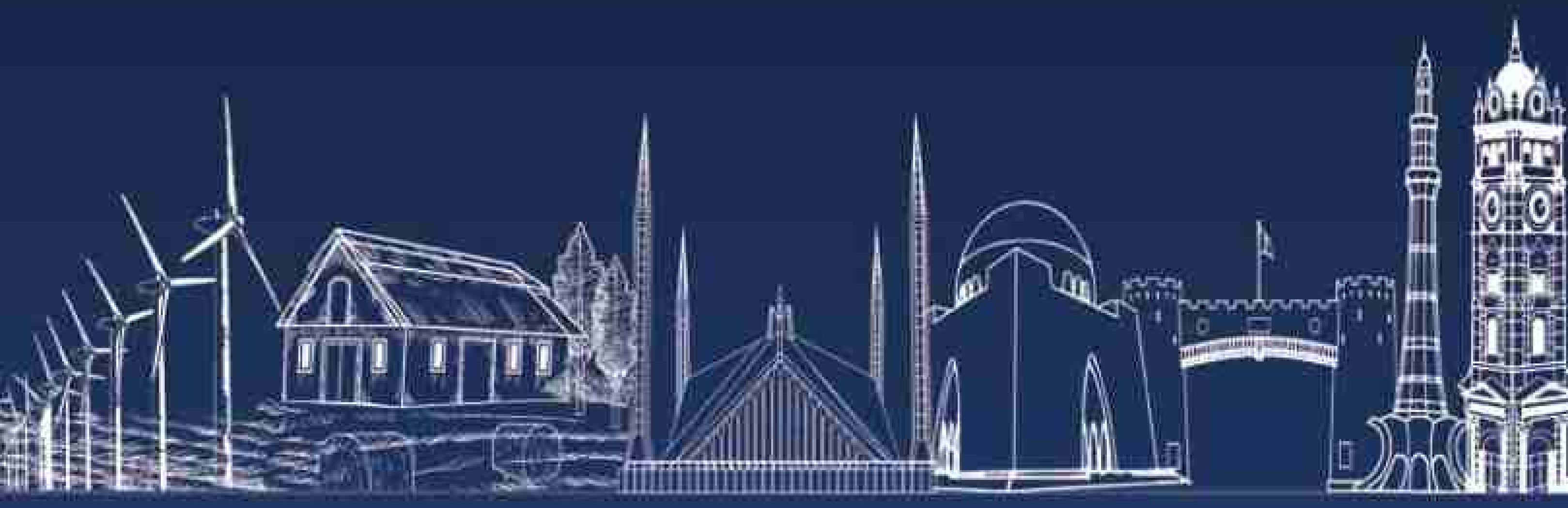
CATALYST
OF INCLUSION

OLP FINANCIAL SERVICES PAKISTAN LIMITED

ANNUAL REPORT 2025

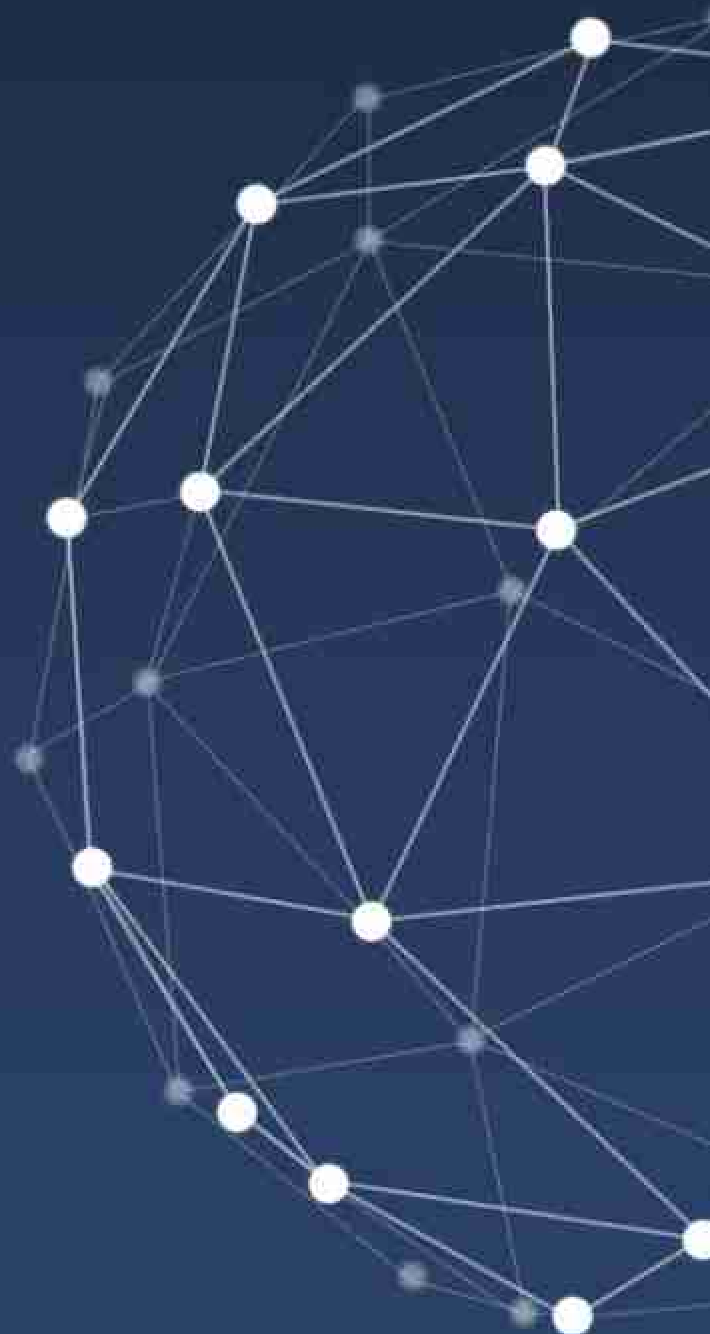


THEME

At OLP, we believe inclusion is more than a value, it is the driving force behind sustainable growth and meaningful impact. By embracing diverse perspectives, empowering underserved communities, and fostering equal opportunities, we position ourselves as a catalyst of inclusion in the financial sector.

This theme reflects how OLP is not only providing access to financial services but also creating pathways for broader participation in the economy. Whether through supporting SMEs, enabling entrepreneurs, or ensuring accessibility of our services across regions. We are committed to being a positive force that bridges gaps and drives collective progress.

Being a Catalyst of Inclusion means transforming barriers into opportunities ensuring that growth is shared and progress is inclusive.



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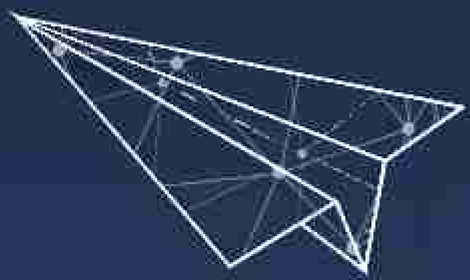
VISION

Excellence in pioneering creative and flexible financial services for a diverse market with particular emphasis on serving the needs of SME sector in Pakistan.



MISSION

A corporate culture and environment that attracts and fosters the best available talent, inspires trust of customers, promotes innovation in products and services, creates value for all stakeholders and is inclusive of support to the less privileged by improving their access to finance.

CORE VALUES

Innovation	We seek continuous improvement and encourage creativity
Ownership	We protect the interests of the Company as if it is our own business
Innovation	We work together to create synergies
Respect	We promote honesty and fairness in all our actions
Integrity	We respect each others' feelings and opinions
Customer Focus	We are because of our customers and our success lies in their satisfaction

STRATEGIC OBJECTIVES

- Enhance OLP brand image in the market as a leading diverse non-banking financial institution with strong brand loyalty.
- Be a role model for the industry with high standards of governance and risk assessment framework.
- Be recognized as making meaningful contribution to the economy and the society with a focus on micro and middle-tier segments.
- Maintain the highest credit ratings in the non-banking financial sector of Pakistan to provide maximum security to our depositors and lenders.
- Meet varying and diverse demands of customers through innovation and differentiation in our products.
- Take personalized customer service to next level through a highly trained and multi-skilled workforce.
- Become an employer of choice by creating a fair and conducive work environment that fosters growth and rewards talent.
- Bring transparency and control in all spheres of business and operations by introducing well-defined policies and procedures and training staff accordingly.
- Identify and capitalize on opportunities for generating sustainable sources of income to secure the future interests of all stakeholders.
- Maximize return to shareholders by steadily increasing ROE and ROA.

CODE OF BUSINESS ETHICS

It is vital to the financial success of OLP that we conduct our business in compliance with the rules and regulations applicable to and laid down by the Company. Our Code of Conduct sets out the fundamental standards to be followed by employees in their everyday actions.

- Acting in the best interests of the Company by ensuring that personal interests do not influence decision-making ability.
- Protecting OLP's proprietary and sensitive information by maintaining the highest level of confidentiality, both within and outside the Company.
- Compliance with applicable laws, rules and regulations in letter and spirit. Refrain from engaging in any illegal or unethical transaction.
- Maintaining a conducive working environment by respecting human rights and treating each other with respect, fairness and dignity.
- Exercising due care and acting within the scope of one's own authority.
- Maintaining a respectful and reverential attitude toward customers and conducting ourselves at all times to meet customers' needs.
- Considering values that serve to support and advance societal interests and harmony and conducting our business activities in a manner that promotes harmony with social and environmental issues.
- Committing to a secure and safe work environment and striving to maintain uninterrupted business continuity.
- Reporting the discovery of any illegal or unethical conduct and prohibiting any reprisal against or unfavorable treatment of OLP personnel who come forward in good faith to report issues.

COMPANY PROFILE

Completing 38 years is a great achievement for us. We have come a long way since our humble beginning. From building a diverse portfolio to having international investments, we have achieved a lot over the years. We take pride in the success we have shared, both with our customers and employees. We take pride in enabling our customers to grow, leaps and bounds, truly changing lives.

OLP Financial Services Pakistan Limited ("formerly ORIX Leasing Pakistan Limited") was established in July 1986 as a joint venture between ORIX Corporation, Japan and local investors. The Company is listed on the Pakistan Stock Exchange.

OLP is headquartered in Karachi and has 31 branches situated in 27 cities. Its major shareholder is ORIX Corporation having 49.6% shareholding. Established in 1964, ORIX Corporation is one of Japan's leading integrated financial services groups with operations in 28 countries worldwide. The group has experience of more than 60 years of operations and has a total base of Yen (¥) 17,000 billion and equity of Yen (¥) 4,223 billion as at June 30, 2025, which equates to US$ 117 billion and US$ 29 billion respectively.

OLP offers value-added financial products and innovative customized services to a wide array of customers throughout Pakistan. The blend of international experience and local expertise acquired over the last 38 years provides OLP a distinctive competitive edge. OLP takes pride in the fact that it has played a major role towards the economic development of the Country by supporting the Small and Medium Enterprises (SME) Sector and in doing so, has helped grow numerous small and medium businesses into larger enterprises and created thousands of jobs both directly and indirectly. Today, OLP is the largest SME focused Non-Banking Finance Company in Pakistan.

PARENT SUBSIDIARIES & ASSOCIATES

PARENT COMPANY

ORIX Corporation

Tokyo Headquarters, World Trade Center Building, 2-4-1, Hamamatsu-cho Minato-ku, Tokyo 105-6135, Japan
Tel:(81)-3-3435-3145
Fax:(81)-3-3435-3163
www.orix.co.jp

SUBSIDIARIES

OLP Modaraba

Office 601, 6th Floor, Syedna Tahir Saifuddin Memorial Trust Building Civil Lines, Beaumont Road, Karachi, Pakistan
Tel: (021) 35930000
www.olpmodaraba.com

OLP Services Pakistan (Private) Limited

Office 601, 6th Floor, Syedna Tahir Saifuddin Memorial Trust Building Civil Lines, Beaumont Road, Karachi, Pakistan
Tel: (021) 35930000

ASSOCIATED COMPANIES

Yanal Finance Company

3612, Prince Fawaz Bin Abdul Aziz, Postal code 12813, Riyadh 7997, Kingdom of Saudi Arabia
Tel: (9661) 2997777
www.yanal.com

SAMA Finance SAE

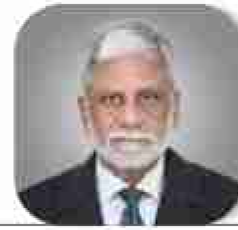
5th Floor, Cairo Center Building, 2, Abd El Kader Hamza Street, Garden City, Cairo 11461, Egypt
Tel: (202) 27922757-9
Fax: (202) 27922760
www.samafinance.com

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khalid Aziz Mirza
Chairman
and Non-Executive Director

Mr. Anwar Mansoor Khan
Independent
Non-Executive Director



Mr. Rashid Ahmed Jafer
Independent
Non-Executive Director

Mr. Yoshiaki Matsuoka
Non-Executive Director

Ms. Keiko Watanabe*
Non-Executive Director

Ms. Kazuhito Inoue
Non-Executive Director

Mr. Ramon Alfrey
Non-Executive Director

Mr. Shaheen Amin
Chief Executive Officer

* Resigned on September 25, 2025. Ms. Yoko Miura is nominated for appointment in place of Ms. Keiko Watanabe, subject to necessary process and regulatory approval.

Audit and Risk Committee

Mr. Rashid Ahmed Jafer - Chairman
Ms. Keiko Watanabe*
Ms. Kazuhito Inoue
Mr. Ramon Alfrey

Human Resource, Nomination and Remuneration Committee

Mr. Anwar Mansoor Khan - Chairman
Mr. Khalid Aziz Mirza
Mr. Yoshiaki Matsuoka
Mr. Shaheen Amin

Credit Committee

Mr. Yoshiaki Matsuoka - Chairman
Mr. Ramon Alfrey
Mr. Shaheen Amin

Compensation Committee

Mr. Rashid Ahmed Jafer - Chairman
Mr. Khalid Aziz Mirza
Mr. Yoshiaki Matsuoka

Chief Financial Officer

Mr. Abid Hussain Awan

Company Secretary

Mr. Salman Ali

Head of Internal Audit and Secretary to Audit Committee

Mr. Asad Ali

Head of Compliance

Mr. Rashid Ahmed

Credit Rating by VIS

Long term entity rating AAA
Short term entity rating A1+

Credit Rating by PACRA

Long term entity rating AA+
Short term entity rating A1+

Legal Advisors

M/s Mohsin Tayebaly & Co.

External Auditors

KPMG Taseer Hadi & Co
Chartered Accountants
Sheikh Sultan Trust Building, Ground No.2
Beaumont Road, Civil Lines, Karachi

Registrar and Share Transfer Office

FAMCO Share Registration Services (Pvt.) Limited
8-F, Near Hotel Faran, Nursery, Block-6,
P. E. C. H. S., Shahra-e-Faisal, Karachi.
Tel: (92-21) 34380101-5, 34384621-3

Shariah Advisor

Al Hamd Shariah Advisory Services
(Pvt.) Limited

Banks and Lending Institutions

1. Allied Bank Limited
2. Askari Bank Limited
3. Bank Al Habib Limited
4. Bank Alfalah Limited
5. Faysal Bank Limited
6. Habib Bank Limited
7. Habib Metropolitan Bank Limited
8. JS Bank Limited
9. Karandaaz Pakistan
10. MCB Bank Limited
11. Meezan Bank Limited
12. SCB (Pakistan) Limited
13. Easypaisa Bank Limited
14. United Bank Limited
15. Pak China Investment Company Limited
16. Pakistan Kuwait Investment Company (Private) Limited.

Registered and Head Office

OLP Building, Plot No.16, Sector No.24,
Korangi Industrial Area, Karachi-74900,
Pakistan.

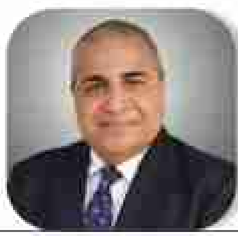
* Resigned on September 25, 2025. Ms. Yoko Miura is nominated for appointment in place of Ms. Keiko Watanabe, subject to necessary process and regulatory approval.

MEET THE TEAM

Mr. Shaheen Amin
Chief Executive Officer

Mian Faysal Riaz
Chief Operating Officer

Mr. Abid Hussain Awan
Chief Financial Officer



Mr. Imtiaz Ahmed Chaudhry
Group General Manager

Mr. Waqas Ahmed Khwaja
Head of Marketing

Mr. Shafiq Ur Rehman
Head - Corporate Division

Mr. Fahad Shahzad Memon
Head - Consumer Auto Division

Mr. Adnan Ishaq
Head - Commercial Vehicle Division

Ms. Aseya Qasim
Head - Term Finance & Agri Business

Mr. Hamood Ahmed
Head - Credit Risk Management

Mr. Umair Alam Zia
Head - Business Control

Mr. Salman Ali
Company Secretary

Mr. Shahzad Rana Younus
Head - Information Systems

Mr. Ikrema Mehmood
Head - Human Resources

Mr. Muhammad Aslam
Head - Special
Asset Management

Mr. Muhammad Ikram
Head - IT Transformation

Mr. Nadeem Amir Ali
Head - Enterprise Risk Management

Mr. Asad Ali
Head - Internal Audit

Mr. Mamoon Ishaq
Head - Administration

Mr. Rashid Ahmed
Head - Compliance

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, it is my privilege to present the Annual Report of OLP Financial Services Pakistan Limited for the year ended June 30, 2025.

The past year has marked a turning point for Pakistan's economy. Signs of recovery are evident since growth has stabilized, inflation has remained under control, and the country has recorded its first current account surplus in fourteen years. With monetary policy easing and renewed investor confidence, the foundations for sustainable growth are being laid. For OLP, these positive shifts have underscored the importance of maintaining resilience while preparing to capture emerging opportunities.

Guided by prudence, OLP pursued a cautious origination strategy while strengthening portfolio quality. New disbursements reached Rs. 20.57 billion, up from Rs. 16.04 billion last year, reflecting our expanding outreach to SMEs. Total assets grew by 10.8% to Rs. 35.41 billion, supported by strong recoveries and effective portfolio management. These efforts reduced delinquent accounts, underscoring our commitment to disiplined risk oversight.

Profit before tax stood at Rs. 2,012 million, a 12.41% decline from the previous year, while profit after tax was Rs. 1,225 million, down 12.02%. These results mirror the impact of lower interest rates on returns from the equity-funded book. Nevertheless, the strength of our fundamentals was affirmed by VIS which assigned credit rating of "AAA" (long term) and "A1+" (short term). PACRA also maintained our credit ratings at "AA+" long-term and "A1+" short-term, being highest in the private NBFI sector.

As we look forward, OLP remains committed to its role as a Catalyst of Inclusion. Our mission goes beyond financial intermediation: it is about empowering underserved communities, expanding SME access, and ensuring that growth translates into shared prosperity. This vision is anchored in our people, the driving force behind every achievement and in the institutional strengths we have built over three decades: sound governance, robust risk management, and sustainable growth practices.

On behalf of the Board, I extend my deepest appreciation to our employees, customers, regulators, and stakeholders for their trust and partnership. Together, we will continue to position OLP as a resilient, innovative, and inclusive financial institution, ready to meet the challenges and opportunities of the years ahead.

KHALID AZIZ MIRZA
Chairman

چیئرمین کا پیغام

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2025 کو ختم ہونے والے سال کے لیے OLP فنانشل سروسز پاکستان لمیٹڈ کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

گزشتہ سال پاکستان کی معیشت کے لیے ایک اہم موڑ ثابت ہوا۔ بحالی کی علامات واضح ہیں کیونکہ شرح نمو مستحکم ہو گئی ہے، افراط زر قابو میں رہا ہے، اور ملک نے چودہ سال بعد اپنا پہلا کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا ہے۔ مانیٹری پالیسی میں نرمی اور سرمایہ کاروں کے اعتماد کی بحالی کے ساتھ، پائیدار ترقی کی بنیادیں مضبوط ہو رہی ہیں۔ اوایل پی کے لیے یہ مثبت تبدیلیاں اس امر کو اجاگر کرتی ہیں کہ لچک کو برقرار رکھتے ہوئے ابھرتے ہوئے مواقع سے فائدہ اٹھانے کی تیاری کی جائے۔

محتاط حکمتِ عملی کے تحت اوایل پی نے متوازن طریقے سے نئے مالیاتی طرز پر عمل کیا اور پورٹ فولیو کے معیار کو مزید مستحکم کیا۔ اس دوران، نئی ادائیگیاں بڑھ کر 20.57 بلین روپے تک پہنچ گئیں، جو گزشتہ سال کے 16.04 بلین روپے کے مقابلے میں زیادہ ہیں اور اس سے SMEs تک ہماری بڑھتی ہوئی رسائی کی عکاسی ہوتی ہے۔ کل اثاثے 10.8 فیصد بڑھ کر 35.41 بلین روپے ہو گئے، جسے مضبوط ریکوریز اور موثر پورٹ فولیو مینجمنٹ نے سہارا دیا۔ ان کوششوں کے نتیجے میں بقایاجات کی شرح میں نمایاں کمی آئی، جو ہمارے نظم و ضبط پر مبنی رسک کنٹرول کے عزم کو ظاہر کرتی ہے۔

قبل از ٹیکس منافع 2,012 ملین روپے رہا، جو گزشتہ سال کے مقابلے میں 12.41 فیصد کمی کو ظاہر کرتا ہے؛ جبکہ بعد از ٹیکس منافع 1,225 ملین روپے رہا جو 12.02 فیصد کمی ہے۔ یہ نتائج بنیادی طور پر شرح سود میں کمی کے اثرات کو اجاگر کرتے ہیں جس نے ایکویٹی سے فنڈ کیے گئے پورٹ فولیو کی آمدنی کو متاثر کیا۔ اس کے باوجود، ہماری بنیادی طاقت کو اس وقت تقویت ملی جب VIS نے ہمیں طویل مدتی "AAA" اور قلیل مدتی "A1+" کریڈٹ ریٹنگ دی۔ پی اے سی آر اے (PACRA) نے ہماری کریڈٹ ریٹنگز برقرار رکھیں: طویل مدتی کے لیے "AA+" اور قلیل مدتی کے لیے "A1+"، جو نجی نان بینکنگ فنانشل انسٹی ٹیوشنز (NBFI) سیکٹر میں سب سے بلند ہیں۔

مستقبل کو دیکھتے ہوئے، اوایل پی اپنی حیثیت کو Catalyst of Inclusion کے طور پر مزید مستحکم رکھنے کے لیے پرعزم ہے۔ ہمارا مشن محض مالی ثالثی تک محدود نہیں بلکہ اس کا مقصد محروم طبقات کو بااختیار بنانا، چھوٹے اور درمیانے درجے کے کاروباروں (SMEs) تک مالی سہولیات کی فراہمی کو وسعت دینا اور اس بات کو یقینی بنانا ہے کہ ترقی کے ثمرات مشترکہ خوشحالی کی صورت میں سب تک پہنچیں۔ یہ وژن ہمارے لوگوں میں رچا بسا ہے جو ہر کامیابی کے پیچھے متحرک قوت ہے، اور ان ادارہ جاتی مضبوطیوں میں ہے جو ہم نے تین دہائیوں میں تعمیر کی ہیں: مستحکم گورننس، مضبوط رسک مینجمنٹ اور پائیدار ترقی کے اصول۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام اسٹیک ہولڈرز، ریگولیٹرز اور ملازمین کا تہہ دل سے شکریہ ادا کرنا چاہوں گا جنہوں نے اس مشکل وقت میں کمپنی کو چلانے میں عزم اور لگن کے ساتھ اپنا حصہ ڈالا جسکی بدولت آنے والے سالوں کے مواقعوں سے مستفید اور درپیش چیلنجز سے نمٹنے میں کارگر ثابت ہوگی۔

خالد عزیز مرزا

چیئرمین

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the thirty ninth annual report of OLP Financial Services Pakistan Limited (OLP/ the Company) together with the Unconsolidated Financial Statements for the year ended June 30, 2025.

The Company

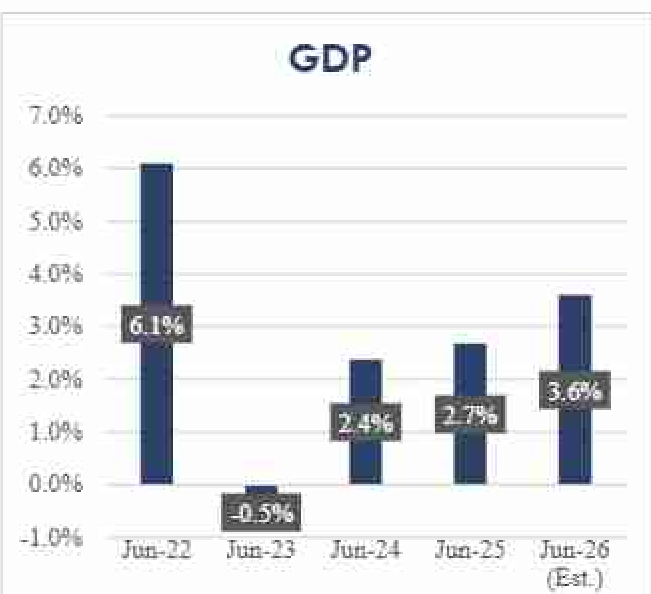
The Company was established in 1986 as a joint venture between ORIX Corporation, Japan (ORIX) and local investors. Licensed by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, OLP operates as an Investment Finance Services provider. OLP caters to the diverse financial needs of corporate and individual clients. With a focus on empowering the Small and Medium Enterprise (SME) sector, OLP delivers customized financial solutions to support business growth and development.

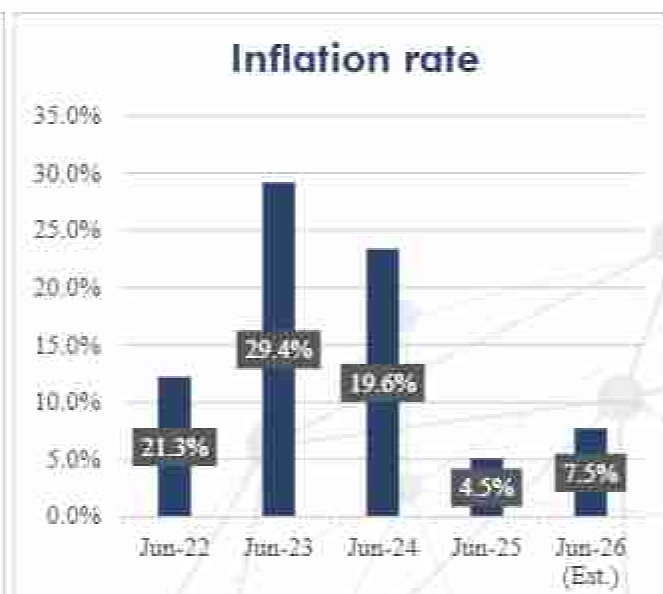
Overview of the Economy

Pakistan's economy witnessed a turnaround in FY2025 despite structural challenges. Pakistan's real GDP recorded a growth of 2.68 percent in FY2025, underpinned by broad based stabilization across key macroeconomic indicators. The real, fiscal, financial and external sectors exhibited sustained resilience and continued signs of recovery. Fiscal consolidation efforts continued in FY2025, strengthening discipline through higher revenues and more efficient spending.

This is reflected in notable year-on-year growth in automobile sales, fertilizer offtake, credit to private sector, imports of intermediate goods and machinery and purchasing manager's index in recent months. This improvement in high-frequency indicators has now also started to reflect in Large Scale Manufacturing data, which showed year-on-year increase of 2.3% in the fourth quarter after five months of contraction. Supported by easing financial conditions, positive business sentiments and a gradually strengthening macroeconomic environment, real GDP growth is projected to rise to 3.25 – 3.6 % this year from the provisional estimate of 2.7 % in FY25. Inflation averaged 4.5% for FY2025, a substantial reduction from 19.6% during the same period last year. Standard and Poor (S&P) has upgraded Pakistan rating to (B-) due to implementation of reforms and reduction in sovereign default risk.

The following graphical presentations illustrate the key indicators of the country's economic performance:





The State Bank of Pakistan, in its latest monetary policy committee meeting, has projected inflation to stabilize around 7.5% for the year ending June 30, 2026. Progressive rate cuts during the year coincide with a significant easing of inflation. The benchmark policy rate is expected to remain aligned with inflation in the upcoming calendar year. The policy rate and KIBOR movement during the last few years follows:

	Jun-22	Jun-23	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Policy Rate	13.75%	22.00%	20.50%	17.50%	13.00%	12.00%	11.00%
3M KIBOR	15.16%	22.91%	20.24%	16.13%	12.14%	12.18%	11.41%
6M KIBOR	15.35%	22.97%	20.14%	15.20%	12.16%	12.13%	11.44%

Pakistan's budget for FY2026 was announced in June 2025. Projected total outlays are Rs. 17.6 trillion after netting off provincial share of Rs. 8 trillion, reflecting decrease of 7% compared to the budgeted outlay of FY2025. Gross revenue receipts are expected at Rs19.3 trillion, with Federal Board of Revenue (FBR) tax collection is envisaged at Rs. 14.13 trillion; nearly 9% higher than the outgoing fiscal year. The FY2026 budget has set an ambitious headline deficit target of 3.9% of GDP.

Business Review

Pakistan's economy is expected to maintain its recovery trajectory in FY2026, supported by improved macroeconomic fundamentals and rising investor confidence. Benefiting from these conditions, OLP executed a comprehensive strategy aimed at sustaining business operations, optimizing costs, and enhancing operational efficiency.

In line with improved economic activity, OLP achieved new disbursements of Rs. 19.11 billion, reflecting a growth of 32% compared to Rs. 14.56 billion in the previous year. The Company's vehicle leasing and financing segment, which comprises commercial vehicles and saloon cars, remained the major contributor, accounting for 84% of total disbursements during the year. As of June 30, 2025, OLP's finance and lease portfolio stood at Rs. 29.0 billion; 14% higher than the portfolio of Rs. 25.5 billion in the prior year.

OLP's extensive footprint, with 33 branches across Pakistan, enables the Company to serve a diverse customer base while effectively managing concentration risk. As of June 30, 2025, the largest single customer exposure represented just 0.9% of the portfolio, reflecting strong diversification. By asset type, vehicles accounted for 85.1% of the finance and lease portfolio, followed by plant and machinery at 12.8%.

During the year, the Company further strengthened its portfolio quality, achieving a notable reduction in delinquency level. This improvement was driven by prudent origination practices with a strong emphasis on risk and quality, effective portfolio management and close monitoring of overdue accounts. In parallel, OLP pursued out-of-court settlements with long-outstanding overdue customers while intensifying efforts to address newly delinquent accounts.

OLP Services Pakistan (Private) Limited (OSPL), a wholly owned subsidiary of OLP, initiated automobile service operations to assess the dynamics of the automobile service sector with a view to potential future integration with OLP's operating business segments. Receivables from OSPL represent expenses incurred on behalf of the subsidiary for these operations. During the year, however, the automobile service business was suspended due to a non-competitive market environment and the dominance of the informal sector. Consequently, the receivable of Rs. 97 million has been charged off under other provisions.

In addition, an impairment of Rs. 87 million has been recognized against the investment in OPP (Private) Limited, owing to limited availability of financial information, as the matter remains under litigation for winding up.

Yanal Finance Company, OLP's associated company operating in the Kingdom of Saudi Arabia, showed improved profit. OLP's share in profit from its associate amounted to Rs. 154 million (FY 2024: Rs. 139 million); a 10.7% increase over the preceding year.

OLP Modaraba (OLPM) reported net profit of Rs. 174 million for the year; 10% higher than the previous year's profit of Rs. 158 million. Total assets at Rs. 8,873 million were 15% higher than last year (June 30, 2024: Rs. 7,738 million). OLPM declared a cash dividend 25% for the year.

Financial Performance

OLP's financial results are summarized below:

		2025	2024
		-----------Rupees-----------	
Profit before taxation		2,012,384,635	2,290,853,975
Taxation		786,913,599	897,943,253
Profit for the year after taxation		1,225,471,036	1,392,910,722
Appropriations:	transfer to statutory reserve	61,273,552	69,645,536
	Interim dividend	350,815,294	350,815,294
	Final dividend	613,926,765	526,222,941
		964,742,059	946,683,771
Earnings per share – basic and diluted		6.99	7.94

OLP recorded a pre-tax profit of Rs. 2.01 billion in FY2025 compared to Rs. 2.29 billion in FY2024, reflecting a decline of 12%. Profit after tax stood at Rs. 1.22 billion (FY2024: Rs. 1.39 billion); 12% lower than the previous year. Lower profit is primarily attributable to a declining interest rate environment, which reduced earnings on the Company's equity-funded portfolio.

Dividend

The Directors are pleased to recommend a final cash dividend of 35% for the year ended June 30, 2025. This is in addition to interim cash dividend of 20% paid during the year which brings the total dividend for the year to 55% (2024: total cash dividend of 50%).

Revenue

The Company reported annual revenue of Rs. 6,964 million; 13% lower than Rs. 7,984 million earned in the previous year.

Income from the lease and loan portfolio decreased by 14.7% to Rs. 5,892 million compared to Rs. 6,885 million in FY2024. The reduction was primarily due to a lower interest rate environment, as consistent downward KIBOR repricing contributed to reduced portfolio yields. However, the overall impact was partially offset by a 14% growth in the Company's lease / loan portfolio.

Other income for the year decreased by 4.4% to Rs. 917 million from Rs. 959 million in FY2024. This was supported by a diversified mix of income streams, including returns on Government securities, gains from premature contract cancellations, documentation fees from new business and miscellaneous other incomes. In line with prudent risk management, OLP maintained excess liquidity in Government securities, ensuring stability.

Expenses

Total expenses for the year, excluding provision for potential lease and loan losses, were Rs. 4,868 million; 11.8% lower than last year's Rs. 5,519 million. A breakup of expenses follows:

- Finance cost for the year decreased by 18.5% to Rs. 3,158 million (FY2024: Rs. 3,876 million). Notably, total borrowings increased to Rs. 21.5 billion as of June 30, 2025 (FY2024: Rs. 18.2 billion). OLP's bank borrowings are priced on a variable-rate basis, accordingly, finance costs declined due to the easing interest rate trend during FY2025. The cost of the Company's Certificates of Deposit (COD) portfolio also decreased with the issuance of new CODs in line with declining interest rate.

- Administrative and general expenses increased 3.7% from Rs. 1,615 million to Rs. 1,675 million driven primarily by a 6.2% increase in staff costs. The increase was partly mitigated by a 3.6% reduction in total staff numbers from 494 to 476. Notably, other expenses were controlled.

- Direct cost increase by 24.5% to Rs. 34 million (FY2024: Rs. 27 million) during the current year. Direct cost mainly comprise of stamp duty on new business, expenses associated with portfolio, life insurance for retail clients and other expenses.

Expected Credit Loss / Provision for lease and loans

OLP's non-performing portfolio (over 90 days past due) stood at Rs. 655 million as of June 30, 2025 (FY2024: Rs. 641 million). The Company recorded a reversal of provision charge of Rs. 143 million in FY2025 compared to reversal of Rs. 42 million in FY2024.

Provisions for potential lease and loan losses are maintained in line with an Expected Credit Loss (ECL) model under accounting standard IFRS 9, supplemented by subjective provisions as management overlays which is allowed by the standard. The accumulated provision for potential lease and loan losses stood at Rs. 668 million, providing 100% coverage against all accounts over 90 days past due (FY2024: 119%).

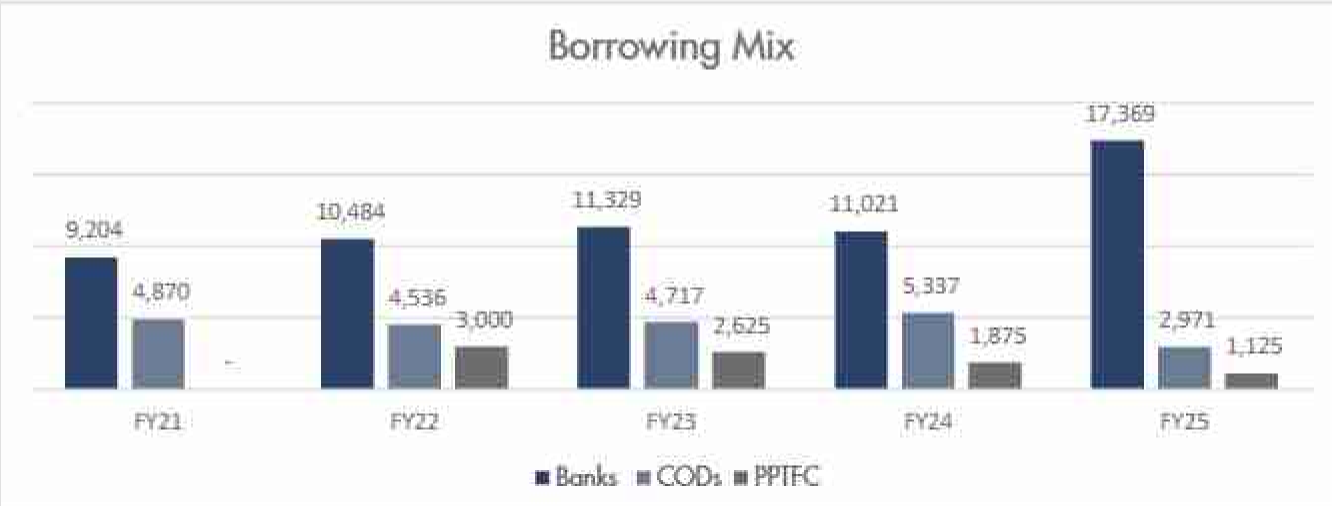
Taxation

Tax expense of Rs. 787 million was recorded for the year; 15% lower than the tax expense of Rs. 898 million, which includes super tax of 10%.

Funding and Liquidity

The Company's borrowings comprise a diversified mix of funding sources, including bank loans, Certificate of Deposit (COD) and Privately Placed Term Finance Certificates (PPTFC). The Company has established strong relationships with ten financial institutions, securing secured loan facilities in the form of long-term loans and overdrafts at competitive market rates. Additionally, OLP issues CODs, which are unsecured borrowings from individual and institutional investors.

A breakup of OLP's borrowings follows:



The Company's debt to equity ratio as of June 30, 2025 was 2.0 (June 30, 2024: 1.74) while Capital Adequacy Ratio (CAR) was 27.40% (June 30, 2024: 30.23%) which is well above the regulatory requirement of 10%. This is indicative of the Company's strong capital position.

Risk Management

OLP has established a comprehensive risk management framework, which is crucial to the Company's success. This framework enables proactive identification and management of potential risks through:

- Oversight by the Board and committees
- Multi-tier supervision by department heads and management committees
- Effective policies and procedures
- Strong control mechanisms
- Robust IT systems

The framework is regularly updated to reflect changes in business dynamics, regulatory requirements, and overall business strategies.

The Board's Audit & Risk Committee (BA&RC), comprising four directors and chaired by an Independent Director, enhances governance and implementation of risk management policies. The Management Committee oversees and executes Board-approved guidelines, while day-to-day risk management activities are delegated across various levels.

OLP has implemented an Enterprise Risk Management (ERM) framework, which applies to all functions, ensuring a consistent approach to risk management. This framework enables the Board to comprehensively review risks across operations and segments, providing guidelines for mitigation while aligning with strategic objectives.

Our proactive risk management strategy, underpinned by regular monitoring and reporting, allows us to manage uncertainties, positioning OLP for long-term success while upholding the interests of our stakeholders. The following section outlines the risk management measures adopted by the Company to address major risks.

Credit Risk

OLP has Board-approved Credit Risk Policies that provide guidelines for extending credit to various economic segments and product lines. These policies enable the Company to manage and control credit risk by setting exposure limits, monitoring adherence, and continuously reviewing guidelines to address evolving market dynamics.

The Risk Management Department (RMD) oversees credit risk policy adherence and reports to the Board's Credit Committee. OLP emphasizes portfolio monitoring, early risk identification and implements tools to support business growth while managing credit risks.

The Company uses a scorecard approach to assess corporate customer credit risk at inception and reporting dates, monitoring for any deterioration. RMD closely monitors high-risk sectors, escalates concerns to management and collaborates with the Marketing Department to manage existing portfolio exposure.

OLP's robust credit risk management approach has resulted in a well-diversified portfolio with a consistent low non-performing loans ratio.

Liquidity Risk & Market Risk

OLP's Board-approved Asset Liability Management Policy outlines the Company's risk appetite for liquidity and market risks, overseen by the Asset Liability Management Committee (ALCO). ALCO meets monthly to review economic and market conditions' impact on profitability, liquidity, and fund management. The committee monitors ALM ratios, current and future cash flow position and manages liquidity risk by diversifying funding sources, securing credit lines, and balancing lending and borrowing. OLP's funding sources include bank borrowings, certificates of deposit, and privately placed term finance certificates, ensuring a diversified mix of lenders.

A liquidity contingency plan ensures alternative funding strategies and maintains liquidity reserves in liquid Government securities, besides liquid securities which are also held for compliance with statutory requirements. ALCO also manages market risk from interest rate fluctuations by formulating pricing strategies, monitoring market interest rates, and matching lending and borrowing portfolios.

The Company limits interest rate risk by ensuring a substantial portion of its lease/loan portfolio's interest rate profile matches financial obligations, with acceptable limits. OLP can reposition assets and liabilities or execute interest rate swaps if necessary. A sufficient profit margin is charged to cover rapid rate fluctuations.

Operational Risk

OLP has established policies and procedures to manage operational risks systematically and consistently, with regular reviews to ensure relevance in the evolving operational landscape. Operational risks are mitigated through a control framework, proactive monitoring, and addressing potential risks. To minimize operational risks, OLP has strengthened its Internal Audit, Risk Management, and Compliance functions, which ensure policy adherence and monitor key risk indicators, operational disruptions, and potential failures. A comprehensive regulatory risk management process is in place, with the Compliance Function ensuring the effectiveness of controls around regulatory requirements on an ongoing basis.

Particular focus is maintained on high-risk areas such as system failures, breaches of internal controls, and instances of fraud or forgery. To mitigate these, OLP continuously enhances IT security, clearly defines individual responsibilities, and works to improve operational efficiency and effectiveness through both automation and human resource development. Orientation and training are regularly provided to new and existing staff on the Company's Code of Conduct, Anti-Money Laundering, Anti-Fraud, and Whistleblowing Policies to reinforce ethical standards and prevent misconduct.

Sustainability in Action

At OLP, Environmental, Social, and Governance (ESG) considerations form an integral part of our corporate ethos. During the year, we developed a comprehensive ESG policy that provides a strategic framework for embedding responsible practices across all aspects of our business. This policy ensures alignment with standards and reinforces our commitment to creating long-term value for stakeholders while addressing environmental and social challenges responsibly.

To strengthen oversight, the Board Audit & Risk Committee (BA&RC) has been empowered through enhanced Terms of Reference, enabling effective enforcement of sustainability practices across the company.

Building on our ESG framework, OLP has formally incorporated ESG considerations into its investment and financing decisions. Depending on the nature of ESG risks associated with a borrower or customer's operations, a corrective action plan may be developed with defined timelines for implementing appropriate mitigation measures to ensure compliance with OLP's ESG requirements. These plans are designed to reduce potential ESG risks to an acceptable level in the context of each transaction and are tailored to the specific risks identified during ESG due diligence or subsequent monitoring.

Notably, a significant part of the Company's energy requirements at the Head Office and selected branches are met through renewable sources, reflecting OLP's role as an early adopter of clean energy within the NBFC sector.

In line with this commitment, OLP is already financing solar power for its customers and is now working towards developing it into a dedicated product. Alongside this, the Company continues to explore additional green opportunities while assessing the impact of climate-related risks and opportunities on its business, strategy, and financial planning across short, medium, and long-term horizons. These initiatives not only strengthen the resilience of OLP's strategic direction but also reinforce its role as a catalyst of inclusion, extending the benefits of sustainable finance to individuals, businesses, communities and the environment.

Corporate Social Responsibility

While ESG and sustainability guide our business and operational practices, OLP's CSR initiatives reflect our direct commitment to the communities we serve. Our commitment to Corporate Social Responsibility (CSR) is demonstrated through sustained support for institutions that provide healthcare and education to underprivileged communities and individuals.

During the year, OLP broadened its philanthropic outreach by extending financial assistance to several deserving segments of society. In healthcare, the Company continued its tradition of supporting leading institutions, contributing to renowned hospitals such as LRBT, Indus Hospital, Lady Dufferin Hospital, Shaukat Khanum Memorial Trust, and The Kidney Centre, among others. Additional contributions were made to organizations including Friends of Burns Center and Marie Adelaide Leprosy Center, which play a vital role in providing specialized medical care.

In the field of education, OLP supported institutions dedicated to delivering quality education to underserved populations, including The Citizens Foundation, Family Education Services Foundation and Behbud Association. The Company also contributed to the IBP School of Special Education, promoting the welfare and development of differently-abled children.

In addition, OLP extended support to various NGOs working for the welfare of marginalized communities, thereby reinforcing its dedication to inclusive growth and social uplift.

Nurturing Talent, Culture and Purpose

People remain OLP's greatest strength. The Company is committed to leadership development and employee growth as central pillars of its Human Capital Development strategy. A structured succession planning process identifies and nurtures future leaders, while learning programs, spanning policy awareness, soft skills, and targeted upskilling, equip employees to meet evolving business challenges.

OLP fosters a motivating workplace culture through recognition initiatives such as annual awards, performance-based bonuses, and commemorative mementos. These efforts reinforce our belief that celebrating employee contributions is essential to sustaining engagement and high performance.

Collaboration across business units, geographies, and functions is at the core of our operations, strengthening team cohesion and aligning outcomes with corporate Purpose. By nurturing fairness, growth, and recognition, OLP ensures a supportive and inclusive environment where employees are empowered to thrive.

Diversity, inclusion and equality

Diversity and inclusion remain a cornerstone of OLP's strategic vision. During the year, a comprehensive DEI policy was introduced, grounded in industry benchmarks and global best practices. This framework drives measurable outcomes and fosters an equitable workplace.

For the year ended June 30, 2025, the Company reported a Mean Gender Pay Gap of 33.2% and a Median Gender Pay Gap of 24.4%, primarily due to the higher concentration of female staff in paraprofessional roles. We acknowledge the need for continued progress and remain committed to reducing these gaps by enabling equal opportunities for growth and leadership.

As part of embedding DEI principles into our culture, OLP offered internship opportunities to a record number of female candidates entering the financial industry, further reinforcing our commitment to building an equitable and representative workplace. Additionally, the Company has Protection Against Harassment Policy in line with the prevailing laws and regulations, strengthening safeguards against discrimination and harassment, and reinforcing a safe and respectful work environment.

Corporate Governance, Internal Control and Compliance

A strong corporate governance structure plays an important role in the success of a company, especially in volatile business conditions. OLP's governance framework, which includes well-established policies, clearly defined roles and strong internal controls, is instrumental in the success of the Company. This framework places a strong emphasis on transparency, accountability, and adherence to regulations.

The Board of Directors heads OLP's governance structure. The Board comprised of 2 independent directors, 3 nominee directors, 2 non-executive directors and 1 executive director (chief executive as deemed director). To discharge their duties more effectively, the Board has constituted the following sub-committees:

i. Board Human Resource, Nomination and Remuneration Committee (BHRN&RC)
ii. Board Audit & Risk Committee (BA&RC)
iii. Board Credit Committee (BCC)
iv. Board Compensation Committee

Apart from the Board Committees, the Company has management committees with clear responsibilities and Terms of References (TOR). These committees include the Management Committee, Credit Committee, Asset Liability Management Committee, and IT Steering Committee. Each of these committees adds value to the governance process by involving senior staff members who contribute their extensive expertise in devising strategies, formulating business plans, and overseeing operations.

The Internal Audit and Compliance departments maintain a direct reporting line to the Board via the Audit & Risk Committee (BA&RC). At the beginning of each year, the internal audit department formulates an audit plan based on risk assessment, which is reviewed by the BA&RC. During the year, the BA&RC assesses the progress of internal audits and offers insights to management for refining controls in line with the audit suggestions.

The internal audit department's role extends beyond merely evaluating adherence to policies, procedures, and regulatory mandates; it also includes advisory support for improving policies to align with industry benchmarks and best practices.

The Company places significant emphasis on adhering to all regulatory requirements to foster a culture of compliance across all organizational levels. OLP is fully aligned with the Country's regulatory framework and also strives to align with best industry practices. The Company's compliance function is responsible for ensuring conformity with prevailing regulations pertaining to the Company's operations. Given the heightened regulatory focus, particularly concerning anti-money laundering and counter-terrorist financing, the Company has also increased its oversight measures.

In addition to its lending activities, OLP manages a considerable portfolio of certificate of deposit. A robust compliance framework is imperative for the success of this product. The Company has taken numerous measures to guarantee full compliance with regulatory mandates, including sanctions screening as per UN/NACTA requirements, rigorous Customer Due Diligence (CDD) and Know Your Customer (KYC) procedures. Regular AML/CFT compliance audits of business functions are conducted by the compliance department to verify adherence to all relevant regulations.

Moreover, the compliance department conducts training sessions on Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT) regulations. These sessions aim to educate staff about AML/CFT protocols and ensure alignment with the corresponding regulatory mandates.

Board of Directors and Board Committees

The composition of the Board of Directors and its sub-committees are given in the Statement of Compliance at page no. 41.

Evaluation of the Performance of the Board

OLP follows a structured procedure for assessing the performance of its Board of Directors and committees, as stipulated by the Listed Companies (Code of Corporate Governance) Regulations, 2019. This evaluation is conducted annually; in-house for two years and by an independent external consultant in the third year.

During the year, the evaluation exercised for year ended June 30, 2025 was conducted in-house. Within this evaluation process, assessment questionnaires were disseminated to Board members, who submitted their responses directly to the Company Secretary while maintaining confidentiality of the process. The compilation of these responses were overseen by the Company Secretary and was then presented to the Board Human Resource Nomination and Remuneration Committee for review. The final report was then subsequently shared during a Board Meeting and areas for improvement were highlighted.

Board's Remuneration Policy

The Company has a well-defined Board of Directors Remuneration Policy in place, which outlines the framework for determining compensation for directors participating in Board and sub-committee meetings. In accordance with the policy, independent and non-executive directors, subject to Board approval, are entitled to receive remuneration for their attendance at these meetings. Additionally, directors are eligible for reimbursement of expenses incurred in connection with their participation, ensuring transparency and fairness in the compensation process.

Disclosure with regards to remuneration of each director and chief executive officer is given in note 38 of unconsolidated financial statements.

Compliance with Pakistan Stock Exchange Limited (PSX) Regulations

In compliance with rule 5.6.1 and 5.6.4 of the PSX Regulations in respect of dissemination of price-sensitive information relating to the business and mandatory disclosure to PSX on buying and selling of shares by Directors, CEO, substantial shareholders and executives, the Board has set the following threshold for the term "Executive":

- Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Operating Officer
- Group General Manager
- Chief Financial Officer
- Company Secretary
- Head of Internal Audit
- Departmental Heads

Directors' Declaration

1. The financial statements of the Company fairly represent its financial state of affairs, the results of its operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements, and any departure has been adequately disclosed and explained.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There is no reason to doubt the Company's ability to continue as a going concern.

7. Details of significant deviations in the Company's operating results during the year ended June 30, 2025, are stated within the Directors' Report.

8. Key operating and financial data for the last six years in a summarized form is given at page no. 51.

9. There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2025, except for those disclosed in the financial statements.

10. The value of investments of the recognized provident fund as at June 30, 2025, was PKR 942 million (unaudited), and as at June 30, 2024, was PKR 847 million (audited).

11. The value of investments of the Company's recognized gratuity fund as at June 30, 2025, was PKR 371 million (unaudited), and as at June 30, 2024, was 332.8 million (audited).

12. Six (06) out of eight (08) directors of the Company, including the CEO as a deemed director, have certification / exemption under the Directors Training Program (DTP) and one director having been recently appointed, will complete the Director Training Program (DTP) within the stipulated time as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The independent director, Mr. Anwar Mansoor Khan, is a distinguished senior lawyer designated as "Senior Advocate" by the Supreme Court of Pakistan. He has served as the Attorney General of Pakistan, Advocate General for the Province of Sindh and Judge of the High Court of Sindh. With over 43 years of distinguished service and expertise in corporate legal practice and governance, his knowledge and experience are considered to be at a level that effectively meets and exceeds the objectives of the Directors' Training Program.

13. During the year, 07 meetings of the Board of Directors, 07 meetings of the Board Audit & Risk Committee, 02 meetings of the Board Human Resource Nomination and Remuneration Committee and 01 meeting of the Board Credit Committee were held.

Composition of the Board

The Board comprises of 08 directors including seven (7) males and one (1) female director. The composition of the Board is as follows:

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Ramon Alfrey Mr. Yoshiaki Matsuoka Mr. Kazuhito Inoue
Female Directors	Ms. Keiko Watanabe
Executive Directors*	Mr. Shaheen Amin

*Serving as deemed director under section 188 of the Companies Act, 2017

Board of Directors' Meetings

The attendance at the meetings of the Board of Directors is given below:

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Khalid Aziz Mirza	7	Mr. Yoshiaki Matsuoka (Non-resident)	7
Mr. Rashid Ahmed Jafer	7	Ms. Keiko Watanabe (Non-resident)	7
Mr. Anwar Mansoor Khan	6	Ms. Mika Takeda[1] (Non-resident)	4
Mr. Ramon Alfrey	7	Mr. Kazuhito Inoue[2] (Non-resident)	2
Mr. Shaheen Amin	7		

[1] Resigned as Director with effect from February 14, 2025.
[2] Appointed as Director on February 14, 2025. Attended Board meetings via invitation

Audit and Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Rashid Ahmed Jafer	7	Mr. Ramon Alfrey	7
Ms. Keiko Watanabe (Non-resident)	7	Ms. Mika Takeda[1] (Non-resident)	3
Mr. Kazuhito Inoue[2] (Non-resident)	2		

[1] Resigned as Director with effect from February 14, 2025.
[2] Appointed as Director on February 14, 2025. Attended Committee meetings via invitation.

Human Resource Nomination and Remuneration Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Anwar Mansoor Khan	2	Mr. Yoshiaki Matsuoka (Non-resident)	2
Mr. Shaheen Amin	2	Mr. Khalid Aziz Mirza	2

Credit Committee's Meeting

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Yoshiaki Matsuoka (Non-resident)	1	Mr. Shaheen Amin	1
Mr. Ramon Alfrey	1		

Board Changes

During the year, following changes were made in the Board:

1) Mr. Kazuhito Inoue was appointed as a non-executive director on February 14, 2025 in place of Ms. Mika Takeda. His approval from SECP was received on July 10, 2025.

2) Ms. Mika Takeda resigned as Director with effect from February 14, 2025.

The Board of Directors places on record its appreciation for services rendered by Ms. Mika Takeda. Further, the Board welcomes Mr. Kazuhito Inoue as director on the Board of OLP.

Credit Rating

The VIS Credit Rating Company (VIS) issued credit rating of AAA (Triple A) for long term and A1+ (A oneplus) for short term on september 11, 2025. While the Pakistan Credit Rating Agency Limited (PACRA) maintained the Company's long term rating of AA+ (Double A plus) and short term rating of A1+ (A one plus) on February 28, 2025. These are among the highest ratings in the Non-Banking Financial Sector.

Major Shareholder

ORIX Corporation, Japan hold 49.58% of the Company's shareholding.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2025 is given at page no. 265.

Auditors

M/s. KPMG Taseer Hadi & Co., Chartered Accountants were appointed as auditors for the year ending June 30, 2025. The Board of Directors endorses the recommendation of the Board Audit and Risk Committee for the appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company for the year ending June 30, 2026.

Future Outlook

The IMF has projected GDP growth of 3.6% for FY2026. While the overall business environment is expected to remain challenging due to increasing competition in the financial sector, there are also signs of cautious optimism. With inflation trending downward will ease borrowing costs and encourage new investment activity. In an economy experiencing steady but modest growth, volatility in the financial sector is likely to persist, and returns from the existing customer base may moderate compared to previous years.

The recent floods in Pakistan add uncertainty, with impact assessment still underway. OLP will maintain a cautious approach through risk evaluation of affected regions while also supporting rehabilitation efforts.

Lower interest rates are expected to support capital formation and stimulate demand in the SME sector, while the rising preference for Islamic finance provides additional avenues for expansion. As a catalyst of inclusion, OLP remains committed to navigating these dynamics by broadening access to financial solutions, deepening its engagement with underserved sectors and leveraging innovative offerings to strengthen resilience and create long-term value for all stakeholders.

Acknowledgement

The Board places on record its appreciation of the guidance and support provided by the regulatory authorities. We would also like to thank our bankers, business associates, and all stakeholders for their assistance and collaboration in the Company's achievements. We also extend our appreciation to our customers and depositors for their ongoing faith and trust, and to our employees whose commitment and dedication continue to drive the success of the Company.

