBT Margin</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>5.4%</b>
Taxation	(1,490)	(2,039)	(3,212)	(4,388)	(5,767)
<b>Profit After Taxation</b>	<b>4,292</b>	<b>6,268</b>	<b>7,617</b>	<b>8,706</b>	<b>9,938</b>
<b>Net Margin</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.4%</b>
EPS	<b>2.55</b>	<b>3.73</b>	<b>4.53</b>	<b>5.18</b>	<b>5.92</b>

<sup>1</sup> The substantial increase is due to other income on excess cash available. The company plans to expand aggressively for these two fiscal years, after which they will slow down. Thus, cash is being accumulated and income on excess cash is being generated.

Fuel Sales*	FY2025A	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
<b>Volumes Forecasted (MN LT)</b>	451	493	685	770	822	864
<b>Growth</b>	-	9%	39%*	12%	7%	5%
<b>No. of Pumps</b>	52	84	107	110	115	119

\*This is mainly due to the 24 pumps added in FY26 which will be fully operational in FY27 as per the plans.

Carriage Services	FY2025A	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
<b>Volumes Forecasted</b>	1,168	1,203	1,417	1,533	1,574	1,616
<b>Growth</b>		3%	18%	8%	3%	3%
<b>No. of Carriages</b>	320	335	370	375	380	385

\*This is mainly due to the 15 carriages added in FY26 which will be fully operational in FY27 as per the plans.

The Volumetric growth is a resultant of the growth in the number of pumps and the number of carriages along with an increase in the market size.



## 6.11.2 Balance Sheet:

PKR Mn	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
<b><u>Current Assets</u></b>					
Stock in Trade	5,246	6,631	10,809	15,157	19,963
Trade Debts	7,235	9,109	9,936	10,776	11,081
Advances, Deposits and other receivables	980	1,083	1,192	1,304	1,427
Income Tax Refunds due from Government	24	24	24	24	24
Deferred Tax Assets	70	70	70	70	70
Cash and Bank Balances	3,517	1,145	5,180	10,539	17,074 <sup>1</sup>
<b>Total Current Assets</b>	<b>17,071</b>	<b>18,062</b>	<b>27,210</b>	<b>37,870</b>	<b>49,639</b>
<b><u>Non-Current Assets</u></b>					
Property, Plant & Equipment	9,043	11,253	15,972	16,298	16,514
Capital Work in Progress	1,119	4,709	-	-	-
Investment in Associate	605	605	605	605	605
<b>Total Non-Current Assets</b>	<b>10,767</b>	<b>16,567</b>	<b>16,577</b>	<b>16,903</b>	<b>17,119</b>
<b>Total Assets</b>	<b>27,838</b>	<b>34,629</b>	<b>43,787</b>	<b>54,772</b>	<b>66,758</b>
<b><u>Equity &amp; Liabilities</u></b>					
<b><u>Current Liabilities</u></b>					
Current portion of non-current liabilities	2,750	2,267	338	202	34
Creditors, accrued and other Liabilities	2,526	4,692	8,068	11,024	14,286
Provision for Taxation	1,490	2,039	3,212	4,388	5,767
Short Term Borrowings	1,286	1,729	2,107	2,301	2,343
<b>Total Current Liabilities</b>	<b>8,052</b>	<b>10,727</b>	<b>13,725</b>	<b>17,915</b>	<b>22,430</b>
<b><u>Non-Current Liabilities</u></b>					
Long Term Loans	1,819	-	-	-	-
Liability against Assets Subject to Finance Lease	1,053	722	406	237	254
Deferred Staff retirement gratuity	29	29	29	29	29
<b>Total Non-Current Liabilities</b>	<b>2,901</b>	<b>750</b>	<b>435</b>	<b>266</b>	<b>283</b>
<b>Total Liabilities</b>	<b>10,953</b>	<b>11,477</b>	<b>14,160</b>	<b>18,181</b>	<b>22,713</b>
<b><u>Equity</u></b>					
Share Capital	1,680	1,680	1,680	1,680	1,680
Share Premium	3,650	3,650	3,650	3,650	3,650
Revaluation Surplus on Fixed Assets	1,462	1,462	1,462	1,462	1,462
Unappropriated Profit	10,093	16,360	22,835	29,800	37,253
<b>Total Equity</b>	<b>16,884</b>	<b>23,152</b>	<b>29,627</b>	<b>36,591</b>	<b>44,045</b>
<b>Total Equity &amp; Liabilities</b>	<b>27,838</b>	<b>34,629</b>	<b>43,787</b>	<b>54,772</b>	<b>66,758</b>



<sup>1</sup>The company plans to expand aggressively for these two fiscal years, after which they will slow down, this will lead to accumulation of cash. Furthermore, the profitability of the company is also increasing post FY28, once the company transitions to OMC. Also, expected dividend payout ratio is also low, thus increasing cash in the company.

### 6.11.3 Cash Flow Statement:

PKR Mn	FY2026	FY2027	FY2028	FY2029	FY2030
	F	F	F	F	F
<b>Cash Flow from Operating Activities</b>					
Profit / (Loss) Before Taxation	5,781	8,307	10,829	13,094	15,705
<b>Adjustments for:</b>					
Depreciation	425	547	811	999	996
Financial Cost	927	736	475	351	325
<b>Cash Flow Before Working Capital Changes</b>	<b>7,134</b>	<b>9,590</b>	<b>12,115</b>	<b>14,444</b>	<b>17,026</b>
<b>Changes in Working Capital</b>					
(Increase) / Decrease in Current Assets:					
Stock in Trade	(1,332)	(1,386)	(4,178)	(4,348)	(4,806)
Trade Debts	(925)	(1,874)	(827)	(840)	(305)
Advances, Deposits and other receivables	1,237	(103)	(109)	(113)	(123)
<b>Total (Increase) / Decrease in Current Assets</b>	<b>(1,021)</b>	<b>(3,363)</b>	<b>(5,113)</b>	<b>(5,301)</b>	<b>(5,234)</b>
<b>Increase / (Decrease) in Current Liabilities:</b>					
Creditors, Accrued and other liabilities	1,593	2,166	3,376	2,955	3,263
<b>Total Increase / (Decrease) in Current Liabilities</b>	<b>1,593</b>	<b>2,166</b>	<b>3,376</b>	<b>2,955</b>	<b>3,263</b>
<b>Total Changes in Working Capital</b>	<b>572</b>	<b>(1,197)</b>	<b>(1,737)</b>	<b>(2,346)</b>	<b>(1,972)</b>
<b>Cash Generated from / (used in) Operations</b>	<b>7,706</b>	<b>8,393</b>	<b>10,379</b>	<b>12,099</b>	<b>15,054</b>
Income Tax paid	(1,129)	(1,490)	(2,039)	(3,212)	(4,388)
Finance Cost Paid	(927)	(736)	(475)	(351)	(325)
<b>Net Cash from / (used in) Operating Activities</b>	<b>5,649</b>	<b>6,167</b>	<b>7,864</b>	<b>8,536</b>	<b>10,341</b>
<b>Cash Flow from Investing Activities</b>					
Purchase of Property, Plant and Equipment	(2,963)	(2,757)	(5,530)	(1,324)	(1,212)
Investment in Capital Work in Process	(965)	(3,590)	4,709	-	-
<b>Investment in Associate</b>	<b>(605)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash inflow/(outflow) from Investing Activities</b>	<b>(4,533)</b>	<b>(6,347)</b>	<b>(821)</b>	<b>(1,324)</b>	<b>(1,212)</b>
<b>Cash Flow from Financing Activities</b>					
Long Term Loans Obtained	-	-	-	-	-
IPO Proceeds	3,930	-	-	-	-
Repayment of long-term loan & Lease	(1,308)	(2,634)	(2,244)	(306)	(150)
Dividend Paid	-	-	(1,143)	(1,741)	(2,485)
(Decrease) Short-term Borrowing Net	(561)	442	378	194	41



Markup Paid	(293)	-	-	-	-
<b>Net Cash inflow / (outflow) from Financing Activities</b>	<b>1,767</b>	<b>(2,191)</b>	<b>(3,009)</b>	<b>(1,853)</b>	<b>(2,593)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,884</b>	<b>(2,372)</b>	<b>4,035</b>	<b>5,359</b>	<b>6,535</b>
Cash at the Beginning of the Year	633	3,517	1,145	5,180	10,539
<b>Cash at the End of the Year</b>	<b>3,517</b>	<b>1,145</b>	<b>5,180</b>	<b>10,539</b>	<b>17,074</b>

#### 6.11.4 Macro-economic Assumptions:

	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
Inflation <sup>103</sup>	9.0%	9.0%	9.0%	8.8%	10.0%
KIBOR <sup>104</sup>	10.72%	10.72%	10.72%	10.72%	10.72%
Exchange Rate Depreciation <sup>105</sup>	2%	5%	5%	5%	5%

#### 6.11.5 Operating Margin Assumptions:

Particulars		FY2026F	FY2027F	FY2028F	FY2029F	FY2030F
<b>COGS</b>	As a % of sales	-95.15%	-95.47%	-95.25%	-95.09%	-94.84%
<b>Other Income</b>	As a % of sales	0.18%	0.19%	0.20%	0.35%	0.51%
<b>Administrative &amp; General Expenses</b>	As a % of sales	-0.15%	-0.17%	-0.13%	-0.13%	-0.14%
<b>Other Operating Expenses</b>	As a % of sales	-0.05%	-0.04%	-0.03%	-0.03%	-0.03%
<b>Operating Margin</b>		<b>4.83%</b>	<b>4.51%</b>	<b>4.79%</b>	<b>5.09%</b>	<b>5.50%</b>
<b>Effective Tax Rate</b>	As a % of PBT	-25.77%	-24.55%	-29.66%	-33.51%	-36.72%

<sup>103</sup> AHL Research

<sup>104</sup> AHL Research

<sup>105</sup> AHL Research



6.12. CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS:



10<sup>th</sup> January 2024

The Chief Executive  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi – 74000.

Chief Listing Officer  
Listing Department  
Pakistan Stock Exchange Limited  
Karachi

**Subject: Certification of Reasonableness of Financial Projections as per Schedule 1.24(vii)(d) of the Public Offering Regulations, 2017**

Dear Sir(s), We, Arif Habib Limited, acting as the Lead Consultant to the Issue in connection with the proposed Initial Public Offering of Sitara Petroleum Service Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending 31/03/30 included in the draft Prospectus and submitted to the Exchange.

Based on our sector expertise, market research and discussions with the Company's management regarding the underlying assumptions, we verify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, OMC and dealer margins, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP), Dated there: The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected.

This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implication involved.

