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QUARTERLY REPORT  
SEPTEMBER  
**2024**



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# Modaraba Information

## Modaraba Company OLP Services Pakistan (Pvt) Limited

### Directors of Modaraba Company

Mr. Naveed Kamran Baloch	Chairman
Mr. Raheel Qamar Ahmad	Managing Director / Chief Executive Officer
Mr. Ramon Alfrey	Director
Mr. Nausherwan Adil	Independent Director
Mian Faysal Riaz	Director
Mr. Nadim D. Khan	Director
Ms. Naila Hasan	Female Independent Director

### Company Secretary

Mr. Muhammad Siddique

### Audit Committee

Mr. Nausherwan Adil	Chairman
Mr. Ramon Alfrey	Member
Mian Faysal Riaz	Member

### Human Resource and Remuneration (HR&R) Committee

Ms. Naila Hasan	Chairperson
Mr. Ramon Alfrey	Member
Mr. Raheel Qamar Ahmad	Member

### Risk Committee

Mian Faysal Riaz	Chairman
Mr. Nausherwan Adil	Member
Mr. Raheel Qamar Ahmad	Member

### Shariah Advisor

Mufti Faisal Ahmed

### Auditors

KPMG Taseer Hadi & Co. Chartered Accountants  
(Subject to regulatory approval)

### Bankers/ Financial Institutions

Standard Chartered Bank (Pakistan) Limited (Saadiq)  
Meezan Bank Limited  
United Bank Limited (UBL Ameen)  
Bank Alfalah Limited (Islamic banking)  
Allied Bank Limited (Islamic banking)  
Bank Al Habib Limited (Islamic banking)  
Habib Bank Limited (Islamic banking)  
Al-Baraka Bank (Pakistan) Limited  
Pakistan Mortgage Refinance Company Limited

### Legal Advisors

Haider Ali Khan  
Advocate High Court, Partner,  
Fazle Ghani Advocates

### Modaraba Company Registered Office

OLP Building, Plot no. 16, Sector no. 24,  
Korangi Industrial Area Karachi.

### Modaraba Head Office:

Office No. 601, 6th Floor,  
Syedna Tahir Saifuddin Memorial Foundation  
Building, Beaumont Road, Civil Lines, Karachi.  
Phone: (021) 38341168  
Email: askus@olpmodaraba.com

### Lahore Branch:

Office No-08, 1St floor,  
Park Lane Tower (Mall Of Lahore)  
172- Tufail Road, Lahore Cantt.  
Phone: (042) 38017006

### Islamabad Branch:

Ground Floor, Phase 1, State Life Building No. 5,  
Nazimuddin Road, Blue Area, Islamabad.

### Registrars & Share Registration Office:

Famco Share Registration Service (Private) Limited  
8-F, Next to Hotel Faran, Nursery,  
Block 6, P.E.C.H.S., Shakra-e-Faisal, Karachi.  
Tel: (92-21) 34380101-5  
Fax: (92-21) 34380106  
Email: info.shares@famco.com.pk

# Directors' Review

For the period ended September 30, 2024

The Board of Directors of OLP Services Pakistan (Private) Limited, the management company of OLP Modaraba is pleased to present the unaudited accounts for the three months period ended September 30, 2024.

## 1. Economic Outlook

Coupled with favorable weather conditions and easing external conditions, the economy began recovering in FY24. Downside risks however remain high, with the outlook predicated on a new IMF-EFF program being implemented, continued fiscal restraint, and additional external financing. Heavy banking sector exposure to the sovereign, domestic policy uncertainty, geopolitical instability and delays in global monetary easing pose significant risks to the outlook.

The Economy is expected to continue recovering, with real GDP growth reaching 2.8 percent in FY25, as the economy benefits from the availability of imported inputs, easing domestic supply chain disruptions and lower inflation. Business confidence is also expected to improve with credit rating upgrades and easing of fiscal tightening measures, and the devolvement of constitutionally mandated expenditures to the provinces and higher agricultural income taxes.

The fiscal deficit is projected to increase to 7.6 percent of GDP in FY25 due to higher interest payments but gradually decrease on fiscal tightening and falling interest payments.

## 2. Financial Highlights

Financial results are summarized as under:

### Balance Sheet

Certificate capital  
Total equity  
Total assets  
Investment in Ijarah Assets  
Investments in Diminishing Musharika  
Redeemable capital

September 30, 2024	June 30, 2024
----- (Rupees) -----	
453,835	453,835
1,186,012	1,243,593
8,366,429	7,738,335
1,219,138	1,259,654
5,539,328	5,284,579
4,943,535	4,287,535

### Profit and Loss

Revenue (net of Ijarah assets depreciation)  
Financial charges  
Operating expenses  
Profit before provisions  
(Provision) / reversal of provisions and impairments- net  
Profit before modaraba management company's remuneration  
Profit before taxation  
Net profit

Three months ended September 30, 2024	Three months ended September 30, 2023
----- (Rupees) -----	
428,205	386,752
(298,942)	(257,254)
(68,029)	(70,442)
61,234	58,786
(8,415)	6,895
52,820	65,681
45,914	57,094
33,187	40,199

### 3. Review of Operations

By the Grace of Allah, your Modaraba's performance during the period under review continued to be strong. The Modaraba's gross revenue (net of Ijarah assets depreciation and including other income) increased by 10.72% from PKR 386.75 million to PKR 428.21 million compared to the corresponding period of last year. The main reason behind this was 'better spreads and an increase in disbursements. Financial charges increased by 16.08% from PKR 257.52 million to PKR 298.94 million mainly due to increase in portfolio. Administrative and operating expenses decreased by 3.43% from PKR 70.44 million to PKR. 68.03 million mainly due to revised staff finance related policies effective from November 2023. Profit before provision increased by 4.16% from PKR 58.79 million to PKR. 61.23 million, whereas net profit for the quarter decreased 17.44% from PKR 40.20 million to PKR 33.19 million due to proactive and subjective provisions. During the period there is a net provision of PKR 8.42 million compared to reversal of provision of PKR 6.89 million during corresponding period of last year, which was due to pro-actively and subjectively downgrading of some of stressed customers.

The portfolio of Ijarah finance, short term investments and Diminishing Musharika finances stood at PKR 6,909 million compared to PKR 6,895 million as at June 30, 2024, showing a marginal increase of 0.2% during the three months period, whereas portfolio as at September 30, 2023 was PKR 5,833 million. Similarly total assets increased by 8.12% to PKR 8,366 million compared to PKR 7,738 million as at June 30, 2024. During the period under review, the Modaraba booked fresh disbursements to the tune of PKR 778 million as compared to PKR 568 million during the corresponding period last year.

The business has been driven mainly by deepening relationships with selective clientele and initiating relationships with good names. The asset portfolio has a good mix of multi-nationals, large and medium sized local corporates, selective SME relationships and an excellent housing and consumer portfolio.