On behalf of the Board

SHAHEEN AMIN	**RASHID AHMED JAFER**
Chief Executive Officer	Director
September 25, 2025	

کریڈٹ ریٹنگ:

وی آئی ایس کریڈٹ ریٹنگ کمپنی نے کمپنی کی مضبوط مالی حیثیت کی توثیق کرتے ہوئے طویل مدتی ریٹنگ AAA (ٹرپل A) اور قلیل مدتی ریٹنگ A1+ (A ون پلس) 11 ستمبر 2025 کو جاری کی۔ اس سے قبل پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 28 فروری 2025 کو کمپنی کی طویل مدتی AA+ (ڈبل A پلس) اور A1+ (A ون پلس) قلیل مدتی درجہ بندی برقرار رکھی ہے۔ یہ نان بینکنگ فنانشل سیکٹر میں بلند ترین ریٹنگ ہے۔

بڑے حصص یافتگان:

ORIX کارپوریشن جاپان کی ملکیت میں کمپنی کے 49.58 فیصد کی حصص داری ہے۔

حصص داری کی ساخت:

30 جون 2025 تک حصص داری کی ساخت صفحہ نمبر 265 پر دی گئی ہے۔

آڈیٹرز:

میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو اختتام پذیر ہونے والے سال کے لیے آڈیٹر مقرر کیا گیا تھا۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ اینڈ رسک کمیٹی کی سفارش کی توثیق کی ہے کہ میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ مقرر کیا جائے۔

مستقبل کا جائزہ:

آئی ایم ایف نے مالی سال 2026 کے لیے 3.6% جی ڈی پی کی شرح نمو کا اندازہ لگایا ہے۔ اگرچہ مالیاتی شعبے میں بڑھتے ہوئے compitition کے باعث مجموعی کاروباری ماحول مشکل رہنے کی توقع ہے، تاہم محتاط اندازے کے مطابق امید افزا علامت بھی ظاہر ہونے کے امکانات ہیں۔ افراط زر میں کمی کے رجحان سے قرض لینے کی لاگت کم ہوگی اور نئی سرمایہ کاری کی سرگرمیوں کو فروغ ملے گا۔ ایسی معیشت میں جہاں نمو بتدریج لیکن محدود ہے، مالیاتی شعبے میں اتار چڑھاؤ برقرار رہنے کا امکان ہے اور موجودہ صارفین سے حاصل ہونے والی آمدن گزشتہ برسوں کے مقابلے میں کچھ کم ہو سکتی ہے۔

پاکستان میں حالیہ سیلاب نے مزید غیر یقینی صورتحال پیدا کی ہے اور ان کے اثرات کا تخمینہ ابھی جاری ہے۔ او ایل پی محتاط رویہ اپناتے ہوئے متاثرہ علاقوں میں خطرات کا جائزہ لینے کے ساتھ ساتھ بحالی کی کوششوں میں معاونت بھی جاری رکھے گا۔

کم شرح سود سرمائے کی تشکیل کو سہارا دے گی اور ایس ایم ای شعبے میں طلب میں اضافہ کرے گی، جبکہ اسلامی فنانس کی بڑھتی ہوئی ترجیح توسیع کے لیے اضافی مواقع فراہم کرتی ہے۔ شمولیت کے محرک کے طور پر او ایل پی ان رجحانات سے فائدہ اٹھانے کے لیے پرعزم ہے، تاکہ مالیاتی حل تک رسائی کو وسیع کیا جا سکے، غیر فعال شعبوں کے ساتھ روابط کو مزید گہرا کیا جا سکے اور جدید مصنوعات کو بروئے کار لایا جا سکے اور تمام اسٹیک ہولڈرز کے لیے طویل المدتی تعلقات استوار کیے جا سکے۔

اعتراف:

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے ریگولیٹری حکام کی مسلسل حمایت اور رہنمائی کیلئے ان کا شکریہ ادا کرتا ہے۔ ہم بینکرز، کاروباری شراکت داروں اور تمام اسٹیک ہولڈرز کو کمپنی کی کامیابی میں ان کی حمایت اور تعاون کیلئے شکر گزار ہیں۔ ہم اپنے قابل قدر صارفین اور ڈپازٹرز کے مسلسل بھروسے اور اعتماد کیلئے ان کا بھی شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے

شاہین امین
چیف ایگزیکٹیو آفیسر
25 ستمبر 2025ء

راشد احمد جعفر
ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس

بورڈ کے اجلاس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	میٹنگ میں حاضری	ڈائریکٹر کا نام	میٹنگ میں حاضری
جناب خالد عزیز مرزا	7	جناب یوشیا کی ماتوسوکا (نان ریذیڈنٹ)	7
جناب راشد احمد جعفر	7	محترمہ کیکوواتتاب (نان ریذیڈنٹ)	7
جناب انور منصور خان	6	محترمہ میکا تاکیڈا (1) (نان ریذیڈنٹ)	4
جناب ریمن القرے	7	جناب کازوہیتو اینوئے (2) (نان ریذیڈنٹ)	2
جناب شاہین امین	7		

(1) 14 فروری 2025 کو ڈائریکٹر کے عہدے سے ریٹائر ہو گئے۔

(2) 14 فروری 2025 کو بطور ڈائریکٹر تقرر ہوئے۔ بذریعہ دعوت نامہ بورڈ کے اجلاسوں میں حاضر ہوئے۔

آڈٹ اینڈ رسک کمیٹی کے اجلاس:

ڈائریکٹر کا نام	میٹنگ میں حاضری	ڈائریکٹر کا نام	میٹنگ میں حاضری
جناب راشد احمد جعفر	7	جناب ریمن القرے	7
محترمہ کیکوواتتاب (نان ریذیڈنٹ)	7	محترمہ میکا تاکیڈا (1) (نان ریذیڈنٹ)	3
جناب کازوہیتو اینوئے (2) (نان ریذیڈنٹ)	2		

(1) 14 فروری 2025 کو ڈائریکٹر کے عہدے سے ریٹائر ہو گئیں۔

(2) 14 فروری 2025 کو بطور ڈائریکٹر تقرر ہوئے۔ بذریعہ دعوت نامہ بورڈ کے اجلاسوں میں حاضر ہوئے۔

ہیومن ریسورس کمپنسیشن اینڈ ریمیونریشن کمیٹی کے اجلاس:

ڈائریکٹر کا نام	میٹنگ میں حاضری	ڈائریکٹر کا نام	میٹنگ میں حاضری
جناب انور منصور خان	2	جناب یوشیکا ماتسوکا (نان ریذیڈنٹ)	2
جناب شاہین امین	2	جناب خالد عزیز مرزا	2

کریڈٹ کمیٹی کے اجلاس:

ڈائریکٹر کا نام	میٹنگ میں حاضری	ڈائریکٹر کا نام	میٹنگ میں حاضری
جناب یوشیکا ماتسوکا (نان ریذیڈنٹ)	1	جناب شاہین امین	1
جناب ریمن القرے	1		

بورڈ میں تبدیلیاں:

سال کے دوران بورڈ میں درج ذیل تبدیلیاں کی گئیں۔

ا۔ جناب کازوہیتو اینوئے کو 14 فروری 2025 کو بطور نان ایگزیکٹو ڈائریکٹر محترمہ میکا تاکیڈا کی جگہ تعینات کیا گیا۔ ان کی منظوری ایس ای سی پی سے 10 جولائی 2025 کو موصول ہوئی۔

۲۔ محترمہ میکا تاکیڈا نے 14 فروری 2025 سے بطور ڈائریکٹر استعفیٰ دے دیا۔

بورڈ آف ڈائریکٹرز محترمہ میکا تاکیڈا کی فراہم کردہ خدمات پر شکریہ ادا کرتا ہے۔ مزید برآں، بورڈ جناب کازوہیتو اینوئے کو اوایل پی کے بورڈ میں بطور ڈائریکٹر خوش آمدید کہتا ہے۔

۲۔ کمپنی کے book of accounts مناسب انداز میں maintain کی گئی ہیں۔

۳۔ درست accounting پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور accounting estimates کی بنیاد معقول اور دانشمندانہ فیصلوں پر ہے۔

۴۔ مالیاتی گوشوارے کی تیاری کے دوران عالمی مالیاتی رپورٹنگ میعارات (IFRS)، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو مناسب انداز میں وضاحت کی گئی ہے۔

۵۔ Internal control کا نظام نہایت فعال ہے اور موثر انداز میں نافذ العمل ہے۔

۶۔ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی شک وشبہ نہیں ہے۔

۷۔ اختتام سال 30 جون 2025 کے دوران کمپنی کے نتائج کے قابل ذکر انحراف کی تفصیل ڈائریکٹرز رپورٹ میں ہے۔

۸۔ گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد وشمار اس سالانہ رپورٹ کے صفحہ نمبر 51 پر دیا گیا ہے۔

۹۔ ٹیکسوں، ڈیوٹیوں، لیوی اور چارجز کی مد میں کوئی قانونی ادائیگی 30 جون 2025 کو واجب الادا نہیں تھی سوائے جن کا مالیاتی گوشواروں میں انکشاف کیا گیا ہے۔

۱۰۔ Recognised پروڈنٹ فنڈ سے کی گئی سرمایہ کاری کی مالیت 30 جون 2025 کو 942 ملین روپے رہی (غیر آڈٹ شدہ) اور 30 جون 2024 کو 847 ملین روپے تھی (آڈٹ شدہ)۔

۱۱۔ تسلیم شدہ گریجوئٹی فنڈ سے کی گئی سرمایہ کاری کی مالیت 30 جون 2025 کو 371 ملین روپے رہی (غیر آڈٹ شدہ) اور 30 جون 2024 کو 332 ملین روپے (آڈٹ شدہ) تھی۔

۱۲۔ کمپنی کے آٹھ (8) ڈائریکٹرز میں سے چھ (06) کو بشمول چیف ایگزیکٹو آفیسر (بطور ڈیمڈ ڈائریکٹرز) ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفکیشن/ چھوٹ حاصل ہے اور بقیہ ایک (1) ڈائریکٹر، جن کا حال ہی میں تقرر کیا گیا ہے، وہ ڈائریکٹرز ٹریننگ پروگرام مقررہ وقت کے اندر مکمل کریں گے جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت نافذ کیا گیا ہے۔ جناب انور منصور خان ایک ممتاز سینئر قانون دان ہیں جنہیں سپریم کورٹ آف پاکستان نے "سینئر ایڈووکیٹ" کا درجہ دیا ہے۔ وہ اٹارنی جنرل آف پاکستان، ایڈووکیٹ جنرل صوبہ سندھ اور ہائی کورٹ آف سندھ کے جج کے طور پر خدمات انجام دے چکے ہیں۔ کارپوریٹ قانونی مشق اور گورننس میں 43 سال سے زائد نمایاں تجربہ اور خدمات کے باعث ان کا علم اور مہارت اس معیار پر پورا اترتے ہیں بلکہ اس سے بھی بڑھ کر ہیں جو ڈائریکٹرز ٹریننگ پروگرام کے مقاصد کو پورا کرنے کے لیے درکار ہیں۔

۱۳۔ سال کے دوران بورڈ آف ڈائریکٹرز کے سات اجلاس، بورڈ آڈٹ اینڈ رسک کمیٹی کے سات اجلاس، بورڈ ہیومن ریسورس نومینیشن اینڈ ریمونریشن کمیٹی کے دو اجلاس اور بورڈ کریڈٹ کمیٹی کا ایک اجلاس منعقد ہوا۔

بورڈ کی تشکیل:

بورڈ آف ڈائریکٹرز آٹھ (08) اراکین پر مشتمل ہے، جن میں سات (07) مرد اور ایک (01) خاتون ڈائریکٹر شامل ہیں۔ بورڈ کی تشکیل درج ذیل ہے:

Independent ڈائریکٹرز	جناب راشد احمد جعفر جناب انور منصور خان
نان ایگزیکٹو ڈائریکٹرز	جناب خالد عزیز مرزا جناب ریمن الفرے جناب یوشیاکی ماتوسوکا جناب کازوہیتو اینوئے
خاتون ڈائریکٹرز	محترمہ کیکو واتانابے
ایگزیکٹو ڈائریکٹر	جناب شاہین امین

* کمپنیز ایکٹ 2017 کی دفعہ 188 کے تحت بطور ڈیمڈ ڈائریکٹر خدمات انجام دے رہے ہیں۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں:

بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیوں کی تشکیل صفحہ نمبر 45 پر اسٹیٹمنٹ آف کمپلائنس میں دی گئی ہے۔

بورڈ کی کارکردگی کا جائزہ:

اوایل پی اپنے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لئے ایک منظم طریقہ کار پر عمل کرتا ہے، جو لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضرورت کے تحت ہے، یہ جائزہ سالانہ بنیاد پر دو سال تک کمپنی کے اندر اور تیسرے سال ایک آزاد بیرونی کنسلٹنٹ کے ذریعے لیا جاتا ہے۔

دوران سال، 30 جون 2024 کو اختتام پذیر سال کے لیے کارکردگی کے جائزے کا عمل کمپنی کے اندر ہی مکمل کیا گیا۔ اس جائزہ عمل کے تحت سوالنامے بورڈ کے اراکین کو فراہم کیے گئے، جنہوں نے اپنی آراء براہ راست کمپنی سیکریٹری کو جمع کرائیں، تاکہ عمل کی رازداری برقرار رہے۔ کمپنی سیکریٹری نے ان جوابات کی تدوین کی نگرانی کی اور اس کے بعد یہ رپورٹ بورڈ کی ہیومن ریسورس، نومینیشن اور ریمونریشن کمیٹی کے سامنے نظر ثانی کے لیے پیش کی گئی۔ حتمی رپورٹ بعد ازاں بورڈ میٹنگ میں شیئر کی گئی، جہاں بہتری کے لیے اہم نکات کو اجاگر کیا گیا۔

بورڈ کے معاوضہ پالیسی:

کمپنی کے پاس بورڈ سے منظور شدہ بورڈ آف ڈائریکٹرز کے معاوضے کی پالیسی موجود ہے۔ یہ کمپنی کے ڈائریکٹرز کے بورڈ اور اس کی کمیٹیوں کے اجلاس میں حاضر ہونے کے معاوضے کے تعین کا طریقہ کار فراہم کرتی ہے۔ پالیسی کے مطابق آزاد اور نان ایگزیکٹیو ڈائریکٹرز بورڈ اور اس کی کمیٹیوں کے اجلاس میں حاضری پر معاوضے کے اہل ہیں۔ اس کے علاوہ ڈائریکٹرز اجلاس میں شرکت پر ہونے والے اخراجات کی ادائیگی کے حقدار بھی ہیں۔

ہر ڈائریکٹر اور چیف ایگزیکٹو آفیسر کے معاوضے کے حوالے سے معلومات مالیاتی گوشوارے کے نوٹ نمبر 45 میں دیا گیا ہے۔

پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کے ضوابط کی تعمیل:

PSX ریگولیشنز کے ضوابط 5.6.1 اور 5.6.4 کی پاسداری کرتے ہوئے کاروبار سے متعلق قیمتوں کی حساس معلومات اور ڈائریکٹران، سی ای او، قابل ذکر حصص یافتگان اور اعلیٰ انتظامیہ کی حصص میں خرید و فروخت کی معلومات PSX کو فراہم کرنے کے لئے بورڈ نے "ایگزیکٹیو" کی اصطلاح کے لئے درج ذیل حد مقرر کی ہے:

- ☆ چیف ایگزیکٹیو آفیسر
- ☆ ڈپٹی چیف ایگزیکٹیو آفیسر
- ☆ چیف آپریٹنگ آفیسر
- ☆ گروپ جنرل مینجر
- ☆ چیف فنانشل آفیسر
- ☆ کمپنی سیکریٹری
- ☆ ہیڈ آف انٹرنل آڈٹ
- ☆ ڈپارٹمنٹل ہیڈز

ڈائریکٹرز کا اعلامیہ:

ا۔ کمپنی کی انتظامیہ کے تیار کردہ مالی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی شفافیت کے ساتھ پیش کرتے ہیں۔

کارپوریٹ گورننس، اندرونی کنٹرول اور کمپلائنس:

ایک مضبوط کارپوریٹ گورننس کا ڈھانچہ کمپنی کی کامیابی میں اہم کردار ادا کرتا ہے، خاص طور پر غیر متزلزل کاروباری حالات۔ OLP کا گورننس فریم ورک، جس میں قائم شدہ پالیسیاں، واضح طور پر بیان کردہ کردار اور مضبوط اندرونی کنٹرول شامل ہیں، کمپنی کی کامیابی میں اہم کردار ادا کرتے ہیں۔ یہ فریم ورک شفافیت، جوابدہی، اور ضوابط کی پابندی پر زور دیتا ہے۔

بورڈ آف ڈائریکٹرز OLP کے گورننس ڈھانچے کی سربراہی کرتا ہے جس میں 2 آزاد ڈائریکٹرز، 3 نامزد ڈائریکٹرز اور 2 نان ایگزیکٹو ڈائریکٹرز اور ایک ایگزیکٹو ڈائریکٹرز شامل ہیں۔ اپنی ذمہ داریوں کو زیادہ موثر طریقے سے نبھانے کے لیے بورڈ نے درج ذیل ذیلی کمیٹیاں تشکیل دی ہیں:

۱۔ بورڈ ہیومن ریسورس نامینیشن اینڈ ریمونریشن کمیٹی (BHRN&RC)

۲۔ بورڈ آڈٹ و بورڈ رسک کمیٹی (BA&RC)

۳۔ بورڈ کریڈٹ کمیٹی (BCC)

۴۔ بورڈ کمپنسیشن کمیٹی

بورڈ کمیٹیوں کے علاوہ، کمپنی کے پاس انتظامی کمیٹیاں ہیں جن میں واضح ذمہ داریاں ہیں اور حوالہ جات کی شرائط (TOR) ہیں۔ ان کمیٹیوں میں مینجمنٹ کمیٹی، کریڈٹ کمیٹی، ایسیٹ لائبلیٹی مینجمنٹ کمیٹی، اور آئی ٹی اسٹیئرنگ کمیٹی شامل ہیں۔ عملے کے سینئر ممبران مینجمنٹ کمیٹیوں کا حصہ ہیں جو حکمت عملی بنانے، کاروبار کی منصوبہ بندی اور آپریشنز میں اپنا وسیع تجربہ بروئے کار لاتے ہیں۔

انٹرنل آڈٹ اور کمپلائنس کے محکمے آڈٹ اینڈ رسک کمیٹی (BA&RC) کے ذریعے براہ راست بورڈ کو رپورٹ کرتے ہیں۔ انٹرنل آڈٹ سال کے آغاز میں رسک پر مبنی آڈٹ پلان تیار کرتا ہے جس کا جائزہ لیا جاتا ہے اور آڈٹ اینڈ رسک کمیٹی اسے منظور کرتی ہے۔ آڈٹ اینڈ رسک کمیٹی کے ذریعے سال کے دوران ہونے والے آڈٹ کا باقاعدگی سے جائزہ لیا جاتا ہے اور یہ آڈٹ کی سفارشات کے مطابق کنٹرول کو بڑھانے کے لیے انتظامیہ کو رہنمائی فراہم کرتی ہے۔

انٹرنل آڈٹ کا شعبہ نہ صرف پالیسیوں، طریقہ کار اور ریگولیٹری تقاضوں کی تعمیل پر آزادانہ نظریہ فراہم کرتا ہے، بلکہ یہ انڈسٹری کے بہترین اصولوں کے مطابق پالیسیوں کو بہتر بنانے کا مشورہ بھی دیتا ہے۔

کمپنی تمام ریگولیٹری تقاضوں کی تعمیل پر بھی زیادہ زور دیتی ہے اور اس بات کو یقینی بناتی ہے کہ کمپلائنس کا کلچر تنظیم کی تمام سطحوں پر محیط ہو۔ OLP ملک میں رائج ریگولیٹری فریم ورک کے ساتھ پوری طرح تعمیل کرتا ہے اور اس کا مقصد بزنس کے بہترین طریقوں کی تعمیل کرنا ہے۔ کمپنی کا کمپلائنس فنکشن کمپنی پر لاگو موجودہ اور نئے ضوابط کی تعمیل کو یقینی بنانے کے لیے ذمہ دار ہے۔ ملک کے ریگولیٹری فریم ورک کے بڑھنے کے ساتھ ایس ای سی پی نے بھی اپنی نگرانی کی سطح خاص طور پر اینٹی منی لانڈرنگ اور دہشت گردی کی مالی معاونت کے حوالے سے اضافہ کیا ہے۔

فنانسنگ فراہم کرنے کے کاروبار کے علاوہ OLP کے پاس ایک قابل قدر سرٹیفکیٹ آف ڈپازٹ کا پورٹ فولیو ہے جس کی وجہ سے ایک مضبوط کمپلائنس فریم ورک کی ضرورت اور بھی اہم ہو جاتی ہے۔ OLP نے تمام ریگولیٹری تقاضوں کی مکمل پاسداری کو یقینی بنانے کے لیے متعدد اقدامات کیے ہیں جن میں UN/NACTA کی پابندیوں کی screening اور کسٹمر ڈیو ڈیلیجنس پروسیس (CCD)/(KYC) اپنے صارفین کی ضروریات کو جانا شامل ہیں۔ کمپلائنس ڈپارٹمنٹ باقاعدگی سے کاروباری افعال کا AML/CFT کمپلائنس Audit کرتا ہے تاکہ یہ یقینی بنایا جا سکے کہ کمپنی پر لاگو تمام ریگولیٹری تقاضوں کی تعمیل کی گئی ہے۔

انسداد منی لانڈرنگ (AML / CFT) دہشت گردی کی مالی معاونت کے پہلوؤں پر تربیتی سیشن بھی منعقد کرائے جاتے ہیں تاکہ عملے کو AML/CFT نظام کے بارے میں تعلیم دی جائے اور AML/CFT ضوابط کی ضرورت کی تعمیل کی جائے۔ گائیڈ لائنز اور رسک اسیسمنٹ کے عمل کو کمپنی کے ہر شعبے میں مضبوط کیا گیا ہے تاکہ یہ یقینی بنایا جا سکے کہ ملازمین پوری طرح سے پالیسیوں کو سمجھیں اور ان کا اطلاق کریں۔

کارپوریٹ سوشل ریسپانسبلٹی (CSR):

اگرچہ ESG اور پائیداری کے اصول ہماری کاروباری اور عملی حکمتِ عملی کی رہنمائی کرتے ہیں، لیکن اوایل پی کی CSR سرگرمیاں ان برادریوں کے ساتھ ہمارے براہِ راست عزم کی عکاسی کرتی ہیں جنہیں ہم خدمت فراہم کرتے ہیں۔

دورانِ سال، اوایل پی نے اپنی فلاحی سرگرمیوں کا دائرہ وسیع کیا اور معاشرے کے مستحق طبقات کو مالی معاونت فراہم کی۔ صحت کے شعبے میں کمپنی نے معتبر اداروں کے ساتھ تعاون کا تسلسل برقرار رکھا اور نمایاں اسپتالوں جیسے ایل آر بی ٹی، انڈس اسپتال، لیڈی ڈفرن اسپتال، شوکت خانم میموریل ٹرسٹ اور دی کڈنی سینٹر سمیت دیگر اداروں کو عطیات دیے۔ مزید تعاون ایسے اداروں کو بھی فراہم کیا گیا جو خصوصی طبی خدمات فراہم کرتے ہیں، جیسے فرینڈز آف برنز سینٹر اور میری ایڈیلیڈ لیپروسی سینٹر۔

تعلیم کے شعبے میں اوایل پی نے ان اداروں کو سہارا دیا جو پسماندہ طبقات کو معیاری تعلیم کی فراہمی کے لیے کام کر رہے ہیں، جن میں سٹیزنز فاؤنڈیشن، فیملی ایجوکیشن سروسز فاؤنڈیشن اور بہبود ایسوسی ایشن شامل ہیں۔ اس کے علاوہ کمپنی نے آئی بی پی اسکول آف اسپیشل ایجوکیشن کو بھی عطیہ دیا، تاکہ خصوصی ضروریات کے حامل بچوں کی فلاح اور نشوونما کو فروغ دیا جا سکے۔

مزید برآں، اوایل پی نے مختلف این جی اوز کی معاونت کی جو محروم طبقات کی فلاح کے لیے سرگرم ہیں۔ یہ اقدامات کمپنی کے اس عزم کو مضبوط بناتے ہیں کہ وہ شمولیتی ترقی اور سماجی بہتری کے لیے اپنا فعال کردار ادا کرے۔

ٹیلنٹ، ثقافت اور مقصد کی پرورش:

اوایل پی کی سب سے بڑی طاقت اس کے لوگ ہیں۔ کمپنی اپنی ہیومن کیپیٹل ڈیولپمنٹ اسٹریٹجی کے بنیادی ستونوں کے طور پر قیادت کی تربیت اور ملازمین کی ترقی کے لیے پرعزم ہے۔ اس مقصد کے لیے ایک منظم سکسیشن پلاننگ پراسیس اپنایا گیا ہے جو مستقبل کے رہنماؤں کی نشاندہی اور ان کی ڈیولپمنٹ کرتا ہے۔ اس کے ساتھ ہی پالیسی آگاہی، سافٹ اسکلز اور ہدفی اپ اسکلنگ پر مشتمل سیکھنے کے پروگرام ملازمین کو بدلتے ہوئے کاروباری چیلنجز سے نمٹنے کے قابل بناتے ہیں۔

اوایل پی ایک متحرک اور مثبت ورک پلیس کلچر کو فروغ دیتا ہے، جس کے لیے سالانہ ایوارڈز، پرفارمنس پر مبنی بونس اور یادگاری مومنٹوز جیسے اعترافی اقدامات کیے جاتے ہیں۔ یہ کاوشیں اس یقین کو تقویت دیتی ہیں کہ ملازمین کی خدمات کا اعتراف ان کی شمولیت اور اعلیٰ کارکردگی کو برقرار رکھنے کے لیے ناگزیر ہے۔

مزید برآں، مختلف بزنس یونٹس، جغرافیائی خطوں اور فنکشنز کے درمیان تعاون ہماری آپریشنل حکمتِ عملی کا مرکزی عنصر ہے، جو ٹیم کے اتحاد کو مضبوط کرتا ہے اور نتائج کو کارپوریٹ مقاصد سے ہم آہنگ بناتا ہے۔ منصفانہ رویے، ترقی کے مواقع اور خدمات کے اعتراف کے ذریعے اوایل پی ایک معاون اور شمولیتی ماحول فراہم کرتا ہے، جہاں ملازمین کو ترقی کرنے اور آگے بڑھنے کے لیے بااختیار بنایا جاتا ہے۔

تنوع، شمولیت اور مساوات:

اوایل پی کی اسٹریٹجک وژن میں تنوع اور شمولیت ایک بنیادی حیثیت رکھتے ہیں۔ دورانِ سال کمپنی نے ایک جامع DEI پالیسی متعارف کرائی، جو انڈسٹری بینچ مارکس اور عالمی بہترین طریقہ کار پر مبنی ہے۔ یہ فریم ورک قابلِ پیمائش نتائج فراہم کرتا ہے اور ایک منصفانہ ورک پلیس کلچر کو فروغ دیتا ہے۔

30 جون 2025 کو اختتام پذیر سال کے لیے کمپنی نے Mean جینڈر پے گیپ 33.2% اور Median جینڈر پے گیپ 24.4% رپورٹ کیا، جو بنیادی طور پر خواتین کی زیادہ تر تعداد کے پیرا پروفیشنل رولز میں مرتکز ہونے کی وجہ سے ہے۔ کمپنی اس فرق کو کم کرنے کی ضرورت کو تسلیم کرتی ہے اور ترقی اور قیادت کے لیے مساوی مواقع فراہم کر کے اس سمت میں پرعزم ہے۔

DEI اصولوں کو اپنی تنظیمی ثقافت کا حصہ بنانے کے لیے اوایل پی نے مالیاتی صنعت میں داخل ہونے والی خواتین امیدواروں کی ریکارڈ تعداد کو انٹرن شپ کے مواقع فراہم کیے، جس سے مساوات اور نمائندگی پر مبنی ورک پلیس کے قیام کے عزم کو مزید تقویت ملی۔ اس کے علاوہ کمپنی نے تحفظ برائے انسدادِ ہراسگی پالیسی بھی نافذ کر رکھی ہے جو متعلقہ قوانین و ضوابط کے مطابق ہے، تاکہ امتیاز اور ہراسگی کے خلاف مؤثر حفاظتی اقدامات کو یقینی بنایا جا سکے اور ایک محفوظ و باعزت ورک ماحول قائم رکھا جا سکے۔

کمپنی سود کی شرح کے خطرے کو محدود کرتی ہے، اس بات کو یقینی بناتے ہوئے کہ اس کی لیز/ قرض پورٹ فولیو کی ایک بڑی مقدار کی سود کی شرح کا پروفائل مالی ذمہ داریوں کے ساتھ ملتا ہے، جس کے قابل قبول حدود میں ہوتا ہے۔ OLP کے پاس شرح سود کے تبادلے کے ذریعے اپنے اثاثہ اور/ یا ذمہ داری کی ساخت کو ایڈجسٹ کرنے کا اختیار ہے۔ مزید برآں، کمپنی شرحوں میں تیزی سے اتار چڑھاؤ کو مدنظر رکھنے کے لیے بینچ مارک ریٹ پر مناسب منافع کا مارجن وصول کرتی ہے۔

آپریشنل رسک:

کمپنی نے آپریشنل خطرات کو مستقل طور پر منظم کرنے کے لیے پالیسیاں اور طریقہ کار قائم کیے ہیں۔ بدلتے آپریشنل ماحول میں ان کی مطابقت کو یقینی بنانے کے لیے ان پالیسیوں اور طریقہ کار کا وقتاً فوقتاً جائزہ لیا جاتا ہے۔ ایک کنٹرول فریم ورک، فعال نگرانی، اور ممکنہ خطرات سے نمٹنے کے ذریعے آپریشنل خطرات کو کم کیا جاتا ہے اور اسے کم سے کم رکھا جاتا ہے۔ آپریشنل خطرات کو کم کرنے کے لیے، OLP نے اپنے اندرونی آڈٹ، رسک مینجمنٹ، کمپلائنس کے افعال کو مضبوط کیا ہے۔ یہ افعال اس بات کو یقینی بناتے ہیں کہ پالیسیوں کی پیروی کی جاتی ہے اور اہم خطرے کے اشارے کے ساتھ ساتھ کسی بھی آپریشنل رکاوٹوں یا ناکامیوں کی باقاعدگی سے نگرانی کی جاتی ہے۔ ایک جامع ریگولیٹری رسک مینجمنٹ کا عمل بھی نافذ ہے، جس کے تحت کمپلائنس فنکشن ریگولیٹری تقاضوں پر قابو پانے کے لیے کنٹرولز کی افادیت کو مسلسل یقینی بناتا ہے۔

او ایل پی خاص طور پر ان شعبوں پر توجہ مرکوز رکھتا ہے جو زیادہ خطرے سے دوچار ہوتے ہیں، جیسے کہ سسٹم کی خرابی، اندرونی کنٹرول کی خلاف ورزیاں، اور دھوکہ دہی یا جعل سازی کے واقعات۔ ان خطرات کو کم کرنے کے لیے کمپنی مسلسل اپنی آئی ٹی سیکیورٹی کو بہتر بنا رہی ہے، انفرادی ذمہ داریوں کو واضح طور پر متعین کرتی ہے اور آٹومیشن کے ساتھ ساتھ افرادی قوت کی ترقی کے ذریعے آپریشنل کارکردگی اور مؤثریت میں اضافہ کرتی ہے۔ مزید برآں، کمپنی کے نئے اور موجودہ ملازمین کو باقاعدگی سے ضابطہ اخلاق، اینٹی منی لانڈرنگ، اینٹی فراڈ اور وسل بلوونگ پالیسیز سے متعلق اورینٹیشن اور تربیت فراہم کی جاتی ہے، تاکہ اخلاقی معیار کو مضبوط بنایا جا سکے اور بدعنوانی یا بے ضابطگیوں سے بچاؤ ممکن ہو سکے۔

Sustainability کے عملی اقدامات:

او ایل پی میں ماحولیاتی، سماجی اور گورننس (ESG) عوامل ہماری کارپوریٹ سوچ کا بنیادی حصہ ہیں۔ دوران سال، کمپنی نے ایک جامع ESG پالیسی تشکیل دی جس کے ذریعے کاروبار کے تمام پہلوؤں میں ذمہ دارانہ طرزِ عمل کو اپنانے کے لیے اسٹراٹیجک فریم ورک فراہم کیا گیا۔ یہ پالیسی عالمی معیارات سے ہم آہنگی کو یقینی بناتی ہے اور اسٹیک ہولڈرز کے لیے طویل المدتی قدر پیدا کرنے کے عزم کو مزید مضبوط کرتی ہے، ساتھ ہی ماحولیاتی اور سماجی چیلنجز کو ذمہ داری کے ساتھ حل کرنے پر زور دیتی ہے۔

نگرانی کو مزید مؤثر بنانے کے لیے بورڈ آڈٹ اینڈ رسک کمیٹی (BA&RC) کے ٹرمز آف ریفرنس کو مزید وسعت دی گئی، تاکہ کمپنی میں پائیداری کے اصولوں پر عمل درآمد کو یقینی بنایا جا سکے۔

ESG فریم ورک کو مزید آگے بڑھاتے ہوئے، او ایل پی نے باقاعدہ طور پر سرمایہ کاری اور فنانسنگ کے فیصلوں میں ESG عوامل کو شامل کر لیا ہے۔ اگر کسی قرض خواہ یا صارف کے آپریشنز میں ESG خطرات کی نشاندہی ہو تو ایک اصلاحی ایکشن پلان مخصوص مدت کے ساتھ تیار کیا جاتا ہے، تاکہ ان خطرات کو قابل قبول سطح تک کم کیا جا سکے۔ یہ منصوبے ہر ٹرانزیکشن کے لیے موزوں انداز میں ترتیب دیے جاتے ہیں اور ESG کی ڈیو ڈیلیجنس یا بعد ازاں نگرانی کے دوران سامنے آنے والے خطرات کے مطابق ڈیزائن کیے جاتے ہیں۔

قابلِ ذکر بات یہ ہے کہ کمپنی کے ہیڈ آفس اور منتخب برانچز میں توانائی کی ایک بڑی ضرورت renewable ذرائع سے پوری کی جا رہی ہے، جو این بی ایف سی سیکٹر میں کلین انرجی اپنانے کے حوالے سے او ایل پی کی قیادت کو ظاہر کرتی ہے۔

اسی عزم کے تحت، او ایل پی اپنے صارفین کے لیے سولر پاور فنانسنگ فراہم کر رہی ہے اور اب اسے ایک علیحدہ پروڈکٹ کی شکل دینے پر کام کر رہی ہے۔ اس کے ساتھ ساتھ کمپنی دیگر گرین مواقع کی تلاش جاری رکھے ہوئے ہے اور قلیل، وسط اور طویل المدتی تناظر میں آب و ہوا سے متعلق خطرات اور مواقع کے کاروبار، حکمتِ عملی اور مالی منصوبہ بندی پر اثرات کا مسلسل جائزہ لے رہی ہے۔ یہ اقدامات نہ صرف او ایل پی کی اسٹریٹجک سمت کو زیادہ مستحکم بناتے ہیں بلکہ اسے ایک شمولیتی اور پائیدار فنانس کے فروغ دہندہ کے طور پر نمایاں کرتے ہیں، تاکہ افراد، کاروباروں، برادریوں اور ماحول کو یکساں طور پر فائدہ پہنچایا جا سکے۔

OLP نے ایک جامع انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک نافذ کیا ہے جو تمام کاروباری شعبوں اور افعال میں یکساں طور پر لاگو ہوتا ہے۔ یہ فریم ورک بورڈ کو آپریشنز اور مختلف شعبوں میں موجود تمام قسم کے رسک کی جامع جانچ کرنے کے قابل بناتا ہے۔ ساتھ ہی، یہ رسک مینجمنٹ کے لیے رہنما اصول فراہم کرتا ہے جو کمپنی کے مجموعی اسٹراٹیجک اہداف کے ساتھ ہم آہنگ رہتے ہیں۔

ہماری پروایکٹیو رسک مینجمنٹ حکمت عملی، جو باقاعدہ مانیٹرنگ اور رپورٹنگ پر مبنی ہے، ہمیں غیر یقینی صورتحال کو مؤثر طریقے سے منظم کرنے کی اجازت دیتی ہے۔ اس کے ذریعے، OLP طویل مدتی کامیابی کے لیے خود کو بہتر انداز میں تیار کر رہی ہے جبکہ ہمارے اسٹیک ہولڈرز کے مفادات کا بھی خیال رکھا جا رہا ہے۔ درج ذیل سیکشن میں کمپنی کی جانب سے اختیار کردہ رسک مینجمنٹ کے اقدامات کا خاکہ پیش کیا گیا ہے تاکہ بڑے خطرات کا مؤثر انداز میں سامنا کیا جا سکے۔

کریڈٹ رسک:

OLP نے بورڈ کی منظور کردہ کریڈٹ رسک پالیسیز متعارف کرائی ہیں جو مختلف اقتصادی شعبوں اور پروڈکٹ کی لائنوں کو کریڈٹ فراہم کرنے کے لیے رہنما اصول فراہم کرتی ہیں۔ یہ پالیسیاں کمپنی کو کریڈٹ رسک کو منظم کرنے اور کنٹرول کرنے کی اجازت دیتی ہیں، جس میں کاروبار کی حدود متعین کرنا، پابندیوں کی نگرانی کرنا، اور مارکیٹ کی متحرکات کے پیش نظر رہنما اصولوں کا مستقل جائزہ لینا شامل ہے۔

رسک مینجمنٹ ڈیپارٹمنٹ (RMD) کریڈٹ رسک پالیسی کی پابندی کی نگرانی کرتا ہے اور بورڈ کی کریڈٹ کمیٹی کو رپورٹ کرتا ہے۔ OLP پورٹ فولیو کی نگرانی، جلد خطرات کی شناخت، اور کاروباری ترقی کی حمایت کے لیے مختلف طریقوں کو نافذ کرنے پر زور دیتا ہے، جبکہ کریڈٹ رسک کو manage بھی کرتا ہے۔

کمپنی ایک اسکور کارڈ کا طریقہ استعمال کرتی ہے تاکہ کارپوریٹ کسٹمر کے کریڈٹ رسک کا اندازہ لگایا جا سکے، جو آغاز اور رپورٹنگ کی تاریخوں پر ہوتا ہے، اور کسی بھی بگاڑ کی نگرانی کی جاتی ہے۔ مشکل اقتصادی حالات میں، RMD high risk factors کی قریبی نگرانی کرتا ہے، انتظامیہ کو خدشات سے آگاہ کرتا ہے، اور موجودہ پورٹ فولیو کی نگرانی کرنے کے لیے مارکیٹنگ ڈیپارٹمنٹ کے ساتھ تعاون کرتا ہے۔

OLP اپنی مضبوط کریڈٹ رسک مینجمنٹ حکمت عملی کی بدولت، کمپنی موجودہ مشکل معاشی ماحول میں بھی، غیر فعال قرضوں کے کم تناسب کے ساتھ متوازن پورٹ فولیو کو برقرار رکھے ہوئے ہے۔

لیکویڈیٹی رسک اور مارکیٹ رسک:

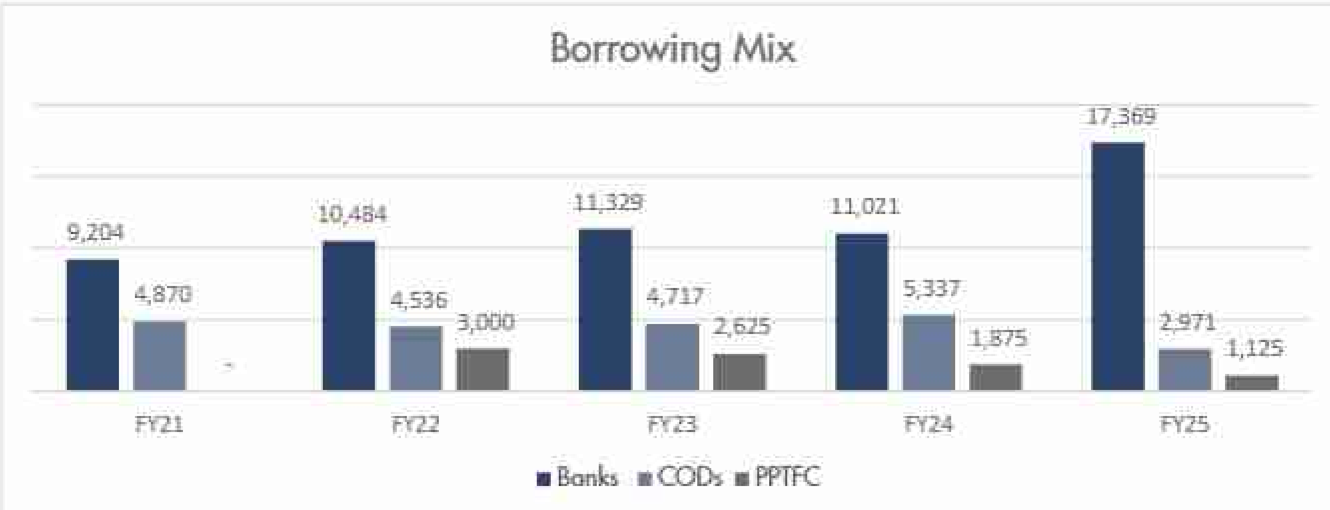
OLP کے بورڈ نے ایسیٹ اینڈ لائبلیٹی مینجمنٹ پالیسی کی توثیق کی ہے جو کمپنی کی لیکویڈیٹی اور مارکیٹ کے عوامل سے متعلق خطرات سے نمٹنے کے لیے طریقہ کی وضاحت کرتی ہے۔ ایسیٹ اینڈ لائبلیٹی مینجمنٹ کمیٹی (ALCO) کو ان خطرات کی نگرانی کا کام سونپا گیا ہے۔ یہ کمیٹی باقاعدگی سے، کم از کم ماہانہ بنیادوں پر، اس بات کا جائزہ لینے کے لیے میٹنگ کرتی ہے کہ کس طرح بدلتے ہوئے اقتصادی اور مارکیٹ کے حالات کمپنی کے منافع، لیکویڈیٹی، اور فنڈ مینجمنٹ کی حیثیت کو متاثر کر رہے ہیں۔ ALCO ایسیٹ اینڈ لائبلیٹی مینجمنٹ (ALM) کے تناسب، موجودہ اور متوقع نقد بہاؤ کی صورت حال کا قریب سے مشاہدہ کرتا ہے، اور فنڈنگ کے ذرائع میں کافی تنوع کو برقرار رکھنے کے لیے دستیاب فنڈنگ کے اختیارات کے مناسب مکس کے لیے حکمت عملی تیار کرتا ہے۔ کمپنی کے قرضہ جات میں بینک کے قرضے، سرٹیفکیٹ آف ڈیپازٹ اور PPTFC شامل ہیں۔

ایک لیکویڈیٹی ہنگامی منصوبہ متبادل فنڈنگ کی حکمت عملیوں کو یقینی بناتا ہے اور لیکویڈیٹی کے ذخائر کو حکومت کی Liquid سیکیورٹیز میں برقرار رکھتا ہے۔ اس کے علاوہ، Liquid سیکیورٹیز بھی موجود ہیں جو قانونی تقاضوں کی تعمیل کے لیے رکھی گئی ہیں۔ ALCO سود کی شرح میں اتار چڑھاؤ سے مارکیٹ کے خطرے کا انتظام بھی کرتی ہے، قیمتوں کی حکمت عملی تیار کرتی ہے، مارکیٹ کی سود کی شرحوں کی نگرانی کرتی ہے، اور قرض دینے اور قرض لینے کے پورٹ فولیو کو متوازن رکھتی ہے۔

فنڈنگ اور لیکویڈیٹی:

کمپنی کے قرضہ جات مختلف ذرائع پر مشتمل ہیں جن میں بینک قرضے، سرٹیفکیٹ آف ڈپازٹ (COD) اور پرائیویٹلی پلیسڈ ٹرم فنانس سرٹیفکیٹس (PPTFC) شامل ہیں۔ کمپنی نے دس مالیاتی اداروں کے ساتھ مضبوط تعلقات قائم کر رکھے ہیں، جن سے مسابقتی مارکیٹ ریٹس پر طویل المدتی قرضے اور اوورڈرافٹ کی سہولت کی شکل میں محفوظ قرضہ جات کی سہولیات حاصل ہیں۔ اس کے علاوہ، او ایل پی CODs جاری کرتی ہے، جو انفرادی اور ادارہ جاتی سرمایہ کاروں سے حاصل کیے جانے والے قرضہ جات ہیں۔

قرض لینے کی تقسیم درج ذیل ہے:



30 جون 2025 تک کمپنی کا قرض ایکوئٹی تناسب 2.0 رہا (30 جون 2024: 1.74)، جبکہ کیپٹل ایڈیکویسی ریشو (CAR) 27.4 فیصد رہا (30 جون 2024: 30.23 فیصد) جو کہ 10 فیصد کی ریگولیٹری ضرورت سے کافی زیادہ ہے۔ یہ کمپنی کی مضبوط سرمائے کی پوزیشن کا اشارہ ہے۔

رسک مینجمنٹ:

OLP نے ایک جامع رسک مینجمنٹ کا فریم ورک قائم کیا ہے، جو کمپنی کی کامیابی کے لیے انتہائی اہم ہے۔ یہ فریم ورک ممکنہ خطرات کی بروقت شناخت اور انتظام کی اجازت دیتا ہے، جس میں شامل ہیں:

- بورڈ کی نگرانی
- محکمہ کے سربراہان اور انتظامی کمیٹیوں کی کثیر سطحی نگرانی
- مؤثر پالیسیاں اور طریقہ کار
- مضبوط کنٹرول میکانزم
- مضبوط آئی ٹی سسٹم

یہ فریم ورک باقاعدگی سے کاروباری حالات، ریگولیٹری تقاضوں، اور مجموعی کاروباری حکمت عملیوں میں تبدیلیوں کی عکاسی کے لیے اپ ڈیٹ کیا جاتا ہے۔

بورڈ کی آڈٹ اور رسک کمیٹی (BA&RC)، جس میں چار ڈائریکٹرز شامل ہیں اور جس کی صدارت ایک Independent ڈائریکٹر کرتے ہیں، گورننس اور رسک مینجمنٹ پالیسیوں کے نفاذ کو بڑھاتا ہے۔ مینجمنٹ کمیٹی بورڈ کی منظور شدہ رہنما اصولوں کی نگرانی اور عمل درآمد کرتی ہے، جبکہ روزمرہ کے رسک مینجمنٹ کے کام مختلف سطحوں پر تفویض کیے جاتے ہیں۔

آمدنی:

کمپنی نے سال کے دوران 6,964 ملین روپے کی آمدنی حاصل کی، جو گزشتہ سال کی 7,984 ملین روپے کی آمدنی کے مقابلے میں 13 فیصد کم ہے۔

لیز اور قرضہ جاتی پورٹ فولیو سے آمدنی میں 14.7 فیصد کمی ہوئی اور یہ 5,892 ملین روپے رہی، جو مالی سال 2024 کی 6,885 ملین روپے کے مقابلے میں کم ہے۔ یہ کمی بنیادی طور پر شرح سود میں کمی کے باعث سامنے آئی، کیونکہ KIBOR میں مسلسل کمی سے پورٹ فولیو پر حاصل ہونے والی اوسط آمدنی کم ہوئی۔ تاہم، کمپنی کے لیز/قرضہ جاتی پورٹ فولیو میں 14 فیصد اضافے نے اس منفی اثر کو جزوی طور پر متوازن کیا۔

سال کے دوران دیگر آمدنی میں 4.4 فیصد کمی ہوئی اور یہ 917 ملین روپے رہی، جو مالی سال 2024 کی 959 ملین روپے تھی۔ اس آمدنی کو مختلف ذرائع نے سہارا دیا جن میں حکومتی سیکیورٹیز پر منافع، قبل از وقت معاہدوں کی منسوخی سے حاصل شدہ فوائد، نئے کاروبار سے دستاویزی فیس اور دیگر متفرق آمدنیاں شامل ہیں۔ محتاط رسک مینجمنٹ کے تحت اوایل پی نے اپنی اضافی سرمایہ کاری حکومتی سیکیورٹیز میں رکھی تاکہ استحکام یقینی بنایا جا سکے۔

اخراجات:

سال کے دوران کل اخراجات، جن میں ممکنہ لیز اور قرضہ جاتی نقصانات کی پرووژن شامل نہیں، 4,868 ملین روپے رہے؛ جو گزشتہ سال کے 5,519 ملین روپے کے مقابلے میں 11.8 فیصد کم ہیں۔ اخراجات کی تفصیل درج ذیل ہے:

☆ سال کے دوران فنانس اخراجات میں 18.5 فیصد کمی ہوئی اور یہ 3,158 ملین روپے رہا (مالی سال 2024: 3,876 ملین روپے)۔ قابلِ ذکر بات یہ ہے کہ کل قرضہ جات 30 جون 2025 تک بڑھ کر 21.5 بلین روپے تک پہنچ گئے (مالی سال 2024: 18.2 بلین روپے)۔ چونکہ اوایل پی کے بینک قرضے متغیر شرح سود پر مبنی ہیں، اس لیے مالی سال 2025 میں شرح سود میں کمی کے رجحان کے باعث فنانس کاسٹ بھی کم ہوا۔ مزید یہ کہ کمپنی کے سرٹیفکیٹس آف ڈپازٹ (COD) پورٹ فولیو کی لاگت بھی نئی CODs کے اجرا کے ساتھ کم ہو گئی، جو شرح سود میں کمی کے مطابق تھی۔
☆ انتظامی اور عمومی اخراجات میں 3.7 فیصد اضافہ ہوا، جو 1,615 ملین روپے سے بڑھ کر 1,675 ملین روپے ہو گئے۔ اس اضافے کی بنیادی وجہ عملے کے اخراجات میں 6.2 فیصد اضافہ تھا۔ تاہم، عملے کی کل تعداد 494 سے کم ہو کر 476 تک آنے سے اخراجات میں جزوی کمی واقع ہوئی۔ دیگر اخراجات کو مؤثر طور پر قابو میں رکھا گیا۔
☆ رواں سال کے دوران direct cost میں 24.5 فیصد اضافہ ہوا اور یہ 34 ملین روپے تک پہنچ گئے (مالی سال 2024: 27 ملین روپے)۔ direct cost میں زیادہ تر نئے کاروبار پر اسٹامپ ڈیوٹی، پورٹ فولیو سے متعلقہ اخراجات، ریٹیل صارفین کے لیے لائف انشورنس اور دیگر اخراجات شامل ہیں۔

Expected Credit Loss/لیز اور لون کے لئے پرووژن:

30 جون 2025 تک اوایل پی کا نان پرفارمنگ پورٹ فولیو (90 دن سے زیادہ واجب الادا) 655 ملین روپے رہا (مالی سال 2024: 641 ملین روپے)۔ کمپنی نے مالی سال 2025 میں 143 ملین روپے کی پرووژن ریورسل ریکارڈ کی، جو مالی سال 2024 میں 42 ملین روپے کی ریورسل کے مقابلے میں ہے۔

لیز اور لون کے لیے پرووژنز اکاؤنٹنگ اسٹینڈرڈ IFRS9 کے expected credit loss ماڈل کے تحت ریکارڈ کیا گیا، جس میں مینجمنٹ overlay کے تحت ریکارڈ کیا گیا subjective provision بھی شامل ہے۔ 30 جون 2025 تک مجموعی پرووژنز 68 ملین روپے رہا، جو 90 دن سے زیادہ واجب الادا تمام اکاؤنٹس کے خلاف 100 فیصد رہا جبکہ مالی سال 2024 میں یہ شرح 119 فیصد تھی۔

ٹیکس:

سال کے لیے ٹیکس اخراجات 787 ملین روپے ریکارڈ کیے گئے، جو کہ گذشتہ سال کے ٹیکس اخراجات 898 ملین روپے سے 15 فیصد کم ہے۔ اس میں 10 فیصد کا سپر ٹیکس بھی شامل ہے۔

او ایل پی سروسز پاکستان (پرائیویٹ) لمیٹڈ (او ایس پی ایل)، جو او ایل پی کی wholly owned subsidiary کمپنی ہے، نے آٹوموبائل سروسز کا آغاز کیا تاکہ گاڑیوں کی سروس کے شعبے کے رجحانات کا اندازہ لگایا جا سکے اور آئندہ اسے او ایل پی کے کاروباری شعبوں کے ساتھ شامل کرنے کے امکانات پر غور کیا جا سکے۔ او ایس پی ایل سے receivable ان اخراجات کی نمائندگی کرتی ہے جو کمپنی نے اس کے لیے برداشت کیے۔ تاہم، سال کے دوران non-competitive مارکیٹ اور غیر رسمی شعبے کی بالادستی کے باعث یہ کاروبار بند کر دیا گیا۔ اس کے نتیجے میں 97 ملین روپے کے receivable کو other provision کے کھاتے میں شامل کیا گیا۔

اسی طرح، او پی پی (پرائیویٹ) لمیٹڈ میں کی گئی سرمایہ کاری پر 87 ملین روپے کی impairment ریکارڈ کی گئی، کیونکہ کمپنی کے بند کرنے سے متعلق مقدمہ کے باعث مالی معلومات دستیاب نہیں ہو سکیں۔

سعودی عرب میں OLP کی associated کمپنی ینال فنانس کمپنی کے منافع میں نمایاں بہتری آئی ہے۔ OLP کا اس کے ایسوسی ایٹ سے منافع میں حصہ 158 ملین روپے (مالی سال 2024: 139 ملین روپے)، جو کہ گذشتہ سال کے مقابلے میں 10.7 فیصد زیادہ ہے۔

OLP مضاربہ (OM) نے رواں سال 174 ملین روپے کا خالص منافع کمایا جو کہ گذشتہ سال کے 158 ملین روپے کے منافع سے 10 فیصد زیادہ ہے۔ کل اثاثے گذشتہ سال کے مقابلے میں 15 فیصد زیادہ ہو کر 8,881 ملین روپے ہو گئے (30 جون 2024: 7,738 ملین روپے)۔ OLPM نے سالانہ کیش ڈویڈنڈ 2.5 فیصد کا اعلان کیا۔

مالیاتی کارکردگی:

OLP کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

2024	2025	
2,290,853,975	2,012,384,665	قبل از محصول منافع
897,943,253	786,913,599	محصولات (ٹیکس)
1,392,910,722	1,225,471,036	سالانہ خالص منافع بعد از محصول (ٹیکس)
69,645,536	61,273,552	مختص: قانونی ریزرو میں منتقلی
350,815,294	350,815,294	عبوری ڈویڈنڈ
526,222,941	613,926,765	حتمی ڈویڈنڈ
946,683,771	964,742,059	
7.94	6.99	فی شیئر آمدنی - بنیادی اور رقیق شدہ

او ایل پی نے مالی سال 2025 میں قبل از ٹیکس منافع 2.01 بلین روپے حاصل کیا جو مالی سال 2024 کے 2.29 بلین روپے کے مقابلے میں 12.4 فیصد کمی ظاہر کرتا ہے۔ بعد از ٹیکس منافع 1.22 بلین روپے رہا (مالی سال 2024: 1.39 بلین روپے)، جو گزشتہ سال کے مقابلے میں 12.02 فیصد کم ہے۔ منافع میں یہ کمی بنیادی طور پر شرح سود میں کمی کے باعث ہوئی، جس نے کمپنی کے equity-funded پورٹ فولیو پر حاصل ہونے والی آمدنی کو متاثر کیا۔

ڈویڈنڈ:

ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کیلئے 35 فیصد کے حتمی نقد منافع کی سفارش کرتے ہوئے پر مسرت ہیں۔ یہ سال کے دوران ادا کیے گئے 20 فیصد کے عبوری کیش ڈویڈنڈ کے علاوہ ہے جو سال کیلئے کل ڈویڈنڈ کو 55 فیصد تک لاتا ہے (2024: کل کیش ڈویڈنڈ 50 فیصد)۔

اسٹیٹ بینک آف پاکستان نے اپنی حالیہ مانیٹری پالیسی کمیٹی کے اجلاس میں پیش گوئی کی ہے کہ 30 جون 2026 کو ختم ہونے والے مالی سال میں افراطِ زر کی شرح تقریباً 7.7 فیصد کے قریب مستحکم رہنے کی توقع ہے۔ سال کے دوران شرح سود میں بتدریج کمی افراطِ زر میں نمایاں کمی کے ساتھ ہم آہنگ رہی۔ آئندہ کیلنڈر سال میں بینچ مارک پالیسی ریٹ کے افراطِ زر کے رجحانات کے مطابق رہنے کی توقع ہے۔ گزشتہ چند برسوں کے دوران پالیسی ریٹ اور KIBOR کی حرکت ذیل میں پیش کی گئی ہے:

	Jun-22	Jun-23	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Policy Rate	13.75%	22.00%	20.50%	17.50%	13.00%	12.00%	11.00%
3M KIBOR	15.16%	22.91%	20.24%	16.13%	12.14%	12.18%	11.41%
6M KIBOR	15.35%	22.97%	20.14%	15.20%	12.16%	12.13%	11.44%

مالی سال 2026 کا بجٹ جون 2025 میں پیش کیا گیا۔ اس میں کل اخراجات کا تخمینہ 17.6 ٹریلین روپے لگایا گیا ہے، جس میں سے صوبوں کے حصے کے 8 ٹریلین روپے شامل نہیں ہیں۔ یہ بجٹ مالی سال 2025 کے بجٹ تخمینے کے مقابلے میں 7 فیصد کمی ظاہر کرتا ہے۔ کل مجموعی آمدنی 19.3 ٹریلین روپے متوقع ہے، جس میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولیاں 14.13 ٹریلین روپے رکھی گئی ہیں، جو گزشتہ مالی سال کے مقابلے میں تقریباً 9 فیصد زیادہ ہیں۔ مالی سال 2026 کے بجٹ میں مجموعی خسارے کا ہدف جی ڈی پی کے 3.9 فیصد پر مقرر کیا گیا ہے، جو کہ ایک پُر امید اور چیلنجنگ ٹارگٹ ہے۔

کاروباری جائزہ:

مالی سال 2026 میں پاکستان کی معیشت کے بہتر میکرو اکنامک اشاریوں اور سرمایہ کاروں کے بڑھتے ہوئے اعتماد کے باعث بحالی کے رجحان کے برقرار رہنے کی توقع ہے۔ انہی حالات سے فائدہ اٹھاتے ہوئے او ایل پی نے ایک جامع حکمتِ عملی پر عمل درآمد کیا، جس کا مقصد کاروباری سرگرمیوں کو پائیدار بنانا، اخراجات کو بہتر طور پر منظم کرنا اور عملی استعداد میں اضافہ کرنا تھا۔

بہتر معاشی سرگرمیوں کے تناظر میں او ایل پی نے نئی 19.11 بلین روپے کا نیا بزنس کیا جو گزشتہ سال کی 14.56 بلین روپے کے بزنس کے مقابلے میں 32 فیصد اضافہ ظاہر کرتی ہیں۔ کمپنی کا وہیکل لیزنگ اور فنانسنگ شعبہ، جس میں کمرشل گاڑیاں اور سیلون کاریں شامل ہیں، بدستور سب سے نمایاں رہا اور سال کے دوران کل ادائیگیوں میں اس کا حصہ 84 فیصد رہا۔ 30 جون 2025 تک او ایل پی کا فنانس اور لیز پورٹ فولیو 29 بلین روپے تک پہنچ گیا، جو گزشتہ سال کے 25.5 بلین روپے کے پورٹ فولیو کے مقابلے میں 14 فیصد زیادہ ہے۔

او ایل پی کا وسیع نیٹ ورک، جو ملک بھر میں 33 شاخوں پر مشتمل ہے، کمپنی کو متنوع کسٹمر بیس کی خدمت کرنے کے ساتھ ساتھ concentration risk کو مؤثر طور پر منظم کرنے کے قابل بناتا ہے۔ 30 جون 2025 تک پورٹ فولیو میں کسی ایک بڑے کسٹمر کا حصہ محض 0.9 فیصد رہا، جو diversification کی عکاسی کرتی ہے۔ اثاثہ جاتی تقسیم کے لحاظ سے گاڑیوں کا حصہ 85.1 فیصد رہا، جس کے بعد پلانٹ اور مشینری 12.8 فیصد کے ساتھ دوسرے نمبر پر رہے۔

سال کے دوران کمپنی نے اپنے deliquency ratio کو 2.26 فیصد کر دیا جو گزشتہ سال کے 2.52 فیصد کے مقابلے میں نمایاں بہتری ہے۔ یہ پیش رفت محتاط فنانسنگ پالیسیوں، خطرات اور معیار پر بھرپور توجہ، مؤثر پورٹ فولیو مینجمنٹ، اور بقایا کھاتوں کی بروقت نگرانی کے نتیجے میں ممکن ہوئی۔ اس کے علاوہ، طویل عرصے سے بقایا ادائیگیوں والے صارفین کے ساتھ عدالت سے باہر مذاکرات کی کوششیں کی گئیں، جبکہ نئے deliquency ratio کی ریکوری کے لئے بھی منظم کوشش کی گئی۔

ڈائریکٹرز کی رپورٹ:

بورڈ آف ڈائریکٹرز کی جانب سے ہم اوایل پی فنانشل سروسز پاکستان لمیٹڈ (OLP / دی کمپنی) کی انتالیسویں سالانہ رپورٹ بمعہ غیر مجموعی مالیاتی گوشوارے برائے اختتام سال 30 جون 2025 پیش کرنے پر پُرمسرت ہیں۔

کمپنی:

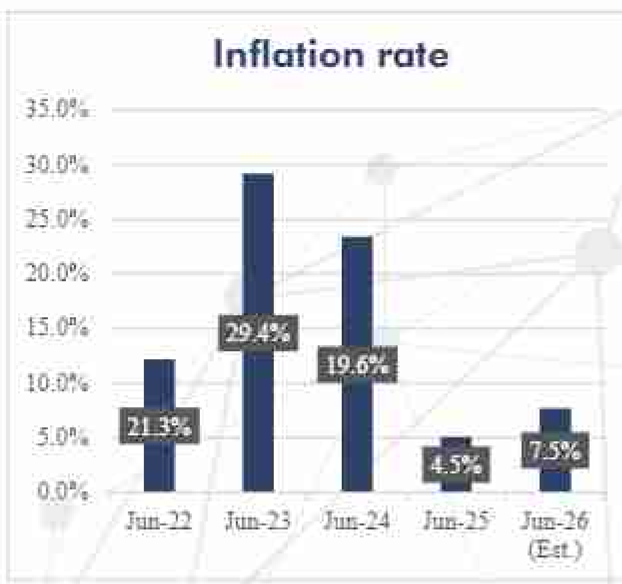
کمپنی 1986 میں اورکس کارپوریشن، جاپان (ORIX) اور ملکی سرمایہ کاران کے درمیان ایک مشترکہ منصوبے کے طور پر قائم کی گئی تھی۔ کمپنی نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 کے تحت ایس ای سی پی سے انویسٹمنٹ فنانس سروسز لائسنس کی حامل ہے۔ OLP چھوٹے اور درمیانے درجے کے انٹرپرائز (SME) سیکٹر کی ضروریات کو پورا کرنے پر زور دیتے ہوئے کارپوریٹ اور انفرادی صارفین کو مالی خدمات فراہم کرتا ہے۔

معیشت کا جائزہ:

مالی سال 2025 کے دوران پاکستان کی معیشت نے چیلنجز کے باوجود مثبت پیش رفت کا مظاہرہ کیا۔ اس عرصے میں حقیقی جی ڈی پی میں 2.68 فیصد نمو ریکارڈ کی گئی، جو اہم میکرو اکنامک اشاریوں میں وسیع البنیاد استحکام کا عکاس ہے۔ حقیقی، مالیاتی، مالی اور بیرونی شعبہ جات نے اپنی مضبوطی اور استحکام برقرار رکھتے ہوئے بتدریج بحالی کے آثار نمایاں کیے۔ مزید برآں، مالی سال کے دوران محصولات میں اضافے اور اخراجات کے موثر نظم کے ذریعے مالیاتی نظم وضبط کو مزید مستحکم کیا گیا۔

یہ بہتری مختلف شعبہ جات میں سال بہ سال نمایاں اضافے سے تعلق ہے، جن میں آٹوموبائل کی فروخت، کھاد کی کھپت، نجی شعبے کو فراہم کردہ قرضہ جات، درآمدات برائے intermediate اشیاء اور مشینری، اور حالیہ مہینوں میں پرچیزنگ مینیجرز انڈیکس شامل ہیں۔ high frequency indicators میں یہ مثبت رجحان اب بڑے پیمانے کی صنعتی پیداوار کے اعدادوشمار میں بھی نمایاں ہونا شروع ہوگیا ہے، جہاں مسلسل پانچ ماہ کی مندی کے بعد چوتھی سہ ماہی میں سال بہ سال 2.29 فیصد اضافہ ریکارڈ کیا گیا۔ مالی حالات میں بہتری، کاروباری اعتماد میں اضافہ اور بتدریج بہتر ہوتے معاشی ماحول کے باعث حقیقی جی ڈی پی کی شرح نمو رواں سال بڑھ کر 3.25 تا 3.6 فیصد رہنے کی توقع ہے، جو مالی سال 2025 کے عبوری تخمینے 2.7 فیصد سے زیادہ ہے۔ مالی سال 2025 میں افراطِ زر کی اوسط شرح 5.1 فیصد رہی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 23.4 فیصد سے کم ہے۔ مزید برآں، اصلاحات کے نفاذ اور ملکی ڈیفالٹ کے رسک میں کمی کے باعث اسٹینڈرڈ اینڈ پورز (S&P) نے پاکستان کی کریڈٹ ریٹنگ کو (-B) میں اپ گریڈ کردیا ہے۔

ذیل میں دی گئی گراف ملک کی معاشی کارکردگی کے اہم اشاریوں کو اجاگر کرتی ہیں:



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of OLP Financial Services Pakistan Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of OLP Financial services Pakistan Limited ('the Company') for the year ended 30 June 2025 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

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

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co
Chartered Accountants

Date: 30 September 2025
UDIN: CR202510096ZqBwS5IKV

STATEMENT OF COMPLIANCE

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

FOR THE YEAR ENDED JUNE 30, 2025

OLP Financial Services Pakistan Limited (the Company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors is Eight (08) as given below:

   Male* Seven (07)
   Female One (01)

   *including CEO, who is a Deemed Director under section 188 of the Companies Act, 2017

2. The composition of the Board of Director is as follows:

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Ramon Alfrey Mr. Yoshiaki Matsuoka Mr. Kazuhito Inoue
Non-Executive Female Directors	Ms. Keiko Watanabe
Executive Directors*	Mr. Shaheen Amin

*Serving as deemed director under section 188 of the Companies Act, 2017

3. The Directors have confirmed that none of them is serving as a director on more than seven (07) listed companies, including the Company;

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

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

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

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

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

9. At present, six out of eight Directors of the Board have certification / exemption under the Directors Training Program (DTP);

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

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

12. The Board has the following Committees as of June 30, 2025, comprising of the members given below:

Name of Committees	Name of members and Chairman	
Audit and Risk Committee	Mr. Rashid Ahmed Jafer Mr. Ramon Alfrey Ms. Keiko Watanabe Mr. Kazuhito Inoue	Chairman Member Member Member
Human Resource, Nomination and Remuneration Committee	Mr. Anwar Mansoor Khan Mr. Khalid Aziz Mirza Mr. Yoshiaki Matsuoka Mr. Shaheen Amin	Chairman Member Member Member
Credit Committee	Mr. Yoshiaki Matsuoka Mr. Shaheen Amin Mr. Ramon Alfrey	Chairman Member Member
Compensation Committee	Mr. Rashid Ahmed Jafer Mr. Khalid Aziz Mirza Mr. Yoshiaki Matsuoka	Chairman Member Member

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

14. The frequency of meetings of the Board Committees were as follows:

a) Audit and Risk Committee – Seven meetings were held during the year; at least one meeting was held in each quarter of the year.

b) Human Resource, Nomination and Remuneration Committee – Two meetings were held during the year.

c) Credit Committee – One meeting was held during the year.

d) Compensation Committee – No meeting was held during the year

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

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

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

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

19. In relation to Regulation 6 of the CCG, it may be noted that two independent directors are on the Board of the Company as of June 30, 2025. Given the size of the board, the Board is confident that the board has a balanced composition and includes a fair representation of independent directors. The current Board of Directors are a sound mix of independent, female and non-executive directors enabling the Board to effectively guide the Company to achieve its strategic objectives.

20. In relation to Regulation 10A of the CCG, the Board has assigned additional responsibilities to Board Audit & Risk Committee for incorporating provisions related to diversity equity and inclusion (DE&I) and sustainability related risks. Accordingly, Committees terms of reference has been expanded.

21. In relation to Regulation 29 and 30 of the CCG, the functions of nomination committee are being performed by the Human Resource, Nomination and Remuneration Committee and functions of risk management committee are being performed by the Audit & Risk Committee. Therefore, separate committees are not needed.

22. In relation to regulation 35(1) of the CCG, the requirement to disclose significant policies on the website is non-mandatory. Thus, the Company has uploaded limited information in this respect on its website. However, the Company is considering placing key elements of other policies on its website.

23. Explanation for as to impediment in its compliance with requirements as required by Regulation 2, other than 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations are given below:

a. **Directors Training (regulation 19)**
Mr. Kazuhito Inoue, having been recently appointed, will complete the Director Training Program (DTP) within the stipulated time as required under the Code.

The independent director, Mr. Anwar Mansoor Khan, is a distinguished senior lawyer designated as "Senior Advocate" by the Supreme Court of Pakistan. He has served as the Attorney General of Pakistan, Advocate General for the Province of Sindh and Judge of the High Court of Sindh. With over 43 years of distinguished service and expertise in corporate legal practice and governance, his knowledge and experience are considered to be at a level that effectively meets and exceeds the objectives of the Directors' Training Program.