For and on Behalf of Arif Habib Limited

Furhan Rizvi  
Managing Director, Investment Banking

Head Office: Corporate Office Arif Habib Limited, 22nd Floor, Plaza Regal, Karachi-74000. Tel: 021-111-299-110 / 021-111-299-9999  
 Lahore Office: Office No. 20-B-2-A, Ground Floor, G.E. Plaza, 26, Shaukat Khanan Road, Lahore-54000. Tel: 042-3571-2700 / 042-3571-2701 / 042-3571-2702  
 Islamabad Office: Office No. 204, 5th Floor, G.E. Plaza, Jinnah Avenue, Islamabad. Tel: 051-401-2000 / 051-401-2001 / 051-401-2002 / 051-401-2003  
 Hyderabad Office: Office No. 20, 5th Floor, Regal Plaza, National Highway 7, Hyderabad-500002  
 Faisalabad Office: Office No. 20, 5th Floor, Regal Plaza, National Highway 7, Faisalabad-38000  
 Multan Office: Office No. 20, 5th Floor, Regal Plaza, National Highway 7, Multan-30000  
 Rawalpindi Office: Office No. 20, 5th Floor, Regal Plaza, National Highway 7, Rawalpindi-31000  
 Sukkur Office: Office No. 20, 5th Floor, Regal Plaza, National Highway 7, Sukkur-32000  
 TCC Section of the Pakistan Stock Exchange Ltd | Website: www.arifhabib.com



Stock Brokers at PSE  
Investment Advisors  
Financial Consultants  
MAA, FCI, BSE Members

30<sup>th</sup>, January 2020

**The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi - 74000.

Chief Listing Officer  
Listing Department  
Pakistan Stock Exchange Limited  
Karachi

**Subject: Certification of Reasonableness of Financial Projections as per Schedule 1.14(vii) (iii) of the Public Offering Regulations, 2017**

Dear Sir(s), We, Integrated Equities Limited, acting as the Joint Consultant to the Issue in connection with the proposed initial Public Offering of Sitara Petroleum Service Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending FY2030 included in the draft Prospectus and submitted to the Exchange.

Based on our sector expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, GMC and dealer margins, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP). Disclaimer: The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected.

This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implication involved.

For and on Behalf of Integrated Equities Limited

  
  
 Sardar Ali Waheed  
 Chief Executive Officer

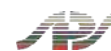
Integrated Equities Limited

Head Office: 30 Chatterton Colony, 3<sup>rd</sup> Floor, NCTDC, Avenue, Great Inland Road Ring Road Lahore. T: 92-42-3274 1714-15. E: info@iel.com.pk www.iel.com.pk  
 Branch Office: Markazi, 134, 3<sup>rd</sup> Floor, Stock Exchange Main Building, Karachi. T: 92-21-3242-3361. G: PSE TRIC No. 393



### 6.13. REVALUATION OF ASSETS

Sr. No.	Owner Name	Land Description	Date of Latest Valuation	Area	Fair Value	Cost
1	Sitara Petroleum Service Limited	Commercial Property (Petrol Filling Station) Measuring 21 Kanal & 5 Marlas Out Of Salam Khata At Main Bahawalnagar Road, Qaboola Bypass, Qaboola, Tehsil Arif Wala, District Pakpattan - (Petrol Pump - Qaboola) Commercial Plot 7 Marla 6 Sarsai, Qaboola Arif Wala 02 Kanal agricultural land in Qabula.	19-Jan-24	62-K,12.66-M	220,769,000	95,765,032
2	Sitara Petroleum Service Limited	Commercial Property (Petrol Filling Station) Measuring 05 Kanal At Adda Rafiq Abad, Main Haroon Abad Road, Tehsil Fort abbas, District Bahawalnagar (Fuel station - Faqewala)	19-Jan-24	5-K	47,500,000	45,851,005
3	Sitara Petroleum Service Limited	Commercial Property (Petrol Filling Station) Measuring 02 Kanals 08 Marlas Situated At Mouza Fazal Pur, Indus Highway Road, Tehsil & Distt Rajan	19-Jan-24	2.40-K	72,000,000	25,416,978
4	Sitara Petroleum Service Limited	1.5 Kanal Plot No. 011, Block A, Abdalian Housing Society, Lahore	19-Jan-24	1.5-K	129,000,000	66,267,000
5	Sitara Petroleum Service Limited	Commercial Property measuring 06 Marla in DHA Islamabad Phase 2 Sector F	19-Jan-24	6-M	120,000,000	26,500,000
6	Sitara Petroleum Service Limited	Commercial Property (Petrol Filling Station) measuring 54 Marla feet situated at Chak No. 213, Rab Tehsil City and District Faisalabad (Petrol Pump)	19-Jan-24	53.60-M	536,000,000	181,618,324
7	Sitara Petroleum Service Limited	Commercial Plot 4 M- 87 SQFT Chak No 212 RB Faisalabad Commercial Plot 8.32 Marla Chak No 212 RB Faisalabad Commercial Plot 3 Marla Chak No 212 RB Faisalabad Commercial Plot 7.6213 Marla Chak No 212 RB Faisalabad Commercial Plot 7.6213 Marla Chak No 212 RB Faisalabad	19-Jan-24	31.88-M	191,280,000	68,601,515
8	Sitara Petroleum Service Limited	Commercial Property measuring 07 Acres situated at Chak No. 52/5-L Tehsil and District, Sahiwal	19-Jan-24	56-K	324,800,000	89,379,695
9	Sitara Petroleum Service Limited	Property measuring 12 Kanal, District Nowshera, Peshawar	19-Jan-24	12-K	180,000,000	152,500,000
10	Sitara Petroleum Service Limited	782-E DHA Phase-6 Lahore 783-E DHA Phase-6 Lahore	19-Jan-24	4-K	300,000,000	128,750,000
11	Sitara Petroleum	41 Marla, Sitara Petroleum (Pvt) Ltd.1 - Arif Wala Bahawalpur Road At Qabula City	19-Jan-24	41-M	205,000,000	15,697,872



	Service Limited	Tehsil Arif Wala District Pakpattan (GO Petrol Pump)				
12	Sitara Petroleum Service Limited	Faisalabad Filling Station KLP Road, Adda Sheikh wahin, Rahimyar khan	19-Jan-24	13.85-K	121,880,000	112,833,000
13	Sitara Petroleum Service Limited	Aali Petrol Pump 305-HR, Fort Abbas Yazman Road, District Bahawalnagar	19-Jan-24	4-K	36,000,000	34,950,000
14	Sitara Petroleum Service Limited	8 Marla Commercial Plot in Rahim Yar Khan	19-Jan-24	8-M	4,800,000	4,200,000
15	Sitara Petroleum Service Limited	110 Marla Plot Chak No 140, Tehsil Salan Wali District Sargodha	19-Jan-24	5.50-K	16,500,000	13,101,000
16	Sitara Petroleum Service Limited	16 Kanal Plot Maza Sajoka, Tehsil Sahiwal District Sargodha	19-Jan-24	16-K	16,000,000	10,602,000
17	Sitara Petroleum Service Limited	Commercial Plot 3 Kanal 13 Marly Moza Khairpur Malia Tehsil and District Sheikh Pura	19-Jan-24	3.65-K	7,300,000	3,360,000
18	Sitara Petroleum Service Limited	Property 2-K, 3-K,4-M,110F, Chak-155-EB, Arif Wala, Pakpattan	19-Jan-24	5.22-K	18,270,000	12,566,500
19	Sitara Petroleum Service Limited	Property 5K, 18M, 106sqft Chak no 66, tehsil and district, Faisalabad (1/2 share) (45 Marla)	19-Jan-24	45-M	45,000,000	42,525,000
<b>Total</b>					<b>2,592,099,000</b>	<b>1,130,484,921</b>
<b>Total Revaluation Surplus</b>			<b>1,461,614,079</b>			

#### 6.14. DIVIDEND POLICY

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared, in the general meeting, shall be paid according to the provisions of the Companies Act 2017.

The Board of Directors may from time to time declare interim dividends as appear to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.



Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, “Dividend Mandate”

**Details of dividends and/or bonus shares issued over the past five years are as follows:**

Year	Cash Dividends	Dividend per Share (PKR)	No. of Shares (Before Split)	Dividend as a % to PAR	No. of Shares (After Split)	Dividend as a % to PAR
2021	-		-	-	-	-
2022	1,400,000,000	10*	140,000,000	100%	1,400,000,000	100%
2023	-		-	-	-	-
2024	-		-	-	-	-
2025	-		-	-	-	-

\*This represents dividend per share before split. Post split dividend per share was PKR 1/-.

The following table discloses a non-binding expected dividend pay-out ratio, including the percentage of earnings to be distributed to the shareholders as dividend in case the company is profitable, has cash, does not require additional funding for any planned expansion opportunities, the Board’s recommendation and shareholders’ approval, where required.

	2026F	2027F	2028F	2029F	2030F
<b>Dividend Per Share (DPS) - PKR</b>	-	-	0.68	1.04	1.48
<b>Payout Ratio (Dividend/Earnings)</b>	-	-	15%	20%	25%

**Covenants / Restriction on Payment of Dividends:**

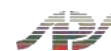
It is stated that there is no restriction on the Company by any regulatory authority, creditor, stakeholder, etc. on the distribution and capitalization of its profits.

**Eligibility for Dividend**

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

**6.13 (B) DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL**

SPSL has no listed associated company over which it has control.



## 7. BOARD AND MANAGEMENT OF THE COMPANY

### 7.1. BOARD OF DIRECTORS

S. No	Name	Designation	Address	CNIC	Period of Directorship	Directorship in other companies
1	Fareed Ahmad Agha	Chairman / Independent Director	Plot # 7/C3, Gulberg III, Lahore	35201-1917381-3	Board Member Since 10/03/2026	None
2	Muhammad Afzal Chaudhary	Independent Director	S-14/1, Street No. 6, Phase 2, DHA, Lahore	35201-1692599-5	Board Member Since 06/01/2026	Zarea Limited
3	Zaheer Baig	CEO/Executive Director	House# E-201, Street# 56, DHA Phase 1 Lahore	42301-1791222-3	Board Member Since 01/04/2025	-
4	Muhammad Usman Javed	Non - Executive Director	Hussainabad Colony Ward Street # 12 Qaboola Near GO Pump, Arif Wala, District Pakpattan	36502-2599763-1	Board Member Since 15/08/2022	Hungrie (Private) Limited
5	Muhammad Ali	Non-Executive Director	Scheme #3 Fareed Town House#34Y Sahiwal	36502-9579730-1	Board Member Since 15/08/2022	Hungrie (Private) Limited
6	Rafat Sultana	Chairperson & Independent Director	Plot no B-62, Block 11, Federal B Area, Gulberg, Karachi	42101-1720337-4	Board Member Since 17/2/2026	<ul style="list-style-type: none"> <li>Sindh Transmission &amp; Dispatch Company</li> <li>Alpha Insurance Company</li> </ul>
7	Zain Liaqat	Executive Director	Scheme # 3 Fareed Town House # 34Y Sahiwal Lahore	36502-2826824-1	Board Member Since 15/08/2022	-

### 7.2. NUMBER OF DIRECTORS

The company has a seven-member board (including CEO). The board comprises two executives, three independents and two non-executive directors.

### 7.3. PROFILE OF DIRECTORS

**Zaheer Baig**

**CEO & Executive Director**

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

**Mr. Muhammad Afzal Chaudhary****Independent Director**

Muhammad Afzal Chaudhary in Economics from Punjab University, Lahore. He has also earned Diploma in Banking with "Role of Honour" from Institute of Bankers, Pakistan. He started professional career with United Bank Limited. His banking career spanning over 43 years. He worked in different domestic and foreign Banks. He handled following assignment at Banks as: Chief, Special Assets Management Group (Central/North) and Senior Credit Officer (Central/North), Credit Risk Management Group at United Bank limited, Lahore. He has also worked as Deputy General Manager at commercial Bank of Oman, Muscat. He worked as regional head Credit at First Woman Bank Limited, Lahore and Regional Head Special Assets & Management at Saudi Pak Commercial Bank Limited/Silk Bank Limited. He has diversified experience handling issues relating to commercial and corporate. Industrial and Banking Sectors.