OLP Modaraba manages and monitors risk exposure very prudently. The evaluation of borrower's credit profile including repayment ability is made at the time of grant of facility and regular oversight is carried out thereon. Further, there are Portfolio Management and Early Alert committees which are responsible to ensure portfolio monitoring and timely alerts for possible untoward scenarios.

### 4. Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the ratings of your Modaraba as AA (Double A) and A1+ (A one plus) for long-term and short-term respectively. These ratings indicate low expectation of credit risk and very strong capacity for timely payment of financial commitments.

### 5. Acknowledgement

The Board appreciates the support of regulatory authorities, certificate-holders, customers and business partners and looks forward to their support in future.

**Karachi: October 23, 2024**

**Raheel Qamar Ahmad**  
Managing Director/ CEO

**Ramon Alfrey**  
Director

## 30 ستمبر 2024ء کی اختتامی مدت کیلئے ڈائریکٹرز کا جائزہ:

OLP سروریز پاکستان (پرائیویٹ) لمیٹڈ جو کے OLP مضراریہ کی اختتامی کمپنی ہے کے بورڈ آف ڈائریکٹرز، 30 ستمبر 2024ء کو اختتام پذیر ہونے والی سہ ماہی کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

معاش صورت حال:

بہتر موسمی اور ملکی حالات کے ساتھ معیشت نے مالی سال 24 میں بحالی کا آغاز کیا۔ نیچے کی طرف خطرات اب بھی زیادہ ہیں، جبکہ منظر نامہ اس بات پر منحصر ہے کہ ایک نیا IMF-EFF پروگرام نافذ کیا جائے، مالیاتی جاری رہے، اور اضافی بیرونی مالی امداد حاصل کی جائے۔ حکومتی قرضوں پر بینکنگ سیکٹور کی بڑی نمائش، ملکی پالیسی میں غیر یقینی صورتحال، جغرافیائی عدم استحکام، اور عالمی مالیاتی نرمی میں تاخیر، منظر نامے کے لیے ہم خطرات ہیں۔

اقتصادی سرگرمیوں میں بحالی کا سلسلہ جاری رہنے کی توقع ہے، جس کے تحت مالی سال 2025 میں حقیقی جی ڈی پی کی شرح نمو 2.8 فیصد تک پہنچ جائے گی، کیونکہ درآمد شدہ خام مال کی دستیابی، ملکی سپلائی چین میں رکاوٹوں میں کمی، اور افراط زر میں کمی سے معیشت کو فائدہ حاصل ہوگا۔ کاروباری اعتماد میں بھی بہتری آئے گی، جس کی وجہ کرڈیٹ ریٹنگ میں بہتری، سیاسی غیر یقینی صورتحال میں کمی، اور مالیاتی سختی کے اقدامات ہوں گے، جیسے کہ آئی ٹی طور پر مقرر کردہ اخراجات کا صوبوں کو منتقل کرنا اور زرعی آمدنی کے ٹیکس میں اضافہ۔

سوڈی زیادہ ادائیگیوں کے باعث توقع ہے کہ مالی خسارہ مالیاتی سال 2025 میں جی ڈی پی کا 7.6 فیصد تک بڑھ جائے گا۔ لیکن یہ مالیاتی سختی اور سوڈی ادائیگیوں میں کمی کے ساتھ بتدریج کم ہو جائے گا۔

مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2024 جون 30  
(روپے '000 میں)

2024 ستمبر 30  
(روپے '000 میں)

453,835

453,835

1,243,593

1,186,012

7,738,335

8,366,429

1,259,654

1,219,138

5,284,579

5,539,328

4,287,535

4,943,535

بیلنس شیٹ

سرٹیفیکٹ کیپٹل

مجموعی ایکویٹی

مجموعی اثاثہ جات

اجارہ اثاثہ جات میں سرمایہ کاری

ڈیٹنگنگ مشارکہ میں سرمایہ کاری

ریٹیم اسٹیبل کیپٹل

30 ستمبر 2023ء کی  
اختتامی سہ ماہی

30 ستمبر 2024ء کی  
اختتامی سہ ماہی

386,752

428,205

(257,254)

(298,942)

(70,442)

(68,029)

58,786

61,234

6,895

(8,415)

65,681

52,820

57,094

45,914

40,199

33,187

منافع اور خسارہ

آمدنی (اجارہ اثاثہ جات کی آمد میں کمی)

مالیاتی چارجز

عملی اخراجات

منافع قبل از پروویڈنرز

پروویڈنرز/پروویڈنرز کارپوریٹس۔ خالص

مضار۔ انتظامی کمپنی کے معاوضے سے قبل از منافع

قبل از ٹیکس منافع

خالص منافع

اللہ کے نفع کے دہانے سے زبردستی مدت کے دوران آپ کے مضارب کی کارکردگی مسلسل منسوخ رہی۔ مضارب کی مجموعی آمدنی (اجارہ اثاثوں کی قدر میں کمی اور دیگر آمدنی) 10.72 فیصد اضافہ کے ساتھ گزشتہ سال کے مقابلے میں 386.75 ملین روپے سے ملنے 428.21 ملین روپے ہوئی۔ اس کی بنیادی وجہ بہتر اسٹیٹ زور قومی کی تنظیم میں اضافہ تھا۔ مالیاتی چارجز 16.08 فیصد اضافہ کے ساتھ مبلغ 257.52 ملین روپے سے بڑھ کر 298.94 ملین روپے ہو گئے جس کی بنیادی وجہ پورٹ فولیو میں اضافہ تھا۔ انتظامی اور عملیاتی اخراجات میں 3.43 فیصد کمی کی ہوئی، جو 70.44 ملین روپے سے کم ہو کر 68.03 ملین روپے ہو گئے، جس کی بنیادی وجہ نومبر 2023 سے نافذ ہونے والی سٹیک مالیات سے متعلق پالیسیوں میں تبدیلی تھی۔ پروڈیون سے قبل منافع میں 4.16 فیصد اضافہ ہوا، جو 58.79 ملین روپے سے بڑھ کر 61.23 ملین روپے ہو گیا، تاہم سمانی کا خاص منافع 17.44 فیصد کم ہو کر 40.20 ملین روپے سے 33.19 ملین روپے ہو گیا، جس کی وجہ نفع اور موضوعی پروڈیون تھیں۔ اس مدت کے دوران 8.42 ملین روپے کا خاص پروڈیون ہوا، جبکہ گزشتہ سال کی اسی مدت میں 6.89 ملین روپے کا پروڈیون رہا تھا، اور یہ کچھ دباؤ کا شکار صارفین کو فعال طور پر نیچے درج بندی کرنے کی وجہ سے ہوا۔