SHAHEEN AMIN
Chief Executive Officer

KHALID AZIZ MIRZA
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting (the AGM) of OLP Financial Services Pakistan Limited (the Company) will be held on Friday, October 24, 2025, at 10:30 a.m. at the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Karachi and through video link (Zoom application), to transact the following businesses:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details)

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Consolidated and Unconsolidated) of the Company for the year ended June 30, 2025, together with the Auditor's Report and the Directors' Report thereon and Chairman's Review Report.

   In accordance with Section 223(6) of the Companies Act 2017 ("the Act"), and pursuant to the SRO 389(I)/2023 dated March 21, 2023, the Financial Statements of the Company can be accessed through the following web link and/or QR enabled code:

   https://www.olpfinance.com/investor-relations

2. To declare and approve, as recommended by the Directors, final cash dividend of PKR 3.5 per share i.e. 35% for the year ended June 30, 2025. This is in addition to the interim cash dividends of PKR 2 per share, i.e. 20%, already paid.

3. To appoint Auditors for the year ending June 30, 2026, and fix their remuneration. The present auditors Messrs. KPMG Taseer Hadi & Co., Chartered Accountants retire and being eligible, have offered themselves for reappointment.

4. To transact any other ordinary business of the Company with the permission of the Chairman.

Karachi
Friday, October 03, 2025

BY ORDER OF THE BOARD
SALMAN ALI
Company Secretary

NOTES

1. PROHIBITION ON GRANT OF GIFTS TO SHAREHOLDERS

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

2. PARTICIPATION IN ANNUAL GENERAL MEETING (AGM) THROUGH ELECTRONIC MEANS:

To attend and participate in the AGM through video link facility, members are requested to register themselves by providing following particulars with the Company Secretary by emailing to agm@olpfinance.com at least 48 hours before the time of AGM.

Name of Shareholder	CNIC No.	Folio No./ CDC Account No.	Mobile No.	Email Address

Video link details and login credentials (ZOOM application) will be shared with those shareholders who have shown their intent to attend the meeting containing all the particulars as mentioned above.

3. BOOK CLOSURE

3.1 The Members' Register shall remain closed from October 17, 2025 to October 24, 2025 (both days inclusive). Transfers in good order received at the office of the Company's Share Registrar before the close of the business on October 16, 2025, will be treated in time to attend the AGM and entitlement of the dividend. Address of the Company's Share Registrar is as follows:

FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Nursery Block-6, PECHS
Main Shahra-e-Faisal, Karachi-74400, Pakistan
Phone: +92 (021) 34380101-105
Email: info.shares@famcosrs.com

3.2 All Shareholders are entitled to attend, speak and vote at the AGM. A Shareholder may appoint a proxy to attend, speak and vote on behalf of the Shareholder. The proxy needs to be a Member of the Company. A proxy, to be effective, must be received at the office of the Company's Share Registrar not less than 48 hours before the time of AGM.

3.3 The Shareholders and their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose, at the time of attending the AGM. The Proxy Form must be submitted to the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form, along with attested copies of the CNICs or passports of the beneficial owner and the proxy. In case of corporate entity, the resolution of the Board of Directors or power of attorney with specimen signature of the nominee shall be produced at the time of AGM. The Proxy Form is available on the Company's website (https://www.olpfinance.com/investor-relations).

3.4 Members are requested to intimate any change in address immediately to the Company's Share Registrar.

3.5 CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP.

4. ELECTRONIC TRANSMISSION OF ANNUAL REPORT 2025

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

Additionally, if a Shareholder requests for a hard copy of the Annual Audited Financial Statements, the same will be provided free of cost within seven working days of receipt of such request. For the Shareholders' convenience, a 'Standard Request Form for Provision of Annual Audited Financial Accounts' has also been made available on the Company's website.

5. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE WEBSITE

The Financial Statements for the year ended June 30, 2025, along with the Auditor's and Directors' Report thereon are available on the Company's website (https://www.olpfinance.com/investor-relations) in addition to the quarterly financial statements.

6. SUBMISSION OF COPIES OF CNIC/NTN

Pursuant to the directives of the SECP, the dividends of Members whose valid CNIC or NTN (in case of corporate entities) are not available with the Share Registrar would be withheld. Members are therefore, requested to submit a copy of their valid CNIC or NTN (if not already provided) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited.

7. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE

As per Section 242 of the Act, a listed company shall pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the physical dividend warrants will not be issued to the Company's Shareholders. In order to receive dividend into respective banks accounts, the Shareholders are requested (if not already provided) to fill in the Dividend Mandate Form for Electronic Credit of Cash Dividend, available on the Company's website and send the duly signed form, along with a copy of CNIC to the Company's Share Registrar in case of physical shares. In case shares are held in the CDC/Brokerage House, Dividend Mandate Form must be directly submitted to the CDC investor account services/respective participant accounts. In case of non-receipt of information, the Company will be obliged to withhold payment of dividend to such shareholders.

8. DEDUCTION OF INCOME TAX FROM DIVIDEND UNDER THE SECTION 150 OF THE INCOME TAX ORDINANCE 2001

8.1 According to the provisions of the Finance Act 2025 effective from July 2025, the rate of deduction of the Income Tax from dividend payments has been as follows:

i. The Rate of Income Tax deduction for filers of the Income Tax returns is 15%
ii. The Rate of Income Tax deduction for non-filers of income tax returns is 30%

The Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on FBR's website, despite the fact that they have filed their returns, are advised to ensure that their names be entered in ATL. Otherwise, the tax on their cash dividend will be deducted @ 30% instead of 15%.

8.2 Withholding Tax exemption from the dividend income shall only be allowed if a copy of the valid tax exemption certificate is made available to the Company's Share Registrar by the first day of the book closure.

8.3 Withholding tax will be determined separately on 'Filer/Non-filer' status of principal shareholder as well as joint-holders(s) based on their shareholding proportions. In this regard, the Shareholders who hold the Company's shares jointly are requested to provide shareholding proportions of the principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to the Company's Share Registrar in writing, within ten (10) days of this notice. Otherwise, it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

8.4 The Corporate Shareholders having CDC accounts are required to have their NTN updated with their respective participants, and the corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The Shareholders while sending NTN or NTN certificates, as the case may be, must quote the company's name and their respective folio numbers.

9. VIDEO CONFERENCE FACILITY

In pursuance to the SECP's circular No. 10/2014, dated May 21, 2014, and the Section 134(1)(b) of the Act, the Members can also avail video conference facility at places other than Karachi (since the AGM is scheduled to be held in Karachi); provided that the Company shall receive consent from members holding in aggregate 10% or more shareholding, residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the AGM. The Company will arrange a video conference facility in the city subject to availability of such facility in that city. In this regard, the Shareholders are requested to send duly signed Form of Video Conference Facility, available on Company's website to the Company's Share Registrar.

10. UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES

The Company has previously discharged its responsibility under Section 244 of the Act, whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

11. CONVERSION OF PHYSICAL SHARES INTO CDC ACCOUNT

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Act, by replacing physical shares issued by them into book entry form.

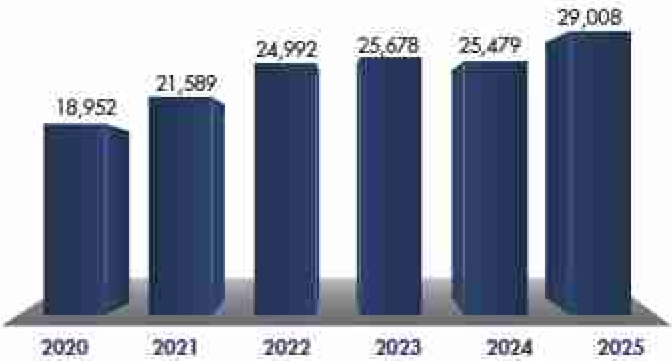
The Shareholders having physical shareholding are requested to convert their physical shares into electronic form as required under Section 72(2) of the Act, which states that "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act".

The Company also reminded its Shareholders vide newspaper publication dated December 20, 2024 for conversion of their physical shares into book-entry form and to claim unclaimed shares and dividends that were lying in its custody.

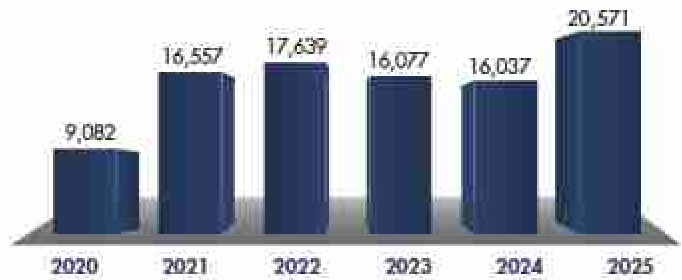
SIX YEARS' FINANCIAL SUMMARY

	2025	2024	2023	2022	2021	2020
Operating Results (Rupees in million)						
Total disbursement	20,571	16,037	16,077	17,639	16,557	9,082
Revenues	6,964	7,984	6,796	4,490	3,681	4,436
Finance cost	3,158	3,876	3,158	1,794	1,193	1,845
Provisions / (reversals)	84	174	137	(29)	(18)	324
Profit for the period before taxation	2,012	2,291	2,029	1,377	1,284	973
Profit for the period after taxation	1,225	1,393	1,211	882	915	702
Proposed dividend	965	877	702	702	702	626
Statement of Financial Position (Rupees in million)						
Portfolio	29,008	25,479	25,678	24,992	21,589	18,952
Property and equipment	1,340	1,263	1,266	1,289	1,356	1,737
Investment in associates	1,776	1,707	1,719	1,208	916	944
Total Assets	35,416	31,954	31,953	29,730	24,786	22,999
Total Borrowing	21,463	18,235	18,679	18,020	14,073	12,862
Long term debts	11,687	7,976	9,812	11,511	7,319	7,209
Total Liabilities	24,519	21,483	22,159	20,816	16,261	14,765
Shareholders' equity	10,897	10,471	9,794	8,914	8,525	8,234
PERFORMANCE INDICATORS						
Profitability						
Profit before taxation over revenue	28.89%	28.69%	29.86%	30.67%	34.88%	21.96%
Gross spread	50.39%	48.20%	50.44%	56.45%	63.52%	53.25%
Return on equity	11.47%	13.75%	12.94%	10.12%	10.92%	8.64%
Return on assets	3.64%	4.36%	3.93%	3.24%	3.83%	2.87%
Income / expense ratio	1.43	1.45	1.47	1.43	1.52	1.41
Liquidity						
Current ratio	1.45	1.21	1.33	1.50	1.27	1.62
Cash to current liabilities	0.02	0.03	0.01	0.10	0.03	0.03
Investment / Market						
Price to book ratio	0.62	0.46	0.33	0.41	0.53	0.47
Dividend yield	14.30%	18.06%	21.93%	19.05%	15.53%	16.13%
Dividend payout	78.78%	62.96%	57.97%	79.57%	76.74%	89.17%
Earning per share (Rs.)	6.99	7.94	6.90	5.03	5.22	4.00
Price earning ratio	5.51	3.49	2.64	4.18	4.94	5.81
Market value per share (Rs.)	38.47	27.68	18.24	21.00	25.75	23.25
Proposed dividend	55.00%	50.00%	40.00%	40.00%	40.00%	37.50%
Capital Structure						
Debt / Equity ratio	1.97	1.74	1.91	2.02	1.65	1.56
Book value per share (Rs.)	62.13	59.69	55.84	50.82	48.60	49.29
Interest cover ratio	1.66	1.64	1.69	1.73	2.06	1.70

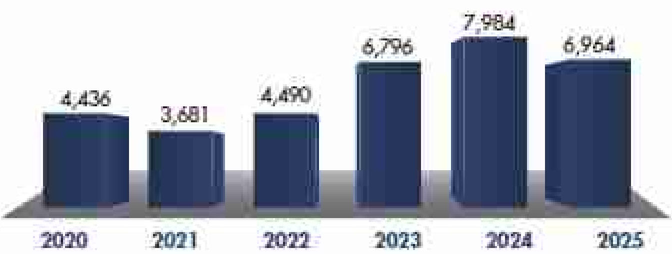
Portfolio
(Rs. in million)



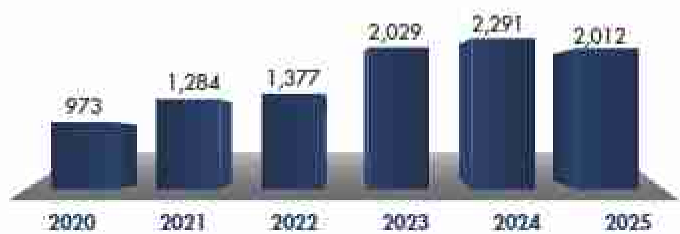
Disbursements
(Rs. in million)



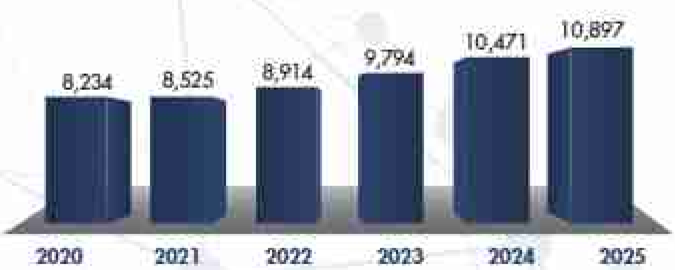
Revenues
(Rs. in million)



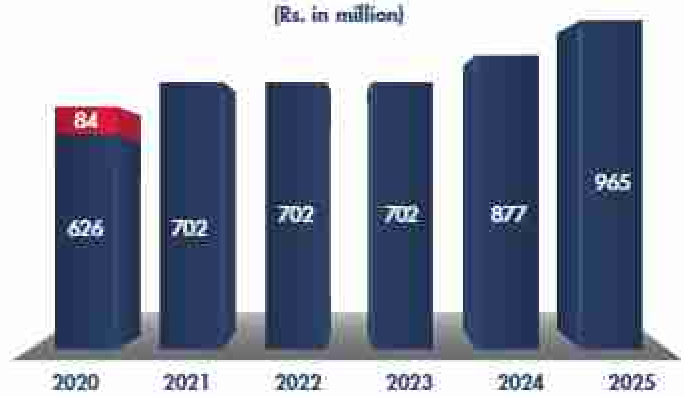
Profit before tax
(Rs. in million)



Shareholders' equity
(Rs. in million)



Dividends
(Rs. in million)



SIX YEARS' VERTICAL ANALYSIS

Unconsolidated Statement of Financial Position	2025		2024		2023		2022		2021		2020	
	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%
ASSETS												
Non-current assets												
Property and equipment	1,340	3.78%	1,263	3.95%	1,266	3.96%	1,289	4.34%	1,356	5.47%	1,737	7.55%
Intangible assets	13	0.04%	1	0.00%	1	0.00%	1	0.00%	4	0.02%	11	0.05%
Net investment in finance lease	3,726	10.52%	4,100	12.83%	5,734	17.95%	6,495	21.85%	6,563	26.48%	5,984	26.02%
Long-term loans and finances	10,979	31.00%	9,019	28.23%	7,271	22.76%	7,009	23.58%	4,509	18.19%	2,313	10.06%
Investment in subsidiaries	322	0.91%	322	1.01%	322	1.01%	322	1.08%	322	1.30%	322	1.40%
Investment in associate	1,776	5.02%	1,707	5.34%	1,719	5.38%	1,208	4.06%	916	3.70%	944	4.10%
Long-term investments	22	0.06%	15	0.05%	-	0.00%	195	0.66%	387	1.56%	443	1.93%
Long-term deposits	11	0.03%	11	0.03%	11	0.03%	12	0.04%	12	0.05%	13	0.06%
Defined benefit plan asset	64	0.18%	22	0.07%	6	0.02%	27	0.09%	8	0.03%	39	0.17%
	18,253	51.54%	16,460	51.51%	16,330	51.11%	16,558	55.69%	14,077	56.79%	11,806	51.33%
Current assets												
Short-term finances	5	0.01%	34	0.11%	42	0.13%	20	0.07%	6	0.02%	234	1.02%
Current maturity of non-current assets	14,218	40.15%	12,235	38.29%	12,604	39.45%	11,337	38.13%	9,849	39.74%	9,579	41.65%
Short-term investments	2,183	6.16%	2,560	8.01%	2,448	7.66%	577	1.94%	338	1.32%	803	3.49%
Advances and prepayments	24	0.07%	66	0.21%	29	0.09%	29	0.10%	28	0.11%	18	0.08%
Other receivables	450	1.27%	101	0.32%	90	0.28%	72	0.24%	20	0.08%	80	0.35%
Cash and bank balances	278	0.79%	404	1.26%	145	0.45%	872	2.93%	213	0.86%	208	0.90%
	17,158	48.45%	15,400	48.20%	15,358	48.06%	12,907	43.41%	10,444	42.14%	10,922	47.49%
Assets classified as held for sale	5	0.01%	93	0.29%	265	0.83%	265	0.89%	265	1.07%	271	1.18%
	17,163	48.46%	15,493	48.49%	15,623	48.89%	13,172	44.31%	10,709	43.21%	11,193	48.67%
Total assets	35,416	100.00%	31,953	100.00%	31,953	100.00%	29,730	100.00%	24,786	100.00%	22,999	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves	10,897	30.77%	10,471	32.77%	9,794	30.65%	8,914	29.98%	8,525	34.39%	8,234	35.80%
Non-current liabilities												
Long-term finances	11,042	31.18%	7,082	22.16%	8,822	27.61%	9,415	31.67%	4,728	19.08%	4,580	19.91%
Long-term certificates of deposit	645	1.82%	893	2.79%	990	3.10%	2,096	7.05%	2,592	10.46%	2,630	11.44%
Deferred taxation	765	2.16%	595	1.86%	623	1.95%	363	1.22%	412	1.66%	516	2.24%
Other long-term liabilities	207	0.58%	150	0.47%	194	0.61%	336	1.13%	287	1.16%	288	1.25%
	12,659	35.74%	8,720	27.29%	10,629	33.26%	12,210	41.07%	8,019	32.35%	8,014	34.84%
Current liabilities												
Accrued and other liabilities	1,546	4.37%	1,575	4.93%	1,187	3.71%	1,264	4.25%	855	3.45%	362	1.57%
Unpaid dividend	-	0.00%	-	0.00%	483	1.51%	168	0.57%	185	0.75%	-	0.00%
Unclaimed dividend	37	0.10%	35	0.11%	34	0.11%	34	0.11%	27	0.11%	27	0.12%
Short-term borrowings	1,918	5.42%	1,684	5.27%	861	2.69%	389	1.31%	1,446	5.83%	180	0.78%
Short-term certificates of deposit	2,106	5.95%	4,183	13.09%	3,311	10.36%	1,574	5.29%	1,692	6.83%	1,054	4.58%
Taxation - net	187	0.53%	235	0.74%	318	1.00%	233	0.78%	172	0.69%	368	1.60%
Current maturity of non-current liabilities	6,066	17.13%	5,050	15.80%	5,336	16.70%	4,944	16.63%	3,865	15.59%	4,760	20.70%
	11,860	33.49%	12,762	39.94%	11,530	36.08%	8,606	28.95%	8,242	33.25%	6,751	29.35%
Total equity and liabilities	35,416	100.00%	31,953	100.00%	31,953	100.00%	29,730	100.00%	24,786	100.00%	22,999	100.00%

Unconsolidated Statement of Profit or Loss	2025		2024		2023		2022		2021		2020	
	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%
INCOME												
Income from operations												
Mark-up on finance leases	1,806	25.94%	2,784	34.87%	2,881	42.39%	2,253	50.18%	2,219	60.28%	2,933	66.12%
Mark-up on loans and finances	4,086	58.68%	4,101	51.37%	3,023	44.48%	1,613	35.97%	971	26.38%	926	20.87%
	5,892	84.62%	6,885	86.23%	5,904	86.87%	3,868	86.15%	3,190	86.66%	3,859	86.99%
Income from other activities												
Other income - net	917	13.17%	959	12.01%	774	11.39%	558	12.43%	456	12.39%	548	12.35%
Share of profit from associate - net of tax	154	2.21%	140	1.75%	118	1.74%	64	1.42%	35	0.95%	29	0.65%
	1,071	15.38%	1,099	13.77%	892	13.13%	622	13.85%	491	13.34%	577	13.01%
Total income	6,963	100.00%	7,984	100.00%	6,796	100.00%	4,490	100.00%	3,681	100.00%	4,436	100.00%
EXPENSES												
Finance cost	3,158	45.35%	3,876	48.55%	3,158	46.47%	1,794	39.96%	1,193	32.41%	1,845	41.59%
Administrative and general expenses	1,675	24.06%	1,615	20.23%	1,435	21.12%	1,285	28.62%	1,136	30.86%	1,136	25.61%
Direct cost	34	0.49%	28	0.35%	37	0.54%	63	1.40%	86	2.34%	158	3.56%
	4,867	69.90%	5,519	69.13%	4,630	68.13%	3,142	69.98%	2,415	65.61%	3,139	70.76%
Profit before provision and taxation	2,096	30.10%	2,465	30.87%	2,166	31.87%	1,348	30.02%	1,266	34.39%	1,297	29.24%
Reversal of expected credit loss / provision against leases, loans and finances - net	(143)	-2.05%	(42)	-0.53%	106	1.56%	(65)	-1.45%	(40)	-1.09%	311	7.01%
Other provision - net	227	3.26%	216	2.71%	31	0.46%	36	0.80%	22	0.60%	13	0.29%
	84	1.21%	174	2.18%	137	2.02%	(29)	-0.65%	(18)	-0.49%	324	7.30%
Profit before income taxes and levy	2,012	28.90%	2,291	28.69%	2,029	29.86%	1,377	30.67%	1,284	34.88%	973	21.93%
Taxation	787	11.30%	898	11.25%	818	12.04%	495	11.02%	369	10.02%	271	6.11%
Profit for the year after taxation	1,225	17.59%	1,393	17.45%	1,211	17.82%	882	19.64%	915	24.86%	702	15.83%

SIX YEARS' HORIZONTAL ANALYSIS

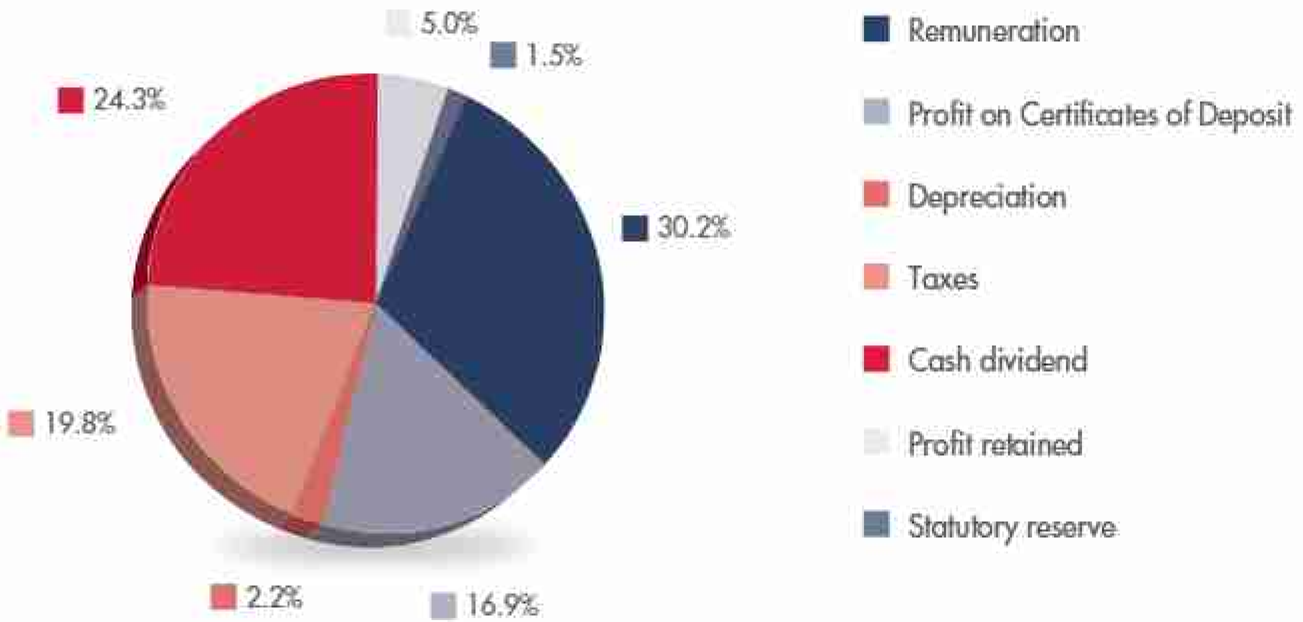
Unconsolidated Statement of Profit or loss	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19
	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%
ASSETS												
Non-current assets												
Property and equipment	1,340	6.10%	1,263	-0.24%	1,266	-1.78%	1,289	-4.94%	1,356	-21.93%	1,737	45.84%
Intangible assets	13	1200.00%	1	0.00%	1	0.00%	1	-75.00%	4	-63.64%	11	-38.89%
Net investment in finance lease	3,726	-9.12%	4,100	-28.50%	5,734	-11.72%	6,495	-1.04%	6,563	9.68%	5,984	-26.44%
Long-term loans and finances	10,979	21.73%	9,019	24.04%	7,271	3.74%	7,009	55.44%	4,509	94.94%	2,313	4.76%
Investment in subsidiaries	322	0.00%	322	0.00%	322	0.00%	322	0.00%	322	0.00%	322	0.00%
Investment in associate	1,776	4.04%	1,707	-0.70%	1,719	42.30%	1,208	31.88%	916	-2.97%	944	0.21%
Long-term investments	22	46.67%	15	0.00%	-	-100.00%	195	-49.61%	387	-12.64%	443	11.87%
Long-term deposits	11	0.00%	11	0.00%	11	-8.33%	12	0.00%	12	-7.69%	13	8.33%
Defined benefit plan asset	64	190.91%	22	266.67%	6	-77.78%	27	237.50%	8	-79.49%	39	333.33%
	18,353	**10.89%**	**16,460**	**0.80%**	**16,330**	**-1.38%**	**16,558**	**17.62%**	**14,077**	**19.24%**	**11,806**	**-10.78%**
Current assets												
Short-term finances	5	-85.29%	34	-19.05%	42	110.00%	20	233.33%	6	-97.44%	234	-17.89%
Current maturity of non-current assets	14,218	16.21%	12,235	-2.93%	12,604	11.18%	11,337	15.11%	9,849	2.82%	9,579	-16.97%
Short-term investments	2,183	-14.73%	2,560	4.58%	2,448	324.26%	577	75.91%	328	-59.15%	803	103.81%
Advances and prepayments	24	-63.64%	66	127.59%	29	0.00%	29	3.57%	28	55.56%	18	-55.00%
Other receivables	450	345.54%	101	12.22%	90	25.00%	72	260.00%	20	-75.00%	80	142.42%
Cash and bank balances	278	-31.19%	404	178.62%	145	-83.37%	872	309.39%	213	2.40%	208	19.54%
	17,158	11.42%	15,400	0.27%	15,358	18.99%	12,907	23.58%	10,444	-4.38%	10,922	-12.37%
Assets classified as held for sale	5	-94.62%	93	-64.91%	265	0.00%	265	0.00%	265	-2.21%	271	-7.82%
	17,163	**10.78%**	**15,493**	**-0.83%**	**15,623**	**18.61%**	**13,172**	**23.00%**	**10,709**	**-4.32%**	**11,193**	**-12.27%**
Total assets	**35,416**	**10.84%**	**31,953**	**0.00%**	**31,953**	**7.48%**	**29,730**	**19.95%**	**24,786**	**7.77%**	**22,999**	**-11.51%**
EQUITY AND LIABILITIES												
Share capital and reserves	10,897	4.07%	10,471	6.91%	9,794	9.87%	8,914	4.56%	8,525	3.53%	8,234	2.76%
Non-current liabilities												
Long-term finances	11,042	55.92%	7,082	-19.72%	8,822	-6.30%	9,415	99.13%	4,728	3.23%	4,580	-27.42%
Long-term certificates of deposit	645	-27.77%	893	-9.80%	990	-52.77%	2,096	-19.14%	2,592	-1.44%	2,630	-6.74%
Deferred taxation	765	28.57%	595	-4.49%	623	71.63%	363	-11.89%	412	-20.16%	516	-26.29%
Other long-term liabilities	207	38.00%	150	-22.68%	194	-42.26%	336	17.07%	287	-0.35%	288	74.55%
	12,659	**45.17%**	**8,720**	**-17.96%**	**10,629**	**-12.95%**	**12,210**	**52.26%**	**8,019**	**0.06%**	**8,014**	**-19.82%**
Current liabilities												
Accrued and other liabilities	1,546	-1.84%	1,575	32.69%	1,187	-6.09%	1,264	47.84%	855	136.19%	362	-60.18%
Unpaid dividend	-	0.00%	-	-100.00%	483	187.50%	168	-9.19%	185	0.00%	-	0.00%
Unclaimed dividend	37	5.71%	35	2.94%	34	0.00%	34	25.93%	27	0.00%	27	17.39%
Short-term borrowings	1,918	13.90%	1,684	95.59%	861	121.34%	389	-73.10%	1,446	703.33%	180	-86.76%
Short-term certificates of deposit	2,106	-49.65%	4,183	26.34%	3,311	110.36%	1,574	-6.97%	1,692	60.53%	1,054	50.79%
Taxation - net	187	-20.43%	235	-26.10%	318	36.48%	233	35.47%	172	-53.26%	368	73.58%
Current maturity of non-current liabilities	6,066	20.12%	5,050	-5.36%	5,336	7.93%	4,944	27.92%	3,865	-18.80%	4,760	-0.42%
	11,860	**-7.07%**	**12,762**	**10.69%**	**11,530**	**33.98%**	**8,606**	**4.42%**	**8,242**	**22.09%**	**6,751**	**-15.43%**
Total equity and liabilities	**35,416**	**10.84%**	**31,953**	**0.00%**	**31,953**	**7.48%**	**29,730**	**19.95%**	**24,786**	**7.77%**	**22,999**	**-11.51%**

Unconsolidated Statement of Profit or loss	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19
	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%
INCOME												
Income from operations												
Mark-up on finance leases	1,806	-35.13%	2,784	-3.37%	2,881	27.87%	2,253	1.53%	2,219	-24.34%	2,933	3.27%
Mark-up on loans and finances	4,086	-0.37%	4,101	35.66%	3,023	87.18%	1,615	66.32%	971	4.86%	926	18.11%
	5,892	-14.42%	6,885	16.62%	5,904	52.64%	3,868	21.25%	3,190	-17.34%	3,859	6.48%
Income from other activities												
Other income - net	917	-4.38%	959	23.90%	774	38.71%	558	22.37%	456	-16.79%	548	8.51%
Share of profit from associate - net of tax	154	10.00%	140	18.64%	118	84.38%	64	82.86%	35	20.69%	29	-43.14%
	1,071	-2.55%	1,099	23.21%	892	43.41%	622	26.68%	491	-14.90%	577	3.78%
Total Income	**6,963**	**-12.79%**	**7,984**	**17.48%**	**6,796**	**51.36%**	**4,490**	**21.98%**	**3,681**	**-17.02%**	**4,436**	**6.12%**
EXPENSES												
Finance cost	3,158	-18.52%	3,875	22.74%	3,158	76.03%	1,794	50.38%	1,193	-35.34%	1,845	19.57%
Administrative and general expenses	1,675	3.72%	1,615	12.54%	1,435	11.67%	1,285	13.12%	1,136	0.00%	1,136	-4.38%
Direct cost	34	21.43%	28	-24.32%	37	-41.27%	63	-26.74%	86	-45.57%	158	-13.66%
	4,867	**-11.81%**	**5,519**	**19.20%**	**4,630**	**47.36%**	**3,142**	**30.10%**	**2,415**	**-23.06%**	**3,139**	**7.72%**
Profit before provision and taxation	**2,096**	**-14.97%**	**2,465**	**13.80%**	**2,166**	**60.68%**	**1,348**	**6.48%**	**1,266**	**-2.39%**	**1,297**	**2.45%**
Reversal of expected credit loss / provision against leases, loans and finances - net	(142)	240.48%	(42)	-139.62%	106	-263.08%	(65)	62.50%	(40)	-112.86%	311	-262.83%
Other provision - net	227	5.09%	216	596.77%	31	-13.89%	36	63.64%	22	69.23%	13	44.44%
	84	-51.72%	174	27.01%	137	-572.41%	(29)	61.11%	(18)	-105.56%	324	-278.02%
Profit before income taxes and levy	**2,012**	**-12.18%**	**2,291**	**12.91%**	**2,029**	**47.35%**	**1,377**	**7.24%**	**1,284**	**31.96%**	**973**	**-32.80%**
Taxation	787	-12.36%	898	9.78%	818	65.25%	495	34.15%	369	36.16%	271	-36.24%
Profit for the year after taxation	**1,225**	**-12.06%**	**1,393**	**15.03%**	**1,211**	**37.30%**	**882**	**-3.61%**	**915**	**30.34%**	**702**	**-31.38%**

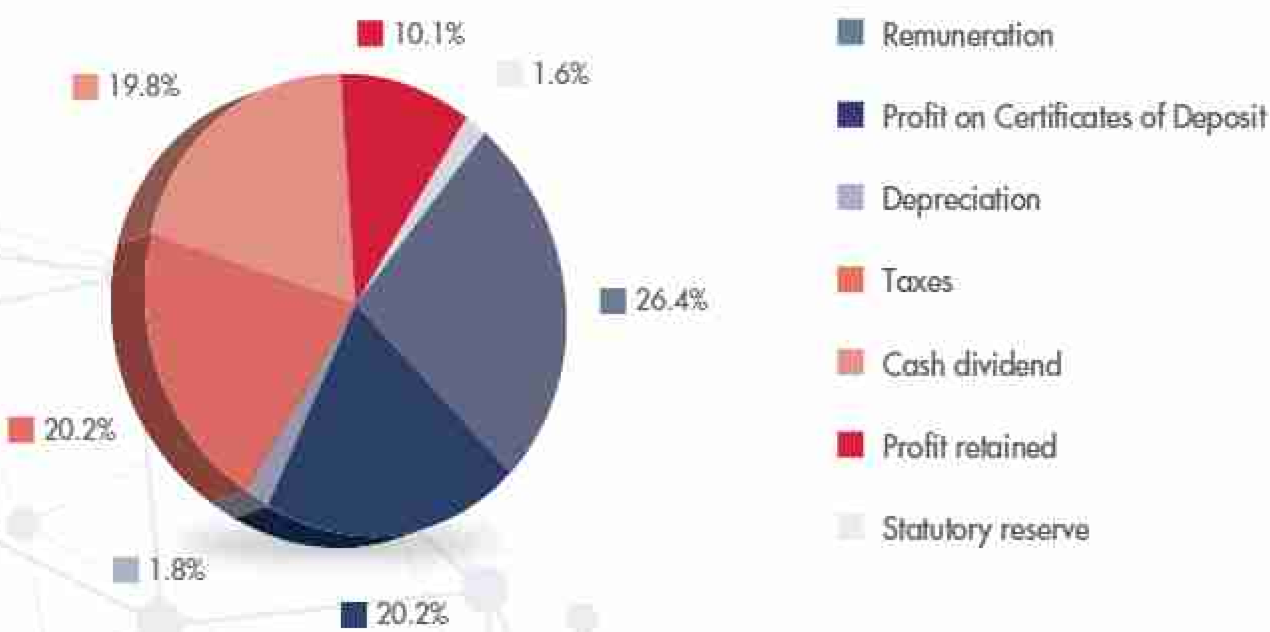
STATEMENT OF VALUE ADDITION

	2025		2024	
Revenues from operations	5,808,677,323		6,710,475,634	
Other income	917,024,396		959,316,240	
Share of profit of equity accounted undertakings	154,255,506		139,598,202	
	6,879,957,225		7,809,390,076	
Finance cost	2,485,772,701		2,979,280,689	
Direct cost	419,955,950		392,771,719	
	2,905,728,651		3,372,052,408	
Value Added	3,974,228,574		4,437,337,668	
Distributed as follows:	**2025**	**%**	**2024**	**%**
Remuneration	1,202,101,892	30.2%	1,170,794,939	26.4%
Profit on Certificates of Deposit	672,403,923	16.9%	896,822,420	20.2%
Depreciation	87,338,124	2.2%	78,866,334	1.8%
Taxes	786,913,599	19.8%	897,943,253	20.2%
Cash dividend	964,742,059	24.3%	877,038,235	19.8%
Profit retained	199,455,425	5.0%	446,226,950	10.1%
Statutory reserve	61,273,552	1.5%	69,645,536	1.6%
	3,974,228,574	100%	4,437,337,667	100%

Distribution of Value Addition - 2025



Distribution of Value Addition - 2024



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Advisor's Report

For the period ended June 30, 2025

OLP Financial Services Pakistan Limited (Formerly ORIX Leasing Pakistan Limited) embarked on its journey into Islamic Financing in April 2011. Under our consultation, OLP meticulously designed and initially introduced the following Shariah-compliant financial product:

Diminishing Musharakah

OLP Financial Services Pakistan Limited has earnestly adhered to the rules and regulations of Shariah in the implementation of Diminishing Musharakah throughout this year.

We hereby affirm that the treasury function and accounting treatment of Diminishing Musharakah transactions align seamlessly with the stringent requirements of Shariah.

We would like to take this opportunity to offer praise to Almighty Allah and seek His Guidance and Blessings and to express our best wishes for further progress, development, and prosperity of OLP Financial Services Pakistan Limited and Islamic Finance.

MUFTI MUHAMMAD IBRAHIM ESSA
For and on behalf of
Alhamd Shariah Advisory Services Private Limited (ASAS)
Date: September 27, 2025

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UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

INDEPENDENT AUDITOR'S REPORT

To the members of OLP Financial Services Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

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Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Expected credit loss against net investment in finance lease, loans and finances (Refer notes 3.3, 3.8, 7, 8, 13, 14 and 36 to the unconsolidated financial statements)**	
	As at 30 June 2025, the Company maintained expected credit loss (ECL) of Rs 663.21 million under the requirements of accounting and reporting standards as applicable in Pakistan against net investment in finance lease, loans and finances and has recognized a gross charge of Rs 202.64 million and gross reversal of Rs 345.28 million during the year. The Company recognises ECL against leases and loans under the requirement of IFRS 9. The simplified approach is used to determine ECL on net investment in finance lease. Under this approach, lifetime ECL is measured by grouping financial assets according to the number of days they are past due. The general approach is used to determine ECL on loans and finances. Under this approach, a lifetime ECL is recognized for loans and finances that have experienced a significant increase in credit risk (SICR) since initial recognition, as well as for those that are credit-impaired as of the reporting date. A 12-month ECL is	Our audit procedures in this area included , among others: • Assessing the design and implementation of key controls established by the Company over measurement of ECL. We involved our in-house specialist to assist us in the following: - assessing the appropriateness of the ECL methodologies for compliance with accounting and reporting standards as applicable in Pakistan; - assessing the reasonableness of macro-economic variable and economic forecasts by comparing these to external sourced data extracted; and - performing testing of the ECL allowance on a sample basis. • Assessing the relevance and completeness of the key inputs into the ECL calculations. • Checking mathematical accuracy of the models.

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S.No.	Key Audit Matter	How the matter was addressed in our audit
	recognized for loans and finances that have not experienced a SICR and are not considered credit-impaired as of the reporting date. The estimation of ECL involves significant judgement. The key areas which are subject to management judgement in the estimation of ECL are: - determination of staging of loans including determining whether the credit risk has increased significantly and credit impairment events have occurred; and - the determination of key parameters used in the ECL model including probability of default (PD), loss given default (LGD), and forward-looking information. Due to the significance of ECL and the significant judgements and estimation exercised by management in estimating ECL, we considered the area of ECL as a key audit matter.	• Assessing the appropriateness of SICR criteria applied by the Company by evaluating the consistency of SICR criteria and staging methodology with accounting and reporting standards as applicable in Pakistan. • Evaluating the adequacy of the financial statement disclosures around ECL as required by the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review Report, Directors' Report, Six Years' Financial Summary and Six Years' Vertical Analysis included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of Management and the Board of Directors for the Unconsolidated Financial Statements

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

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

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

KPMG

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

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The unconsolidated financial statements of the Company as at and for the year ended 30 June 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2024.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Amyn Malik.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi
Date: 30 September 2025
UDIN: AR202510096dYNsnTyc1

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025	2024
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	5	1,339,572,022	1,262,747,791
Intangible assets	6	12,797,894	679,832
Net investment in finance lease	7	3,725,705,505	4,099,587,860
Long-term loans and finances	8	10,979,593,320	9,019,476,144
Investment in subsidiaries	9	322,374,294	322,374,294
Investment in associate	10	1,775,618,949	1,707,416,512
Long-term investments	11	22,095,195	15,580,356
Long-term deposits		11,120,680	11,294,566
Defined benefit plan asset	12	64,305,578	21,790,481
		18,253,183,437	16,460,947,836
Current assets			
Short-term finances	13	5,105,107	33,631,427
Current maturity of non-current assets	14	14,218,466,535	12,234,783,623
Short-term investments	15	2,182,958,179	2,560,551,321
Advances and prepayments	16	24,133,836	65,641,154
Other receivables	17	449,548,970	101,414,918
Cash and bank balances	18	278,213,665	404,210,109
Assets classified as held for sale	19	4,950,001	92,704,400
		17,163,376,293	15,492,936,952
Total assets		35,416,559,730	31,953,884,788
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2024: 350,000,000) ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	20	1,754,076,470	1,754,076,470
Capital reserves			
Surplus on revaluation of leasehold land and office building	21	874,562,239	898,306,747
Other reserves		4,159,610,322	4,072,329,491
		5,034,172,561	4,970,636,238
Revenue reserves		4,109,198,564	3,745,824,134
		10,897,447,595	10,470,536,842
Non-current liabilities			
Long-term finances	22	11,042,498,301	7,082,485,746
Long-term certificates of deposit	23	644,503,472	893,235,446
Deferred taxation	24	765,464,995	594,880,979
Other long-term liabilities	25	206,858,635	150,185,454
		12,659,325,403	8,720,787,625
Current liabilities			
Accrued and other liabilities	26	1,546,228,769	1,574,959,281
Unclaimed dividend		36,662,289	35,598,795
Short-term borrowings	27	1,917,443,770	1,683,561,376
Short-term certificates of deposit	28	2,106,150,587	4,183,106,620
Taxation - net		186,974,216	235,272,528
Current maturity of non-current liabilities	29	6,066,327,101	5,050,061,721
		11,859,786,732	12,762,560,321
Total equity and liabilities		35,416,559,730	31,953,884,788
Contingencies and commitments	30		

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

Shaheen Amin	Rashid Ahmed Jafer	Abid Hussain Awan
Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2025

	Note	2025	2024
		---------- Rupees ----------	
INCOME			
Income from operations			
Mark-up on finance leases		1,806,382,690	2,783,923,586
Mark-up on loans and finances		4,086,027,358	4,100,835,822
		5,892,410,048	6,884,759,408
Income from other activities			
Other income - net	31	917,024,396	959,316,240
Share of profit from associate - net of tax	32	154,255,506	139,598,202
		1,071,279,902	1,098,914,442
		6,963,689,950	7,983,673,850
EXPENSES			
Finance cost	33	(3,158,176,624)	(3,876,103,109)
Administrative and general expenses	34	(1,675,224,161)	(1,614,993,321)
Direct cost	35	(34,171,805)	(27,439,671)
		(4,867,572,590)	(5,518,536,101)
Profit before provision and taxation		2,096,117,360	2,465,137,749
Reversal of expected credit loss against leases, loans and finances - net	36	142,643,835	42,214,771
Other provisions / write offs - net	37	(226,376,560)	(216,498,545)
		(83,732,725)	(174,283,774)
Profit before tax and levy		2,012,384,635	2,290,853,975
Levy - final taxes		(20,353,100)	(16,665,451)
Profit before income tax		1,992,031,535	2,274,188,524
Taxation	39	(766,560,499)	(881,277,802)
Profit for the year after taxation		1,225,471,036	1,392,910,722
Earnings per share - basic and diluted	50	6.99	7.94

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

Shaheen Amin
Chief Executive Officer

Rashid Ahmed Jafer
Director

Abid Hussain Awan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

	Note	2025	2024
		---------- Rupees ----------	
Profit for the year after taxation		1,225,471,036	1,392,910,722
Other comprehensive income			
Items that will be reclassified to the unconsolidated statement of profit or loss			
- Exchange gain / (loss) arising on translation of a foreign associate	10.1.3	36,120,045	(48,891,864)
- Deferred tax on exchange gain / (loss) arising on translation of foreign associates		(14,086,818)	19,067,827
		22,033,227	(29,824,037)
Items that will not be subsequently reclassified to the unconsolidated statement of profit or loss			
- Fair value changes on remeasurement of financial assets classified at FVTOCI	11.1	23,718,250	(1,183,539)
- Deferred tax on fair value changes on remeasurement of financial assets		(9,250,118)	461,580
		14,468,132	(721,959)
Remeasurement gain on defined benefit obligation	12.4	42,515,097	15,672,147
- Share of other comprehensive income from an associate	10.1.3	(882,793)	207,150
- Deferred tax on share of other comprehensive income from an associate		344,289	(80,789)
		(538,504)	126,361
Total comprehensive income for the year		1,303,948,988	1,378,163,234

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

Shaheen Amin	Rashid Ahmed Jafer	Abid Hussain Awan
Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

	Note	2025	2024
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	40	4,733,158,730	5,732,205,925
Decrease / (increase) in operating assets			
Investment in finance lease - net		1,238,056,619	2,747,191,725
Long-term loans and finances - net		(4,664,854,543)	(2,654,755,024)
Short-term finances		28,050,346	10,239,720
Long-term deposits		173,886	(81,000)
Advances and prepayments		41,507,318	(36,927,631)
Other receivables		(442,969,540)	(11,504,968)
		(3,800,035,914)	54,162,822
Increase / (decrease) in operating liabilities			
Other long term liabilities - net		(859,509,571)	(825,875,159)
Accrued and other liabilities		(67,853,244)	345,554,899
		(927,362,815)	(480,320,260)
		5,760,001	5,306,048,487
Payment against staff retirement benefits		(20,301,804)	(21,835,992)
Finance cost paid		(2,600,860,482)	(3,073,868,914)
Income tax paid		(679,063,745)	(990,120,775)
Net cash (used in) / generated from operating activities		(3,294,466,030)	1,220,222,806
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - operating lease and ijarah assets and intangible assets		(168,923,862)	(70,360,460)
Proceeds from disposal of property and equipment - own use		54,992,285	7,674,299
Investments - net		511,240,511	231,863,946
Dividend received		133,606,774	111,103,004
Interest received		347,113,960	429,068,592
Net cash generated from investing activities		878,029,668	709,349,381
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term finances		9,950,000,000	2,700,000,000
Repayment of long-term finances		(4,583,043,000)	(4,582,921,710)
Certificates of deposit - receipts		310,437,894	4,478,528,522
Certificates of deposit - payments		(2,676,060,736)	(3,858,360,541)
Payment of lease liability against right-of-use assets		(61,227,714)	(44,326,751)
Dividend paid		(875,974,741)	(1,182,296,834)
Net cash generated from / (used in) financing activities		2,064,131,703	(2,489,377,314)
Net decrease in cash and cash equivalents during the year		(352,304,659)	(559,805,127)
Cash and cash equivalents at the beginning of the year		(1,241,797,731)	(681,992,604)
Cash and cash equivalents at the end of the year	41	(1,594,102,390)	(1,241,797,731)

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

Shaheen Amin Chief Executive Officer	Rashid Ahmed Jafer Director	Abid Hussain Awan Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

	Issued, subscribed and paid-up capital	Reserves							Total share holder equity
		Capital reserves					Revenue reserve	Total reserves	
		Share premium	Statutory reserve (note 20.2)	Foreign currency translation reserve	Net surplus / (deficit) on re-measurement of financial assets at fair value through OCI	Surplus on revaluation of leasehold land and office building (note 21)	Unappropriated profit		
	(Rupees)								
Balance as at July 1, 2023	1,754,076,470	1,501,683,073	1,887,588,963	641,001,426	2,956,489	922,051,255	3,084,646,520	8,039,927,726	9,794,004,196
Profit for the year after taxation	-	-	-	-	-	-	1,392,910,722	1,392,910,722	1,392,910,722
Other comprehensive income / (loss)	-	-	-	(29,824,037)	(721,959)	-	15,798,508	(14,747,488)	(14,747,488)
Total comprehensive income / (loss) for the year ended June 30, 2024	-	-	-	(29,824,037)	(721,959)	-	1,408,709,230	1,378,163,234	1,378,163,234
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-
Transfer to statutory reserve	-	-	69,645,536	-	-	-	(69,645,536)	-	-
Transaction with owners recorded directly in equity Contributions and distributions									
- Final cash dividend @ Rs. 2 per ordinary share of Rs. 10 each for the year ended June 30, 2023	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10 each for the year ended June 30, 2024	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
	-	-	-	-	-	-	(701,630,588)	(701,630,588)	(701,630,588)
Balance as at June 30, 2024	1,754,076,470	1,501,683,073	1,957,234,499	611,177,389	2,234,530	898,306,747	3,745,824,134	8,716,460,372	10,470,536,842
Profit for the year after taxation	-	-	-	-	-	-	1,225,471,036	1,225,471,036	1,225,471,036
Other comprehensive (loss) / income	-	-	-	22,033,227	14,468,132	-	41,976,593	78,477,952	78,477,952
Total comprehensive income / (loss) for the year ended June 30, 2025	-	-	-	22,033,227	14,468,132	-	1,267,447,629	1,303,948,988	1,303,948,988
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-
Transferred to statutory reserve	-	-	61,273,552	-	-	-	(61,273,552)	-	-
Transferred from surplus on revaluation of financial asset at FVTOCI on disposal of investment - net of tax	-	-	-	-	(10,494,080)	-	10,494,080	-	-
Transaction with owners recorded directly in equity Contributions and distributions									
- Final cash dividend @ Rs. 3 per ordinary share of Rs. 10 each for the year ended June 30, 2024	-	-	-	-	-	-	(526,222,941)	(526,222,941)	(526,222,941)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10 each for the year ended June 30, 2025	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
	-	-	-	-	-	-	(877,038,235)	(877,038,235)	(877,038,235)
Balance as at June 30, 2025	1,754,076,470	1,501,683,073	2,018,508,051	633,210,616	6,208,582	874,562,239	4,109,198,564	9,143,371,125	10,897,447,595

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

Shaheen Amin
Chief Executive Officer

Rashid Ahmed Jafer
Director

Abid Hussain Awan
Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

1 LEGAL STATUS AND OPERATIONS

OLP Financial Services Pakistan Limited ("the Company") was incorporated in Pakistan as a private limited company on July 01, 1986 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange Limited and is licensed to carry out Investment Finance Services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2024: AA+) and a short-term rating of A1+ (2024: A1+) to the Company on February 28, 2025 (2024: March 01, 2024).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

2.2 Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 22, 2007. Under IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Muj'ir (Lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.

- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.

- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Leasehold land and office building are stated at revalued amounts;
- Certain investments are stated at fair value; and
- Obligation in respect of staff gratuity is measured at present value of the defined benefit obligation.

2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupee, which is the Company's functional currency.

2.5 Use of Judgment and Estimates

The preparation of unconsolidated financial statements in conformity with the accounting and reporting 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. 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 year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in the application of accounting policies are as follows:

(a) determination of the residual values and useful lives of property and equipment (notes 3.1 and 5);
(b) determination of expected credit loss / provision against leases, loans and finances (notes 3.8.5 and 36);
(c) determination of classification, valuation and impairment of financial assets (notes 3.8, 15, 36 and 37);
(d) classification of investment in subsidiary and investment in associate (note 9.2 and 10.1.1);
(e) classification and valuation of assets classified as held for sale (notes 3.4 and 19);
(f) recognition of taxation and deferred tax (notes 3.12, 39 and 24);
(g) accounting for defined benefit obligation (notes 3.13 and 12); and
(h) impairment of non-financial assets (note 3.7).

2.6 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

2.6.1 There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or do not have any material effect on the Company's financial statements and hence, therefore, have not been disclosed in these unconsolidated financial statements.

2.7 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

2.7.1 The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2025:

i) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

ii) Lack of Exchangeability (amendments to IAS 21) clarify:
- when a currency is exchangeable into another currency; and
- how a Company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

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

Financial Assets with ESG-Linked features:

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

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

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

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:
- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

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

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

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

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

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

Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a Company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

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

iv) Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its Grouping Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

- Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

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

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

v) IFRS 18 - Presentation and Disclosure in Financial Statements

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit or loss' with certain additional disclosures in the unconsolidated financial statements.

vi) IFRS 7, 'Financial Instruments: Disclosures'

SECP vide S.R.O. 742 (I)/2025 (dated April 16, 2025) notified that International Financial Reporting Standard (IFRS)-7, 'Financial Instruments: Disclosures' shall be followed by Non-Banking Finance Companies engaged in investment finance services, discounting services, and housing finance services for the preparation of financial statements from the annual reporting periods beginning on or after July 1, 2025.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

The amendments highlighted above may impact the unconsolidated financial statements of the Company on application. The management is currently in the process of assessing the impact of these amendments on the unconsolidated financial statements of the Company.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These polices have been consistently applied to all the years presented in these unconsolidated financial statements.

3.1 Property and equipment

3.1.1 Own use and capital work in progress

Recognition and measurement

Items of property and equipment (except land and office building) are measured at cost less accumulated depreciation and any accumulated impairment losses. Leasehold land and office building are carried at revalued amounts less accumulated depreciation and subsequent impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values under the straight-line method over their estimated useful lives specified in note 5.1, and is recognised in statement of profit or loss. The carrying value of leasehold land is depreciated over its lease term. Depreciation on additions during the year is charged from the date on which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off.

Accounting treatment and presentation of revaluation of property and equipment is in conformity with IAS 16 'Property, Plant and Equipment'. Revaluation surplus on Property and equipment is presented in the unconsolidated statement of financial position and unconsolidated statement of changes in equity as a capital reserve.

Revaluation surplus

An increase arising on revaluation is credited to the surplus on revaluation of leasehold land and office building. A decrease arising on revaluation of leasehold land and office building is adjusted against the surplus of that asset or, if no surplus exists, is charged to the unconsolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the unconsolidated statement of profit or loss up to the extent of the original impairment. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of profit or loss and depreciation based on the asset's original cost, net of deferred taxation, is reclassified from revaluation surplus on leasehold land and office building to unappropriated profit.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Disposal

Gains / losses on disposal of property and equipment, if any, are taken to the unconsolidated statement of profit or loss in the year in which these arise except that the related surplus on revaluation of leasehold land and office building (net of deferred taxation) is transferred directly to unappropriated profit.

Usefule life / Residual values

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.1.2 Ijarah assets

Rental from Ijarah arrangements are recognised in the unconsolidated statement of profit or loss on an accrual basis as and when rentals become due. Costs, including depreciation, incurred in earning the Ijarah income are recognised as an expense. Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the unconsolidated statement of profit or loss in the year in which these are incurred. The ijarah assets are depreciated over the year of ijarah finance on a straight line basis over the underlying term of the contract as stated in note 5.2.

3.1.3 Leases

As a lessee

The Company enters into agreements to lease premises for certain branches. Rental contracts are typically for a period of 3 years and may have renewal options. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in unconsolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.2 Intangible assets

Recognition and measurement

i) Research and development

- Expenditure on research activities is recognised in profit or loss as incurred.

- Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Other intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives, and is recognised in unconsolidated statement of profit or loss. Amortisation on additions during the year is charged from the date on which the asset is put to use, whereas no amortisation is charged from the date the asset is disposed off.

Others

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains / losses on disposal of intangible assets, if any, are taken to the unconsolidated statement of profit or loss in the year in which these arise.

3.3 Net investment in finance lease

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. Upon commencement, a lease receivable is recognised at an amount equal to the net investment in the lease, which comprises present value of the lease payments and any unguaranteed residual value accruing to the lessor. The present value is calculated by discounting the lease payments and any unguaranteed residual value, at the interest rate implicit in the lease. The "net investment in finance lease" included in the unconsolidated financial statements is recorded net of adjustable security deposit and the security deposit is initially measured at fair value (i.e., present value of repayment) and subsequently at amortised cost. Security deposits received under finance lease arrangements are classified as financial liabilities. Where the lease agreement contractually requires such deposits to be adjusted against the residual value of the leased asset at the end of the lease term, the deposits are offset against the estimated residual value in measuring the net investment in the lease.

3.4 Assets classified as held for sale

The Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset classified as held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the unconsolidated statement of profit or loss for any initial or subsequent write down of the non-current asset to fair value less costs to sell. Subsequent gains in fair value less cost to sell are recognised to the extent these do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale.

3.5 Investment in subsidiaries

Investment in subsidiaries is initially recognised at cost. At subsequent reporting dates, the recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amount of the investment is adjusted accordingly.

3.6 Investment in an associate

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the unconsolidated financial statements include the Company's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.7 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in unconsolidated statement of profit or loss.

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 amortisation, if no impairment loss had been recognised.

3.8 Financial assets and financial liabilities

3.8.1 Recognition and initial measurement

The Company initially recognises loans and leases, certificate of deposits, debt securities issued and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument on initial recognition is generally its transaction price.

3.8.2 *Classification*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

i) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

ii) how the performance of the portfolio is evaluated and reported to the Company's management;

iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

iv) how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

v) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

i) contingent events that would change the amount and timing of cash flows;
ii) leverage features;
iii) prepayment and extension terms;
iv) terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
v) features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3.8.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

3.8.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards

3.8.5 Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- investment in lease; and
- loans and finances.

No impairment loss is recognised on equity investments.

The Company applies IFRS 9 simplified approach and general approach for lease and loan losses respectively to determine ECL.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

A lifetime ECL is recorded on loans in which there has been a Significant Increase in Credit Risk (SICR) from the date of initial recognition and on loans which are credit impaired as on the reporting date.

A 12 months ECL is recorded for loans which do not meet the criteria for SICR or ""credit impaired"" as at the reporting date."

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

When discounting future cash flows, the following discount rates are used:

- financial assets other than lease receivables: the original effective interest rate or an approximation thereof;

- lease receivables: the discount rate used in measuring the lease receivable;

Significant Increase in Credit Risk (SICR)

As per IFRS 9, there is a rebuttable presumption that credit risk on a financial asset has increased significantly when contractual payments are more than 30 days past due. The Company has not rebutted this presumption, and exposures overdue by more than 30 days are classified as Stage II with lifetime expected credit losses (ECL) recognized.

The Company's Credit Department conducts periodic analysis of all sectors with outstanding exposure based on market intelligence, PACRA and VIS reports, and relevant news or regulatory developments. Sectors showing increased risk since the last review, or consistently classified as high risk, are flagged, and all customers in these sectors are subjected to a detailed qualitative and quantitative review to assess SICR.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise:
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;or

In line with IFRS 9, default is presumed not to occur later than 90 DPD. The Company applies this backstop and treats exposures past due by more than 90 days as in default.

The Company has performed an ECL assessment considering the following key elements:

- Probability of Default (PD): Probability represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables such as Pakistan's Gross Domestic Product (GDP) and Consumer Price Index (CPI).

- Exposure at Default (EAD): The outstanding principal and accrued markup as of the reporting date, with repayment schedules generated to estimate exposure over the contractual life of each facility. For assets in Stage 1, EAD is limited to the next 12 months unless a significant increase in credit risk (SICR) is identified, in which case lifetime EAD is considered.

- Loss Given Default (LGD):LGD represents the estimated loss arising on a facility upon default and is calculated as the difference between contractual cash flows due and expected recoveries. OLP determines LGD by asset type using vintage analysis of historical recoveries, discounted using effective interest rate applicable to each exposure. The segmentation reflects the underlying collateral (e.g., vehicles, machinery), and recoveries are adjusted for the time value of money.

Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances are presented as a deduction from the gross carrying amount of financial assets measured at amortised cost.

3.8.6 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset.

3.8.7 Write-offs

Loans and leases are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'Allowance of ECL on financial instruments' in the unconsolidated statement of profit and loss. A 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.

3.9 Financial liabilities

Financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value less any directly attributable transaction cost.

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit and loss; and

- Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.9.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the unconsolidated statement of profit or loss.

3.10 Provisions

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

3.11 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arise from past events but it is not probable that an outflow of resources embodying benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the unconsolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity through other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Company also records deferred tax asset on available tax losses, if any. Deferred tax is calculated using the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

The Company also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / Property and equipment / foreign currency translation reserves which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 Income Taxes.

Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37.

3.13 Staff retirement benefits

(a) Defined contribution plan

The Company operates a recognised contributory Provident Fund Scheme (the Fund) for all its permanent employees who have completed the minimum qualifying period in accordance with the HR policy. The Fund is administered by a Board of Trustees. Equal monthly contributions to the Fund are made both by the Company and by the employees at the rate of 10% of basic salary. Obligations for contributions to defined contribution plan are expensed as the related service is provided and recognised as personnel expenses in unconsolidated statement of profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Defined benefit plan

The Company operates an approved funded gratuity scheme covering all permanent employees who have completed the minimum qualifying period of three years of service under the scheme. The scheme is administered by a Board of Trustees and contributions therein are made in accordance with the actuarial recommendations. The valuation in this regard is carried out at each reporting date,

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in unconsolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the unconsolidated statement of profit or loss and other comprehensive income when these occur with no subsequent transfer through the unconsolidated statement of profit or loss.

3.14 Foreign currency

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in unconsolidated statement of profit or loss.

Foreign currency operations

The assets and liabilities of foreign operations are translated into PKR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into PKR at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of in its entirety or partially such that significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to unconsolidated statement of profit or loss as part of the gain or loss on disposal.

3.15 Revenue recognition

3.15.1 i) Finance leases

The Company follows the 'financing method' in accounting for finance lease. The total unearned finance income i.e. the excess of aggregate instalment contract receivables plus residual value over the cost of the leased asset is deferred and amortised over the term of the lease, so as to produce a systematic return on the net investment in finance lease using effective interest rate.

ii) Loans and finances

Income on loans and finances is recognised using effective interest rate method taking into account the principal outstanding and applicable rates of interest / return thereon.

Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation under the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition,interest income is calculated by applying the effective interest rate to the amortised cost of thefinancial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis."

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.15.2 Operating lease income

Rental income from assets classified as operating lease is recognised on an accrual basis.

3.15.3 Ijarah lease income

Rental income from Ijarah arrangement is recognised on an accrual basis.

3.15.4 Return on investments

Return on debt securities and deposit accounts is recognised using the effective interest method.

Dividend income from investments is recognised when the Company's right to receive the dividend is established.

Gain / loss on sale of investments is recognised in the year in which it arises.

3.16 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognised in the unconsolidated financial statements in the year in which such dividends are declared / transfers are made.

3.17 Cash and cash equivalents

Cash and cash equivalents for the purposes of the unconsolidated statement of cash flows include cash and bank balances and short term running finance facilities that form an integral part of the Company's cash management.

3.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has two primary operating segments for reporting purposes namely finance lease and loans and finances.

Operating segments are reported in a manner consistent with the internal reporting structure. The management monitors the operating results of its business units separately for the purpose of making decisions regarding resources allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated assets and liabilities.

4 Revenue recognition on credit-impaired contracts and front-end fee and Classification of taxes and levies

4.1 Revenue recognition on credit-impaired contracts and front-end fee

The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 592(1)/2023 dated 17 May 2023 amended the Non-Banking Finance Company Regulations, whereby after adoption and implementation of IFRS 9 by the Company, the requirements of IFRS 9 will be applicable, which were previously explained in "Accounting Guidelines Application of IFRS 9 by Non-Banking Finance Companies", issued by the Institute of Chartered Accountant of Pakistan (ICAP). The Company sought clarification on revenue recognition on credit impaired contracts. On December 04, 2024, the ICAP clarified to follow IFRS 9 for revenue recognition on credit impaired contracts.