**Mr. Fareed Ahmad Agha****Independent Director and Chairman of the Board**

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

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

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

**Ms. Rafat Sultana****Independent Director**

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

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

**Mr. Zain Liaquat****Executive Director**

Mr. Zain Liaquat is a business graduate with experience in Supply Chain Management, and lube sales.

**Mr. Muhammad Ali****Non-Executive Director**

Mr. Muhammad Ali is a business graduate with hands-on experience in petroleum retail operations, fuel supply management, and site-level oversight. He contributes to day-to-day operational planning and supports the management of the company's retail fuel Stations

**Mr. Muhammad Usman Javed****Non-Executive Director**

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

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

With 10 years of professional experience, Mr. Usman has developed expertise across supply chain operations, logistics management, and the oil sector. His comprehensive industry knowledge and leadership capabilities have contributed significantly to the growth and operational efficiency of Sitara Petroleum Service Limited.

Driven, disciplined, and forward-thinking, Mr. Usman continues to bring value to the organization through innovative approaches, strategic insight, and a commitment to excellence

**7.4. PROFILE OF SENIOR MANAGEMENT**

The company has an adequate organizational structure. The operations of the company have been bifurcated into four broad functional areas which comprise of Operations, Finance, Sales, and Transports. The following are key management team members:

**Mr. Zaheer Baig****CEO**

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

**Mr. Abdur Rehman Butt****Chief Financial Officer / Company Secretary**

Abdur Rehman Butt, FCA, CIA, is a seasoned finance leader with over 20 years of International and Local experience in financial strategy, corporate finance, and financial management. He has a proven track record in driving business growth, optimizing capital structures, and strengthening financial controls. Known for his analytical insight and strategic foresight, Abdur Rehman excels in leading high-performing teams and delivering sustainable value in dynamic, fast-growing corporate environments.

**Mr. Asim Younas****Head of Strategy**

Mr. Asim Younas bringing over a decade of expertise in corporate strategy and portfolio management, Asim has previously lead planning, trade and execution of high-value international joint ventures. He holds an MBA in Marketing. his expertise spans International Trade, Agriculture, and Investments.

**Mr. Wajahat Ali Syed****Head of Retail and NFR**

Wajahat Ali Syed is a seasoned professional having Oil industry experience of more than 2 decades. He holds an MBA degree from IBA Karachi. He has worked for Pakistan State Oil, Attock Petroleum, Army Welfare Trust and Cnergyico (Byco) in his career. In addition, he holds a degree in Operations and Supply Chain Management as well.

**Mr. Imraan Moonis****Head of Marketing**

Marketing & brand leader with 15+ years across FMCG, dairy, telecom & media. Expert in creative strategy, product innovation, and 360° campaign delivery. Led large-scale launches and pitches for PepsiCo, Jazz, Samsung & more. Focused on insight-driven growth, brand equity and commercial excellence.

**Mr. Saleem Akbar****Head of Logistics**

Saleem Akbar, Head of Logistics, has 22 years of experience in Logistics. He has a master's in business administration and has grown up the organization over past 17 years. Previously, he has worked in Shell Pakistan as Manager Logistics.

**Mr. Talha Rasool****Head of HR**

A strategic and certified Human Resources leader with over 12 years of comprehensive experience in developing and executing HR initiatives that directly support business objectives. Mr. Rasool is dedicated to building a world-class workforce and fostering an empowering work environment that attracts, develops, and retains top talent.

**7.5. QUALIFICATION OF DIRECTORS**

As provided in the proviso to sub-section (i) of Section 153 of the Act, no person shall be appointed as a Director unless he is a Member of the Company.

**7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE**

According to Article 63, The number of Directors shall not be less than seven. The Board shall fix the number of Directors to be elected in a general meeting no later than thirty-five days before the convening of such general meeting and the number so fixed shall not be changed except with the prior approval of that general meeting in which election is to be held. Further, as provided in the proviso to sub-section (i) of Section 153 of the Act, no person shall be appointed as a Director unless he is a Member of the Company.

As per Article 81, The number of Directors fixed by the Board under Article 63 shall be elected to office in accordance with Section 159 of the Act. A Director elected under Article 81 shall hold office for a period of three years unless the earlier resigns, vacates office due to fresh elections required under Section 162 of the Act, as the case may be, becomes disqualified from being a Director or otherwise ceases to hold office. According to article 83, A retiring Director shall be eligible for re-election.



According to article 85, the Company may by resolution in a general meeting remove a Director appointed or elected or deemed to have been elected, provided that a resolution for removing a Director shall not be deemed to have been passed if the number of votes cast against such a resolution is equal to or exceeds:

- (a) the total number of votes for the time being computed in the manner laid down in sub-section (5) of section 159 of the Act divided by the number of Directors for the time being, if the resolution relates to removal of a Director appointed under Section 161 or Section 162 or where the Directors were elected unopposed; or
- (b) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Directors, if the resolution relates to removal of a Director elected in the manner provided in sub-section (5) of section 159 of the Act.

As per Article 70,

- i. Within fourteen days from the date of an election of Directors under Articles, or within fourteen days from the date on which the office of the Chief Executive falls vacant for whatever reason, the Board shall appoint any person (including an elected Director) to be the Chief Executive, but such appointment shall not be for a period exceeding three years from the date of appointment. Provided that the Chief Executive appointed against a casual vacancy shall hold office till the Directors elected in the next election of Directors appoint a Chief Executive.
- ii. Notwithstanding clause (i) of this Article, no person who is ineligible to become a Director of the Company under Section 153 or disqualified under Sections 171 or 172 of the Act shall be appointed or continue as the Chief Executive.
- iii. Upon the expiry of his term of appointment under clause (i) above, a Chief Executive shall be eligible for re-appointment.
- iv. The Chief Executive shall, if he is not already a Director of the Company, be deemed to be its Director and be entitled to all the rights and privileges, and subject to all the liabilities of that office.
- v. The Board may by resolution passed by not less than three fourths of the total number of Directors for the time being, or the Company may by Special Resolution, remove a Chief Executive before the expiration of his term of office notwithstanding anything contained (if any) in these Articles or in any agreement between the Company and the Chief Executive.
- vi. The terms and conditions and remuneration of the Chief Executive shall be determined by the Board.
- vii. The Chief Executive shall have overall authority over and responsibility for the administration of the affairs of the Company and the conduct, and the custody and maintenance of its properties, assets, records and accounts, in accordance with the policies and guidelines established by the Board. In addition, the Board may entrust to and confer upon the Chief Executive any of the powers exercisable by the Board (other than the powers which are required to be compulsorily exercised under the Act by the Board at its meetings) upon such terms and conditions and with such restrictions as it may think fit, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **7.7. INTEREST OF DIRECTORS AND PROMOTERS**

Following directors are holding Ordinary shares of the Company:



Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Zaheer Baig	Shareholder / Director / CEO	60	60
Muhammad Usman Javed	Share holder / Director	209,404,970	209,404,970
Muhammad Ali	Share holder / Director	209,405,020	209,405,020
Fareed Ahmad Agha	Share holder / Director	10	10
Rafat Sultana	Share holder / Director	10	10
Muhammad Afzal Chaudhary	Share holder / Director	10	10
Zain Liaqat	Share holder / Director	40	40
<b>Total</b>		<b>418,810,120</b>	<b>418,810,120</b>

#### 7.8. INTEREST OF THE DIRECTOR AND PROMOTER IN PROPERTY/ASSETS AND PROFIT OF THE COMPANY

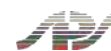
As per Article 72, No person shall become a Director of the Company if he suffers from any of the disabilities or disqualifications mentioned in Sections 153, 171, 172 or 177 of the Act and, if already a Director, shall cease to hold such office from the date he so becomes disqualified or disabled; provided, however, that no Director shall be disqualified by reason only of his being a member of any company which has entered into contracts with, or done any work for, the Company but such Director shall not vote on any resolution in respect of any such contract or work, and if he does so his vote shall not be counted, and considered as void. If a Director has an interest in any matter that is being considered at a meeting of the Board, such Director shall make requisite disclosures to the Company in accordance with the provisions of the Act, and such Director shall not be present in such meeting while that matter is being discussed.

#### 7.9. REMUNERATION OF THE DIRECTORS

According to Article 71.6, The terms and conditions and remuneration of the Chief Executive shall be determined by the Board.

The aggregate amount charged in financial statements on account of managerial remuneration in respect of the Director and Chief Executive and Executives of the company are as follows:

FY 2025 (PKR)	Directors	Executives	Total
Remuneration paid	15,500,000	21,022,200	36,522,200
Mobile bills allowance	0	265,336	265,336
<b>Total</b>	<b>15,500,000</b>	<b>21,287,536</b>	<b>36,787,536</b>
<b>Number of Persons</b>	<b>5</b>	<b>12</b>	<b>17</b>



FY 2024 (PKR)	Directors	Executives	Total
Remuneration paid	14,400,000	18,342,023	32,742,023
Mobile bills allowance	-	920,855	920,855
<b>Total</b>	<b>14,400,000</b>	<b>19,262,878</b>	<b>33,662,878</b>
Number of Persons	6	9	15

FY 2023 (PKR)	Directors	Executives	Total
Remuneration paid	6,300,000	12,129,000	18,429,000
Mobile bills allowance	-	425,010	425,010
<b>Total</b>	<b>6,300,000</b>	<b>12,554,010</b>	<b>18,854,010</b>
Number of Persons	3	4	7

FY 2022 (PKR)	Directors	Executives	Total
Remuneration paid	3,600,000	14,982,350	18,582,350
Mobile bills allowance	-	425,010	425,010
<b>Total</b>	<b>3,600,000</b>	<b>15,407,360</b>	<b>19,007,360</b>
Number of Persons	2	6	8

FY 2021 (PKR)	Directors	Executives	Total
Remuneration paid	3,600,000	11,716,000	15,316,000
Mobile bills allowance	-	425,010	425,010
<b>Total</b>	<b>3,600,000</b>	<b>12,141,010</b>	<b>15,741,010</b>
Number of Persons	2	6	8

#### 7.10. BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST THREE YEARS

No benefit (monetary or otherwise) has been given by the Company to the Sponsors, promoters, substantial shareholders and Directors of the Company other than remuneration for services rendered by them as full-time executives of the Company.

#### 7.11. VOTING RIGHTS

As Outlined in Articles 46-62, At any general meeting, resolutions are decided by a show of hands unless a poll is demanded in accordance with the Companies Act. A poll may be requested or ordered by the Chairman and can be conducted in person, through video link, proxy, postal ballot, or electronic means. In case of an equality of votes, the Chairman has a casting vote. Each member has one vote per share held, and joint holders' votes are accepted in order of seniority. Provisions are made for voting by proxies, corporate representatives, and members of unsound mind. Proxy instruments must be submitted at least forty-eight hours before the meeting. Minutes of general meetings are to be maintained at the Company's office and made available for inspection or certified copies upon request.