30 جون 2024 تک اجارہ فنانس، سٹاک انویسٹمنٹ اور ڈیویڈنڈ کے ساتھ مل کر 6,895 ملین روپے کے مقابلے میں 6,909 ملین روپے رہا، جو کہ دوران سرمایہ 0.2 فیصد اضافہ کو ظاہر کرتا ہے، جبکہ 30 ستمبر 2023 کو پورٹ فولیو 5,833 ملین تھا۔ اسی طرح، مجموعی اثاثہ جات میں 8.12 فیصد اضافہ ہوا اور یہ 8,366 ملین روپے ہو گئے، جو 30 جون 2024 کو 7,738 ملین روپے تھے۔ زبردستی مدت کے دوران، مضارب نے 778 ملین روپے کی تازہ ادائیگیوں کی بنیاد پر جو گزشتہ سال کی اسی مدت کے دوران 568 ملین روپے تھی۔

کاروبار بنیادی طور پر منتخب کلائنٹس کے ساتھ تعلقات کو منظم طور پر استوار کرنے اور اچھے ناموں کے ساتھ تعلقات کی شروعات کرنے سے چلایا گیا ہے۔ اثاثہ جات کے پورٹ فولیو میں ملٹی سیکٹرز، بڑے اور متوسط درجہ کے مقامی کارپوریٹ اور منتخب SME تعلقات کا ایک اچھا استخراج ہے۔

OLP مضاربہ ظاہری خطرات کا انتظام اور گمرانی کرتا ہے۔ قرض حاصل کنندہ کے کریڈٹ پر فوفاکل کا جائزہ بشمول ادائیگی کی اہلیت سہولت فراہم کرنے اور اس پر باقاعدہ گمرانی کے وقت کی جاتی ہے۔ اس کے علاوہ، پورٹ فولیو سیکشن اور رائلٹی کے اثاثہ کی بنیاد پر جو کم نہ خوشگوار حالات کے لیے پورٹ فولیو کی گمرانی اور بروقت الٹ کو یقینی بنانے کی ذمہ دار ہیں۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (پاکریٹنگ) نے OLP مضارب کی طویل مدتی اور مختصر مدتی درجہ بندی کو بائزرٹیپ AA (ڈبل اے) اور A1+ (اے ون پلس) کے طور پر برقرار رکھا ہے۔ یہ ریٹنگ کریڈٹ رسک کی کم توقع اور مالی وعدوں کی بروقت ادائیگی کے لیے غیر معمولی مضبوط صلاحیت کی نشاندہی کرتی ہے۔

اظہار تشکر:

بورڈ ریگولیٹری، حکومتی، محکماتی، ہولڈرز، صارفین اور کاروباری شراکت داروں کے تعاون کا شکریہ ادا کرنا چاہتا ہے اور مستقبل میں ان کے تعاون کا منتظر ہے۔

کراچی: 23 اکتوبر 2024ء

راجیل قراچہ  
نیجنگ ڈائریکٹری ای او

راہن الفرسے  
ڈائریکٹر



# Condensed Interim Statement of Financial Position

As at September 30, 2024

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
<b>ASSETS</b>	Note	----- (Rupees) -----	
<b>Current assets</b>			
Cash and bank balances	5	898,728,231	329,627,579
Ijarah rentals receivable	6	65,826,704	69,821,374
Advances, deposits, prepayments and other receivables		451,395,208	403,523,986
Short-term investments	7	150,720,126	350,918,237
Current portion of diminishing musharaka	8.3	1,607,512,605	1,476,958,150
<b>Total current assets</b>		<u>3,174,182,874</u>	<u>2,630,849,326</u>
<b>Non-current assets</b>			
Long-term portion of diminishing musharaka	8.3	3,931,814,960	3,807,621,307
Ijarah assets	9	1,219,138,253	1,259,654,374
Tangible assets	10	15,047,725	14,746,223
Intangible assets	11	3,962,840	3,768,937
Deferred tax assets		22,282,664	21,695,041
Total non-current assets		<u>5,192,246,442</u>	<u>5,107,485,882</u>
<b>TOTAL ASSETS</b>		<u>8,366,429,316</u>	<u>7,738,335,208</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current portion of term finance arrangements	12	543,203,929	625,117,384
Current portion of security deposits		141,663,608	130,535,992
Creditors, accrued and other liabilities		404,514,099	458,553,890
Advance Ijarah rentals received		-	4,645,531
Current portion of redeemable capital		4,802,585,000	4,145,135,000
Profit distribution payable	13	148,369,675	57,602,615
Provision for taxation - net		46,781,742	54,254,047
<b>Total current liabilities</b>		<u>6,087,118,053</u>	<u>5,475,844,459</u>
<b>Non-current liabilities</b>			
Long-term portion of term finance arrangements	12	687,258,548	606,778,716
Long-term portion of security deposits		265,090,370	269,719,334
Long-term portion of redeemable capital		140,950,000	142,400,000
<b>Total non-current liabilities</b>		<u>1,093,298,918</u>	<u>1,018,898,050</u>
<b>TOTAL LIABILITIES</b>		<u>7,180,416,971</u>	<u>6,494,742,509</u>
<b>CERTIFICATE HOLDERS' EQUITY</b>			
<b>Certificate capital</b>			
<b>Authorised certificate capital</b>			
50,000,000 (June 30, 2024: 50,000,000) certificates of Rs. 10 each amounting to Rs. 500,000,000 (June 30, 2024: Rs. 500,000,000)			
<b>Issued, subscribed and paid-up certificate capital</b>			
28,500,000 (June 30, 2024: 28,500,000) certificates of Rs. 10 each fully paid in cash		285,000,000	285,000,000
16,883,530 (June 30, 2024: 16,883,530) bonus certificates of Rs. 10 each		168,835,300	168,835,300
Capital reserve		453,835,300	453,835,300
Revenue reserve		578,888,037	578,888,037
		153,289,008	210,869,362
		<u>1,186,012,345</u>	<u>1,243,592,699</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>8,366,429,316</u>	<u>7,738,335,208</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

**For OLP Services Pakistan (Private) Limited  
(Management Company)**

SD  
Chief Executive

SD  
Director

SD  
Director

SD  
Chief Financial Officer

# Condensed Interim Statement of Profit and Loss Account and Other Comprehensive Income (Un-audited)

For The Three Months Period Ended September 30, 2024

		Three months period ended September 30, 2024	Three months period ended September 30, 2023
	Note	----- (Rupees) -----	
Ijarah rentals earned		175,047,086	227,476,889
Income on Diminishing Musharaka arrangements		314,301,545	272,143,749
Dividend income		14,315,257	8,945,943
Profit on bank balances		22,127,059	18,852,681
		525,790,947	527,419,262
Financial and other charges	15	(298,941,509)	(257,524,185)
Depreciation on Ijarah assets		(108,434,539)	(141,452,618)
Reversal of impairment on assets under Ijarah arrangements		-	12,949,261
		118,414,899	141,391,720
Reversal of provision / (provision) against Ijarah rentals receivable - net		1,173,556	(8,682,347)
(Provision)/ reversal of provision against Diminishing Musharaka - net		(9,588,387)	2,627,823
		110,000,068	135,337,196
Other income		10,848,820	785,831
Administrative and operating expenses		(68,028,870)	(70,441,846)
		52,820,018	65,681,181
Management Company's remuneration	16	(5,282,002)	(6,568,118)
Provision for services sales tax on the Management Company's remuneration	17	(686,660)	(853,855)
Provision for Sindh Workers' Welfare Fund	18	(937,027)	(1,165,184)
<b>Profit before taxation and levy</b>		45,914,329	57,094,024
Levy	19	(2,147,289)	(1,341,891)
<b>Profit before taxation</b>		43,767,040	55,752,133
Taxation	19	(10,580,334)	(15,553,279)
<b>Profit for the period after taxation</b>		33,186,706	40,198,854
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		33,186,706	40,198,854
<b>Earnings per certificate - basic and diluted</b>	20	0.73	0.89