As per the subsequent measurement requirement of IFRS 9, mark-up on credit impaired contracts is accrued by applying effective interest rate to the amortized cost (i.e., principal outstanding less provision) of the finances / leases / loans, in which the fee that is an integral part of the contract (i.e., front-end fee) is inclusive at initial recognition. The Company has calculated its income on credit impaired contracts and the front-end fee based on EIR and has amortised the income and the front-end fee over the life of contract.

Previously, as per the requirements of the NBFC Regulations, mark-up was suspended when the principal or mark-up of borrower / lessee is overdue by more than 90 days and the front-end fee was recorded on receipt basis as disclosed in note 3.19 of unconsolidated financial statements for the year ended June 30, 2024.

The mark-up has been accrued as per the above stated requirements of IFRS 9, and as the impact of change is immaterial i.e., net of tax Rs 24.51 million, therefore the same has been accounted for in the current year.

The impact of June 30, 2024 and before has been recognised in current year which is as follows:

	(Rupees)
Decrease in mark-up income on loans and leases - net	(34,991,018)
Expected credit loss / provision for lease, loans and finances - net	(2,279,891)
	(37,270,909)
Taxation	12,757,340
	(24,513,569)

4.2 Classification of taxes and levies

The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated May 15, 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum and final taxes paid should be classified as 'levies' and not income tax in the statement of profit or loss. As per the above guidance and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively.

Accordingly, the Company has reclassified its comparative information by reclassifying levies amounting to Rs. 16.67 million from taxation to final taxes in the statement of profit or loss.

The following table summarizes the impact of reclassification on the Company's statement of profit or loss:

	June 30, 2024		
	Previously Reported	Increase / Decrease	As Reclassified
	Rupees		
Profit before income taxes and levy	2,290,853,975	-	2,290,853,975
Levy - final tax	-	16,665,451	16,665,451
Profit before income tax	2,290,853,975	16,665,451	2,274,188,524
Taxation	897,943,253	(16,665,451)	881,277,802
Profit for the year after taxation	1,392,910,722	-	1,392,910,722

The aforementioned change has no impact on unconsolidated statement of financial position and unconsolidated statement of cash flows. There is no impact on earnings per share that needs to be disclosed in these unconsolidated financial statements.

5 PROPERTY AND EQUIPMENT

	Note	2025	2024
		Rupees	
Property and equipment - own use	5.1	1,230,390,799	1,179,987,875
Ijarah assets	5.2	-	522,540
Right-of-use assets	5.3	109,181,223	82,237,376
		1,339,572,022	1,262,747,791

5.1 Property and equipment - own use

	2025							
	Leasehold land	Office building	Leasehold improvements	Furniture, fixtures and other equipment	Vehicles	Computers and accessories	Machinery	Total
	Rupees							
As at July 01, 2024								
Cost / revalued amount	900,015,000	134,294,300	192,515,760	148,378,856	137,101,801	107,327,674	16,111,713	1,635,745,104
Accumulated depreciation	(14,993,964)	(19,184,904)	(153,800,411)	(119,602,481)	(48,955,134)	(92,956,498)	(6,263,837)	(455,757,229)
Net book value	885,021,036	115,109,396	38,715,349	28,776,375	88,146,667	14,371,176	9,847,876	1,179,987,875
Year ended June 30, 2025								
Opening net book value	885,021,036	115,109,396	38,715,349	28,776,375	88,146,667	14,371,176	9,847,876	1,179,987,875
Additions	-	-	2,953,552	7,374,272	131,478,184	14,281,800	-	156,087,808
Disposals								
Cost	-	-	(741,154)	(6,668,995)	(43,862,648)	(2,400,981)	-	(53,673,778)
Accumulated depreciation	-	-	741,154	6,615,615	24,331,320	2,398,397	-	34,086,486
	-	-	-	(53,380)	(19,531,328)	(2,584)	-	(19,587,292)
Write off								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,237,844)	(9,932,362)	(15,621,100)	(9,677,374)	(1,450,044)	(86,097,592)
Net book value	870,027,072	95,924,492	26,431,057	26,164,905	184,472,423	18,973,018	8,397,832	1,230,390,799
As at June 30, 2025								
Cost / revalued amount	900,015,000	134,294,300	194,728,158	149,084,133	224,717,337	119,208,493	16,111,713	1,738,159,134
Less: accumulated depreciation	(29,987,928)	(38,369,808)	(168,297,101)	(122,919,228)	(40,244,914)	(100,235,475)	(7,713,881)	(507,768,335)
Net book value	870,027,072	95,924,492	26,431,057	26,164,905	184,472,423	18,973,018	8,397,832	1,230,390,799
Useful life / Rate of depreciation	77 & 99 years	11.10%	15% - 33%	15% - 20%	20% - 25%	33%	10%	

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	2024							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
	Rupees							
As at July 01, 2023								
Cost / revalued amount	900,015,000	134,294,300	189,312,575	137,372,270	108,258,396	98,719,382	16,111,713	1,584,083,636
Accumulated depreciation	-	-	(142,165,431)	(115,854,224)	(44,245,753)	(85,171,602)	(4,813,793)	(392,250,803)
Net book value	900,015,000	134,294,300	47,147,144	21,518,046	64,012,643	13,547,780	11,297,920	1,191,832,833
Year ended June 30, 2024								
Opening net book value	900,015,000	134,294,300	47,147,144	21,518,046	64,012,643	13,547,780	11,297,920	1,191,832,833
Additions	-	-	9,036,474	15,718,956	35,941,430	9,663,600	-	70,360,460
Disposals								
Cost	-	-	(5,698,289)	(787,602)	(7,098,025)	(121,300)	-	(13,705,216)
Accumulated depreciation	-	-	3,917,574	722,540	4,319,056	121,300	-	9,080,470
	-	-	(1,780,715)	(65,062)	(2,778,969)	-	-	(4,624,746)
Write off								
Cost	-	-	(135,000)	(3,924,768)	-	(934,008)	-	(4,993,776)
Accumulated depreciation	-	-	135,000	3,924,768	-	934,008	-	4,993,776
	-	-	-	-	-	-	-	-
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,687,554)	(8,395,565)	(9,028,437)	(8,840,204)	(1,450,044)	(77,580,672)
Net book value	885,021,036	115,109,396	38,715,349	28,776,375	88,146,667	14,371,176	9,847,876	1,179,987,875
As at June 30, 2024								
Cost / revalued amount	900,015,000	134,294,300	192,515,760	148,378,856	137,101,801	107,227,674	16,111,713	1,635,745,104
Less: accumulated depreciation	(14,993,964)	(19,184,904)	(153,800,411)	(119,602,481)	(48,955,134)	(92,956,498)	(6,263,837)	(455,757,229)
Net book value	885,021,036	115,109,396	38,715,349	28,776,375	88,146,667	14,371,176	9,847,876	1,179,987,875
Useful life / Rate of depreciation	77 & 99 years	11.10%	15% - 33%	15% - 20%	20% - 25%	33%	10%	

5.1.1 The leasehold land and building of the Company were revalued by M/s. Surval (Private) Limited (an independent professional valuer) on June 30, 2023 on the basis of professional assessment of the present market values which resulted in an increase in surplus on revaluation by Rs. 140.39 million which has been revalued in the year 2023. The details are mentioned in note 48.

The current forced sales value of leasehold land and office building amounted to Rs. 827.45 million.

Summary of the fair value as determined by the valuer in 2023 is as follows:

Address	Market value			Forced sale value
	Land	Building	Total	
	Rupees			
Plot No. 16, Sector No. 24, Korangi Industrial Area	700,035,000	128,806,300	828,841,300	663,073,040
Plot No. 49, Sector No. 24, Korangi Industrial Area	199,980,000	5,488,000	205,468,000	164,374,400
	900,015,000	134,294,300	1,034,309,300	827,447,440

Particulars of land and building are included in note 5.1.4.

Had the revaluation not been carried out, costs, accumulated depreciation and written down value of leasehold land and office building thereon would have been as follows:

	2025		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	54,399,300	12,159,374	42,239,926
Office building	76,781,580	57,586,179	19,195,401
	131,180,880	69,745,553	61,435,327

	2024		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	54,399,300	11,548,958	42,850,342
Office building	76,781,580	53,747,103	23,034,477
	131,180,880	65,296,061	65,884,819

5.1.2 Included in the cost of property and equipment - own use are fully depreciated items which are still in use aggregating to Rs. 315.17 million (2024: Rs. 339.77 million).

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For The Year Ended June 30, 2025

5.1.3 Details of property and equipment - own use disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
	Rupees						
Book value not exceeding Rs. 500,000 each							
Furniture, fittings and office equipment	6,668,995	6,615,615	53,380	1,360,637	1,307,257	Negotiation	Various
Vehicles (various)	10,047,428	5,562,543	4,484,885	11,825,851	7,340,966	Negotiation	Various
Lease hold improvement	741,154	741,154	-	66,763	66,763	Negotiation	Various
Computers and accessories	2,400,981	2,398,397	2,584	621,270	618,686	Negotiation	Various
	19,858,558	15,317,709	4,540,849	13,874,521	9,333,672		
Book value exceeding Rs. 500,000 each							
Vehicle	2,353,000	1,411,800	941,200	2,807,000	1,865,800	Negotiation	Mr. Zahid Qadri
Vehicle	2,745,970	1,208,227	1,537,743	3,600,000	2,062,257	Negotiation	Mr. Safdar Ur Rehman
Vehicle	5,405,000	2,162,000	3,243,000	5,710,764	2,467,764	Negotiation	Mr. Kashif Zamir
Vehicle	23,311,250	13,986,750	9,324,500	29,000,000	19,675,500	Negotiation	Mr. Aadil Zaib
	33,815,220	18,768,777	15,046,443	41,117,764	26,071,321		
Total - June 30, 2025	53,673,778	34,086,486	19,587,292	54,992,285	35,404,993		
Total - June 30, 2024	13,705,216	9,080,470	4,624,746	7,674,299	3,049,553		

5.1.4 Particulars of the Company's immovable land and building - own use are as follows:

Particulars	**Location**	**Area**
Head Office Building	Plot no. 16, sector no. 24, Korangi Industrial Area, Karachi	44,893 Sq. feet
Office Building	Plot no. 49, sector no. 24, Korangi Industrial Area, Karachi	4,477 Sq. feet
Leasehold Land	Plot no. 16, sector no. 24, Korangi Industrial Area, Karachi	6,667 Sq. Yds.
Leasehold Land	Plot no. 49, sector no. 24, Korangi Industrial Area, Karachi	2,222 Sq. Yds.

5.1.5 The depreciation expense for the year has been charged to administrative and general expenses.

5.2 Ijarah assets

Description	2025							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2024	Additions	As at June 30, 2025	As at July 1, 2024	Charge for the year	As at June 30, 2025	As at June 30, 2025	Number of years of useful life
	Rupees							
Vehicles	10,308,960	-	10,308,960	9,786,420	522,540	10,308,960	-	3 to 4 years
	10,308,960	-	10,308,960	9,786,420	522,540	10,308,960	-	
		-			-			

Description	2024							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2023	Additions/ write-off	As at June 30, 2024	As at July 1, 2023	Charge for the year / Write off	As at June 30, 2024	As at June 30, 2024	Number of years of useful life
	Rupees							
Machinery and generators	6,149,999	-	-	6,149,999	-	-	-	3 years
		(6,149,999)			(6,149,999)			
Vehicles	10,308,960	-	10,308,960	9,159,300	627,120	9,786,420	522,540	3 to 4 years
	16,458,959	-	10,308,960	15,309,299	627,120	9,786,420	522,540	
		(6,149,999)			(6,149,999)			

5.2.1 The depreciation expense for the year has been charged to direct cost.

5.3 Right-of-use assets

Description	2025							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2024	Additions/ adjustment	As at June 30, 2025	As at July 1, 2024	Charge for the year / Disposal	As at June 30, 2025	As at June 30, 2025	Number of years of useful life
	Rupees							
Rental property	186,334,240	65,557,456	235,059,127	104,096,864	38,960,763	125,877,904	109,181,223	3 to 10 years
		(16,832,569)			(17,179,723)			
	186,334,240	65,557,456	235,059,127	104,096,864	38,960,763	125,877,904	109,181,223	
		(16,832,569)			(17,179,723)			

Description	2024							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2023	Additions/ (disposals)	As at June 30, 2024	As at July 1, 2023	Charge for the year / Disposal	As at June 30, 2024	As at June 30, 2024	Number of years of useful life
	Rupees							
Rental property	147,910,971	35,690,335	186,334,240	75,017,950	28,992,730	104,096,864	82,237,376	3 to 10 years
		2,732,934			86,184			
	147,910,971	35,690,335	186,334,240	75,017,950	28,992,730	104,096,864	82,237,376	
		2,732,934			86,184			

5.3.1 The depreciation expense for the year has been charged to administrative and general expenses.

6 INTANGIBLE ASSETS

	Note	2025	2024
		Rupees	
Computer software and license	6.1 & 6.2	500,530	679,832
Development cost / CWIP	6.3	12,297,364	-
		12,797,894	679,832

6.1 Following is a statement of intangible assets - computer software and license:

Description	2025							
	Cost			Accumulated amortisation			Net book value	
	As at July 1, 2024	Additions	As at June 30, 2025	As at July 1, 2024	Charge for the year	As at June 30, 2025	As at June 30, 2025	Rate of Amortisation
	Rupees							
Computer software and license	94,447,411	538,690	94,986,101	93,767,579	717,992	94,485,571	500,530	33%
	94,447,411	538,690	94,986,101	93,767,579	717,992	94,485,571	500,530	

Description	2024							
	Cost			Accumulated amortisation			Net book value	
	As at July 1, 2023	Additions	As at June 30, 2024	As at July 1, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024	Rate of Amortisation
	Rupees							
Computer software and license	94,447,411	-	94,447,411	93,109,037	658,542	93,767,579	679,832	33%
	94,447,411	-	94,447,411	93,109,037	658,542	93,767,579	679,832	

6.2 Included in the cost of intangible assets are fully amortised items which are still in use aggregating to Rs. 92.59 million (2024: Rs. 92.52 million).

6.3 The Company has undertaken an in-house IT transformation project. Following the approval of the Board, the development phase has commenced. The projected timeline for this phase, which includes the system's design, development, and testing, is around three years. The asset will become available for use after completion of the project. Accordingly, the Company has capitalized development expenditures, which include salaries and benefits of employees directly engaged in the development activities.

6.4 The amortisation expense for the year has been charged to administrative and general expenses.

7 NET INVESTMENT IN FINANCE LEASE

	Note	2025	2024
		Rupees	
Instalment contract receivables		9,666,715,980	12,006,476,058
Residual value		5,075,446,156	5,728,291,210
Less: adjustable security deposit	7.1	(5,075,436,913)	(5,724,992,167)
Gross investment in finance lease	7.2	9,666,725,223	12,009,775,101
Less: unearned finance income		(1,709,036,758)	(2,814,030,017)
Present value of investment in finance lease	7.2	7,957,688,465	9,195,745,084
Less: current maturity	14	(4,221,795,165)	(5,043,931,312)
		3,735,893,300	4,151,813,772
Less: expected credit / provision against leases - non current portion	36.1	(10,187,795)	(52,225,912)
		3,725,705,505	4,099,587,860

7.1 Security deposit is received from the lessees under a finance lease contract which is adjustable at the expiry of the lease period.

7.2 Details of investment in finance lease

	Gross investment in finance lease		Present value of investment in finance lease	
	2025	2024	2025	2024
	Rupees			
Less than one year	5,287,986,068	6,838,982,727	4,221,795,165	5,043,931,312
One to five years	4,378,739,155	5,170,792,374	3,735,893,300	4,151,813,772
	9,666,725,223	12,009,775,101	7,957,688,465	9,195,745,084

7.3 The Company's implicit rate of return on leases ranges from 12.00% to 34.00% (2024: 15.00% to 36.18%) per annum. These are secured against leased assets, security deposits averaging 25.88% (2024: 25.15%) of the cost of leased assets and personal guarantees.

7.4 Lease rentals received during the year amounted to Rs. 6,574 million (2024: Rs. 8,332 million).

8 LONG-TERM LOANS AND FINANCES

	Note	2025	2024
		Rupees	
Considered good			
Loans to key management personnel, other executives and employees - secured			
Key management personnel - related parties	8.1 & 8.7	22,685,449	21,123,618
Other executives		132,528,771	122,943,656
	8.2	155,214,220	144,067,274
Other employees	8.7	54,595,034	86,065,345
		209,809,254	230,132,619
Others - secured			
Vehicle finance	8.3	18,885,825,659	14,094,371,915
Micro finance / small enterprise finance	8.4	3,091,877	29,056,524
Term finance	8.5	1,592,788,918	1,617,013,084
Musharikah finance	8.6	184,564,164	152,047,890
Agri finance	8.8	85,564,183	121,861,915
		20,751,834,801	16,014,351,328
		20,961,644,055	16,244,483,947
Considered doubtful			
Others - secured			
Vehicle finance	8.3	196,657,266	157,768,968
Micro finance / small enterprise finance	8.4	8,638,147	6,137,003
Term finance	8.5	66,308,522	61,886,680
Agri finance	8.8	18,797,085	7,045,500
		290,401,020	232,838,151
Less: expected credit loss / provision on loans and finances	36.2	(51,312,831)	(34,570,323)
		239,088,189	198,267,828

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	Note	2025	2024
		Rupees	
Less: general provision against micro finance	8.9 & 36.2	(15,459)	(1,145,976)
		21,200,716,785	16,441,605,799
Accrued return / profit on loans and finances		374,426,794	484,295,228
		21,575,143,579	16,925,901,027
Less: current maturity			
Key management personnel, other executives and employees		(36,979,379)	(41,468,353)
Others		(10,558,570,879)	(7,864,956,530)
	14	(10,595,550,259)	(7,906,424,883)
		10,979,593,320	9,019,476,144

8.1 Loans to Key Management Personnel - related party

Names	Maximum amount outstanding	Provisions / (write-off)	2025	2024
	Rupees			
Mian Faysal Riaz	2,345,971	-	1,616,524	2,408,678
Mr. Imtiaz Ahmad Chaudhary	678,692	-	61,230	730,041
Mr. Abid Hussain Awan	2,996,392	-	-	5,000,000
Mr. Waqas Ahmad Khwaja	1,824,965	-	1,061,030	1,891,551
Mr. Adnan Ishaq	1,720,197	-	1,700,084	-
Ms. Aseya Qasim	3,539,793	-	3,449,281	514,423
Mr. Fahad Shahzad Memon	6,245,574	-	6,245,574	5,018,443
Mr. Shafiq Ur Rehman	1,151,154	-	-	1,333,129
Mr. Hamood Ahmed	497,343	-	-	600,649
Mr. Muhammad Aslam	3,282,650	-	2,718,015	3,329,329
Mr. Shahzad Rana Younus	2,441,207	-	2,067,505	-
Mr. Rashid Ahmed	1,370,789	-	905,704	-
Mr. Salman Ali	284,485	-	162,546	297,375
Mr. Hamid Muhammad Khan	1,219,330	-	520,891	-
Mr. Umair Alam	2,177,065	-	2,177,065	-
		-	22,685,449	21,123,618

8.1.1 Loans to the key management personnel include house loan, vehicle loan and personal loan as per the Company's HR policies.

8.2 Movement in loans to the key management personnel and other executives

	2025	2024
	Rupees	
Opening balance	144,067,274	141,050,994
Disbursements during the year	21,147,632	10,286,498
Repayments during the year	(10,000,686)	(7,270,218)
Closing balance	155,214,220	144,067,274

8.3 These represent vehicle financing facilities provided to individual and corporate customers on mark-up basis. The mark-up on these finances ranges from 15.24% to 35.00% (2024: 15.00% to 34.50%) per annum. These finances are repayable within a period of upto 5 years (2024: upto 6 years) and are secured against charge over vehicles and personal guarantees.

8.4 These represent long-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans ranges from 22.00% to 44.80% (2024: 27.50% to 44.80%) per annum. These finances are repayable within a period of 1.25 to 2 years (2024: 1.25 to 2 years) and are secured against personal guarantees.

8.5 These represent term finance facilities provided to commercial business customers on mark-up basis. The mark-up on these finances ranges from 15.21% to 24.00% (2024: 20.00% to 29.55%) per annum. These finances are repayable within a period of upto 4 years (2024: upto 5 years) and are secured against business assets. Additional collateral in form of property mortgage and personal guarantees are also obtained.

8.6 These represent musharikah finance facilities provided to customers. The profit rate on these finances ranges from 16.16% to 19.50% (2024: 25.98% to 27.30%) per annum. The facilities have a repayment term of upto 5 years (2024: 3 to 5 years) and are secured by assets subject to musharikah agreement.

8.7 These represent loans given to staff in accordance with the terms of the Company's HR policy and include house loans which are repayable within a period of 20 years or retirement date, whichever is earlier. House loans are secured against equitable mortgage on the property by deposit of title documents of the property with the Company and carry mark-up rate ranging from 4% to 17.73% (2024: 4% to 17.73%) per annum.

Loans (other than house loans) carry mark-up rates ranging from 5.00% to 23.55% (2024: 5.00% to 23.55%) per annum. These are secured against retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to the key management personnel and other executives was Rs. 162.3 million (2024: Rs. 166.2 million).

8.8 These represent long-term finance facilities provided to farmers on mark-up basis. The rates of return on these loans range from 15.00% to 35.00% (2024: 28.00% to 33.00%) per annum. These loans are repayable within a period of 2 years (2024: within a period of 2 years) and are secured against title documents of the immovable properties.

8.9 As per Regulation 25(A) of the NBFC Regulations, NBFCs with micro finance portfolio are required to maintain a general provision equivalent to 0.5% of the net outstanding micro finance portfolio (net of specific provisions).

9 INVESTMENT IN SUBSIDIARIES

	Note	2025	2024
		Rupees	
Related parties			
- OLP Services Pakistan (Private) Limited - unlisted	9.1	182,430,262	182,430,262
- OLP Modaraba - listed	9.2	139,944,032	139,944,032
		322,374,294	322,374,294

9.1 The Company holds 100% shareholding (4,450,000 shares (2024: 4,450,000 shares)) in OLP Services Pakistan (Private) Limited (OSPPL), a management company managing OLP Modaraba.

OSPPL is incorporated in Karachi, Pakistan. The latest available financial statements, which are prepared on a going concern basis for the year ended June 30, 2025, have been audited by Grant Thornton Anjum Rahman, Chartered Accountants.

9.2 The Company holds 10% certificates (4,538,353 certificates (2024: 4,538,353 certificates) in OLP Modaraba, which is being managed by OSPPL as the Modaraba management company. Since the Company holds 100% shareholding in the management company as mentioned in note 9.1 above, therefore has substantive decision-making authority over OLP Modaraba's key operating and financial policies. OSPPL is entitled to a management fee (including variable returns). There are no substantive removable rights held by any other single party and the remaining holding is also dispersed and passive in nature due to free float to general public. Accordingly, the investment in OLP Modaraba has been accounted for as an investment in subsidiary in view of the control which the Company exercises through the fully owned management company and an aggregate holding of 20% in the certificates of OLP Modaraba by the Company and OSPPL.

The latest available financial statements, which are prepared on a going concern basis for the year ended June 30, 2025, have been audited by KPMG Taseer Hadi and Co., Chartered Accountants.

10 **INVESTMENT IN ASSOCIATE**	Note	2025	2024
		Rupees	
Related party			
Yanal Finance Company	10.1	1,775,618,949	1,707,416,512
OPP (Private) Limited*	10.2, 19.2 & 19.3	87,754,399	-
SAMA Finance SAE*	10.3 & 19.4	172,043,037	-
		2,035,416,385	1,707,416,512
Less: impairment on investments	37	(259,797,436)	-
		1,775,618,949	1,707,416,512

* Fully provided

10.1 Shares held and carrying value of investment in associate is as follows:

2025	2024		Note	2025	2024
(Number of shares)				Rupees	
		Unquoted			
1,375,000	1,375,000	Yanal Finance Company	10.1.1	1,775,618,949	1,707,416,512

10.1.1 The Company holds 2.5% (2024: 2.5%) ownership interest in Yanal Finance Company (YFC), which was incorporated in Riyadh, Kingdom of Saudi Arabia. The Company's contractual right to nominate 1 out of 9 directors on YFC board member enables it to participate in and influence its key financial and operational decisions. Moreover, the CEO of the Company is also the MD of YFC. Accordingly, YFC is accounted under equity method of accounting due to the significant influence exercised by the Company. The latest available audited financial statements, which are prepared on a going concern basis, for the year ended December 31, 2024 have been audited by Pricewaterhouse Coopers, Kingdom of Saudi Arabia.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

10.1.2 Summarised un-audited financial statements of associate and subsidiaries are as follows:

	As at June 30			For the year ended June 30			Interest held and relationship
	Total assets	Total liabilities	Net assets	Revenues	Profit	OCI	
	Rupees						
2025							
Unlisted							
Yanal Finance Company	137,942,949,879	(65,646,536,708)	72,296,413,171	16,376,391,883	6,505,619,683	(35,311,738)	2.5% - Associate
2024							
Unlisted							
Yanal Finance Company	121,691,408,785	(52,443,984,596)	69,247,424,189	17,341,192,495	7,165,043,688	(4,836,592)	2.5% - Associate

10.1.3 Movement of investment in associate is as follows:

	Note	2025	2024
		Rupees	
Balance at the beginning of the year		1,707,416,512	1,718,529,322
Share of profit for the year	32	154,255,506	139,598,202
Dividend received during the year		(121,290,321)	(102,026,298)
Exchange gain / (loss) arising on translation of a foreign associate		36,120,045	(48,891,864)
Share of other comprehensive (loss) / income		(882,793)	207,150
Balance at the end of the year		1,775,618,949	1,707,416,512

10.1.4 The carrying value of investment in associate in foreign curreny is SAR 23,468,273 (2024: SAR 23,012,648).

10.2 The Company holds 45% (2024: 45%) ownership interest in OPP (Private) Limited. The investment is reclassified from "held for sale" on its net carrying value, as explained in note 19.2. During the period, an impairment has been recorded against the investment due to limited availability of financial information, being the matter pending under litigation for winding up.

10.3 The Company holds a 23% (2024: 23%) ownership interest in SAMA Finance SAE (SAMA) and holds 02 directorship on the Board of SAMA. The investment is reclassified from "held for sale" on its net carrying value, as explained in note 19.3.

11 LONG-TERM INVESTMENTS

	Note	2025	2024
		Rupees	
At fair value through other comprehensive income			
Ordinary shares - unlisted	11.1	10,931,116	9,359,956
Ordinary shares - listed	11.2 & 11.3	11,164,079	6,220,400
		22,095,195	15,580,356

11.1 Movement in surplus on re-measurement of financial assets at fair value through other comprehensive income:

	Note	2025	2024
		Rupees	
Opening balance		2,234,530	2,956,489
Recognised in OCI on account of revaluation		6,514,839	(1,183,539)
Gain on account of recognition of equity securities	11.5	17,203,411	-
		23,718,250	(1,183,539)
Related tax		(9,250,117)	461,580
		14,468,132	(721,959)
		16,702,662	2,234,530
Transfer to retained earning on account of disposal - net of tax	11.5	(10,494,080)	-
Closing balance		6,208,582	2,234,530

11.2 This represents 705,882 (2024: 705,882) shares of Al-Baraka Bank (Pakistan) Limited, (Al-Baraka) having a face value of Rs. 10 per share. These are carried at breakup value.

11.3 The Company has 295,536 (2024: 295,536) shares of LSE Proptech Limited (LSEPL) having a face value of Rs. 10 per share and 842,810 (2024: 842,810) shares of LSE Ventures Limited (LSEVL) having a face value of Rs. 10 per share.

11.4 During the current year, LSEPL underwent restructuring through Court Sanctioned Scheme of Compromises, Arrangement and Reconstruction whereby all assets and liabilities of LSEPL were transferred to LSE Capital Limited (LSECL), which is listed on the Pakistan Stock Exchange, against issuance of shares. Accordingly, the Company was issued 245,294 shares of LSECL in lieu of 295,536 shares of LSEPL.

11.5 Following the amalgamation of ORIX Investment Bank (OIB) with the Company in 2009, all movable and immovable assets, liabilities, rights, and obligations of OIB were transferred to the Company. However, 72,838 shares of Pioneer Cement Limited (PCL) remained in the OIB House Account, which during the current year were transferred to the Company. Consequently, these shares were recognised and subsequently sold during the year.

12 DEFINED BENEFIT PLAN ASSET - STAFF GRATUITY

12.1 General description

The Company operates a funded gratuity scheme which was established under the provisions of the Trust Deed dated July 1, 2004 for its permanent staff who have completed the minimum qualifying period of three years of service under the scheme. In view of promulgation of Sindh Trust Act, 2020 (the Act), the Company and the trustees of the fund has registered the original trust deed and rules under the Act in September 2022. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2024 using the Projected Unit Credit Method.

12.2 Principal actuarial assumptions

	2025	2024
- Discount rate	12.25%	15.50%
- Expected short term salary increase rate	10.00%	15.00%
- Expected long term salary increase rate	11.75%	15.50%
- Expected rate of return on plan assets	16.12%	15.00%
- Average service years	13.67	13.67

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the SLIC (2001 - 2005) -1 ultimate mortality tables rated down one year.

12.3 The amount recognised in the unconsolidated statement of financial position is as follows:

	Note	2025	2024
		Rupees	
Present value of defined benefit obligation	12.4	313,226,176	311,039,869
Fair value of plan assets	12.4	(377,531,754)	(332,830,350)
		(64,305,578)	(21,790,481)

12.4 The movement in the defined benefit obligation over the year is as follows:

	Note	2025		
		Present value of defined benefit obligation	Fair value of plan assets	Net asset
		Rupees		
At July 1		311,039,869	(332,830,350)	(21,790,481)
Current service cost	12.5	23,553,404	-	23,553,404
Interest expense / (income)	12.5	47,405,920	(50,657,520)	(3,251,600)
		381,999,193	(383,487,870)	(1,488,677)
Remeasurements:				
Actuarial gain on plan assets	12.6	-	(13,426,528)	(13,426,528)
Actuarial gain on obligation	12.6	(29,088,569)	-	(29,088,569)
		(29,088,569)	(13,426,528)	(42,515,097)
		352,910,624	(396,914,398)	(44,003,774)
Contributions made		-	(20,301,804)	(20,301,804)
Benefits paid		(39,684,448)	39,684,448	-
At June 30		313,226,176	(377,531,754)	(64,305,578)

	Note	2024 Present value of defined benefit obligation	2024 Fair value of plan assets	2024 Net asset
		Rupees		
At July 1		302,086,399	(308,204,730)	(6,118,331)
Current service cost	12.5	22,842,173	-	22,842,173
Interest expense / (income)	12.5	47,071,640	(48,077,824)	(1,006,184)
		372,000,212	(356,282,554)	15,717,658
Remeasurements:				
Actuarial loss on plan assets		-	(4,774,461)	(4,774,461)
Actuarial gain on obligation		(10,897,686)	-	(10,897,686)
		(10,897,686)	(4,774,461)	(15,672,147)
		361,102,526	(361,057,015)	45,511
Contributions made		-	(21,835,992)	(21,835,992)
Benefits paid		(50,062,657)	50,062,657	-
At June 30		311,039,869	(332,830,350)	(21,790,481)

12.5 The amount recognised in the unconsolidated statement of profit or loss is as follows:

	Note	2025	2024
		Rupees	
Current service cost		23,553,404	22,842,173
Interest expense - net		(3,251,600)	(1,006,184)
		20,301,804	21,835,989

12.6 The amount recognised in the unconsolidated statement of profit or loss and other comprehensive income is as follows:

	Note	2025	2024
Actuarial gain on plan assets	12.6.1	13,426,528	4,774,461
Actuarial gain on obligation	12.6.2	29,088,569	10,897,686
		42,515,097	15,672,147

12.6.1 Included in actuarial gain on plan assets

	2025	2024
Actual net return on plan assets	53,749,535	45,385,868
Interest income on plan assets	(50,657,520)	(48,077,824)
	3,092,015	(2,691,956)
Opening difference in fund accounts	10,334,513	7,466,417
Net return on plan assets over interest income	13,426,528	4,774,461

12.6.2 Included in actuarial gain on obligation

	2025	2024
Gain due to change in financial assumptions	17,227,232	1,179,565
Gain due to change in experience adjustments	11,861,337	9,718,121
	29,088,569	10,897,686

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

12.7 The plan assets and defined benefit obligations are based in Pakistan.

12.8 Plan assets consist of the following:

	2025 (Un-audited)		2024 (Audited)	
	(Rupees)	%	(Rupees)	%
Investment in Government securities	367,119,621	97.24%	327,590,282	98.43%
Cash and bank balances	10,412,133	2.76%	5,240,068	1.57%
	377,531,754	100.00%	332,830,350	100.00%

12.9 **Historical results**

	2025	2024	2023	2022	2021
	Rupees				
Present value of defined benefit obligation	313,226,176	311,039,869	302,086,399	265,876,926	248,556,585
Fair value of plan assets	(377,531,754)	(332,830,350)	(308,204,730)	(293,133,410)	(256,909,032)
Surplus	(64,305,578)	(21,790,481)	(6,118,331)	(27,256,484)	(8,352,447)
Remeasurement of plan liabilities	(29,088,569)	(10,897,686)	(3,063,606)	(8,285,552)	21,750,801
Remeasurement of plan assets	(13,426,528)	(4,774,461)	18,494,869	(10,618,488)	(700,289)

12.10 Actual return on plan assets during the year amounted to Rs. 64.08 million (2024: Rs. 52.85 million).

12.11 Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 15.92 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2026.

12.12 The Fund is exposed to a number of risks, the most significant of which are detailed below:

Mortality risk	This is the risk that the actual mortality experience is different from what was initially expected. The effect depends on the beneficiaries' service / age distribution and the benefit.
Investment risk	This is the risk of investments underperforming and not being sufficient to meet liabilities. However, the trustees of the fund have a practice to invest the amounts in government securities that are secured.
Final salary risk	This is the risk that the final salary at the time of cessation of service is greater than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately. In order to minimise the risk the actuary of the Company uses past pattern which provides basis to form a reliable estimate.
Withdrawal risk	This is the risk that withdrawals may be higher or lower than actuarial assumptions. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit. The Company ensures the availability of sufficient liquid funds in the gratuity fund and makes regular contributions to minimise the risk.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

12.13 The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is as follows:

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	------- % -------	------------- Rupees	-------------
Discount rate	1.0%	292,965,818	334,490,245
Salary growth rate	1.0%	332,900,270	294,035,691

The above sensitivity analyses are based on a change in assumption by 1% while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

12.14 The distribution of timing of payment of benefits is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
	------------	------------	------------	Rupees	------------	------------
Defined benefit obligation	20,977,171	61,117,658	71,491,561	30,343,381	47,295,743	228,015,986

12.15 The weighted average duration of the defined benefit obligation is 6.62 years.

12.16 The information provided in notes 24.1 to 24.15 has been obtained from the details provided by the actuary of the Company.

13 SHORT-TERM FINANCES	Note	2025	2024
		------------ Rupees	------------
Considered good - secured			
Micro finance / small enterprise finance	13.1	598,612	2,963,689
Term finance		-	708,265
Agri finance	13.2	3,647,953	30,038,366
		4,246,565	33,710,320
Considered doubtful - secured			
Micro finance / small enterprise finance	13.1	790,053	659,979
Agri finance	13.2	2,883,331	1,599,996
		3,673,384	2,259,975
Less: expected credit loss / provision on finances	36.2	(2,784,911)	(2,223,682)
		888,473	36,293
Less: general provision against micro finance	8.9 & 36.2	(29,931)	(115,186)
		5,105,107	33,631,427

13.1 These represent short-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans ranges from 22.00% to 42.00% (2024: 22.00% to 42.00%) per annum with maturity of less than a year. These are secured against personal guarantees and are repayable within twelve months.

13.2 These represent short-term finance facilities offered to farmers on mark-up basis. The rate of return on these loans ranges from 17.00% to 18.00% (2024: 28.00% to 33.00%) per annum. These are repayable within twelve months and are secured against title documents of the immovable properties.

14 CURRENT MATURITY OF NON-CURRENT ASSETS

	Note	2025	2024
		Rupees	
Current maturity of:			
Net investment in finance lease	7.2	4,221,795,165	5,043,931,312
Expected credit losses / provision against leases	36.1	(329,405,364)	(528,062,002)
		3,892,389,801	4,515,869,310
Long-term loans and finances	8	10,595,550,259	7,906,424,883
Expected credit losses / provision against loans and finances	36.2	(269,473,525)	(187,510,570)
		10,326,076,734	7,718,914,313
		14,218,466,535	12,234,783,623

15 SHORT-TERM INVESTMENTS

	Note	2025	2024
At fair value through profit or loss			
Market Treasury bills	15.1	2,182,958,179	2,560,551,321

15.1 These include investment amounted to Rs. 445.70 million (2024: Rs. 800.55 million) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 5 months (2024: 1 to 6 months) from the reporting date, carrying yield ranging from 11.25% to 11.95% (2024: 19.92% to 21.57%) per annum.

16 ADVANCES AND PREPAYMENTS

	Note	2025	2024
		Rupees	
Advances - unsecured		858,868	31,771,136
Prepayments			
Employee insurance		10,419,724	8,638,351
Furnishing Allowances	16.1	3,873,590	3,332,489
Software Maintenance		3,421,497	14,945,239
Rent		2,531,886	4,169,414
Subscription		1,780,592	1,206,260
Others		1,247,679	1,578,265
		23,274,968	33,870,018
		24,133,836	65,641,154

16.1 This includes furnishing allowance provided to the Key Management Personnel.

Names	Maximum aggregate amount	2025	2024
	Rupees		
Mr. Imtiaz Ahmad Chaudhary	56,663	16,667	56,667
Mr. Abid Hussain Awan	141,680	103,928	141,688
Mr. Adnan Ishaq	112,496	87,500	-
Mr. Fahad Shahzad Memon	100,004	75,008	100,000
Mr. Mohammad Aslam	89,579	64,583	89,583
Mr. Mohammad Ikram	89,579	64,583	89,583
Mr. Shahzad Rana Younus	124,998	112,500	-
Mr. Rashid Ahmed	77,500	63,750	-
Mr. Salman Ali	136,213	118,732	36,178
Mr. Hamid Muhammad Khan	39,897	24,933	-
		732,184	513,699

17 OTHER RECEIVABLES

	Note	2025	2024
		Rupees	
Insurance receivable from lessees	17.4	417,675,411	-
Due from related parties - net	17.1	12,760,045	87,886,974
Ijarah finance receivable		-	58,837
Operating lease receivable		2,670,310	2,723,045
Insurance commission receivable		6,775,358	2,448,840
Others		14,356,354	12,766,431
Less: provision against other receivable		(4,688,508)	(4,469,209)
		449,548,970	101,414,918

17.1 Other receivable - Due from related parties

Name of related party	Gross amount due	Amount due charged off (note 37)	Net amount due	Maximum amount outstanding at any time during the year
OLP Services Pakistan (Private) Limited (note 17.3)	107,310,054	96,696,751	10,613,303	107,678,152
Yanal Finance Company	2,094,320	-	2,094,320	5,141,955
ORIX Corporation	52,422	-	52,422	2,848,345
	109,456,796	96,696,751	12,760,045	

17.2 Other receivable - Due from related parties

Name of related party	Past due 0 - 90 days	Past due 91 - 365 days	Past due more than 365 days	Gross amount due
Yarial Finance Company	2,094,320	-	-	2,094,320
ORIX Corporation	52,422	-	-	52,422
OLP Services Pakistan (Private) Limited	6,083,954	18,127,839	83,098,261	107,310,054
	8,230,696	18,127,839	83,098,261	

17.3 OLP Services Pakistan (Private) Limited (OSPL), a wholly owned subsidiary of OLP, initiated automobile service operations to assess the dynamics of the automobile service sector with a view of potential integration in future with OLP's operating business segments. Receivable from OSPL represents expenses incurred on behalf of OSPL for these operations. However, during the year, as the automobile service business was suspended owing to a non-competitive market and the dominance of the informal sector, the receivable has been charged off.

The recoverable amount of the investment in OSPL along with receivable was estimated based on the present value of the future cash flows expected to be derived from the CGU (value in use) using a pre-tax discount rate of 14.92 percent and a terminal value growth rate of 2.5 percent for a period of 5 years. The recoverable amount of the CGU was estimated to be lower than its carrying amount therefore impairment was required as a result of which the Company had written off the receivable because the recoverable amount was below the total of receivable and investment.

17.4 This represents insurance receivable from lessees on account of insurance of leased vehicles. Previsouly this has been netted off from insurance payables.

18 CASH AND BANK BALANCES

	Note	2025	2024
		Rupees	
Cash in hand		1,320,000	1,806,010
Balances with banks in:			
- Current accounts		122,995,447	291,898,482
- Deposit accounts	18.1	153,914,243	110,505,617
		276,909,690	402,404,099
Less: expected credit loss on bank balances		(16,025)	-
		278,213,665	404,210,109

18.1 These carry profit rates ranging from 4.00% to 9.50% per annum (2024: 5.50% to 20.50% per annum).

	Note	2025	2024
		Rupees	
19 ASSETS CLASSIFIED AS HELD FOR SALE			
Repossessed assets	19.1	250,001	250,001
Investment in associates - related party			
- OPP (Private) Limited	19.2 & 19.3	-	87,754,399
- SAMA Finance SAE (SAMA)	10.3, 19.4 & 37	-	172,043,037
Stock Exchange room		4,700,000	4,700,000
		4,950,001	264,747,437
Less: Impairment against assets held for sale	19.3 & 37	-	(172,043,037)
		4,950,001	92,704,400

19.1 These represent repossessed assets consisting of vehicles, machinery and other equipment previously leased out to customers. The Company intends to dispose of these assets to recover the balance amount outstanding against such leases.

19.2 The Company holds 45% (2024: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors of the Company approved divestment of the Company's entire investment in OPP.

19.3 The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Company in managing the affairs of OPP. The Company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date. Being the matter is under litigation which is beyond the Company's control, the timeline to dispose off the investment within one year could not be ascertained. Accordingly, the investment is reclassified to "investment in associates" at its net carrying value.

19.4 The Company holds a 23% (2024: 23%) ownership interest in SAMA. In February 2019, the Board of Directors approved the divestment of this investment.

The Company engaged in sale negotiation for disposal, signed a Sale Purchase Agreement (SPA) on October 17, 2019. Although the long stop date of the agreement expired in May 2022 without an extension, the Board reaffirmed their intention to sell in April 2023. Accordingly, the Company has appointed a consultant to advise on and execute the sale. An impairment was recorded against the investment due to hampered profits, using the present value valuation method. Currently, the timeline for disposal within one year could not be ascertained due to economic conditions and affected business activities, which is beyond Company's control. Therefore, the investment is reclassified to "investment in associates" at its net carrying value.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
(Number of shares)			Rupees	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid bonus shares	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
175,407,647	175,407,647		1,754,076,470	1,754,076,470

20.1 As at June 30, 2025, ORIX Corporation, Japan and its nominees held 86,960,515 (2024: 86,960,515) ordinary shares equivalent to 49.58% (2024: 49.58%) of the total shareholding.

20.2 As per regulation 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, an NBFC is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserves equals the paid up capital. Thereafter, 5% of the profit after tax is required to be transferred to this reserves. Accordingly, the Company has transferred 5% of its profit after tax to the statutory reserves for the year ended June 30, 2025 and June 30, 2024.

21 SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING - NET OF TAX

	Note	2025	2024
		Rupees	
Opening balance		934,245,613	963,974,989
Adjustment in respect of incremental depreciation transferred to unappropriated profit		(29,729,376)	(29,729,376)
		904,516,237	934,245,613
Opening balance of deferred tax liability		(35,938,866)	(41,923,734)
Adjustment in respect of incremental depreciation transferred to unappropriated profit		5,984,868	5,984,868
	24	(29,953,998)	(35,938,866)
		874,562,239	898,306,747

21.1 Details of valuation report are included in note 5.1.1.

22 LONG-TERM FINANCES

	Note	2025	2024
		Rupees	
Secured			
Long-term finances utilised under mark-up arrangements - financial institutions	22.1	15,497,222,215	9,383,333,328
Privately placed term finance certificates	22.2	1,121,664,975	1,868,596,862
Accrued interest / mark-up on long term finances		140,271,135	274,028,628
		16,759,158,325	11,525,958,818
Less: current maturity	29	(5,716,660,024)	(4,443,473,072)
		11,042,498,301	7,082,485,746

June 30, 2025				
Name of bank / financial institution	**Facility limit**	**Frequency of profit payment**	**Tenor**	**Balance outstanding**
Allied Bank Limited	6,000,000,000	Quarterly	5 years	4,062,500,000
Muslim Commercial Bank	4,500,000,000	Quarterly	5 years	3,437,500,000
Bank Al Habib Limited	4,000,000,000	Quarterly	3-5 Years	2,300,000,000
Habib Bank Limited	4,000,000,000	Semi-Annual	3-5 Years	1,850,000,000
United Bank Limited	3,000,000,000	Quarterly	5 years	1,805,555,556
Karandaaz	2,000,000,000	Monthly-Quarterly-Semi Annually	3-5 Years	1,500,000,000
Askari Bank Limited	1,700,000,000	Quarterly	3-4 Years	333,333,332
Bank Al-Falah Limited	500,000,000	Quarterly	3 Years	208,333,327
	25,700,000,000			15,497,222,215

22.1 These finances have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 11.47% to 12.81% (2024: 20.32% to 22.59%) per annum. These finances are repayable within a period of 36 to 60 months (2024: 36 to 60 months).

22.2 The Company has issued rated, privately placed, secured term finance certificates ("TFCs") as an instrument of redeemable capital. These carry markup of 3 months kibor plus 0.8% and will mature on December 30, 2026 and are secured against hypothecation charge on receivables of the Company.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended June 30, 2025

		Note	2025	2024
			Rupees	
23	**LONG-TERM CERTIFICATES OF DEPOSIT**			
	Unsecured			
	Certificates of deposit	23.1	894,897,371	1,365,458,407
	Accrued profit on certificate of deposit		56,130,105	106,133,535
			951,027,476	1,471,591,942
	Less: current maturity	29	(306,524,004)	(578,356,496)
			644,503,472	893,235,446

23.1 These certificates of deposit have been obtained for financing the operations of the Company and issued at rate of return ranging from 6.73% to 18.25% (2024: 7.70% to 18.25%) per annum and issued for terms ranging from 3 years to 10 years (2024: 3 years to 10 years).

24 DEFERRED TAXATION

	Note	As at June 30, 2024	Recognised in profit or loss	Recognised in OCI	As at June 30, 2025
		Rupees			
Taxable temporary differences arising on:					
- Accelerated tax depreciation		400,690,989	209,612,120	-	610,303,109
- Surplus on revaluation of office building	21	35,938,866	(5,984,868)	-	29,953,998
- Unamortised transaction costs relating to long term finances and loans		2,497,224	(1,196,564)	-	1,300,660
- Investments		618,232,244	13,430,652	16,283,318	647,946,214
		1,057,359,323	215,861,340	16,283,318	1,289,503,981
Deductible temporary differences arising on:					
- Right-of-use assets and lease liability against right-of-use assets		(11,473,376)	(40,372,366)	-	(51,845,742)
- Provision against leases, loans and finances		(451,004,968)	(21,188,276)	-	(472,193,244)
		(462,478,344)	(61,560,642)	-	(524,038,986)
		594,880,979	154,300,698	16,283,318	765,464,995

24.1 The movement in deferred tax liability during the year is as follows:

	Note	2025	2024
		Rupees	
Opening		594,880,979	623,278,254
Charge / (reversal of charge) to the unconsolidated statement of profit or loss	39	154,300,698	(8,948,657)
Charge to the unconsolidated statement of comprehensive income		16,283,318	(19,448,618)
Closing		765,464,995	594,880,979

25 OTHER LONG-TERM LIABILITIES

	Note	2025	2024
Profit on certificates of deposit	25.1	117,108,774	72,316,765
Lease liability against right-of-use assets	25.2	89,749,861	77,868,689
		206,858,635	150,185,454

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

25.1 This represents accrued profit on certificates of deposits payable on maturity.

25.2 Details of minimum lease payments, financial charges and principal outstanding related to lease liability are as follows:

	2025			2024		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
	Rupees					
Not later than one year	62,873,078	19,730,005	43,143,073	45,230,307	16,998,154	28,232,153
Later than one year and not later than five years	99,786,176	36,481,212	63,304,964	88,955,381	33,730,665	55,224,716
Later than five years	33,989,579	7,544,682	26,444,897	32,812,970	10,168,997	22,643,973
	133,775,755	44,025,894	89,749,861	121,768,351	43,899,662	77,868,689
	196,648,833	63,755,899	132,892,934	166,998,658	60,897,816	106,100,842

26 ACCRUED AND OTHER LIABILITIES

	Note	2025	2024
		Rupees	
Bills payable		444,080,637	923,773,033
Accrued liabilities		235,671,324	197,364,216
Other liabilities			
Advances from customers against finance lease and Ijarah finance		8,995,607	2,911,209
Sales tax payable		4,491,496	3,924,791
Insurance premium payable	17.4	654,277,352	222,703,420
Provision for Provincial Workers' Welfare Fund	26.1	139,325,206	173,807,976
Payable to minority shareholders of Standard Chartered Leasing Limited		14,694,152	14,694,152
Others		44,692,995	35,780,484
		866,476,808	453,822,032
		1,546,228,769	1,574,959,281

26.1 In September 2024, the Company received show-cause notices from the Sindh Revenue Board (SRB) demanding payment of the Sindh Workers Welfare Fund (SWWF) on total profit amounting to Rs. 68.1 million for the years ended June 30, 2022, and June 30, 2023. Accordingly, the Company responded to the notices for both years, stating that it operates on a trans-provincial basis, and no payment can be made until a methodology is agreed upon among all stakeholders. Additionally, on September 24, 2024, the Company filed a petition before the Sindh High Court (SHC) challenging the SRB's demand and seeking to restrain the SRB from taking any coercive action while the matter is pending. The SHC granted a stay order, subject to the deposit of the disputed amount with the Nazir of the SHC, and directed the SRB not to take any coercive action until a final decision is reached. The Company submitted pay orders amounting to Rs. 37.2 million and Rs. 39.0 million for the years ended June 30, 2022, and June 30, 2023, respectively. These amounts are fully provided for in respective years. On April 25, 2025, SHC held that trans-provincial companies does not fall under the provincial authorities until a mutually agreed mechanism is developed by all stakeholders.

27 SHORT-TERM BORROWINGS

	Note	2025	2024
		Rupees	
From banking companies - secured			
Running finance arrangements	27.1 & 27.2	1,872,332,080	1,646,007,840
Accrued interest / mark-up on short term borrowings		45,111,690	37,553,536
		1,917,443,770	1,683,561,376

27.1 Running finance arrangements

June 30, 2025				
Name of bank / financial institution	Facility limit	Frequency of profit payment	Tenor	Balance outstanding
Habib MetropoliTan Bank Limited	200,000,000	Quarterly	1 year	164,863,193
Allied Bank Limited	500,000,000	Quarterly	1 year	140,632,871
Askari Bank Limited	300,000,000	Quarterly	1 year	56,012,452
Habib Bank Limited	350,000,000	Quarterly	1 year	67,230,024
Bank Alfalah Limited	500,000,000	Monthly /Quarterly /Semi Annually	1 year	351,547,013
Bank Al Habib Limited	300,000,000	Quarterly	1 year	698,391,263
United Bank Limited	500,000,000	Quarterly	1 year	30,341,051
MCB Bank Limited	400,000,000	Quarterly	1 year	363,314,215
	3,050,000,000			1,872,332,080

27.2 These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,050 million as at June 30, 2025 (2024: Rs. 2,950 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 11.83% to 13.18% (2024: 22.39% to 22.99%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

28 SHORT-TERM CERTIFICATES OF DEPOSIT

	Note	2025	2024
		Rupees	
Unsecured			
Short-term certificates of deposit	28.1	2,015,104,976	3,897,166,782
Payable to holders of matured certificates of deposits		61,353,592	74,353,592
Accrued profit on short-term certificates of deposits		29,692,019	211,586,246
		2,106,150,587	4,183,106,620

28.1 These represent short-term certificates of deposit obtained for financing of operations, issued at rate of profit ranging from 8.00% to 18.10% (2024: 17.00% to 22.25%) per annum, for a term upto 12 months (2024: 12 months).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

29 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2025	2024
		Rupees	
Current maturity of:			
Long-term finances	22	5,716,660,024	4,443,473,072
Lease liability against right-of-use assets	25.2	43,143,073	28,232,153
Long-term certificates of deposit	23	306,524,004	578,356,496
		6,066,327,101	5,050,061,721

30 CONTINGENCIES AND COMMITMENTS

30.1 The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order on July 18, 2014 under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) for the tax year 2010 and created a demand of Rs 167 million by disallowing capital loss on sale of shares and certain other matters. The Company preferred an appeal against the amended assessment order passed by the ACIR before the Commissioner Inland Revenue (Appeals) (CIR-A). The CIR-A disposed of the appeal with a minor relief to the Company. The Company has contested the matter in appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Company by the CIR-A. Apart from contesting the matter in appeal before the CIR-A, the Company also filed rectification application with the officer which was rejected. The Company filed an appeal before the CIR-A wherein certain reliefs were allowed. The department filed an appeal against the order passed by the CIR-A. ATIR vide combined order dated September 6, 2023 read with difference of opinion dated January 6, 2024 disposed of the cross appeals whereby the matters were decided in the Company's favour and remanded back to ACIR with directions.

30.2 In the year 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance, disallowance of tax loss on lease terminations and certain other matters. The Company's appeals against these amended orders before the CIR-A were maintained. ATIR vide combined order dated January 18, 2024 disposed of the Company's appeals whereby it decided most of the issues in the Company's favor, whereas the matter of tax loss on pre-mature termination of lease was remanded back to DCIR with directions.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.3 The assessments of Standard Chartered Leasing Limited (SCLL) - amalgamated entity - for the years 1998-99 to 2002-03 were finalized by the tax officer whereby lease key money amounting to Rs. 239 million was added to income. In appeals with the ATIR, the addition was maintained. SCLL filed a rectification application before ATIR that certain arguments advanced at the time of hearing of appeals were not considered while framing the order. The ATIR vide appellate order dated February 27, 2008 recalled its original appellate order for all these years and referred the case to the Chairman ATIR to constitute a larger bench for rehearing / decision of the case.

No provision has been made in these unconsolidated financial statements in this respect as the management is of the view that the same will be allowed in the favor of the Company.

30.4 The ACIR passed an amended assessment order under section 122(5A) of the Ordinance for the tax years 2015 to 2018 where demands in aggregate of Rs. 3,229 million were raised. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters. In tax years 2015 and 2016, the issue of determination of the levy of minimum tax has also been raised. Additionally on October 3, 2019, the ACIR rectified the amended assessment order (rectification order) under section 221(1) of the Ordinance for the tax year 2017 and created an additional demand of Rs. 290 million after taking into account the amended amount of brought forward tax losses. The Company preferred appeals against these orders before the CIR-A for all these years. On January 8, 2020 CIR-A disposed of Company's appeals and decided certain matters in the Company's favor whereas certain matters were remanded back to the Officer with specific directions. The Company as well as the income tax department have filed appeals before the ATIR on the matters which have not been decided in their favor by the CIR-A and are pending for adjudication.

In February 2021, the ACIR has given effect to the first appeal order setting aside assessments for tax years 2015 and 2016 where demands of Rs 11.06 million and Rs 118.76 million respectively have been raised. During March 2021, the Company filed appeals against these orders before the CIR-A. The Company has also discharged 10% of the demands u/s 140 of the Ordinance amounted to Rs 1.10 million and Rs 11.87 million for tax year 2015 and 2016 respectively. CIR-A vide order August 3, 2023 disposed of the Company's appeal for tax year 2015 wherein he remanded back the matters to the Officer with directions. CIR-A vide order August 03, 2023 and August 31, 2023 disposed of the Company's appeal for tax year 2015 and 2016 wherein he remanded back the matters to the Officer with directions.

In January 2021, the ACIR has given effect to the orders passed by CIR-A for tax years 2017 and 2018 wherein demands of Rs. 1.22 billion and Rs. 1.36 billion respectively were raised. During February 2021, the Company filed rectification applications. The ACIR has substantially rectified the orders and allowed tax losses on termination and unabsorbed depreciation resulting in a reduction in tax demand to Rs. 252 million and Rs. 479 million respectively. The Company filed appeals for both the tax years before CIR-A against the remaining pending issues in the appeal effect orders along with an application for rectification for tax year 2017. The officer passed the rectified order and further revised the demand for tax year 2017 to Rs. 227 million. The Company discharged 10% of the demand u/s 140 of the Ordinance amounting to Rs 19.02 million and Rs 14.58 million for tax year 2017 and tax year 2018 respectively. CIR-A vide orders dated January 31, 2024 and July 31, 2023 disposed of the Company's appeals for tax years 2017 and 2018, respectively, wherein he has remanded back most of the matters to the Officer with specific directions.

Based on the tax advisor's opinion, the management is confident of a favourable outcome. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.5 The Company by way of the amendment notices and the orders under section 122(5A) of the Ordinance was charged with the levy of super tax under section 4B of the Ordinance for the years 2015 to 2018. The Company's legal advisor is of the opinion that levy of super tax is unlawful and leading to double taxation. Accordingly in January 2019, the Company had filed a constitutional petition before the SHC challenging the levy of super tax. On July 21, 2020, the SHC dismissed the petition stating that levy of super tax is lawful it's an additional tax, and not a double tax. The Company filed a petition in the Supreme Court of Pakistan (SCP) for tax years 2015 to 2018 dated September 12, 2020 where stay had been granted in November 2020 subject to deposit of 50% of the impugned outstanding tax with the authorities.

This matter was also challenged in appeal before CIR-A for tax years 2015 to 2019 and after being maintained it has also been taken up in appeal before the ATIR for the years 2015 to 2018. This levy has been considered in light of the position emerging after the appellate order of the CIR -A and it is expected not to have effect in the tax years 2015 and 2016 in light of the available losses.

Further, in line with the SCP decision, the Company has paid 50% of super tax liability for tax year 2017 and tax year 2018 amounting to Rs 18.5 million and Rs 25.8 million respectively.

The Company has already made a provision in respective tax years 2015 to 2019 amounting to Rs. 145 million against the super tax.

30.6 Through Finance Act 2022, the Federal Government has levied Super Tax up to 4% on high earning persons / companies for the tax year 2022 and onwards. The Company's legal advisor was of the opinion that levy of super tax is unlawful and leading to a double taxation. The Company along with the other companies had filed a constitutional petition before the Sindh High Court (SHC) challenging the levy of super tax. The SHC had granted stay, on submission of a bank guarantee, till the decision had been made and the Company duly submitted a bank guarantee of Rs. 87 million. On January 27, 2023, the SHC disposed of the petitions stating levy of super tax is lawful, however, it would not be applied retrospectively i.e. for Tax Year 2022. Subsequently, the tax authorities filed an appeal against SHC decision in the Supreme Court of Pakistan (SCP). On February 16, 2023, SCP through an interim order directed SHC to en-cash a submitted bank guarantee upto 4% of taxable income and release the amount to the tax authorities. Accordingly, the Company's bank has furnished pay-order of Rs. 87 million against its bank guarantee issued in favor of Nazir Sindh High Court. The hearing of the main appeal before the SCP is pending.

The Company has discharged its liability against the already made provision of Rs. 87 million in the respective tax year 2022 on account of super tax.

30.7 Through Finance Act 2023, the Federal Government has retrospectively increased the levy against super tax up to 10% on high earning persons / companies for the tax year 2023 and onwards. The Company's legal advisor was of the opinion that retrospective increase of levy of super tax is unlawful. Accordingly on January 15, 2024, the Company had filed a constitutional petition before the Islamabad High Court (IHC) challenging the retrospective increase in levy of super tax from 4% to 10%. IHC vide order dated March 15, 2024 held that the amendments made through the Finance Act, 2023 do not have a retrospective application. The Department filed Intra Court Appeal (ICA), which is pending adjudication. On March 19, 2025, the Constitutional Bench of Supreme Court of Pakistan has issued the order to transfer all intra-court appeals (ICAs) relating to the Super Tax pending in the high courts of Lahore and Islamabad.

The Company has already made a provision amounting to Rs. 216 million against the super tax for prior year (tax year 2023).

30.8 In 2020, the Company received an amended assessment order under section 122(5A) of the Ordinance for tax year 2019 wherein a demand of Rs. 1,022 million was raised. This was mainly due to the result of disallowance of tax losses on lease (both on maturity and pre-mature) termination and certain other matters including super tax. The Company has filed an appeal against the order before the CIR-A who vide order dated July 27, 2023 disposed-of the Company's appeal The Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these unconsolidated financial statements.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

30.9 The Company received an amended assessment order dated October 04, 2021, under section 122(5A) of the Ordinance for tax year 2020 wherein a demand of Rs.137 million has been raised. This was mainly due to the result of disallowance of tax losses on pre-mature termination of leases, write-offs and certain other matters. The Company has paid 10% of the demand u/s 140 of the Ordinance amounting to Rs 13.76 million. The Company has filed an appeal against the order. CIR-A vide order dated August 8, 2023 disposed-of the Company's appeal. The Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.10 The Company received an amendment assessment order notice dated July 5, 2022, under section 122(5A) of the Ordinance for tax year 2021 wherein a demand of Rs.57 million has been raised. This was mainly due to the result of disallowance of tax loss on pre-mature termination of leases, write-offs and certain other matters. On August 3, 2022, the Company has filed an appeal before the CIR-A. Apart from above, the Company filed an application for the rectification under section 221 of the Ordinance with the ACIR. The Company paid 10% of the demand after adjusting rectification u/s 140 of the Ordinance amounting to Rs. 4.9 million. CIR-A issued an order on February 26, 2024, disposed of the Company's appeal. The Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.11 The Company received an order on monitoring of withholding taxes of Standard Chartered Leasing Limited (SCLL) under section 161(1) of the Ordinance for tax year 2016 wherein a demand of Rs. 50 million along with Rs. 36 million default surcharge has been levied. This was in continuation with the notice dated October 11, 2017 which was then duly responded by the Company. However, due to change in jurisdiction of the case, the notice was raised again on June 22, 2022 in the name of the Company, which was duly responded along with previous submitted reply and evidences on June 29, 2022. The Officer passed the order under sections 161/205 dated July 6, 2022 raising a demand of Rs 86.7 million holding the Company as assessee in default for non-deduction of tax. On July 28, 2022, the Company has filed an appeal before the CIR-A. On January 8, 2024, CIR-A has disposed-of the Company's appeal by remanding back to the Officer with directions for scrutiny of documents. The department has filed an appeal before the ATIR which is pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.12 During October 2022, the DCIR issued notices under section 176 of the Ordinance to reconcile withholding of income tax with payments as per the audited financial statements for tax year 2017. The Company had accordingly filed replies, related documents and reconciliation of various expenses. However, on June 26, 2023, the DCIR has issued order under section 161(1) of the Ordinance without considering the Company's submitted reply. A demand of Rs. 482 million has been raised on account short deduction or non payment of withholding taxes. On July 12, 2023, the Company has filed an appeal against the order. On September 6, 2023, CIR-A has disposed off the Company's appeal by remanding back to the Officer with directions for scrutiny of documents.