#### 7.12. AUDIT COMMITTEE

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are well conversant with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis.



Roles and Responsibilities of Audit Committee:

#### 1. Purpose & Oversight Role

The Committee provides independent oversight of financial reporting, internal controls, compliance, and risk management, ensuring transparency.

#### 2. Composition Requirements

At least three non-executive directors, including one independent director; the Chair must be an independent director.

#### 3. Financial Literacy Criteria

At least one member must be financially literate—accounting membership, finance degree, or  $\geq 10$  years audit committee / 20 years senior financial experience.

#### 4. Meeting Frequency

At least one meeting every quarter before approval of financial statements, plus additional meetings upon request of Board, CEO, CFO, auditors, or Head of Internal Audit.

#### 5. Private Sessions with Auditors

Once a year, the Committee must meet separately with internal and external auditors without management present.

#### 6. Authority & Access

The Committee has unrestricted access to company information and can obtain external professional advice with Board support.

#### 7. Financial Reporting Oversight

Reviews annual/interim statements, related party transactions, major judgments, audit adjustments, and compliance with laws and standards.

#### 8. Internal Audit Independence

Approves internal audit plan, evaluates Head of Internal Audit, and ensures functional independence with direct reporting to the Committee.

#### 9. Risk Management & Compliance Review

Reviews the risk framework, integrity of disclosures, regulatory compliance, and whistleblowing arrangements.

#### 10. Reporting & Review

The Chair reports key issues to the Board after each meeting, and the Committee provides an annual summary. TORs are reviewed at least every three years.

The Audit Committee comprises of the following members:

##### a) Chairman

- I. Mr. Muhammad Afzal Chaudhary, Independent Board Member

##### b) Members

- I. Mr. Fareed Ahmad Agha, Independent Board Member
- II. Mr. Muhammad Usman Javed, Director SPSL

##### c) Secretary:

- I. Mr. Abdur Rehman Butt, CFO



### **7.13. HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The Human Resource and Remuneration Committee comprises of the following members:

- a) Chairman**
  - I. Mr. Zaheer Baig, Chief Executive Officer
- b) Members**
  - I. Ms. Rafat Sultana, Independent Board Member
  - II. Mr. Muhammad Usman Javed, Director SPSL
- c) Secretary:**
  - I. Mr. Talha Rasool, Head of HR

### **7.14. POWERS OF DIRECTORS INCLUDING ANY BORROWING POWERS**

As per article 88, the business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

### **7.15. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY**

As per Article 116, Every Director, Chief Executive, officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favor or in which he is acquitted, or in connection with any application under Section 492 of the Act in which relief is granted to him by the Court.

Further 117 states that in accordance with the provisions of Section 180 of the Act, no Director, manager, or other officer of the Company shall be liable for any act in relation to provisions of insurance undertaken by the Company on behalf of such officers of the Company, or qualifying third party indemnity provisions undertaken by the Company on behalf of such officers of the Company.

### **7.16. CORPORATE GOVERNANCE**

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.



## 8. LEGAL PROCEEDINGS AND OVERDUE LOANS

### 8.1. LEGAL PROCEEDINGS

All outstanding legal proceedings against the issuer (i.e. SPSL) at the time of this offering have been disclosed below:

S. No	Year	Issuing Authority	Brief Description	Case	Amount (PKR)	Management Stance
1	Tax Year 2023	Taxation Authority	The taxation authorities have initiated proceedings under Section 161 of the Income Tax Ordinance, 2001, pertaining to the company's compliance with withholding tax obligations for the tax year 2023.		Not specified	Management, based on a detailed opinion from external tax advisors, has concluded that the company has a strong case and that the proceedings are not expected to result in any material liability. Consequently, no provision for any penalty or additional tax has been recognized in these financial statements.
2	Tax Years 2023	Federal Board of Revenue	The matter regarding the applicability of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for Tax Year 2023 is sub judice, pending a final adjudication by the Honorable Supreme Court of Pakistan.		24,935,000	Consequently, the Federal Board of Revenue's (FBR) demands for Super Tax are contested. As the outcome of this litigation is uncertain, management believes that recognizing a provision is not appropriate under the applicable financial reporting framework. No liability has been recorded in these financial statements.
3	Tax Years 2022	Federal Board of Revenue	The matter regarding the applicability of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for Tax Year 2022 is sub judice, pending a final		75,313,000	Consequently, the Federal Board of Revenue's (FBR) demands for Super Tax are contested. As the outcome of this litigation is uncertain, management believes that recognizing a provision is not



			adjudication by the Honorable Supreme Court of Pakistan.		appropriate under the applicable financial reporting framework. No liability has been recorded in these financial statements.
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#### Contingencies:

- Bank guarantees issued on behalf of the company in favor of a supplier against supply of MS and HSD (secured against collaterals discussed in Note 12 & 18 of 2025 Audited Accounts), The amounts is 235,000,000 (2024: 365,000,000)

#### Commitments:

There are no commitments as of 30 June 2025 (2024: Nil)

#### 8.2. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange against the issuer or its associated companies over which the issuer has control.

#### 8.3. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.



## 9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

### 9.1. UNDERWRITING

Underwriters	Number of Shares Underwritten	Amount Underwritten *	
		At Floor Price (PKR)	At Cap Price (PKR)
Arif Habib Limited	42,000,000	567,000,000	793,800,000

\*at the Floor Price of PKR 13.50 per Share

### 9.2. OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Sitara Petroleum Service Limited, the resources of the Underwriters are sufficient to discharge their underwriting commitments.

### 9.3. RATE OF UNDERWRITING AND TAKE-UP COMMISSION

Underwriters	Rate of Underwriting (%)	Take up Commission (%)
Arif Habib Limited	1.50%	0.10%

### 9.4. STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

The underwriters nor any of their associates have entered into any buyback or repurchase agreement with the issuers or any other person in respect of this issue.

Also, neither the Offerors nor any of their associates have entered into any buy-back/repurchase agreement with the underwriters or their associates. The Offerors and their associates shall not buyback/repurchase shares from the underwriters and their associates

### 9.5. FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on applications received through PES and CES will be paid to PSX and CDC, which shall be not more than 0.80% of the total applications. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them.

### 9.6. RATE OF BROKERAGE COMMISSION

The Issuer will pay brokerage to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment

### 9.7. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR **91,324,825/-** The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
<b>Advisory Fee</b>	2.00% of the Issue Size	45,360,000
<b>Underwriting Fee</b>	1.50% of the Retail Portion	8,505,000
<b>CDC and PSX e-PO facility charges</b>	0.80% of the retail portion	4,536,000
<b>Brokerage Commission</b>	1.00%	17,010,000
<b>PSX Initial Listing fee</b>	0.1% of Post Issue Paid Up Capital	1,679,914
<b>PSX Book Building software charges</b>		1,000,000



Share Registrar, Transfer Agent and Balloting Agent		800,000
Advertising, Printing & Publication of Prospectus & Marketing / Roadshows		6,000,000
CDC Fresh Issue fee	0.144%	3,265,920
CDC Eligibility fee		800,000
SECP Supervisory fee	10% of PSX Initial Listing Fee	167,991
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		2,000,000
<b>Total</b>		<b>91,324,825</b>

\*All fees are based on the Floor price and are subject to change with the strike price.



## 10. MISCELLANEOUS INFORMATION

### 10.1. REGISTERED OFFICE / CORPORATE OFFICE

#### Sitara Petroleum Service Limited

**Registered Address:**

14-T, Gulberg-II,  
Lahore 54640  
Pakistan

**Phone:** +92 42 35757 091 & 092

**Fax:** +92 42 3637 4557

**Website:** [www.sitarapetroleum.com](http://www.sitarapetroleum.com)

**Email:** [info@sitarapetroleum.com](mailto:info@sitarapetroleum.com) , [commercial@sitarapetroleum.com](mailto:commercial@sitarapetroleum.com)

### 10.2. BANKERS TO THE COMPANY

S. No.	Name	Address	Contact Person	Contact No.	Email
1	Allied Bank Limited	High Street Sahiwal	Mohsin Riaz	0300-6935651	mohsin.riaz@abl.com
2	Askari Bank Limited	High Street Sahiwal	Ali Shan	0321-6931234	ali.shan@askaribank.com.pk
3	Bank Alfalah Limited	Farid Town, Near Masjid E Shuhada Sahiwal	Imran Ashraf	0321-6000888	imran.ash@bankalfalah.com
4	Bank Alfalah Limited Islamic	66 Main Boulevard Gulberg 2 Lahore	Ali Raza	0302-7910955	aliraza.mian@bankalfalah.com
5	Bank Al-Habib Limited	Plot No.271, Block 2, High Street, Jinnah Road, Sahiwal	Shafiq Ahmad Babar	0335-6969190	shafiq.babar@bankalhabib.com
6	Bank of Punjab	Rashid Minhas Shaheed Road, Sahiwal	Imran Bashir	0300-6911664	imran.bashir.7004@bop.com.pk
7	Bank of Punjab	Daroghawala branch, Lahore	Farrukh	0323-4451465	bop0733@bop.com.pk
8	Bank of Punjab	Garden town branch, Lahore	Babar	0333-4711255	ali.babar@bop.com.pk
9	Habib Bank Limited	Jinnah Chowk, Sahiwal Branch	Rana Iqbal	0300-9697111	rana.iqbal@hbl.com
10	MCB A/C	MAIN GULBERG, LAHORE	Tahir Maqsood	0323-4752082	tahir.maqsood@mcb.com.pk
11	MCB Bank Limited	Branch # 0833, Mission Chowk, Jinnah Road, Sahiwal, District Sahiwal	Rehan	0300-6921658	mcb0833@mcb.com.pk



12	Meezan Bank Limited	2101-Jail Road Branch Sahiwal. 511/B VII Civil Lines Near Niazi Filling Station, Jail Road Sahiwal	Saeed	0304-0921036	bm.shw01@meezanbank.com
13	National Bank of Pakistan	Corporate Branch M. M. Alam Road Lahore	Fahad Alam	0321-4101770	fahad.alam@nbp.com.pk
14	United Bank Limited	Main Bazar Sahiwal Branch	Adnan	0300-6930706	adnan.sharif@ubl.com.pk

### 10.3. AUDITOR OF THE COMPANY

#### Ilyas Saeed & Co.

**Office:** 108-J-3, Model Town, Lahore - Pakistan

**Email:** [info@ilyassaeed.com](mailto:info@ilyassaeed.com)

**Website:** [www.ilyassaeed.com](http://www.ilyassaeed.com)

**Phone:** (042) 35861852

### 10.4. LEGAL ADVISOR FOR THE TRANSACTION

#### A. Qadir & Company

**Address:** Office Nos. 206 and 209, Business Arcade, Shahrah-e-Faisal, Block 6, PECHS, Karachi - Pakistan.

**Email:** [ehtisham@aqadirncompany.com](mailto:ehtisham@aqadirncompany.com)

**Website:** <http://www.aqadirncompany.com/>

**Phone:** 021-34316163-6

### 10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

**Name:** CDC Share Registrar Services Limited

**Address:** CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi - 74400.

**Email:** [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

**Website:** [www.cdcpakistan.com](http://www.cdcpakistan.com)

**Phone:** 021-111 111 500

### 10.6. JOINT CONSULTANTS TO THE ISSUE

**Name:** Arif Habib Limited

**Address:** Arif Habib Center

23, MT Khan Road, Karachi

**Tel:** 021-3828 0273, 021-3828 0271

**Fax:** 021-3243 3542

**Email:** [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com)

**Website:** [www.arifhabibltd.com](http://www.arifhabibltd.com)

**Name:** Integrated Equities Limited

**Address:** 30 Cricketers Colony, Ghazi Interchange, Ring Road, Lahore

**Phone:** +92 345 0091 263



**Email:** [iqbal.hussain@iel.net.pk](mailto:iqbal.hussain@iel.net.pk)

**Web:** <https://iel.net.pk/>

#### **10.7. ELIGIBLE PARTICIPANTS**

All Eligible participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL and Trading Only brokers.