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

**For OLP Services Pakistan (Private) Limited  
(Management Company)**

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

For The Three Months Period Ended September 30, 2024

For the period ended September 30, 2024

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	Three months period ended September 30, 2024	Three months period ended September 30, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation and levy	45,914,329	57,094,024
<b>Adjustments for non-cash and other items:</b>		
Depreciation on tangible assets	2,095,170	2,536,278
Amortisation on intangible assets	569,277	370,009
Gain on disposal of tangible assets	-	(32,461)
Depreciation on Ijarah assets	108,434,539	141,452,618
Loss / (gain) on disposal of Ijarah assets	(382,070)	4,621,026
Reversal of impairment on assets under Ijarah arrangements	-	(12,949,261)
Reversal of provision against Ijarah rentals receivable - net	(1,173,556)	8,682,347
Provision/ reversal of provision against Diminishing Musharaka - net	9,588,387	(2,627,823)
Profit on bank balances	(22,127,059)	(18,852,681)
Financial charges on:		
- Redeemable capital	216,698,416	149,401,187
- Term finance arrangements	60,556,864	89,869,886
Provision for services sales tax on the Management Company's remuneration	686,660	853,855
Provision for Sindh Workers' Welfare Fund	937,027	1,165,184
	375,883,655	364,490,164
	421,797,984	421,584,188
<b>(Increase) / decrease in assets</b>		
Advances, deposits, prepayments and other receivables	(46,687,720)	(157,751,385)
Ijarah rentals receivable	5,168,226	1,115,656
Diminishing Musharaka	(264,336,495)	95,723,139
Short-term investments	200,198,111	(7,764,931)
	(105,657,878)	(68,677,521)
<b>Increase / (decrease) in liabilities</b>		
Creditors, accrued and other liabilities	(37,091,416)	11,178,845
Advance Ijarah rentals received	(4,645,531)	6,372,553
Security deposits	6,498,652	(8,079,711)
	(35,238,295)	9,471,687
Financial charges paid on:		
- Redeemable capital	280,901,811	362,378,354
- Term finance arrangements	(233,562,442)	(149,079,174)
	(62,264,904)	(91,907,274)
	(295,827,346)	(240,986,448)
Payment against Workers' Welfare Fund	-	(1,999,202)
Taxes and levies paid	(20,787,551)	(13,187,008)
<b>Net cash (used in) / generated from operating activities</b>	(35,713,086)	106,205,696
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure of fixed and intangible assets	(3,159,852)	(5,364,669)
Capital expenditure of Ijarah assets	(73,566,500)	(86,240,000)
Proceeds from disposal of fixed assets in own use	-	34,998
Proceeds from disposal of Ijarah assets	6,030,153	55,203,539
Profit received on bank deposits	20,943,555	18,852,029
<b>Net cash used in investing activities</b>	(49,752,644)	(17,514,103)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redeemable capital less repayments	656,000,000	2,750,000
Term finance less repayments	(1,433,618)	(146,645,173)
<b>Net cash generated from / (used in) financing activities</b>	654,566,382	(143,895,173)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	569,100,652	(55,203,580)
Cash and cash equivalents at the beginning of the period	329,627,579	400,254,200
<b>Cash and cash equivalents at the end of the period</b>	898,728,231	345,050,620

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

**For OLP Services Pakistan (Private) Limited  
(Management Company)**

SD Chief Executive	SD Director	SD Director	SD Chief Financial Officer
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# Condensed Interim Statement of Changes In Equity

For The Three Months Period Ended September 30, 2024

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	Issued, subscribed and paid-up certificate capital	Capital reserve			Revenue reserve	Sub-total	Total
		Premium on issue of modaraba certificates	Statutory reserve	Sub-total	Unappropriated profit		
(Rupees)							
<b>Balance as on July 01, 2023 (audited)</b>	453,835,300	55,384,700	523,503,337	578,888,037	143,899,235	722,787,272	1,176,622,572
<b>Total comprehensive income for the period</b>							
- Profit for the three months period ended September 30, 2023	-	-	-	-	40,198,854	40,198,854	40,198,854
- Other comprehensive income for the three months period ended September 30, 2023	-	-	-	-	-	-	-
	-	-	-	-	40,198,854	40,198,854	40,198,854
<b>Transactions with owners</b>							
Profit distribution for the year ended June 30, 2023 @ Rs. 2 per certificate declared subsequent to the year ended June 30, 2023	-	-	-	-	(90,767,060)	(90,767,060)	(90,767,060)
<b>Balance as at September 30, 2023 - restated (un-audited)</b>	<u>453,835,300</u>	<u>55,384,700</u>	<u>523,503,337</u>	<u>578,888,037</u>	<u>93,331,029</u>	<u>672,219,066</u>	<u>1,126,054,366</u>
<b>Balance as on July 01, 2024 (audited)</b>	453,835,300	55,384,700	523,503,337	578,888,037	210,869,362	789,757,399	1,243,592,699
<b>Total comprehensive income for the period</b>							
- Profit for the three months period ended September 30, 2024	-	-	-	-	33,186,706	33,186,706	33,186,706
- Other comprehensive income for the three months period ended September 30, 2024	-	-	-	-	-	-	-
	-	-	-	-	33,186,706	33,186,706	33,186,706
<b>Transactions with owners</b>							
Profit distribution for the year ended June 30, 2024 @ Rs. 2 per certificate declared subsequent to the year ended June 30, 2024	-	-	-	-	(90,767,060)	(90,767,060)	(90,767,060)
<b>Balance as at September 30, 2024 (un-audited)</b>	<u>453,835,300</u>	<u>55,384,700</u>	<u>523,503,337</u>	<u>578,888,037</u>	<u>153,289,008</u>	<u>732,177,045</u>	<u>1,186,012,345</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

**For OLP Services Pakistan (Private) Limited  
(Management Company)**

SD  
Chief Executive

SD  
Director

SD  
Director

SD  
Chief Financial Officer

# Notes to And Forming Part of the Condensed Interim Financial Statements

For The Three Months Period Ended September 30, 2024 (Un-audited)

## 1 STATUS AND NATURE OF BUSINESS

OLP Modaraba ('the Modaraba') was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by OLP Services Pakistan (Private) Limited ('the Management Company'). The Management Company is a wholly owned subsidiary of OLP Financial Services Pakistan Limited.