Based on the tax advisor's opinion, the management is confident of a favourable outcome. Accordingly, no tax provision has been made in these unconsolidated financial statements.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

30.13 The DCIR issued show cause notices to the Company challenging the estimates of advance tax under section 147 of the Ordinance filed by the Company for the quarters ended March 31, 2019 and September 30, 2019 and additionally demanded Rs. 259.4 million and Rs. 117.2 million respectively for these years. The Company's tax advisors are of the opinion that the estimates filed by the Company is in accordance with the law and accordingly the Company filed a constitutional petition before the SHC against the recovery of impugned advance tax demand. The SHC has passed a stay order restricting the FBR from taking any coercive measures against the Company.

Based on the tax advisor's opinion, the management is confident of a favourable outcome. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.14 In 2019, the Company received show cause notices from the Sindh Revenue Board (SRB) demanding Sindh Provincial Sales Tax (SPST) amounting to Rs. 519 million against income from operating lease rental of generators for the years ended June 30, 2012, 2013, 2014, 2015, 2016 and 2017 along with the applicable penalty and default surcharge.

In April, 2016, the Company had filed suits against the show cause notices relating to the years 2012 to 2015 before Sindh High Court (SHC) challenging the levy of SPST on renting of generators and obtained a stay order restricting SRB from taking any coercive measures against the Company. In 2019, these suits were withdrawn due to the decision by Supreme Court of Pakistan that in order for a suit to continue, a minimum of 50% of the tax calculated by the tax authorities must be deposited in the respective treasury. Consequent to withdrawal of the suits, SRB issued fresh show cause notices for each of the tax years 2012 to 2017. For financial years 2012 and 2016, the Assistant Commissioner SRB also passed an order against the Company and created a demand of Rs. 43.6 million and Rs. 77.3 million respectively and issued recovery notices. The Company has filed an appeal against the recovery orders before the Commissioner Appeals SRB and also obtained interim relief from SHC by filing separate petitions for each of the years from 2012 to 2017, challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking coercive measures against the Company.

Based on the tax advisor's opinion, the management is confident of a favourable outcome. Accordingly, no tax provision has been made in these unconsolidated financial statements.

30.15 In continuation to the notice received from SRB in 2018, the Company received an order dated November 03, 2021 u/s 40(1)(b) of the Stamp Act, 1899 amounting to Rs. 19.5 million, which also includes the late payment charges of Rs. 6.5 million. On December 10, 2021, the Sindh High Court disposed-of the petition filed by the Company on applicability of stamp duty on purchase orders and issued its decision on January 22, 2022, dismissing the Company's plea against applicability of stamp duty. The Company had also filed a petition on December 10, 2021 before SHC to prevent the SRB from taking any coercive action against the Company subsequent to the issuance of the recovery order, as the matter was pending in SHC. The Court directed the SRB to provide the Company an opportunity of being heard and to decide the matter within 3 months, and till such period no coercive action can be taken against the Company.

The Company filed an appeal with member SRB against the recovery order. However, member SRB has passed an order of Rs. 19.5 million, including amount of additional charges. The Company has filed petition in Sindh High Court against the order. On April 06, 2022, directions were issued with regard to payment of the stamp duty of Rs 12.5 million whereas hearing was adjourned on the additional charges of Rs 6.5 million. Accordingly, the Company has paid the stamp duty amount of Rs. 12.5 million on April 16, 2022. Based on legal opinion, the management is confident of a favorable outcome on waiver of additional charges of Rs 6.5 million.

Accordingly, no provision against additional charges levied has been made in these unconsolidated financial statements.

30.16 In December 2022, the Company received a show cause notice from the Sindh Revenue Board (SRB) for short payment against services along with default surcharge amounting to Rs. 1.8 million for the period from September 2019 to April 2022 against income from operating lease and income from services provided to Insurance companies through workshop. The same was adequately responded stating that the services fall under the reduced rate of sales tax. However, the additional commissioner of SRB confirmed the said liability through Order no 2892 of 2022 dated December 9, 2022, which has been challenged by the Company before commissioner appeals SRB. The same is pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favourable outcome. Accordingly no tax provision has been made in these unconsolidated financial statements.

30.17 There are no (2024: Rs. 1.59 million) commitments relating to capital expenditure at the reporting date.

31 OTHER INCOME - NET

	Note	2025	2024
		Rupees	
Income from financial assets			
Return on investments and deposits		9,231,460	15,792,964
Interest income on government securities		428,959,794	485,242,726
Gain on sale of investments - net		23,819,026	83,478,470
Dividend income		14,397,015	9,076,706
Ijarah finance income		669,138	862,157
Unrealised gain on remeasurement of financial assets at fair value through profit or loss - net		1,547,638	2,549,979
		478,624,071	597,003,002
Income from other than financial assets			
Fees and other income	31.1	235,308,113	210,781,785
Documentation fee		40,179,970	31,715,832
Gain on disposal of property and equipment	5.1.3	35,404,993	3,049,553
Gain on sale of lease and finance assets		127,386,736	116,824,682
Exchange gain / (loss) - net		120,513	(58,614)
		438,400,325	362,313,238
		917,024,396	959,316,240

31.1 This includes income from unclaimed advance tax from customers amounting to Rs 115 million (2024: Rs 93 million), insurance income of Rs 55 million (2024: Rs 43 million), recoveries against old write offs of Rs 14 million (2024: Rs 18 million) and workshop rental of Rs 12 million (2024: Rs 12 million).

32 SHARE OF PROFIT FROM ASSOCIATE - NET OF TAX

Name of associate	2025		2024	
	Associate's profit after tax	Share of associate's profit after tax	Associate's profit after tax	Share of associate's profit after tax
	Rupees			
Un-quoted - related party				
Yanal Finance Company	6,505,619,683	154,255,506	7,165,043,688	139,598,202

33 FINANCE COST

	Note	2025	2024
		Rupees	
Interest / mark-up / profit on:			
- Long-term finances		2,166,521,901	2,855,688,582
- Short-term borrowings		284,787,224	94,701,142
- Certificates of deposit		672,403,923	896,822,420
- Lease liability against right-of-use assets		22,462,350	18,410,515
Bank charges and commission		12,001,226	10,480,450
		3,158,176,624	3,876,103,109

34 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2025	2024
Salaries, allowances, welfare and training	34.1	1,202,101,892	1,170,794,939
Rent and utilities	34.2	73,095,949	91,545,662
Travelling		9,344,473	12,023,857
Vehicle running and maintenance		62,532,280	24,780,102
Insurance on operating assets		7,874,140	6,926,236
Legal and professional charges		36,775,661	31,286,518
Communication		23,810,668	22,011,174
Subscriptions		12,934,137	9,790,180
Auditors' remuneration	34.4	7,830,000	29,510,400
Advertising		8,000,004	8,000,000
Printing and stationery		13,856,882	14,815,299
Depreciation	5.1 & 5.3	125,058,355	106,573,402
Amortisation	6.1	717,992	658,542
Office repairs and maintenance of equipment		62,202,062	61,125,327
Donations	34.5	12,680,000	10,020,000
Office general expenses		16,409,666	15,131,683
		1,675,224,161	1,614,993,321

34.1 This includes expenses in relation to the following employee benefits:

	Note	2025	2024
Defined benefit plan - gratuity fund	12.5	20,301,804	21,835,989
Defined contribution plan - provident fund		32,935,277	33,346,448
Charge against compensated absences		640,728	688,217
		53,877,809	55,870,654

34.2 This includes rent expenses of Rs. 20.43 million (2024: Rs. 34.50 million) against short term leases and leases of low value assets.

34.3 As per Rule 9 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, NBFCs require to obtain insurance coverage against any losses that may be incurred as a result of employee's fraud or gross negligence. Accordingly, the company has obtained insurance coverage for the year ended June 30, 2025 and June 30, 2024.

34.4 Auditors' remuneration

	2025	2024
	Rupees	
Audit services		
Annual audit fee	5,240,000	3,780,000
Half yearly review fee	800,000	792,000
Sales tax on audit fee and other services	531,520	403,200
Out of pocket expenses	604,000	504,000
	7,175,520	5,479,200
Non-audit services		
Other services and certifications	654,480	468,000
Tax advisory services	-	23,563,200
	654,480	24,031,200
	7,830,000	29,510,400

34.4.1 The Company's auditor for the current year is KPMG Taseer Hadi & Co., replacing A.F. Ferguson & Co. from the prior year. Certification and advisory engagements include the review of compliance with code of corporate governance and assurance over IFRS 9 model methodology and application.

34.5 Donations above 10% of total donation or Rs. 1,000,000 which ever is higher

	Note	2025	2024
		Rupees	
The Layton Rahmatullah Benevolent Trust (LRBT)	34.5.1	1,500,000	2,000,000
The Citizen Foundation		2,080,000	870,000

34.5.1 The Chief Executive Officer of the Company (Mr. Shaheen Amin) is a Trustee of LRBT.

35 DIRECT COST

	Note	2025	2024
		Rupees	
Court fee, stamp duty and others		15,177,538	9,160,961
Operating lease and Ijarah finance			
Maintenance and insurance cost		18,471,727	17,651,590
Depreciation - ijarah assets	5.2	522,540	627,120
		18,994,267	18,278,710
		34,171,805	27,439,671

36 EXPECTED CREDIT LOSS / PROVISION AGAINST LEASES, LOANS AND FINANCES - NET

	2025				
	Finance lease (note 36.1)	Loans and Finances (note 36.2)	Sub-total	Operating lease ijarah and other receivables (note 36.3)	Total
	Rupees				
Balance at the beginning of the year	580,287,914	225,565,737	805,853,651	4,469,209	810,322,860
Provision charge during the year	28,197,296	174,441,125	202,638,421	319,924	202,958,345
Reversal made during the year*	(268,892,051)	(76,390,205)	(345,282,256)	(84,600)	(345,366,856)
	(240,694,755)	98,050,920	(142,643,835)	235,324	(142,408,511)
Balance at the end of the year**	339,593,159	323,616,657	663,209,816	4,704,533	667,914,349

*The reversal is primarily due to a reduction in exposure, as a result of recoveries made by the Company's relevant department during the year.

** This includes subjective provision amounting to Rs 169 million recognised against delinquent borrowers as per sub-regulation (2) of Regulation 25 of NBFC Regulations which mandates the Company to perform subjective evaluation of borrowers.

	2024				
	Finance lease (note 36.1)	Loans and Finances (note 36.2)	Sub-total	Operating lease ijarah and other receivables (note 36.3)	Total
	Rupees				
Balance at the beginning of the year	705,045,604	174,932,469	879,978,073	9,479,147	889,457,220
Provision charge during the year	168,820,759	148,886,471	317,707,230	225,762	317,932,992
Reversal made during the year	(274,114,540)	(85,807,461)	(359,922,001)	(320,362)	(360,242,363)
	(105,293,781)	63,079,010	(42,214,771)	(94,600)	(42,309,371)
Write-offs	(19,463,909)	(12,445,742)	(31,909,651)	(4,915,338)	(36,824,989)
Balance at the end of the year	580,287,914	225,565,737	805,853,651	4,469,209	810,322,860

36.1 Expected credit loss / provision against leases

	Note	2025	2024
		Rupees	
Long term portion of finance leases		10,187,795	52,225,912
Current portion of finance leases	14	329,405,364	528,062,002
		339,593,159	580,287,914

36.2 Expected credit loss / provision against loans and finances

	Note	2025	2024
Long term portion of long-term loans and finances	8	51,328,290	35,716,299
Current portion of long-term loans and finances	14	269,473,525	187,510,570
Short-term finances	13	2,814,842	2,338,868
		323,616,657	225,565,737

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

36.2.1 Loans and finances - particulars of expected credit loss / provision against loans and finances

	2025				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	25,287,548	31,113,462	167,903,565	1,261,162	225,565,737
Charge on new disbursements	7,882,619	13,934,238	3,068,471	-	24,885,328
Additional charge	(2,664)	29,551,012	80,645,564	-	110,193,912
Loans and finances derecognised or repaid / reversal	(4,364,327)	(10,940,480)	(12,764,897)	(1,215,772)	(29,285,476)
Transfer to stage 1	428,587	(428,587)	-	-	-
Transfer to stage 2	(2,666,091)	11,225,693	(8,559,602)	-	-
Transfer to stage 3	(174,957)	(454,833)	629,790	-	-
Net changes in contract risk	(13,211,178)	10,205,254	(4,736,920)	-	(7,742,844)
	(12,108,011)	53,092,297	58,282,406	(1,215,772)	98,050,920
Balance at the end of the year	13,179,537	84,205,759	226,185,971	45,390	323,616,657

	2024				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	53,893,661	6,114,110	114,143,360	781,338	174,932,469
Charge on new disbursements	16,311,774	1,007,480	2,137,376	-	19,456,630
Additional charge	-	29,619,192	100,441,808	479,824	130,540,824
Loans and finances derecognised or repaid / reversal	(14,323,499)	(2,408,809)	(37,990,277)	-	(54,722,585)
Transfer to stage 1	130,925	(130,925)	-	-	-
Transfer to stage 2	(63,119)	63,119	-	-	-
Transfer to stage 3	(411,052)	(1,692,272)	2,103,324	-	-
Net changes in contract risk	(30,251,142)	(1,458,433)	(486,284)	-	(32,195,859)
	(28,606,113)	24,999,352	66,205,947	479,824	63,079,010
Write-offs	-	-	(12,445,742)	-	(12,445,742)
Balance at the end of the year	25,287,548	31,113,462	167,903,565	1,261,162	225,565,737

36.2.2 Loans and finances - category of classification

	2025		2024	
	Exposure	Provision	Exposure	Provision
	Rupees			
Stage 1	19,288,113,452	13,179,537	14,833,063,676	25,287,547
Stage 2	1,985,714,400	84,205,759	1,479,164,427	31,113,462
Stage 3	360,563,966	226,185,971	201,064,290	167,903,566
General Provision	-	45,390	-	1,261,162
	21,634,391,818	323,616,657	16,513,292,393	225,565,737

36.3 Provision against operating lease, other receivables and bank balances

	Note	2025	2024
		Rupees	
Other receivables	17	4,688,508	4,469,209
Bank balances	18	16,025	-
		4,704,533	4,469,209

37 OTHER PROVISIONS / WRITE OFFS - NET

	Note	2025	2024
		Rupees	
Operating lease, other receivables and bank balances			
(Reversal of provision) / provision against operating lease receivables		(52,735)	(320,363)
Expected credit loss on bank balances		16,025	-
Provision against other receivables		272,034	225,763
		235,324	(94,600)
Others			
Impairment against associate / assets held for sale	19	87,754,399	172,043,038
Charge-off against receivables from OLP Services Pakistan (Private) Limited	17	96,696,751	-
Provision for provincial Workers' Welfare Fund		41,690,086	44,550,107
		226,376,560	216,498,545

38 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR, DIRECTORS AND EXECUTIVES

38.1 The aggregate amount charged in the unconsolidated financial statements for the year in respect of the remuneration and benefits to the Chief Executive, Executive Directors and executives are as follows:

	2025			
	Chief Executive	Executive Director	Executives	Total
	Rupees			
Managerial remuneration	52,976,000	-	222,972,820	275,948,820
Bonus	18,326,832	-	82,603,863	100,930,695
House rent and utilities	19,263,996	-	135,478,782	154,742,778
Other perquisites	-	-	81,080,992	81,080,992
Retirement benefits	7,171,702	-	26,383,370	33,555,072
	97,738,530	-	548,519,827	646,258,357
Number of persons	1	-	87	88

	2024			
	Chief Executive	Executive Director	Executives	Total
	Rupees			
Managerial remuneration	43,560,000	3,424,940	186,093,178	233,078,118
Bonus	15,200,000	3,100,000	62,456,318	80,756,318
House rent and utilities	15,840,000	1,245,433	67,670,241	84,755,674
Other perquisites	-	697,296	119,271,981	119,969,277
Retirement benefits	8,386,525	847,024	24,081,200	33,314,749
	82,986,525	9,314,693	459,572,918	551,874,136
Number of persons	1	1	74	76

38.2 Executives denote employees, other than the Chief Executive and Executive Directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

38.3 The Chief Executive Officer, Executive Director and certain executives are also provided with Company maintained cars and other benefits in accordance with their entitlement as per Company's HR policy.

38.4 The aggregate amount charged in these unconsolidated financial statements for meeting fees and other meeting expenses paid to 2 non-executive independent directors and 2 non-executive director is as follows:

	Note	2025	2024
		Rupees	
Director			
Mr. Anwar Mansoor Khan		2,450,000	-
Mr. Khalid Aziz Mirza		4,552,147	3,424,802
Mr. Ramon Alfrey		5,250,000	2,450,000
Mr. Rashid Ahmed Jafer		4,900,000	2,450,000
		17,152,147	8,324,802

39 TAXATION

	Note	2025	2024
Current	39.1	614,746,301	889,819,810
Prior		(2,486,500)	406,649
Deferred	24.1	154,300,698	(8,948,657)
		766,560,499	881,277,802

39.1 This includes super tax of Rs 161 million (2024: Rs 238 million) recognised under section 4C of Income Tax Ordinance, 2001.

39.2 Effective tax rate reconciliation

39.2.1 Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended June 30, 2025 is as follows:

	2025	2024
	Rupees	
Profit before tax and levy	2,012,384,635	2,290,853,975
Tax at enacted rate of 39%	784,830,008	893,433,050
Tax effect of income subject to final tax regime	(32,564,961)	(2,541,478)
Impact of group taxation	(6,824,200)	-
Tax effect of rebates / credits	(1,268,000)	(7,224,098)
Prior year	(2,486,500)	406,649
Permanent differences	22,513,198	-
Others	2,360,954	(2,796,321)
	766,560,499	881,277,802

39.3 Current status of pending tax assessments

Tax Year 1999 to 2000

In the assessment year 1999-2000 the Officer Inland Revenue (OIR) had revised the income tax assessment order of the Company under Section 221 of the Ordinance. The Company had preferred an appeal against the order of the OIR before the Commissioner Inland Revenue [CIR(A)] who confirmed the treatment of the OIR. The Company then filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR while deciding the appeal filed by the Company, had remanded back the appellate order dated December 12, 2005 to the CIR(A) to pass speaking order after considering all the relevant facts of the case. The case is still pending adjudication, however, as a matter of prudence, the Company has made adequate provision in respect of the disallowances.

Tax Year 2010 to 2024

Under Section 114 of the Income Tax Ordinance 2001, the Company had filed the returns of income for tax years 2010 to 2024. The said returns were taken to be assessment orders, passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021.

Tax Year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

Details of the assessment made by the Additional Commissioner Inland Revenue / Deputy Commissioner Inland Revenue are provided in notes 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9 and 30.10.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

40	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	Note	2025	2024
			Rupees	
	Profit before taxation		2,012,384,635	2,290,853,975
	Adjustments for			
	Depreciation	5.1 & 5.2	125,580,895	107,200,522
	Amortisation	6.1	717,992	658,542
	Amortisation of transaction cost	33	-	7,298,200
	Reversal of expected credit loss / provision against leases, loans and finances - net	36	(142,643,835)	(42,214,771)
	Impairment on assets classified as 'held for sale'	37	87,754,399	172,043,038
	Charge-off against receivables from OLP Services Pakistan (Private) Limited	37	96,696,751	-
	Provision for provincial Workers Welfare Fund	37	41,690,086	44,550,107
	Provision / (reversal of provision) against other receivables	37	235,324	(94,600)
	Gain on sale of investments - net	31	(23,819,026)	(83,478,470)
	Share of profit from associate	32	(154,255,506)	(139,598,202)
	Exchange gain / (loss) - net	31	(120,513)	58,614
	Charge for defined benefit plan - gratuity fund	34.1	20,301,804	21,835,989
	Unrealised gain on remeasurement of financial assets at fair value through profit or loss - net	31	(1,547,638)	(2,549,979)
	Finance cost including bank charges	33	2,485,772,701	2,971,982,489
	Profit on certificates of deposit	33	672,403,923	896,822,420
	Dividend income	31	(14,397,015)	(9,076,706)
	Return on investments and deposits	31	(9,231,460)	(15,792,964)
	Interest income on government securities	31	(428,959,794)	(485,242,726)
	Gain on disposal of property and equipment	31	(35,404,993)	(3,049,553)
			2,720,774,095	3,441,351,950
			4,733,158,730	5,732,205,925

40.1 During the year, the management has reclassified finance cost paid from financing activity to operating activities for better presentation.

41	CASH AND CASH EQUIVALENTS	Note	2025	2024
			Rupees	
	Cash at bank	18	276,909,690	402,404,099
	Cash in hand	18	1,320,000	1,806,010
	Short-term running finance facilities	27	(1,872,332,080)	(1,646,007,840)
			(1,594,102,390)	(1,241,797,731)

41.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025						
	Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Lease liability against right of use asset	Share capital	Share premium	Total
	Rupees						
Balance as at July 01, 2024	5,336,978,781	11,251,930,190	35,598,795	106,100,842	1,754,076,470	1,501,683,073	19,986,368,151
Changes from financing cash flows							
Repayment	(2,676,060,736)	(4,583,043,000)	-	(61,227,714)	-	-	(7,320,331,450)
New addition	310,437,894	9,950,000,000	-	-	-	-	10,260,437,894
Dividend paid	-	-	(875,974,741)	-	-	-	(875,974,741)
Total changes from financing activities	(2,365,622,842)	5,366,957,000	(875,974,741)	(61,227,714)	-	-	2,064,131,703
Other changes							
Additions and others	-	-	-	88,019,806	-	-	88,019,806
Dividend declared	-	-	877,038,235	-	-	-	877,038,235
Total other changes	-	-	877,038,235	88,019,806	-	-	965,058,041
Balance as at June 30, 2025	2,971,355,939	16,618,887,190	36,662,289	132,892,934	1,754,076,470	1,501,683,073	23,015,557,895

	2024						
	Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Lease liability against right of use asset	Share capital	Share premium	Total
	Rupees						
Balance as at July 01, 2023	4,716,810,800	13,134,851,900	516,265,041	93,679,988	1,754,076,470	1,501,683,073	21,717,367,272
Changes from financing cash flows							
Repayment	(3,858,360,541)	(4,582,921,710)	-	(44,326,751)	-	-	(8,485,609,002)
New addition	4,478,528,522	2,700,000,000	-	-	-	-	7,178,528,522
Dividend paid	-	-	(1,182,296,834)	-	-	-	(1,182,296,834)
Total changes from financing activities	620,167,981	(1,882,921,710)	(1,182,296,834)	(44,326,751)	-	-	(2,489,377,314)
Other changes							
Additions and others	-	-	-	56,747,605	-	-	56,747,605
Dividend declared	-	-	701,630,588	-	-	-	701,630,588
Total other changes	-	-	701,630,588	56,747,605	-	-	758,378,193
Balance as at June 30, 2024	5,336,978,781	11,251,930,190	35,598,795	106,100,842	1,754,076,470	1,501,683,073	19,986,368,151

42 SEGMENT INFORMATION

The Company has two primary reporting segments namely, Finance lease and Loans & Finances, based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long-term leases of movable assets to corporate entities and individuals. Finances and loans are primarily extended to corporate entities and individuals mainly for purchase of saloon vehicles. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates, and others'.

42.1 Segment analysis is given below:

	2025			
	Finance lease	Loans and Finances	Investment in subsidiaries, associates and others	Total
	Rupees			
Segment revenues	1,971,192,464	4,231,663,593	760,833,893	6,963,689,950
Finance cost	773,515,171	1,792,275,629	592,385,824	3,158,176,624
Administrative and general expenses	501,557,709	1,162,135,781	11,530,671	1,675,224,161
Direct cost	5,958,956	26,572,988	1,639,861	34,171,805
(Reversal of provision) / provision - net	(240,694,755)	98,050,920	184,686,474	42,042,639
Segment results	930,855,383	1,152,628,275	(29,408,937)	2,054,074,721
Provision for provincial Workers' Welfare Fund				(41,690,086)
Provision for taxation				(786,913,599)
Profit for the year				1,225,471,036
Other information				
Segment assets	7,618,345,307	20,541,974,949	5,076,546,829	33,236,867,085
Unallocated assets				2,179,692,645
Total assets				35,416,559,730
Segment liabilities	46,709,812	257,933,113	1,861,153	306,504,078
Unallocated liabilities				24,212,608,057
Total liabilities				24,519,112,135
Depreciation	-	-	522,540	522,540
Unallocated				
Capital expenditure - property and equipment for own use				156,087,808
Additions made to intangible assets				538,690
Unallocated depreciation and amortisation				125,776,347

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	2024			
	Finance lease	Loans and Finances	Investment in subsidiaries, associates and others	Total
	Rupees			
Segment revenues	2,947,224,395	4,213,214,502	823,234,953	7,983,673,850
Finance cost	1,304,552,886	1,812,354,527	759,195,696	3,876,103,109
Administrative and general expenses	674,286,687	936,755,069	3,951,565	1,614,993,321
Direct cost	5,915,495	20,334,506	1,189,670	27,439,671
(Reversal of provision) / provision - net	(105,293,781)	63,079,010	171,948,438	129,733,667
Segment results	1,067,763,108	1,380,691,390	(113,050,416)	2,335,404,082
Provision for provincial Workers' Welfare Fund				(44,550,107)
Provision for taxation				(897,943,253)
Profit for the year				1,392,910,722
Other information				
Segment assets	8,615,707,171	16,389,841,375	5,081,138,768	30,086,687,314
Unallocated assets				1,867,197,474
Total assets				31,953,884,788
Segment liabilities	143,557,678	652,320,186	1,861,153	797,739,017
Unallocated liabilities				20,685,608,929
Total liabilities				21,483,347,946
Depreciation	-	-	627,120	627,120
Unallocated				
Capital expenditure - property and equipment for own use				70,360,460
Additions made to intangible assets				-
Unallocated depreciation and amortisation				107,231,944

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42.2 Segment by class of business

An analysis by class of business of the Company's net investment in finance leases and other loans and finances is given below:

Sectors	2025		2024	
	(Rupees)	%	(Rupees)	%
Individuals	10,040,101,663	34.61%	8,577,987,119	33.67%
Services	3,158,743,274	10.89%	2,274,892,375	8.93%
Goods Transport	3,049,115,496	10.51%	2,743,050,697	10.77%
Trading	2,160,530,539	7.45%	1,777,366,870	6.98%
Fuel & Energy	1,840,660,282	6.35%	1,438,367,671	5.65%
Construction	1,268,562,674	4.37%	1,007,923,888	3.96%
Public Transport	1,135,254,501	3.91%	1,365,007,485	5.36%
Textile & Allied	1,015,298,722	3.50%	918,530,386	3.61%
Distributer	897,904,122	3.10%	883,403,046	3.47%
Food & Allied	706,820,680	2.44%	787,359,452	3.09%
Steel & Engineering	680,409,976	2.35%	713,536,855	2.80%
Paper, Board & Printing	547,454,446	1.89%	471,904,665	1.85%
Glass, Ceramics & Plastic	544,557,186	1.88%	587,735,059	2.31%
Natural Resource And Farming	435,783,842	1.50%	365,884,235	1.44%
Cables, Electric and Electronic Goods	423,299,573	1.46%	287,087,676	1.13%
Chemical & Pharmaceutical	412,049,852	1.42%	573,730,022	2.25%
Automotive Industry	254,257,101	0.88%	122,066,072	0.48%
Sugar	206,228,030	0.71%	310,032,917	1.22%
Miscellaneous	230,812,274	0.80%	273,038,368	1.03%
	29,007,844,235	100.00%	25,478,904,858	100.00%

Reconciliation of the Company's gross net investment in finance leases and other loans and finances is given below:

	2025	2024
	Rupees	
Net investment in finance leases	7,957,688,465	9,195,745,084
Other loans and finances	21,050,155,770	16,283,159,774
	29,007,844,235	25,478,904,858

42.3 Segment by sector

The Company's net investment in finance lease and other loans and finances includes exposure to private sector of Rs.18.97 million (2024: Rs. 16.90 million).

42.4 Geographical segment analysis

The Company's operations are restricted to Pakistan only.

43 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its parent company, related group companies, associated companies, staff provident fund, staff gratuity fund, directors and key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

The Company in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. The transactions with Key Management Personnel are in accordance with the terms of the Company's HR Policies. Amounts due from and due to related parties are disclosed in the relevant notes to the unconsolidated financial statements.

43.1 Transactions with related parties during the year are given below:

	Note	2025	2024
		Rupees	
ORIX Corporation, Japan - Parent Company - 49.58% Holding			
Dividend paid - net of tax		402,192,382	804,384,760
Reimbursement of cost		960,950	277,200
Yanal Finance Company - Associate / Common directorship 2.5% ownership			
Dividend received	10.1.3	121,290,321	102,026,298
Reimbursement of cost		1,979,997	11,686,400
OPP (Private) Limited - 45% ownership*			
Impairment charged		87,754,399	-
SAMA Finance SAE - 23% ownership*			
Impairment charged		-	172,043,038
OLP Modaraba- subsidiary - 20% ownership			
Dividend received		9,076,706	9,076,706
Reimbursement of cost		761,093	775,080
*Reclassified to investment in associate. Details are included in note 10.			
OLP Services Pakistan (Private) Limited (OSPPL) - 100% ownership			
Rental income / expenses on behalf of OSPPL		56,116,643	56,464,061
Charge-off against receivables	37	96,696,751	-
OLP Financial Services Pakistan Limited - Employees Provident Fund (OLP-EPF)			
Contribution made	34.1	32,935,277	33,346,448
OLP Financial Services Pakistan Limited - Staff Gratuity Fund (OLP-SGF)			
Contribution made	12.4	20,301,804	21,835,992
Donation paid - Common Directorship			
The Layton Rahmatullah Benevolent Trust		1,500,000	2,000,000

Other related party transactions during the year	Note	2025	2024
		Rupees	
Directors and key management personnel			
Compensation of directors and key management personnel			
Director fees paid		15,750,000	10,150,000
Short-term employee benefits		300,009,999	236,220,578
Retirement benefits		17,350,166	18,235,764
Total compensation to directors and key management personnel		333,110,165	264,606,342
Issuance of certificates of deposit to key management personnel		-	2,001,172
Amount of profit on certificates of deposit issued to key management personnel		427,579	102,544
Redemption of certificates of deposit issued to key management personnel		2,001,172	914,010
Staff loans disbursed to key management personnel		9,242,400	6,366,000
Interest recovered on staff loans to key management personnel		3,135,695	2,791,000
Principal recovered on staff loans to key management personnel		13,688,642	16,664,328
Dividend paid to key management personnel - net of tax		125,351	234,163
Dividend paid to directors - net of tax		218,484	87,677
Dividend paid to the Chief Executive Officer of the Company - net of tax		2,340,177	1,872,142

43.2 The balances with related parties as at year end:

	Note	2025	2024
Investment in subsidiaries			
- OLP Services Pakistan (Private) Limited - unlisted	9	182,430,262	182,430,262
- OLP Modaraba - listed	9	139,944,032	139,944,032
Investment in associate			
- Yanal Finance Company - 2.5% ownership	10	1,775,618,949	1,707,416,512
- OPP (Private) Limited - 45% ownership	10 & 19	-	87,754,399
- SAMA Finance SAE - 23% ownership	10 & 19	-	-
Certificates of deposit held by key management personnel		-	2,001,172
Accrued profit on certificates of deposit payable to key management personnel		-	249,907
Outstanding loans to key management personnel	8.1	22,685,449	21,123,618

	Note	2025	2024
		Rupees	
Receivable from OLP Modaraba	17	-	24,236
Receivable from OLP Services Pakistan (Private) Limited	17	10,613,303	83,098,261
Term finance to OLP Services Pakistan (Private) Limited	17	-	-
Receivable from Yanal Finance Company	17	2,094,320	2,871,582
Receivable from ORIX Corporation, Japan	17	52,422	1,892,895

44 STAFF STRENGTH

	2025	2024
	Number of staff	
Staff strength at the end of the year	401	408
Average number of employees*	396	426

* Represents the average taken of the number of employees at the end of each month in the year.

45 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2025 (unaudited) and 2024 (audited) respectively:

	Note	2025 Unaudited	2024 Audited
		Rupees	
Size of the Fund - total assets		958,805,901	857,142,026
Fair value of investments	45.1	942,027,022	847,072,438
		Percentage	
Percentage of investments made		98%	99%

The cost of the above investments amounted to Rs. 890.51 million (2024: Rs. 810.18 million).

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45.1 The break-up of fair value of investments is as follows:

	Unaudited 2025	Audited 2024	Unaudited 2025	Audited 2024
	Percentage		Rupees	
Cash and bank deposits	1.33%	1.29%	12,533,601	10,941,231
Government securities				
- Treasury Bills	59.48%	72.16%	560,344,427	611,269,026
- Pakistan Investment Bonds	37.07%	24.19%	349,152,994	204,862,181
- Debt Securities - Listed (TFC)	2.12%	2.36%	19,996,000	20,000,000
	100.00%	100.00%	942,027,022	847,072,438

The investments of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

46 FINANCIAL INSTRUMENTS BY CATEGORY

	2025			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees			
FINANCIAL ASSETS				
Net investment in finance lease	7,618,095,306	-	-	7,618,095,306
Loans and finances	21,310,775,161	-	-	21,310,775,161
Long term investment	-	-	22,095,195	22,095,195
Long-term deposits	11,120,680	-	-	11,120,680
Short-term investments	-	2,182,958,179	-	2,182,958,179
Other receivables	449,548,970	-	-	449,548,970
Cash and bank balances	278,213,665	-	-	278,213,665
	29,667,753,782	2,182,958,179	22,095,195	31,872,807,156

	2025		
	At fair value through profit or loss	At amortised cost	Total
	Rupees		
FINANCIAL LIABILITIES			
Long-term finances	-	15,637,493,350	15,637,493,350
Privately placed term finance certificates	-	1,121,664,975	1,121,664,975
Certificates of deposit	-	3,057,178,063	3,057,178,063
Other long-term liabilities	-	117,108,774	117,108,774
Accrued and other liabilities	-	1,393,416,460	1,393,416,460
Lease liability against right-of-use assets	-	132,892,934	132,892,934
Unclaimed dividend	-	36,662,289	36,662,289
Short-term borrowings	-	1,917,443,770	1,917,443,770
	-	23,413,860,615	23,413,860,615

	2024			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees			
FINANCIAL ASSETS				
Net investment in finance lease	8,615,457,170	-	-	8,615,457,170
Loans and finances	16,772,021,884	-	-	16,772,021,884
Long-term investments			15,580,356	15,580,356
Long-term deposits	11,294,566	-	-	11,294,566
Short-term investments	-	2,560,551,321	-	2,560,551,321
Other receivables	101,414,918	-	-	101,414,918
Cash and bank balances	404,210,109	-	-	404,210,109
	25,904,398,647	2,560,551,321	15,580,356	28,480,530,324

	2024		
	At fair value through profit or loss	At amortised cost	Total
	Rupees		
FINANCIAL LIABILITIES			
Long-term finances	-	9,657,361,956	9,657,361,956
Privately placed term finance certificates	-	1,868,596,862	1,868,596,862
Certificates of deposit	-	5,654,698,562	5,654,698,562
Other long-term liabilities	-	72,316,765	72,316,765
Accrued and other liabilities	-	1,394,315,305	1,394,315,305
Lease liability against right-of-use assets	-	106,100,842	106,100,842
Unclaimed dividend	-	35,598,795	35,598,795
Short-term borrowings	-	1,683,561,376	1,683,561,376
	-	20,472,550,463	20,472,550,463

47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

47.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

47.1.1 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. The Company is exposed to currency risk in US dollar, Saudi Riyal, UAE Dirhams and Egyptian Pound on account of its foreign currency bank account, held for sale investments and investment in associates. The Company's exposure to foreign currency transactions is as follows:

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	2025	2024
	Rupees	
Foreign currency bank account	8,040,372	7,884,425
Investment in associate	1,775,618,949	1,707,416,512

As at June 30, 2025, if the Pakistani Rupee had strengthened / weakened by 10% against these currencies with all other variables held constant, the impact on the total comprehensive income would have been lower / higher by an amount of Rs. 178.36 million (2024: Rs. 171.17 million).

47.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Company's significant interest bearing financial instruments and the periods in which these will mature are as follows:

	2025							
	Exposed to yield / interest rate risk							Not exposed to yield / profit rate risk
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	
		Rupees						
On-balance sheet financial instruments								
Financial assets								
Net investment in finance lease	12% to 34%	7,618,095,306	516,956,146	702,003,090	2,673,430,565	3,725,705,505	-	-
Loans and finances	15% to 44.80%	21,310,775,161	1,960,667,544	1,614,703,202	6,755,811,095	10,889,317,523	90,275,797	-
Long term investment		22,095,195	-	-	-	-	-	22,095,195
Long-term deposits		11,120,680	-	-	-	-	-	11,120,680
Short-term investments	11.25% to 11.95%	2,182,958,179	497,332,287	1,324,360,288	361,265,604	-	-	-
Other receivables		449,548,970	-	-	-	-	-	449,548,970
Cash and bank balances	4.00% to 9.50%	278,213,665	153,898,218	-	-	-	-	124,315,447
Total		31,872,807,156	3,128,854,195	3,641,066,580	9,790,507,264	14,615,023,028	90,275,797	607,080,292
Financial Liabilities								
Long-term finances	11.47% to 12.81%	15,637,493,350	230,548,913	754,861,111	3,981,250,000	10,670,833,326	-	-
Privately placed term finance	11.95%	1,121,664,975	(410,057)	186,679,797	560,395,393	374,999,842	-	-
Certificates of deposit	6.73% to 18.25%	3,057,178,063	157,628,911	279,889,093	1,978,119,745	641,540,314	-	-
Other long-term liabilities		117,108,774	-	-	-	-	-	117,108,774
Accrued and other liabilities		1,393,416,460	-	-	-	-	-	1,393,416,460
Lease liability against right-of-use assets		132,892,934	-	-	-	-	-	132,892,934
Unclaimed dividend		36,662,289	-	-	-	-	-	36,662,289
Short-term borrowings	11.83% to 13.18%	1,917,443,770	1,917,443,770	-	-	-	-	-
Total		23,413,860,615	2,305,211,537	1,221,430,001	6,519,765,138	11,687,373,482	-	1,680,080,457
On-balance sheet gap (a)		8,458,946,541	823,642,658	2,419,636,579	3,270,742,126	2,927,649,546	90,275,797	(1,073,000,165)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,458,946,541	823,642,658	2,419,636,579	3,270,742,126	2,927,649,546	90,275,797	
Cumulative interest rate sensitivity gap		8,458,946,541	823,642,658	3,243,279,237	6,514,021,363	9,441,670,909	9,531,946,706	

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	2024							
	Exposed to yield / interest rate risk							Not exposed to yield / profit rate risk
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	
On-balance sheet financial instruments		Rupees						
Financial assets								
Net investment in finance lease	15.00% to 36.18%	8,615,457,170	596,213,776	792,276,153	3,075,153,469	4,151,813,772	-	-
Loans and finances	15.00% to 44.80%	16,772,021,884	1,916,582,495	1,209,320,849	5,075,221,325	8,462,945,944	107,951,271	-
Long-term investments		15,580,356	-	-	-	-	-	15,580,356
Long-term deposits		11,294,566	-	-	-	-	-	11,294,566
Short-term investments	19.92% to 21.57%	2,560,551,321	667,958,309	972,367,139	920,225,873	-	-	-
Other receivables		101,414,918	-	-	-	-	-	101,414,918
Cash and bank balances	5.50% to 20.50%	404,210,109	110,505,617	-	-	-	-	293,704,492
Total		28,480,530,324	3,291,260,197	2,973,964,141	9,070,600,667	12,614,759,716	107,951,271	421,994,332
Financial liabilities								
Long-term finances	17.29% to 23.72%	9,657,361,956	232,696,689	793,686,037	2,667,090,357	5,963,888,883	-	-
Privately placed term finance	21.04% to 23.71%	1,868,596,862	(532,023)	186,435,805	559,436,616	1,123,256,464	-	-
Certificates of deposit	7.70% to 22.25%	5,654,698,562	226,786,945	539,992,048	3,993,016,566	894,903,003	-	-
Other long-term liabilities		72,316,765	-	-	-	-	-	72,316,765
Accrued and other liabilities		1,394,315,305	-	-	-	-	-	1,394,315,305
Lease liability against right-of-use assets		106,100,842	-	-	-	-	-	106,100,842
Unclaimed dividend		35,598,795	-	-	-	-	-	35,598,795
Short-term borrowings	22.39% to 22.99%	1,683,561,376	1,683,561,376	-	-	-	-	-
Total		20,472,550,463	2,142,512,987	1,520,113,930	7,219,543,489	7,982,048,350	-	1,608,331,707
On-balance sheet gap (a)		8,007,979,861	1,148,747,210	1,453,850,211	1,851,057,178	4,632,711,366	107,951,271	(1,186,337,375)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,007,979,861	1,148,747,210	1,453,850,211	1,851,057,178	4,632,711,366	107,951,271	
Cumulative interest rate sensitivity gap		8,007,979,861	1,148,747,210	2,602,597,421	4,453,654,599	9,086,365,965	9,194,317,236	

a) Sensitivity analysis for variable rate financial instruments

The Company has extended KIBOR based long-term leases and finances to various counter parties that expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been higher / lower by Rs. 255.12 million (2024: Rs. 225.38 million).

Furthermore, the Company also has KIBOR based financial liabilities in Pakistani Rupees representing short-term running finance arrangements, short-term and long-term finances obtained from various financial institutions and certificates of deposit which expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been lower / higher by Rs. 214.69 million (2024: Rs. 182.41 million).

The Company holds short term and long term unutilised credit lines with banks amounting to Rs. 1,178 million and Rs. 1,700 million as at June 30, 2025 (2024: short term utilised credit line of Rs. 1,304 million).

b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2025, the Company holds Market Treasury Bills which are classified as 'financial assets at fair value through profit or loss', exposing the Company to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for Market Treasury Bills with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs. 7.07 million (2024: Rs. 5.30 million).

47.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2025 the Company held shares of LSE Venture and LSE Capital (2024: LSE Proptech and LSE Venture). In case of change of 5% to the price of these shares the the profit for the year and net assets of the Company would be higher / lower by Rs 0.55 million (2024: Rs 0.31 million).

47.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Company has established procedures to manage credit exposure including credit approval limit, credit exposure limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines as well as the requirements of the NBFC Rules and the NBFC Regulations. The Company also manages credit risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.
All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contracts by following internal guidelines for approval.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. Significant concentration of the Company's risk assets by class of business, industry sector and geographical region is set out in note 42.

The Company applies IFRS 9 simplified approach and general approach for lease and loan losses respectively to determine ECL. Probability of default (PD) represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/ Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables such as Pakistan's Gross Domestic Product (GDP) and Consumer Price Index (CPI).

The maximum exposure to credit risk at the reporting date is as follows:

	Carrying value		Maximum exposure	
	2025	2024	2025	2024
	Rupees			
Net investment in finance lease	7,618,095,306	8,615,457,170	7,618,095,306	8,615,457,170
Loans and finances	21,310,775,161	16,772,021,884	21,310,775,161	16,772,021,884
Long-term investments	22,095,195	15,580,356	-	-
Long term deposits	11,120,680	11,294,566	11,120,680	11,294,566
Short-term investments	2,182,958,179	2,560,551,321	-	-
Other receivables	449,548,970	101,414,918	449,548,970	101,414,918
Cash and bank balances	278,213,665	404,210,109	276,893,665	402,404,099
	31,872,807,156	28,480,530,324	29,666,433,782	25,902,592,637

Difference in the balance as per the carrying value and maximum exposure is due to the fact that investments in Government securities, equity securities and cash in hand are not exposed to credit risk.

The Company controls the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. ECL / provision against leases, loans and finances is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and other loan portfolios that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The carrying value of non-performing / credit impaired receivables is as follows:

	2025			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	7,345,557	4,390,494	-	11,736,051
91 - 180 days	26,170,695	77,332,111	-	103,502,806
181-365 days	15,562,738	84,379,050	-	99,941,788
Over 1 year	314,605,989	132,363,243	4,688,508	451,657,740
	363,684,979	298,464,898	4,688,508	666,838,385
Less: expected credit loss / provision	339,593,159	226,185,966	4,688,508	570,467,633
Net of expected credit loss / provision	24,091,820	72,278,932	-	96,370,752
Coverage ratio	93.38%	75.78%	100.00%	85.55%

	2024			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	99,719	37,975,982	-	38,075,701
91 - 180 days	39,004,599	95,421,627	-	134,426,226
181-365 days	38,478,388	24,918,355	-	63,396,743
Over 1 year	361,800,027	76,782,162	4,469,209	443,051,398
	439,382,733	235,098,126	4,469,209	678,950,068
Less: expected credit loss / provision	580,287,914	225,565,737	4,469,209	810,322,860
Net of expected credit loss / provision	(140,905,181)	9,532,389	-	(131,372,792)
Coverage ratio	132.07%	95.95%	100.00%	119.35%

The credit quality of the Company's bank balances and investment portfolio are assessed with reference to external credit ratings which in all cases are above investment grade rating.

The analysis below summarises the credit rating quality of the Company's bank balances as at June 30, 2025 and June 30, 2024:

	2025	2024
	Rupees	
AAA	257,280,546	361,571,357
AA+	-	712,473
AA	18,500,810	38,031,051
AA-	157,553	588,945
A+	245,625	-
A	-	558,375
State Bank of Pakistan	725,156	941,898
	276,909,690	402,404,099

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

The Company does not hold any other financial assets which are rated.

Expected Credit Loss (ECL) on bank balances has been measured on a 12-month expected credit loss basis, reflecting the short-term maturity of the exposure. The Company considers its bank balances to have low credit risk based on the external rating of the counterparty. The 12-month probabilities of default are based on historical data provided by the External Rating Agency for the relevant credit rating. The loss given default (LGD) parameters generally reflect assumed recovery rates in line with those set out in the Basel Guidelines.

47.2.1 The Company applies the IFRS 9 simplified approach to measure expected credit losses for net investment in finance lease and ijarah. To measure the expected credit losses, such financial assets have been grouped based on days past due. On that basis, the loss allowance as at June 30, 2025 and June 30, 2024 was determined as follows:

Net investment in finance lease

	2025			2024		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	Rupees					
Not yet due	0.06%	6,989,512,157	4,008,217	0.87%	6,970,891,150	60,551,226
1-30 days	0.29%	1,672,593,371	4,832,100	1.54%	3,418,342,450	52,520,900
31-90 days	1.60%	543,374,105	8,692,370	6.88%	1,039,939,330	71,514,163
91-365 days	45.81%	48,196,678	22,078,750	48.94%	103,302,863	50,551,296
More than 365 days	72.63%	413,048,912	299,981,722	72.31%	477,299,308	345,150,329
Total		9,666,725,223	339,593,159		12,009,775,101	580,287,914

Other receivables

	2025			2024		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	Rupees					
Not yet due	0.00%	-	-	0.00%	58,837	-
1-30 days	0.00%	-	-	0.00%	-	-
31-90 days	0.00%	-	-	0.00%	-	-
91-365 days	0.00%	-	-	0.00%	-	-
More than 365 days	100.00%	4,688,508	4,688,508	100.00%	4,469,209	4,469,209
Total		4,688,508	4,688,508		4,528,046	4,469,209

For loans and other financial assets, a life time ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12 months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company also considers reasonable and supportive forwarding-looking information in determination of ECL.

47.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the Company's financial liabilities into relevant maturity groupings based on the remaining period at the unconsolidated statement of financial position date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2025				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	15,637,493,350	19,261,778,458	1,298,818,568	5,235,991,141	12,726,968,749
Privately placed term finance certificates	1,121,664,975	1,242,665,753	221,328,904	629,483,682	391,853,167
Certificates of deposit	3,174,286,837	3,727,814,139	515,438,922	2,140,203,107	1,072,172,110
Accrued and other liabilities	1,393,416,460	1,393,416,460	1,393,416,460	-	-
Lease liability against right of use assets	132,892,934	196,648,833	18,232,927	44,640,151	133,775,755
Unclaimed dividend	36,662,289	36,662,289	36,662,289	-	-
Short-term borrowings	1,917,443,770	2,304,406,360	141,176,089	2,163,230,271	-
	23,413,860,615	28,163,392,292	3,625,074,159	10,213,548,352	14,324,769,781

	2024				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	9,657,361,956	12,470,993,649	1,301,145,897	3,779,965,824	7,389,881,928
Privately placed term finance certificates	1,868,596,862	2,418,113,014	286,935,616	798,659,589	1,332,517,809
Certificates of deposit	5,727,015,327	6,835,432,575	955,785,574	4,583,129,989	1,296,517,012
Accrued and other liabilities	1,394,315,305	1,394,315,305	1,394,315,305	-	-
Lease liability against right of use assets	106,100,842	166,998,658	10,649,854	34,580,453	121,768,351
Unclaimed dividend	35,598,795	35,598,795	35,598,795	-	-
Short-term borrowings	1,683,561,376	2,179,997,341	161,662,527	2,018,334,814	-
	20,472,550,463	25,501,449,337	4,146,093,568	11,214,670,669	10,140,685,100

48 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company 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.

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associates are accounted for using the equity method while the subsidiaries have been kept at cost.

Fair value of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Company's accounting policy.

In the opinion of management, fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company 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 table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2025			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares - listed	11,164,079	-	-	11,164,079
Ordinary shares - unlisted	-	10,931,116	-	10,931,116
Financial assets at fair value through profit or loss				
Market Treasury bills	-	2,182,958,179	-	2,182,958,179
Non-financial assets				
Property and equipment (Leasehold land and building)*	-	965,951,564	-	965,951,564
Total	11,164,079	3,159,840,859	-	3,171,004,938

	2024			
Financial assets	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets at fair value through other comprehensive income				
Ordinary shares - listed	6,220,400	-	-	6,220,400
Ordinary shares - unlisted	-	9,359,956	-	9,359,956
Financial assets at fair value through profit or loss				
Market Treasury bills	-	2,560,551,321	-	2,560,551,321
Non-financial assets				
Property and equipment (Leasehold land & building)*	-	1,000,130,432	-	1,000,130,432
Total	6,220,400	3,570,041,709	-	3,576,262,109

Item	Valuation approach and input used
Treasury bills	The fair value of Treasury bills is derived using PKRV rates. PKRV rates are average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the eight (08) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Property and equipment (leasehold land and office building)*	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Ordinary shares	The fair value of listed ordinary shares is determined using quoted prices (unadjusted) listed on Pakistan Stock Exchange. The fair value of unlisted ordinary shares is determined using the Market Value approach as the management believes that the carrying value is not materially different from fair value.

* Leasehold land and building are carried at revalued amounts (level 2 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 5 to these unconsolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

49 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its 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 a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets, gearing ratio and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every Investment finance company involved in deposit taking shall maintain a capital adequacy ratio of 8% of the Total Risk Weighted Assets (RWA) for the first two years after the amendment coming into force and thereafter at the rate of 10% of RWA. The Company has maintained and complied with the minimum equity requirement during the current year.

	2025	2024
Gearing ratio	Rupees	
Total borrowings	18,809,495,029	13,315,621,036
Total equity	10,897,447,595	10,470,536,842
Gearing ratio (Total borrowings : Total equity)	1.7 : 1	1.3 : 1

Minimum Capital Requirement

	2025	2024
Core capital		
Paid-up Fund	1,754,076,471	1,754,076,471
Balance in Share Premium Account	1,501,683,072	1,501,683,072
General Reserves/ Surplus on Revaluation	874,562,239	898,306,747
Statutory Reserve	2,023,645,937	1,957,234,507
Un-appropriated Profit/(Loss)	4,104,060,657	3,745,824,107
Total core capital	10,258,028,376	9,857,124,904
Less:		
Intangible Assets	(12,797,894)	(679,832)
Investment in subsidiaries and strategic investments	(2,108,924,359)	(2,117,545,205)
Any other exposure in Subsidiaries and strategic investments	(2,121,722,253)	(2,118,225,037)
Eligible Core Capital	8,136,306,123	7,738,899,867
Supplementary Capital		
Revaluation reserves on investments eligible up to 50%	319,709,598	306,705,958
Total Capital	8,456,015,721	8,045,605,825
Risk weighted assets (RWA)	30,662,354,166	26,682,530,986
Total capital / RWA	27.58%	30.15%
Minimum capital requirement	10%	10%

50 EARNINGS PER SHARE - basic and diluted

	2025	2024
Profit for the year after taxation (Rupees)	1,225,471,036	1,392,910,722
Weighted average number of ordinary shares	175,407,647	175,407,647
Earnings per share - basic and diluted (Rupees)	6.99	7.94

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

50.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share.

51 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on September 25, 2025 proposed a final cash dividend of Rs. 3.5 per share (2024: Rs. 3 per share) for the year ended June 30, 2025, amounting to Rs. 613,926,765 (2024: Rs. 526,222,941). This appropriation will be approved by the members of the Company at the Annual General Meeting to be held on October 24, 2025. The unconsolidated financial statements for the year ended June 30, 2025 do not include the effect of the above appropriation which will be accounted for in the unconsolidated financial statements of the Company for the year ending June 30, 2026.

52 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 25, 2025 by the Board of Directors of the Company.

53 GENERAL

Figures reported in these unconsolidated financial statements have been rounded off to the nearest Rupee unless otherwise stated.

Shaheen Amin Chief Executive Officer	Rashid Ahmed Jafer Director	Abid Hussain Awan Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The directors of OLP Financial Services Pakistan Limited (OLP) are pleased to present their report together with the audited consolidated financial statements for the Group for the year ended June 30, 2025. The Group comprises of:

- OLP Financial Services Pakistan Limited (OLP) – The Holding Company
- OLP Modaraba (OM) – Subsidiary Company
- OLP Services Pakistan (Private) Limited - Subsidiary Company

The Director's report giving commentary on the performance of OLP for the year ended June 30, 2025, has been presented separately on page 17, which contains the business review, operational performance of OLP, future prospects and other requisite information on OLP. The contents of the said report shall be read along with this report and shall form an integral part of the Director's Report in terms of section 227 of the Companies Act, 2017 and the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan.

Group Results

The consolidation financial results of the Group are summarized below:

Description	2025	2024
	------------Rupees	------------
Continuing Operations		
Profit before income tax and levy	2,325,147,104	2,531,042,154
Taxation and levies	865,250,131	969,984,222
Profit from continuing operations	1,459,896,981	1,561,057,932
Discontinued Operations		
Loss from discontinued operations – net of tax	(17,445,692)	(15,751,379)
Profit for the year	1,442,451,289	1,545,306,553
Profit attributable to Equity shareholders of the Holding Company	1,303,189,813	1,419,116,803
Profit attributable to non-controlling interest	139,261,476	126,189,750
Earnings per share – basic and diluted	7.43	8.09
Earnings per share – continuing operations - basic and diluted	7.53	8.18

Pattern of shareholding

The pattern of shareholding and related information as at June 30, 2025 is presented at page 265.

Financial and Operational Preformation

Consolidated profit of the Group for the year ended June 30, 2025 was Rs. 1,303 million (2024: Rs. 1,419 million) with the EPS of Rs. 7.53 (2024: Rs. 8.09). Profit from OM amounted to Rs. 174 million (2024: Rs. 158 million) and profit from OSP amounted to Rs. 38 million (2024: Rs. 9 million). Minority interest accounts for 80% of OM's equity. As such, Rs. 139 million (2025: Rs. 126 million) out of OM's profit is attributable to non-controlling interest.