## 11. MATERIAL CONTRACTS

### 11.1 DETAILS OF LONG-TERM FINANCING FACILITIES

Sr No.	Bank	Total Facility Amount (PKR MN)	Total Availed Limit (PKR MN)	Remaining Available Facility (PKR MN)	Mark-up / Commission	Maturity Date	Type
1	NBP	1,500.00	1,500.00	-	3-month KIBOR + 1.5%	31-Mar-28	Funded
2	BAFL	300.00	252.00	48.00	3-month KIBOR + 1.25% (8% - 35%)	30-June-28	Diminishing Musharaka Facility (Sale and Lease Back)
3	BAHL	343.75	343.75	-	3-month KIBOR + 1.15%	31-Oct-27	Term Finance Facility
4	BAHL	1,013.00	1,013.00	-	3-month KIBOR + 0.75%	31-Oct-27	Term Finance Facility II
5	BAHL	1,205.00	1,205.00	-	6-month KIBOR	30-Nov-27	Term Finance Facility III
6	BAHL	700.00	665.00	35.00	3-month KIBOR + 1.15%	31-Dec-28	Term Finance Facility IV
7	BAHL	1,500.00	1,500.00	-	3-month KIBOR + 0.75%	30-Jun-28	Medium Term Facility

### 11.2 DETAILS OF FINANCE LEASE

Sr No.	Bank	Total Facility Amount (PKR)	Mark-up / Commission	Maturity Date	Type
1	BAHL	119,000,000	3-month KIBOR + 1.15%	27-Oct-27	Leasing facilities
2	BAFL	300,000,000	3-month KIBOR + 1.25%	27-Jun-28	Diminishing Musharaka Facility - Used
3	MCB	1,500,000,000	3-month KIBOR + 1%	2-Jan-30	Fleet 4U

### 11.3 DETAILS OF SHORT-TERM FINANCING FACILITIES:

Sr No.	Bank	Total Facility Amount (PKR)	Mark-up / Commission	Maturity Date	Type
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1	BOP	5,000,000,000	3-month KIBOR + 0.4%-1%	25 Nov 2026	Running Finance
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#### 11.4 DETAILS OF DEALER LICENSE AGREEMENTS

Sr	Brand Name	Title of Agreement	Party to the Agreement	Location	Effective date	Validity
1	Aramco	Agreement for Operation of RD # 664	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Chung Panjgrain, Lahore.	21 February 2022	Agreement shall be valid for an initial period of one year from 21 Feb 2022 to 21 Feb 2030 unless extended/renewed for such further period
2	Aramco	Agreement for Operation of RD # 910	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Attari Seroba, On Main Ferozepur Road, Tehsil Model Town, District Lahore	24-Feb-2022	Agreement shall be valid initial period of Eight year from 24 Feb 2022 to 24 Feb 2030 unless extended/renewed for such further period
4	Aramco	Agreement of Operation of RD # 1327	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Chak No. 213 R.B, Officer Colony Madina Town, Canal Bank Road, Tehsil & District Faisalabad City	24 Feb,2022	Agreement shall be valid initial period of Eight years from 24 Feb 2022 to 24 Feb 2030 unless extended/renewed for such further period
5	Aramco	Agreement of Operation of RD # 2173	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	National Highway (N-5) Bypass Road, at Mouza Phool Nagar, Tehsil Pattoki, District Kasur	13-Sep-22	Agreement shall be valid initial period of Eight years from 13 Sep 2022 to 13 Sep 2030 unless extended/renewed for such further period
6	GO Branding	Dealership License Agreement RD # 1564	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Multan (Chung) Road at Mouza Chung Panjgiran, Tehsil Raiwind Dist. Lahore	2 <sup>nd</sup> January, 2023	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum



						qualification which GOPL requires of a DEALER
7	GO Branding	Dealership License Agreement RD # 769 Makkah PS	Gas & Oil Pakistan Limited (GOPL) and Mr. Muhammad Riaz	Wan Bhachran Hernoli Road, Tehsil & District Mianwali	24th March, 2025	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
8	GO Branding	Dealership License Agreement RD # 720 Sitara Muridke	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	G.T. Road Tehsil: Muridke & District Sheikhpura	5th March, 2025	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
9	Aramco	Dealership License Agreement RD # 2057	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	situated at Mouza Chiniot 2, District Chiniot	2nd January 2023	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER



10	GO Branding	Dealership License Agreement RD # 2135	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Pakpattan KM No 462 Bunga Hayat Tehsil & District Pakpattan	13th September 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
11	GO Branding	Dealership License Agreement RD # 2072 Sitara Petroleum 32	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Faisalabad Bypass on Sitana Road Tehsil Saddar District Faisalabad	26th October, 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
12	GO Branding	Dealership License Agreement RD # 193 Umair Petroleum	Gas & Oil Pakistan Limited (GOPL) and Mr. Muhammad Ashraf	Mouza Toba Balochan, Tehsil Minchinabad, District Bahawalnagar	28th April, 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
13	GO Branding	Dealership License Agreement	Gas & Oil Pakistan Limited (GOPL) and Sitara	Chak No. 222/RB Tehsil & District Faisalabad	14th October 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial



		RD # 1803 Sitara P/S 25	Petroleum Service Limited (SPSL)			period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
14	GO Branding	Dealership License Agreement RD # 500 Sitara Petroleum 7	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chistian on Mehta jhedu Road at Chistian Tehsil, District Bahawalnagar	21st February 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
15	GO Branding	Dealership License Agreement RD # 273 Nayyab P/S	Gas & Oil Pakistan Limited (GOPL) and Mr. SarZameen	Tehsil Wari District Upper Dir	16-Sep-22	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
16	GO Branding	Dealership License Agreement RD # 454 Makkah	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chak no. 465/GB, Samundari road, tehsil samundari district, Faisalabad	13-Sep-22	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall



		Madina Road				have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
17	GO Branding	Dealership License Agreement RD # 271	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chak no. 16/KB, tehsil Arif Wala, district Pakpattan	13-Sep-22	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
18	GO Branding	Dealership License Agreement RD # 1137	Gas & Oil Pakistan Limited (GOPL) and Muhammad Petroleum Service	Mouza Dewool, Tehsil Bhalwal, District Sargodha	12th February 2021	This agreement shall continue for 4 years, extendable with mutual consent of the parties until terminated.
19	GO Branding	Dealership License Agreement RD # 501	Gas & Oil Pakistan Limited (GOPL) and MRS Filling Station	Southern Bypass Road Tehsil & District Multan	13th March 2018	This agreement shall in full force and effect until terminated
20	GO Branding	Dealership License Agreement RD # 506	Gas & Oil Pakistan Limited (GOPL) and Laique Petroleum Service	New bypass from Mirwah Mirpur Khas Road to Hyderabad Toll Plaza, tehsil Shuja bad, Mirpur Khas	09th March 2018	This agreement shall in full force and effect until terminated
21	GO Branding	Dealership License Agreement RD # 1285 Sitara Petroleum 14	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Bedian road, tehsil Cantt, district Lahore	24th February 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on



						GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
22	GO Branding	Dealership License Agreement RD # 1979 Sitara Petroleum 31	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chak no. 254/RB, Tehsil Saddar, District Faisalabad	2nd March 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
23	GO Branding	Dealership License Agreement RD # 2019	Gas & Oil Pakistan Limited (GOPL) and Allah Hoo Filling Station	Mouza Chiniot No. 2 on Pindi Bhattian - Chiniot - Jhang road	3rd August, 2021	This agreement shall continue for 4 years, extendable with mutual consent of the parties until terminated.
24	GO Branding	Dealership License Agreement RD # 2023	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chak no. 89/6 R, within urban limit of Sahiwal town	6th January 2022	This agreement shall continue for 4 years, extendable with mutual consent of the parties until terminated.
25	GO Branding	Dealership License Agreement RD # 1716	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Chak no. 350 no. 36 on fort abbas yazman road, tehsil fort Abbas District Bahawalnagar	2nd March 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER



26	GO Branding	Dealership License Agreement RD # 1221	Gas & Oil Pakistan Limited (GOPL) and Al-Khaleel Petroleum Service	Qila Kalar Wala towards pasroor, tehsil pasroor district Sialkot	05th July 2018	This agreement shall in full force and effect until terminated
27	GO Branding	Dealership License Agreement RD # 582	Gas & Oil Pakistan Limited (GOPL) and Al-Rehman CNG & Petroleum Service	Multan, Tehsil & District Multan	05th April 2018	This agreement shall in full force and effect until terminated
28	GO Branding	Dealership License Agreement RD # 1831	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Rajanpur - Dera Ghazi Road (Indus Highway N-55), District Rajanpur	2nd March 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
29	GO Branding	Dealership License Agreement RD # 1004	Gas & Oil Pakistan Limited (GOPL) and Al-Hussain Joyia Petroleum Service	Mouza Chak No. Luku Tehsil & District Khushab	11th March 2021	This agreement shall continue for 4 years, extendable with mutual consent of the parties until terminated.
30	GO Branding	Dealership License Agreement RD # 2085	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Kot Muhammad Yar in Faisalabad	30th March 2022	Unless sooner terminated or cancelled, this agreement shall continue for an initial period of four (4) years renewable to further period of Four (4) years. GOPL shall have exclusive option to renew this agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualification which GOPL requires of a DEALER
31	GO Branding	Dealership License Agreement RD # 697	Gas & Oil Pakistan Limited (GOPL) and Al-Nawaz CNG & Filling Station	Sheikhupura Faisalabad Road, at shahkot tehsil	22nd May 2018	This agreement shall in full force and effect until terminated