The registered office of the Management Company is situated at OLP Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi.

The Modaraba is operated through a head office in Karachi which is situated at 6th Floor, Syedna Tahir Saifuddin Trust Building, Beaumont Road, Civil Lines and two branches which are located in Lahore and Islamabad. The Lahore branch office is situated at office no. 08, Park Lane Tower, 172-Tufail road, Lahore Cantonment. The Islamabad branch is situated at Ground Floor, Phase 1, State Life Building No. 5, Nazimuddin Road, Blue Area, Islamabad.

The Modaraba is a perpetual Modaraba and is primarily engaged in financing of plant and machinery, motor vehicles (both commercial and private), computer equipment and housing under the modes of Ijarah (Islamic leasing) and Diminishing Musharika. The Modaraba may also invest in commercial and industrial ventures suitable for the Modaraba. The Modaraba is listed on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned long term rating of AA (2023: AA) and short term rating of A1+ (2023: A1+) to the Modaraba on March 01, 2024 (2023: March 03, 2023).

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017; and
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2024.

**2.3** These condensed interim financial statements are unaudited.

#### **2.4 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistani Rupees which is also the Modaraba's functional currency. All financial information presented has been rounded off to the nearest Rupee, unless otherwise stated.

### **3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies and accounting estimates adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those that were applied in the preparation of the annual published audited financial statements of the Modaraba for the year ended June 30, 2024.

**3.2** The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 the current and future periods. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual published audited financial statements of the modaraba for the year ended June 30, 2024.



**6.1 Allowance for potential Ijarah losses**

	<b>September 30, 2024 (Un-audited)</b>	June 30, 2024 (Audited)
Opening balance	54,159,836	30,785,361
Provision for the period / year - net	(1,173,556)	23,374,475
Closing balance	<u>52,986,280</u>	<u>54,159,836</u>

(Rupees)-----

**6.2 Profit held in suspense**

Opening balance	16,284,733	17,668,990
Income suspended / (reversal) during the period / year	787,422	(1,384,257)
Closing balance	<u>17,072,155</u>	<u>16,284,733</u>

**6.3** Ijarah includes Rs. 101.125 million (June 30, 2024: Rs. 99.680 million) which have been placed under non-performing status.

**6.4** During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing Ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

**7 SHORT-TERM INVESTMENTS**

	<b>September 30, 2024 (Un-audited)</b>	June 30, 2024 (Audited)
Note	(Rupees)-----	
Investment in mutual funds	5.2 <u>150,720,126</u>	<u>350,918,237</u>

**8 DIMINISHING MUSHARAKA**

Staff - considered good		
- Housing finance	25,841,440	27,194,267
- Motor vehicles	20,813,411	25,574,735
- Others	1,999,490	2,318,307
	8.1 <u>48,654,341</u>	<u>55,087,309</u>
Others - considered good		
- Housing finance	349,544,553	344,597,081
- Motor vehicles	2,378,463,418	2,168,128,409
- Plant, machinery and equipment	2,756,891,244	2,599,509,352
	5,484,899,215	5,112,234,842
Others - considered bad or doubtful		
- Housing finance	3,693,976	3,693,976
- Motor vehicles	13,614,233	16,267,635
- Plant, machinery and equipment	55,640,830	154,882,338
	72,949,039	174,843,949
Less: provision in respect of Diminishing Musharaka	8.2 <u>(67,175,030)</u>	<u>(57,586,643)</u>
	5,490,673,224	5,229,492,148
	<u>5,539,327,565</u>	<u>5,284,579,457</u>



**8.1** These represent finance provided to employees, officers and key management personnel of the Modaraba under Diminishing Musharaka arrangement for renovation, construction and purchase of house, purchase of vehicles and other consumer durables. These carry profit at the effective rates ranging from 0% to 21.94% (June 30, 2024: 0% to 21.94%) per annum and are repayable on monthly basis over a maximum period of 20 years (June 30, 2024: 20 years).

**8.1.1** This includes Diminishing Musharaka facility availed by key management personnel as per employment terms, with respect to housing finance, motor vehicles and personal finance amounting to Rs. 8.347 million (June 30, 2024: 9.029 million), Rs. 7.046 million (June 30, 2024: Rs. 9.204 million) and Rs. 0.179 million (June 30, 2024: Rs. 0.249 million) respectively. These are secured against Diminishing Musharaka assets.

## 8.2 Movement in provision against Diminishing Musharaka

September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees) -----	

Opening balance	57,586,643	67,561,517
Provision / (reversal) for the period / year - net	9,588,387	(9,974,874)
Closing balance	<u>67,175,030</u>	<u>57,586,643</u>

## 8.3 Break-up of Diminishing Musharaka between long-term and current portion

Current portion of diminishing musharaka	1,657,500,377	1,520,573,850
Less: provision held	<u>(49,987,772)</u>	<u>(43,615,700)</u>
	<u>1,607,512,605</u>	<u>1,476,958,150</u>
Long-term portion of diminishing musharaka	3,949,002,218	3,821,592,250
Less: provision held	<u>(17,187,258)</u>	<u>(13,970,943)</u>
	<u>3,931,814,960</u>	<u>3,807,621,307</u>

**8.4** During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing diminishing musharika as allowed under the Modaraba Regulations, 2021 issued by the SECP.

**8.5** Diminishing Musharaka includes Rs. 72.949 million (June 30, 2024: Rs. 174.844 million) which have been placed under non-performing status.

**8.6** Diminishing Musharaka (other than Staff DM finances) carries profit at the rates ranging from 17.20% to 26.19% (June 30, 2024: 21.07% to 27.49%) per annum.

		<b>September 30, 2024 (Un-audited)</b>	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
<b>9 IJARAH ASSETS</b>			
Ijarah contracts	9.1 & 9.2	<u>1,219,138,253</u>	<u>1,259,654,374</u>

- 9.1** During the three months period ended September 30, 2024, additions amounting to Rs. 73.567 million (September 30, 2023: Rs. 86.240 million) and disposals amounting to Rs. 11.300 million (September 30, 2023: Rs. 197.500 million) were made to the assets under Ijarah arrangements.