On behalf of the Board

SHAHEEN AMIN
Chief Executive Officer

RASHID AHMED JAFER
Director

September 25, 2025

ڈائریکٹرز کی رپورٹ برائے اشتمالی مالیاتی گوشوارے

او ایل پی فنانشل سروسز پاکستان لمیٹڈ (OLP) کے ڈائریکٹران بمسرت معہ گروپ کے آڈٹ شدہ اشتمالی مالیاتی گوشوارے برائے اختتام سال 30 جون 2025 پیش کرتے ہیں۔ گروپ درج ذیل پر مشتمل ہے:

- او ایل پی فنانشل سروسز پاکستان لمیٹڈ (OLP)۔ ہولڈنگ کمپنی
- او ایل پی مضاربہ (OM)۔ ذیلی کمپنی
- او ایل پی سروسز پاکستان (پرائیویٹ) لمیٹڈ (OSP)۔ ذیلی کمپنی

اختتام سال 30 جون 2025 کیلئے او ایل پی کی کارکردگی کا احاطہ کرتی ڈائریکٹران کی رپورٹ صفحہ نمبر 17 پر پیش کی گئی ہے۔ جس میں کاروباری جائزہ، او ایل پی کی آپریشنل کارکردگی، مستقبل کے امکانات اور او ایل پی پر دیگر معلومات شامل ہیں۔ مذکورہ بالا رپورٹ کے مندرجات کو اس رپورٹ کے ساتھ پڑھا جائے، جو کمپنیز ایکٹ 2017 کے سیکشن 227 اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے قواعد و ضوابط 2019 کی رو سے ڈائریکٹرز کی رپورٹ کا لازمی حصہ ہیں۔

گروپ کے نتائج

گروپ کے اشتمالی مالیاتی نتائج مختصراً درج ذیل ہیں:

تفصیل	2025 -------روپے-------	2024
جاری کاروباری سرگرمیاں		
ٹیکس اور لیوی سے قبل منافع	2,325,147,104	2,531,042,154
ٹیکس اور لیویز	865,250,131	969,984,222
جاری کاروباری سرگرمیوں سے منافع	1,459,896,981	1,561,057,932
ختم شدہ کاروباری سرگرمیاں		
ختم شدہ کاروباری سرگرمیوں سے نقصان - ٹیکس کے بعد	(17,445,692)	(15,751,379)
سال کا مجموعی منافع	1,442,451,289	1,545,306,553
ہولڈنگ کمپنی کے حصص یافتگان کو منسوب منافع	1,303,189,813	1,419,116,803
نان کنٹرولنگ انٹرسٹ کو منسوب منافع	139,261,476	126,189,750
فی شیئر آمدنی - بنیادی اور رقیق شدہ	7.43	8.09
فی شیئر آمدنی - جاری کاروباری سرگرمیاں - بنیادی اور رقیق شدہ	7.53	8.18

شیئر ہولڈنگ کا طرز

شیئر ہولڈنگ کا طرز اور متعلقہ معلومات بمطابق 30 جون 2025 صفحہ نمبر 265 پر پیش کر دی گئی ہیں۔

اشتمالی مالیاتی گوشواروں پر مبنی مالیاتی اور عملی کارکردگی

گروپ کا اشتمالی منافع بعد از محصول (ٹیکس) برائے اختتام سال 30 جون 2025، 1,303 ملین روپے تھا (2024: میں 1,419 ملین روپے) اور فی حصص آمدنی 6.81 روپے (جون 2024: 8.09 روپے)۔

OM سے 174 ملین روپے منافع (2024: میں 158 ملین روپے)۔ جبکہ OSP سے 38 ملین روپے فائدہ ہوا (2024: میں 9 ملین روپے)۔ او ایم میں 80 فیصد ایکویٹی اقلیتی حصص یافتگان کی ہے۔

اور اس طرح، او ایم کے منافع میں 139 ملین روپے (2024: 126 ملین روپے) اقلیتی حصص یافتگان کا حصہ ہے۔

بورڈ کی جانب سے

شاہین امین
چیف ایگزیکٹو آفیسر

راشد احمد جعفر
ڈائریکٹر

25 ستمبر 2025

SIX YEARS' VERTICAL ANALYSIS

Consolidated Statement of Financial Position	2025 Rs. In Million	2025 %	2024 Rs. In Million	2024 %	2023 Rs. In Million	2023 %	2022 Rs. In Million	2022 %	2021 Rs. In Million	2021 %	2020 Rs. In Million	2020 %
ASSETS												
Non-current assets												
Property and equipment	2,149	4.89%	2,537	6.45%	2,911	7.60%	3,119	8.65%	3,604	11.53%	4,374	14.59%
Intangible assets	28	0.06%	18	0.05%	17	0.04%	28	0.08%	42	0.13%	62	0.21%
Net investment in finance leases	3,726	8.48%	4,100	10.42%	5,734	14.97%	6,495	18.01%	6,563	21.00%	5,984	19.96%
Long-term loans and finances	15,725	35.78%	12,835	32.63%	10,202	26.63%	9,506	26.36%	6,540	20.92%	4,558	15.20%
Investment in associate	1,776	4.04%	1,707	4.34%	1,719	4.49%	1,208	3.35%	916	2.93%	944	3.15%
Long-term investments	22	0.05%	9	0.02%	15	0.04%	195	0.54%	387	1.24%	454	1.51%
Long-term deposits	11	0.03%	11	0.03%	11	0.03%	11	0.03%	11	0.04%	13	0.04%
Defined benefit plan asset	64	0.15%	22	0.06%	6	0.02%	27	0.07%	8	0.03%	39	0.13%
	23,501	53.47%	21,239	54.00%	20,615	53.81%	20,589	57.09%	18,071	57.81%	16,428	54.78%
Current assets												
Short-term finances	5	0.01%	34	0.09%	42	0.11%	20	0.06%	6	0.02%	234	0.78%
Current maturity of non-current assets	16,354	37.21%	13,802	35.09%	14,001	36.54%	12,642	35.05%	11,177	35.76%	10,606	35.37%
Short-term investments	2,343	5.33%	2,927	7.44%	2,572	6.71%	577	1.60%	338	1.08%	803	2.68%
Advances and prepayments	293	0.67%	379	0.96%	112	0.29%	398	1.10%	280	0.90%	124	0.41%
Other receivables	551	1.25%	101	0.26%	150	0.39%	177	0.49%	138	0.44%	269	0.90%
Cash and bank balances	892	2.03%	754	1.92%	556	1.45%	1,398	3.88%	992	3.17%	1,251	4.17%
Net investment in Ijarah finance	-	0.00%	-	0.00%	-	0.00%	0.4	0.00%	0.4	0.00%	0.37	0.00%
	20,438	46.50%	17,997	45.76%	17,433	45.50%	15,210	42.18%	12,921	41.34%	13,287	44.31%
Assets classified as held for sale	12	0.03%	93	0.24%	265	0.69%	265	0.73%	265	0.85%	271	0.90%
	20,450	46.53%	18,090	46.00%	17,698	46.19%	15,475	42.91%	13,186	42.19%	13,558	45.22%
Total assets	43,951	100.00%	39,329	100.00%	38,313	100.00%	36,064	100.00%	31,257	100.00%	29,986	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves												
Total equity attributable to equity holder of the Holding Company	10,918	24.84%	10,413	26.48%	9,710	25.34%	8,846	24.53%	8,485	27.15%	8,198	27.34%
Non-controlling interest	1,073	2.44%	1,007	2.56%	954	2.49%	933	2.59%	959	3.07%	981	3.27%
Non-current liabilities												
Long-term finances	11,654	26.52%	7,747	19.70%	9,404	24.55%	10,565	29.30%	5,740	18.36%	5,300	17.67%
Long-term certificates of deposit	645	1.47%	893	2.27%	990	2.58%	2,096	5.81%	2,592	8.29%	2,630	8.77%
Long-term deposits	147	0.33%	270	0.69%	327	0.85%	313	0.87%	334	1.07%	375	1.25%
Deferred taxation	708	1.61%	573	1.46%	505	1.32%	300	0.83%	412	1.32%	516	1.72%
Other long-term liabilities	259	0.59%	150	0.38%	194	0.51%	336	0.93%	287	0.92%	288	0.96%
Redeemable capital	102	0.23%	142	0.36%	179	0.47%	416	1.15%	343	1.10%	39	0.13%
	13,515	30.75%	9,775	24.85%	11,599	30.27%	14,026	38.89%	9,708	31.06%	9,148	30.51%
Current liabilities												
Accrued and other liabilities	1,836	4.18%	1,845	4.69%	1,438	3.75%	1,525	4.23%	1,106	3.54%	603	2.01%
Unpaid dividend	-	0.00%	-	0.00%	483	1.26%	168	0.47%	185	0.59%	-	0.00%
Unclaimed dividend	97	0.22%	93	0.24%	93	0.24%	93	0.26%	85	0.27%	85	0.28%
Short-term borrowings	2,073	4.72%	1,683	4.28%	861	2.25%	389	1.08%	1,446	4.63%	180	0.60%
Short-term certificates of deposit	2,106	4.79%	4,183	10.64%	3,311	8.64%	1,574	4.36%	1,692	5.41%	1,054	3.51%
Current maturity of non-current liabilities	12,105	27.54%	10,072	25.61%	9,447	24.66%	8,240	22.85%	7,449	23.83%	9,394	31.33%
Taxation - net	227	0.52%	258	0.66%	417	1.09%	270	0.75%	142	0.45%	343	1.14%
Liabilities directly associated with the assets held for sale	1	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	18,445	41.96%	18,134	46.11%	16,050	41.89%	12,259	33.99%	12,105	38.73%	11,659	38.88%
Total equity and liabilities	43,951	100.00%	39,329	100.00%	38,313	100.00%	36,064	100.00%	31,257	100.00%	29,986	100.00%

Consolidated Statement of Profit or Loss	2025 Rs. In Million	2025 %	2024 Rs. In Million	2024 %	2023 Rs. In Million	2023 %	2022 Rs. In Million	2022 %	2021 Rs. In Million	2021 %	2020 Rs. In Million	2020 %
INCOME												
Income from operations												
Markup on finance leases	1,806	20.23%	2,784	27.48%	2,881	33.12%	2,253	37.45%	2,219	40.88%	2,933	45.08%
Mark-up on loans and finances	5,258	58.90%	5,244	51.77%	3,851	44.27%	2,050	34.08%	1,327	24.45%	1,383	21.26%
	7,064	79.13%	8,028	79.25%	6,732	77.40%	4,303	71.53%	3,546	65.33%	4,316	66.34%
Income from other activities												
Other income - net	1,709	19.14%	1,962	19.37%	1,848	21.25%	1,649	27.41%	1,846	34.01%	2,161	33.22%
Share of profit from associate - net of tax	154	1.73%	140	1.38%	118	1.36%	64	1.06%	36	0.66%	29	0.45%
	1,863	20.87%	2,102	20.75%	1,966	22.60%	1,713	28.47%	1,882	34.67%	2,190	33.66%
Total Income	8,927	100.00%	10,130	100.00%	8,698	100.00%	6,016	100.00%	5,428	100.00%	6,506	100.00%
EXPENSES												
Finance cost	4,114	46.08%	4,968	49.04%	3,983	45.79%	2,214	36.80%	1,523	28.06%	2,444	37.57%
Administrative and general expenses	1,989	22.28%	1,893	18.69%	1,693	19.46%	1,489	24.75%	1,356	24.98%	1,342	20.63%
Direct cost	440	4.93%	540	5.33%	718	8.25%	870	14.46%	1,123	20.69%	1,318	20.26%
	6,543	73.29%	7,401	73.06%	6,394	73.51%	4,573	76.01%	4,002	73.73%	5,104	78.45%
Profit before provision and taxation	2,384	26.71%	2,729	26.94%	2,304	26.49%	1,443	23.99%	1,426	26.27%	1,402	21.55%
Reversal of expected credit loss / provision against leases, loans and finances - net	(99)	-1.11%	(52)	-0.51%	85	0.98%	(64)	-1.06%	10	0.18%	322	4.95%
Other provision - net	158	1.77%	250	2.47%	55	0.63%	37	0.62%	14	0.26%	17	0.26%
	59	0.66%	198	1.95%	140	1.61%	(27)	-0.45%	24	0.44%	339	5.21%
Profit before income taxes and levy	2,325	26.04%	2,531	24.99%	2,164	24.88%	1,470	24.43%	1,402	25.83%	1,063	16.34%
Taxation	866	9.70%	970	9.58%	876	10.07%	536	8.91%	369	6.80%	271	4.17%
Profit from continuing operations	1,459	16.34%	1,561	15.41%	1,288	14.81%	934	15.53%	1,033	19.03%	792	12.17%
Discontinued Operations												
Loss from discontinued operations - net of tax	(17)	-0.19%	(16)	(0)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Profit for the year	1,442	16.15%	1,545	15.25%	1,288	14.81%	934	15.53%	1,033	19.03%	792	12.17%

SIX YEARS' HORIZONTAL ANALYSIS

Consolidated Statement of Financial Position	2025 Rs. in Million	25 vs 24 %	2024 Rs. in Million	24 vs 23 %	2023 Rs. in Million	23 vs 22 %	2022 Rs. in Million	22 vs 21 %	2021 Rs. in Million	21 vs 20 %	2020 Rs. in Million	20 vs 19 %
ASSETS												
Non-current assets												
Property and equipment	2,149	-15.29%	2,537	-12.85%	2,911	-6.67%	3,119	-13.46%	3,604	-17.60%	4,374	0.83%
Intangible assets	28	55.56%	18	5.88%	17	-39.29%	28	-33.33%	42	-32.26%	62	-24.39%
Net investment in finance leases	3,726	-9.12%	4,100	-28.50%	5,734	-11.72%	6,495	-1.04%	6,563	9.68%	5,984	-26.44%
Long-term loans and finances	15,725	22.52%	12,835	25.81%	10,202	7.32%	9,506	45.35%	6,540	43.48%	4,558	7.60%
Investment in associate	1,776	4.04%	1,707	-0.70%	1,719	42.30%	1,208	31.88%	916	-2.97%	944	0.21%
Long-term investments	22	144.44%	9	-40.00%	15	-92.31%	195	-49.61%	387	-14.76%	454	11.55%
Long-term deposits	11	0.00%	11	0.00%	11	0.00%	11	0.00%	11	-15.38%	13	8.33%
Defined benefit plan asset	64	190.91%	22	266.67%	6	-77.78%	27	237.50%	8	-79.49%	39	333.33%
	23,501	**10.65%**	**21,239**	**3.03%**	**20,615**	**0.13%**	**20,589**	**13.93%**	**18,071**	**10.00%**	**16,428**	**-9.54%**
Current assets												
Short-term finances	5	-85.29%	34	-19.05%	42	110.00%	20	233.33%	6	-97.44%	234	-17.89%
Current maturity of non-current assets	16,354	18.49%	13,802	-1.42%	14,001	10.75%	12,642	13.11%	11,177	5.38%	10,606	-15.99%
Short-term investments	2,343	-19.95%	2,927	13.80%	2,572	345.75%	577	75.91%	328	-59.15%	803	103.29%
Advances and prepayments	293	-22.69%	379	238.39%	112	-71.72%	396	41.43%	280	125.81%	124	-35.75%
Other receivables	551	445.54%	101	-32.67%	150	-15.25%	177	28.26%	138	-48.70%	269	82.99%
Cash and bank balances	892	18.30%	754	35.61%	556	-60.23%	1,398	40.93%	992	-20.70%	1,251	103.08%
Net investment in Ijarah finance	-	0.00%	-	0.00%	-	-100.00%	0.4	0.00%	0.4	0.00%	0.4	0.00%
	20,438	**13.56%**	**17,997**	**3.24%**	**17,433**	**14.61%**	**15,210**	**17.71%**	**12,921**	**-2.75%**	**13,287**	**-6.83%**
Assets classified as held for sale	12	-87.10%	93	-64.91%	265	0.00%	265	0.00%	265	-2.21%	271	-7.82%
	20,450	13.05%	18,090	2.21%	17,698	14.38%	15,475	17.36%	13,186	-2.74%	13,558	-6.85%
Total assets	**43,951**	**11.75%**	**39,329**	**2.65%**	**38,313**	**6.24%**	**36,064**	**15.38%**	**31,257**	**4.24%**	**29,986**	**-8.34%**
EQUITY AND LIABILITIES												
Share capital and reserves												
Total equity attributable to equity holder of the Holding Company	10,918	4.85%	10,413	7.24%	9,710	9.77%	8,846	4.25%	8,485	3.50%	8,198	2.73%
Non-controlling interest	1,073	6.55%	1,007	5.56%	954	2.25%	933	-2.71%	959	-2.24%	981	0.10%
Non-current liabilities												
Long-term finances	11,654	50.43%	7,747	-17.62%	9,404	-10.99%	10,565	84.06%	5,740	8.30%	5,300	-28.48%
Long-term certificates of deposit	645	-27.77%	893	-9.80%	990	-52.77%	2,096	-19.14%	2,592	-1.44%	2,630	-6.74%
Long-term deposits	147	-45.56%	270	-17.43%	327	4.47%	313	-6.29%	334	-10.93%	375	-18.48%
Deferred taxation	708	23.56%	573	13.47%	505	68.33%	300	-27.18%	412	-20.16%	516	-26.29%
Other long-term liabilities	259	72.67%	150	-22.68%	194	-42.26%	336	17.07%	287	-0.35%	288	74.55%
Redeemable capital	102	-28.17%	142	-20.67%	179	-56.97%	416	21.28%	343	779.49%	39	2.63%
	13,515	**38.26%**	**9,775**	**-15.73%**	**11,599**	**-17.30%**	**14,026**	**44.48%**	**9,708**	**6.12%**	**9,148**	**-21.10%**
Current liabilities												
Accrued and other liabilities	1,836	-0.49%	1,845	28.30%	1,438	-5.70%	1,525	37.88%	1,106	83.42%	603	-47.93%
Unpaid dividend	-	0.00%	-	-100.00%	483	187.50%	168	-9.19%	185	100.00%	-	0.00%
Unclaimed dividend	97	4.30%	93	0.00%	93	0.00%	93	9.41%	85	0.00%	85	8.97%
Short-term borrowings	2,073	23.17%	1,683	95.47%	861	121.34%	389	-73.10%	1,446	703.33%	180	-86.76%
Short-term certificates of deposit	2,106	-49.65%	4,183	26.34%	3,311	110.36%	1,574	-6.97%	1,692	60.53%	1,054	50.57%
Taxation - net	12,105	20.18%	10,072	2315.35%	417	54.44%	270	90.14%	142	-58.60%	343	79.58%
Current maturity of non-current liabilities	227	-12.02%	258	-97.27%	9,447	14.65%	8,240	10.62%	7,449	-20.70%	9,394	8.29%
	18,445	1.72%	18,134	12.98%	16,050	30.92%	12,259	1.27%	12,105	3.83%	11,659	-4.14%
Total equity and liabilities	**43,951**	**11.75%**	**39,329**	**2.65%**	**38,313**	**6.24%**	**36,064**	**15.38%**	**31,257**	**4.24%**	**29,986**	**-8.34%**

Consolidated Statement of Profit or Loss	2025 Rs. in Million	25 vs 24 %	2024 Rs. in Million	24 vs 23 %	2023 Rs. in Million	23 vs 22 %	2022 Rs. in Million	22 vs 21 %	2021 Rs. in Million	21 vs 20 %	2020 Rs. in Million	20 vs 19 %
INCOME												
Income from operations												
Markup on finance leases	1,806	-35.13%	2,784	-3.37%	2,881	27.87%	2,253	1.53%	2,219	-24.34%	2,933	3.27%
Mark-up on loans and finances	5,258	0.27%	5,244	36.17%	3,851	87.85%	2,050	54.48%	1,327	-4.05%	1,383	23.26%
	7,064	**-12.01%**	**8,028**	**19.25%**	**6,732**	**56.45%**	**4,303**	**21.35%**	**3,546**	**-17.84%**	**4,316**	**8.93%**
Income from other activities												
Other income - net	1,709	-12.90%	1,962	6.17%	1,848	12.07%	1,649	-10.67%	1,846	-14.58%	2,161	-4.04%
Share of profit from associate - net of tax	154	10.00%	140	18.64%	118	84.38%	64	77.78%	36	24.14%	29	-43.14%
	1,863	**-11.37%**	**2,102**	**6.92%**	**1,966**	**14.77%**	**1,713**	**-8.98%**	**1,882**	**-14.06%**	**2,190**	**-4.91%**
Total Income	**8,927**	**-11.88%**	**10,130**	**16.46%**	**8,698**	**44.58%**	**6,016**	**10.83%**	**5,428**	**-16.57%**	**6,506**	**3.85%**
EXPENSES												
Finance cost	4,114	-17.19%	4,968	24.73%	3,983	79.90%	2,214	45.37%	1,523	-37.68%	2,444	22.81%
Administrative and general expenses	1,989	5.07%	1,893	11.81%	1,693	13.70%	1,489	9.81%	1,356	1.04%	1,342	-2.04%
Direct cost	440	-18.52%	540	-24.79%	718	-17.47%	870	-22.53%	1,123	-14.80%	1,318	-15.13%
	6,543	**-11.59%**	**7,401**	**15.75%**	**6,394**	**39.82%**	**4,573**	**14.27%**	**4,002**	**-21.59%**	**5,104**	**3.89%**
Profit before provision and taxation	2,384	-12.64%	2,729	18.45%	2,304	59.67%	1,443	1.19%	1,426	1.71%	1,402	3.70%
Reversal of expected credit loss / provision against leases, loans and finances - net	(99)	90.38%	(52)	-161.18%	85	-232.81%	(64)	-740.00%	10	-96.89%	322	-267.71%
Other provision - net	158	-36.80%	250	354.55%	55	48.65%	37	164.29%	14	-17.65%	17	21.43%
	59	-70.20%	198	41.43%	140	-618.52%	(27)	-212.50%	24	-92.92%	339	-290.45%
Profit before income taxes and levy	2,325	-8.14%	2,531	16.98%	2,164	47.21%	1,470	4.85%	1,402	31.89%	1,063	-30.52%
Taxation	866	-10.72%	970	10.73%	876	63.43%	536	45.26%	369	36.16%	271	-36.24%
Profit from continuing operations	**1,459**	**-6.53%**	**1,561**	**21.20%**	**1,288**	**37.90%**	**934**	**-9.58%**	**1,033**	**30.43%**	**792**	**-28.33%**
Discontinued Operations												
Loss from discontinued operations - net of tax	(17)	6.25%	(16)	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Profit for the year	**1,442**	**-6.67%**	**1,545**	**19.95%**	**1,288**	**37.90%**	**934**	**-9.58%**	**1,033**	**30.43%**	**792**	**-28.33%**

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

To the members of OLP Financial Services Pakistan Limited

Opinion

We have audited the annexed consolidated financial statements of OLP Financial Services Pakistan Limited and its subsidiaries(the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

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Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Expected credit loss against net investment in finance lease, loans and finances (Refer notes 3.6, 3.10, 7, 8, 12, 13 and 37 to the consolidated financial statements)**	
	As at 30 June 2025, the Group maintained expected credit loss (ECL) of Rs 764.26 million under the requirements of accounting and reporting standards as applicable in Pakistan against net investment in finance lease, loans and finances and has recognized a gross charge of Rs 245.79 million and gross reversal of Rs 345.28 million during the year. The Group recognises ECL against leases and loans under the requirement of IFRS 9. The simplified approach is used to determine ECL on net investment in finance lease. Under this approach, lifetime ECL is measured by grouping financial assets according to the number of days they are past due. The general approach is used to determine ECL on loans and finances. Under this approach, a lifetime ECL is recognized for loans and finances that have experienced a significant increase in credit risk (SICR) since initial recognition, as well as for those that are credit-impaired as of the reporting date. A 12-month ECL is recognized for loans and finances that have not experienced a SICR and are not	Our audit procedures in this area included, among others: • Assessing the design and implementation of key controls established by the Group over measurement of ECL. We involved our in-house specialist to assist us in the following: - assessing the appropriateness of the ECL methodologies for compliance with accounting and reporting standards as applicable in Pakistan; - assessing the reasonableness of macro-economic variable and economic forecasts by comparing these to external sourced data extracted; and - performing testing of the ECL allowance on a sample basis. • Assessing the relevance and completeness of the key inputs into the ECL calculations. • Checking mathematical accuracy of the models. • Assessing the appropriateness of SICR criteria applied by the Group by evaluating

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S.No.	Key Audit Matter	How the matter was addressed in our audit
	considered credit-impaired as of the reporting date. The estimation of ECL involves significant judgement. The key areas which are subject to management judgement in the estimation of ECL are: - determination of staging of loans including determining whether the credit risk has increased significantly and credit impairment events have occurred; and - the determination of key parameters used in the ECL model including probability of default (PD), loss given default (LGD), and forward-looking information. Due to the significance of ECL and the significant judgements and estimation exercised by management in estimating ECL, we considered the area of ECL as a key audit matter.	the consistency of SICR criteria and staging methodology with accounting and reporting standards as applicable in Pakistan. • Evaluating the adequacy of the financial statement disclosures around ECL as required by the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review Report, Directors' Report, Six Years' Financial Summary and Six Years' Vertical Analysis included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of Management and the Board of Directors for the consolidated Financial Statements

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

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

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Other matter

The consolidated financial statements of the Group as at and for the year ended 30 June 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2024.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Amyn Malik.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi
Date: 30 September 2025
UDIN: AR202510096ikLIF0A8G

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025	2024
ASSETS		---------------------Rupees---------------------	
Non-current assets			
Property and equipment	5	1,412,534,884	1,276,971,474
Ijarah assets	5.2	736,741,555	1,260,176,914
Intangible assets	6	28,351,799	18,177,501
Net investment in finance lease	7	3,725,705,505	4,099,587,860
Long-term loans and finances	8	15,725,450,417	12,835,154,164
Investment in associate	9	1,775,618,949	1,707,416,512
Long-term investments	10	22,095,195	24,986,606
Long-term deposits		11,120,680	11,294,566
Defined benefit plan asset	11	64,305,578	21,790,481
		23,501,924,562	21,255,556,078
Current assets			
Short-term finances	12	5,105,107	33,631,427
Current maturity of non-current assets	13	16,353,720,904	13,801,882,128
Short-term investments	14	2,342,693,585	2,911,469,558
Advances and prepayments	15	292,925,478	379,356,083
Other receivables	16	550,615,859	101,216,151
Cash and bank balances	17	892,033,218	754,076,529
Assets classified as held for sale	18	12,356,661	92,704,400
		20,449,450,812	18,074,336,276
Total assets		43,951,375,374	39,329,892,354
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2024: 350,000,000) ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	19	1,754,076,470	1,754,076,470
Capital Reserves			
Surplus on revaluation of leasehold land and office building	20	874,562,239	898,306,747
Other reserves		4,159,610,322	4,072,329,491
		5,034,172,561	4,970,636,238
Revenue Reserves		4,129,356,428	3,688,263,221
Total equity attributable to equity holders of the Holding Company		10,917,605,459	10,412,975,929
Non-controlling interest	53	1,073,802,734	1,007,154,906
Total equity		11,991,408,193	11,420,130,835
Non-current liabilities			
Long-term finances	21	11,654,034,351	7,746,643,711
Long-term certificates of deposit	22	644,503,472	893,235,446
Long-term deposits	23	147,484,426	269,719,334
Deferred taxation	24	708,087,182	573,185,939
Other long-term liabilities	25	259,270,328	150,185,454
Redeemable capital	26	102,100,000	142,400,000
		13,515,479,759	9,775,369,884
Current liabilities			
Accrued and other liabilities	27	1,835,867,636	1,844,974,102
Unclaimed dividend		96,745,256	93,201,410
Short-term borrowings	28	2,073,380,343	1,683,561,376
Short-term certificates of deposit	29	2,106,150,587	4,183,106,620
Current maturity of non-current liabilities	30	12,104,554,489	10,071,866,736
Taxation - net		226,528,398	257,681,391
Liabilities directly associated with the assets held for sale	18	1,260,713	
		18,444,487,422	18,134,391,635
Total equity and liabilities		43,951,375,374	39,329,892,354
Contingencies and commitments	31		

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Shaheen Amin	Rashid Ahmed Jafer	Abid Hussain Awan
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended June 30, 2025

	Note	2025	2024
		----------Rupees----------	
Continuing Operations			
INCOME			
Income from operations			
Mark-up on finance leases		1,806,382,690	2,783,923,586
Mark-up on loans and finances		5,257,441,030	5,244,032,681
Ijarah rentals earned		621,973,941	837,497,410
		7,685,797,661	8,865,453,677
Income from other activities			
Other income - net	32	1,087,193,747	1,125,316,438
Share of profit from associate - net of tax	33	154,255,506	139,598,202
		1,241,449,253	1,264,914,640
		8,927,246,914	10,130,368,317
EXPENSES			
Finance cost	34	4,113,639,106	4,968,226,208
Administrative and general expenses	35	1,989,072,048	1,892,960,693
Direct cost	36	440,615,462	540,538,205
		6,543,326,616	7,401,725,106
Profit before provision and taxation		2,383,920,298	2,728,643,211
Reversal of expected credit loss against leases, loans and finances - net	37	(99,488,135)	(52,189,645)
Other provision - net	38	158,261,329	249,790,702
		58,773,194	197,601,057
Profit before income taxes and levy		2,325,147,104	2,531,042,154
Levy - final taxes		24,314,911	20,293,640
Profit before income tax		2,300,832,193	2,510,748,514
Taxation	40	840,935,212	949,690,582
Profit from continuing operations		1,459,896,981	1,561,057,932
Discontinued Operations			
Loss from discontinued operations - net of tax	52	(17,445,692)	(15,751,379)
Profit for the year		1,442,451,289	1,545,306,553
Profit for the year after taxation attributable to:			
Equity holders of the Holding Company		1,303,189,813	1,419,116,803
Non-controlling interest		139,261,476	126,189,750
		1,442,451,289	1,545,306,553
Earnings per share - basic and diluted	51	7.43	8.09
Earnings per share - continuing operations - basic and diluted	51	7.53	8.18

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Shaheen Amin Chief Executive Officer	Rashid Ahmed Jafer Director	Abid Hussain Awan Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended June 30, 2025

	Note	2025	2024
		----------Rupees----------	
Profit for the year after taxation attributable to:			
Equity holders of the Holding Company		1,303,189,813	1,419,116,803
Non-controlling interest	53	139,261,476	126,189,750
		1,442,451,289	1,545,306,553
Other comprehensive income			
Items that will be subsequently reclassified to the consolidated statement of profit or loss			
- Exchange gain / (loss) arising on translation of a foreign associate	9.1.3	36,120,045	(48,891,864)
- Deferred tax on exchange gain/(loss) arising on translation of foreign associates		(14,086,818)	19,067,827
		22,033,227	(29,824,037)
Items that will not be subsequently reclassified to the consolidated statement of profit or loss			
- Fair value changes on remeasurement of financial assets classified at FVTOCI		23,718,250	(1,183,539)
- Deferred tax on fair value changes on remeasurement of financial assets		(9,250,118)	461,580
		14,468,132	(721,959)
- Remeasurement gain on defined benefit obligation - staff gratuity	11.4	42,515,097	15,672,147
- Share of other comprehensive (loss) / income from an associate	9.1.3	(882,793)	207,150
- Deferred tax on share of other comprehensive (loss)/income on associate		344,289	(80,789)
		(538,504)	126,361
Total comprehensive income for the year		1,520,929,241	1,530,559,065
Total comprehensive income for the year attributable to:			
Equity holders of the Holding Company		1,381,667,765	1,404,369,315
Non-controlling interest	53	139,261,476	126,189,750
		1,520,929,241	1,530,559,065

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Shaheen Amin	Rashid Ahmed Jafer	Abid Hussain Awan
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2025

	Note	2025	2024
		---Rupees---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	41	6,148,342,505	7,355,290,852
Increase / (decrease) in operating assets			
Investment in finance lease - net		1,238,056,619	2,747,191,725
Long-term loans and finances - net		(6,234,445,393)	(3,670,529,226)
Short-term finances		28,050,346	10,239,720
Long-term deposits		173,886	(81,000)
Advances and prepayments		27,210,371	(272,754,297)
Other receivables		(77,441,329)	24,587,138
		(5,018,395,500)	(1,161,345,940)
(Decrease) / increase in operating liabilities			
Deposits from lessee - net		(121,680,750)	(95,779,952)
Other long term liabilities - net		(859,509,571)	(825,875,159)
Accrued and other liabilities		(356,192,019)	358,170,967
		(1,337,382,340)	(563,484,144)
Net cash generated from operating activities before income tax		(207,435,335)	5,630,460,768
Payment of provincial workers' welfare fund		-	(1,999,202)
Payment against staff retirement benefits		(20,301,804)	(21,835,992)
Finance cost paid		(2,826,818,410)	(3,386,292,526)
Profit paid on redeemable capital		(742,343,325)	(678,714,448)
Income tax paid		(780,338,790)	(1,042,825,582)
Net cash (used in) / generated from operating activities		(4,577,237,664)	498,793,018
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - property and equipment for own use and intangible assets		(175,215,215)	(80,167,138)
Capital expenditure incurred - ijarah assets		(469,968,805)	(354,420,624)
Proceeds from disposal of property and equipment - own use		54,992,285	7,772,299
Proceeds from disposal of Ijarah finance assets		641,568,761	212,043,208
Investments - net		702,423,342	28,144,507
Dividend received		169,095,553	132,499,566
Interest received		427,920,936	526,310,011
Net cash generated from investing activities		1,350,816,857	472,181,829
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term finances		10,856,778,716	3,021,883,866
Redeemable capital less repayments		1,345,920,000	1,390,930,000
Certificates of deposit - net		(2,365,622,842)	620,167,981
Repayment of long-term finances		(5,814,939,100)	(5,322,919,332)
Payment of lease liability against right-of-use assets		(69,822,069)	(44,326,751)
Dividend paid		(964,261,449)	(1,256,603,041)
Net cash generated from / (used in) financing activities		2,988,053,256	(1,590,867,277)
Net decrease in cash and cash equivalents during the year		(238,367,551)	(619,892,430)
Cash and cash equivalents at the beginning of the year		(891,931,311)	(272,038,881)
Cash and cash equivalents at the end of the year	42	(1,130,298,862)	(891,931,311)

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Shaheen Amin
Chief Executive Officer

Rashid Ahmed Jafer
Director

Abid Hussain Awan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2025

	Attributable to equity holders of the Holding Company								Non-controlling interest	Total equity
		Reserves								
		Capital reserves					Revenue reserve			
	Issued, subscribed and paid-up capital	Share premium	Statutory reserve (note 19.2)	Foreign currency translation reserve	Net surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building (note 20)	Unappropriated profit	Total reserves		
	(Rupees)									
Balance as at July 1, 2023	1,754,076,470	1,501,683,073	1,887,588,963	641,001,426	2,956,489	922,051,255	3,000,879,526	7,956,160,732	953,578,804	10,663,816,006
Total comprehensive income for year ended June 30, 2024										
Profit for the year	-	-	-	-	-	-	1,419,116,803	1,419,116,803	126,189,750	1,545,306,553
Other comprehensive (loss) / income	-	-	-	(29,824,037)	(721,959)	-	15,798,508	(14,747,488)	-	(14,747,488)
Total comprehensive income / (loss) for the year	-	-	-	(29,824,037)	(721,959)	-	1,434,915,311	1,404,369,315	126,189,750	1,530,559,065
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-	-
Transfer to statutory reserve	-	-	69,645,536	-	-	-	(69,645,536)	-	-	-
Transactions with owners recorded directly in equity										
Contributions and distributions										
- Final cash dividend @ Rs.2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2023	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
- Interim cash dividend @ Rs.2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2024	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
- Profit distribution for the year ended June 30, 2023 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)
	-	-	-	-	-	-	(701,630,588)	(701,630,588)	(72,613,648)	(774,244,236)
Balance as at July 1, 2024	1,754,076,470	1,501,683,073	1,957,234,499	611,177,389	2,234,530	898,306,747	3,688,263,221	8,658,899,459	1,007,154,906	11,420,130,835
Total comprehensive income for year ended June 30, 2025										
Profit for the year	-	-	-	-	-	-	1,303,189,813	1,303,189,813	139,261,476	1,442,451,289
Other comprehensive income	-	-	-	22,033,227	14,468,132	-	41,976,593	78,477,952	-	78,477,952
Total comprehensive income / (loss) for the year	-	-	-	22,033,227	14,468,132	-	1,345,166,406	1,381,667,765	139,261,476	1,520,929,241
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-	-
Transfer to statutory reserve	-	-	61,273,552	-	-	-	(61,273,552)	-	-	-
Transferred from deficit on revaluation of financial asset at FVTOCI on disposal of investment - net of tax	-	-	-	-	(10,494,080)	-	10,494,080	-	-	-
Transactions with owners recorded directly in equity										
Contributions and distributions										
- Final cash dividend @ Rs. 3 per ordinary share of Rs. 10.00 each for the year ended June 30, 2024	-	-	-	-	-	-	(526,222,941)	(526,222,941)	-	(526,222,941)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2025	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
- Profit distribution for the year ended June 30, 2024 @ Rs. 2 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)
	-	-	-	-	-	-	(877,038,235)	(877,038,235)	(72,613,648)	(949,651,883)
Balance as at June 30, 2025	1,754,076,470	1,501,683,073	2,018,508,051	633,210,616	6,208,582	874,562,239	4,129,356,428	9,163,528,989	1,073,802,734	11,991,408,193

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Shaheen Amin
Chief Executive Officer

Rashid Ahmed Jafer
Director

Abid Hussain Awan
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

(i) OLP Financial Services Pakistan Limited - the Holding Company;
(ii) OLP Services Pakistan (Private) Limited - subsidiary company; and
(iii) OLP Modaraba - subsidiary company.

1.1 Holding company

OLP Financial Services Pakistan Limited ("the Holding Company / the Company") was incorporated in Pakistan as a private limited company on July 01, 1986 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company on December 23, 1987. The Holding Company is listed on the Pakistan Stock Exchange Limited and is licensed to carry out Investment Finance Services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2024: AA+) and a short-term rating of A1+ (2024: A1+) to the Company on February 28, 2025 (2024: March 01, 2024).

1.2 Subsidiary companies

1.2.1 OLP Services Pakistan (Private) Limited - 100% effective holding

OLP Services Pakistan (Private) Limited ("the Management Company") was incorporated as a private limited company on February 25, 1957 under the then applicable Companies Act, 1913 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980.

The principal activity of the Management Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Management Company within the meaning of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980. Presently, the Management Company manages only OLP Modaraba. The registered office of the Management Company is situated at 6th Floor, Syedna Tahir Saif-ud-din Trust Building, Beaumont Road, Civil Lines, Karachi, Pakistan.

On June 20, 2016, the Holding Company acquired 100% shareholding (4,450,000 shares) of the Management Company. The Holding Company continues to hold 100% shares in the Management Company till date.

1.2.2 OLP Modaraba - 20% effective holding

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

The Modaraba is operated through a head office in Karachi and two branches each which are located in Lahore and Islamabad. The head office is placed separately within the premises of the Management Company. In Lahore, the branch office is situated at 602-B, 6th Floor, City Towers, Gulberg-II whereas in Islamabad, the branch address is Ground Floor, Phase 1, State Life Building No. 5, Nazimuddin Road, Blue Area.

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 Limited (PACRA) has maintained long term rating of AA (2024: AA) and short term rating of A1+ (2024: A1+) to the Modaraba on February 28, 2025 (2024: March 03, 2024).

On June 21, 2016, the Holding Company acquired 10% certificate holding (4,538,353 certificates) in the Modaraba. Since the Holding Company had acquired 100% shareholding in the Management Company as mentioned in note 1.2.1 above, therefore the Holding Company has substantive decision-making authority over OLP Modaraba's key operating and financial policies. OSPPL is entitled to a management fee (including variable returns). There are no substantive removable rights held by any other single party and the remaining holding is also dispersed and passive in nature due to free float to general public. Accordingly, the Modaraba became a subsidiary of the Holding Company in view of the control which the Holding Company exercised through its fully owned Management Company and an effective holding of 20% in the certificates of Modaraba by the Holding Company collectively with the Management Company. Subsequent to the acquisition, the Modaraba has been renamed as OLP Modaraba.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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;

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

- 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; and

- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 22, 2007. Under IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Muj'ir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.

- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.

- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the following:

- Leasehold land and building are stated at revalued amounts;

- Certain investments are stated at fair value; and

- Obligation in respect of staff gratuity is measured at present value of the defined benefit obligation.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional currency.

2.5 Use of Judgement and Estimates

The preparation of consolidated financial statements in conformity with the accounting and reporting 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. 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 year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in the application of accounting policies are as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

(a) determination of the residual values and useful lives of property and equipment (notes 3.4 and 5);

(b) determination of amortisation rates for intangible assets (notes 3.5 and 6);

(c) determination of expected credit loss / provision against lease and loans (notes 3.10.5, 37 and 38);

(d) determination of classification, valuation and impairment of financial assets (notes 3.10, 14 and 38);

(e) classification of investment in associate (note 9)

(f) classification and valuation of assets classified as held for sale (notes 3.7 and 18);

(g) recognition for taxation and deferred tax (notes 3.16, 24 and 40);

(h) accounting for defined benefit obligation (notes 3.17 and 11); and

(i) impairment of non-financial assets (notes 3.9).

2.6 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

2.6.1 There are certain other amendments to the published accounting and reporting standards that are mandatory for the Group's annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or do not have any material effect on the Group's financial statements and hence, therefore, have not been disclosed in these consolidated financial statements.

2.7 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

The following amendments and interpretations with respect to published accounting and reporting standards would be effective from the date mentioned below against the respective amendments or interpretations:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a Group estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Group because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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

Financial Assets with ESG-Linked features:

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

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

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

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

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

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

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

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

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

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

Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a Group needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

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

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and it's acGrouping Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

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

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- IFRS 18 - Presentation and Disclosure in Financial Statements

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit or loss' with certain additional disclosures in the consolidated financial statements.

SECP vide S.R.O. 742 (I)/2025 (dated April 16, 2025) notified that International Financial Reporting Standard (IFRS)-7, 'Financial Instruments: Disclosures' shall be followed by Non-Banking Finance Companies engaged in investment finance services, discounting services, and housing finance services for the preparation of financial statements from the annual reporting periods beginning on or after July 1, 2025.

The amendments highlighted above may impact the consolidated financial statements of the Group on application. The management is currently in the process of assessing the impact of these amendments on the consolidated financial statements of the Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These polices have been consistently applied to all the years presented unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

3.1.1 Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment . Any gain on a bargain purchase is recognised in profit or loss immediately.Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Associate

Accounting policy of associates is inculded in note 3.8.

3.3 Foreign Operation

Accounting policy of foreign operation is included in note 3.18.

3.4 Property and equipment

3.4.1 Own use and capital work in progress

Recognition and measurement

Property and equipment (except leasehold land and office building) are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land and office building are carried at revalued amounts less accumulated depreciation and subsequent impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is charged using the straight line method over the estimated useful lives of assets, at the rates specified in note 5.1 to these consolidated financial statements after taking into account residual values if significant. The carrying value of leasehold land is amortised over its lease term. Depreciation on additions during the year is charged from the date on which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off.

Accounting treatment and presentation of revaluation of property and equipment is in conformity with IAS 16 'Property, Plant and Equipment'. Revaluation surplus on fixed assets is presented in the consolidated statement of financial position and consolidated statement of changes in equity as a capital reserve.

Revaluation surplus

An increase arising on revaluation is credited to the surplus on revaluation of leasehold land and office building. A decrease arising on revaluation of leasehold land and office building is adjusted against the surplus of that asset or, if no surplus exists, is charged to the consolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the consolidated statement of profit or loss upto the extent of the original impairment. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated statement of profit or loss and depreciation based on the asset's original cost, net of deferred taxation, is reclassified from revaluation surplus on leasehold land and office building to unappropriated profit.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Disposal

Gains / losses on disposal of property and equipment, if any, are taken to the consolidated statement of profit or loss in the year in which these arise except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

Usefule life / Residual values

Assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

The residual values, useful lives and methods of depreciation of assets are reviewed and adjusted, if appropriate, at each reporting date.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.4.2 Ijarah assets

Assets leased out under ijarah arrangements are recorded as ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation is charged to the statement of profit and loss applying the straight line method whereby the cost of an asset less residual value is depreciated over the estimated useful life of the asset. Depreciation is charged on pro-rate basis from the date the asset is available for use till date of maturity / termination. In respect of additions and disposals during the year, depreciation is charged proportionately from the date of delivery of assets to the date of its maturity / termination.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit and loss, in the year in which these arise.

3.4.3 Lease liability and right-of-use asset

As a lessee

The Group enters into agreements to lease premises for certain branches. Rental contracts are typically for a period of 3 years and may have renewal options. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.5 Intangible assets

Recognition and measurement

i) Research and development

- Expenditure on research activities is recognised in consolidated statement of profit or loss as incurred.

- Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in consilidated statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Other intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives, and is recognised in consolidated statement of profit or loss. Amortisation on additions during the year is charged from the date on which the asset is put to use, whereas no amortisation is charged from the date the asset is disposed off.

Others

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains / losses on disposal of intangible assets, if any, are taken to the consolidated statement of profit or loss in the year in which these arise.

3.6 Net investment in finance lease

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. Upon commencement, a lease receivable is recognised at an amount equal to the net investment in the lease, which comprises present value of the lease payments and any unguaranteed residual value accruing to the lessor. The present value is calculated by discounting the lease payments and any unguaranteed residual value, at the interest rate implicit in the lease. The "net investment in finance lease" included in the consolidated financial statements is recorded net of adjustable security deposit and the security deposit is initially measured at fair value (i.e., present value of repayment) and subsequently at amortised cost. Security deposits received under finance lease arrangements are classified as financial liabilities. Where the lease agreement contractually requires such deposits to be adjusted against the residual value of the leased asset at the end of the lease term, the deposits are offset against the estimated residual value in measuring the net investment in the lease.

3.7 Assets classified as held for sale

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the consolidated statement of profit or loss for any initial or subsequent write down of the non-current asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent these do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale.

3.8 Interests in equity-accounted investees

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the unconsolidated financial statements include the Company's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in consolidated statement of profit or loss.

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 amortisation, if no impairment loss had been recognised.

3.10 Financial assets and financial liabilities

3.10.1 *Recognition and initial measurement*

The Group initially recognises loans and leases, certificate of deposits, debt securities issued and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument on initial recognition is generally its transaction price.

3.10.2 *Classification*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

i) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

ii) how the performance of the portfolio is evaluated and reported to the Group's management;

iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

iv) how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

v) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

i) contingent events that would change the amount and timing of cash flows;
ii) leverage features;
iii) prepayment and extension terms;
iv) terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
v) features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

3.10.3 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

3.10.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards.

3.10.5 Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- net investment in lease;
- loans and finances;
- Diminishing musharika; and
- Ijarah finance.

No impairment loss is recognised on equity investments.

The Group applies IFRS 9 simplified approach for leases and general approach for loans, Ijarah finance and dimishing musharika (loans) respectively to determine ECL.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

A lifetime ECL is recorded on loans in which there has been a Significant Increase in Credit Risk (SICR) from the date of initial recognition and on loans which are credit impaired as on the reporting date.

A 12 months ECL is recorded for loans which do not meet the criteria for SICR or ""credit impaired"" as at the reporting date."

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

When discounting future cash flows, the following discount rates are used:

- financial assets other than lease receivables: the original effective interest rate or an approximation thereof;

- lease receivables: the discount rate used in measuring the lease receivable;

Significant Increase in Credit Risk (SICR)

As per IFRS 9, there is a rebuttable presumption that credit risk on a financial asset has increased significantly when contractual payments are more than 30 days past due. The Group has not rebutted this presumption, and exposures overdue by more than 30 days are classified as Stage II with lifetime expected credit losses (ECL) recognized.

The Group's Credit Department conducts periodic analysis of all sectors with outstanding exposure based on market intelligence, PACRA and VIS reports, and relevant news or regulatory developments. Sectors showing increased risk since the last review, or consistently classified as high risk, are flagged, and all customers in these sectors are subjected to a detailed qualitative and quantitative review to assess SICR.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or past-due event;

- the restructuring of a loan or advance by the Group on terms that the company would not consider otherwise; or

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

In line with IFRS 9, default is presumed not to occur later than 90 DPD. The Company applies this backstop and treats exposures past due by more than 90 days as in default.

The Group has performed an ECL assessment considering the following key elements:

- Probability of Default (PD): Probability represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables.

- Exposure at Default (EAD): The outstanding principal and accrued markup as of the reporting date, with repayment schedules generated to estimate exposure over the contractual life of each facility. For assets in Stage 1, EAD is limited to the next 12 months unless a significant increase in credit risk (SICR) is identified, in which case lifetime EAD is considered.

- Loss Given Default (LGD):LGD represents the estimated loss arising on a facility upon default and is calculated as the difference between contractual cash flows due and expected recoveries. Group determines LGD by asset type using vintage analysis of historical recoveries, discounted using effective interest rate applicable to each exposure. The segmentation reflects the underlying collateral (e.g., vehicles, machinery), and recoveries are adjusted for the time value of money

Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances are presented as a deduction from the gross carrying amount of financial assets measured at amortised cost.

3.10.6 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the asset.

3.10.7 Reclassifications

The Group reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting year following the change. Such changes are expected to be very infrequent and none occurred during the year.

3.10.8 Write-offs

Loans and leases are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'Allowance of ECL on financial instruments' in the consolidated statement of profit or loss. A financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.11 Financial liabilities

Financial liabilities are recognised at the time the Group becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value less any directly attributable transaction cost.

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and

- Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.11.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

3.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.13 Redeemable capital

The Modaraba offers only one deposit product, "Certificates of Musharika (COM)" under a scheme duly approved by the Securities and Exchange Commission of Pakistan vide its letter no.7(04) Reg-Mod/95-449 dated April 4, 1995. The Scheme of COM has been formulated under the parameters laid down for this purpose by the Securities and Exchange Commission of Pakistan ("SECP") in its "Guidelines for Issue of Certificates of Musharika for Modarabas" (the "Guidelines") issued on September 7, 1994.

As per the requirements of the Guidelines, the scheme of COM is based on the concept of "Musharika". Hence, it is classified as redeemable capital. The salient features of the COM are as follows:

- This is a return based certificate wherein a deposit is placed with the Modaraba for a definite period of time.

- Total profits after charging all expenses, provisions / impairments and Management Company's remuneration of the Modaraba are shared by the COM holders and the Modaraba in accordance with ratio declared by the Modaraba and accepted by the COM holders. In the absence of such declaration, the total profits shall be shared between the COM holders and the Modaraba in proportion to their contribution in the Funds.

- The amount of profit allocated to the COM holders shall be shared among different categories/tiers of the COM holders on the basis of predetermined weightages announced by the Modaraba at the beginning of each quarter.

- In the event of loss, such loss shall be shared between the COM holders and the Modaraba in proportion to their respective funds.

3.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events 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 of the amount of the obligation. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates.

3.15 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arise from past events, but it is not probable that an outflow of resources embodying benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.16 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity through other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Group also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

The Group also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / property and equipment which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 "Income Taxes".

Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

3.17 Staff retirement benefits

(a) Defined contribution plans

Operated by the Holding Company

The Holding Company operates a recognised contributory Provident Fund Scheme (the Fund) for all its permanent employees who have completed the minimum qualifying period in accordance with the HR policy. The Fund is administered by a Board of Trustees. Equal monthly contributions to the Fund are made both by the Holding Company and by the employees at the rate of 10% of basic salary. Obligations for contributions to defined contribution plan are expensed as the related service is provided and recognised as personnel expenses in consolidated statement of profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Operated by the Modaraba

The Modaraba operates a recognised provident fund for all eligible employees and an approved funded defined contributory gratuity scheme for all permanent employees. Gratuity is payable to employees on completion of the prescribed qualifying period of service under the scheme. Contributions to the provident fund and gratuity fund are made at the rate of 10% and 8.33% respectively, of the basic salaries of employees.

Obligation for contribution to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit or loss when these are due.

(b) Defined benefit plan

The Holding Company operates an approved funded gratuity scheme covering all permanent employees who have completed the minimum qualifying period of three years of service under the scheme. The scheme is administered by a Board of Trustees and contributions therein are made in accordance with the actuarial recommendations. The valuation in this regard is carried out at each reporting date.

The Holding Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Holding Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the unconsolidated statement of profit or loss and other comprehensive income when these occur with no subsequent transfer through the consolidated statement of profit or loss.

3.18 Foreign currency transactions

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in consolidated statement of profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into PKR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into PKR at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.19 Revenue recognition

3.19.1 Finance leases

The Group follows the 'financing method' in accounting for finance lease. The total unearned finance income i.e. the excess of aggregate instalment contract receivables plus residual value over the cost of the leased asset is deferred and amortised over the term of the lease, so as to produce a systematic return on the net investment in finance lease using effective rate.

3.19.2 Operating lease income

Rental income from assets classified as operating lease is recognised on accrual basis.

3.19.3 Ijarah lease income

- The Group follows the finance method for recognising income on ijarah arrangements commencing on or after July 1, 2008. Ijarah rentals are recognised as income on accrual basis, as and when rentals become due. In case of ijarah arrangements with staggered rentals, the income is recognised on a straight line basis over the ijarah term.

- Unearned income in respect of non-remunerative security deposits is recognised on a straight line basis over the lease term. This represents the difference between fair value and transaction price on initial recognition.

- Gains / losses on termination of ijarah contracts are recognised as income / expense as the difference between the proceeds realised from the customers on sale of ijarah assets and the net book value at which such assets are carried at the time of termination.

- Consolidated front end fees are taken to the statement of profit and loss on effective profit rate method.

- Profit / return on deposits / investments is recognised on effective profit rate.

- Income from Shariah non-compliant avenues is not recognised in the statement of profit and loss and is classified as charity payable.

Profit

i. Effective profit rate

Profit income is recognised in consolidated statement of profit or loss under the effective profit rate method.

The 'effective profit rate' is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument;

- to the gross carrying amount of the financial asset.
- the amortised cost of the financial liability.

When calculating the effective profit rate for financial instruments the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective profit rate includes transaction costs and fees that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset.

ii. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation under the effective profit method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iii. Calculation of profit income

The effective profit rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating profit income and expense, the effective profit rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the effective profit rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit-adjusted effective profit rate to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

Proposed profit distribution to Modaraba certificate holders and transfers between reserves

Proposed profit distribution and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such profit distribution is declared / transfer is made.

3.19.4 Return on investments

- Return on debt securities and deposit accounts is recognised using the effective interest rate method.
- Dividend income from investments is recognised when the Group's right to receive the dividend is established.
- Gain / loss on sale of investments is recognised in the year in which it arises.

3.19.5 Loans and finances

i. Interest

Income on loans and finances is recognised using effective interest rate method taking into account the principal outstanding and applicable rates of interest / return thereon.

ii. Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

iii. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation under the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iv. Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition,interest income is calculated by applying the effective interest rate to the amortised cost of thefinancial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.19.6 Diminishing Musharika

It is a form of partnership in which the Modaraba and the customer create co-ownership in the asset by purchasing it jointly. The Modaraba then rents out its share of the asset to customers. Besides the payment of rentals, customer also purchases the asset from the Modaraba in installments. Hence at the end of the tenure, customer becomes sole owner of the asset. Profit on Diminishing Musharika arrangements is recognised under the effective profit rate method based on the outstanding amount as explained in note 3.19.5

3.19.7 Others

Other income is recognised on receipt basis.

3.20 Earnings per share

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

3.21 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognised in the consolidated financial statements in the year in which such dividends are declared / transfers are made.

3.22 Cash and cash equivalents

Cash and cash equivalents for the purposes of the consolidated statement of cash flows includes cash and bank balances and short term running finance facilities that form an integral part of the Group's cash management.

3.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. The Group has three primary reporting segments for reporting purpose namely, Finance lease, Finances & Loans and Islamic Finance.

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resources allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated assets and liabilities.

3.24 Commitments

Commitments are disclosed in the consolidated financial statements at committed amounts.

3.25 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4 Revenue recognition on credit-impaired contracts and front-end fee and Classification of taxes and levies

4.1 Revenue recognition on credit-impaired contracts and front-end fee

The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 592(1)/2023 dated 17 May 2023 amended the Non-Banking Finance Company Regulations and vide S.R.O. 67 (I)/2024 dated 24 January 2024 amended the Modaraba Regulations, whereby after adoption and implementation of IFRS 9 the Group, the requirements of IFRS 9 will be applicable, which were previously explained in "Accounting Guidelines Application of IFRS 9 by Non-Banking Finance Companies", issued by the Institute of Chartered Accountant of Pakistan (ICAP). The Group sought clarification on revenue recognition on credit impaired contracts. On December 04, 2024, the ICAP clarified to follow IFRS 9 for revenue recognition on credit impaired contracts.

As per the subsequent measurement requirement of IFRS 9, mark-up on credit impaired contracts is accrued by applying effective interest rate/effective profit rate (effective rate) to the amortized cost (i.e., principal outstanding less provision) of the finances / leases / loans, in which the fee that is an integral part of the contract (i.e., front-end fee) is inclusive at initial recognition. The Group has calculated its income on credit impaired contracts and the front-end fee based on effective rate and has amortised the income and the front-end fee over the life of contract.

Previously, as per the requirements of the NBFC Regulations / Modaraba Regulations, mark-up/profit was suspended when the principal or mark-up of borrower / lessee is overdue by more than 90 days and the front-end fee was recorded on receipt basis as disclosed in note 3.19 of unconsolidated financial statements for the year ended June 30, 2024.

The mark-up has been accrued as per the above stated requirements of IFRS 9, and as the impact of change is immaterial i.e., net of tax Rs 36 million, therefore the same has been accounted for in the current year.

The impact of June 30, 2024 and before has been recognised in current year which is as follows:

	Rupees
Decrease in mark-up income,ijarah and diminishing musharika on loans and leases - net	(53,225,480)
Expected credit loss / provision for lease, loans and finances - net	(2,279,891)
	(55,505,371)
Taxation	19,376,450
	(36,128,921)

4.2 Classification of taxes and levies

The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated May 15, 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum and final taxes paid should be classified as 'levies' and not income tax in the statement of profit or loss. As per the above guidance and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively.

Accordingly, the Group has reclassified its comparative information by reclassifying levies amounting to Rs. 20.29 million from taxation to final taxes in the statement of profit or loss.

The following table summarizes the impact of reclassification on the Group's statement of profit or loss:

	June 30, 2024		
	Previously Reported	Increase / Decrease	As Reclassified
	Rupees		
Profit before income taxes and levy	2,517,135,353	-	2,517,135,353
Levy - final tax	-	(20,293,640)	(20,293,640)
Profit before income tax	2,517,135,353	(20,293,640)	2,496,841,713
Taxation	(971,828,800)	20,293,640	(951,535,160)
Profit for the period after taxation	1,545,306,553	-	1,545,306,553

The aforementioned change has no impact on consolidated statement of financial position and consolidated statement of cash flows. There is no impact on earnings per share that needs to be disclosed in these consolidated financial statements.

5 PROPERTY AND EQUIPMENT

	Note	2025	2024
		Rupees	
Property and equipment - own use	5.1	1,243,441,668	1,194,734,098
Right-of-use assets	5.3	169,093,216	82,237,376
		1,412,534,884	1,276,971,474

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

5.1 Property and equipment - own use

	2025							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
	Rupees							
As at July 01, 2024								
Cost / revalued amount	900,015,000	134,294,300	205,374,877	199,968,500	143,622,201	107,327,674	16,111,713	1,706,714,265
Accumulated depreciation	(14,993,964)	(19,184,904)	(166,145,495)	(161,215,585)	(51,219,884)	(92,956,498)	(6,263,837)	(511,980,167)
Net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
Year ended June 30, 2025								
Opening net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
Additions	-	-	2,953,552	13,437,929	131,478,184	14,281,800	-	162,151,465
Disposals								
Cost	-	-	(741,154)	(6,668,995)	(43,862,648)	(2,400,981)	-	(53,673,778)
Accumulated depreciation	-	-	741,154	6,615,615	24,331,320	2,398,397	-	34,086,486
	-	-	-	(53,380)	(19,531,328)	(2,584)	-	(19,587,292)
Write-off								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,458,140)	(17,037,433)	(16,054,744)	(9,677,374)	(1,450,044)	(93,856,603)
Net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
As at June 30, 2025								
Cost / revalued amount	900,015,000	134,294,300	207,587,275	206,737,434	231,237,737	119,208,493	16,111,713	1,815,191,952
Less: Accumulated depreciation	(29,987,928)	(38,369,808)	(180,862,481)	(171,637,403)	(42,943,308)	(100,235,475)	(7,713,881)	(571,750,284)
Net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
Useful life / rate of depreciation	77 & 99 years	11.10%	15% - 33%	15% - 20%	20% - 25%	33%	10%	

	2024							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
	Rupees							
As at July 01, 2023								
Cost / revalued amount	900,015,000	134,294,300	201,510,786	184,146,172	114,778,796	98,719,382	16,111,713	1,649,576,149
Accumulated depreciation	-	-	(153,772,993)	(150,846,363)	(46,076,858)	(85,171,602)	(4,813,793)	(440,681,609)
Net book value	900,015,000	134,294,300	47,737,793	33,299,809	68,701,938	13,547,780	11,297,920	1,208,894,540
Year ended June 30, 2024								
Opening net book value	900,015,000	134,294,300	47,737,793	33,299,809	68,701,938	13,547,780	11,297,920	1,208,894,540
Additions	-	-	9,697,380	21,406,672	35,941,430	9,663,600	-	76,709,082
Disposals								
Cost	-	-	(5,698,289)	(1,659,576)	(7,098,025)	(121,300)	-	(14,577,190)
Accumulated depreciation	-	-	3,917,574	1,588,575	4,319,056	121,300	-	9,946,505
	-	-	(1,780,715)	(71,001)	(2,778,969)	-	-	(4,630,685)
Write off								
Cost	-	-	(135,000)	(3,924,768)	-	(934,008)	-	(4,993,776)
Accumulated depreciation	-	-	135,000	3,924,768	-	934,008	-	4,993,776
	-	-	-	-	-	-	-	-
Less: depreciation charge	(14,993,964)	(19,184,904)	(16,425,076)	(15,882,565)	(9,462,082)	(8,840,204)	(1,450,044)	(86,238,839)
Net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
As at June 30, 2024								
Cost / revalued amount	900,015,000	134,294,300	205,374,877	199,968,500	143,622,201	107,327,674	16,111,713	1,706,714,265
Less: Accumulated depreciation	(14,993,964)	(19,184,904)	(166,145,495)	(161,215,585)	(51,219,884)	(92,956,498)	(6,263,837)	(511,980,167)
Net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
Useful life / rate of depreciation	77 & 99 years	11.10%	15% - 33%	15% - 20%	20% - 25%	33%	10%	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

5.1.1 The leasehold land and building of the Holding Company were revalued by M/s. Surval (Private) Limited (an independent professional valuer) on June 30, 2023 on the basis of professional assessment of the present market values which resulted in an increase in surplus on revaluation by Rs. 140.39 million which has been revalued in the year 2023. The details are mentioned in note 49.

Had the revaluation not been carried out, costs, accumulated depreciation and written down value of leasehold land and office building thereon would have been as follows:

Summary of the fair value as determined by the valuer in 2023 is as follows:

Address	Market value			Forced sale value
	Land	Building	Total	
	Rupees			
Plot No. 16, Sector No. 24, Korangi Industrial Area	700,035,000	128,806,300	828,841,300	664,073,040
Plot No. 49, Sector No. 24, Korangi Industrial Area	199,980,000	5,488,000	205,468,000	164,374,400
	900,015,000	134,294,300	1,034,309,300	828,447,440

Particulars of land and building are included in note 5.1.4.

Had the revaluation not been carried out, costs, accumulated depreciation and written down value of leasehold land and office building thereon would have been as follows:

	2025		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	54,399,300	12,159,374	42,239,926
Office building	76,781,580	57,586,179	19,195,401
	131,180,880	69,745,553	61,435,327

	2024		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	54,399,300	11,548,958	42,850,342
Office building	76,781,580	53,747,103	23,034,477
	131,180,880	65,296,061	65,884,819

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

5.1.2 Included in the cost of property and equipment - own use are fully depreciated items which are still in use aggregating to Rs. 367.01 million (2024: Rs. 379.06 million).

5.1.3 Details of property and equipment - own use disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
	Rupees						
Book value not exceeding Rs. 500,000 each							
Furniture, fittings and office equipment	6,668,995	6,615,615	53,380	1,360,637	1,307,257	Negotiation	Various
Vehicles (various)	10,047,428	5,562,543	4,484,885	11,825,851	7,340,966	Negotiation	Various
Lease hold improvement	741,154	741,154	-	66,763	66,763	Negotiation	Various
Computers and accessories	2,400,981	2,398,397	2,584	621,270	618,686	Negotiation	Various
	19,858,558	15,317,709	4,540,849	13,874,521	9,333,672		
Book value exceeding Rs. 500,000 each							
Vehicles	2,353,000	1,411,800	941,200	2,807,000	1,865,800	Negotiation	Mr. Zahid Qadri
Vehicles	2,745,970	1,208,227	1,537,743	3,600,000	2,062,257	Negotiation	Mr. Safdar ur Rehman
Vehicles	5,405,000	2,162,000	3,243,000	5,710,764	2,467,764	Negotiation	Mr. Kashif Zamir
Vehicles	23,311,250	13,986,750	9,324,500	29,000,000	19,675,500	Negotiation	Mr. Aadil Zaib
	33,815,220	18,768,777	15,046,443	41,117,764	26,071,321		
Total - June 30, 2025	53,673,778	34,086,486	19,587,292	54,992,285	35,404,993		
Total - June 30, 2024	14,577,190	9,946,505	4,630,685	7,772,299	3,141,614		

5.1.4 Particulars of the Group's immovable land and building - own use are as follows;

Particulars	Location	Area
Head Office Building	Plot no.16 sector 24, Korangi Industrial Area, Karachi	44,893 Sq. feet
Office Building	Plot no.49 sector 24, Korangi Industrial Area, Karachi	4,477 Sq. feet
Leasehold Land	Plot no.16 sector 24, Korangi Industrial Area, Karachi	6,667 Sq. Yds.
Leasehold Land	Plot no.49 sector 24, Korangi Industrial Area, Karachi	2,222 Sq. Yds.

5.1.5 The depreciation expense for the year has been charged to administrative and general expenses.

	Note	2025	2024
		Rupees	
5.2 Ijarah Assets			
Ijarah assets	5.2.1	736,741,555	1,260,176,914

Description	2025								
	Cost			Accumulated depreciation				Net book value	Number of years of useful life
	As at July 1, 2024	Additions/ write-off	As at June 30, 2025	As at July 1, 2024	Charge for the year / Write off	Impairment / (reversal of impairment)	As at June 30, 2025	As at June 30, 2025	
	Rupees								
Machinery and generators	2,400,056,439	387,968,805 (1,160,912,510)	1,627,112,734	1,217,099,271	380,326,351 (660,113,875)	-	937,311,747	689,800,987	2.67 to 4 years
Vehicles	182,344,410	82,000,000 (169,781,000)	94,563,410	105,124,664	26,639,846 (84,141,668)	-	47,622,842	46,940,568	3 to 5 years
	2,582,400,849	469,968,805 (1,330,693,510)	1,721,676,144	1,322,223,935	406,966,197 (744,255,543)	-	984,934,589	736,741,555	

Description	2024								
	Cost			Accumulated depreciation				Net book value	Number of years of useful life
	As at July 1, 2023	Additions/ write-off	As at June 30, 2024	As at July 1, 2023	Charge for the year / Write off	Impairment / (reversal of impairment)	As at June 30, 2024	As at June 30, 2024	
	Rupees								
Machinery and generators	2,937,103,895	354,420,624 (891,468,080)	2,400,056,439	1,437,971,778	485,462,617 (706,747,103)	411,979	1,217,099,271	1,182,957,168	2.67 to 4 years
Vehicles	330,821,710	- (148,477,300)	182,344,410	201,242,012	28,263,037 (124,828,121)	447,736	105,124,664	77,219,746	3 to 5 years
	3,267,925,605	354,420,624 (1,039,945,380)	2,582,400,849	1,639,213,790	513,725,654 (831,575,224)	859,715	1,322,223,935	1,260,176,914	

5.2.2 The Group has entered into various Ijarah agreements for periods ranging from 1 to 5 years (2024: 3 to 5 years). Security deposits ranging between 0% to 43% (2024: 10% to 30%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 13.31% to 26.07% (2024: 20.25% to 28.95%) per annum.

5.2.3 Disposals during the year in respect of Ijarah assets have been made to the lessees as per the contract terms.

5.2.4 The depreciation expense for the year has been charged to direct cost.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

5.2.5 During the year, Ijarah assets have been presented separately on the Consolidated Statement of Financial Position while the related income has been disclosed separately on the Consolidated Statement of Profit or Loss for better presentation and according to the nature of assets.

5.3 Right-of-use assets

Description	2025							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2024	Additions/ (disposals)	As at June 30, 2025	As at July 1, 2024	Charge for the year /(on disposals)	As at June 30, 2025	As at June 30, 2025	
	Rupees							
Rental property	186,334,240	131,208,203 (16,832,569)	300,709,874	104,096,864	44,699,517 (17,179,723)	131,616,658	169,093,216	1 to 8.78 years
	186,334,240	131,208,203 (16,832,569)	300,709,874	104,096,864	44,699,517 (17,179,723)	131,616,658	169,093,216	

Description	2024							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2023	Additions/ (disposals)	As at June 30, 2024	As at July 1, 2023	Charge for the year /(on disposals)	As at June 30, 2024	As at June 30, 2024	
	Rupees							
Rental property	147,910,971	35,690,335 2,732,934	186,334,240	75,017,950	28,992,730 86,184	104,096,864	82,237,376	1 to 8.78 years
	147,910,971	35,690,335 2,732,934	186,334,240	75,017,950	28,992,730 86,184	104,096,864	82,237,376	

5.3.1 The depreciation expense for the year has been charged to administrative and general expenses.

6 INTANGIBLE ASSETS

	Note	2025	2024
		Rupees	
Computer software and license	6.1 & 6.4	2,325,702	4,448,768
Goodwill	6.1	13,728,733	13,728,733
Customer relationship for Ijarah	6.1	-	-
Development cost/CWIP	6.3	12,297,364	-
		28,351,799	18,177,501

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

6.1 Following is a statement of intangible assets:

Description	2025							
	Cost			Accumulated depreciation			Net book value	Rate of amortisation / Number of years of useful life
	As at July 1, 2024	Additions/ (disposals)	As at June 30, 2025	As at July 1, 2024	Charge for the year /(on disposals)	As at June 30, 2025	As at June 30, 2025	
	Rupees							
Computer software and license	131,690,740	766,390 -	132,457,130	127,241,972	2,889,456 -	130,131,428	2,325,702	33%
Goodwill	13,728,733	-	13,728,733	-	-	-	13,728,733	Indefinite life
Customer relationship for Ijarah	86,000,000	-	86,000,000	86,000,000	-	86,000,000	-	7 years
	231,419,473	766,390	232,185,863	213,241,972	2,889,456	216,131,428	16,054,435	

Description	2024							
	Cost			Accumulated depreciation			Net book value	Rate of amortisation / Number of years of useful life
	As at July 1, 2023	Additions/ (disposals)	As at June 30, 2024	As at July 1, 2023	Charge for the year /(on disposals)	As at June 30, 2024	As at June 30, 2024	
	Rupees							
Computer software and license	128,232,684	3,458,056 -	131,690,740	124,699,379	2,542,593 -	127,241,972	4,448,768	33%
Goodwill	13,728,733	-	13,728,733	-	-	-	13,728,733	Indefinite life
Customer relationship for Ijarah	86,000,000	-	86,000,000	86,000,000	-	86,000,000	-	7 years
	227,961,417	3,458,056	231,419,473	210,699,379	2,542,593	213,241,972	18,177,501	

6.2 Included in cost of intangible assets are fully amortised items which are still in use aggregating to Rs. 123.48 million (2024: Rs. 123.41 million).