				shahkot district Nankana		
32	GO Branding	Dealership License Agreement RD # 624	Gas & Oil Pakistan Limited (GOPL) and Sitara-13 Petroleum Pvt Limited	Pakpattan deepalpur road, tehsil & district Pakpattan	19th December 2018	This agreement shall in full force and effect until terminated
33	GO Branding	Dealership License Agreement RD # 643	Gas & Oil Pakistan Limited (GOPL) and Sitara Pvt Limited 8	Faisalabad Jhumra Road Near Crescent Sugar Mill Faisalabad city	04th April 2018	This agreement shall in full force and effect until terminated
34	GO Branding	Dealership License Agreement RD # 646	Gas & Oil Pakistan Limited (GOPL) and Al Noor Filling Station	mouza Chak no. 3 5/TDA, tehsil chobara, district Layyah	21st October 2019	This agreement shall in full force and effect until terminated
35	GO Branding	Dealership License Agreement RD # 687	Gas & Oil Pakistan Limited (GOPL) and Ghulam Muhammad Petroleum Service	Bharagan on MM Road, Tehsil Darya Khan District Bhakkar	17th August 2020	This agreement shall in full force and effect until terminated
36	GO Branding	Dealership License Agreement RD # 146	Gas & Oil Pakistan Limited (GOPL) and Hammad Filling Station	Savari Chowk Maouza Kalian Tehsil Gagra District bunair	22nd October 2021	This agreement shall in full force and effect until terminated
37	GO Branding	Dealership License Agreement RD # 10	Gas & Oil Pakistan Limited (GOPL) and Hamza Petroleum Service	Minchinabad Bahawalnagar Road Tehsil Minchinabad District Bahawalnagar	09th January 2019	This agreement shall in full force and effect until terminated
38	GO Branding	Dealership License Agreement RD # 413	Gas & Oil Pakistan Limited (GOPL) and K.K Petroleum Service	Dera Road Towards lower magasan mouza Dogar Kalan Tehsil Kot Addu District Muzaffargarh	05th March 2018	This agreement shall in full force and effect until terminated
39	GO Branding	Dealership License Agreement RD # 426	Gas & Oil Pakistan Limited (GOPL) and Sardar Mehdi Hassan	Jaranwala Kharrian Wala road, tehsil Jaranwala district Faisalabad	23rd April 2016	This agreement shall be effective for the initial period of 10 years until further extended with mutual consent
40	GO Branding	Dealership License Agreement RD # 366	Gas & Oil Pakistan Limited (GOPL) and Sitara	Zila Kitcheree Chowk Faisalabad Sumandri Road	04th April 2018	This agreement shall in full force and effect until terminated



			Petroleum Services III	Tehsil Sadr District Faisalabad		
41	GO Branding	Dealership License Agreement RD # 377	Gas & Oil Pakistan Limited (GOPL) and Subhan Allah CNG and Petroleum Services	Lahore Jaranwala Faisalabad Jhang Road tehsil and District Jhang	12th August 2021	This agreement shall in full force and effect until terminated
42	GO Branding	Dealership License Agreement RD # 383	Gas & Oil Pakistan Limited (GOPL) and Salam and Sons Petroleum Services	Sultan pur road Seetput city Tehsil Ali Pur District Muzaffargarh	6th March 2018	This agreement shall in full force and effect until terminated
43	GO Branding	Dealership License Agreement RD # 197	Gas & Oil Pakistan Limited (GOPL) and Sitara 2 Petroleum Service	Samandari road Faisalabad city	4th April 2018	This agreement shall in full force and effect until terminated
44	GO Branding	Dealership License Agreement RD # 31	Gas & Oil Pakistan Limited (GOPL) and Fahad khan Filling Station	Narowal Kanjoor Road Tehsil & District Narowal	22nd March 2018	This agreement shall in full force and effect until terminated
45	GO Branding	Dealership License Agreement RD # 499	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mansoor Road at Fort Abbas Tehsil Fort Abbas, District Bahawalnagar	21-Feb-22	This agreement shall Continue for an initial Period of 4 Years & Renewable to further 4 Years Each
46	GO Branding	Dealership License Agreement RD # 600	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited	Kot Mela Ram Tehsil Model Town District Lahore	28-Aug-25	This agreement shall Continue for an initial Period of 4 Years & Renewable to further 4 Years Each
47	GO Branding	Dealership License Agreement RD # 648	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited	Haroon Abad on Dharawala Road Tehsil District Bahawalnagar	21-Feb-22	This agreement shall Continue for an initial Period of 4 Years & Renewable to further 4 Years Each
48	GO Branding	Dealership License Agreement RD # 914	Gas & Oil Pakistan Limited (GOPL) and Bismillah Petroleum Service	Mouza Qadirpur Lar, Tehsil Multan Saddar, District Multan	06-Aug-19	This agreement shall in full force and effect until terminated
49	GO Branding	Dealership License Agreement RD # 1606	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mozang Chungi Round About. On Bahawalpur Road. Near Mozang Lahore"	28-Aug-25	Unless sooner terminated. Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have



						the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
50	GO Branding	Dealership License Agreement RD # 1853	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza 63/5L, Tehsil Sahiwal	28-Aug-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
51	GO Branding	Dealership License Agreement RD # 1974	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Dehrwa on Gujranwala Road, Tehsil & District Sheikhpura	07-Apr-22	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
52	GO Branding	Dealership License Agreement RD # 2204	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Jalalpur Kh akhi Tehsil Shuja bad District Multan	26-Jul-22	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have



						the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
53	GO Branding	Dealership License Agreement RD # 2275	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	GT Road (N-5) Kala Shah Kaku, Tehsil Feroz Wala District Sheikhpura	28-Aug-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
54	Aramco	Dealership License Agreement RD # 1808	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Sargodha Khushab opposite Iber mart complex, Sargodha	28-Mar-22	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
55	GO Branding	Dealership License Agreement RD # 2219	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Okara- Faisalabad Road, at Mouza Gogera, Tehsil & District Okara	16-Apr-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have



						the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
56	GO Branding	Dealership License Agreement RD # 1928	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	Mouza Rampura Jageer, Lahore Main G.T Road, Tehsil Shalimar, District Lahore	28-Aug-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
57	GO Branding	Dealership License Agreement RD # 757	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	At Mouza Wadoor Sindh Tehsil & District D.G. Khan.	01-Jul-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
58	GO Branding	Dealership License Agreement RD # 1614	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	AT MOUZA CIVIL STATION, JHANG	01-Oct-21	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have



						the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
59	GO Branding	Dealership License Agreement RD # 2086	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	AT CHAK NO. 126 RB	01-Apr-21	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
60	Aramco	Dealership License Agreement RD # 2212	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	18 Mint Sahiwal-Faisalabad Road Disc. Sahiwal	23-Oct-25	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.
61	GO Branding	Dealership License Agreement RD # 2291	Gas & Oil Pakistan Limited (GOPL) and Sitara Petroleum Service Limited (SPSL)	At Mouza Omarabad, Tehsil Pattoki, District Kasur.	09-Oct-24	Unless sooner terminated or cancelled as provided for below, this Agreement shall continue for an initial period of four (4) years renewable to further period of four (4) years each. GOPL shall have



the exclusive option to renew this Agreement upon expiration thereof based on GOPL's sole and exclusive determination that DEALER possesses/continue to possess the minimum qualifications which GOPL requires of a DEALER.

#### 11.5 DETAILS OF CARRIAGE AGREEMENT:

Title of Agreement	Party to the Agreement	Effective date	Validity
Cartage Agreement	Gas and Oil Pakistan & Sitara Petroleum Service Limited	1 <sup>st</sup> July 2025	The contract will remain in effect for a period of two years from the commencement date, unless it is terminated earlier due to a breach of any of the terms of this agreement. The contract may be reviewed and revised or renewed annually, following an evaluation of the contractor's performance under this agreement.

#### 11.6 DETAILS OF AGREEMENT WITH CUSTOMER

Vendor	Goods / Service Provided	Agreement Date	Validity
Daewoo Pakistan Express Bus Service Limited	High Speed Diesel	29 <sup>th</sup> July 2024	This agreement is in effect from the date of signing and shall continue thereafter until such time it is terminated by either party.

#### 11.7 DETAILS OF RENTAL AGREEMENTS:

S.NO	Title of Agreement	RD #	Date	Name	Party to the Agreement	Classification	Location
1	Rental Agreement	10	1-Dec-17	Hamza Filling	Ghulam Nabi	Operator Only	Bahawalnagar
2	Rental Agreement	31	20-May-23	Fahad Khan Petroleum	Muhammad Fahad Khan	Operator Only	Narowal
3	Rental Agreement	146	1-Nov-21	Hammad Petroleum Service	Sarwar Khan	Operator Only	Buner
4	Rental Agreement	193	1-Dec-17	Umair Filling	Muhammad Ashraf	Operator Only	Bahawalnagar.
5	Rental Agreement	197	1-Dec-17	Sitara 2	Ishtiaq Rasool	DODO - Mix Finance	Faisalabad



6	Rental Agreement	273	1-Nov-21	Nayab Filling Station	Sar Zameen	Operator Only	Dir
7	Rental Agreement	366	1-Dec-17	Sitara 3	Ishtiaq Rasool	DODO - Mix Finance	Faisalabad
8	Rental Agreement	377	15-Aug-21	Subhan Allah P/S	Muhammad Ahmed/Sheikh Muhammad Yaqoob/Sheikh Sheraz Akram/Faisal Ishaq/Mrs. Bushra Yaqoob	Operator Only	Jhang
9	Rental Agreement	383	1-Jan-19	Salam & Sons	Abdul Salam Khan Baloch	Operator Only	Muzaffargarh.
10	Rental Agreement	413	1-Aug-18	Khokhar P/S	Malik Ameer Ali	Operator Only	Okara
11	Rental Agreement	426	15-Nov-20	Ali P/s	Sardar Mehdi Hassan	Operator Only	Faisalabad
12	Rental Agreement	454	1-Nov-18	Makkah Madina P/S	Muhammad Nawaz	DODO	Faisalabad
13	Rental Agreement	499	1-Mar-16	Sitara 6	Mrs. Jamila Bibi/Suhail Razzaq/Shoaib Toor/Ms. Lubna Toor/Ms. Uzma Razzaq	DODO - Mix Finance	Bahawalnagar
14	Rental Agreement	500	1-Mar-16	Sitara 7	Mis Jamila/Sohail Razzaq/Shoaib Toor/Ms. Lubna Toor/Ms. Uzma Razzaq	DODO - CF	Bahawalnagar
15	Rental Agreement	501	1-Jun-23	MRS Petroleum	Majid Riaz	Operator Only	Multan
16	Rental Agreement	506	1-Apr-19	Laique P/S	Arsalan	DODO - CF	Mirpur
17	Rental Agreement	624	1-Jan-19	Sitara 13	M. Razzaq S/o Botty Khan	DODO - Mix Finance	Pakpattan
18	Rental Agreement	697	15-Nov-20	Al-Nawaz P/S	Muhammad Nadeem Tahir/Tajammal Hussain Ghumman	Operator Only	Sheikhupura.
19	Rental Agreement	757	1-Nov-19	Al Rehmat P/s	Zain ul Abideen	Operator Only	D.G. Khan.



20	Rental Agreement	769	1-Mar-21	Makkah P/S	Rajmir	Operator Only	Mianwali
21	Rental Agreement	914	15-Aug-25	Bismillah P/s	Muhammad Akbar	Operator Only	Multan
22	Rental Agreement	1004	15-Aug-21	Al-Husnain Joyia	Muhammad Husnain/Shafqat Hussain	Operator Only	Khushab.
23	Rental Agreement	1221	12-Jan-24	Al-Khaleel P/s	Muhammad Aslam/Nasrullah khan/Khalid Mehmood/Zafar Ullah	Operator Only	Pasrur
24	Rental Agreement	1614	1-Oct-21	Haider Filling Station	Mehar Mazhar Abbas Khan	Operator Only	Jhang
25	Rental Agreement	1974	15-Aug-25	CRG Petro-1	Chaudhary Rehan Ghous	Operator Only	Sheikhupura
26	Rental Agreement	2204	15-Jun-25	Iqra P/s	Siraj Ahmad	Operator Only	Multan

### 11.8 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

### 11.9 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement

### 11.10 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on July 1 and ends on June 30.



## 12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

### 12.1. IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The IPO portion comprises of 168,000,000 Ordinary Shares of face value worth PKR 1/- each, which constitutes 10.00% of the Post-IPO Paid Up Capital of the Company.