<b>Ijarah assets</b>	<b>September 30, 2024 (Un-audited)</b>	September 30, 2023 (Un-audited)
	----- (Rupees) -----	
Additions at cost during the period		
- Plant, machinery and equipments	73,566,500	86,240,000
- Motor vehicles	-	-
	<u>73,566,500</u>	<u>86,240,000</u>
Disposals at cost during the period		
- Plant, machinery and equipments	11,299,500	171,651,770
- Motor vehicles	-	25,847,800
	<u>11,299,500</u>	<u>197,499,570</u>

- 9.2** The Modaraba has entered into various Ijarah agreements for periods ranging from 3 to 6 years (June 30, 2024: 3 to 5 years). Security deposits ranging between 0% to 51% (June 30, 2024: 0% to 51%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 18.43% to 25.66% (June 30, 2024: 20.25% to 28.95%) per annum.
- 9.3** Ijarah includes Rs. 101.125 million (June 30, 2024: Rs. 99.680 million) which have been placed under non-performing status.
- 9.4** During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing Ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

		<b>September 30, 2024 (Un-audited)</b>	June 30, 2024 (Audited)
	Note	----- (Rupees) -----	
<b>10 TANGIBLE ASSETS</b>			
Tangible assets in own use	10.1	<u>15,047,725</u>	<u>14,746,223</u>

## 10.1 The following is a statement of tangible assets in own use:

September 30, 2024 (Un-audited)					
Tangible assets					Total
Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles		
----- (Rupees) -----					
<b>At July 01, 2024</b>					
Cost	12,859,117	8,767,406	42,822,238	6,520,400	70,969,161
Accumulated depreciation	(12,345,084)	(7,754,830)	(33,858,274)	(2,264,750)	(56,222,938)
<b>Net book value</b>	<u>514,033</u>	<u>1,012,576</u>	<u>8,963,964</u>	<u>4,255,650</u>	<u>14,746,223</u>
<b>Additions</b>	-	-	2,396,672	-	2,396,672
<b>Disposals</b>					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Depreciation charge for the period	(55,074)	(56,955)	(1,874,730)	(108,411)	(2,095,170)
<b>Closing net book value</b>	<u>458,959</u>	<u>955,621</u>	<u>9,485,906</u>	<u>4,147,239</u>	<u>15,047,725</u>
<b>At September 30, 2024</b>					
Cost	12,859,117	8,767,406	45,218,910	6,520,400	73,365,833
Accumulated depreciation	(12,400,158)	(7,811,785)	(35,733,004)	(2,373,161)	(58,318,108)
<b>Net book value</b>	<u>458,959</u>	<u>955,621</u>	<u>9,485,906</u>	<u>4,147,239</u>	<u>15,047,725</u>
Depreciation rate (% per annum)	<u>33.33%</u>	<u>15%</u>	<u>20% - 33.33%</u>	<u>20% - 25%</u>	
June 30, 2024 (Un-audited)					
Tangible assets					Total
Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles		
----- (Rupees) -----					
<b>At July 01, 2023</b>					
Cost	12,198,211	8,279,748	38,494,154	6,520,400	65,492,513
Accumulated depreciation	(11,607,562)	(7,551,394)	(27,440,745)	(1,831,105)	(48,430,806)
<b>Net book value</b>	<u>590,649</u>	<u>728,354</u>	<u>11,053,409</u>	<u>4,689,295</u>	<u>17,061,707</u>
<b>Additions</b>	660,906	487,658	5,200,058	-	6,348,622
<b>Disposals</b>					
Cost	-	-	(871,974)	-	(871,974)
Depreciation	-	-	866,035	-	866,035
	-	-	(5,939)	-	(5,939)
Depreciation charge for the year	(737,522)	(203,436)	(7,283,564)	(433,645)	(8,658,167)
<b>Closing net book value</b>	<u>514,033</u>	<u>1,012,576</u>	<u>8,963,964</u>	<u>4,255,650</u>	<u>14,746,223</u>
<b>At June 30, 2024</b>					
Cost	12,859,117	8,767,406	42,822,238	6,520,400	70,969,161
Accumulated depreciation	(12,345,084)	(7,754,830)	(33,858,274)	(2,264,750)	(56,222,938)
<b>Net book value</b>	<u>514,033</u>	<u>1,012,576</u>	<u>8,963,964</u>	<u>4,255,650</u>	<u>14,746,223</u>
Depreciation rate (% per annum)	<u>33.33%</u>	<u>15%</u>	<u>20% - 33.33%</u>	<u>20% - 25%</u>	

## 11 INTANGIBLE ASSETS

Software

	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
Note	(Rupees)	
11.1	3,962,840	3,768,937

### 11.1 Opening balance

Cost

Accumulated amortisation

Net book value

37,243,330	33,785,274
(33,474,393)	(31,590,342)
3,768,937	2,194,932

**Additions during the period / year**

763,180	3,458,056
---------	-----------

**Disposals**

Cost

Accumulated amortisation

-	-
-	-
-	-

Amortisation charge for the period / year

**Closing net book value**

(569,277)	(1,884,051)
3,962,840	3,768,937

Amortisation rate (% per annum)

33.33%	33.33%
--------	--------

**Closing balance**

Cost

Accumulated amortisation

**Net book value**

38,006,510	37,243,330
(34,043,670)	(33,474,393)
3,962,840	3,768,937

## 12 TERM FINANCE ARRANGEMENTS

Musharaka / Wakala finance

12.1, 12.2 & 12.3

1,230,462,477

1,231,896,100

Less: current portion of term finance arrangements

(543,203,929)

(625,117,384)

Long-term portion of term finance arrangements

687,258,548

606,778,716

### 12.1 Musharaka / Wakala Finance

Name of bank	Facility limit		Profit rate (per rupee one thousand per day)		Frequency of profit payment	Tenor		Balance outstanding	
	As at September 30, 2024 (Un-audited)	As at June 30, 2024 (Audited)	During the period ended September 30, 2024 (Un-audited)	During the year ended June 30, 2024 (Audited)		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)	As at September 30, 2024 (Un-audited)	As at June 30, 2024 (Audited)
	(Rupees)						(Rupees)		
Al-Baraka Bank (Pakistan) Limited	150,000,000	-	0.5323-0.5323	-	Quarterly	3 years	-	150,000,000	-
Allied Bank Limited	500,000,000	500,000,000	0.5682-0.5682	0.6016-0.6411	Quarterly	3-5 years	3-5 years	438,427,973	489,683,204
Pakistan Mortgage Refinance Company Limited	185,962,896	185,962,896	0.4616-0.5962	0.5214-0.5962	Quarterly	5 years	5 years	154,534,509	185,962,896
Meezan Bank Limited	500,000,000	500,000,000	0.5559-0.5912	0.6238-0.6334	Quarterly	5 years	5 years	374,999,995	406,250,000
United Bank Limited	300,000,000	300,000,000	0.5504-0.5504	0.5797-0.6471	Quarterly	3 years	3 years	112,500,000	150,000,000
								1,230,462,477	1,231,896,100

- 12.2** The aforementioned facilities are secured against exclusive hypothecation over term deposit receipts, specific movable Ijarah and Diminishing Musharaka assets and the rentals / installments receivable in respect of such assets.
- 12.3** These carry profit at the rates ranging from 16.85% to 21.76% (June 30, 2024: 19.03% to 23.62%) per annum.