6.3 The Company has undertaken an in-house IT transformation project. Following the approval of the Board, the development phase has commenced. The projected timeline for this phase, which includes the system's design, development, and testing, is around three years. The asset will become available for use after completion of the project. Accordingly, the Company has capitalized development expenditures, which include salaries and benefits of employees directly engaged in the development activities.

6.4 The amortisation expense of computer software and license and customer relationship for Ijarah for the year has been charged to administrative and general expenses and direct cost respectively.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

7 NET INVESTMENT IN FINANCE LEASE-NON CURRENT

	Note	2025	2024
		Rupees	
Instalment contract receivables		9,666,715,980	12,006,476,058
Residual value		5,075,446,156	5,728,291,210
Less: adjustable security deposit	7.1	(5,075,436,913)	(5,724,992,167)
Gross investment in finance lease	7.2	9,666,725,223	12,009,775,101
Less: unearned finance income		(1,709,036,758)	(2,814,030,017)
Present value of investment in finance lease		7,957,688,465	9,195,745,084
Less: current maturity	13	(4,221,795,165)	(5,043,931,312)
		3,735,893,300	4,151,813,772
Less: expected credit / provision against leases-non current portion	37.1	(10,187,795)	(52,225,912)
		3,725,705,505	4,099,587,860

7.1 Security deposit is received from the lessees under a finance lease contract which is adjustable at the expiry of the lease period.

7.2 Details of investment in finance lease

	Gross investment in finance lease		Present value of investment in finance lease	
	2025	2024	2025	2024
	Rupees			
Less than one year	5,287,986,068	6,838,982,727	4,221,795,165	5,043,931,312
One to five years	4,378,739,155	5,170,792,374	3,735,893,300	4,151,813,772
	9,666,725,223	12,009,775,101	7,957,688,465	9,195,745,084

7.3 The Holding Company's implicit rate of return on leases ranges from 15.19% to 34.00% (2024: 15.00% to 36.18%) per annum. These are secured against leased assets, security deposits averaging 25.88% (2024: 25.15%) of the cost of leased assets and personal guarantees.

7.4 Lease rentals received during the year amounted to Rs. 6,574 million (2024: Rs. 8,332 million).

8 LONG-TERM LOANS AND FINANCES

	Note	2025	2024
		Rupees	
Considered good			
Loans to key management personnel, other executives and employees - secured			
Key management personnel - related parties	8.1 & 8.7	40,522,939	59,405,915
Other executives		156,663,194	150,834,208
	8.2	197,186,133	210,240,123
Other employees	8.7	54,595,034	86,065,345
		251,781,167	296,305,468

	Note	2025	2024
		Rupees	
Others - secured			
Vehicle finance	8.3	18,885,825,659	14,094,371,915
Micro finance / small enterprise finance	8.4	3,091,877	29,056,524
Term Finance	8.5	1,592,788,918	1,617,013,084
Musharikah finance	8.6	6,888,599,913	5,263,972,534
Agri finance	8.8	85,564,183	121,861,915
		27,455,870,550	21,126,275,972
		27,707,651,717	21,422,581,440
Considered doubtful			
Others - secured			
Term finance	8.5	66,308,522	61,886,680
Vehicle finance	8.3	196,657,266	157,768,968
Micro finance / small enterprise finance	8.4	8,638,147	6,137,003
Musharikah finance	8.6	176,817,558	175,154,147
Agri finance	8.8	18,797,085	7,045,500
		467,218,578	407,992,298
Less: expected credit loss / provision	37.2	(102,377,600)	(48,851,464)
		364,840,978	359,140,834
Less: general provision against micro finance	8.9 & 37.2	(15,459)	(1,145,976)
		28,072,477,236	21,780,576,298
Accrued return/profit on loans and finances		433,765,581	571,716,954
		28,506,242,817	22,352,293,252
Less: current maturity			
Key Management Personnel, other executives and employees		(50,687,044)	(55,176,017)
Others		(12,730,105,356)	(9,461,963,071)
	13	(12,780,792,400)	(9,517,139,088)
		15,725,450,417	12,835,154,164

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

8.1 Loans to Key Management Personnel - related party

Names	Maximum amount outstanding	Provisions / (write-off)	2025	2024
	Rupees			
Mian Faysal Riaz	2,345,971	-	1,616,524	2,408,678
Mr. Imtiaz Ahmad Chaudhary	678,692	-	61,230	730,041
Mr. Abid Hussain Awan	2,996,392	-	-	5,000,000
Mr. Waqas Ahmad Khwaja	1,824,965	-	1,061,030	1,891,551
Mr. Adnan Ishaq	1,720,197	-	1,700,084	-
Ms. Aseya Qasim	3,539,793	-	3,449,281	514,423
Mr. Fahad Shahzad Memon	6,245,574	-	6,245,574	5,018,443
Mr. Shafiq Ur Rehman	1,151,154	-	-	1,333,129
Mr. Hamood Ahmed	497,343	-	-	600,649
Mr. Muhammad Aslam	3,282,650	-	2,718,015	3,329,329
Mr. Shahzad Rana Younus	2,441,207	-	2,067,505	-
Mr. Rashid Ahmed	1,370,789	-	905,704	-
Mr. Salman Ali	284,485	-	162,546	297,375
Mr. Hamid Muhammad Khan	1,219,330	-	520,891	-
Mr. Umair Alam	2,177,065	-	2,177,065	-
Mr. Raheel Qamar Ahmad	19,800,000	-	11,925,151	19,800,000
Mr. Nadir Shah	4,683,908	-	-	4,068,718
Mr. Salwat Ahmad	12,599,990	-	4,695,034	11,782,886
Mr. Nabeil Rabbani	1,955,775	-	-	1,955,775
Mr. Muhammad Azhar Waseem	1,059,182	-	1,217,305	674,918
		-	40,522,939	59,405,915

8.1.1 Loans to the key management personnel include house loan, vehicle loan and personal loan as per the Group's HR policy.

8.2 Movement in loans to key management personnel and other executives

	2025	2024
	Rupees	
Opening balance	210,240,123	279,878,395
Disbursements during the year	26,232,243	37,409,045
Amount transfer to prepaid	32,591,616	(87,600,898)
Unwinding of Staff Loan	7,351,607	8,414,369
Transfer of resigned staff	(58,171,881)	(7,741,450)
Repayments during the year	(21,057,575)	(20,119,338)
Closing balance	197,186,133	210,240,123

8.3 These represent vehicle financing facilities provided to individual and corporate customers on mark-up basis. The mark-up on these finances ranges from 15.24% to 35.00% (2024: 15.00% to 34.50%) per annum. These finances are repayable within a period of upto 7 years (2024: upto 6 years) and are secured against charge over vehicles and personal guarantees.

8.4 These represent long-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans ranges from 27.50% to 44.80% (2024: 27.50% to 44.80%) per annum. These finances are repayable within a period of 1.25 to 2 years (2024: 1.25 to 2 years) and are secured against personal guarantees.

8.5 These represent term finance facilities provided to commercial business customers on mark-up basis. The mark-up on these finances ranges from 18.11% to 22.00% (2024: 20.00% to 29.55%) per annum. These finances are repayable within a period of upto 3 years (2024: upto 5 years) and are secured against business assets. Additional collateral in form of property mortgage and personal guarantees are also obtained.

8.6 These represent musharikah finance facilities provided to customers. The profit rate on these finances ranges from 16.16% to 26.19% (2024: 21.07% to 27.49%) per annum. The facilities have a repayment term of 3 to 5 years (2024: 3 to 5 years) and are secured by assets subject to musharikah agreement.

8.7 These represent loans given to staff in accordance with the terms of the Company's HR policy and include house loans which are repayable within a period of 20 years or retirement date, whichever is earlier. House loans are secured against equitable mortgage on the property by deposit of title documents of the property with the Company and carry mark-up rate ranging from 4% to 17.73% (2024: 4% to 17.73%) per annum.

Loans (other than house loans) carry mark-up rates ranging from 5.00% to 23.55% (2024: 5.00% to 23.55%) per annum. These are secured against retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to key management personnel and executives was Rs. 297.86 million (2024: Rs. 301.76 million).

8.8 These represent long-term finance facilities provided to farmers on mark-up basis. The rates of return on these loans range from 21.00% to 35.00% (2024: 28.00% to 33.00%) per annum. These loans are repayable within a period of 2 years (2024: within a period of 2 years) and are secured against title documents of the immovable properties.

8.9 As per Regulation 25(A) of the NBFC Regulations, NBFCs with micro finance portfolio are required to maintain a general provision equivalent to 0.5% of the net outstanding micro finance portfolio (net of specific provisions).

	Note	2025	2024
9 INVESTMENT IN ASSOCIATE		Rupees	
Related party			
Yanal Finance Company	9.1	1,775,618,949	1,707,416,512
OPP (Private) Limited*	9.2 & 18.2	87,754,399	-
SAMA Finance SAE*	9.3 & 18.3	172,043,037	-
		2,035,416,385	1,707,416,512
Less: impairment on investments		(259,797,436)	-
		1,775,618,949	1,707,416,512

**Fully provided*

9.1 The breakup of carrying value of investment accounted under equity method is as follows:

2025	2024		Note	2025	2024
----(Number of shares)----				---- Rupees ----	
		Unquoted			
1,375,000	1,375,000	Yanal Finance Company	9.1.1	1,775,618,949	1,707,416,512

9.1.1 The holding company holds 2.5% (2024: 2.5%) ownership interest in Yanal Finance Company (YFC), which was incorporated in Riyadh, Kingdom of Saudi Arabia. The holding company's contractual right to nominate 1 out of 9 directors on YFC board member enables it to participate in and influence its key financial and operational decisions. Moreover, the CEO of the holding company is also the MD of YFC. Accordingly, YFC is accounted under equity method of accounting due to the significant influence exercised by the Company. The latest available audited financial statements, which are prepared on a going concern basis, for the year ended December 31, 2024 have been audited by Pricewaterhouse Coopers, Kingdom of Saudi Arabia.

9.1.2 Summarised un-audited financial statements of associate are as follows:

	As at June30			For the year ended June 30			Interest held
	Total assets	Total liabilities	Net assets	Revenues	Profit	OCI	
	---- Rupees ----						
2025 - Unlisted							
Yanal Finance Company	137,942,949,879	(65,646,536,708)	72,296,413,171	16,376,391,883	6,505,619,683	(35,311,738)	2.50%
2024 - Unlisted							
Yanal Finance Company	121,691,408,785	(52,443,984,596)	69,247,424,189	17,341,192,495	7,165,043,688	(4,836,592)	2.50%

9.1.3 Movement of investment in associate is as follows:

	Note	2025	2024
		---- Rupees ----	
Balance at the beginning of the year		1,707,416,512	1,718,529,322
Share of profit for the year	33	154,255,506	139,598,202
Dividend received during the year		(121,290,321)	(102,026,298)
Exchange (loss) / gain arising on translation of a foreign associate		36,120,045	(48,891,864)
Share of other comprehensive (loss) / income		(882,793)	207,150
Balance at the end of the year		1,775,618,949	1,707,416,512

9.1.4 The carrying value of investment in associate in foreign curreny is SAR 23,468,273 (2024: SAR 23,012,648).

9.2 The Company holds 45% (2024: 45%) ownership interest in OPP (Private) Limited. The investment is reclassified from "held for sale" on its net carrying value, as explained in note 18.2. During the period, an impairment has been recorded against the investment due to limited availability of financial information, being the matter pending under litigation for winding up.

9.3 The Company holds a 23% (2024: 23%) ownership interest in SAMA Finance SAE (SAMA) and holds 02 directorship on the Board of SAMA. The investment is reclassified from "held for sale" on its net carrying value, as explained in note 18.3.

9.4 Reconciliation of the summarised financial information to the carrying amount of the Group's interest

	2025	2024
	Rupees	
Percentage ownership interest	2.5%	2.5%
Total assets	137,942,949,879	121,691,408,785
Total liabilities	(65,646,536,708)	(52,443,984,596)
Net assets (100%)	72,296,413,171	69,247,424,189
Group's share of net assets	1,807,410,329	1,731,185,605
Tax impact	(31,791,380)	(23,769,093)
Carrying amount of interest in associate	1,775,618,949	1,707,416,512
Revenue	16,376,391,883	17,341,192,495
Profit	6,505,619,683	7,165,043,688
OCI	(35,311,738)	(4,836,592)
Total comprehensive income (100%)	6,470,307,945	7,160,207,096
Total comprehensive income (2.5%)	161,757,699	179,005,177
Impact of tax	(8,384,986)	(39,199,825)
Group's share of total comprehensive income	153,372,713	139,805,352

10 LONG-TERM INVESTMENTS

	Note	2025	2024
		Rupees	
At fair value through other comprehensive income			
Ordinary shares - unlisted	10.2	20,337,366	18,766,206
Ordinary shares - listed	10.3 & 10.4	11,164,079	6,220,400
		31,501,445	24,986,606
Less: impairment on investment	10.2	(9,406,250)	-
		22,095,195	24,986,606

10.1 Movement in surplus on re-measurement of financial assets at fair value through other comprehensive income:

	2025	2024
Opening balance	2,234,530	2,956,489
Recognised in OCI on account of revaluation	6,514,839	(1,183,539)
Gain on account of recognition of equity securities	17,203,411	-
	23,718,250	(1,183,539)
Related tax	(9,250,117)	461,580
	14,468,132	(721,959)
	16,702,662	2,234,530
Transfer to retained earning on account of disposal - net of tax	(10,494,080)	-
Closing balance	6,208,582	2,234,530

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10.2 This represents 705,882 (2024: 705,882) shares of Al-Baraka Bank (Pakistan) Limited which have been carried at break up value and 940,625 (2024: 940,625) shares of Cashew Financial Services Limited (CFSL), having a face value of Rs. 10 per share. During the year, investment in CFSL was impaired.

10.3 The Company has 295,536 (2024: 295,536) shares of LSE Proptech Limited (LSEPL) having a face value of Rs. 10 per share and 842,810 (2024: 842,810) shares of LSE Ventures Limited (LSEVL) having a face value of Rs. 10 per share.

10.4 During the current period, LSEPL underwent restructuring through Court Sanctioned Scheme of Compromises, Arrangement and Reconstruction whereby all assets and liabilities of LSEPL were transferred to LSE Capital Limited (LSECL), which is listed on the Pakistan Stock Exchange, against issuance of shares. Accordingly, the Company was issued 245,294 shares of LSECL in lieu of 295,536 shares of LSEPL.

Following the amalgamation of Orix Investment Bank (OIB) with the Company in 2009, all movable and immovable assets, liabilities, rights, and obligations of OIB were transferred to the Company. However, 72,838 shares of Pioneer Cement Limited (PCL) remained in the OIB House Account, which during the current year were transferred to the Company. Consequently, these shares were recognised and subsequently sold during the year.

11 DEFINED BENEFIT OBLIGATION - STAFF GRATUITY

11.1 General description

The Holding Company operates a funded gratuity scheme which was established under the provisions of the Trust Deed dated July 1, 2004 for its permanent staff who have completed the minimum qualifying period of three years of service under the scheme. In view of promulgation of Sindh Trust Act, 2020 (the Act), the Holding Company and the trustees of the fund have registered the original trust deed and rules under the Act in September 2022. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2025 using the Projected Unit Credit Method.

11.2 Principal actuarial assumptions

	2025	2024
- Discount rate	12.25%	15.50%
- Expected short term salary increase rate	10.00%	15.00%
- Expected long term salary increase rate	11.75%	15.50%
- Expected rate of return on plan assets	16.12%	15.00%
- Average service years	13.67	13.67

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the SLIC (2001 - 2005) -1 ultimate mortality tables rated down one year.

11.3 The amount recognised in the consolidated statement of financial position is as follows:

	Note	2025	2024
		Rupees	
Present value of defined benefit obligation	11.4	313,226,176	311,039,869
Fair value of any plan assets	11.4	(377,531,754)	(332,830,350)
		(64,305,578)	(21,790,481)

11.4 The movement in the defined benefit obligation over the year is as follows:

	Note	2025		
		Present value of defined benefit obligation	Fair value of plan assets	Net asset
		Rupees		
At July 1		311,039,869	(332,830,350)	(21,790,481)
Current service cost		23,553,404	-	23,553,404
Interest expense / (income)		47,405,920	(50,657,520)	(3,251,600)
		381,999,193	(383,487,870)	(1,488,677)
Remeasurements:				
Actuarial gain on plan assets	11.6	-	(13,426,528)	(13,426,528)
Actuarial gain on obligation	11.6	(29,088,569)	-	(29,088,569)
		(29,088,569)	(13,426,528)	(42,515,097)
		352,910,624	(396,914,398)	(44,003,774)
Contributions made		-	(20,301,804)	(20,301,804)
Benefits paid		(39,684,448)	39,684,448	-
At June 30		313,226,176	(377,531,754)	(64,305,578)

	2024		
	Present value of defined benefit obligation	Fair value of plan assets	Net asset
	Rupees		
At July 1	302,086,399	(308,204,730)	(6,118,331)
Current service cost	22,842,173	-	22,842,173
Interest expense / (income)	47,071,640	(48,077,824)	(1,006,184)
	372,000,212	(356,282,554)	15,717,658
Remeasurements:			
Actuarial loss on plan assets	-	(4,774,461)	(4,774,461)
Actuarial gain on obligation	(10,897,686)	-	(10,897,686)
	(10,897,686)	(4,774,461)	(15,672,147)
	361,102,526	(361,057,015)	45,511
Contributions made	-	(21,835,992)	(21,835,992)
Benefits paid	(50,062,657)	50,062,657	-
At June 30	311,039,869	(332,830,350)	(21,790,481)

11.5 The amount recognised in consolidated statement of profit or loss is as follows:

	Note	2025	2024
		---------- Rupees ----------	
Current service cost		23,553,404	22,842,173
Interest expense - net		(3,251,600)	(1,006,184)
		20,301,804	21,835,989

11.6 The amount recognised in the unconsolidated statement of profit or loss and other comprehensive income is as follows:

	Note	2025	2024
Actuarial gain on plan assets	11.6.1	13,426,528	4,774,461
Actuarial gain on obligation	11.6.2	29,088,569	10,897,686
		42,515,097	15,672,147

11.6.1 Included in actuarial gain on plan assets

	2025	2024
Actual net return on plan assets	53,749,535	45,385,868
Interest income on plan assets	(50,657,520)	(48,077,824)
	3,092,015	(2,691,956)
Opening difference in fund accounts	10,334,513	7,466,417
Net return on plan assets over interest income	13,426,528	4,774,461

11.6.2 Included in actuarial gain on obligation

	2025	2024
Gain due to change in financial assumptions	17,227,232	1,179,565
Gain due to change in experience adjustments	11,861,337	9,718,121
	29,088,569	10,897,686

11.7 The plan assets and defined benefit obligations are based in Pakistan.

11.8 Plan assets consist of the following:

	2025 (Un-audited)		2024 (Audited)	
	(Rupees)	%	(Rupees)	%
Investment in Government securities	367,119,621	97.24%	327,590,282	98.43%
Cash and bank balances	10,412,133	2.76%	5,240,068	1.57%
	377,531,754	100.00%	332,830,350	100.00%

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11.9 Historical results

	2025	2024	2023	2022	2021
	Rupees				
Present value of defined benefit obligation	313,226,176	311,039,869	302,086,399	265,876,926	248,556,585
Fair value of plan assets	(377,531,754)	(332,830,350)	(308,204,730)	(293,133,410)	(256,909,032)
Surplus	(64,305,578)	(21,790,481)	(6,118,331)	(27,256,484)	(8,352,447)
Remeasurements of plan liabilities	(29,088,569)	(10,897,686)	(3,063,606)	21,750,801	(40,068,679)
Remeasurements of plan assets	(13,426,528)	(4,774,461)	18,494,869	(700,289)	8,012,246

11.10 Actual return on plan assets during the year amounted to Rs. 64.08 million (2024: Rs. 52.85 million).

11.11 Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 15.92 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2026.

11.12 The Fund is exposed to a number of risks, the most significant of which are detailed below:

Mortality risk	This is the risk that the actual mortality experience is different from what was initially expected. The effect depends on the beneficiaries' service/age distribution and the benefit.
Investment risk	This is the risk of investments underperforming and not being sufficient to meet liabilities. However, the trustees of the fund have a practice to invest the amounts in government securities that are secured.
Final salary risk	This is the risk that the final salary at the time of cessation of service is greater than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately. In order to minimise the risk the actuary of the Holding Company uses past pattern which provides basis to form a reliable estimate.
Withdrawal risk	This is the risk that withdrawals may be higher or lower than actuarial assumptions. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit. The Holding Company ensures the availability of sufficient liquid funds in the gratuity fund and makes regular contributions to minimise the risk.

11.13 The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is as follows:

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	Rupees	
Discount rate	1.0%	292,965,818	334,490,245
Salary growth rate	1.0%	332,900,270	294,035,691

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

11.14 The distribution of timing of payment of benefits is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
	Rupees					
Defined benefit obligation	20,977,171	61,117,658	71,491,561	30,343,381	47,295,743	228,015,986

11.15 The weighted average duration of the defined benefit obligation is 6.62 years.

11.16 The information provided in notes 11.1 to 11.15 have been obtained from the details provided by the actuary of the Holding Company.

12 SHORT-TERM FINANCES

	Note	2025	2024
		Rupees	
Considered good - secured			
Micro finance / small enterprise finance	12.1	598,612	2,963,689
Term finance		-	708,265
Agri finance	12.2	3,647,953	30,038,366
		4,246,565	33,710,320
Considered doubtful - secured			
Micro finance		790,053	659,979
Agri finance	12.2	2,883,331	1,599,996
		3,673,384	2,259,975
Less: expected credit loss / provision	37.2	(2,784,911)	(2,223,682)
		888,473	36,293
Less: general provision against micro finance loans	8.9 & 37.2	(29,931)	(115,186)
		5,105,107	33,631,427

12.1 These represent short-term micro finance facilities with maturity of a less than a year provided to individuals on mark-up basis. The mark-up on these loans ranges from 22.00% to 42.00% (2024: 22.00% to 42.00%) per annum. These are secured against personal guarantees and are repayable within twelve months.

12.2 These represent short-term finance facilities offered to farmers on mark-up basis. The rate of return on these loans ranges from 17.00% to 18.00% (2024: 28.00% to 33.00%) per annum. These are repayable within twelve months and are secured against title documents of the immovable properties.

13 CURRENT MATURITY OF NON-CURRENT ASSETS	Note	2025	2024
		Rupees	
Current maturity of:			
Net investment in finance lease	7.2	4,221,795,165	5,043,931,312
Expected credit loss / provision against finance leases	37.1	(329,405,364)	(528,062,002)
		3,892,389,801	4,515,869,310
Long-term loans and finances	8	12,780,792,400	9,517,139,088
Expected credit loss / provision against loans and finances	37.2	(319,461,297)	(231,126,270)
		12,461,331,103	9,286,012,818
		16,353,720,904	13,801,882,128

14 SHORT-TERM INVESTMENTS	Note	2025	2024
At fair value through profit or loss			
Market treasury bills	14.1	2,182,958,179	2,560,551,321
Mutual Funds	14.2	159,735,406	350,918,237
		2,342,693,585	2,911,469,558

14.1 These include investment amounted to Rs. 445.70 million (2024: Rs. 800.55 million) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 5 months (2024: 1 to 6 months) from the reporting date, carrying yield ranging from 11.25% to 11.95% (2024: 19.92% to 21.57%) per annum.

14.2 Following is the break-up of investment if mutual funds:

Name of investee fund	As at 1 July 2024	Dividend reinvest / Bonus	Redemption during the year	As at 30 June 2025	As at 30 June 2024	As at 30 June 2025 Carrying value	As at 30 June 2025 Market value	As at 30 June 2025 Unrealised gain on revaluation of financial assets at fair value through P/L	"As at 30 June 2024 Market value"
	(Number of Units)					(Rupees)			
NBP Funds Management Limited	10,852,568	295,313	10,600,000	547,881	10,852,568	5,545,319	5,478,802	(66,517)	108,525,676
UBL Fund Managers Limited	57,194	5,864	-	63,058	57,194	5,724,580	6,335,106	610,526	5,724,580
Alfalah Asset Management Limited	1,278,294	132,567	-	1,410,861	1,278,294	140,945,799	141,086,096	140,297	137,829,383
MCB Investment Management Limited	1,092,179	29,956	1,055,170	66,965	1,092,179	6,660,809	6,663,650	2,841	108,682,736
MCB Investment Management Limited	1,559	159	-	1,718	1,559	171,752	171,752	-	155,865
						159,048,259	159,735,406	687,147	350,918,237

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15 ADVANCES AND PREPAYMENTS

	Note	2025	2024
		Rupees	
Advances - unsecured	15.1	187,478,444	229,786,768
Prepayments			
Rent		4,516,617	4,214,145
Prepaid commission for the sale of Certificates of Musharika (COM)		20,470,090	19,603,067
Prepayment related to staff loan		40,707,471	80,993,115
Other prepayments	15.2	39,752,856	44,758,988
		105,447,034	149,569,315
		292,925,478	379,356,083

15.1 These include amounts disbursed to various vendors for the supply or construction of assets against the financing to be extended by the Modaraba to its customers under Ijarah and diminishing musharika arrangements.

15.2 This includes furnishing allowance provided to the Key Management Personnel.

Names	Maximum aggregate amount	2025	2024
	Rupees		
Mr. Imtiaz Ahmad Chaudhary	56,663	16,667	56,667
Mr. Abid Hussain Awan	141,680	103,928	141,688
Mr. Adnan Ishaq	112,496	87,500	-
Mr. Fahad Shahzad Memon	100,004	75,008	100,000
Mr. Mohammad Aslam	89,579	64,583	89,583
Mr. Mohammad Ikram	89,579	64,583	89,583
Mr. Shahzad Rana Younus	124,998	112,500	-
Mr. Rashid Ahmed	77,500	63,750	-
Mr. Salman Ali	136,213	118,732	36,178
Mr. Hamid Muhammad Khan	39,897	24,933	-
		732,184	513,699

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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16 OTHER RECEIVABLES

	Note	2025	2024
		Rupees	
Considered good			
Ijarah finance rentals		44,403,191	73,257,439
Receivables from Yanal Finance Company - related party	16.1	2,094,320	2,871,582
Receivables from ORIX Corporation - related party	16.1	52,422	1,892,895
Insurance receivable from lessees	16.4	417,675,411	-
Operating lease receivable		2,670,310	2,723,045
Insurance commission receivable		6,775,358	2,448,840
Receivable from former employees	16.2 & 16.3	74,454,901	-
Others		14,493,793	22,491,559
Less: provision against other receivable		(4,688,508)	(4,469,209)
		557,931,198	101,216,151
Considered doubtful			
Operating lease receivable		2,670,310	2,723,045
Ijarah finance rentals		52,802,209	50,782,608
Others		3,157,932	2,562,364
		58,630,451	56,068,017
Less: expected credit loss / provision	37.3	(65,945,790)	(56,068,017)
		550,615,859	101,216,151

16.1 Maximum amount outstanding at the end of any month during the year from Yanal Finance Company and ORIX Corporation, Japan was Rs 5.1 million and Rs. 2.9 million respectively.

16.2 During the year, certain irregularities were identified in the dividend disbursement process of a subsidiary, OLP Modaraba, relating to changes in dividend holders' bank account details. The matter was reviewed internally, and the full amount of Rs. 19.8 million was subsequently recovered by August 2025. The amount has been adjusted under unclaimed dividend during the current year.

16.3 This includes an amount of Rs. 54.4 million relating to an erroneous bank transfer recorded on June 27, 2025, by OLP Modaraba. The transaction was subsequently rectified, and the full amount was reimbursed to the Modaraba's account on July 4, 2025.

16.4 This represents insurance receivable from lessees on account of insurance of leased vehicles. Previsouly this has been netted off from insurance payables.

17 CASH AND BANK BALANCES

	Note	2025	2024
		Rupees	
Cash in hand		1,506,697	1,932,980
Balances with banks in:			
- Current accounts		142,700,832	302,459,049
- Deposit accounts	17.1	747,841,714	449,684,500
		890,542,546	752,143,549
Less: expected credit loss on bank balances		(16,025)	-
	17.2	892,033,218	754,076,529

17.1 These carry expected profits rates ranging from 4.00% to 19.50% per annum (2024: 5.50% to 20.50% per annum).

17.2 The balances held with banks in deposit accounts have been kept in order to comply with the requirement of the Modaraba Regulations, 2021 issued by the SECP with respect to the maintenance of the prescribed liquidity against the Certificates of Musharika issued by the Modaraba.

18 ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2025	2024
		Rupees	
Repossessed assets	18.1	250,001	250,001
Investment in associates			
- OPP (Private) Limited	18.2	-	87,754,399
- SAMA Finance SAE (SAMA)	18.3	-	172,043,037
Stock Exchange room		4,700,000	4,700,000
Disposal group held for sale	18.4	7,406,660	-
		12,356,661	264,747,437
Less: Impairment against assets held for sale	38	-	(172,043,037)
		12,356,661	92,704,400

18.1 These represent repossessed assets consisting of vehicles, machinery and other equipment previously leased out to customers. The Holding Company intends to dispose of these assets to recover the balance amount outstanding against such leases.

18.2 The Holding Company holds 45% (2024: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors of the Holding Company approved divestment of the Company's entire investment in OPP.

The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Holding Company in managing the affairs of OPP. The Holding Company has also filed a reference in the Lahore High Court to allow the Holding Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date. Being the matter is under litigation which is beyond the Holding Company's control, the timeline to dispose off the investment within one year could not be ascertained. Accordingly, the investment is reclassified to "investment in associates" at its net carrying value.

18.3 The Holding Company holds a 23% (2024: 23%) ownership interest in SAMA. In February 2019, the Board of Directors approved the divestment of this investment.

The Holding Company engaged in sale negotiation for disposal, signed a Sale Purchase Agreement (SPA) on October 17, 2019. Although the long stop date of the agreement expired in May 2022 without an extension, the Board reaffirmed their intention to sell in April 2023. Accordingly, the Holding Company has appointed a consultant to advise on and execute the sale. An impairment was recorded against the investment due to hampered profits, using the present value valuation method. Currently, the timeline for disposal within one year could not be ascertained due to economic conditions and affected business activities, which is beyond Company's control. Therefore, the investment is reclassified to "investment in associates" at its net carrying value.

18.4 OLP Services Pakistan (Private) Limited (OSPL), a wholly owned subsidiary of the Holding Company, initiated automobile service operations to assess the dynamics of the automobile service sector with a view to potential future integration with OLP's operating business segments. Effective from July 01, 2025, the decision to discontinue the automobile service business was taken owing to a non-competitive market and the dominance of the informal sector in Board of Directors meeting after reporting date.

The major classes of assets and liabilities related to workshop operations classified as held for sale as at June 30, 2025 are as follows:

	2025
	-------- Rupees --------
Assets	
Cash in hand	21,470
Other receivable	3,303,261
Taxation - net	4,081,929
	7,406,660
Liabilities	
Accrued and other liabilities	(1,260,713)

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
--------(Number of shares)--------			-------- Rupees --------	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid bonus shares	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
175,407,647	175,407,647		1,754,076,470	1,754,076,470

19.1 As at June 30, 2025, ORIX Corporation, Japan and its nominees held 86,960,515 (2024: 86,960,515) ordinary shares equivalent to 49.58% (2024: 49.58%) of the total shareholding.

19.2 As per regulation 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, an NBFC is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserves equals the paid up capital. Thereafter, 5% of the profit after tax is required to be transferred to this reserves. Accordingly, the Holding Company has transferred 5% of its profit after tax to the statutory reserves for the year ended June 30, 2025 and June 30, 2024.

20 SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING

	2025	2024
	-------- Rupees --------	
Opening balance	934,245,613	963,974,989
Adjustment in respect of incremental depreciation transferred to unappropriated profit	(29,729,376)	(29,729,376)
	904,516,237	934,245,613

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	Note	2025	2024
		Rupees	
Opening balance of deferred tax liability		(35,938,866)	(41,923,734)
Adjustment on transfer of incremental depreciation to unappropriated profit		5,984,868	5,984,868
	24	(29,953,998)	(35,938,866)
		874,562,239	898,306,747

20.1 Details of valuation report are included in note 5.1.1.

21 LONG-TERM FINANCES

	Note	2025	2024
		Rupees	
Secured			
Long-term finances utilised under mark-up arrangements - financial institutions	21.1, 21.2 & 21.3	16,404,000,931	10,615,229,428
Privately placed term finance certificates	21.4	1,125,000,000	1,875,000,000
Accrued interest / mark-up on long-term finances		163,864,713	331,407,877
		17,692,865,644	12,821,637,305
Less: unamortised transaction cost		(3,335,025)	(6,403,138)
Less: current maturity	30	(6,035,496,268)	(5,068,590,456)
		(6,038,831,293)	(5,074,993,594)
		11,654,034,351	7,746,643,711

21.1

June 30, 2025				
Name of bank / financial institution	Facility limit	Frequency of profit payment	Tenor	Balance outstanding
Allied Bank Limited	6,000,000,000	Quarterly	5 years	4,062,500,000
Muslim Commercial Bank	4,500,000,000	Quarterly	5 years	3,437,500,000
Bank Al Habib Limited	4,000,000,000	Quarterly	3-5 Years	2,300,000,000
Habib Bank Limited	4,000,000,000	Semi-Annual	3-5 Years	1,850,000,000
United Bank Limited	3,000,000,000	Quarterly	5 years	1,805,555,556
Karandaaz	2,000,000,000	Monthly-Quarterly-Semi Annually	3-5 Years	1,500,000,000
Askari Bank Limited	1,700,000,000	Quarterly	3-4 Years	333,333,332
Al Baraka Limited	300,000,000	Quarterly	5 years	300,000,000
Allied Bank Limited - Aitebar	500,000,000	Quarterly	3-5 years	295,528,720
Meezan Bank Limited	500,000,000	Quarterly	5 years	281,249,996
Bank Al-Falah Limited	500,000,000	Quarterly	3 Years	208,333,327
Pakistan Mortgage Refinance Company Limited	500,000,000	Quarterly	5 years	30,000,000
	27,500,000,000			16,404,000,931

21.2 These includes finances obtained by the Holding Company which have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 11.47% to 22.77% (2024: 20.32% to 22.59%) per annum. These finances are repayable within a period of 36 to 60 months (2024: 36 to 60 months).

21.3 This also includes Musharika term finance obtained by the Modaraba from various banks / companies amounting to Rs.579 million (2024: Rs.1,232 million). These carry profit at the rates ranging between 12.08% to 22.77% (2024:19.03% to 23.62%) per annum. These finances are repayable within a period of 36 to 60 months (2024: 36 to 60 months).

21.4 The Holding Company has issued rated, privately placed, secured term finance certificates ("TFCs") as an instrument of redeemable capital. These carry markup of 3 months kibor plus 0.8% and will mature on December 30, 2026 and are secured against hypothecation charge on receivables of the Holding Company.

22	**LONG-TERM CERTIFICATES OF DEPOSIT**	**Note**	**2025**	**2024**
			Rupees	
	Unsecured			
	Certificates of deposit	22.1	894,897,371	1,365,458,407
	Accrued profit on certificate of deposits		56,130,105	106,133,535
			951,027,476	1,471,591,942
	Less: current maturity	30	(306,524,004)	(578,356,496)
			644,503,472	893,235,446

22.1 These certificates of deposit have been obtained for financing the operations of the Company and issued at rate of return ranging from 6.73% to 18.25% (2024: 7.70% to 18.25%) per annum and issued for terms ranging from 3 years to 10 years (2024: 3 years to 10 years).

23	**LONG-TERM DEPOSITS**	**Note**	**2025**	**2024**
			Rupees	
	Security deposit on ijarah contracts		278,574,576	400,255,326
	Less: current maturity	30	(131,090,150)	(130,535,992)
			147,484,426	269,719,334

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

23.1 These represents amounts received under ijarah finance repayable / adjustable at the expiry of the lease period.

24 DEFERRED TAXATION

	Note	As at June 30, 2024	Recognised in profit or loss	Recognised in OCI	As at June 30, 2025
		Rupees			
Taxable temporary differences arising on:					
- Accelerated tax depreciation		385,567,095	192,720,995	-	578,288,090
- Surplus on revaluation of office building	20	35,938,866	(5,984,868)	-	29,953,998
- Investments		618,232,244	13,430,652	16,283,318	647,946,214
- Unamortised transaction costs relating to long term loans and finances		2,497,224	(1,196,564)	-	1,300,660
		1,042,235,429	198,970,215	16,283,318	1,257,488,962
Deductible temporary differences arising on:					
- Right-of-use assets and lease liability against right-of-use assets		(11,473,376)	(40,372,366)	-	(51,845,742)
- Allowance for expected credit loss / provision		(457,576,114)	(39,979,924)	-	(497,556,038)
		(469,049,490)	(80,352,290)	-	(549,401,780)
		573,185,939	118,617,925	16,283,318	708,087,182

25 OTHER LONG-TERM LIABILITIES

	Note	2025	2024
		Rupees	
Profit on certificates of deposit	25.1	117,108,774	72,316,765
Lease liability against right-of-use assets	25.2	142,161,554	77,868,689
		259,270,328	150,185,454

25.1 This represents accrued profit on certificates of deposit payable on maturity.

25.2 Details of minimum lease payments, financial charges and principal outstanding related to lease liability are as follows:

	2025			2024		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
	Rupees					
Not later than one year	77,836,952	26,841,406	50,995,546	45,230,307	16,988,154	28,242,153
Later than one year and not later than five years	164,306,527	48,589,870	115,716,657	88,955,381	33,730,665	55,224,716
Later than five years	33,989,579	7,544,682	26,444,897	32,812,970	10,168,997	22,643,973
	198,296,106	56,134,552	142,161,554	121,768,351	43,899,662	77,868,689
	276,133,058	82,975,958	193,157,100	166,998,658	60,887,816	106,110,842

26 REDEEMABLE CAPITAL - PARTICIPATORY AND UNSECURED

	Note	2025	2024
		Rupees	
Certificates of Musharika (COM)	26.1	5,633,455,000	4,287,535,000
Profit payable on redeemable capital		49,093,521	121,016,639
		5,682,548,521	4,408,551,639
Less: current portion of redeemable capital	26.2	(5,580,448,521)	(4,266,151,639)
		102,100,000	142,400,000

26.1 These carry estimated share of profit ranging between Re 0 to Re 0.3164 per thousand per day (2024: Re. 0.5479 to Re. 0.6025 per thousand per day) which constitutes 0% to 11.55% per anum (2024: 20.0% to 21.99% per annum) and are due to mature latest by June 03, 2030 (2024: April 05, 2029).

26.1.1 This includes COM issued to key management personnel amounting to Rs. 33.650 million (2024: Rs. 42.250 million) at the rate ranging from 0% to 21.05% (2024: 20.25% to 21.05%) per annum.

26.2 Current portion of redeemable capital

	Note	2025	2024
		Rupees	
Current portion of Certificates of Musharika		5,443,743,521	4,144,046,639
Payable to holders of matured Certificates of Musharika	26.2.1	136,705,000	122,105,000
		5,580,448,521	4,266,151,639

26.2.1 These represent amounts with respect to already matured certificates against which respective customer's request for encashment along with original certificates are pending.

27 ACCRUED AND OTHER LIABILITIES

	Note	2025	2024
		Rupees	
Creditors		584,371,521	1,060,506,609
Accrued liabilities		291,983,134	233,711,163
Other liabilities			
Advances from customers against finance lease and ijarah finance		8,995,607	7,556,740
Sales tax payable		38,838,635	32,635,198
Federal excise duty payable		-	1,400,982
Insurance premium payable	16.4	654,277,352	222,703,420
Provision for Provincial Workers' Welfare Fund	27.1	176,132,596	205,464,073
Payable to minority shareholders of Standard Chartered Leasing Limited		14,694,152	14,694,152
Others		66,574,639	66,301,765
		959,512,981	550,756,330
		1,835,867,636	1,844,974,102

27.1 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 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 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, no amount has been deposited relating to SWWF (2024: Rs 1.999 million). The management has provided for SWWF liability for the period from January 1, 2014 to June 30, 2025 in these financial statements on a prudent basis.During the year, the Honourable High Court of Sindh ruled in favour of Modarabas that the Modarabas having trans-provincial operations will pay WWF to FBR and Modarabas' operating within a single province will pay WWF to their respective Provincial Revenue Board. However, SRB has challenged such decision in Supreme Court of Pakistan.

27.2 In September 2024, the Holding Company received show-cause notices from the Sindh Revenue Board (SRB) demanding payment of the Sindh Workers Welfare Fund (SWWF) on total profit amounting to Rs. 68.1 million for the years ended June 30, 2022, and June 30, 2023. Accordingly, the Holding Company responded to the notices for both years, stating that it operates on a trans-provincial basis, and no payment can be made until a methodology is agreed upon among all stakeholders. Additionally, on September 24, 2024, the Holding Company filed a petition before the Sindh High Court (SHC) challenging the SRB's demand and seeking to restrain the SRB from taking any coercive action while the matter is pending. The SHC granted a stay order, subject to the deposit of the disputed amount with the Nazir of the SHC, and directed the SRB not to take any coercive action until a final decision is reached. The Holding Company submitted pay orders amounting to Rs. 37.2 million and Rs. 39.0 million for the years ended June 30, 2022, and June 30, 2023, respectively. These amounts are fully provided for in respective years. On April 25, 2025, SHC held that trans-provincial companies does not fall under the provincial authorities until a mutually agreed mechanism is developed by all stakeholders.

28 SHORT-TERM BORROWINGS	Note	2025	2024
		Rupees	
From banking companies - secured			
Running finance arrangements	28.1 & 28.2	2,022,332,080	1,646,007,840
Accrued interest / mark-up on short term borrowings		51,048,263	37,553,536
		2,073,380,343	1,683,561,376

28.1 Running finance arrangements

June 30, 2025				
Name of bank	Facility limit	Frequency of profit payment	Tenor	Balance outstanding
Habib Metropolitan Bank Limited	200,000,000	Quarterly	1 year	164,863,191
Allied Bank Limited	500,000,000	Quarterly	1 year	140,632,871
Askari Bank Limited	300,000,000	Quarterly	1 year	56,012,452
Habib Bank Limited	350,000,000	Quarterly	1 year	67,230,024
Bank Alfalah Limited	500,000,000	Monthly /Quarterly/Semi Annually	1 year	351,547,013
Bank Al Habib Limited	300,000,000	Quarterly	1 year	698,391,263
United Bank Limited	500,000,000	Quarterly	1 year	30,341,051
MCB Bank Limited	400,000,000	Quarterly	1 year	363,314,215
MCB Islamic bank limited	500,000,000	Quarterly	1 year	150,000,000
	3,550,000,000			2,022,332,080

28.2 These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,550 million as at June 30, 2025 (2024: Rs. 2,950 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 11.83% to 13.18% (2024: 22.39% to 22.99%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

29 SHORT-TERM CERTIFICATES OF DEPOSIT

	Note	2025	2024
		Rupees	
Unsecured			
Short-term certificates of deposit	29.1	2,015,104,976	3,897,166,782
Payable to holders of matured certificates of deposits		61,353,592	74,353,592
Accrued profit on short-term certificates of deposit		29,692,019	211,586,246
		2,106,150,587	4,183,106,620

29.1 These represent short-term certificates of deposit obtained for financing of operations, issued at rate of profit ranging from 8.00% to 18.10% (2024: 17.00% to 22.25%) per annum, for a term upto 12 months (2024: 12 months).

30 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2025	2024
		Rupees	
Current maturity of:			
Long-term finances	21	6,035,496,268	5,068,590,456
Long-term certificates of deposit	22	306,524,004	578,356,496
Lease liability against right-of-use asset	25.2	50,995,546	28,232,153
Long-term deposits	23	131,090,150	130,535,992
Redeemable capital	26.2	5,580,448,521	4,266,151,639
		12,104,554,489	10,071,866,736

31 CONTINGENCIES AND COMMITMENTS

31.1 Holding Company

31.1.1 The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order on July 18, 2014 under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) for the tax year 2010 and created a demand of Rs 167 million by disallowing capital loss on sale of shares and certain other matters. The Holding Company preferred an appeal against the amended assessment order passed by the ACIR before the Commissioner Inland Revenue (Appeals) (CIR-A). The CIR-A disposed of the appeal with a minor relief to the Holding Company. The Holding Company has contested the matter in appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Holding Company by the CIR-A. Apart from contesting the matter in appeal before the CIR-A, the Holding Company also filed rectification application with the officer which was rejected. The Holding Company filed an appeal before the CIR-A wherein certain reliefs were allowed. The department filed an appeal against the order passed by the CIR-A. ATIR vide combined order dated September 6, 2023 read with difference of opinion dated January 6, 2024 disposed of the cross appeals whereby the matters were decided in the Holding Company's favour and remanded back.

31.1.2 During 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance, disallowance of tax loss on lease terminations and certain other matters. The Holding Company's appeals against these amended orders before the CIR-A were maintained. ATIR vide combined order dated January 18, 2024 disposed of the Holding Company's appeals whereby it decided most of the issues in the Holding Company's favor, whereas the matter of tax loss on pre-mature termination of lease was remanded back to DCIR with directions.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.3 The assessments of Standard Chartered Leasing Limited (SCLL) - amalgamated entity - for the years 1998-99 to 2002-03 were finalised by the tax officer whereby lease key money amounting to Rs. 239 million was added to income. In appeals with the ATIR, the addition was maintained. SCLL filed a rectification application before ATIR that certain arguments advanced at the time of hearing of appeals were not considered while framing the order. The ATIR vide appellate order dated February 27, 2008 recalled its original appellate order for all these years and referred the case to the Chairman ATIR to constitute a larger bench for rehearing / decision of the case.

No provision has been made in these consolidated financial statements in this respect as the management is of the view that the same will be allowed in the favor of the Holding Company.

31.1.4 The ACIR passed an amended assessment order under section 122(5A) of the Ordinance for the tax years 2015 to 2018 where demands in aggregate of Rs. 3,229 million were raised. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters. In tax years 2015 and 2016, the issue of determination of the levy of minimum tax has also been raised. Additionally on October 3, 2019, the ACIR rectified the amended assessment order (rectification order) under section 221(1) of the Ordinance for the tax year 2017 and created an additional demand of Rs. 290 million after taking into account the amended amount of brought forward tax losses. The Holding Company preferred appeals against these orders before the CIR-A for all these years. On January 8, 2020 CIR-A disposed of Holding Company's appeals and decided certain matters in the Holding Company's favor whereas certain matters were remanded back to the Officer with specific directions. The Holding Company as well as the income tax department have filed appeals before the ATIR on the matters which have not been decided in their favor by the CIR-A and are pending for adjudication.

In February 2021, the ACIR has given effect to the first appeal order setting aside assessments for tax years 2015 and 2016 where demands of Rs 11.06 million and Rs 118.76 million respectively have been raised. During March 2021, the Company filed appeals against these orders before the CIR-A. The Company has also discharged 10% of the demands u/s 140 of the Ordinance amounted to Rs 1.10 million and Rs 11.87 million for tax year 2015 and 2016 respectively. CIR-A vide order August 03, 2023 and August 31, 2023 disposed of the Company's appeal for tax year 2015 and 2016 wherein he remanded back the matters to the Officer with directions.

In January 2021, the ACIR has given effect to the orders passed by CIR-A for tax years 2017 and 2018 wherein demands of Rs. 1.22 billion and Rs. 1.36 billion respectively were raised. During February 2021, the Holding Company filed rectification applications. The ACIR has substantially rectified the orders and allowed tax losses on termination and unabsorbed depreciation resulting in a reduction in tax demand to Rs. 252 million and Rs. 479 million respectively. The Holding Company filed appeals for both the tax years before CIR-A against the remaining pending issues in the appeal effect orders along with an application for rectification for tax year 2017. The officer passed the rectified order and further revised the demand for tax year 2017 to Rs. 227 million. The Holding Company discharged 10% of the demand u/s 140 of the Ordinance amounting to Rs 19.02 million and Rs 14.58 million for tax year 2017 and tax year 2018 respectively. CIR-A vide orders dated January 31, 2024 and July 31, 2023 disposed of the Holding Company's appeals for tax years 2017 and 2018, respectively, wherein he has remanded back most of the matters to the Officer with specific directions.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.5 The Holding Company by way of the amendment notices and the orders under section 122(5A) of the Ordinance was charged with the levy of super tax under section 4B of the Ordinance for the years 2015 to 2018. The Holding Company's legal advisor was of the opinion that levy of super tax was unlawful and leading to double taxation. Accordingly in January 2019, the Holding Company had filed a constitutional petition before the SHC challenging the levy of super tax. On July 21, 2020, the SHC dismissed the petition stating that levy of super tax is lawful as it's an additional tax, and not a double tax. The Holding Company filed a petition in the Supreme Court of Pakistan (SCP) for tax years 2015 to 2018 dated September 12, 2020 where stay had been granted in November 2020 subject to deposit of 50% of the impugned outstanding tax with the authorities.

This matter was also challenged in appeal before CIR-A for tax years 2015 to 2018 and after being maintained it has also been taken up in appeal before the ATIR for the years 2015 to 2018. This levy has been considered in light of the position emerging after the appellate order of the CIR -A and it is expected not to have effect in the tax years 2015 and 2016 in light of the available losses.

Further, in line with the SCP decision, the Holding Company has paid 50% of super tax liability for tax year 2017 and tax year 2018 amounting to Rs 18.5 million and Rs 25.8 million respectively.

The Holding Company has already made a provision in respective tax years 2015 to 2019 amounting to Rs. 145 million against the super tax.

31.1.6 Through Finance Act 2022, the Federal Government has levied Super Tax up to 4% on high earning persons / companies for the tax year 2022 and onwards. The Holding Company's legal advisor was of the opinion that levy of super tax was unlawful and leading to a double taxation. The Holding Company along with the other companies had filed a constitutional petition before the Sindh High Court (SHC) challenging the levy of super tax. The SHC had granted stay, on submission of a bank guarantee, till the decision had been made and the Holding Company duly submitted a bank guarantee of Rs. 87 million. On January 27, 2023, the SHC disposed of the petitions stating levy of super tax is lawful, however, it would not be applied retrospectively i.e. for Tax Year 2022. Subsequently, the tax authorities filed an appeal against SHC decision in the Supreme Court of Pakistan (SCP). On February 16, 2023, SCP through an interim order directed SHC to en-cash a submitted bank guarantee upto 4% of taxable income and release the amount to the tax authorities. Accordingly, the Holding Company's bank has furnished pay-order of Rs. 87 million against its bank guarantee issued in favor of Nazir Sindh High Court. The hearing of the main appeal before the SCP is pending.

The Holding Company has discharge its liability against the already made provision of Rs. 87 million in the respective tax year 2022 on account of super tax.

31.1.7 Through Finance Act 2023, the Federal Government has retrospectively increased the levy against super tax up to 10% on high earning persons / companies for the tax year 2023 and onwards. The Company's legal advisor was of the opinion that retrospective increase of levy of super tax is unlawful. Accordingly on January 15, 2024, the Company had filed a constitutional petition before the Islamabad High Court (IHC) challenging the retrospective increase in levy of super tax from 4% to 10%. IHC vide order dated March 15, 2024 held that the amendments made through the Finance Act, 2023 do not have a retrospective application. The Department filed Intra Court Appeal (ICA), which is pending adjudication. On March 19, 2025, the Constitutional Bench of Supreme Court of Pakistan has issued the order to transfer all intra-court appeals (ICAs) relating to the Super Tax pending in the high courts of Lahore and Islamabad.

The Holding Company has already made a provision amounting to Rs. 216 million against the super tax for prior year. (Tax year 2023)

31.1.8 In 2020, the Holding Company received an amended assessment order under section 122(5A) of the Ordinance for tax year 2019 wherein a demand of Rs. 1,022 million was raised. This was mainly due to the result of disallowance of tax losses on lease (both on maturity and pre-mature) termination and certain other matters including super tax. The Holding Company has filed an appeal against the order before the CIR-A who vide order dated July 27, 2023 disposed-of the Holding Company's appeal The Holding Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.9 The Holding Company received an amended assessment order dated October 04, 2021, under section 122(5A) of the Ordinance for tax year 2020 wherein a demand of Rs.137 million has been raised. This was mainly due to the result of disallowance of tax losses on pre-mature termination of leases, write-offs and certain other matters. The Holding Company has paid 10% of the demand u/s 140 of the Ordinance amounting to Rs 13.76 million. The Holding Company has filed an appeal against the order. CIR-A vide order dated August 8, 2023 disposed-of the Holding Company's appeal. The Holding Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.10 The Holding Company received an amendment assessment order notice dated July 5, 2022, under section 122(5A) of the Ordinance for tax year 2021 wherein a demand of Rs.57 million has been raised. This was mainly due to the result of disallowance of tax loss on pre-mature termination of leases, write-offs and certain other matters. On August 3, 2022, the Holding Company has filed an appeal before the CIR-A. Apart from above, the Holding Company filed an application for the rectification under section 221 of the Ordinance with the ACIR. The Holding Company paid 10% of the demand after adjusting rectification u/s 140 of the Ordinance amounting to Rs. 4.9 million. CIR-A issued an order on February 26, 2024, disposed of the Holding Company's appeal. The Holding Company as well as the department have filed appeals before the ATIR on the matters which have not been decided in their favor and are pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.11 The Holding Company received an order on monitoring of withholding taxes of Standard Chartered Leasing Limited (SCLL) under section 161(1) of the Ordinance for tax year 2016 wherein a demand of Rs. 50 million along with Rs. 36 million default surcharge has been levied. This was in continuation with the notice dated October 11, 2017 which was then duly responded by the Holding Company. However, due to change in jurisdiction of the case, the notice was raised again on June 22, 2022 in the name of the Holding Company, which was duly responded along with previous submitted reply and evidences on June 29, 2022. The Officer passed the order under sections 161/205 dated July 6, 2022 raising a demand of Rs 86.7 million holding the Holding Company as assessee in default for non-deduction of tax. On July 28, 2022, the Holding Company has filed an appeal before the CIR-A. On January 8, 2024, CIR-A has disposed-of the Holding Company's appeal by remanding back to the Officer with directions for scrutiny of documents. The department has filed an appeal before the ATIR which is pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome on these matters. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.12 During October 2022, the DCIR issued notices under section 176 of the Ordinance to reconcile withholding of income tax with payments as per the audited financial statements for tax year 2017. The Holding Company had accordingly filed replies, related documents and reconciliation of various expenses. However, on June 26, 2023, the DCIR has issued order under section 161(1) of the Ordinance without considering the Holding Company's submitted reply. A demand of Rs. 482 million has been raised on account short deduction or non payment of withholding taxes. On July 12, 2023, the Holding Company has filed an appeal against the order. On September 6, 2023, CIR-A has disposed of the Holding Company's appeal by remanding back to the Officer with directions for scrutiny of documents.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.13 The DCIR issued show cause notices to the Holding Company challenging the estimates of advance tax under section 147 of the Ordinance filed by the Holding Company for the quarters ended March 31, 2019 and September 30, 2019 and additionally demanded Rs. 259.4 million and Rs. 117.2 million respectively for these years. The Holding Company's tax advisors are of the opinion that the estimates filed by the Holding Company is in accordance with the law and accordingly the Holding Company filed a constitutional petition before the SHC against the recovery of impugned advance tax demand. The SHC has passed a stay order restricting the FBR from taking any coercive measures against the Holding Company.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.14 In 2019, the Holding Company received show cause notices from the Sindh Revenue Board (SRB) demanding Sindh Provincial Sales Tax (SPST) amounting to Rs. 519 million against income from operating lease rental of generators for the years ended June 30, 2012, 2013, 2014, 2015, 2016 and 2017 along with the applicable penalty and default surcharge.

In April, 2016, the Holding Company had filed suits against the show cause notices relating to the years 2012 to 2015 before Sindh High Court (SHC) challenging the levy of SPST on renting of generators and obtained a stay order restricting SRB from taking any coercive measures against the Holding Company. In 2019, these suits were withdrawn due to the decision by Supreme Court of Pakistan that in order for a suit to continue, a minimum of 50% of the tax calculated by the tax authorities must be deposited in the respective treasury. Consequent to withdrawal of the suits, SRB issued fresh show cause notices for each of the tax years 2012 to 2017. For financial years 2012 and 2016, the Assistant Commissioner SRB also passed an order against the Holding Company and created a demand of Rs. 43.6 million and Rs. 77.3 million respectively and issued recovery notices. The Holding Company has filed an appeal against the recovery orders before the Commissioner Appeals SRB and also obtained interim relief from SHC by filing separate petitions for each of the years from 2012 to 2017, challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking coercive measures against the Holding Company.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these consolidated financial statements.

31.1.15 In continuation to the notice received from SRB in 2018, the Holding Company received an order dated November 03, 2021 u/s 40(1)(b) of the Stamp Act, 1899 amounting to Rs. 19.5 million, which also includes the late payment charges of Rs. 6.5 million. On December 10, 2021, the Sindh High Court disposed-of the petition filed by the Holding Company on applicability of stamp duty on purchase orders and issued its decision on January 22, 2022, dismissing the Holding Company's plea against applicability of stamp duty. The Holding Company had also filed a petition on December 10, 2021 before SHC to prevent the SRB from taking any coercive action against the Holding Company subsequent to the issuance of the recovery order, as the matter was pending in SHC. The Court directed the SRB to provide the Holding Company an opportunity of being heard and to decide the matter within 3 months, and till such period no coercive action can be taken against the Holding Company.

The Holding Company filed an appeal with member SRB against the recovery order. However, member SRB has passed an order of Rs. 19.5 million, including amount of additional charges. The Holding Company has filed petition in Sindh High Court against the order. On April 06, 2022, directions were issued with regard to payment of the stamp duty of Rs 12.5 million whereas hearing was adjourned on the additional charges of Rs 6.5 million. Accordingly, the Holding Company has paid the stamp duty amount of Rs. 12.5 million on April 16, 2022. Based on legal opinion, the management is confident of a favorable outcome on waiver of additional charges of Rs 6.5 million.

Accordingly, no provision against additional charges levied has been made in these consolidated financial statements.

31.1.16 In December 2022, the Holding Company received a show cause notice from the Sindh Revenue Board (SRB) for short payment against services along with default surcharge amounting to Rs. 1.8 million for the period from September 2019 to April 2022 against income from operating lease and income from services provided to Insurance companies through workshop. The same was adequately responded stating that the services fall under the reduced rate of sales tax. However, the additional commissioner of SRB confirmed the said liability through Order no 2892 of 2022 dated December 9, 2022, which has been challenged by the Holding Company before commissioner appeals SRB. The same is pending for adjudication.

Based on the tax advisor's opinion, the management is confident of a favorable outcome. Accordingly no tax provision has been made in these consolidated financial statements.

31.2 There are no (2024: Rs. 1.59 million) commitments relating to capital expenditure at the reporting date.

31.3 OLP Modaraba

The Modaraba has issued letter of comfort to Sindh Bank Limited on behalf of M/s. AIMS Hosiery Limited & M/s. Demont Research Laboratories (Pvt.) Limited as at year end amounting to Rs. 144.656 million (June 2024: nil) for guaranteeing the payment against import of plant and machinery which will ultimately be given by the Modaraba to the client against diminishing musharika or Ijarah arrangements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

32 OTHER INCOME - NET

	Note	2025	2024
		Rupees	
Income from financial assets			
Return on investments and deposits		81,874,138	119,707,571
Interest income on government securities		313,116,320	485,242,726
Dividend income		31,732,382	31,834,774
Capital gain on sale of investments - net		139,662,500	117,340,970
Unrealised gain on remeasurement of financial assets at fair value through profit or loss - net		1,547,638	2,549,979
		567,932,978	756,676,020
Income from other than financial assets			
Other fees and income	32.1	261,037,763	172,178,958
Documentation fee		40,179,970	72,880,726
Gain on disposal of fixed assets		35,404,993	3,141,614
Gain on disposal of Ijarah assets		55,130,794	3,673,052
Gain on sale of leased and finance assets		127,386,736	116,824,682
Exchange gain / (loss) - net		120,513	(58,614)
		519,260,769	368,640,418
		1,087,193,747	1,125,316,438

32.1 This includes income from unclaimed advance tax from customers amounting to Rs 115 million (2024: Rs 93 million), insurance income of Rs 55 million (2024: Rs 43 million), recoveries against old write offs of Rs 14 million (2024: Rs 18 million) and workshop rental of Rs 12 million (2024: Rs 12 million).

33 SHARE OF PROFIT FROM ASSOCIATE

Name of associate	2025		2024	
	Associate's profit after tax	Share of associate's profit after tax	Associate's profit after tax	Share of associate's profit after tax
	Rupees			
Un-quoted - related party				
Yanal Finance Company	6,505,619,683	154,255,506	7,165,043,688	139,598,202

34 FINANCE COST

	2025	2024
	Rupees	
Interest / mark-up / profit on:		
- Long-term finances	2,338,884,150	3,142,317,234
- Redeemable capital	670,420,207	721,694,359
- Short-term borrowings	298,761,069	94,701,142
- Certificates of deposit	672,403,923	896,822,420
- Lease liability against right-of-use assets	25,670,124	18,410,515
Amortisation of transaction costs	5,836,163	7,298,200
Unwinding of security deposits	39,880,208	43,111,692
Bank charges and commission	61,783,262	43,870,646
	4,113,639,106	4,968,226,208

35 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2025	2024
		Rupees	
Salaries, allowances, welfare and training	35.1	1,422,689,252	1,365,873,568
Rent and utilities	35.2	92,375,911	104,294,801
Travelling		9,344,473	12,023,857
Vehicle running and maintenance		62,532,280	24,780,102
Insurance on operating assets		8,750,231	7,271,235
Legal and professional charges		46,233,392	38,086,358
Communication		28,746,118	25,504,395
Subscriptions		14,571,113	11,497,354
Auditors' remuneration	35.4	11,750,537	32,990,905
Advertising		10,793,456	10,192,656
Printing and stationery		17,422,989	18,669,999
Depreciation	5.1 & 5.3	138,556,121	115,231,569
Amortisation	6.1	2,889,456	2,542,593
Office repairs and maintenance of equipment		90,155,077	83,824,349
Donations	35.5	12,680,000	10,020,000
Office general expenses		19,581,642	30,156,952
		1,989,072,048	1,892,960,693

35.1 This includes expenses in relation to the following employee benefits:

	Note	2025	2024
Defined benefit plan - gratuity fund	11.5	20,301,804	21,835,989
Defined contribution plan - gratuity fund		6,846,000	-
Defined contribution plan - provident fund		39,781,277	33,346,448
Charge against compensated absences		-	688,217
		66,929,081	55,870,654

35.2 This includes rent expenses of Rs. 28.35 million (2024: Rs. 47.25 million) against short term leases and leases of low value assets.

35.3 As per Rule 9 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, NBFCs are required to obtain insurance coverage against any losses that may be incurred as a result of employee's fraud or gross negligence. Accordingly, the company has obtained insurance coverage for the year ended June 30, 2025 and June 30, 2024.