Of the entire Issue of 168,000,000 Ordinary Shares, seventy-five percent (75%) of the issue i.e. 126,000,000 shares will be offered through the Book Building process at a Floor Price of PKR 13.50/- per share with a price band of 40% above the floor price i.e. PKR 18.90/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size, and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue, i.e. 42,000,000 will be offered to retail investors. The retail portion will be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriter to the issue.

Within 1 working day of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise breakup of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

### 12.2. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer sets a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

**Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The amount of any individual limit bid shall not be less than PKR. 2,000,000.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 13.50/- per share, based on which the total Application Money would amount to PKR 13.50 Mn. In this case the Bid Amount will also be PKR 13.50 Mn. Since the Bidder has placed a Limit Bid of PKR 13.50/- per share, this indicates that he / she / it is willing to subscribe to the shares at a price up to PKR 13.50/- per share.

**Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR 14.00 per share, 3 Mn shares at PKR 14.50 per share and 2 Mn shares at PKR 16.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising



of three Limit Bids at increasing prices. The Application Money would amount to PKR 145.5 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

**RESTRICTIONS:**

- (i) **AN ELIGIBLE INVESTOR SHALL NOT:**
- (a) **MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
  - (b) **MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
  - (c) **MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
  - (d) **PLACE CONSOLIDATED BID**
  - (e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
  - (f) **MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
  - (g) **WITHDRAW BID**
- (ii) **IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:**
- a. **The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered though Book Building.**
  - b. **The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.**
- Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.*
- (iii) **RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE OR THE OFFER FOR SALE) ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.**
- (iv) **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (v) **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (vi) **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO**



SUCH ASSOCIATES OF THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.

**LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3A (vi).**

Once the Bidding Period has lapsed and the book has been built, the Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

**As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

**12.3. Time Frame for Intimation to the Successful Bidders and Mechanism for Payment of the Balance Amount by the Successful Bidders**

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

**12.4. NCSS Designated Time Schedule for Book Building**

	Activity <sup>106</sup>	Start Time:	End Time:
<b>Monday to Friday</b>	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	9:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	9:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	9:00 AM	16:30 PM

<sup>106</sup> Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building



	Final collection from bank account of successful bidders (B+1)	9:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	9:00 AM	12:00 PM

### 12.5. Eligible Participant(s) for Book Building:

All Eligible Participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

- i. Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.
- ii. Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.
- iii. Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member - PCM (EClear Services Limited).
- iv. Eligible Participant shall collect advance amount/margin money against bids from the bidders.

### 12.6. Name of the Designated Institution and its Roles and Responsibilities:

PSX being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

- I. record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;
- II. provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;
- III. generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
- IV. record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
- V. display the bids revised, and date and time of upward revision;
- VI. neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;
- VII. display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;
- VIII. build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
- IX. discover the strike price at the close of the Bidding Period;



- X. generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and
- XI. ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

### 12.7. Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount., appearing in the report obtained from the credit information bureau;
2. The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
  - I. which had been declared defaulter by the securities exchange or futures exchange; or
  - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
  - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, Underwriter, Balloter and Share Registrar, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. The shares shall be issued in book-entry form only.

### 12.8. Opening and Closing of the Registration Period

The Registration period shall be for **Five (5) working days** as under:

REGISTRATION PERIOD	
April 28, 2026	9:00am to 5:00pm
April 29, 2026	9:00am to 5:00pm
April 30, 2026	9:00am to 5:00pm
May 04, 2026	9:00am to 5:00pm
May 05, 2026	9:00am to 3:00pm

### 12.9. Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

<b>BIDDING PROCESS STARTS ON</b>	May 04, 2026
<b>BIDDING PROCESS ENDS ON</b>	May 05, 2026

### 12.10. Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).



### 12.11. Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of SPSL, and AHL (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. <http://www.arifhabibltd.com>, <http://www.psx.com.pk> and <https://sitarapetroleum.com/>.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Eligible Participants at the for registration for submitting their Bids.
4. Registered investors can place and revise their bids upwards by accessing the designated institutions online portal for book building by using the user id and password communicated to them via email by psx.

### 12.12. Procedure for Registration

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue a public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.
4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.
6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.
8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.



14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder.  
Explanation:
  - In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
  - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration, shall authorize the Eligible Participant for placing bid on his behalf.
17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (**email, name, phone number** etc.). Book Building System will share the **User ID, PIN** and **password** directly with the bidder via registered email and mobile number.
18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
19. At the end of the bidding period, **successful bidders and their Eligible Participants** shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at **B+1** within the time specified in the Joint Procedures.
20. Upon conclusion of the Book Building process and determination of successful bidders, **NCCPL** shall commence its **pay and collect process** at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its **shortfall management process** in accordance with the Joint Procedures.
21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.
22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.
23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

### 12.13. Procedure for Bidding

The following procedure shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.



2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bid for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorize the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. **Eligible Participants** shall collect the **margin money** from the bidders and deposit the same with the **NCCPL**.
8. **Individual and institutional investors** shall pay **100% of the bid amount** as margin money to the Eligible Participant; provided that the Eligible Participant may accept a **lower margin** from bidders based on its own **risk assessment**.
9. In the case of **undisclosed bidding**, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as **name, email address, and phone number**. The Book Building System shall share the **User ID, URL for the bid screen, PIN, and password** directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the **credentials for participation** in the bidding process shall be forwarded by the Book Building System to the user -i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding -via their registered email and mobile number.
11. Eligible Participants may limit the **amount of bidding** by their bidders, depending on the margin money received and their own risk assessment criteria.
12. In the event of a **Trading Only Broker** and their clients, the user bidding account must be created through a **Professional Clearing Member (PCM)**.
13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.
14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.
15. NCCPL shall communicate the **confirmation of advance/margin money** received against the bid amount of Eligible Participants to the **Designated Institution** in accordance with the Joint Procedures.
16. Based on the information shared by the NCCPL, the **Designated Institution (PSX)** shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes



17. NCCPL shall continue to share **real-time information** with PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.
18. Eligible Participants may bid **on behalf of their clients** in the case of disclosed bids, whereas users may bid **anonymously** using their provided credentials during the bidding period, within the maximum participation amount assigned.
19. The Book Building System shall ensure that all bids are submitted **within the assigned limits**, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.
20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until **4:30 pm** on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) - Annexure A of the Joint Procedures.
21. Bidders may **revise their bids upward** until **5:00 p.m. on the last day** of the bidding period
22. At the close of the bidding period, the **Strike Price** shall be determined by the Book Building System on the basis of the **Dutch Auction Method**.
23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by **12:00 pm**, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) - Annexure A of the Joint Procedures.
24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.
27. Bidders who have submitted bids at prices **above the Strike Price** shall be allotted shares **at the Strike Price**.
28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the **allotment** shall be made based on **highest bid priority** -that is, bids made at the highest price shall be considered first for share allocation.
29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted **on a proportionate basis** among the bids made at the Strike Price
30. Bidders who have made bids **below the Strike Price** shall not qualify for allotment of shares.
31. **Restrictions:**
  - a. The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.
  - b. The bidder shall not:
    - make bid below the Floor Price and above the upper limit of the Price Band;
    - make bid for more than 10% of the shares allocated under the Book Building Portion;



- subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
  - make consolidated bid;
  - make more than one bid either severally or jointly;
  - make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or
  - withdraw the Bid.
- c. No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

**12.14. Title and number of the bank account for book building portion of the issue and Mechanism for payment of the margin money into the book building account.**

The margin requirements for Eligible Participants shall be as under:

- I. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.
- II. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant. provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- III. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DFI is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- IV. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.
- V. For participation with 0% margin money for proprietary trades:
  - i. Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
  - ii. Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
  - iii. If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
  - iv. The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.
- VI. Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin



money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

#### **PAYMENT PROCEDURE**

The payment procedures for a Limit Bid or a Step Bid are explained below:

#### **PAYMENT FOR LIMIT BID**

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 14.00/- per share, then the total Application Money would amount to PKR 14.00 Mn. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

#### **PAYMENT FOR STEP BID**

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR 14.00/- per share, 3 Mn shares at PKR 14.50/- per share and 2 Mn shares at PKR 16.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 145.5 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

#### **12.15. PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR**

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

- (i) A Pakistan national resident outside Pakistan,
- (ii) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,
- (iii) A foreign national, whether living in or outside Pakistan and
- (iv) A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the **book-building process** for subscription of shares may do so through the **Roshan Digital Account (RDA)** -an initiative of the State Bank of Pakistan designed to facilitate **Non-Resident Individual Pakistanis (NRIPs)** in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.



To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorize the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). The CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an **active Investor Account** maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the **CDC e-Services Portal** at <https://csp.cdccaccess.com.pk> and complete the **e-IPO Subscription Form** by entering the CDC Participant ID (03277) and the Investor Account Number to generate a **Subscription ID**. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the **CDC-designated bank account** maintained with the same bank.

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to [roshandigital@cdcpak.com](mailto:roshandigital@cdcpak.com). Both the payment and the eIPO Subscription Form must reach the CDC **no later than 12:00 p.m. (PST)** on the **last day of the subscription period**. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the **refund process**, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

#### **12.16. Procedure for Rejection of Bids**

As per Regulation 9(37) & (38) of the PO Regulations:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

#### **12.17. Time Frame for Upward Revision of Bids by the Bidders**

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**



### 12.18. Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 13.50/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 13.50/- per share, registered bidders may place or revise their bids at/to any price between PKR 13.50/- per share to PKR 14.85/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 13.50/- per share to PKR 14.85/- per share, the registered bidders may place or upward revise their bids at/to between PKR 14.85/- per share to PKR 16.34/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 18.90/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

### 12.19. Procedure for Withdrawal of Issue

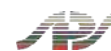
1. In accordance with regulation 8(16) of the PO Regulations, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).