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
<b>13. PROFIT DISTRIBUTION PAYABLE</b>	Note	----- (Rupees) -----	
Profit distribution payable for the year ended June 30, 2024	13.1	90,767,060	-
Unclaimed profit distribution		57,602,615	57,602,615
		148,369,675	57,602,615

- 13.1** This includes dividend payable to OLP Financial Services Pakistan Limited and OLP Services Pakistan (Private) Limited amounted to Rs. 9,076,706 (June 30, 2024: Nil) each.

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

There were no contingencies outstanding as at September 30, 2024 and June 30, 2024.

### 14.2 Commitments

Commitments outstanding were Nil (June 2024: Rs. 58.517 million).

		Three months period ended September 30, 2024 (Un-audited)	Three months period ended September 30, 2023 (Un-audited)
<b>15 FINANCIAL AND OTHER CHARGES</b>		----- (Rupees) -----	
Profit on redeemable capital		216,698,416	149,401,187
Profit on term finance arrangements		60,556,864	89,869,886
Commission		10,919,441	6,477,460
Unwinding of security deposits		10,656,135	11,581,014
Bank charges		110,653	194,638
		298,941,509	257,524,185

## **16 MANAGEMENT COMPANY'S REMUNERATION**

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The remuneration for the three months period ended September 30, 2024 has been recognised at 10% (June 30, 2024: 10%) of the profit before taxation for the period before charging such remuneration.

## **17 PROVISION FOR SERVICES SALES TAX ON THE MANAGEMENT COMPANY'S REMUNERATION**

During 2013, the Sindh Revenue Board (SRB) levied Sindh sales tax on the Management Company's remuneration, which is paid by the Modaraba to its Management Company under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, treating it as a fee and chargeable under the Sindh Sales Tax on Services Act, 2011. The Modaraba, however, considers that the Management Company's remuneration is an allocation of profit under the Shariah principle of "Modaraba" and therefore does not qualify to be treated as a fee and hence, does not attract any services sales tax.

Pursuant to Order number SRB-COM-I/AC-V/Mgt/SCSOP/5878/2012 of the SRB dated April 22, 2013 issued to the Management Company, the Modaraba has recorded a provision in respect of Sindh sales tax on Management Company's remuneration at applicable rates with effect from November 01, 2011. The Management Company had filed an appeal before the Appellate Tribunal SRB against this order. The Appellate Tribunal SRB through its order dated February 19, 2016 allowed the appeal and set aside the order-in-original and order-in-appeal and remanded back the case to the assessing officer for re-assessment. Thereafter, on April 08, 2016, the assessing officer issued a fresh notice to the Management Company contending that sales tax on the Management Company's remuneration is applicable. Against the notice, the Management Company has filed an appeal before the Honorable Sindh High Court (the Court). As an interim relief, the Court vide its Order dated October 13, 2016 has stopped the assessing authorities to pass any final order till the culmination of its proceedings. The interim relief was reconfirmed by the Court in its Order dated November 05, 2018. In recent order dated September 12, 2024, the Honorable Sindh High Court (the Court) rejected the plaint and advised to plead its case before the department. However, the Modaraba has continued to recognise the provision for services sales tax on the Management Company's remuneration.

## **18 PROVISION FOR SINDH WORKERS' WELFARE FUND**

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay to Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income.

The Sindh Revenue Board (SRB) vide its letter no. SRB/DC-A(W)/2017/Rep/4760 dated January 16, 2017 had advised the Modaraba to pay off all its liabilities falling due under the SWWF Act. The management considered that the SWWF Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no SWWF liability to SRB can be paid out. On these grounds, foreseeing the expected WWF demand and penal actions from SRB, the Modaraba had filed a Constitutional Petition (CP) No. CP.D.3879/2017 with the Honorable Sindh High Court. On March 16, 2020, an interim order was issued by the Honorable Sindh High Court whereby the Modaraba was instructed to deposit the SWWF liability either with SRB or Nazir as appointed by the Court. During the year ended June 30, 2021, the Modaraba deposited the SWWF amounting to Rs. 7.183 million with SRB, calculated on a proportionate basis and as advised by its legal counsel and consistent with the grounds adopted by the Modaraba in its petition. Subsequently the Modaraba paid PKR 3.092 million and PKR 1.999 during the financial years 2022-2023 and 2023-24 respectively calculated on a proportionate basis. However, the management has provided for full amount of WWF liability for the period from January 01, 2014 to September 30, 2024 in these condensed interim financial statements on a prudent basis.

		<b>Three months period ended September 30, 2024 (Un-audited)</b>	Three months period ended September 30, 2023 (Un-audited) (Restated)
<b>19 LEVY AND TAXATION</b>	Note	----- (Rupees) -----	
Levy	19.1	2,147,289	1,341,891
<b>Taxation</b>			
- Current		11,167,957	24,841,997
- Deferred		(587,623)	(9,288,718)
		10,580,334	15,553,279

**19.1** This represents final taxes paid under sections 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

## **20 EARNINGS PER CERTIFICATE - BASIC AND DILUTED**

Diluted earnings per certificate has not been presented as the Modaraba does not have any convertible instruments in issue as at September 30, 2024 and September 30, 2023 which would have any effect on the earnings per certificate if the option to convert is exercised.

## 21 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Parties which are related to the Modaraba as per the requirements of in pursuit of IAS 24 'Related Party Disclosures' and includes associates, directors, staff retirement benefit plans and key management personnel. Remuneration of key management personnel are in accordance with the terms of employment. Dividend payout is recorded at the rate approved by the Modaraba Management Company. The Management Company's remuneration is in accordance with the rate mentioned in the law. Contributions to the staff provident fund and staff gratuity fund are made in accordance with the service rules. Other transactions are at agreed rates. The Modaraba enters into transactions with related parties for lease of assets and other general services. These transactions are based on a transfer pricing policy under which all transactions are carried out on agreed terms.