35.4 Auditors' remuneration

	2025	2024
	Rupees	
Audit services		
Annual audit fee	6,674,000	5,010,500
Half yearly review fee	1,100,000	1,066,430
Sales tax on audit fee and other services	707,149	551,031
Out of pocket expenses	984,000	887,460
	9,465,149	7,515,421

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	2025	2024
	Rupees	
Non-audit services		
Other services and certifications	2,285,388	1,912,284
Tax advisory services	-	23,563,200
	2,285,388	25,475,484
	11,750,537	32,990,905

35.4.1 The Company's auditor for the current year is KPMG Taseer Hadi & Co., replacing A.F. Ferguson & Co. from the prior year. Certification and advisory engagements include the review of compliance with code of corporate governance and assurance over IFRS 9 model methodology and application.

35.5 Donations above 10% of total donation or Rs. 1,000,000 which ever is higher	Note	2025	2024
		Rupees	
The Layton Rahmatullah Benevolent Trust (LRBT)	35.5.1	3,500,000	4,000,000
The Patients' Behbud Society for AKU (PBS)	35.5.2	2,000,000	2,000,000
The Citizen Foundation		2,080,000	870,000

35.5.1 The Chief Executive Officer of the Holding Company (Mr. Shaheen Amin) is a Trustee of LRBT.

35.5.2 The Chief Executive Officer of the Modaraba Management Company (Mr. Raheel Qamar Ahmad) is a Trustee of PBS.

36 DIRECT COST	Note	2025	2024
		Rupees	
Court fee, stamp duty and others		15,177,538	9,160,961
Operating lease and Ijarah finance			
Maintenance and insurance		18,471,727	17,651,590
Depreciation - ijarah assets	5.2	406,966,197	513,725,654
		425,437,924	531,377,244
		440,615,462	540,538,205

37 EXPECTED CREDIT LOSS / PROVISION AGAINST LEASES, LOANS AND FINANCES - NET

	2025				
	Finance lease (note 37.1)	loans and Finances (Note 37.2)	Sub-total	Operating lease ijarah and other receivables (note 37.3)	Total
	Rupees				
Balance at the beginning of the year	580,287,914	283,462,578	863,750,492	56,068,017	919,818,509
Provision charge for the year	28,197,296	217,596,825	245,794,121	9,978,398	255,772,519
Reversal made during the year	(268,892,051)	(76,390,205)	(345,282,256)	(84,600)	(345,366,856)
	(240,694,755)	141,206,620	(99,488,135)	9,893,798	(89,594,337)
Write-offs	-	-	-	-	-
	339,593,159	424,669,198	764,262,357	65,961,815	830,224,172

	2024				
	Finance lease (note 37.1)	loans and Finances (Note 37.2)	Sub-total	Operating lease ijarah and other receivables (note 37.3)	Total
	Rupees				
Balance at the beginning of the year	705,045,604	242,804,184	947,849,788	37,093,480	984,943,268
Provision charge for the year	168,820,759	148,886,471	317,707,230	24,210,237	341,917,467
Reversal made during the year*	(274,114,540)	(95,782,335)	(369,896,875)	(320,362)	(370,217,237)
	(105,293,781)	53,104,136	(52,189,645)	23,889,875	(28,299,770)
Write-offs	(19,463,909)	(12,445,742)	(31,909,651)	(4,915,338)	(36,824,989)
Balance at the end of the year**	580,287,914	283,462,578	863,750,492	56,068,017	919,818,509

*The reversal is primarily due to a reduction in exposure, as a result of recoveries made by the Group's relevant department during the year.

** This includes subjective provision amounting to Rs 214 million recognised against delinquent borrowers as per NBFC / Modaraba Regulations which mandates the Company to perform subjective evaluation of borrowers.

37.1 Provision against finance leases

	Note	2025	2024
		Rupees	
Long term portion of provision against finance leases	7	10,187,795	52,225,912
Current portion of provision against finance leases	13	329,405,364	528,062,002
		339,593,159	580,287,914

37.2 Provision against loans and finances

	Note	2025	2024
Long-term loans and finances	8	102,393,059	49,997,440
Current portion of long-term loans and finances	13	319,461,297	231,126,270
Short-term loans and finances	12	2,814,842	2,338,868
		424,669,198	283,462,578

37.2.1 Loans and finances - particulars provision against loans and finances

	2025				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	28,571,473	37,042,979	216,586,964	1,261,162	283,462,578
Charge on new disbursements	9,075,001	14,122,162	44,843,864	-	68,041,027
Additional charge	(2,664)	29,551,012	80,645,564	-	110,193,912
Loans and finances derecognised or repaid / reversal	(4,364,327)	(10,940,480)	(12,764,897)	(1,215,772)	(29,285,476)
Transfer to stage 1	428,587	(428,587)	-	-	-
Transfer to stage 2	(2,666,091)	11,225,693	(8,559,602)	-	-
Transfer to stage 3	(174,957)	(454,833)	629,790	-	-
Net changes in contract risk	(13,211,178)	10,205,254	(4,736,919)	-	(7,742,843)
	(10,915,629)	53,280,221	100,057,800	(1,215,772)	141,206,620
Write-offs	-	-	-	-	-
Balance at the end of the year	17,655,844	90,323,200	316,644,764	45,390	424,669,198

	2024				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	60,863,800	7,899,810	173,259,236	781,338	242,804,184
Charge on new disbursements	16,311,774	1,007,480	2,137,376	-	19,456,630
Additional charge	-	33,763,009	100,441,808	479,824	134,684,641
Loans and finances derecognised or repaid / reversal	(18,009,713)	(2,408,809)	(48,422,754)	-	(68,841,276)
Transfer to stage 1	130,925	(130,925)	-	-	-
Transfer to stage 2	(63,119)	63,119	-	-	-
Transfer to stage 3	(411,052)	(1,692,272)	2,103,324	-	-
Net changes in contract risk	(30,251,142)	(1,458,433)	(486,284)	-	(32,195,859)
	(32,292,327)	29,143,169	55,773,470	479,824	53,104,136
Write-offs	-	-	(12,445,742)	-	(12,445,742)
Balance at the end of the year	28,571,473	37,042,979	216,586,964	1,261,162	283,462,578

37.2.2 Loans and finances - category of classification

	2025		2024	
	Exposure	Provision	Exposure	Provision
	Rupees			
Stage 1	25,605,583,408	17,966,044	19,652,915,155	28,571,473
Stage 2	2,446,141,836	90,323,200	1,911,716,367	37,042,979
Stage 3	564,830,581	316,334,564	301,912,511	216,586,964
General Provision	-	45,390	-	1,261,162
	28,616,555,825	424,669,198	21,866,544,033	283,462,578

		Note	2025	2024
			Rupees	
37.3	**Provision against ijarah and other receivables**			
	Other receivables	16 & 17	65,961,815	56,068,017

		Note	2025	2024
38	**OTHER PROVISIONS - NET**			
	Operating lease, ijarah and other receivables			
	Provision / (reversal of provision) against other receivables		595,568	835,763
	Provision against / (Reversal of provision) operating lease receivables		16,025	(320,363)
	Provision against ijarah receivables	37	9,282,205	23,374,475
			9,893,798	23,889,875
	Others			
	Provision for provincial Workers' Welfare Fund		46,841,380	49,578,789
	Reversal of impairment on assets under Ijarah arrangements		-	859,715
	Provision for services sales tax on Management Company's remuneration	38.1	4,365,503	3,419,286
	Impairment charged on investments	18 & 10	97,160,648	172,043,037
			158,261,329	249,790,702

38.1 During 2013, the Sindh Revenue Board (SRB) levied Sindh sales tax on management 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 Act, 2011. The Modaraba, however, considers that the management remuneration is an allocation of profit under the Shariah principle of "Modaraba" and therefore does not qualify to be treated as a fee and therefore 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 the Management Company's remuneration at applicable rates with effect from November 1, 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 8, 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. 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 5, 2018. The case is pending to date. However, the Modaraba has continued to recognise the provision for services sales tax on the Management Company's remuneration.

39 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

39.1 The aggregate amount charged in the consolidated financial statements for the year in respect of the remuneration and benefits to the Chief Executive and Executives is as follows:

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	2025				
	Chief Executive of the Holding Company	Executive Director of the Holding Company	Chief Executive of the Management Company	Executives	Total
	Rupees				
Managerial remuneration	52,976,000	-	22,396,432	272,345,218	347,717,650
Bonus	18,326,832	-	7,000,000	93,235,992	118,562,824
House rent and utilities	19,263,996	-	-	107,290,062	126,554,058
Other perquisites	-	-	-	154,107,342	154,107,342
Retirement benefits	7,171,702	-	1,903,440	34,044,669	43,119,811
	97,738,530	-	31,299,872	661,023,283	790,061,685
Number of persons	1	-	1	104	106

	2024				
	Chief Executive of the Holding Company	Executive Director of the Holding Company	Chief Executive of the Management Company	Executives	Total
	Rupees				
Managerial remuneration	43,560,000	3,424,940	19,456,196	239,235,226	305,676,362
Bonus	15,200,000	3,100,000	6,000,000	130,370,181	154,670,181
House rent and utilities	15,840,000	1,245,433	-	89,027,342	106,112,775
Other perquisites	-	697,296	-	100,787,411	101,484,707
Retirement benefits	8,386,525	847,024	1,699,470	33,019,838	43,952,857
	82,986,525	9,314,693	27,155,666	592,439,998	711,896,882
Number of persons	1	1	1	96	99

39.2 Executives denote employees, other than the Chief Executive Officer and Directors of the Holding Company, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

39.3 The Chief Executive and certain executives are also provided with the Group maintained cars and other benefits in accordance with their entitlement as per the Group's policy.

39.4 Aggregate amount charged in these consolidated financial statements includes meeting fees paid to 8 non-executive directors amounting to Rs. 15.75 million (2024: Rs. 13.20 million to 8 non-executive directors).

40 TAXATION

	Note	2025	2024
		Rupees	
Current	40.1	724,803,787	942,612,284
Prior		(2,486,500)	(80,625,637)
Deferred	24	118,617,925	87,703,935
		840,935,212	949,690,582

40.1 This includes super tax under section 4C of Income tax ordinance.

40.2 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended June 30, 2025 and June 30, 2024 is as follows.

	2025	2024
	Rupees	
Profit before income taxes and levy	2,325,147,104	2,531,042,154
Tax at enacted rate of 39%	906,807,371	974,144,104
Tax effect of income subject to final tax regime	(57,162,208)	(2,541,478)
Tax effect of rebates / credits	(9,741,716)	(7,224,098)
Impact of changes in rates	(3,370,154)	2,297,865
Prior year	(2,486,500)	(9,103,985)
Permanent difference	22,513,198	-
Others	(15,624,779)	(7,881,826)
	840,935,212	949,690,582

40.3 Current status of pending tax assessments

Holding Company

Tax Year 1999 to 2000

In the assessment year 1999-2000 the Officer Inland Revenue (OIR) had revised the income tax assessment order of the Holding Company under Section 221 of the Ordinance. The Holding Company had preferred an appeal against the order of the OIR before the Commissioner Inland Revenue [CIR(A)] who confirmed the treatment of the OIR. The Holding Company then filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR while deciding the appeal filed by the Holding Company, had remanded back the appellate order dated December 12, 2005 to the CIR(A) to pass speaking order after considering all the relevant facts of the case. The case is still pending adjudication, however, as a matter of prudence, the Holding Company has made adequate provision in respect of the disallowances.

Tax Year 2010 to 2020

Under Section 114 of the Income Tax Ordinance 2001, the Holding Company had filed the returns of income for tax years 2010 to 2022. The said returns were taken to be assessment orders, passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021.

Tax Year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

Details of the assessment made by the Additional Commissioner Inland Revenue are provided in notes 30.1.1, 30.1.2, 30.1.3, 30.1.4, 30.1.8, 30.1.9 and 30.1.10.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

OLP Modaraba

There were no tax assessments outstanding as at June 30, 2025 and June 30, 2024.

41 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	Note	2025	2024
		Rupees	
Profit before taxation		2,309,723,655	2,517,135,353
Adjustments for			
Depreciation	5.1, 5.2 & 5.3	545,522,318	628,957,223
Amortisation	6.1	2,889,456	2,542,593
Amortisation of transaction cost	34	5,836,163	7,298,200
(Reversal of expected credit loss) / provision for lease and other loan losses - net	37	(99,488,135)	(52,189,645)
Provision for provincial Workers Welfare Fund	38	46,841,380	49,578,789
Provision against Ijarah receivable	38	9,282,205	23,374,475
Provision of impairment on assets under Ijarah arrangements	38	-	859,715
Impairment against investments	38	97,160,648	172,043,037
Provision / (reversal of provision) against other receivables	38	611,593	515,400
Provision for services sales tax on Management Company's remuneration	38	4,365,503	3,419,286
Gain on sale of investments - net	32	(139,662,500)	(117,340,970)
Share of profit from associate	33	(154,255,506)	(139,598,202)
Exchange loss / (gain) - net	32	(120,513)	58,614
Charge for defined benefit plan - gratuity fund	35.1	20,301,804	21,835,989
Unrealised (gain) / loss on remeasurement of financial assets at fair value through profit or loss - net	32	(1,547,638)	(2,549,979)
Finance cost including bank charges	34	3,345,736,776	3,986,128,291
Profit on certificates of deposit	34	672,403,923	896,822,420
Dividend income	32	(31,732,382)	(31,834,774)
Return on investments and deposits	32	(81,874,138)	(119,707,571)
Interest income on government securities	32	(313,116,320)	(485,242,726)
Gain on disposal of ijarah assets	32	(55,130,794)	(3,673,052)
Gain on disposal of property and equipment	32	(35,404,993)	(3,141,614)
		3,838,618,850	4,838,155,499
		6,148,342,505	7,355,290,852

41.1 During the year, the management has reclassified finance cost paid from financing activity to operating activities for better presentation.

42 CASH AND CASH EQUIVALENTS

	Note	2025	2024
		Rupees	
Cash at bank	17	890,526,521	752,143,549
Cash in hand	17	1,506,697	1,932,980
Short-term running finance facilities	28	(2,022,332,080)	(1,646,007,840)
		(1,130,298,862)	(891,931,311)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

42.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025							
	Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Redeemable capital	Lease liability against right of use asset	Share capital	Share premium	Total
	Rupees							
Balance as at July 01, 2024	5,336,978,781	12,483,826,290	93,201,410	4,287,535,000	106,100,842	1,754,076,470	1,501,683,073	25,563,401,866
Changes from financing cash flows								
Repayment	(2,676,060,736)	(5,814,939,100)	-	(4,287,535,000)	(69,822,069)	-	-	(12,848,356,905)
Proceeds received	310,437,894	10,856,778,716	-	5,633,455,000	-	-	-	16,800,671,610
Dividend paid	-	-	(964,261,449)	-	-	-	-	(964,261,449)
Total changes from financing activities	(2,365,622,842)	5,041,839,616	(964,261,449)	1,345,920,000	(69,822,069)	-	-	2,988,053,256
Other changes								
Additions	-	-	-	-	131,208,203	-	-	131,208,203
Finance cost charged	-	-	-	-	25,670,124	-	-	25,670,124
Dividend declared	-	-	967,805,295	-	-	-	-	967,805,295
Total other changes	-	-	967,805,295	-	156,878,327	-	-	1,124,683,622
Balance as at June 30, 2025	2,971,355,939	17,525,665,906	96,745,256	5,633,455,000	193,157,100	1,754,076,470	1,501,683,073	29,676,138,744

43 SEGMENT INFORMATION

The Group has three primary reporting segments namely, 'Finance lease', 'Loans and Finances' and 'Islamic Finance ', based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long-term leases of movable assets to corporate entities and individuals. Loans and Finances are primarily extended to corporate entities and individuals for purchase of saloon vehicles. Islamic Finance includes Ijarah and Diminishing Musharakah to corporate entities and individuals. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Investment in associates and others'.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

43.1 Segment analysis is given below:

	2025				
	Finance lease	Loans and Finances	Islamic Finance	Investment in associate & others	Total
	Rupees				
Segment revenues	1,971,192,464	4,231,663,593	1,792,718,475	931,672,382	8,927,246,914
Finance cost	(773,515,171)	(1,792,275,629)	(864,953,048)	(682,895,258)	(4,113,639,106)
Administrative and general expenses	(501,557,709)	(1,162,135,781)	(274,822,753)	(50,555,805)	(1,989,072,048)
Direct cost	(5,958,956)	(26,572,988)	(406,443,657)	(1,639,861)	(440,615,462)
Reversals / (provisions) - net	240,694,755	(98,050,920)	(52,490,640)	(102,085,009)	(11,931,814)
Segment results	930,855,383	1,152,628,275	194,008,377	94,496,449	2,371,988,484
Provision for provincial worker's welfare fund					(46,841,380)
Provision for taxation					(865,250,123)
Profit for the year					1,459,896,981
Other information					
Segment assets	7,618,345,307	20,541,974,949	7,583,676,941	4,853,535,838	40,597,533,035
Unallocated assets					3,353,842,339
Total assets					43,951,375,374
Segment liabilities	46,709,812	257,933,113	278,574,576	1,861,153	585,078,654
Unallocated liabilities					31,372,222,047
Total liabilities					31,959,967,181
Capital expenditure	-	-	469,968,805	-	469,968,805
Depreciation and amortisation	-	-	406,443,657	-	406,443,657
Unallocated					-
Capital expenditure - property and equipment for own use					162,151,461
Additions made to intangible assets					13,063,754
Unallocated depreciation and amortisation					141,445,576

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

	2024				
	Finance lease	loans and Finances	Islamic Finance	Investment in associate & others	Total
	Rupees				
Segment revenues	2,947,224,395	4,213,214,502	1,982,748,455	984,487,807	10,127,675,159
Finance cost	(1,304,552,886)	(1,812,354,527)	(1,008,423,986)	(842,894,809)	(4,968,226,208)
Administrative and general expenses	(674,286,687)	(936,755,069)	(280,215,536)	(12,917,044)	(1,904,174,336)
Direct cost	(5,915,495)	(20,334,506)	(513,746,725)	(541,479)	(540,538,205)
Reversals / (provisions) - net	105,293,781	(63,079,010)	(14,259,316)	(175,977,723)	(148,022,268)
Segment results	1,067,763,108	1,380,691,390	166,102,892	(47,843,248)	2,566,714,142
Provision for provincial worker's welfare fund					(49,578,789)
Provision for taxation					(971,828,800)
Profit for the year					1,545,306,553
Other information					
Segment assets	8,615,707,171	16,389,841,375	6,769,727,272	4,849,173,460	36,624,449,278
Unallocated assets					2,705,443,076
Total assets					39,329,892,354
Segment liabilities	143,557,678	652,320,186	267,269,568	(69,627,115)	993,520,317
Unallocated liabilities					26,916,241,202
Total liabilities					27,909,761,519
Capital expenditure	-	-	354,420,624	-	354,420,624
Depreciation and amortisation	-	-	513,725,654	-	513,725,654
Unallocated					
Capital expenditure - property and equipment for own use					76,709,082
Additions made to intangible assets					3,458,056
Unallocated depreciation and amortisation					117,774,162

43.2 Segment by class of business

An analysis by class of business of the Group's net investment in finance leases and other loans and finances is given below:

Sectors	2025		2024	
	(Rupees)	%	(Rupees)	%
Individuals	11,939,481,262	33.27%	9,824,407,278	31.83%
Goods transport	3,189,637,034	8.89%	2,743,050,697	8.92%
Public transport	1,135,254,501	3.16%	2,472,866,839	8.04%
Services	3,553,220,742	9.90%	2,061,879,463	6.71%
Distributor	1,015,084,332	2.83%	1,420,596,982	4.62%
Textile and Allied	2,250,199,885	6.27%	1,804,959,227	5.87%
Trading	2,160,530,539	6.02%	883,403,046	2.88%
Fuel and Energy	1,911,451,277	5.33%	1,060,650,464	3.45%
Construction	1,268,562,674	3.53%	918,530,386	2.99%
Chemical and Pharmaceutical	949,283,892	2.65%	1,067,856,591	3.48%
Glass, Ceramics and Plastic	765,188,724	2.13%	957,211,655	3.12%
Food and Allied	1,106,768,798	3.08%	1,175,757,883	3.83%
Miscellaneous	402,717,665	1.12%	961,524,126	3.13%
Steel and Engineering	1,187,769,971	3.31%	1,026,044,505	3.34%
Paper, Board and Printing	871,258,913	2.43%	833,006,633	2.71%
Automotive Industry	318,732,316	0.89%	384,783,015	1.26%
Natural Resource and Farming	755,426,800	2.10%	141,866,072	0.47%
Sugar	684,828,644	1.91%	740,501,111	2.41%
Cables, Electric and Electronic Goods	423,299,573	1.18%	287,087,676	0.94%
	35,888,697,542	100.00%	30,765,983,649	100.00%

Reconciliation of the Group's gross net investment in finance leases and other loans and finances is given below:

	2025	2024
	Rupees	
Net investment in finance leases	7,957,688,465	9,195,745,084
Other loans and finances	27,931,009,077	21,570,238,565
	35,888,697,542	30,765,983,649

43.3 Segment by sector

The Group's net investment in finance lease and other loans and finances includes exposure to private sector of Rs. 23.97 million (2024: Rs. 20.94 million).

43.4 Geographical segment analysis

The Group's operations are restricted to Pakistan only.

44 TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its related group companies, associated companies, staff provident fund, staff gratuity fund, directors and key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

The Group in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. The transactions with Key Management Personnel are in accordance with the terms of the Group's HR Policies. Amounts due from and due to related parties are disclosed in the relevant notes to the consolidated financial statements.

44.1 Transactions with related parties during the year are given below:

	2025	2024
	Rupees	
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid	402,192,382	804,384,760
Re-imbursement of cost	960,950	277,200
Yanal Finance Company - Associate / Common directorship 2.5% ownership		
Dividend received	121,290,321	102,026,298
Reimbursement of cost	1,979,997	11,686,400
SAMA Finance SAE - 23% ownership		
Impairment charged	-	172,043,037
OPP (Private) Limited - 45% ownership		
Impairment charged	87,754,399	-
OLP Financial Services Pakistan Limited - Employees Provident Fund		
Contribution made	32,935,277	33,346,448
ORIX Modaraba - Staff Provident Fund		
Contribution made	6,852,148	6,724,956
OLP Financial Services Pakistan Limited - Staff Gratuity Fund		
Contribution made	20,301,804	21,835,992
ORIX Modaraba - Staff Gratuity Fund		
Contribution made	5,695,731	5,601,790
Refund received by the Modaraba	1,921,331	728,877
Transactions with related parties during the year are given below:		
Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust	3,500,000	4,000,000
The Patients' Behbood Society for AKU	2,000,000	2,000,000
Other related party transactions during the year		
Directors and key management personnel		
Compensation of directors and key management personnel		
Director fees paid	15,750,000	10,150,000
Short-term employee benefits	394,536,993	334,491,139
Retirement benefits	22,932,562	22,688,304
Total compensation to directors and key management personnel	433,219,555	367,329,443
Issuance of certificates of deposit to key management personnel	-	2,001,172

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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	2025	2024
	---------- Rupees ----------	
Amount of profit on certificates of deposit issued to key management personnel	427,579	102,544
Redemption of certificates of deposit issued to key management personnel	2,001,172	914,010
Staff loans disbursed to key management personnel	9,662,400	10,681,000
Interest recovered on staff loans to key management personnel	5,900,440	9,808,161
Principal recovered on staff loans to key management personnel	28,745,709	23,112,038
Redeemable capital redeemed (net)	39,750,000	13,800,000
Profit on redeemable capital	5,802,477	8,546,836
Dividend paid to key management personnel - net of tax	125,351	234,163
Dividend paid to directors - net of tax	218,484	87,677
Dividend received by the Chief Executive Officer of the Holding Company	2,490,177	2,042,142
44.2 The balances with related parties as at year end:		
Investment in associate	1,775,618,949	1,707,416,512
Investment in associates - held for sale		
- OPP (Private) Limited	-	87,754,399
- SAMA Finance SAE , Egypt	-	-
Certificates of deposit held by key management personnel	-	2,001,172
Accrued profit on certificates of deposit held by key management personnel	-	249,907
Outstanding loans to key management personnel	40,522,939	50,691,455
Accrued interest on loans to key management personnel	22,725	105,032
Outstanding redeemable capital to key management personnel	33,650,000	42,250,000
Profit payable on redeemable capital to key management personnel	3,721,000	7,985,000
Receivable from Yanal Finance Company - An associate	2,094,320	2,871,582

	2025	2024
	Rupees	
Receivable from ORIX Corporation, Japan - Parent Company	52,422	1,892,895

45 STAFF STRENGTH

	2025	2024
	Number of staff	
Group's staff strength at the end of the year	459	449
Average number of employees*	435	437

* Represents the average taken of the number of employees at the end of each month in the year. This average has been calculated for the Group's employees.

46 PROVIDENT FUND RELATED DISCLOSURES

46.1 Operated by the Holding Company

The Holding Company operates Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2025 (un-audited) and June 30, 2024 (audited):

	Note	2025 Unaudited	2024 Audited
		Rupees	
Size of the Fund - total assets		958,805,901	857,142,026
Fair value of investments	46.1.1	942,027,022	847,072,438
		Percentage	
Percentage of investments made		98%	99%

The cost of the above investments amounted to Rs. 890.51 million (2024: Rs. 810.18 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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46.1.1 The break-up of fair value of investments is as follows:

	Unaudited 2025	Audited 2024	Unaudited 2025	Audited 2024
	Percentage		Rupees	
Cash and bank deposits	1.33%	1.29%	12,533,601	10,941,231
Government securities				
- Treasury Bills	59.49%	72.16%	560,344,427	611,269,026
- Pakistan Investment Bonds	37.06%	24.19%	349,152,994	204,862,181
- Debt Securities - Listed (TFC)	2.12%	2.36%	19,996,000	20,000,000
	100.00%	100.00%	942,027,022	847,072,438

The investments of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

46.2 Operated by the Modaraba

46.2.1 The Modaraba has set up provident fund for its permanent employees and the contributions are made by the Modaraba to the fund. The total contribution made to the provident fund for the year ended June 30, 2025 was Rs. 6.846 million (2024: Rs. 6.725 million). The audit of the provident fund for the year ended June 30, 2025 is in progress. The total assets of the provident fund, based on the unaudited financial statements as at June 30, 2025 amounted to Rs. 53.967 million (2024: Rs. 60.374 million), out of which 75.52% (2024: 58.97%) was invested in different financial instruments categories while 24.48% (2024: 41.03%) as deposits with Banks in remunerative accounts. The fair value as at June 30, 2025 of investments of the provident fund amounted to Rs. 53.335 million (2024: Rs.59.393 million). The investments out of provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

46.2.2 The Modaraba has set up defined contribution scheme for its permanent employees and the contributions are made by the Modaraba to the fund. The total contribution made to the defined contribution scheme for the year ended June 30, 2025 was Rs. 5.705 million (2024: Rs. 5.602 million). The audit of the defined contribution scheme for the year ended June 30, 2025 is in progress. The total assets of the defined contribution scheme, based on the unaudited financial statements as at June 30, 2025 amounted to Rs. 57.012 million (2024: Rs. 58.535 million), out of which 56% (2024: 48.35%) was invested in different financial instruments categories while 44% (2024: 51.65%) as deposits with Banks in remunerative accounts. The fair value as at June 30, 2025 of investments of the defined contribution scheme amounted to Rs. 57.012 million (2024: Rs. 58.178 million). The investments out of defined contribution scheme have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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47 FINANCIAL INSTRUMENTS BY CATEGORY

	2025			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees			
FINANCIAL ASSETS				
Net investment in finance lease	7,618,095,306	-	-	7,618,095,306
Loans and finances	28,191,886,627	-	-	28,191,886,627
Long-term investments	-	-	22,095,195	22,095,195
Long-term deposits	11,120,680	-		11,120,680
Short-term investments	-	2,342,693,585	-	2,342,693,585
Other receivables	550,615,859	-	-	550,615,859
Cash and bank balances	892,033,218	-	-	892,033,218
	37,263,751,690	2,342,693,585	22,095,195	39,628,540,470

	2025		
	At fair value through profit or loss	At amortised cost	Total
	Rupees		
FINANCIAL LIABILITIES			
Long-term finances	-	16,567,865,644	16,567,865,644
Privately placed term finance certificates	-	1,121,664,975	1,121,664,975
Certificates of deposit	-	3,057,178,063	3,057,178,063
Other long-term liabilities	-	117,108,774	117,108,774
Redeemable capital	-	5,682,548,521	5,682,548,521
Accrued and other liabilities	-	1,611,900,798	1,611,900,798
Lease liability against right-of-use assets	-	193,157,100	193,157,100
Unclaimed dividend	-	96,745,256	96,745,256
Short-term borrowings	-	2,073,380,343	2,073,380,343
	-	30,521,549,474	30,521,549,474

	2024			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees			
FINANCIAL ASSETS				
Net investment in finance lease	8,615,457,170	-	-	8,615,457,170
Loans and finances	22,154,798,409	-	-	22,154,798,409
Long-term investments	-	-	24,986,606	24,986,606
Long-term deposits	11,294,566	-		11,294,566
Short-term investments	-	2,911,469,558	-	2,911,469,558
Other receivables	101,216,151	-	-	101,216,151
Cash and bank balances	754,076,529	-	-	754,076,529
Net investment in ijarah finance	-	-	-	-
	31,636,842,825	2,911,469,558	24,986,606	34,573,298,989

	2024		
	At fair value through profit or loss	At amortised cost	Total
	Rupees		
FINANCIAL LIABILITIES			
Long-term finances	-	10,946,637,305	10,946,637,305
Privately placed term finance certificates	-	1,868,596,862	1,868,596,862
Certificates of deposit	-	5,654,698,562	5,654,698,562
Other long-term liabilities	-	72,316,765	72,316,765
Redeemable capital	-	4,408,551,639	4,408,551,639
Accrued and other liabilities	-	1,597,917,109	1,597,917,109
Lease liability against right-of-use asset	-	106,100,842	106,100,842
Unclaimed dividend	-	93,201,410	93,201,410
Short-term borrowings	-	1,683,561,376	1,683,561,376
	-	26,431,581,870	26,431,581,870

48 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

48.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

48.1.1 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. The Group incurs currency risk in US dollar, Saudi Riyal and Egyptian Pound on account of its foreign currency bank account, held for sale investments and investment in associate. The Group's exposure to foreign currency transactions is as follows:

	2025	2024
	Rupees	
Foreign currency bank account	8,040,372	7,884,425
Investment in associate	1,775,618,949	1,707,416,512

As at June 30, 2025, if the Pakistani Rupee had strengthened / weakened by 10% against these currencies with all other variables held constant, the impact on the total comprehensive income would have been lower / higher by an amount of Rs. 178.37 million (2024: Rs. 171.56 million).

48.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Group's significant interest bearing financial instruments and the periods in which these will mature are as follows:

	2025							
	Exposed to yield / interest rate risk							Not exposed to yield / profit rate risk
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	
		Rupees						
On-balance sheet financial instruments								
Financial assets								
Net investment in finance lease	17% to 34%	7,618,095,306	506,768,351	702,003,090	2,673,430,565	3,735,893,300	-	-
Loans and finances	12.61% to 44.88%	28,191,886,627	2,393,876,960	1,622,965,027	6,969,193,291	16,988,287,429	217,563,920	-
Long-term investments		22,095,195	-	-	-	-	-	22,095,195
Long-term deposits		11,120,680	-	-	-	-	-	11,120,680
Short-term investments	11.25% to 21.57%	2,342,693,585	497,332,287	1,324,360,288	361,265,604	-	-	159,735,406
Other receivables		550,615,859	-	-	-	-	-	550,615,859
Cash and bank balances	4.00% to 20.50%	892,033,218	747,825,689	-	-	-	-	144,207,529
Total		39,628,540,470	4,145,803,287	3,649,328,405	10,003,889,460	20,724,180,729	217,563,920	887,774,669
Financial liabilities								
Long-term finances	11.47% to 22.77%	16,567,865,644	258,093,031	754,861,111	3,990,596,044	11,564,315,458	-	-
Privately placed term finance certificates	11.95%	1,121,664,975	(410,057)	186,679,797	560,395,393	374,999,842	-	-
Certificates of deposit	6.73% to 18.25%	3,057,178,063	157,628,911	279,889,093	1,978,119,745	641,540,314	-	-
Other long-term liabilities		117,108,774	-	-	-	-	-	117,108,774
Redeemable capital	6% to 11.50%	5,682,548,321	1,113,998,321	1,994,550,000	2,471,800,000	102,200,000	-	-
Accrued and other liabilities		1,611,900,798	-	-	-	-	-	1,611,900,798
Lease liability against right-of-use asset		193,157,100	-	-	-	-	-	193,157,100
Unclaimed dividend		96,745,256	-	-	-	-	-	96,745,256
Short-term borrowings	11.83% to 18%	2,073,380,343	2,073,380,343	-	-	-	-	-
Total		30,521,549,474	3,602,690,749	3,215,980,001	9,000,911,182	12,683,055,614	-	2,018,911,928
On-balance sheet gap (a)		9,106,990,996	543,112,538	433,348,404	1,002,978,278	8,041,125,115	217,563,920	(1,131,137,259)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		9,106,990,996	543,112,538	433,348,404	1,002,978,278	8,041,125,115	217,563,920	
Cumulative interest rate sensitivity gap		9,106,990,996	543,112,538	976,460,942	1,979,439,220	10,020,564,335	10,238,128,255	

	2024							
	Exposed to yield / interest rate risk							Not exposed to yield / profit rate risk
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	
On-balance sheet financial instruments		Rupees						
Financial assets								
Net investment in finance lease	15.00% to 36.18%	8,615,457,170	596,213,776	792,276,153	3,075,153,469	4,151,813,772	-	-
Loans and finances	4.00% - 44.80%	22,154,798,409	3,091,712,560	4,266,157,806	6,137,634,340	8,489,621,746	126,517,647	43,154,310
Long-term investments		24,986,606	-	-	-	-	-	24,986,606
Long-term deposits		11,294,566	-	-	-	-	-	11,294,566
Short-term investments	19.92% to 21.57%	2,911,469,558	667,958,309	972,367,139	920,225,873	-	-	350,918,237
Other receivables		101,216,151	-	-	-	-	-	101,216,151
Cash and bank balances	5.50% to 20.50%	754,076,529	449,684,500	-	-	-	-	304,392,029
Total		34,573,298,989	4,805,569,145	6,030,801,098	10,133,013,682	12,641,435,518	126,517,647	835,961,899
Financial liabilities								
Long-term finances	19.02% to 23.62%	10,946,637,305	638,946,689	1,619,332,177	2,724,469,556	5,963,888,883	-	-
Privately placed term finance certificates	21.04% to 23.71%	1,868,596,862	(532,003)	186,435,805	559,436,616	1,123,256,464	-	-
Certificates of deposit	7.70% to 23.25%	5,654,698,562	226,786,945	539,993,048	3,993,016,566	894,902,003	-	-
Other long-term liabilities		72,316,765	-	-	-	-	-	72,316,765
Redeemable capital	20.00% - 21.99%	4,408,551,639	327,105,000	837,300,000	3,101,746,639	142,400,000	-	-
Accrued and other liabilities		1,597,917,109	-	-	-	-	-	1,597,917,109
Lease liability against right-of-use asset		106,100,842	-	-	-	-	-	106,100,842
Unclaimed dividend		93,201,410	-	-	-	-	-	93,201,410
Short-term borrowings	22.29% to 22.99%	1,683,561,376	1,683,561,376	-	-	-	-	-
Total		26,431,581,870	2,875,867,987	3,183,060,030	10,378,669,377	8,124,448,350	-	1,869,536,126
On-balance sheet gap (a)		8,141,717,119	1,929,701,158	2,847,741,068	(245,655,695)	4,516,987,168	126,517,647	(1,033,574,227)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,141,717,119	1,929,701,158	2,847,741,068	(245,655,695)	4,516,987,168	126,517,647	
Cumulative interest rate sensitivity gap		8,141,717,119	1,929,701,158	4,777,442,226	4,531,786,531	9,048,773,699	9,175,291,346	

a) Sensitivity analysis for variable rate financial instruments

The Group has extended KIBOR based long-term leases and finances to various counter parties that expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been higher / lower by Rs. 329.12 million (2024: Rs. 281.49 million).

Furthermore, the Group also has KIBOR based financial liabilities in Pakistani Rupees representing short-term running finance arrangements, short-term and long-term finances obtained from various financial institutions and certificates of deposit which expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax for the year ended June 30, 2025 would have been lower / higher by Rs. 281.59 million (2024: Rs. 237.60 million).

The Company holds short term and long term unutilised credit lines with banks amounting to Rs. 1,028 million and Rs 1,700 million respectively as at June 30, 2025 (2024: short term unutilised credit line of Rs. 1,304 million).

b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2025, the Group holds Market Treasury Bills which are classified as 'financial assets at fair value through profit or loss', exposing the Group to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for Market Treasury Bills with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs. 7.70 million (2024: Rs. 5.30 million).

48.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

48.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Group has established procedures to manage credit exposure including credit approval limit, credit exposure limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines as well as the requirements of the NBFC Rules and the NBFC Regulations. The Group also manages credit risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid for upon delivery. The Group's policy is to enter into financial instrument contract by following internal guidelines for approval.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Significant concentration of the Group's risk assets by class of business, industry sector and geographical region is set out in note 43.

The Group applies IFRS 9 simplified approach for leases and general approach for loans, Diminishing Musharika and Ijarah financing to determine ECL. Probability of default (PD) represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The Group employs a Roll Rate/ Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables such as Pakistan's Gross Domestic Product (GDP) and Consumer Price Index (CPI).

	Carrying value		Maximum exposure	
	2025	2024	2025	2024
	Rupees			
Net investment in finance lease	7,618,095,306	8,615,457,170	7,618,095,306	8,615,457,170
Loans and finances	28,191,886,627	22,154,798,409	28,191,886,627	22,154,798,409
Long-term investments	22,095,195	24,986,606	-	-
Long-term deposits	11,120,680	11,294,566	11,120,680	11,294,566
Short-term investments	2,342,693,585	2,911,469,558	-	-
Other receivables	550,615,859	101,216,151	550,615,859	101,216,151
Cash and bank balances	892,033,218	754,076,529	890,526,521	752,143,549
	39,628,540,470	34,573,298,989	37,262,244,993	31,634,909,845

Difference in the balance as per the carrying value and maximum exposure is due to the fact that investments in Government securities, equity securities and cash in hand are not exposed to credit risk.

The Group controls the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Group has established exposure limits for single lessees and industrial sectors. The Group has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease, instalment and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and other loan portfolios that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The carrying value of receivables which are past due are as under:

	2025			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	7,345,557	5,070,287	-	12,415,844
91 - 180 days	26,170,695	199,960,213	-	226,130,908
181-365 days	15,562,738	90,414,623	-	105,977,361
Over 1 Year	314,605,989	179,527,136	58,630,451	552,763,576
	363,684,979	474,972,259	58,630,451	897,287,689
Less: general and specific provision	339,593,159	424,669,198	65,945,790	830,208,147
Net of Provision	24,091,820	50,303,061	(7,315,339)	67,079,542
Coverage ratio	93.38%	89.41%	112.48%	92.52%

	2024			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	99,719	41,660,310	-	41,760,029
91 - 180 days	39,004,599	219,417,355	-	258,421,954
181-365 days	38,478,388	24,918,355	63,705,872	127,102,615
Over 1 Year	361,800,027	124,256,253	37,882,244	523,938,524
	439,382,733	410,252,273	101,588,116	951,223,122
Less: General and specific provision	580,287,914	283,462,578	56,068,017	919,818,509
Net of provision	(140,905,181)	126,789,695	45,520,099	31,404,613
Coverage Ratio	132.07%	69.09%	55.19%	96.70%

The credit quality of the Group's bank balances and investment portfolio are assessed with reference to external credit ratings which in all cases are above investment grade rating.

The analysis below summarises the credit rating quality of the Group's bank balances as at June 30, 2025 and June 30, 2024:

Bank balances	2025	2024
	Rupees	
AAA	565,552,740	711,104,232
AA+	426,339	760,598
AA	18,565,699	38,081,051
A+	304,776,165	39,600
AA-	157,553	589,453
A	-	558,375
State bank of Pakistan	1,064,050	1,010,240
	890,542,546	752,143,549

Impairment on bank balances has been measured on a 12-month expected credit loss basis, reflecting the short-term maturity of the exposure. The Company considers its bank balances to have low credit risk based on the external rating of the counterparty. The 12-month probabilities of default are based on historical data provided by the External Rating Agency for the relevant credit rating. The loss given default (LGD) parameters generally reflect assumed recovery rates in line with those set out in the Basel Guidelines for unsecured exposures.

The Group does not hold any other financial asset which are rated.

48.2.1 The Group applies the IFRS 9 simplified approach to measure expected credit losses for net investment in finance lease. To measure the expected credit losses, such financial assets have been grouped based on days past due. On that basis, the loss allowance as at June 30, 2025 and June 30, 2024 was determined as follows:

Net investment in finance lease

	2025			2024		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	Rupees					
Not yet due	0.06%	6,989,502,914	4,008,217	0.87%	6,967,592,107	60,551,226
1-30 days	0.29%	1,672,593,271	4,832,100	1.54%	3,418,342,450	52,520,900
31-90 days	1.60%	543,374,105	8,692,370	6.88%	1,039,939,330	71,514,163
91-365 days	45.81%	48,196,678	22,078,750	48.94%	103,302,863	50,551,296
More than 365 days	72.63%	413,048,912	299,981,722	72.31%	477,299,308	345,150,329
Total			339,593,159			580,287,914

For loans and other financial assets, a life time ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12 months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group also considers reasonable and supportive forward-looking information in determination of ECL.

48.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as these fall due. Liquidity risk arises because of the possibility that the Group will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2025				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	16,567,865,644	20,318,557,174	1,452,769,108	5,245,337,185	13,620,450,881
Privately placed term finance certificates	1,121,664,975	1,242,665,753	221,328,904	629,483,682	391,853,167
Certificates of deposit	3,174,286,837	3,727,814,139	515,438,922	2,140,203,107	1,072,172,110
Redeemable capital	5,682,548,521	5,633,455,000	3,059,455,000	2,471,800,000	102,200,000
Accrued and other liabilities	1,611,900,798	1,611,900,798	1,611,900,798	-	-
Lease liability against right of use asset	193,157,100	196,648,833	18,232,927	44,640,151	133,775,755
Unclaimed dividend	96,745,256	96,745,256	96,745,256	-	-
Short-term borrowings	2,073,380,343	2,304,406,360	141,176,089	2,163,230,271	-
	30,521,549,474	35,132,193,313	7,117,047,004	12,694,694,396	15,320,451,913

	2024				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	10,946,637,305	13,702,889,749	1,452,579,519	4,253,649,586	7,996,660,644
Privately placed term finance certificates	1,868,596,862	2,418,113,014	286,935,616	798,659,589	1,332,517,809
Certificates of deposit	5,727,015,327	6,835,432,575	955,785,574	4,583,129,989	1,296,517,012
Redeemable capital	4,408,551,639	4,287,535,000	1,164,405,000	2,980,730,000	142,400,000
Accrued and other liabilities	1,597,917,109	1,597,917,109	1,597,917,109	-	-
Lease liability against right of use asset	106,100,842	166,998,658	10,649,854	34,580,453	121,768,351
Unclaimed dividend	93,201,410	93,201,410	93,201,410	-	-
Short-term borrowings	1,683,561,376	2,179,997,341	161,662,527	2,018,334,814	-
	26,431,581,870	31,282,084,856	5,723,136,609	14,669,084,431	10,889,863,816

49 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group 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.

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The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associate is accounted for using the equity method.

Fair value of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, long term certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the accounting policy mentioned in note 3.10.5

In the opinion of management, fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Group 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 table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2025			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	20,337,366	-	20,337,366
Ordinary shares-listed	11,164,079	-	-	11,164,079
Financial assets at fair value through profit or loss				
Market treasury bills (T-bills)	-	2,182,958,179	-	2,182,958,179
Mutual funds	-	159,735,406	-	159,735,406
Non-financial assets				
Leasehold land & building *	-	965,951,564	-	965,951,564
Total	11,164,079	3,328,982,515	-	3,340,146,594

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

	2024			
Financial assets	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	18,766,206	-	18,766,206
Ordinary shares-listed	6,220,400	-	-	6,220,400
Financial assets at fair value through profit or loss				
Market treasury bills (T-bills)	-	2,560,551,321	-	2,560,551,321
Mutual funds	-	350,918,237	-	350,918,237
Non-financial assets				
Leasehold land & building *	-	1,000,130,432	-	1,000,130,432
Total	6,220,400	3,930,366,196	-	3,936,586,596

Item	Valuation approach and input used
Market Treasury bills	The fair value of Market Treasury bills is derived using PKRV rates. PKRV rates are is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Leasehold land and office building *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Ordinary Shares	The fair value of listed ordinary shares is determined using quoted price (unadjusted) listed on Pakistan Stock Exchange. The fair value of unlisted ordinary shares and units of mutual funds are determined using the Market Value approach.

* Leasehold land and building are carried at revalued amounts (level 2 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 5 to these consolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

50 CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its 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 a strong capital base to support the sustained development of its business.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every Investment finance company involved in deposit taking shall maintain a capital adequacy ratio of 8% of the Total Risk Weighted Assets (RWA) for the first two years after the amendment coming into force and thereafter at the rate of 10% of RWA. The Holding Company has maintained and complied with the minimum equity requirement during the current year.

	2025	2024
	Rupees	
Gearing ratio		
Total borrowings	18,809,495,029	13,315,621,036
Total equity	10,897,447,595	10,470,536,842
Gearing ratio (Total borrowings : Total equity)	1.7 : 1	1.3 : 1

Minimum Capital Requirement	2025	2024
	Rupees	
Core capital		
Paid-up Fund	1,754,076,471	1,754,076,471
Balance in Share Premium Account	1,501,683,072	1,501,683,072
General Reserves/ Surplus on Revaluation	874,562,239	898,306,747
Statutory Reserve	2,023,645,937	1,957,234,507
Un-appropriated Profit/(Loss)	4,104,060,657	3,745,824,107
Total core capital	10,258,028,376	9,857,124,904
Less:		
Intangible Assets	(12,797,894)	(679,832)
Investment in subsidiaries and strategic investments	(2,108,924,359)	(2,117,545,205)
	(2,121,722,253)	(2,118,225,037)
Eligible Core Capital	8,136,306,123	7,738,899,867
Supplementary Capital		
Revaluation reserves on investments eligible up to 50%	319,709,598	306,705,958
Total Capital	8,456,015,721	8,045,605,825
Risk weighted assets (RWA)	30,662,354,166	26,682,530,986
Total capital / RWA	27.58%	30.15%
Minimum capital requirement	10%	10%

51 EARNINGS PER SHARE - basic and diluted

	2025	2024
	Rupees	
Profit for the year after taxation attributable to equity holders of the Holding Company (Rupees)	1,303,189,813	1,419,116,803
Profit from continuing operations attributable to equity holders of the Holding Company (Rupees)	1,320,635,505	1,434,868,182
Weighted average number of ordinary shares	175,407,647	175,407,647
Earnings per share - basic and diluted (Rupees)	7.43	8.09
Earnings per share - continuing operations - basic and diluted (Rupees)	7.53	8.18

51.1 Diluted earnings per share has not been presented separately as the Holding Company did not have any convertible instruments in issue at June 30, 2025 and June 30, 2024 which would have had any effect on the earnings per share.

52 DISCONTINUED OPERATIONS

The results of workshop operations (discontinued) for the year are presented below:

	2025	2024
	Rupees	
Revenue	26,242,961	28,543,198
Elimination of intersegment revenue	(2,733,236)	-
External revenue	23,509,725	28,543,198
Expenses	50,444,182	54,793,219
Elimination of expenses related to inter-segment sales	(11,369,808)	(12,282,620)
External expenses	39,074,374	42,510,599
Result from operating activities	(15,564,649)	(13,967,401)
Income Tax	(2,022,243)	(1,844,578)
Result from operating activities - net of tax	(17,586,892)	(15,811,979)
Gain on sale of discontinued operation	141,200	60,600
Loss from discontinued operation net of tax	(17,445,692)	(15,751,379)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

53 NON-CONTROLLING INTEREST

	2025	2024
	Rupees	
NCI Percentage (%)	80%	80%
Non-current assets	5,547,832,042	5,107,485,882
Current assets	3,277,725,763	2,630,849,326
Non-current liabilities	(850,012,407)	(1,018,898,050)
Current liabilities	(6,633,291,981)	(5,475,844,459)
Net assets	1,342,253,417	1,243,592,700
Net assets attributable to non-controlling interest	1,073,802,734	994,874,160
Revenue	1,980,092,734	2,156,343,931
Profit for the year	174,076,845	157,737,187
Other comprehensive income	-	-
Total comprehensive income	174,076,845	157,737,187
Profit for the year attributable to non-controlling interest	139,261,476	126,189,750
Other comprehensive income attributable to non-controlling interest	-	-
Cash flows from operating activities	(871,607,594)	(1,034,348,418)
Cash flows from investing activities	72,638,177	83,365,172
Cash flows from financing activities	1,073,921,548	880,356,625
Net increase / (decrease) in cash and cash equivalents	274,952,131	(70,626,621)

Associates

Details about the Group's investment in an associate and summarised financial information are disclosed in note 9 of these consolidated financial statements.

54 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company in its meeting held on September 25, 2025 proposed a final cash dividend of Rs. 3.5 per share (2024: Rs. 3 per share) for the year ended June 30, 2025, amounting to Rs. 613,926,764 (2024: Rs. 526,222,941). This appropriation will be approved by the members of the Holding Company at the Annual General Meeting to be held on October 24, 2025. The consolidated financial statements for the year ended June 30, 2025 do not include the effect of the above appropriation which will be accounted for in the consolidated financial statements of the Group for the year ending June 30, 2026.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

55 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 25, 2025 by the Board of Directors of the Holding Company.

56 GENERAL

Figures reported in these consolidated financial statements have been rounded off to the nearest Rupee unless otherwise stated.

Shaheen Amin Chief Executive Officer	Rashid Ahmed Jafer Director	Abid Hussain Awan Chief Financial Officer

PATTERN OF SHAREHOLDING

As At June 30, 2025

NO OF SHAREHOLDERS	NO. OF SHARESHOLDINGS FROM	TO	Total Shares
1,407	1	100	39,142
560	101	500	142,373
250	501	1,000	185,101
542	1,001	5,000	1,328,266
154	5,001	10,000	1,120,321
87	10,001	15,000	1,084,087
38	15,001	20,000	684,216
30	20,001	25,000	681,073
22	25,001	30,000	593,437
15	30,001	35,000	494,486
19	35,001	40,000	723,368
13	40,001	45,000	572,942
22	45,001	50,000	1,080,393
11	50,001	55,000	571,863
3	55,001	60,000	178,120
6	60,001	65,000	379,486
5	65,001	70,000	336,924
2	70,001	75,000	147,009
2	75,001	80,000	160,000
1	80,001	85,000	80,800
2	85,001	90,000	179,622
2	90,001	95,000	186,931
5	95,001	100,000	496,607
5	100,001	105,000	514,153
1	105,001	110,000	109,200
5	110,001	115,000	560,177
1	120,001	125,000	125,000
5	125,001	130,000	636,075
1	130,001	135,000	133,756
1	135,001	140,000	138,126
6	145,001	150,000	893,523
1	155,001	160,000	160,000
2	160,001	165,000	327,540
2	165,001	170,000	335,500
1	170,001	175,000	175,000
1	185,001	190,000	189,105
1	195,001	200,000	200,000
1	200,001	205,000	202,105
1	205,001	210,000	205,500
1	210,001	215,000	211,014
1	215,001	220,000	220,000
1	230,001	235,000	234,000
2	245,001	250,000	500,000

NO OF SHAREHOLDERS	NO. OF SHARESHOLDINGS FROM	TO	Total Shares
1	255,001	260,000	260,000
2	270,001	275,000	545,514
2	295,001	300,000	600,000
1	305,001	310,000	310,000
1	330,001	335,000	334,475
1	375,001	380,000	378,630
1	390,001	395,000	391,455
1	395,001	400,000	400,000
1	410,001	415,000	412,500
1	425,001	430,000	428,318
1	430,001	435,000	431,000
1	455,001	460,000	456,526
1	460,001	465,000	460,460
1	470,001	475,000	473,000
1	495,001	500,000	500,000
1	500,001	505,000	500,630
1	505,001	510,000	506,520
1	525,001	530,000	526,092
1	540,001	545,000	544,000
1	545,001	550,000	550,000
1	555,001	560,000	555,475
2	595,001	600,000	1,198,000
3	660,001	665,000	1,988,533
1	675,001	680,000	680,000
1	690,001	695,000	693,000
1	695,001	700,000	697,620
1	905,001	910,000	910,000
1	935,001	940,000	937,932
1	945,001	950,000	945,400
2	1,060,001	1,065,000	2,125,828
1	1,995,001	2,000,000	1,997,100
1	2,050,001	2,055,000	2,053,000
1	2,205,001	2,210,000	2,206,285
1	4,055,001	4,060,000	4,055,500
1	5,860,001	5,865,000	5,861,713
1	7,205,001	7,210,000	7,209,229
1	10,270,001	10,275,000	10,270,447
1	17,535,001	17,540,000	17,537,223
1	86,955,001	86,960,000	86,959,901
3,283			175,407,647

CATEGORIES OF SHAREHOLDING

As At June 30, 2025

CATEGORIES OF SHAREHOLDERS		Number of Shareholders	Number of Shares Held	Percentage
1	**Directors, Chief Executive Officer, and their spouse and minor children**			
	MR. KHALID AZIZ MIRZA		630	
	MR. RASHID AHMED JAFAR		500	
	MR. ANWAR MANSOOR KHAN		2,500	
	MR. RAMON ALFREY		49,908	
	MR. SHAHEEN AMIN		550,630	
		8	604,168	0.34
2	**Executives**	7	34,179	0.02
3	Associated Companies, Undertakings and related Parties			
	ORIX Corporation	2	86,960,515	49.58
4	NIT and ICP	-	-	-
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	4	262,291	0.15
6	Insurance Companies	4	18,689,151	10.66
7	Modarabas and Mutual Funds	2	714	0.00
8	Share holders holding 10%	2	86,960,515	49.58
9	Foreign Companies	2	6,261,785	3.57
10	General Public :			
	a. local	3,210	59,429,037	33.88
	b .Foreign	-	-	-
11	Others	44	3,165,807	1.80
	Total (excluding : share holders holding 10%)	**3,283**	**175,407,647**	**100**

Shareholders holding five percent or more voting rights

ORIX Corporation	86,960,515	49.58
State Life Insurance Corporation of Pakistan	17,537,223	9.99
Atiqa Begum	11,334,207	6.46
Total	**115,831,945**	**66.03**

Details of purchase / sale of shares by Directors, Executives and their spouses during 2025:

S. No	Name	Date of Transaction	Number of	Purchase
1	Mr. Anwar Mansoor Khan Independent Director	21-Oct-24	2,500	29.58
2	Mr. Shahzad Rana Younus Assistant General Manager	4-Nov-24 5-Nov-24	6,000 464	29.50 29.50

PROXY FORM

I / We ____

of (full address) ____

being a Member of OLP Financial Services Pakistan Limited here by appoint ____

of (full address) ____

____

____

or failing him/her ____

of (full address) ____

as my/our proxy (the Proxy) to attend and vote for me and on my behalf at the Thirty Ninth Annual General Meeting of the Company to be held on October 24, 2025 and at any adjournment thereof.

Signature this ______________________________ Year 2025

(Day) (Date, month)

Please affix revenue stamp

Signature of Member: ______________________________

Folio/CDC Number: ______________________________

The number of shares held: ______________________________

Signature and Company Seal

Signatures and addresses of witnesses

1. ____
2. ____

Note:

1. A Member entitled to attend and vote at the General Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy needs to be a Member of the Company.

2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized.

3. The instrument appointing a Proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of a power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.

4. An individual Beneficial Owner of the Central Depository Company entitled to attend and vote at this meeting must bring the original Computerized National Identity Card (CNIC) or Passport to prove identity. In case of Proxy, it must enclose an attested copy of the CNIC or Passport. The representative of corporate entity shall submit the Board of Directors' resolution or power of attorney with specimen signature (unless it has been provided earlier) along with the Proxy Form to the Company.

پراکسی فارم

میں مسمی / مسماۃ ________ ساکن ________

________ ضلع ________

بحیثیت ممبر او ایل پی فنانشل سروسز پاکستان لمیٹڈ، مسمی / مسماۃ ________ ساکن ________

____

کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے انتالیسویں (39) سالانہ اجلاس عام جو بتاریخ 24 اکتوبر 2025 منعقد ہو رہا ہے، میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

ڈاک ٹکٹ

چسپاں کریں

دستخط کی تاریخ ________

ممبر کا دستخط ________

فولیو نمبر ________

حصص کی تعداد ________

دستخط اور کمپنی کی مہر

گواہوں کے دستخط اور پتے

1 ________

2 ________

نوٹ

1 اجلاس عام میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کے لئے اپنا پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسی کا کمپنی ممبر ہونا ضروری ہے۔

2 یہ فارم ممبر یا اس کے مختار کی جانب سے جسے تحریری طور پر دیا گیا ہو، کی جانب سے دستخط کیا جائے۔ اگر ممبر کوئی کارپوریشن ہے تو اس کی عام مہر موجود ہونی چاہیے۔

3 پراکسی کی تقرری کے دستاویز مختار نامہ یا دیگر دستاویز جس کے تحت تقرری ہوئی یا مختار نامہ کی تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرائی ہوگی۔

4 سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی بھی منسلک کرنی ہوگی۔ پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / مختار نامہ بمعہ نمونہ دستخط ہمراہ پراکسی فارم جمع کرانا ہوں گے۔

GEOGRAPHICAL PRESENCE

Head Office / Registered Office
OLP Building, Plot No. 16, Sector No. 24,
Korangi Industrial Area, Karachi
Tel: 021-35144029-40
Fax: 021-35144002, 35144020, 35144090-91
UAN: 111 24 24 24
Email: olp@olpfinance.com
Website: www.olpfinance.com

COD Office – DHA
Ground Floor at 112-C/I,
AL-Murtaza Commercial Lane-III,
DHA Phase VIII, Karachi.
Tel: 021-35350560-63

KBW - Karachi
Plot # 151-A, Shop No. 9 & 10,
Datari Arcade, P.E.C.H.S, Block-2.
Tel: 021-35143752-5

Hyderabad
First Floor, State Life Building,
Thandi Sarak.
Tel: 022-2784143, 2720397
Fax: 022-2785388

Sukkur
Shop No. 33 & 34, New City Bungalows,
Shikarpur Road.
Tel: 071-5807031-32

Multan
Plot # 116, Pull Moj Darya,
LMQ Road Multan.
Tel: 061- 4518431-3, 4518435-6
Fax: 061-4518436
UAN: 111 24 24 24

Rahim Yar Khan
Plot No. 26, Main Street
Businessman Colony, Rahim Yar Khan.
Tel: 068-5888565, 5887617-8
Fax: 068-5887618

Bahawalpur
Ground Floor, Near Cantonment Office Board
Ahmed Pur East Road, Bahawalpur
Tel: 062-9255382, 9255494
Fax: 062-2886273

Vehari
137, Block-D, Vehari
Tel: 067-3360351 – 3

Lahore
76-B, E-1, Main Boulevard,
Gulberg III
Tel: 042-35782586-93
Fax: 042-35790488
UAN: 111 24 24 24

Thokar Niaz Baig
1st floor, 55th Avenue,
Lalazar Commercial Market, Raiwind Road,
Tahoka Niaz Baig, Lahore
Tel: 042-35963581-84

DHA Lahore Office
1st Floor, Building 103, CCA 1,
Sector C, DHA – Phase 6, Lahore.
Tel: 042-37260261

Faisalabad
3rd Floor, Sitara Towers, Bilal Chowk,
Civil Lines, Faisalabad
Tel: 041-2633926, 2633811-3
Fax: 041-2633927
UAN: 111 24 24 24

Sargodha
Khan Arcade, 66 Old Civil Lines,
Katchery Road, Sargodha
Tel: 048-3729521
Fax: 048-3729522

Sahiwal
Plot No. 174/28, Ground Floor,
New Civil Lines, Katchery
Road, Sahiwal.
Tel: 040-4227613-4
Fax: 040-4227615

Jhang
Church Road, Near Government
Girls College Chowk, Jhang
Tel: 047-7650421-2
Fax: 047-7650423

Sialkot
1st Floor, Ghoolam Kadir Arcade,
Aziz Shaheed Road, Sialkot Cantt.
Tel: 052-4260616, 4260877
UAN: 111 24 24 24

Gujrat
Office No.1, First Floor, Empire Centre,
Opp. Small Industrial Estate Gate No. 1,
G.T. Road, Gujrat
Tel: 053-3726053-55

Gujranwala
333, First Floor, Civic Centre, Main
G.T Road, Gujranwala
Tel: 055-3731021-22
Fax: 055-3250599

Islamabad
Ground Floor, State Life Building No. 5,
Nazimuddin Road, Blue Area, Islamabad
Tel: 051-2822800-2, 2821706, 2821748
Fax: 051-2821917
UAN- 111 24 24 24

Rawalpindi
Ground Floor, Abdullah Tower, Plot-14 Westeria Road,
Giga downtown Sector A, DHA, Phase- 2,
Main GT Road - Rawalpindi.
Tel: 051-5147264 - 68

Chakwal
Ground Floor, Opposite Sadar Police Station
Talagang Road Chakwal
Tel: 0543-666221, 666052-53
Fax: 0543-666054

Mirpur A.K.
1st floor, Jarral plaza, 63/F, Sector F-1,
Kalli Road, Mirpur, A.K
Tel: 05827-434368, 451219
Fax: 05827-432216

Taxila
1st Floor, Raja Business Tower,
Plot No. 1023/1028, Taxila Cantt
Main G.T Road, Taxila
Tel: 051-4254473, 4254475, 4254476

Peshawar
Ground Floor, State Life Building
The Mall
Tel: 091- 5278647, 5279789, 5285541, 5285520
Fax: 091-5273389,
UAN: 111 24 24 24

Abbottabad
Yousaf Jamal Plaza, Near HBL
Mansehra Road.
Tel: 0992-343888, 343188
Fax: 0992-405856

Mingora
First Floor, Shahzad Plaza, Makan Bagh,
Saidu Road, Mingora Swat
Tel: 0946 -722620
Fax: 0946 -722621

Kohat
Ground Floor, Saad Ullah Shah Market,
Near Kachehri Chowk, Kohat City
Tel: 0922- 512564-5

SEAD Division
Sharaqpur Sharif
Opposite Khushali Microfinance Bank,
Main Lahore Jaranwala Road, Sharaqpur Sharif
Tel: 056-2590021

Morre Khunda
Opposite Rice Mill, Main Jarranwala Road,
Morre Khunda, District Nankana Sahib
Tel: 056-2442371

Ferozewala
Opposite Punjab Flour Mill, Near Rachna Town,
G.T. Road Shahdara, Ferozewala District Sheikhupura.
Tel: 042-37340711

AAA | A1+
Long Term Short Term
Credit Rating by VIS: September 11, 2025

AA+ | A1+
Long Term Short Term
Credit Rating by PACRA: February 28, 2025

OLP FINANCIAL SERVICES PAKISTAN LIMITED
(Formerly ORIX Leasing Pakistan Limited)
OLP Building, Plot No. 16, Sector No. 24, Korangi Industrial Area,
Karachi 74900 Tel: (021) 3514 4029-40 UAN: 111 24 24 24
/olpfinance | /company/olpfinance