### 12.20. Mechanism for Determination of Strike Price

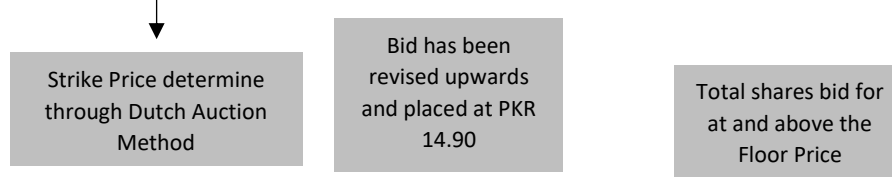
1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. Designated Institution shall through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
3. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
4. As per the regulation 9(27) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 126,000,000 Ordinary Shares
2. Floor Price: PKR 13.50/- per Ordinary Share with maximum price band of 40% i.e. PKR 18.90/-per share
3. Bidding Period: May 04, 2026 to May 05, 2026
4. Bidding Time: 9:00am - 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am - 5:00pm on all days



Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	17.20	10,000,000	10,000,000	Limit Price
Institution B	17.00	15,000,000	25,000,000	Limit Price
HNWI A	16.50	12,000,000	37,000,000	Step Bid
Institution C	16.40	20,000,000	57,000,000	Limit Price
Institution D	15.90	25,000,000	82,000,000	Limit Price
Institution E	15.70	10,000,000	92,000,000	Limit Price
HNWI B	15.30	6,000,000	98,000,000	Limit Price
HNWI A	15.02	10,000,000	108,000,000	Step Bid
Institution F	14.60	5,000,000	113,000,000	Limit Price
Institution G	14.70	3,000,000	116,000,000	Limit Price
Institution H	14.90	3,000,000	119,000,000	Limit Price
HNWI C	14.40	1,000,000	120,000,000	Limit Price
Institution I	14.35	2,000,000	122,000,000	Step Bid
Institution H	<del>14.20</del>	3,000,000	125,000,000	Limit Price
Institution J	14.10	1,000,000	126,000,000	Step Bid
HNWI E	14.00	1,900,000	127,900,000	Limit Price



On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 14.10 per share to sell the required quantity of 126,000,000 ordinary shares.

At PKR 17.20 per share, investors are willing to buy 10,000,000 shares. Since 116,000,000 shares are still available, therefore the price will be set lower.

At PKR 17.00 per share, investors are willing to buy 25,000,000 shares. Since 101,000,000 shares are still available, therefore the price will be set lower.

At PKR 16.50 per share, investors are willing to buy 37,000,000 shares. Since 89,000,000 shares are still available, therefore the price will be set lower.

At PKR 16.40 per share, investors are willing to buy 57,000,000 shares. Since 69,000,000 shares are still available, therefore the price will be set lower.

At PKR 15.90 per share, investors are willing to buy 82,000,000 shares. Since 44,000,000 shares are still available, therefore the price will be set lower.

At PKR 15.70 per share, investors are willing to buy 92,000,000 shares. Since 34,000,000 shares are still available, therefore the price will be set lower.

At PKR 15.30 per share, investors are willing to buy 98,000,000 shares. Since 28,000,000 shares are still available, therefore the price will be set lower.

At PKR 15.02 per share, investors are willing to buy 108,000,000 shares. Since 18,000,000 shares are still available, therefore the price will be set lower.



At PKR 14.90 per share, investors are willing to buy 113,000,000 shares. Since 13,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.70 per share, investors are willing to buy 116,000,000 shares. Since 10,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.60 per share, investors are willing to buy 119,000,000 shares. Since 7,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.40 per share, investors are willing to buy 120,000,000 shares. Since 6,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.35 per share, investors are willing to buy 122,000,000 shares. Since 4,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.20 per share, investors are willing to buy 125,000,000 shares. Since 1,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.10 per share, investors are willing to buy 126,000,000 shares. **Since after bidding for 168,000,000 shares at PKR 14.10 per share, no shares will be available therefore the Strike Price will be set at PKR 14.10 per share for the entire lot of 126,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 14.10 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(27) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

#### **12.21. Basis of Allotment of Shares**

- (a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- (b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis

As per regulation 7(3) of the PO Regulation, 2017, maximum of seventy-five percent (75%) of the offer size i.e. 126,000,000 ordinary shares shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%) i.e. 42,000,000 ordinary shares shall be reserved for retail investors. The retail portion of the public offer shall be fully underwritten. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price.

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.



As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall either be taken up by the underwriters or allotted to successful bidders at the Strike Price determined through the Book Building process on a pro-rata basis

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

#### **12.22. MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY**

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

**The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.**

#### **12.23. PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS**

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

**Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.**



### 13. APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

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#### 13.1 Eligible Investors Instructions for submitting application

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

#### 13.2 Opening and Closing of the Subscription List

The subscription list will open at the commencement of banking hours on May 11, 2026 and will close on May 12, 2026 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on May 12, 2026**

#### 13.3 Procedure for public subscription through PSX's E-IPO system and Centralized E-IPO System and other additional electronic system

##### (i) PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
  - the TREC Holder with whom the investor has a sub-account, or
  - the Bank with whom the investor has a bank account.
- Similarly, an e-IPO application can be filed by:
- the investor himself, or
  - the TREC Holder with whom the investor has a sub-account, or
  - the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: [itss@psx.com.pk](mailto:itss@psx.com.pk).



Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on May 12, 2026

#### **(ii) Centralized E-PO System (CES):**

CES can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 - 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: [owais\\_anwer@cdcpak.com](mailto:owais_anwer@cdcpak.com).

### **13.4 Facilities available to local, Non-Resident Pakistanis and Foreign Investors**

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

#### **13.4.1 Applications made by Individual Investors**

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

#### **13.4.2 Applications made by Institutional Investors**

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.



### 13.5 Minimum Amount of Application and Basis of Allotment of Shares of the Issue

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
  - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
  - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
  - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
  - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
  - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
    - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
    - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
  - First preference will be given to the applicants who applied for 500 shares;
  - Next preference will be given to the applicants who applied for 1,000 shares;
  - Next preference will be given to the applicants who applied for 1,500 shares;
  - Next preference will be given to the applicants who applied for 2,000 shares; and then
  - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.



8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

### 13.6 Refund/Unblocking of Subscription Money To Unsuccessful Applicants

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

### 13.7 Minimum Amount of Application and Basis of Allotment

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

### 13.8 Issue and Credit of Shares

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**



If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

### 13.9 Transfer of Shares

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

### 13.10 List of E-IPO Facilities

S. No	Name of Facility
01	PSX E-IPO System
02	Centralized E-PO System

### 13.11 Interest of Shareholders

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

### 13.12 Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

### 13.13 Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

### 13.14 Taxations, Like Applicability of Capital Gain Tax, Withholding Tax on Dividends, Tax on Bonus Shares, Federal Excise Duty and Capital Value Tax & Withholding Tax on Sale/Purchase of Shares.



### 13.17.1 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for FY 2026	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	<b>Where the securities are acquired on or after the first day of July, 2022 but on or before the 30<sup>th</sup> day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:</b>		
	1. Where holding period does not exceed one year	15.0%	30.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	3. Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	5. Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	7. Where holding period exceed six years	0.0%	0.0%
4	<b>Where the securities are acquired between July 1, 2024 – June 30, 2025</b>		
	Where the securities are acquired between July 1, 2024 – June 30, 2025	15.0%	30.0%
5	<b>Where the securities are acquired on or after the first day of July, 2025 onwards:</b>		
	Where the securities are acquired on or after the first day of July, 2025 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies.  Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.

### 13.17.2 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time



amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for active tax payers and 30% for inactive tax payers.

### **13.17.3 TAX ON BONUS SHARES**

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

## **13.15 Tax on Income of The Issuer, Sales Tax**

### **13.18.1 INCOME TAX**

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

### **13.18.2 SALES TAX**

Sitara Petroleum Service Limited operates in the petroleum retail and allied transport services sector. The sales tax treatment applicable to the Company's revenue streams is explained below:

#### **1. Sale of Fuel**

The Government of Pakistan recovers substantial revenue through indirect levies and duties embedded in the product pricing structure. These include:

- i. Petroleum Levy (PL): A fixed rupee-per-litre levy imposed by the Federal Government, which constitutes a significant portion of the retail fuel price.
- ii. Climate Support Levy (CSL): An additional per-litre levy introduced to support environmental and climate-related initiatives.
- iii. Customs Duties and Other Import-Related Charges: Applicable on imported petroleum products and inputs.

As a result, while no output sales tax is charged at the retail level (GST at 0%), the overall price of petroleum products includes substantial indirect federal taxes and levies. The zero-rating mechanism at the sales tax reflects the government's policy to generate revenue through petroleum levies and related duties rather than through standard sales tax on petroleum supplies.

#### **2. Oil Transportation Services**

Revenue generated from carriage and transportation services is subject to Provincial Sales Tax on Services, depending upon the jurisdiction where the services are rendered. The applicable authorities and tax rates are as follows:

Punjab Revenue Authority (PRA) – 16%

Sindh Revenue Board (SRB) – 15%

Khyber Pakhtunkhwa Revenue Authority (KPRA) – 15%

Baluchistan Revenue Authority (BRA) – 15%

The Company charges and collects sales tax on carriage services in accordance with the applicable provincial laws and deposits the same with the relevant provincial authority within prescribed timelines.



### 13.18.3 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

### 13.16 Deferred Taxation

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority



14. SIGNATORIES TO THE PROSPECTUS





## 15. MEMORANDUM OF ASSOCIATION

**THE COMPANIES ACT, 2017  
(COMPANY LIMITED BY SHARES)  
MEMORANDUM OF ASSOCIATION**

**OF**

**SITARA PETROLEUM SERVICE LIMITED**

1. The name of the Company is "SITARA PETROLEUM SERVICE LIMITED".
2. The Registered Office of the Company will be situated in the Province of Punjab.
3.
  - (i) The principal line of business of the company shall be to carry on the business of purchase or otherwise acquire, sale, store, transport, market, distribute, supply, sell, import, export, and otherwise dispose of and generally trade in any and all kinds of petroleum and petroleum products including crude oil, diesel, petrol, kerosene oil, gas, hydrocarbons, petrochemicals, asphalt, bituminous substances, Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG) Liquefied Petroleum Gas (LPG) and to undertake all such activities as are connected herewith or ancillary thereto and to take over the running or likely to be running business of the nature with or without assets, liabilities, rights, privileges, registration, trade mark, import and export registration or any other facility.
  - (ii) Except for the business mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
  - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Mudaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
  - (iv) It is hereby undertaken that the company shall not:
    - (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
    - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;



(c) engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.

4. The liability of the members is limited.

**Liability  
of Members**

5. The authorized capital of the company is Rs. 1,900,000,000 (Rupees one billion and nine hundred million only) divided into 190,000,000 (one hundred ninety million only) ordinary shares of Rs.10 each with power to enhance, reduce or consolidate the share capital and to divide the shares of the company into different classes and kinds subject to the provisions of the Companies Act, 2017.

**Authorized  
Capital**





We the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of the Memorandum of Association and we respectively, agree to take the number of shares in the capital of the Company set opposite to our respective names: -

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No)	Father's/Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signature
Khalid Riaz	36502-8070018-3	Riaz Ahmad	Pakistani	Petroleum Transportation	House No 34, Scheme No 03, Block Y, Farid Town, Sahiwal	900	
Ch. Fiaz Ahmed	36401-0853679-7	Ch. Hakim Ali	Pakistani	Petroleum Transportation	Ward No.2, Pir Hazoori Kabula, Post Office Khas, Tehsil Arifwala, District Pakpattan	100	
Total number of shares taken						1,000	

Date: the 1<sup>st</sup> day of June 2012

Witness of above signatures

Signature	
Full Name	RIAZ AHMAD
Father name	CH. HAKIM ALI
CNIC No.	36502-8070018-3
Nationality	PAKISTANI
Occupation	BUSINESS
Address:	House No 34, Scheme No 03, Block Y, Farid Town, Sahiwal

CERTIFIED TO BE TRUE COPY  
 22/6/2012  
 DEPUTY REGISTRAR OF COMPANIES  
 COMPANY REGISTRATION OFFICE  
 LAHORE