### 21.1 Transactions during the period

	Three months period ended September 30, 2024 (Un-audited)	Three months period ended September 30, 2023 (Un-audited)
----- (Rupees) -----		
<b>OLP Financial Services Pakistan Limited - Holding Company of the Management Company</b>		
Dividend	9,076,706	9,076,706
Allocated cost to the Modaraba for Islamabad office	200,000	150,000
<b>OLP Services Pakistan (Private) Limited - Management Company</b>		
Management Company's remuneration	5,282,002	6,568,118
Dividend	9,076,706	9,076,706
Rent reimbursement	2,645,454	2,404,959
<b>Staff retirement benefits funds</b>		
Contribution made to OLP Modaraba - Staff Provident Fund	1,812,367	1,486,600
Contribution made to OLP Modaraba - Staff Gratuity Fund	1,511,336	1,238,338
Reimbursement from OLP Modaraba - Staff Gratuity Fund	699,451	122,712
<b>Layton Rahmatulla Benevolent Trust Hospital - Associate</b>		
Donation paid by the Modaraba	-	1,000,000
<b>Key management personnel</b>		
Salaries and benefits	18,696,242	21,423,070
Contribution to the staff provident fund	587,071	506,275
Contribution to the staff gratuity fund	489,030	421,727
Reimbursement from the staff gratuity fund	471,461	-
Income on Diminishing Musharaka arrangements	3,915,022	2,737,591
Profit on redeemable capital for the period	2,104,870	2,036,524
Redeemable capital issued (net off redemption)	-	11,500,000
No. of persons	7	7



## 21.2 Balances outstanding as at period / year end (other than disclosed in respective notes)

### OLP Financial Services Pakistan Limited - Holding Company of the Management Company

Certificate capital [Certificates held: 4,538,353  
(June 30, 2024: 4,538,353)]

September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees) -----	

45,383,530	45,383,530
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### OLP Services Pakistan (Private) Limited - Management Company

Certificate capital [Certificates held: 4,538,353  
(June 30, 2024: 4,538,353)]

45,383,530	45,383,530
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Remuneration payable to the Management company  
Payable against rent reimbursement

5,282,002	26,302,197
2,645,454	-

### Directors of the Holding Company of the Management Company

Certificate capital [Certificates held: 100,000  
(June 30, 2024: Nil)]

1,000,000	-
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### Directors of the Management Company

Certificate capital [Certificates held: 6,049  
(June 30, 2024: 106,049)]

60,490	1,060,490
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### Key management personnel

Accrued profit on finances under Diminishing Musharaka

77,211	105,032
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Profit payable on redeemable capital

6,994,433	7,984,682
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Redeemable capital [Certificates held: 59  
(June 30, 2024: 66)]

42,250,000	42,250,000
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## 22 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

### 22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table shows the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at September 30, 2024 (Un-audited)							
Carrying value				Fair value			
Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
<b>Financial assets measured at fair value</b>							
Investments	150,720,126	-	-	150,720,126	-	150,720,126	-
<b>Financial assets not measured at fair value</b>							
Cash and bank balances	-	-	898,728,231	898,728,231	-	-	-
Ijarah rentals receivable	-	-	65,826,704	65,826,704	-	-	-
Advances, deposits and other receivables	-	-	96,692,524	96,692,524	-	-	-
Diminishing Musharaka	-	-	5,539,327,565	5,539,327,565	-	-	-
<b>Total</b>	<b>150,720,126</b>	<b>-</b>	<b>6,600,575,024</b>	<b>6,751,295,150</b>	<b>-</b>	<b>150,720,126</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>							
Term finance arrangements	-	-	1,230,462,477	1,230,462,477	-	-	-
Security deposits	-	-	316,024,263	316,024,263	-	-	-
Creditors, accrued and other liabilities	-	-	342,592,032	342,592,032	-	-	-
Redeemable capital	-	-	4,943,535,000	4,943,535,000	-	-	-
Unclaimed profit distribution	-	-	148,369,675	148,369,675	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,980,983,447</b>	<b>6,980,983,447</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at June 30, 2024 (Audited)							
Carrying value				Fair value			
Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
<b>Financial assets measured at fair value</b>							
Investments	350,918,237	-	-	350,918,237	-	350,918,237	-
<b>Financial assets not measured at fair value</b>							
Cash and bank balances	-	-	329,627,579	329,627,579	-	-	-
Ijarah rentals receivable	-	-	69,821,374	69,821,374	-	-	-
Advances, deposits and other receivables	-	-	101,400,507	101,400,507	-	-	-
Diminishing Musharaka	-	-	5,284,579,457	5,284,579,457	-	-	-
<b>Total</b>	<b>350,918,237</b>	<b>-</b>	<b>5,785,428,917</b>	<b>6,136,347,154</b>	<b>-</b>	<b>350,918,237</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>							
Term finance arrangements	-	-	1,231,896,100	1,231,896,100	-	-	-
Security deposits	-	-	308,813,232	308,813,232	-	-	-
Creditors, accrued and other liabilities	-	-	398,255,510	398,255,510	-	-	-
Advance ijarah rentals received	-	-	4,645,531	4,645,531	-	-	-
Redeemable capital	-	-	4,287,535,000	4,287,535,000	-	-	-
Unclaimed profit distribution	-	-	57,602,615	57,602,615	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,288,747,988</b>	<b>6,288,747,988</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 23 SEGMENT INFORMATION

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan and all of its income is generated in Pakistan.

The Modaraba also has a diversified certificate holder population. As at September 30, 2024, there were only two (June 30, 2024: two) certificate holders who individually hold equal to or more than 10% of the Modaraba's certificate capital. Their holdings were 10% and 10% (June 30, 2024: 10% and 10%) respectively.

### 24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following amounts appearing on the statement of financial position:

	<b>Three months period ended September 30, 2024 (Un-audited)</b>	Three months period ended September 30, 2023 (Un-audited)
	.....(Rupees).....	
Cash and bank balances	<b>898,728,231</b>	345,050,620

### 25 CORRESPONDING FIGURES

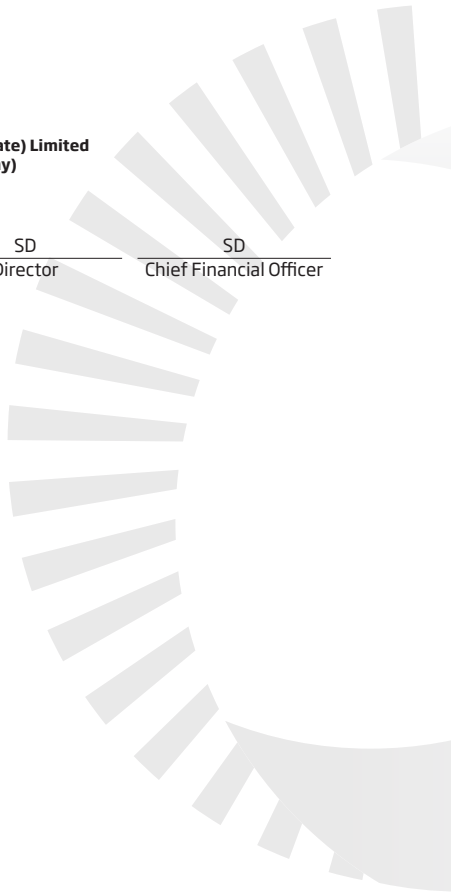
Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

## 26 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **October 23, 2024** by the Board of Directors of the Management Company.

**For OLP Services Pakistan (Private) Limited  
(Management Company)**

<u>SD</u> Chief Executive	<u>SD</u> Director	<u>SD</u> Director	<u>SD</u> Chief Financial Officer
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**OLP**

**OLP Modaraba**  
(Formerly ORIX Modaraba)

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